

Transportation and Utilities Committee

Agenda

Wednesday, July 21, 2021

9:30 AM

Public Hearing

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Alex Pedersen, Chair Dan Strauss, Vice-Chair M. Lorena González, Member Lisa Herbold, Member Tammy J. Morales, Member Debora Juarez, Alternate

Chair Info: 206-684-8804; Alex.Pedersen@seattle.gov

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Transportation and Utilities Committee Agenda July 21, 2021 - 9:30 AM

Public Hearing

Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Committee Website:

http://www.seattle.gov/council/committees/transportation-and-utilities

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.

Register online to speak during the Public Comment period at the 9:30 a.m. Transportation and Utilities Committee meeting at http://www.seattle.gov/council/committees/public-comment.

Online registration to speak at the Transportation and Utilities Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Pedersen at <u>Alex.Pedersen@seattle.gov</u>

Sign-up to provide Public Comment at the meeting at http://www.seattle.gov/council/committees/public-comment

Watch live streaming video of the meeting at

http://www.seattle.gov/council/watch-council-live

Listen to the meeting by calling the Council Chamber Listen Line at

253-215-8782 Meeting ID: 586 416 9164

One Tap Mobile No. US: +12532158782,,5864169164#

Please Note: Times listed are estimated

- A. Call To Order
- B. Approval of the Agenda
- C. Public Comment
- D. Items of Business
- 1. Appt 01987 Reappointment of Mikel Hansen as member, City Light Review Panel, for a term to April 12, 2024.

Attachments: Appointment Packet

Briefing, Discussion, and Possible Vote

Presenter for Items 1 - 5: Leigh Barreca, Seattle City Light (SCL)

2. Appt 01919 Appointment of Timothy O. Skeel as member, City Light Review

Panel, for a term to April 10, 2023.

Attachments: Appointment Packet

Briefing, Discussion, and Possible Vote

3. Appt 01988 Appointment of Leo L. Lam as member, City Light Review Panel,

for a term to September 30, 2022.

<u>Attachments:</u> Appointment Packet

Briefing, Discussion, and Possible Vote

4. Appt 01989 Appointment of Kerry Lynn Meade as member, City Light Review

Panel, for a term to April 30, 2024.

<u>Attachments:</u> <u>Appointment Packet</u>

Briefing, Discussion, and Possible Vote

5. Appt 01990 Appointment of Joel Paisner as member, City Light Review Panel,

for a term to April 30, 2024.

<u>Attachments:</u> <u>Appointment Packet</u>

Briefing, Discussion, and Possible Vote

6. Appt 01991 Appointment of Gretchen Glaub as member, Seattle Public

Utilities 2018-2023 Strategic Business Plan Customer Review

Panel, for a term to July 31, 2024.

<u>Attachments:</u> <u>Appointment Packet</u>

Briefing, Discussion, and Possible Vote

Presenters for Items 6 - 10: Mami Hara, General Manager and CEO,

and Catherine Morrison, Seattle Public Utilities (SPU)

7. Appt 01992 Appointment of Maria McDaniel as member, Seattle Public Utilities

2018-2023 Strategic Business Plan Customer Review Panel, for a

term to July 31, 2024.

Attachments: Appointment Packet

Briefing, Discussion, and Possible Vote

8. Appt 01993 Appointment of Khalid Mohamed as member, Seattle Public

Utilities 2018-2023 Strategic Business Plan Customer Review

Panel, for a term to July 31, 2024.

Attachments: Appointment Packet

Briefing, Discussion, and Possible Vote

9. Appt 01994 Appointment of Tiffany Sevilla as member, Seattle Public Utilities

2018-2023 Strategic Business Plan Customer Review Panel, for a

term to July 31, 2024.

Attachments: Appointment Packet

Briefing, Discussion, and Possible Vote

10. Appt 01995 Appointment of Miki Sodos as member, Seattle Public Utilities

2018-2023 Strategic Business Plan Customer Review Panel, for a

term to July 31, 2024.

<u>Attachments:</u> <u>Appointment Packet</u>

Briefing, Discussion, and Possible Vote

11. CF 314451 Petition of Seattle City Light to vacate a portion of Diagonal

Avenue South, west of 4th Avenue South.

<u>Attachments:</u> <u>Vacation Petition</u>

SDOT Diagonal Way Vacation Recommendation

Supporting

<u>Documents:</u> <u>Presentation</u>

Central Staff Memo

Public Hearing, Briefing, and Discussion

Presenters: Beverly Barnett and Hallie O'Brien, Seattle Department of Transportation; Tim Croll, SCL; Michael Jenkins, Seattle Design

Commission; Mike Schwindeller, Parks and Recreation; Lish Whitson,

Council Central Staff

12. Presentation: 2020 Outside Financial Audit of Seattle City Light

<u>Supporting</u>

Documents: Presentation

Audit Financial Statements

Audit Results

Briefing and Discussion

Presenters: Debra Smith, General Manager and CEO, Kirsty Grainger, Mike Simmonds, and Maura Brueger, SCL; Aaron Worthman, Baker

Tilly US, LLP; Eric McConaghy, Council Central Staff

13. CB 120128

AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

Supporting

<u>Documents:</u> <u>Summary and Fiscal Note</u>

Summary Ex A – Drainage and Wastewater Rate Study

<u>Presentation</u>

Briefing and Discussion

Presenters for Items 13 - 15: Mami Hara, General Manager and CEO, and Maria Coe, SPU; Brian Goodnight, Council Central Staff

14. CB 120129

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

Supporting

Documents: Summary and Fiscal Note

Summary Ex A - Drainage and Wastewater Rate Study

Presentation

Briefing and Discussion

15. CB 120130 AN ORDINANCE relating to rates and charges for water services

of Seattle Public Utilities; revising water rates and charges, and

credits to low-income customers; and amending Sections

21.04.430, 21.04.440, and 21.76.040 of the Seattle Municipal Code.

Supporting

Documents: Summary and Fiscal Note

Summary Ex A - 2022-23 Retail Water Rate Study

Presentation

Briefing and Discussion

E. Adjournment



600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01987, Version: 1

Reappointment of Mikel Hansen as member, City Light Review Panel, for a term to April 12, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Mikel Hansen					
Board/Commission Name:		Position Title:			
City Light Review Panel		Commercial Customer			
		Representative, Position 5			
	City Council Conf	irmation required?			
Appointment OR Reappointment	X Yes				
	No				
Appointing Authority:	Term of Position:	*			
City Council	4/13/2021				
Mayor	to				
Other: Fill in appointing authority	4/12/2024				
	-	ng term of a vacant position			
	<u> </u>	ontact Phone No.:			
3	Insert zip code				
	Loue				
Background:	, ,				
Mikel Hansen is the COO for Sobey Corporation,		, , , ,			
commercial & data center properties. He has been rate meetings with Seattle City Light throughout	•	5 . 5			
Trate meetings with Seattle City Light throughout	the last 15 years.	•			
Authorizing Signature (original signature):	Appointing Sign	_			
Canal . A. Durken	Jenny A. Durkan				
Jerring	Mayor of Seattle				
(pate Signed (appointed):					
7/7/2021					
11112021					

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

MIKEL HANSEN | SABEY CORPORATION



CHIEF OPERATING OFFICER

Mikel Hansen's experience with large, complex properties was established prior to joining Sabey, when he spent nearly 20 years managing some of the nation's largest shopping malls. He eventually returned to his home in the Northwest to manage Southcenter Mall, the largest mall in Washington.

For the past seventeen years he has led the Sabey Property Management Team and is responsible for the management and operations of Sabey's over four million-square-foot diverse portfolio including commercial, office, medical, warehouse and data center uses. As part of Sabey's Development group, Mikel has taken the lead in executing complex entitlement efforts, negotiating land acquisitions, property sales and re-zonings. He leads Sabey's improvement initiatives such as utility installations and transportation support improvements.

Mr. Hansen serves as Sabey's representative to a variety of municipalities and agencies. His energy and commitment to the community is exemplary. He works closely with local jurisdictions and with social initiatives that contribute to the growth and well-being of the communities with which Sabey partners.

City Light Review Panel

9 Members: Pursuant to Ordinance 123256, all members subject to City Council confirmation, 3-year terms:

- 4 City Council- appointed
- 5 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	М	3	1.	Economist	Timothy Skeel	4/11/20	4/10/23	1	Mayor
6	М	4	2.	Financial Analyst	Scott Haskins	4/12/20	4/11/23	1	City Council
6	F		3.	Non-Profit Representative	Kerry Lynn Meade	5/1/21	4/30/24	1	Mayor
6	М	6	4.	Residential Customer Representative	Leo L. Lam	10/1/19	9/30/22	1	City Council
6	М		5.	Commercial Customer Representative	Mikel Hansen	4/13/21	4/12/24	2	Mayor
6	F	4	6.	Industrial Customer Representative	Anne Ayre	10/1/19	9/30/22	1	City Council
			7.	Low-Income Customer Representative	Vacant	4/13/21	4/12/24		Mayor
6	М	4	8.	Member at Large	John Putz	10/1/19	9/30/22	2	City Council
6	M		9.	Suburban Franchise Representative	Joel Paisner	5/1/21	4/30/24	1	Mayor

SELF-	-IDEN	TIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	3	1								4			
Council	3	1			1					3			
Other													
Total	6	2			1					7			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A



600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01919, Version: 1

Appointment of Timothy O. Skeel as member, City Light Review Panel, for a term to April 10, 2023.

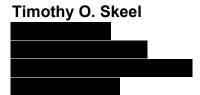
The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name:					
Timothy O. Skeel					
Board/Commission Name:		Position Title:			
City Light Review Panel	Economist, Position 1				
Appointment <i>OR</i> Reappointment	City Council Confi	rmation required?			
	∐ No				
Appointing Authority: City Council Mayor Other: Fill in appointing authority	Term of Position: * 4/11/2020 to 4/10/2023				
		g term of a vacant position			
Residential Neighborhood: Central District, District 3	Zip Code: Co 98122	ntact Phone No.:			
Background: Mr. Skeel has thirty-five years of experience appropriate public policy, including transportation and expenditure optimization, life cycle costing, risk social and environmental (triple bottom line) value benefit/cost analysis, utility rate setting, and fire	d utility asset mand assessment, integr aluation, modeling,	agement, capital and O&M rated resource planning, non-market econometrics, demand forecasting,			
He has held positions that include Principal Econo Department of Transportation, Director of Asse instructor at the University of Washington and Montana Department of Natural Resources and Consultant.	t Management Ser North Seattle Comr	vices for CH2M Hill, Economics munity College, Economist for the			
Mr. Steel received a Master's degree in Econom 1983 and has completed all requirements for Pl	•	, , , , , , , , , , , , , , , , , , , ,			
Authorizing Signature (original signature):	Appointing Sign	atory:			
Jenny A. Durken	Jenny A. Durkan				
Date Signed (appointed):	Mayor of Seattle				
3/30/2021					

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.



Thirty-five years of experience applying economic principles, research and analysis to guide public policy, including transportation and utility asset management, capital and O&M expenditure optimization, life cycle costing, risk assessment, integrated resource planning, non-market social and environmental (triple bottom line) valuation, modeling, econometrics, demand forecasting, benefit/cost analysis, utility rate setting, and financial forecasting and analysis.

Positions include Principal Economist for the City of Seattle at Public Utilities and the Department of Transportation, Director of Asset Management Services for CH2M Hill, Economics instructor at the University of Washington and North Seattle Community College, Economist for the Montana Department of Natural Resources and independent Asset Management Economics Consultant.

Received Master's degree in Economics from the University of Washington in Seattle, WA, 1983 (completed all requirements for Ph.D. except dissertation).

Experience

Economics and Asset Management Consulting Services, 2018 – Present

Provided independent asset management consulting services, including benefit/cost, business case, and financial analyses to Pierce County Transit (Tacoma, WA), Portland General Electric (Portland, OR) and Seattle Public Utilities (Seattle, WA)

Principal Economist/Consultant, Asset and Performance Management, Seattle Department of Transportation, Seattle, WA, 2014 – 2019

Developed economic decision models and business tools to assist SDOT better manage expenditures to realize best value over cost. Represented the department as its primary authority on the economics and financing of optimal capital and O&M expenditures on its assets. Advised department executives on economic principles, optimal expenditure strategies, and best practices of asset management. Gave written and oral presentations to management, citizen advisory boards, other agencies and organizations about research and analyses on economics and financing of asset life-cycle costing, benefit/cost analyses, risk models, and optimal capital investment strategies. Conducted research and analyses of economic and financial data on asset operation, maintenance, repair and replacement expenditures for economic prioritization models, financial models, and long-range resource planning, including models for pavement, traffic signals, sidewalks, bridges and structures. Developed and used databases for

economic analyses and asset expenditure optimization models. Analyzed the economic impacts of alternative asset investment strategies, determined project and program costs and benefits, and impacts of legislation, regulations, policies and projects. Incorporated analyses of equity impacts of projects and programs to support department goals in promoting diversity, race, and social justice. Conducted collaborative research and analysis with other work groups and organizations. Represented the department in efforts involving research and analysis, asset management best practices, and Transportation Asset Management conference presentations. Developed and gave presentations, participated in webinars, and provided analytical and technical expertise to outside groups, agencies and other transportation departments. Supervised professional technical staff involved in economic and statistical research, analyses and modeling.

Principal Economist/Strategic Advisor, Director's Office of Strategic Asset Management, Seattle Public Utilities, Seattle, WA, 2003 – 2009, 2011 - 2014

Helped shape and launch the utility's ongoing asset management program. Responsibilities included developing a structure for benefit/cost analysis evaluation of utility expenditures, managing the training of 200 key SPU employees in principles of optimal asset management, including whole-of-life cost, non-market economic valuation, value engineering, benefit/cost analysis, risk assessment, and customer-centered perspective. Developed a "Quick Start Guide to Business Cases" and template for use at SPU in capital and program investments; a model to forecast long run financial requirements for physical assets based on risk cost and optimal life cycle asset management decisions; a methodology for determining optimal infrastructure investment decisions; models used for optimal infrastructure replacement and optimal heavy equipment and fleet investments; economic structure for optimal maintenance strategy; data and methodology for asset costing; and optimal investment in asset information.

Provided ongoing review and guidance to business unit managers on asset management principles and review and approve business cases prior to funding. Promoted cultural "change management" efforts to establish asset management principles at all levels of decision making at SPU. Gave advice and recommendations to the SPU Director and Executive Team regarding optimal expenditure and policy decisions. Managed formal Value Engineering program to increase value and reduce cost of large capital projects.

Economics Instructor, North Seattle Community College, Seattle, WA, 2012 – 2013

Taught undergraduate micro- and macroeconomics principles courses, Econ 201 and 202.

Director, Asset Management Services, O&M Business Group, CH2M Hill, Denver, CO, 2010

Developed Economic decision models and business tools to assist clients better manage business value and cost. Models included optimal capital replacement timing, optimal operation and maintenance expenditures, risk cost analysis, benefit-cost templates, project opportunity decision framework. Implemented programs to use benefit-cost analysis in decision making for utilities, cities and other clients.

Consulting Economist, US Agency for International Development, Amman, Jordan, 2003

Developed water demand management data and analysis framework and work plan for Jordan's Ministry for Water and Irrigation under contract with USAID.

Principal Economist, Resource Management, Seattle Public Utilities, Seattle, WA, 1996 – 2003

Developed SPU's "Conservation Potential Assessment" to determine the least-cost investment path to meet growth in customers. Managed ongoing research and evaluation of integrated supply and demand-management investments to ensure cost-effective delivery and continuous improvement in cost of service. Developed program for incorporating social and environmental costs and benefits into utility investment and policy decisions. Initiated life-cycle cost analysis of utility infrastructure to optimize investment decisions. Participated in development of long range utility policy for infrastructure investments, service and risk. Presented analysis results and proposed strategies to management, elected officials and technical audiences.

Senior Economist, Rates and Finance, Seattle Water Department, 1986 – 1996

Responsible for utility water demand forecasting, economic, rate and financial analyses. Developed and maintained econometric demand forecasting models and databases used in rate setting, water conservation program planning and evaluation, integrated resource planning, and utility policy analysis. Developed state of the art integrated demand-supply-cost model used in long range water comprehensive planning. Rate setting work included development of utility revenue requirements, cost allocation to customer classes, and design of seasonal rates. Developed marginal cost methodology and applied marginal cost rate model. Presented results of planning, forecasting, rates and economic analyses to citizen advisory committees, City Council, Mayor's Office, utility managers and technical staff. Responsible for managing consultant contracts involving rate studies, comprehensive system planning, forecasting, databases and model development.

Economics Instructor, University of Washington, Seattle, WA, 1982 – 1986

Taught undergraduate micro- and macroeconomics principles courses, Econ 201 and 202.

Economist, Montana Department of Natural Resources, Helena, MT, 1978 – 1981

Provided economic and financial analyses for Environmental Impact Statements under Montana's Environmental Policy and Major Facility Siting Acts. Experience included benefit-cost analyses, evaluation of alternative financing structures, assessment of project need, and energy demand forecasting. Other responsibilities included managing consultant contracts, analyzing energy legislation, and supporting development of state conservation policies and legislation.

Education

M.A. Economics, 1983. University of Washington, Seattle (completed all requirements, course work and exams for Ph.D., except dissertation). Fields of specialization: Public Finance, Natural Resource Economics and Labor Economics.

B.A. Economics, 1978. University of Montana, Missoula.

Publications and References

Presented numerous papers and talks at conferences and panels locally, nationally and internationally, including: Transportation Research Board; Society for Advancement of Value Engineering International; American Water Works Association; American Water Resources Association; National Water Resources Association; Water Utility Infrastructure Association; International Water Association; World Water Forum; Global Water Challenge; International Conference on Wadi Hydrology; Sustainable WASH; Environmental Finance Center; Western Economics Association; Society for Benefit-Cost Analysis; Water Environment Federation; and Seattle Management Association.

References will be provided on request.

City Light Review Panel

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- 4 City Council- appointed
- 5 Mayor- appointed

Roster:

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RD Residential Council District number 1 through 7 or N/A



600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01988, Version: 1

Appointment of Leo L. Lam as member, City Light Review Panel, for a term to September 30, 2022.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Leo L. Lam					
Board/Commission Name: City Light Review Panel		Position Title: Residential Customer Representative, Position 4			
Appointment OR Reappointment	City Council Co	nfirmation required?			
	Term of Position: * 10/1/2019 to 9/30/2022				
Residential Neighborhood:	Zip Code: 98103	ning term of a vacant position Contact Phone No.:			
Background: Mr. Lam has been a Seattleite for over 20 years, University of Washington and a keen researcher energy supply chain. Mr. Lam strongly believes to must be part of the solutions to both climate chanation. Mr. Lam is an innovative executive leader with ediscipline engineering, product design, and strate improvement. He has strong background in man excels in leading organizations through strategic implementation of large, complex initiatives that skill set. He has proven the ability to lead, motiv initiate transformational solutions creating a hig growth.	ein sustainabilit chat City Light a ange and equal expertise in mul- egic consulting ket research an planning, creat t dramatically in ate, and integra	y, he cares deeply about Seattle's and the energy culture of the country ity issues faced by the City and the tiple arenas ranging from multito business development and process discientific communications. Mr. Lamitive solution development, and improve performance through a unique ate cross-functional teams and to			
Authorizing Signature (original signature):	Appointing S	ignatory:			
Ally Pal	Alex Pedersen Councilmember – District 4				
Date Signed (appointed):					

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

LEO L. LAM, Ph.D.

SCIENTIFIC & BUSINESS DEVELOPMENT LEADERSHIP

Innovative executive leader with expertise in multiple arenas ranging from multi-discipline engineering, product design, and strategic consulting to business development and process improvement. Strong background in market research and scientific communications. Adept in design and creative endeavors including fashion photography, user experience design and commercial productions. Excel in leading organizations through strategic planning, creative solution development, and implementation of large, complex initiatives that dramatically improve performance through a unique skill set. Proven ability to lead, motivate, and integrate cross-functional teams and to initiate transformational solutions creating a high-performing workforce and accelerating strategic growth.

Core Competencies:

Management/Leadership ● Program Management ● Business Change and Adoption ● Teaching/Mentoring ● Public Speaking and Communication ● Finance Strategic Planning and Analysis ● Market Research ● Financial Modeling ● Entrepreneurship

PROFESSIONAL EXPERIENCE

WEVE Design, Seattle, WA

2018-Present

Established to acquire one of the oldest luxury brands in Seattle, Lawrence & Scott. **CEO**

- Acquired and thoroughly updated the 61 year-old luxury lighting and interior design product company, rescued it from a six figure loss to profitability, saving good paying jobs in the process.
- Re-designed the full-line of product, introduced 30+ new items in the first year, and changed the
 sales experience focusing on the customers. Increasing brand presence through multiple online
 platforms resulting in new sales to 42 States and now shipping to over 30 countries.
- Re-imagined the sale process during COVID-19, developed the Exact Color Support™ program to facilitate interior designers working remotely, leading to a 69% increase in revenue in 2020 despite shutdown.
- Optimized manufacturing processes and reduced lead time from 4 weeks to 5 days, an industry leading record, while increasing employees pay to \$50k minimum, with 100% employee retention.
- Won multiple product design awards from 2019 to 2020 from the APEX Design Award and the Design Journals for the fully sustainably, and locally produced Malmo line of lighting products.
- With a new focus in sustainability, achieved Envirostar Tier 3 certification in under 1 year.

FOLILO, Strategic Consulting, Seattle, WA Principal

2013-present

- Value and empathy-based sales consulting for multiple product launches (SQL Server, Azure, Azure Stack etc.), affecting over \$2 billion+ in revenue. Tool developed used by enterprise sales teams at Microsoft.
- Consulted in areas from technology (MEMS, medical software, hardware, sensors) to consumer products and services.
- Advised and coached four award winning companies in the University of Washington Business Plan Competition.

Womens Business Incubator, Seattle, WA Founding Board Member, Treasurer

2015-present

Leo L. Lam, Ph.D. Resume, Page 2

A non-profit with a mission to achieve gender equity in entrepreneurship, in the workplace, and at home.

- Co-founded WBI and its subsidiary The Inc. Coworking + Playschool with a team of professional women to address the inequality in workplace due to motherhood.
- Co-developed and designed the vision and mission of the organization, and setting up a sustainable business and financing model, with 30% YoY growth in services rendered before COVID-19.
- Led financial mitigation and pivoting initiatives during the COVID-19 crisis to maintain services to over 100 essential, and underserved, workers families in the North Seattle area.

SANSAIRE, Seattle, WA 2014-2016

Sansaire was the #1 food product launched on Kickstarter in 2013, with \$800k in their initial campaign. **Director of Engineering/Sales**

- Brought in to provide leadership in defining and developing the next generation of products bringing it to the realm of the Internet of Things ecosystem.
- As the product visionary in conjunction with the CEO, produced a product roadmap for the next five years, providing fundamental research and validation for the next generation of products, using forward looking technology forecasts, IP positions and market trends.
- As the Director of Sales for three months, based on global sales trend data, established and built the
 distributorship network in strategic regions, specifically in Scandinavia, Europe and Asia, providing
 access to the largest retailers in the region, with new sale volume at over \$1.5 M in 2015.
- · Assisted in hiring Sansaire's first sales manager, providing mentorship, and training.

UNIVERSITY OF WASHINGTON, DEPT. OF ELECTRICAL ENGINEERING, Seattle, WA 2005-2014 Lecturer

- Award-winning lecturer for sophomore and junior level analog circuit, signal processing, semiconductor
 devices courses and mentoring undergraduate researchers, consistently achieving the highest teaching
 rating in the College of Engineering and was nominated for 13 teaching awards at the department,
 college and university levels.
- Assisted in graduate level microfabrication and semiconductor device physics classes. Helped department revise the curriculum and course material to better students' understanding of the core materials.
- Judged and mentored over 50 teams in the senior level Entrepreneurship class (Create a Company) for the past five years at the Foster School of Business. Regular Coach and Judge for the Business Plan Competition for the past 9 years.

FASHION PHOTOGRAPHER & ART DIRECTOR, Seattle, WA

2004-Present

- Award winning fashion photographer published globally on four continents including projects on fashion campaigns, commercial productions, corporate rebranding, and magazine editorials.
- Clients include AT&T, Condé Nast, Random House, Tamron USA, Vogue, Sotheby's and more.

ADDITIONAL WORK EXPERIENCE:

IS4D - Seattle, WA, Vice President, Business Development

Esys - Bakersfield, CA, Sales Engineer

FEI Company - Hillsboro, OR & Japan, Application Development Engineer, Product Marketing Group HiFi World Magazine - London, UK, Contributing Editor

MEMBERSHIP

CoMotion @ UNIVERSITY OF WASHINGTON, Mentor & Judge

2016-Present

 Mentor academic entrepreneurs in forming startups and assist in fundraising through grants and articulating their scientific innovations into commercially viable products or services. Leo L. Lam, Ph.D. Resume, Page 2

Judge for multiple CoMotion grants and awarded over \$500,000 in grant money.

FOSTER SCHOOL OF BUSINESS @ UNIVERSITY OF WASHINGTON, Mentor & Judge 2007-Present

- Mentor and Judge for the "Create a Company" capstone class, providing both advice and funding for Entrepreneurship Seniors start and run two-quarter long companies. Over \$200,000 awarded, and earned back with 100%+ profits via the mentored teams.
- Mentor and Judge for both the Dempsey Business Plan Competition and the Environmental Innovation Competition, providing assistance and expertise focusing on the medical, energy sustainability and e-Commerce sectors.

JOURNAL OF POWER SOURCES, Reviewer

2015-2019

KEIRETSU FORUM, Due Diligence & Resource Member, Seattle, WA

2015-2017

 Providing expertise, develop due diligence reports for fellow investing members of the investment network's process.

FARMER FROG, Board Member, Everett, WA

2014-2016

Working with the Director in strategic planning, communication strategy and fundraising pitches.

STUFFMAPPER, Board Member, Seattle, WA

2014-2016

Advising the Founder on product development, go to market strategy and financial modeling.

SEATTLE CENTRAL COLLEGE, CREATIVE ACADEMY, Advisory Board Member

2012-2015

Advising faculty in curriculum development to match the latest industry needs.

PROFESSIONAL DEVELOPMENT

Ph.D.: Electrical Engineering, University of Washington

MSEE: Electrical Engineering, University of Washington

B.Eng. (Hon.): ACGI, Electrical and Electronic Engineering, Imperial College London

Technology Entrepreneurship Certificate, Foster School of Business, University of Washington **Management Certificates**, Delegation, Management, Employees retention, AMA

PUBLICATIONS

Time for an Evolution in Anesthesia Drug Delivery - Sep 12, 2020 Journal of Clinical Engineering

Determining the optimal discharge strategy for a lithium-ion battery using a physics-based model –

2011 Journal of Power Sources

SEQUENTIAL SIMULATION IN COMSOL USING DIFFERENTIAL EQUATIONS TO PERFORM DIGITAL SWITCHING - 2011 - $COMSOL\ Conference\ 2011$

AWARDS

Best of 2020 Award (2020) in lighting, for the Lawrence & Scott Malmo Glass Pendant ADEX Design Awards (2019), one Platinum, one Silver for two Lawrence & Scott table lamp designs Best Fashion Photographer Award (2015), D-List Magazine

Teaching Innovator Award (2010), College of Engineering, University of Washington.

Best Technology Award for IS4D, Inc. Business Plan Competition (2007), University of Washington.

OTHER LANGUAGES

Cantonese (Fluent), Mandarin (Fluent), French (Advanced Diploma), Japanese (Beginner)

City Light Review Panel

9 Members: Pursuant to Ordinance 123256, all members subject to City Council confirmation, 3-year terms:

- 4 City Council- appointed
- 5 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	М	3	1.	Economist	Timothy Skeel	4/11/20	4/10/23	1	Mayor
6	М	4	2.	Financial Analyst	Scott Haskins	4/12/20	4/11/23	1	City Council
6	F		3.	Non-Profit Representative	Kerry Lynn Meade	5/1/21	4/30/24	1	Mayor
6	М	6	4.	Residential Customer Representative	Leo L. Lam	10/1/19	9/30/22	1	City Council
6	М		5.	Commercial Customer Representative	Mikel Hansen	4/13/21	4/12/24	2	Mayor
6	F	4	6.	Industrial Customer Representative	Anne Ayre	10/1/19	9/30/22	1	City Council
			7.	Low-Income Customer Representative	Vacant	4/13/21	4/12/24		Mayor
6	М	4	8.	Member at Large	John Putz	10/1/19	9/30/22	2	City Council
6	M		9.	Suburban Franchise Representative	Joel Paisner	5/1/21	4/30/24	1	Mayor

SELF-	-IDEN	TIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	3	1								4			
Council	3	1			1					3			
Other													
Total	6	2			1					7			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A



600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01989, Version: 1

Appointment of Kerry Lynn Meade as member, City Light Review Panel, for a term to April 30, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name:					
Kerry Lynn Meade					
Board/Commission Name:		Position Title:			
City Light Review Panel		Non-Profit Energy Efficiency			
		Advocate, Position 3			
	City Council Co	nfirmation required?			
Appointment <i>OR</i> Reappointment	X Yes				
	☐ No				
Appointing Authority:	Term of Position	n: *			
City Council	5/1/2021				
Mayor	to				
Other: Fill in appointing authority	4/30/2024				
		ning term of a vacant position			
	Zip Code:	Contact Phone No.:			
	98116				
Background:					
Ms. Meade is the Executive Director of an energ					
	ry as it transitions and pivots through the clean energy				
transformation. She has a valuable perspective to strong interest in seeing City Light successfully n					
	_				
Ms. Meade has substantial experience and know	-				
the vast opportunities—opportunities to reimage and service lines, to rethink the relationship bet	•	_			
role of distributed energy resources, and the op	_	•			
urban infrastructure in supporting the City's clin					
Authorizing Signature (original signature):	Appointing S				
	Jenny A. Durk				
Jenny A. Durken	Mayor of Seattle				
Date Signed (appointed):	iviayor oj seu				
7/7/2021					

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

Kerry Lynn Meade

EDUCATION

CORNELL UNIVERSITY, Ithaca, New York

Master of Public Administration, May 2009 Concentration, Environmental Policy Cornell Institute for Public Affairs Fellowship Recipient, 2007-2008; 2008-2009 2008 Secretary, Cornell Public Affairs Society (CPAS)

SEATTLE UNIVERSITY, Seattle, Washington

Bachelor of Arts in English Literature, June, 2001

Independent Study in the Modernist Movement in Art & Literature, Paris, France, 2000.

RELEVANT EXPERIENCE

Northwest Energy Efficiency Council, Seattle, WA 2017 - Present

Executive Director: Oversee the management, operations and strategy of the Northwest Energy Efficiency Council, a non-profit business association based in Seattle, WA. Develop and execute the organization's strategy. Convene the Board of Directors and assure compliance with the organization's bylaws and state and federal law. Assure the financial health of the organization through fundraising, strategy and budget management. Oversee successful development and execution of the organization's programs and services. Serve as the Executive Director of the **Smart Buildings Center Education Program**, a non-profit charitable organization co-located with NEEC in the Smart Buildings Center; in this role, fulfill all obligations and services required of an executive director including convening of the Board and developing and executing on financial and other organizational strategies to advance the mission of the organization.

EMI Consulting, Seattle, WA 2014 - 2017

Managing Consultant, Policy, Planning & Evaluation Manage scope, schedule and budget for over one million dollars in annual project revenue from strategic consulting, sustainability and energy efficiency program/portfolio evaluations with public and private electric and gas utilities. As a senior project manager within the firm, ensure all projects are adequately staffed and all staff are adequately loaded with project work to meet corporate and individual revenue targets. Foster team development and mentor junior staff in consulting, sustainability, energy and environmental policy. Coordinate the managing consultant team as a cohesive group overseeing company revenue, strategic project staffing and multiple corporate initiatives. Design and implement new corporate processes to improve organizational structure and performance. Support practice area director through team leadership and business development.

Project Examples:

- Managed the process evaluation of the Con Edison Demand Management Program including best practices review, survey and in-depth interview research, engineering desk reviews, process mapping and logic modeling. Public report available upon request.
- Managed a benchmarking and best practices study for the Seattle City Light. The study included interviews with a cohort of peer utilities on methods for implementing and managing conservation programs, as well as the development of key performance indicators for City Light to track over time.
- Ongoing management of pilot program evaluations for Consumers Energy. Pilot evaluations focus on optimizing and fine-tuning pilot program design through primarily logic modeling, and customer/trade ally research.

CLEAResult, Austin, TX 2009 - 2014

Senior Manager, Manager, Senior Consultant, Consultant, Planning & Evaluation Manage energy efficiency and demand-side management consulting projects and supervise internal research staff in the delivery of energy efficiency and demand-side management consulting projects for both internal and external clients. Coordinate technical and non-technical interdepartmental teams working on both internal and external projects. Enhance departmental services with data-driven analysis of strategic opportunities. Provide market and regulatory/policy research and analysis to improve energy efficiency program quality and inform the strategic development goals of CLEAResult. As the Senior Manager of the National Planning & Evaluation team, support the Vice President of Policy, Sectors & Evaluation through strategic planning, departmental budgeting and department leadership.

Research Administrator, Corporate Services Provide market and regulatory/policy research to the Chief Executive Officer and Executive Board to identify and evaluate business opportunities.

CORNELL UNIVERSITY, Ithaca, NY 2008 - 2009

Graduate Research Assistant: Jerome Ziegler, Dept. of Policy Analysis & Management Provided research assistance on public education policy and opportunities, especially in relation to reducing the high school dropout rate. Conducted complimentary, independent research in parallel, which was subsequently published and presented at the American Political Science Association's conference on Teaching & Learning.

RELEVANT COURSEWORK

GIS; Agro-Economics & Sustainable Development; Environmental Law; Statistics; Project Planning; Environmental Governance; Microeconomics; International Agriculture & Rural Development; Qualitative Methods; Public Systems Modeling; Urban Design; Environmental Planning; Labor Economics; Urban & Spatial Theory; Social Sciences & Humanities.

OTHER EXPERIENCE

Cornell University - Graduate Teaching Assistant 2008 – 2009 | CSCC - Environmental Auditing Intern 2008 | The CMRC – Harbor Bight Policy Intern 2006 - 2007 | Musicians On Call – Administrative Assistant 2005 | The University District Youth Center – Youth Worker 2004 | Pioneer Human Services – Residential Counselor 2002 - 2004

PUBLICATIONS

- Meade Kerry, Hannah Carmalt-Justus, Erik Lyon, Mahdi Jawad. Shapeshifting Evaluation: Rapid, Flexible and Actionable Evaluation Within a Context of Continuous Improvement. The International Energy Program Evaluation Conference. Baltimore, Maryland, August 2017.
- Meade, Kerry, Alek Antcek and Melissa Culbertson. *Turning Today's Data into Tomorrow's Reality*. The ACEEE Summer Study on Energy Efficiency in Buildings. Pacific Grove, California. August 17 22, 2014.
- Meade, Kerry and Sara Rudow. *Missing Links: Redefining Service-Learning Curricula*. Paper presented at the annual Teaching & Learning Conference of the American Political Science Association, Baltimore, MD; Feb 6-8, 2009.
- Meade, Kerry. *Reducing the Flood: Subsurface Drip Irrigation on Alfalfa Farms in California's Imperial Valley.* Master's Thesis, Cornell University, May 2009.

City Light Review Panel

9 Members: Pursuant to Ordinance 123256, all members subject to City Council confirmation, 3-year terms:

- 4 City Council- appointed
- 5 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	М	3	1.	Economist	Timothy Skeel	4/11/20	4/10/23	1	Mayor
6	М	4	2.	Financial Analyst	Scott Haskins	4/12/20	4/11/23	1	City Council
6	F		3.	Non-Profit Representative	Kerry Lynn Meade	5/1/21	4/30/24	1	Mayor
6	M	6	4.	Residential Customer Representative	Leo L. Lam	10/1/19	9/30/22	1	City Council
6	M		5.	Commercial Customer Representative	Mikel Hansen	4/13/21	4/12/24	2	Mayor
6	F	4	6.	Industrial Customer Representative	Anne Ayre	10/1/19	9/30/22	1	City Council
			7.	Low-Income Customer Representative	Vacant	4/13/21	4/12/24		Mayor
6	М	4	8.	Member at Large	John Putz	10/1/19	9/30/22	2	City Council
6	M		9.	Suburban Franchise Representative	Joel Paisner	5/1/21	4/30/24	1	Mayor

SELF-	-IDEN	TIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	3	1								4			
Council	3	1			1					3			
Other													
Total	6	2			1					7			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A



600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01990, Version: 1

Appointment of Joel Paisner as member, City Light Review Panel, for a term to April 30, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name:							
Joel Paisner							
Board/Commission Name:	Position Title:						
City Light Review Panel		Suburban Franchise					
		Representative, Position 9					
	City Council Confirmation required?						
Appointment OR Reappointment	∀es						
	No						
Appointing Authority:	Term of Position	: *					
City Council	5/1/2021						
Mayor	to						
Other: Fill in appointing authority	4/30/2024						
Residential Neighborhood:		ing term of a vacant position Contact Phone No.:					
	Zip Code: C 98155	ontact Phone No					
	30133						
Background: Mr. Paisner brings over thirty years of experience	e advising renre	senting and providing strategic					
advice to businesses and governmental entities.							
telecommunications sectors and serving as gene	-						
Alaska.							
Mr. Parisner has worked on a wide variety of issues facing electric utilities from project development							
work to community solar projects, to operational issues, and labor issues. His telecommunication							
experience involves work for both corporations and utilities assisting with deployment of facilities and							
negotiating strategic agreements. Mr. Parisner's corporate work includes representation of wireless							
carriers and service providers, fiber optic provid	ers, cable compa	nies, and covers all aspects of					
$deployment\ of\ facilities\ and\ operational\ issues.\ He\ has\ been\ involved\ in\ siting\ work\ for\ many\ years.\ He$							
also works with electric utilities throughout the Pacific Northwest and Alaska, advising management							
and boards on a wide range of issues in this increasingly dynamic area.							
Authorizing Signature (original signature):	Appointing Signatory:						
Jenny A. Durken	Jenny A. Durkan						
Date Signed (appointed):	Mayor of Seattle						
7/7/2021							

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.



Joel Paisner



Practice and Background

Joel brings over thirty years of experience advising, representing and providing strategic advice to businesses and governmental entities. His practice today is focused in the energy and telecommunications sectors, and serving as general counsel to electric utilities in Washington and Alaska.

Joel has worked on a wide variety of issues facing electric utilities from project development work to community solar projects, to operational issues, and labor issues. Joel's telecommunication experience involves work for both corporations and utilities assisting with deployment of facilities and negotiating strategic agreements. His corporate work includes representation of wireless carriers and service providers, fiber optic providers, cable companies, and covers all aspects of deployment of facilities and operational issues. Joel has been involved in siting work for many years. Joel also works with electric utilities throughout the Pacific Northwest and Alaska, advising management and boards on a wide range of issues in this increasingly dynamic area.

Beyond Joel's years in private practice, he has corporate in-house experience, having served as counsel to InterNAP Network Services, and as Vice President for the Pacific Northwest Region for Western Integrated Networks, an early fiber-to-the-home cable television company.

Joel comes to Ascent Law Partners after working at Ater Wynne, LLP for fifteen years, where he was Chair of the Energy Practice and Telecommunications practice and Managing Partner of the Seattle office. Joel began his career as a Senior Deputy Prosecuting Attorney for the Civil Division of King County, representing a wide variety of county agencies, and work included land use, construction and rights-of-way issues.



Recent transactions include negotiating a unique joint venture agreement between a national wireless carrier and electric utility involving shared use of facilities, frequency lease swaps, MVNO development, wireless broadband and LTE deployment in a difficult terrain and local regulatory environment. Electric utility work includes serving as counsel to Jefferson County Public Utility District in its successful purchase of Puget Sound Energy's distribution assets, the first new public electric utility established in Washington state in over 60 years.

Education

- B.A., University of Washington, 1981
- J.D., William Mitchell (magna cum laude), 1986
- Law Review

Bar Memberships

- Alaska
- Oregon
- Washington

Professional Associations

- Electric Cooperative Bar Association
- Federal Communications Bar Association
- Alaska Power Association

Other Activities

- Chair, City of Lake Forest Park Planning Commission (past)
- Member, City of Lake Forest Park Sustainability Task Force
- Board of Directors, Temple Beth Am (past)

City Light Review Panel

9 Members: Pursuant to Ordinance 123256, all members subject to City Council confirmation, 3-year terms:

- 4 City Council- appointed
- 5 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By	
6	М	3	1.	Economist	Timothy Skeel	4/11/20	4/10/23	1	Mayor	
6	М	4	2.	Financial Analyst	Scott Haskins	4/12/20	4/11/23	1	City Council	
6	F		3.	Non-Profit Representative	Kerry Lynn Meade	5/1/21	4/30/24	1	Mayor	
6	M	6	4.	Residential Customer Representative	Leo L. Lam	10/1/19	9/30/22	1	City Council	
6	M		5.	Commercial Customer Representative	Mikel Hansen	4/13/21	4/12/24	2	Mayor	
6	F	4	6.	Industrial Customer Representative	Anne Ayre	10/1/19	9/30/22	1	City Council	
			7.	Low-Income Customer Representative	Vacant	4/13/21	4/12/24		Mayor	
6	М	4	8.	Member at Large	John Putz	10/1/19	9/30/22	2	City Council	
6	M		9.	Suburban Franchise Representative	Joel Paisner	5/1/21	4/30/24	1	Mayor	

SELF-IDENTIFIED DIVERSITY CHART				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	3	1								4			
Council	3	1			1					3			
Other													
Total	6	2			1					7			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A



600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01991, Version: 1

Appointment of Gretchen Glaub as member, Seattle Public Utilities 2018-2023 Strategic Business Plan Customer Review Panel, for a term to July 31, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Gretchen Glaub							
Board/Commission Name: Seattle Public Utiliti	ies 2018-2023	Position Title:					
Strategic Business Plan Customer Review Panel		Member					
	City Council Confirmation required?						
X Appointment OR Reappointment	X Yes						
	No						
Appointing Authority:	Term of Position	*					
X City Council	8/1/2021						
Mayor	to						
Other: Fill in appointing authority	7/31/2024						
	V a						
		g term of a vacant position					
	Zip Code: C 98103	ontact Phone No.:					
Background: Gretchen Glaub (Council District 6, Gr Snohomish County. Gretchen is interested in Puget	· · · · · · · · · · · · · · · · · · ·	•					
	.g., PAHs, PBDEs). She describes herself as: a "renter who						
has worked with landlord to implement updates for							
interested in supporting activities to recover our end	dangered species a	nd restore our salmon runs on the brink					
of listing; volunteer invested in sharing knowledge and passion for Puget Sound environs with others; individu							
with deep love for our shared environment."							
Authorizing Signature (original signature):	Appointing Signatory:						
4.4	Alex Pedersen						
M . Ω / $-$	Council Member						
11-14 Pal							
Date Signed (appointed): July 6, 2021							
2410 0.81104 (appointed): 341) 0, 2021							

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

#3

COMPLETE

Collector: Web Link 1 (Web Link)

Started: Tuesday, March 16, 2021 11:44:35 AM Last Modified: Tuesday, March 16, 2021 2:22:15 PM

Time Spent: 02:37:39

Page 2: Applicant Information

Q1

First Name

Gretchen

Q2

Last Name

Glaub

Q3

Please provide your contact information.

Email

Phone

Q4

Address

Q5

Neighborhood InformationYou can lookup your Council District Number here.

Council District Number

Neighborhood Name

Greenwood

6

I have a permanent address (enter below)

Q6

Who is your employer?

Snohomish County

Q7

What is your primary occupation or expertise?

WRIA 7 (Snohomish Basin) Salmon Recovery Coordinator

Q8 No

Are you currently employed by or contract with the City of Seattle?

Q9

Please describe the connections you have in your community. Include any community advocacy, civic engagement, or organizational affiliations.

member/volunteer - Northwest Aquatic & Marine Educators volunteer - Seattle Aquarium Beach Naturalist Program

Q10

Describe one topic you would like SPU's Customer Review Panel to address.

Puget Sound ecosystem recovery, specifically addressing water quality issues - contaminants of emerging concern (ie PAHs, PBDEs)

Q11

Seattle Public Utilities actively seeks CRP members who represent the diverse experiences of SPU customers. Please describe how your experience as a SPU customer might lend a unique perspective to the CRP.

Renter who has worked with landlord to implement updates for resource conservation (water, heating); professional interested in supporting activities to recover our endangered species (chinok, steelhead) and restore our salmon runs on the brink of listing (chum, coho, pink); volunteer invested in sharing knowledge and passion for Puget Sound environs with others; individual with deep love for our shared environment

Q12 Agree

Please Agree with the following statement: "I certify that the above application information is accurate and complete to the best of my knowledge. I understand that the information provided is subject to public records request unless it is specifically exempt from the Washington State Public Records Act." *

Page 3: Optional Survey

Q13 White/Caucasian

Please describe your Race/Ethnicity (Select all that apply)

Q14	Female
Please describe your gender identity (Select all that apply)	
Q15	Respondent skipped this question
How did you hear about the openings on SPU's Customer	nooponuoni onippou uno quocuon
Review Panel?	

Seattle Public Utilities 2018-2023 Strategic Plan Update Customer Review Panel

11 Members: Pursuant to Resolution 31825, all members subject to City Council confirmation, 3-year terms:

- 5 City Council-appointed
- 6 Mayor-appointed
- 0 Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
1	F	2	1.	Member	Tiffany Sevilla	08/01/21	07/31/24	1	Mayor
2	М	1	2.	Member	Khalid Mohamed	08/01/21	07/31/24	1	Council
1	F	3	3.	Member	Miki Sodos	08/01/21	07/31/24	1	Mayor
6	F	4	4.	Member	Suzanne Burke	08/01/18	07/31/20	2	Council
2	F	2	5.	Member	Maria McDaniel	08/01/21	07/31/24	2	Mayor
6	F	6	6.	Member	Gretchen Glaub	08/01/21	07/31/24	1	Council
6	м	7	7.	Member	Robert Coleman	08/01/18	07/31/21	1	Mayor
									•
6	M	6	8.	Member, Chair	Noel Miller	08/01/18	07/31/21	2	Council
1	F	6	9.	Member	Puja Shaw	08/01/18	07/31/21	2	Mayor
1	F	2	10.	Member	Thy Pham	08/01/18	07/31/21	1	Council
6	М	0	11.	Member, Co- Chair	Rodney Schauf	08/01/18	07/31/21	2	Mayor

SELF-	-IDEN	TIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	2	4			3	1				2			
Council	2	3			1	1				3			
Other													
Total	4	7			4	2				5			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown

RD Residential Council District number 1 through 7 or N/A



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01992, Version: 1

Appointment of Maria McDaniel as member, Seattle Public Utilities n2018-2023 Strategic Business Plan Customer Review Panel, for a term to July 31, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name:						
Maria McDaniel						
Board/Commission Name: Seattle Public Utilitie	es 2018-2023	Position Title:				
Strategic Business Plan Customer Review Panel	Member					
	City Council Co	onfirmation required?				
Appointment OR X Reappointment	X Yes					
	No					
Appointing Authority:	Term of Position	on: *				
City Council	8/1/2021					
	to					
Other: Fill in appointing authority	7/31/2024					
'' ' '						
	☐ Serving remaining term of a vacant position					
Residential Neighborhood:	Zip Code:	Contact Phone No.:				
Rainier Beach	98118					
Background:						
Maria McDaniel (Council District 2, Rainier Beach) is	a current meml	per of the CRP (Mayor's Appointee, Seat				
#5). She works for the City of Seattle – Information T	• .	•				
is interested in continued work with the Customer Ro						
in mobile RVs (as their primary residence) and availa		· · · · · · · · · · · · · · · · · · ·				
of human waste. She has over "25 years of management profit organizations and experience [that] includes st	•	-				
consulting, and corporate stewardships."	irategie piariirii	5, community relations, runarialsing,				
Authorizing Signature (original signature):	Appointing	Signatory				
	Appointing Signatory: Jenny A. Durkan					
Jenny A. Durken						
Date Signed (appointed):	Mayor of Sed	attie				
7/1/2021						
17 11202 1	I					

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

#9

COMPLETE

Collector: Web Link 1 (Web Link)

Started: Monday, March 29, 2021 12:50:40 PM Last Modified: Monday, March 29, 2021 1:24:45 PM

Time Spent: 00:34:05

Page 2: Applicant Information

Q1

First Name

Maria

Q2

Last Name

McDaniel

Q3

Please provide your contact information.

Email

Phone

Q4

Address

I have a permanent address (enter below),

Address:

Q5

Neighborhood InformationYou can lookup your Council District Number here.

Council District Number

2

Neighborhood Name

Rainier Beach - Southeast Seattle

Q6

Who is your employer?

City of Seattle - Information Technology Department

Q7

What is your primary occupation or expertise?

Senior Business Analyst

Q8 Yes

Are you currently employed by or contract with the City of Seattle?

Q9

Please describe the connections you have in your community. Include any community advocacy, civic engagement, or organizational affiliations.

I am a Seattle native and grew up in various neighborhoods including Madison Park, Madrona, Mount Baker, and now lives in the Southeast Seattle Rainier Beach neighborhood. She attended Stevens, John Muir, St. Mary's, Immaculate Middle school, Immaculate High School, Seattle Pacific University, South Seattle Community College and Central Washington University. I have a Bachelor of Science degree in Business Administration, specialization: Human Resource Management and Marketing.

I have over 25 years of management experience working with corporate sector and non-profit organizations and my experience includes strategic planning, community relations, fundraising, consulting, and corporate stewardships. My past employers include Perkins Coie, Deloitte and Ambia Inc., and McKinstry as a business development and marketing professional. I joined the City of Seattle's IT department as a Senior Business Analyst in 2019. I'm active in the community and support a variety of organizations including the Rainier Valley Food Bank, Southeast Seattle Senior Center, Converge, Byrd Barr Place, Wa Na Wari, South Seattle Emerald and was on the Seattle CityClub's Advisory Board for 20 plus years and formed and chaired the Outreach Committee. I'm currently a Board Advisor for Onyx Gallery's and volunteer my time as a 501 Commons Executive Service Corps member helping non-profits with strategic planning, financial readiness and marketing / business development efforts.

Q10

Describe one topic you would like SPU's Customer Review Panel to address.

I would like SPU's Customer Review Panel to continue to address issues surrounding those living in mobile RVs (as their primary residence) and available services for them to safely (without judgement) dispose of human waste. Also what measures are in place to ensure those using RVs for leisure activities are following the laws in place regarding human waste disposal.

Q11

Seattle Public Utilities actively seeks CRP members who represent the diverse experiences of SPU customers. Please describe how your experience as a SPU customer might lend a unique perspective to the CRP.

My experience as a SPU customer will lend a unique perspective to the CRP because I am aware of the various programs that are in place for customers and often share information to those who do not have access (or use) email, social media, etc., and may need assistance. I help seniors and low income customers understand their bills and direct them to agencies or programs for assistance. I'm often the go to for my network when they have complaints about SPU. I have an open mind and my goal is to be the voice for those who are not able to be at the "table". Assumptions are not facts and I think about impacts for all customers and not only those who know how the navigate the system in place. I will ask the questions some may avoid.

Q12 Agree

Please Agree with the following statement: "I certify that the above application information is accurate and complete to the best of my knowledge. I understand that the information provided is subject to public records request unless it is specifically exempt from the Washington State Public Records Act." *

Page 3: Optional Survey

Q13 Black/African American

Please describe your Race/Ethnicity (Select all that apply)

Q14 Female

Please describe your gender identity (Select all that apply)

Q15 Respondent skipped this question

How did you hear about the openings on SPU's Customer Review Panel?

Seattle Public Utilities 2018-2023 Strategic Plan Update Customer Review Panel

11 Members: Pursuant to Resolution 31825, all members subject to City Council confirmation, 3-year terms:

- 5 City Council-appointed
- 6 Mayor-appointed
- 0 Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
1	F	2	1.	Member	Tiffany Sevilla	08/01/21	07/31/24	1	Mayor
2	М	1	2.	Member	Khalid Mohamed	08/01/21	07/31/24	1	Council
1	F	3	3.	Member	Miki Sodos	08/01/21	07/31/24	1	Mayor
6	F	4	4.	Member	Suzanne Burke	08/01/18	07/31/20	2	Council
2	F	2	5.	Member	Maria McDaniel	08/01/21	07/31/24	2	Mayor
6	F	6	6.	Member	Gretchen Glaub	08/01/21	07/31/24	1	Council
6	М	7	7.	Member	Robert Coleman	08/01/18	07/31/21	1	Mayor
6	М	6	8.	Member, Chair	Noel Miller	08/01/18	07/31/21	2	Council
1	F	6	9.	Member, chair	Puja Shaw	08/01/18	07/31/21	2	Mayor
1	F	2				08/01/18	07/31/21		•
	r		10.	Member Member, Co-	Thy Pham	08/01/18	07/31/21	1	Council
6	М	0	11.	Chair	Rodney Schauf	08/01/18	07/31/21	2	Mayor

SELF-	-IDEN	ΓIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	2	4			3	1				2			
Council	2	3			1	1				3			
Other													
Total	4	7			4	2				5			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown

RD Residential Council District number 1 through 7 or N/A



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01993, Version: 1

Appointment of Khalid Mohamed as member, Seattle Public Utilities 2018-2023 Strategic Business Plan Customer Review Panel, for a term to July 31, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Khalid Mohamed						
Board/Commission Name : Seattle Public Utilit Strategic Business Plan Customer Review Panel		Position Title: Member				
	City Council Confirmation required?					
X Appointment <i>OR</i> Reappointment	X Yes No					
Appointing Authority:	Term of Position	on: *				
X City Council	8/1/2021					
Mayor	to 7/31/2024					
Other: Fill in appointing authority	7/31/2024					
	☐ Serving rema	ining term of a vacant position				
Residential Neighborhood:	Zip Code:	Contact Phone No.:				
West Seattle – High Point	98126					
Background: Khalid Mohamed (Council District at Summit Public School. Khalid is interested in the CRP. As a Muslim and Somali-American, he communities with different cultures and languathings from their own perspective. One unique languages fluently; I speak Somali, Arabic, and I	bringing a socia says: "I was fort ages, and it allow perspective tha English."	I and racial justice lens to the work of tunate enough to work with diverse wed me to learn about cultures and see t I will bring to SPU is that I speak three				
Authorizing Signature (original signature):	Appointing S	ignatory:				
11 2	Alex Pederse	n				
Ally Pal	Council Mem	ber				
Date Signed (appointed): July 6, 2021						

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

#13

COMPLETE

Collector: Web Link 1 (Web Link)

Started: Wednesday, March 31, 2021 9:11:06 AM Last Modified: Friday, April 02, 2021 10:19:18 AM

Time Spent: Over a day

Page 2: Applicant Information

Q1

First Name

Khallid

Q2

Last Name

Mohamed

Q3

Please provide your contact information.

Email

Phone

Q4

Address

I have a permanent address (enter below),

Address:

Q5

Neighborhood InformationYou can lookup your Council District Number here.

Council District Number

Neighborhood Name

District 1

High Point

Q6

Who is your employer?

Summit Public School - Atlas West Seattle

Q7

What is your primary occupation or expertise?

Operations Assistant/Registrar

Q8 No

Are you currently employed by or contract with the City of Seattle?

Q9

Please describe the connections you have in your community. Include any community advocacy, civic engagement, or organizational affiliations.

I started working in my community at a very young age. From volunteer at local food banks to organizing local political campaigns. But my biggest accomplishment would be being a strong advocate for the \$15 minimum wage initiative and help my community, the Somali-American community, understand why supporting this initiative will uplift many people in our community. I also worked as a field coordinator for Ilhan Omar, who ran and won a congressional seat in Minnesota back in 2018. Currently, I am a volunteer with Somali Health Board and help them get the word out to the community about the benefits of taking the Covid-19 vaccine and eliminating the language barrier that often results in mistrust and misinformation.

Q10

Describe one topic you would like SPU's Customer Review Panel to address.

SOCIAL JUSTICE AND RACIAL INJUSTICE

Q11

Seattle Public Utilities actively seeks CRP members who represent the diverse experiences of SPU customers. Please describe how your experience as a SPU customer might lend a unique perspective to the CRP.

A Muslim and Somali-American, I was fortunate enough to work with diverse communities with different cultures and languages, and it allowed me to learn about cultures and see things from their own perspective. One unique perspective that I will bring to SPU is that I speak three languages fluently; I speak Somali, Arabic, and English.

Q12 Agree

Please Agree with the following statement: "I certify that the above application information is accurate and complete to the best of my knowledge. I understand that the information provided is subject to public records request unless it is specifically exempt from the Washington State Public Records Act." *

Page 3: Optional Survey

SPU Customer Review Panel Application

Please describe your Race/Ethnicity (Select all that apply)

Q14

Please describe your gender identity (Select all that apply)

Q15

How did you hear about the openings on SPU's Customer Review Panel?

Facebook

Seattle Public Utilities 2018-2023 Strategic Plan Update Customer Review Panel

11 Members: Pursuant to Resolution 31825, all members subject to City Council confirmation, 3-year terms:

- 5 City Council-appointed
- 6 Mayor-appointed
- Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
1	F	2	1.	Member	Tiffany Sevilla	08/01/21	07/31/24	1	Mayor
2	М	1	2.	Member	Khalid Mohamed	08/01/21	07/31/24	1	Council
1	F	3	3.	Member	Miki Sodos	08/01/21	07/31/24	1	Mayor
6	F	4	4.	Member	Suzanne Burke	08/01/18	07/31/20	2	Council
2	F	2	5.	Member	Maria McDaniel	08/01/21	07/31/24	2	Mayor
6	F	6	6.	Member	Gretchen Glaub	08/01/21	07/31/24	1	Council
6	М	7	7.	Member	Robert Coleman	08/01/18	07/31/21	1	Mayor
6	М	6	8.	Member, Chair	Noel Miller	08/01/18	07/31/21	2	Council
1	F	6	9.	Member, chair	Puja Shaw	08/01/18	07/31/21	2	Mayor
1	F	2				08/01/18	07/31/21		•
	r		10.	Member Member, Co-	Thy Pham	08/01/18	07/31/21	1	Council
6	М	0	11.	Chair	Rodney Schauf	08/01/18	07/31/21	2	Mayor

SELF-	-IDEN	TIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	2	4			3	1				2			
Council	2	3			1	1				3			
Other													
Total	4	7			4	2				5			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown

RD Residential Council District number 1 through 7 or N/A



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01994, Version: 1

Appointment of Tiffany Sevilla as member, Seattle Public Utilities 2018-2023 Strategic Business Plan Customer Review Panel, for a term to July 31, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name:						
Tiffany Sevilla						
Board/Commission Name: Seattle Public Utilitie	es 2018-2023		Position Title:			
Strategic Business Plan Customer Review Panel			Member			
	City Council Confirmation required?					
X Appointment OR Reappointment	X Yes					
	No					
Appointing Authority:	Term of Position	n: *	*			
City Council	3/1/2021					
	:0					
Other: Fill in appointing authority	7/31/2024					
,						
	☐ Serving remaining term of a vacant position					
	Zip Code:	Coı	ntact Phone No.:			
Beacon Hill	98118					
Background:						
Tiffany Sevilla (Council District 2, Beacon Hill) is a						
Seattle. Tiffany is interested in helping identify e	_	_	•			
her words: "I'm an advocate for culturally releva			•			
opportunity. I am passionate about working tow						
have experience organizing communities, develo		-				
relationships with diverse stakeholders. I'm extre		•	_			
and committed to supporting local youth and BIF	T					
Authorizing Signature (original signature):	Appointing S		atory:			
Jenny A. Durken	Jenny A. Dur					
Oate Signed (appointed):	Mayor of Seattle					
7/1/2021						

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

#10

COMPLETE

Collector: Web Link 1 (Web Link)

Started: Tuesday, March 30, 2021 2:56:11 PM Last Modified: Tuesday, March 30, 2021 3:11:11 PM

Time Spent: 00:15:00

Page 2: Applicant Information

Q1

First Name

Tiffany

Q2

Last Name

Sevilla

Q3

Please provide your contact information.

Email

Phone

Q4

Address

I have a permanent address (enter below),

Address:

Q5

Neighborhood InformationYou can lookup your Council District Number here.

Council District Number

2

Neighborhood Name

Beacon Hill

Q6

Who is your employer?

Port of Seattle

Q7

What is your primary occupation or expertise?

Stormwater Management Specialist

Q8 No

Are you currently employed by or contract with the City of Seattle?

Q9

Please describe the connections you have in your community. Include any community advocacy, civic engagement, or organizational affiliations.

I am the Programs Lead for the Washington chapter of Outdoor Asian, whose mission is to build an inclusive community for Asians and Pacific Islanders in the outdoors. I am also a grantwriter/researcher for Plant Based Food Share, a community-led hunger relief and public health program distributing food from South Seattle. I am a leader for the Port of Seattle employee resource group for Asians and Pacific Islanders.

Q10

Describe one topic you would like SPU's Customer Review Panel to address.

Emergent strategies for building community wealth.

Q11

Seattle Public Utilities actively seeks CRP members who represent the diverse experiences of SPU customers. Please describe how your experience as a SPU customer might lend a unique perspective to the CRP.

I'm an advocate for culturally relevant support and empowerment of communities of opportunity. I am passionate about working toward environmental justice to support public health. I have experience organizing communities, developing programming and procedures, and building relationships with diverse stakeholders. I'm extremely proud of my neighborhood in south Beacon Hill and committed to supporting local youth and BIPOC efforts to build a livable, just home for us all.

Q12 Agree

Please Agree with the following statement: "I certify that the above application information is accurate and complete to the best of my knowledge. I understand that the information provided is subject to public records request unless it is specifically exempt from the Washington State Public Records Act." *

Page 3: Optional Survey

SPU Customer Review Panel Application

Q13	Asian
Please describe your Race/Ethnicity (Select all that apply)	
Q14	Female
Please describe your gender identity (Select all that apply)	
Q15	
How did you hear about the openings on SPU's Customer R	eview Panel?
Instagram	

3/3

Seattle Public Utilities 2018-2023 Strategic Plan Update Customer Review Panel

11 Members: Pursuant to Resolution 31825, all members subject to City Council confirmation, 3-year terms:

- 5 City Council-appointed
- 6 Mayor-appointed
- Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
1	F	2	1.	Member	Tiffany Sevilla	08/01/21	07/31/24	1	Mayor
2	М	1	2.	Member	Khalid Mohamed	08/01/21	07/31/24	1	Council
1	F	3	3.	Member	Miki Sodos	08/01/21	07/31/24	1	Mayor
6	F	4	4.	Member	Suzanne Burke	08/01/18	07/31/20	2	Council
2	F	2	5.	Member	Maria McDaniel	08/01/21	07/31/24	2	Mayor
6	F	6	6.	Member	Gretchen Glaub	08/01/21	07/31/24	1	Council
6	м	7	7.	Member	Robert Coleman	08/01/18	07/31/21	1	Mayor
									•
6	M	6	8.	Member, Chair	Noel Miller	08/01/18	07/31/21	2	Council
1	F	6	9.	Member	Puja Shaw	08/01/18	07/31/21	2	Mayor
1	F	2	10.	Member	Thy Pham	08/01/18	07/31/21	1	Council
6	М	0	11.	Member, Co- Chair	Rodney Schauf	08/01/18	07/31/21	2	Mayor

SELF-	-IDEN	TIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	2	4			3	1				2			
Council	2	3			1	1				3			
Other													
Total	4	7			4	2				5			

Key:

Diversity information is self-identified and is voluntary.

^{*}D List the corresponding *Diversity Chart* number (1 through 9)

^{**}G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown

RD Residential Council District number 1 through 7 or N/A



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Appt 01995, Version: 1

Appointment of Miki Sodos as member, Seattle Public Utilities 2018-2023 Strategic Business Plan Customer Review Panel, for a term to July 31, 2024.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Miki Sodos					
Board/Commission Name: Seattle Public Utilitie Strategic Business Plan Customer Review Panel	es 2018-2023	Position Title: Member			
V Appointment OD Decembertment	•	onfirmation required?			
X Appointment OR Reappointment	X Yes No				
111	Term of Position	on: *			
City Courier	3/1/2021				
X Mayor	to 7/31/2024				
1	\square Serving remaining term of a vacant position				
Desidential Maishbeachead.		_			
	Zip Code: 98122	Contact Phone No.:			
	three business of the CRP, M . She says, "I t different pers	ses in Seattle: Cafe Pettirosso, Bang iki would like to help educate hink my experience as a community spective. My businesses are in Capitol			
Background: Miki Sodos (Council District 3, Capitol Hill) owns Bang Kitchen and Bang Bang Café. As a member marginalized communities on clean water issues member as well as a business owners gives me a Hill, Belltown and the Othello Neighborhood. I se the different neighborhoods based on wealth." Authorizing Signature (original signature):	three business of the CRP, M . She says, "I to different persect the discrept	ses in Seattle: Cafe Pettirosso, Bang iki would like to help educate hink my experience as a community spective. My businesses are in Capitol ancies of the way the city takes care of Signatory:			
Background: Miki Sodos (Council District 3, Capitol Hill) owns Bang Kitchen and Bang Bang Café. As a member marginalized communities on clean water issues member as well as a business owners gives me a Hill, Belltown and the Othello Neighborhood. I se the different neighborhoods based on wealth." Authorizing Signature (original signature):	three business of the CRP, M. She says, "I to different persect the discrepance the discrepance of the discr	ses in Seattle: Cafe Pettirosso, Bang iki would like to help educate hink my experience as a community spective. My businesses are in Capitol ancies of the way the city takes care of signatory:			
Background: Miki Sodos (Council District 3, Capitol Hill) owns Bang Kitchen and Bang Bang Café. As a member marginalized communities on clean water issues member as well as a business owners gives me a Hill, Belltown and the Othello Neighborhood. I se the different neighborhoods based on wealth."	three business of the CRP, M . She says, "I to different persect the discrept	ses in Seattle: Cafe Pettirosso, Bang iki would like to help educate hink my experience as a community spective. My businesses are in Capitol ancies of the way the city takes care of signatory:			

^{*}Term begin and end date is fixed and tied to the position and not the appointment date.

#2

COMPLETE

Collector: Web Link 1 (Web Link)

 Started:
 Tuesday, March 02, 2021 6:59:20 PM

 Last Modified:
 Tuesday, March 02, 2021 7:10:44 PM

Time Spent: 00:11:23

Page 2: Applicant Information

Q1

First Name

Miki

Q2

Last Name

Sodos

Q3

Please provide your contact information.

Email

Phone

Q4

Address

I have a permanent address (enter below),

Address:

Q5

Neighborhood InformationYou can lookup your Council District Number here.

Council District Number

3

Neighborhood Name

Capitol Hill

Q6

Who is your employer?

Self, I co-own Cafe Pettirosso, Bang Bang Kitchen and Bang Bang Cafe

Q7

What is your primary occupation or expertise?

Small Business Owner

Q8 No

Are you currently employed by or contract with the City of Seattle?

Q9

Please describe the connections you have in your community. Include any community advocacy, civic engagement, or organizational affiliations.

I am a small business owners and am known throughout Seattle for providing safe spaces for marginalized communities. I have worked in the industry as both an employee and owner for 25 years. Additionally I have played music in Seattle for most of my time here. I have been heavily involved in the Shout Your Abortion movement and spoke at Town Hall for the Roe V Wade anniversary.

Q10

Describe one topic you would like SPU's Customer Review Panel to address.

I would like to be able to educate marginalized communities on clean water issues.

Q11

Seattle Public Utilities actively seeks CRP members who represent the diverse experiences of SPU customers. Please describe how your experience as a SPU customer might lend a unique perspective to the CRP.

I think my experience as a community member as well as a business owners gives me a different perspective. My businesses are in Capitol Hill, Belltown and the Othello Neighborhood. I see the discrepancies of the way the city takes care of the different neighborhoods based on wealth.

Q12 Agree

Please Agree with the following statement: "I certify that the above application information is accurate and complete to the best of my knowledge. I understand that the information provided is subject to public records request unless it is specifically exempt from the Washington State Public Records Act." *

Page 3: Optional Survey

Q13 Asian

Please describe your Race/Ethnicity (Select all that apply)

Q14	Female
Please describe your gender identity (Select all that apply)	
Q15	Respondent skipped this question
How did you hear about the openings on SPU's Customer Review Panel?	

Seattle Public Utilities 2018-2023 Strategic Plan Update Customer Review Panel

11 Members: Pursuant to Resolution 31825, all members subject to City Council confirmation, 3-year terms:

- 5 City Council-appointed
- 6 Mayor-appointed
- Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
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2	М	1	2.	Member	Khalid Mohamed	08/01/21	07/31/24	1	Council
1	F	3	3.	Member	Miki Sodos	08/01/21	07/31/24	1	Mayor
6	F	4	4.	Member	Suzanne Burke	08/01/18	07/31/20	2	Council
2	F	2	5.	Member	Maria McDaniel	08/01/21	07/31/24	2	Mayor
6	F	6	6.	Member	Gretchen Glaub	08/01/21	07/31/24	1	Council
6	M	7	7.	Member	Robert Coleman	08/01/18	07/31/21	1	Mayor
6	M	6	8.	Member, Chair	Noel Miller	08/01/18	07/31/21	2	Council
1	F	6	9.	Member	Puja Shaw	08/01/18	07/31/21	2	Mayor
1	F	2	10.	Member Member, Co-	Thy Pham	08/01/18	07/31/21	1	Council
6	М	0	11.	Chair	Rodney Schauf	08/01/18	07/31/21	2	Mayor

SELF-	-IDEN	ΓIFIED [DIVERSITY (CHART	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	2	4			3	1				2			
Council	2	3			1	1				3			
Other													
Total	4	7			4	2				5			

Key:

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RD Residential Council District number 1 through 7 or N/A



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: CF 314451, Version: 1

Petition of Seattle City Light to vacate a portion of Diagonal Avenue South, west of 4th Avenue South.

The Clerk File is provided as an attachment.

VACATION PETITION TO THE HONORABLE CITY COUNCIL OF THE CITY OF SEATTLE

Seattle City Light, the undersigned, being the owner of more than two-thirds of the property abutting on:

Diagonal Avenue South, west of 4th Avenue South

petition the City to vacate the right-of-way described as:

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under by City of Seattle ordinance number 112889, under King County recording number 8607010965, and amended by City of Seattle ordinance 113226, under King County recording number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of lot 2 of the plat of Fourth and Duwamish investment park, recorded under King County recording number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning; thence north 43°14'20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45'40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest corner of lot 4, block 304, of the unrecorded plat of Seattle tide lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45'40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence north 43°14'20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09'28" west 59.69 feet to the true point of beginning.

Vacation contains 13,337.8 square feet, more or less.

Reserving to the City of Seattle all necessary slope rights including cuts or fills on the above-described former right-of-way property for the protection of the reasonable original grading of right-of-way abutting on the property after the vacation; and

RESERVING to the City of Seattle the right to reconstruct, maintain, and operate any existing overhead or underground utilities in the right-of-way until the beneficiaries of the vacation arrange with the owner or owners thereof for their removal.

SIGNATURE OF PETITIONER:

I declare that I am the owner of property that abuts the right-of-way described in the petition to the City Council for the above-noted right-of-way vacation. I understand the discretionary nature of the City Council decision and I have been informed of the vacation review process and all fees and costs and time frame involved. For corporately held property, provide documentation of signatory authority.

OWNER:

Debra Smith; Seattle City Light General Manager & CEO

PROPERTY King County Parcel

Signature: Deha J. Smith
Date: 4/2/2020

7666205760

VACATION PETITION TO THE HONORABLE CITY COUNCIL OF THE CITY OF SEATTLE

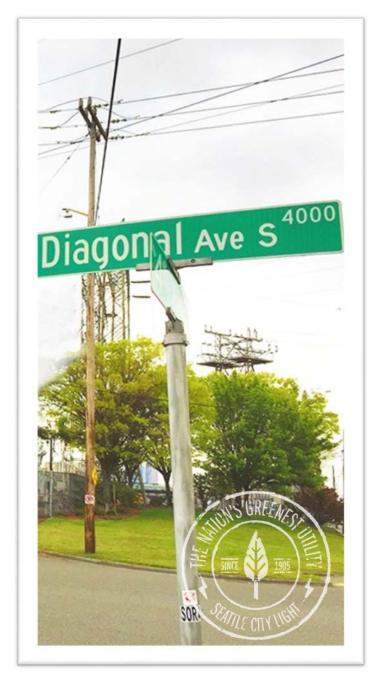
I acknowledge that:
X Any expense that may be incurred in preparing, applying or obtaining any land use or construction permits in contemplation of such vacation is the sole risk of the petitioner;
\underline{X} The City Council decision is at the end of the review process;
\underline{X} The City Council decision on the vacation is discretionary, and will be based on the City's Street Vacation Policies contained in Resolution 31809 and other adopted policies;
\underline{X} A Council decision to grant the vacation request does not exempt the property from the requirements of the City's Land Use Code or from conditioning of development pursuant to the State Environmental Policy Act (SEPA);
\underline{X} I have been informed of the cost, obligations, petition requirements, Street Vacation Policies, the time frame involved in the review of a vacation petition; and
\underline{X} I understand that property owners abutting the vacation area are obligated to pay a vacation fee in the amount of the appraised value of the right-of-way. State, federal or city agencies are not required to pay a vacation fee but are required to pay for all other fees and processing costs. Petitioner $\underline{A/2/2020}$ Date

CONTACT INFORMATION:

Petitioner:
Seattle City Light
Debra Smith
General Manager & CEO

Project Contact:
Timothy Croll, Seattle City Light
Timothy.Croll@Seatttle.gov
(206) 684-0806

If you have any questions regarding the vacation process, please call street vacation staff at 206.684.7564.



SEATTLE CITY LIGHT SOUTH SERVICE CENTER

STREET VACATION PETITION APPLICATION
JANUARY 2020



TABLE OF CONTENTS

SEA	ATTLE CITY LIGHT PETITION FOR STREET VACATION	1
	INTRODUCTION	1
l.	SITE INFORMATION	2
	LEGAL DESCRIPTION OF STREET PROPOSED TO BE VACATED SITE ADDRESS	2 2
	VACATION ADDRESS CITY COUNCIL DISTRICT	2 3
	SITE AREA	3
	SITE CONSTRAINTS	3
	SITE ZONING AND OVERLAY	4
II.	PROJECT INFORMATION	5
	DEVELOPMENT TEAM INFORMATION	5
	BACKGROUND INFORMATION ON COMPANY/AGENCY PROPOSING THE VACATION	5
	DESCRIPTION OF CURRENT CONDITIONS AND USES PROJECT DESCRIPTION	5 6
	PROJECT COST ESTIMATE	9
	"NO VACATION" ALTERNATIVE	9
	PROPOSED DEVELOPMENT TIMELINE	10
	LAND USE INFORMATION	10
	URBAN DESIGN ANALYSIS	11
	TRANSPORTATION UTILITIES	13 14
	HISTORIC SITES OR BUILDINGS	15
	COMMUNITY ENGAGEMENT PLAN	15
III.	VACATION POLICIES (Public Trust Analysis)	17
	CIRCULATION	17
	ACCESS	17
	UTILITIES	18
	FREE SPEECH	18
	PUBLIC ASSEMBLY OPEN SPACE	18 18
	LIGHT AND AIR	18
	VIEWS	19
	LAND USE AND URBAN FORM	19
	OTHER CONSIDERATIONS	19
IV.	PUBLIC BENEFIT ELEMENTS	21
٧.	SUMMARY STATEMENT	24
APF	PENDIX A: SURVEY OF PROPOSED VACATION	27
APF	PENDIX B: SEATTLE DESIGN COMMISSION MINUTES	28
APF	PENDIX C: LETTER OF SUPPORT FROM GULL PROPERTIES	29
APF	PENDIX D: COMMUNITY ENGAGEMENT PLAN DETAILS	30
ΛDE	DENIDIX E. MEMO OF VCBEEMENT	21



LIST OF FIGURES

Figure 1. Seattle City Council Districts, 2019.	3
Figure 2. Vacation site details and dimensions. Underground utilities are shown	
Figure 3. Industrial zoning districts	
Figure 4. The South Service Center property is congested with storage, parking and other functions	6
Figure 5. Existing use of the Diagonal Avenue South right-of-way	6
Figure 6. Plan diagram of proposed site improvements.	7
Figure 7. Removing the fence between Diagonal Avenue South and the South Service Center will improve t	
flow on the site.	8
Figure 8. No vacation alternative traffic circulation.	9
Figure 9. Aerial view of the industrial area looking west	11
Figure 10 Aerial view of the industrial area looking west	12
Figure 11. Aerial view of the industrial area looking east.	12
Figure 12. Storm drain and sewer map for Diagonal Avenue South.	14
Figure 13. The historic Georgetown Steam Plant	15
Figure 14. Circulation and block lengths around the vacation site.	17
Figure 15. An aerial view of the Flume property.	21
Figure 16. View of the flume property from South Myrtle Street	22
Figure 17. Community survey results (2019)	23

SEATTLE CITY LIGHT PETITION FOR STREET VACATION Diagonal Avenue South Parcel # 766620-5760

INTRODUCTION

Seattle City Light (City Light) is a public agency of the City of Seattle. City Light currently uses a portion of Diagonal Ave. S. through a street use permit. This portion of the street is gated and not currently accessible to the public. City Light has determined that ownership of this portion of Diagonal Avenue South would result in significantly increased opportunities for property improvements.

The following is a petition to vacate this portion of the street in favor of City Light as the sole abutting property owner. A map showing the property and the proposed area of vacation is shown in Appendix A. The area is zoned Manufacturing/Industrial. The current and proposed uses of the vacated street are consistent with the City's zoning and environmental regulations.

I. SITE INFORMATION

LEGAL DESCRIPTION OF STREET PROPOSED TO BE VACATED

This legal description was updated through a survey commissioned in September 2019.

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under City of Seattle Ordinance Number 112889, under King County Recording Number 8607010965, and amended by City of Seattle Ordinance 113226, under King County Recording Number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of Lot 2 of the plat of Fourth and Duwamish Investment Park, recorded under King County Recording Number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning; thence north 43°14'20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45'40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest corner of lot 4, block 304, of the unrecorded plat of Seattle Tide Lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45'40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence south 43°14'20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09'28" west 59.69 feet to the true point of beginning.

See Appendix A for a map of the site and site topography and utilities.

SITE ADDRESS

3613 4th Ave South, Seattle, WA 98134 **VACATION ADDRESS**

4101 Diagonal Avenue South, Seattle, WA 98134

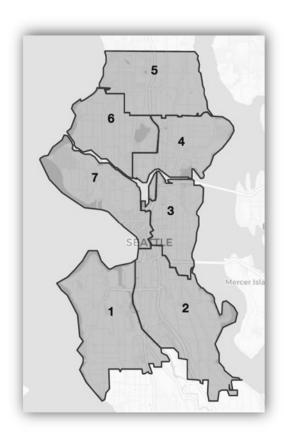


Figure 1. Seattle City Council Districts, 2019.

CITY COUNCIL DISTRICT

The project site is in Seattle City Council District 2.

SITE AREA

The site is roughly 343' long at its longitudinal centerline and 40' wide for its full length. It tapers south at its western edge. The site is approximately 13,333.7 sq ft. in area. It is enclosed by a chain link fence and is currently used for storage and parking overflow by City Light.

SITE CONSTRAINTS

The site is sandwiched between a 20' width north and a 40' width south of it that were vacated through in 1986. Both of these strips are owned by City Light.Beyond these is City Light's fully developed block toward the north and the block with Gull Properties and Costco to the south. On the other two sides are the public rights-of-way of Diagonal Avenue South along its eastern edge and 2nd Avenue South along its western length. In and beyond the 20' width of Second Avenue South are the Burlington Northern Railroad lines. Several large stormwater pipes and a sanitary pipe run below the vacation right-of-way.

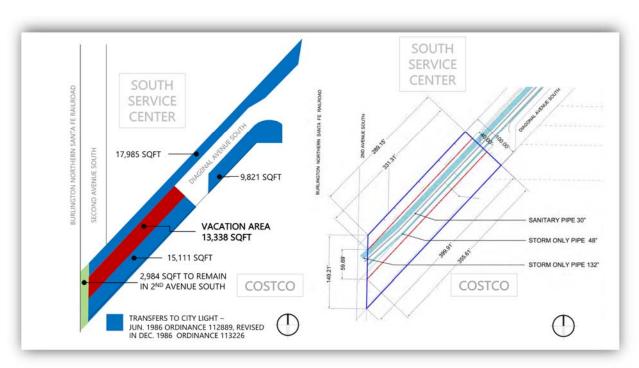


Figure 2. Vacation site details and dimensions. Underground utilities are shown.

SITE ZONING AND OVERLAY

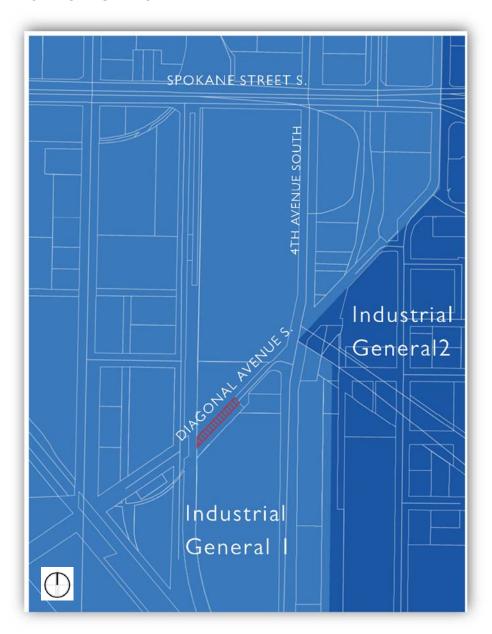


Figure 3. Industrial zoning districts.

The site lies within Seattle's Industrial General (1) zoning district. The intent of this industrial zone is to promote development of businesses that incorporate a mix of industrial and commercial activities, while accommodating a wide range of other employment activities. Of relevance to this site is that this zoning district protects rail-related industrial areas and allows utility services, which is the primary activity on City Light's property. These activities are not restricted by a maximum height limit or a maximum size of use.

II. PROJECT INFORMATION

DEVELOPMENT TEAM INFORMATION

Seattle City Light is seeking this petition. The points of contact are:

Ruth Meraz-Caron Timothy Croll

Seattle City Light, Project Manager Seattle City Light, Strategic Advisor

Ruth.Meraz-Caron@seattle.gov Timothy.Croll@seattle.gov

(206) 684-3094 (206) 684-0806

BACKGROUND INFORMATION ON COMPANY/AGENCY PROPOSING THE VACATION

Seattle City Light is the public utility that provides electrical power to ratepayers in Seattle and to a few other parts of the metropolitan area. City Light has been providing electric power since 1910.

City Light manages over 127 major facilities totaling approximately 1.3M BSF, including two Service Centers, the North Service Center and the South Service Center. Built in the 1950s and 1920s respectively, City Light's North and South Service Centers form the backbone of City Light's operations and directly impact the utilities' mission to provide reliable, low-cost power to customers. Essential functions central to City Light's mission that are located in the Service Center include line trucks and dispatching; materials and equipment; shipping and receiving; staging of supplies; shops operations; and fabrication to support power generation, transmission and distribution work.

There are large inventories of transformers, cable reels, fleet line trucks, aerial lift trucks, shops machinery, and other equipment. The Service Yard is constrained and highly congested. The integration of the Diagonal Avenue South right-of-way through a street vacation offers the opportunity to accommodate growth and reconfigure the Service Yard to meet changing needs.

DESCRIPTION OF CURRENT CONDITIONS AND USES

The vacation address is 4101 Diagonal Avenue South, Seattle, Washington 98134. City Light has operated on the subject property under a street use permit from SDOT for many years. It is confined by a dated chain link fence. The property is used as an auxiliary, low-security yard for the storage of materials such as landscaping materials and equipment, and occasionally, maintenance vehicles and trucks.

The Diagonal Avenue South site is narrow and long, and a chain link fence separates it from the Service Center. It has inadequate lighting and has been subjected to theft several times, resulting in the loss of expensive equipment. The property is inefficient to access, not very secure, poorly paved, and has an inadequate drainage infrastructure.

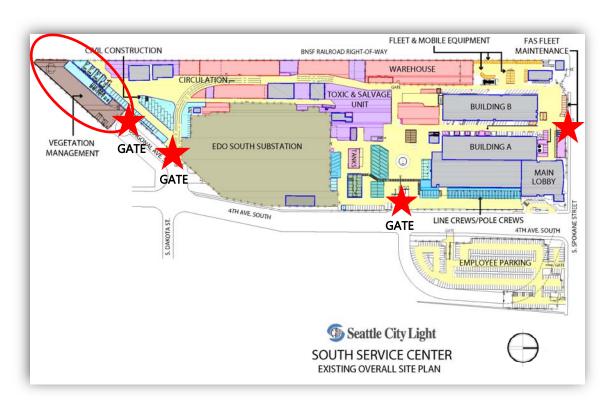


Figure 4. The South Service Center property is congested with storage, parking and other functions.

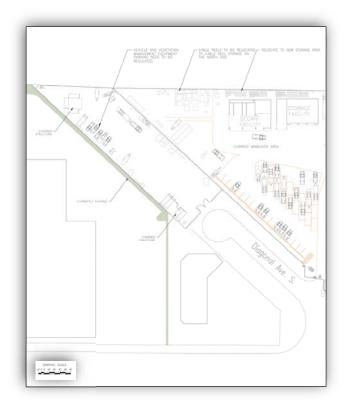


Figure 5. Existing use of the Diagonal Avenue South right-of-way.

PROJECT DESCRIPTION

City Light's need for efficient, secure storage is becoming increasingly urgent as industrial space becomes scarcer and more expensive within the city. It is seeking to make over \$1.5 million in improvements on Diagonal Avenue South. It needs to protect these investments by acquiring full ownership of the area.

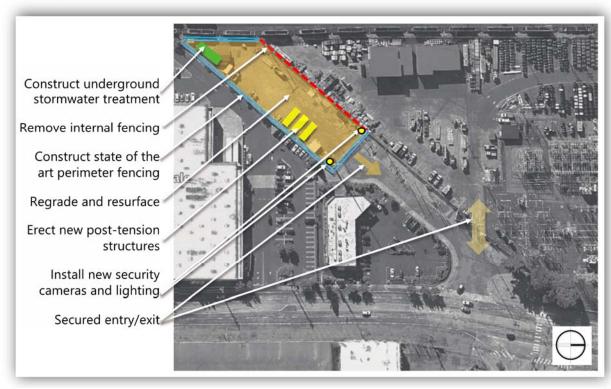


Figure 6. Plan diagram of proposed site improvements.

At this point in time, significant investment in the Diagonal Avenue South property is necessary to improve drainage and pavement, and to provide greater security for the site. City Light also plans to add a temporary tension-fabric structure to the site to provide an indoor venue for the spray coating of steel plates. Some of these improvements are necessary pursuant to a recent site inspection made by the Washington State Department of Ecology. Safety improvements will be constructed in conformance with the standards set forth in City Light's Design and Construction Guidelines for Security Facilities, adopted by City Light's Office of Internal Compliance in 2013. From City Light's perspective, the level of investment necessary is justified only if it owns the property.

The improvements proposed for the Diagonal Avenue South right-of-way include the following:

- Provide weather protection to stored materials and equipment with tension-fabric structures.
 - 1. Improve stormwater runoff quality into the Duwamish River.
 - 2. Reduce airborne particulates from unprotected material.
- Install security lighting around the perimeter of the site.
 - 1. Improve site security.

- Erect a new perimeter fence, per Seattle City Light's Security Standards.
 - 1. Improve site security.
 - 2. Surface regrading and repaving that will reduce flooding and freezing during heavy rain.
 - 3. Improve stormwater runoff quality into the Duwamish River.
 - 4. Improve site security.
- Remove the fence between the South Service Center and Diagonal Avenue South right-ofway
 - 1. Allow the property to be more efficiently used.
 - 2. Reduce administrative overhead.
 - 3. Integrate circulation with South Service Center yard.
 - 4. Improve safe circulation for oversized vehicles.

These improvements will allow the South Service Center to function as a single site with controlled entry. It will allow for better site utilization and public safety. With the stormwater improvements it seeks to make, City Light will operate at higher levels of sustainability. The improvements will not preclude vehicle, bike, and pede strian use adjacent to the site.

The project is in alignment with the City's equity goals and the Race and Social Justice Initiative, as it will directly lead to improved on-site personnel safety and support the Duwamish River Clean-up through higher quality of stormwater runoff.

"VACATION" ALTERNATIVE

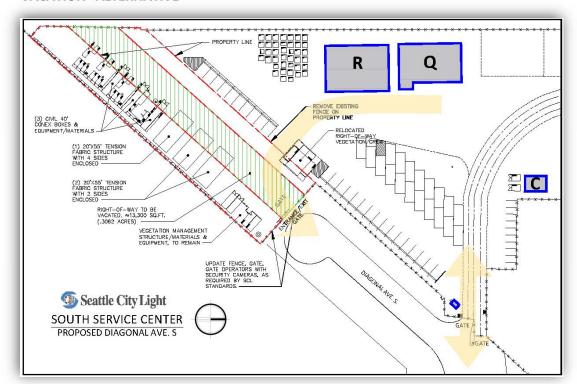


Figure 7. Removing the fence between Diagonal Avenue South and the South Service Center will improve traffic flow on the site.

PROJECT COST ESTIMATE

Property adjacent to the ROW to be vacated has been assessed at \$40/square foot. City Light is seeking to make over \$1.5 million in improvements on Diagonal Avenue South.

"NO VACATION" ALTERNATIVE

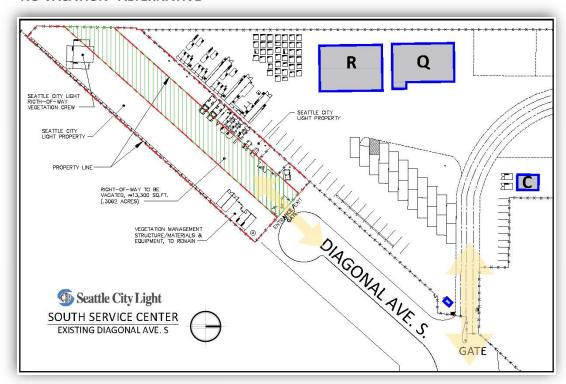


Figure 8. No vacation alternative traffic circulation.

The remaining Diagonal Avenue South right-of-way is sandwiched between City Light properties. It is not accessible from the main South Service Center yard and can be accessed during the day only from the single entry facing 4th Avenue South. The full right-of-way is surrounded by a 10'-tall chain link and wood fence. Its surface is uneven. As a result, water often pools, and occasionally freezes over during winter months. The site is used for storage of materials and equipment, and occasionally used for long term vehicle parking. The site is currently not secured in a manner consistent with City Light standards and has been subjected occasionally to theft of equipment. The site has:

- One-way in and out access Limited use due to narrow width
- Limited use at its western edge
- Uneven surface that is dangerous for walking
- A tendency to flood during higher tides and heavy rain events
- An old and poorly secured peripheral fence
- Reported break-ins and thefts

With the "No Vacation" alternative

- Improvements will not be made to property not owned by City Light.
- No new capital improvements can be accommodated in the adjacent South Service Center since the South Service Center is fully programmed.
- City Light will maintain the status quo of current site use.
- There will be no public benefit of open space in Georgetown (see Section V).

PROPOSED DEVELOPMENT TIMELINE

Should this petition be approved by City Council, after street vacation approval, City Light will:

- Transfer ownership of public benefit property to Seattle Parks (3Q, 2020) (See Section V.).
- Proceed with Diagonal Avenue South site improvements (3Q, 2020).
- Seattle Parks develops off-leash area at flume with financial support from City Light (2020 -2021) (See Section V.).

LAND USE INFORMATION

According to the 2019 Seattle Comprehensive Plan, the Diagonal Avenue South right-of-way and the South Service Center lie in the City's Greater Duwamish Manufacturing/Industrial Center. This is an important area of employment and economic development in the city. Land in the Duwamish Manufacturing/Industrial Center is maintained for industrial uses, including manufacturing, assembly, storage, repair, distribution, research about or development of tangible materials and advanced technologies; as well as transportation, utilities, and commercial fishing activities.

The comprehensive plan specifically asks that the City should:

- GD-P4 Encourage site assembly that will permit expansion or new development of industrial uses.
- GD-G8 Maintain the Duwamish Manufacturing/Industrial Center as a manufacturing /industrial center promoting the growth of industrial jobs and businesses and strictly limiting incompatible commercial and residential activities.
- GD-P47 Strive to provide stormwater facilities that help increase pavement durability.
- GD-G18 Sufficient incentives exist in the industrial area so that the private sector can remedy environmental contamination and contribute to the expansion of the industrial job base.
- GD-G20 Public investments contribute to a sense of community identity and enhance public safety.
- GD-P48 Recognize crime prevention as a significant contributor to economic vitality in the Duwamish Manufacturing/Industrial Center and to the quality of life in the surrounding residential communities.

Every improvement proposed for the site helps City Light meet one of the above comprehensive plan goals.

The Seattle Design Commission will review the project and the public benefit and will advise the City Council. SDOT will review the totality of the vacation proposal and makes the recommendation to the City Council, including the important review by the Design Commission. With the vacation

approval, the current street use permit that City Light has with SDOT for many years will be retired and City Light will own the right-of-way. This will be recorded through an ordinance. Under state law (RCW 35.79.040), the Diagonal Avenue South right-of-way, once vacated, will revert to the abutting property owners, one-half to each, upon City Council approval. For Diagonal Avenue South, since City Light owns the property on either side of the vacation site and it will take full ownership of the right-of-way that is currently fenced in.

URBAN DESIGN ANALYSIS



Figure 9. Aerial view of the industrial area looking west.

The area around the South Service Center and Diagonal Avenue South is used primarily for industrial activities. There is little blocking the view from and into Diagonal Avenue South. Similarly, the view from Diagonal Avenue South is not significant in any direction. Also, the proposed development in Diagonal Avenue South is insignificant in scale and visual impact to the towers and wiring of the substation and will not block any significant view in any direction. The aesthetic of this area is definitively industrial. The temporary storage and maintenance facilities proposed for the site align with the appearance of the rest of the district. They will not create any distractions or contribute to buildings with non-conforming character.



Figure 11. Aerial view of the industrial area looking east.

TRANSPORTATION

Diagonal Avenue South is designated a Minor Industrial Access Street. These are located within the Manufacturing and Industrial Centers and serve a range of existing uses such as industrial, commercial, or manufacturing. These streets are designed to accommodate the standard design vehicle, SU-30 with a 42' turning radius. This street type can have a curbless condition with large flex zones that can accommodate bioretention, parking for larger vehicles, or larger street trees.

Minor Industrial Access Streets may provide opportunities for temporary parking of trucks or staging of equipment or other materials associated with industrial uses. Therefore, the current

Diagonal Avenue South Details			
Street Type	Minor Industrial Access		
Arterial Classification	Not Designated		
ROW Width - Minimum	52'		
Street Type Standards	More info		
Curb Radii	20'		
Bicycle Master Plan	Neither Diagonal Avenue South nor 4 th Avenue South is on a bike route		
Transit Master Plan	4 th Avenue South and not Diagonal Avenue South is on the Frequent Transit Network		
Freight Master Plan	4 th Avenue South, and not Diagonal Avenue South, is a major transportation corridor for freight		
Pedestrian Master Plan	4 th Avenue South, and not Diagonal Avenue South, is in the moderately high area for pedestrian improvements		

and proposed use of Diagonal Avenue South aligns with its designated purpose.

Diagonal Avenue South is one of the few Minor Industrial Access Streets that are on the freight network. While it is critical to design for freight circulation on these street segments, Diagonal Avenue South is not a through-street. Freight access on Diagonal Avenue South is only for large truck egress and ingress into the South Service Center.

There is limited transit service on 4th Avenue South due to the nature of demand for transit in the Industrial Center. There is very little pedestrian activity beyond the chain link fence that is not related to the South Service Center. The low pedestrian volumes on 4th Avenue South require highly visible and controlled crossing opportunities. In general, design requirements for Minor Industrial Access Streets are that of a pedestrian zone of 6' width and limited curb cuts and driveways. Street trees, permeable pavement, landscaping, and rain gardens are encouraged in the public right-ofway of Minor Industrial Access Streets. For programming the public space in the Manufacturing and Industrial Centers, improvements such as wayfinding, vending, and public art are allowed.

Vacating the Diagonal Avenue South right-of-way will have little to no impact on either the pedestrian flow, transit use or vehicular traffic on 4th Avenue South. If the Diagonal Avenue South gate is used only for exiting traffic, the flow of freight traffic into the South Service Center could be simplified, reducing the chances of collisions.

UTILITIES

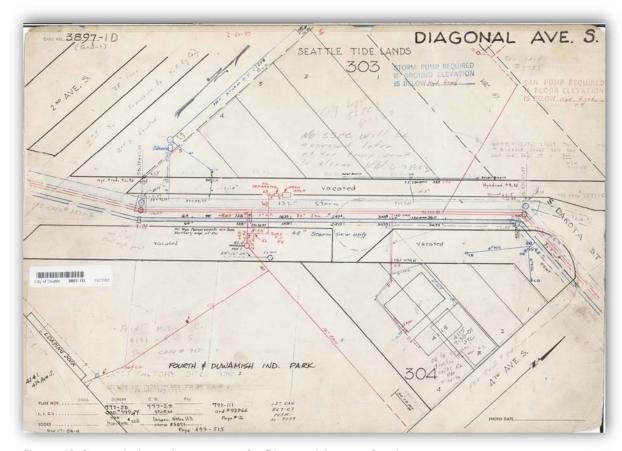


Figure 12. Storm drain and sewer map for Diagonal Avenue South.

Currently there are three major underground utility pipes within the fenced-in area of the Diagonal Avenue South right-of-way. The 132" diameter stormwater pipe handles stormwater. Another 48" diameter stormwater drain runs below while a 30" sanitary sewer collects discharges from adjoining properties and connects to a main line further west. These are between eight and eleven feet underground.

The redesign of Diagonal Avenue South takes into consideration the location of these utility pipes underground. Therefore, only temporary new structures with shallow or no underground foundations are being planned along this right-of-way. A stormwater treatment system is being planned for the runoff from Diagonal Avenue South. This is being planned for in the lowest point, which is at the southwest corner of the site. It is likely that this will feed into the 48" stormwater pipe. The stormwater system will be designed with SPU review, so as to not impact the pipes during construction or operations.

SPU's access to their infrastructure will be protected by a partial transfer of jurisdiction or by other means acceptable by SPU.

HISTORIC SITES OR BUILDINGS

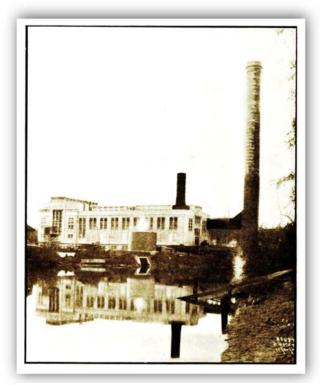


Figure 13. The historic Georgetown Steam Plant.

This strategy entailed:

While the vacation proposal is not in an area of historic significance, the flume property (see Section V.) was connected in the past to the

As per Council Resolution 31809 adopted in May 2018, the Department of Neighborhoods set in place the community outreach and engagement program for this Street Vacation project. As per their direction, an extensive community outreach process was conducted in 2019. This is recorded in Appendix D. CREÄ Affiliates, along with City Light communications staff, conducted a multi-pronged strategy for public outreach and engagement. The strategy corresponds to the Public SCL Public Outreach & Engagement Strategy, approved by the Department of Neighborhoods on 5/15/19.

historic Georgetown Steam Plant.

COMMUNITY ENGAGEMENT PLAN

- Digital outreach
- Emails
- Website
- Survey
- Social media
- Printed outreach
- Direct mailers
- Posters
- In-person public engagement
- Delivery of door-to-door notices
- Public meetings and presentations in SODO and Georgetown
- Stakeholder interviews

The outreach methods varied in their reach into the community. Feedback during the door-to-door outreach suggests that the direct mailings to area businesses and property owners as well as emails from local organizations had the greatest reach.

Overall, community members had no major objections to the street vacation petition since the area has not been used as a right-of-way for many years and there is no interest in using it as an access across the Burlington Northern railroad tracks. With regard to the transfer of the flume property, SODO representatives maintained that, with Diagonal Avenue South being in the SODO area, some public benefits should be invested into the SODO area. In Georgetown, a couple of property owners near the flume property expressed concern about locating an off-leash area (OLA) for dogs at the

flume property due to the crime that it has attracted in the past. Others expressed their interest in the site hosting other activities as well, including a trail. Concerns about the reality of the OLA being activated in the near future were addressed by a presentation to the Georgetown Community Council (GCC) Open Space Committee. This presentation by SCL staff summarized a memo of agreement between SCL, SeattleParks and Recreation, and the Seattle Department of Transportation (see Appendix E) that details expenses being borne by each department. These funds would help prepare the property and have it fenced for use as an off-leash area for dogs as well as a possible bicycle/pedestrian trail segment.

Results of the survey (see appendix D, page 39) show that an overwhelming 83% of respondents agree that the property transfer to Seattle Parks & Recreation is a fair public benefit in exchange for SCL's Street Vacation petition for Diagonal Avenue South.

III. VACATION POLICIES (Public Trust Analysis)

This project aligns with the City's vacation policies' values. Seattle's Street Vacation Regulations require the analysis of separate issues in order to determine whether the vacation of a street will benefit the public. The City provides specific guidelines as to how those issues will be reviewed as the street vacation petition is considered.

CIRCULATION

That portion of Diagonal Avenue South that is proposed for vacation lies at the end of the street. The street is gated and not currently available for use by the public. It dead-ends at a railroad track. Because this portion of the street is not accessible for public use, vehicular circulation will not be impacted. The street vacation will not result in negative effects on the current or future needs for the City's vehicular, bicycle, or pedestrian circulation systems.

The proposed street vacation will result in no increases of traffic volume on Diagonal Avenue South or any surrounding streets. Upon review of the City's Transportation Plan, it appears that there are no goals or policies set forth in that plan that would be in conflict with this proposed action. Because the section of street proposed for vacation is a dead-end street, it is not used or relied upon for access to any other area of the city and provides access only to those properties that abut it.,Other than City Light, the occasional customer from Gull properties uses the Diagonal Avenue right-of-way east of the vacation site, for exiting the property. The vacation will not impact this vehicular movement.

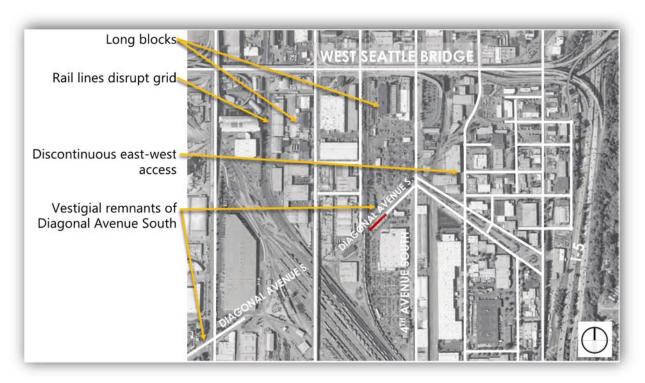


Figure 14. Circulation and block lengths around the vacation site.

ACCESS

The proposed vacation will result in the property being accessed by City Light vehicles using existing entrances located on 4th Avenue South. Access to any other property located in this vicinity will not

be impacted by this street vacation. No changes in existing traffic patterns, and no additional turning movement conflicts from vehicles entering the property from 4th Avenue South, are anticipated.

UTILITIES

The area proposed for vacation contains storm drainage and a sewer, as shown in Appendix A. Petitioners will provide a partial transfer of jurisdiction (similar to an easement) access to SPU to maintain their pipes as necessary.

FREE SPEECH

The subject property and the leased property surrounding it are restricted from public access by a gate and a fence for security purposes. The public does not have, and has not had in the past, access to use this property for free speech purposes. Other nearby properties may be available for such purposes.

In addition, as part of this street vacation and site acquisition, City Light is proposing to convey to the Seattle Parks and Recreation Department and the Seattle Department of Transportation another property that is more suitable to enable free speech. That property, approximately 46,000+ square feet in area and located on East Marginal Way in the Georgetown neighborhood, is well suited to accommodate future free speech opportunities for the public. That property, known as the flume property, is featured as a priority site in the Georgetown Open Space Vision Framework, sponsored by the Seattle Parks Foundation. The flume property is mapped and described in greater detail in Section V of this petition, "Public Benefits Analysis."

PUBLIC ASSEMBLY

For security purposes, the subject property and the leased property surrounding it are restricted from public access by a gate and a fence. This is not an area where public assembly is now permitted, nor has it been permitted in the past. Diagonal Avenue South is also not located adjacent to any public use. As part of this street vacation and site acquisition, the flume property in the Georgetown neighborhood is being proposed as a public benefitfor the vacation of this portion of Diagonal Avenue South. The flume property is more suitable for public assembly. See Section V of this petition for greater detail of the flume property.

OPEN SPACE

The properties adjacent to the street proposed for vacation are used for purposes classified by the City as industrial. It is not an area that has been or would be classified as open space. The Diagonal Avenue South right-of-way does not contribute to open space. It is not used for play or recreation. It is also not an area of neighborhood focus or activity, and there are no impacts to privacy that would result from the proposed street vacation. This street is not identified or designated as open space in Seattle's Comprehensive Plan, its Land Use Code, or any other plan adopted by the City.

However, as part of this street vacation and site acquisition, City Light is proposing to convey another property that is more suitable for use as open space. There is broad public support for the acquisition of this East Marginal Way property (the flume property), and the GCC Open Space Committee has worked with City Light for years in the hopes of acquiring this property for open space amenities.

LIGHT AND AIR

The vacation of this street will have no impact on the light and air enjoyed by neighboring properties. This action will not result in any shadows being cast on any surrounding property. There

are no public spaces near this site that will be impacted in any way. Since the existing use of the property is not expected to change in any significant manner, no long-term impacts to light and air on this or nearby properties are anticipated.

VIEWS

That portion of Diagonal Avenue South proposed for vacation is level land of low elevation. It is located in an industrial area surrounded by commercial and industrial properties and railroad tracks. The property enjoys no mountain, water, or urban views. There are no designated view corridors on or near this area. There are no designated scenic routes, landmarks, skylines, or other points of civic or cultural interest visible from this property. Future uses of the subject property do not include buildings or structures that would impact views that may now be enjoyed by other properties.

In summary, no views will be impacted by the vacation of this street section.

LAND USE AND URBAN FORM

The portion of property proposed for vacation, and the land immediately abutting it, are designated in Seattle's Land Use Plan as part of a manufacturing/industrial center. The intended character of the area is and will remain manufacturing/industrial. This action will not disrupt any existing pattern of development, and will not create any inconsistencies in the development plan for the area.

The current and proposed uses of the subject property are fully consistent with the goals and policies set forth in the City's Land Use Plan. The use of the property will not change. The size, scale, and character of the existing development meet the needs of City Light as it pursues its mission to provide safe and cost-effective utilities for Seattle residents. That size, scale, and character are not expected to significantly change as a result of the street vacation.

As noted earlier, that portion of Diagonal Avenue South proposed for vacation has been closed and not available for public access for many years. Thus, since the vacation will not alter the current use or availability of the property, there are no transportation impacts anticipated by the proposed action. The Transportation Element of the Seattle Comprehensive Plan contains no concepts or prohibitions that would apply here.

The block that will be formed as a result of the proposed street vacation is fully consistent in size and character with other blocks in this manufacturing/industrial area. The property located nearest to the proposed street vacation that is not owned by City Light is a Costco big-box retail establishment. (Note: Costco does <u>not</u> abut the street to be vacated). While Costco shares a property boundary with City Light's property near the South Service Center, no changes in vehicular access to the Costco property would result from the proposed street vacation. There is currently a fence located on the property line separating the two properties.

The Urban Village and Neighborhood elements of the plan do not apply to this proposal. However, the conveyance of the flume property on East Marginal Way would be fully consistent with current and proposed plans for the Georgetown neighborhood.

OTHER CONSIDERATIONS

As noted earlier, the subject portion of the Diagonal Ave. S. ROW is currently being used by City Light under a street use permit. Significant improvements to the property are currently being considered, including storm drainage improvements and a fence upgrade to improve security. These improvements will require a significant financial investment by City Light, an investment that City Light is reluctant to make without owning the property in question. The vacation of the designated

portion of Diagonal Avenue South in favor of City Light as the sole abutting property owner, provide a basis for improvements that will benefit City Light, as well as the surrounding properties.

In addition, the public benefit analysis should balance what the public loses through the vacation with what the public will gain from the project. As noted earlier, there is no perceptible loss to the public as a result of the proposed vacation because the section of Diagonal Avenue South proposed for vacation has been closed to the public and not available for public use for many years.

A significant issue for consideration is that of security. There have been several documented breakins and thefts of tools and equipment from the subject property. The proposed street vacation and property acquisition will enable City Light to significantly increase security on this site by improving fencing and other security measures.

The property to be conveyed as a part of this proposal has great potential for being useful for public benefits. This potential will be discussed in greater detail in the next section.

IV. PUBLIC BENEFIT ELEMENTS



Overview

According to the City of Seattle Street Vacation Policies adopted in 2018, "A vacation shall include a commitment to provide public benefits." This street vacation petition's public benefit proposal envisions City Light providing and helping to develop for community use a 46,338 sq. ft. property. This property is over three times as large as the 13,300 sq. ft. of street ROW that City Light is seeking to vacate. Property exchange as a public benefit is allowed under Sections III J 4 and IV B 3 of the new Street Vacation Policies—the provision of real estate is an appropriate public benefit.

Figure 15. An aerial view of the Flume property.

The full public benefit package is outlined in Appendix E, but includes the following property transfer:

Property transferred to:	Size of property to be transferred in square feet	Value of the transferred property at the assessed value of \$40/ square foot	Use of the property
Seattle Parks and	36,626	\$1,465,040	Off-Leash
Recreation Dept. (SPR)			Area
Seattle Department of	9,712	\$388,480	Pedestrian /
Transportation (SDOT)			bicycle trail
Total	46,338	\$1,853,520*	

^{*}Subtracting the value of the ROW gained by City Light from the street vacation (13,300 sq. ft., \$532,00), this is a net transfer from City Light to SPR/SDOT of 33,036 sq. ft. or \$1,321,440.

In addition, as further detailed in Appendix E, City Light's public benefit package also includes the following support to SPR and SDOT for the development of the property:

- Paying for the removal and disposal of the top 6" of soil on the property (est. \$45,000.)
- Paying for 50% of the cost of the purchase and placement of the clean gravel (est. \$150,000 for SCL's share.)



Figure 16. View of the flume property from South Myrtle Street.

Support from the community

The GCC Open Space Committee held a work party and design charrette at the flume property on Earth Day 2017 with funding from the Department of Neighborhoods. As a result of that design charrette, the following recommendations were put forward by local residents:

- Make this area a safe, walkable, rollable space
- Add native trees and plants
- Provide a historic connection/narrative
- Possibly add an off-leash dog park/run area

The flume property has historic connections to the Duwamish River and the Georgetown neighborhood. The flume was previously part of a drainage system from the historic steam plant to the Duwamish River. The wooden flume was moved a while back, while the property has been vacant for many years. It has been known to attract unwanted elements who leave trash on the property. This project would activate this unused property for public benefit of green space.

The GCC Open Space Committee has been in communication with City Light for years in hopes of acquiring this property to increase open-space amenities in the neighborhood. The property is located in a problem area of the neighborhood where it is possible that community activation could help to deter crime. The property could also be part of the Georgetown-South Park Trail that is currently being designed. Overall, the community expressed strong support for both the street vacation and the proposed public benefit of property transfer.

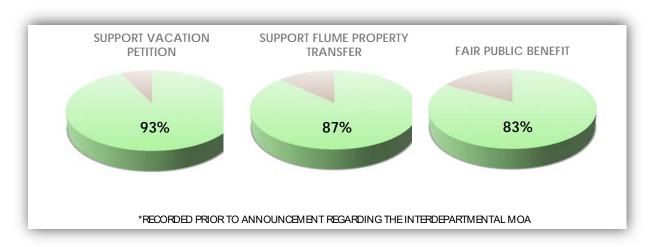


Figure 17. Community survey results (2019)

At the December 3, 2019, Seattle Design Commission Pre-design meeting, three community members testified in support of the flume property transfer. Patty Foley, of the GCC Open Space Committee, stated that Georgetown residents are looking for areas to walk and bike in an area that currently lacks open space, clean air, and trees. The flume site is one of the few open parcels in the area to create public space. With the activation of the flume property as an off-leash area, this space would create a sense of community ownership and improve site safety. Jesse Moore, also of the GCC Open Space Committee, stated that people have been using the site to walk through as an alternative to East Marginal Way. The site attracts nuisances, and community members have worked previously with City Light to clean it up. Mr. Moore then stated that both Seattle Parks and Recreation and SDOT have documented that the development of this site as a public dog park and public multiuse path is a community priority. Kate Kohler, a Georgetown resident, mentioned that feedback from the Open Space Committee's survey indicated that many people wanted either a dog park or multi-use trail. She also expressed their appreciation for City Light proactively reaching out to involve the community in the planning of the proposed public benefit.

Appropriateness of this public benefit proposal

This proposal can be compared to the criteria and considerations for public benefits from the City's Street Vacation Policies.

Comparison of Proposal with Provisions in Section IV of the Street Vacation Policies "Analysis of Public Benefits of the Vacation"

Section of the Street Vacation Policies	Criteria / Consideration Cited in the Policies	How the Proposal Addresses the Criteria/ Considerations
IV.A. PUBLIC BENEFIT REQUIREMENT [general]	"The public benefit proposal should also consider the comments, ideas, and concerns voiced by the public in the early community engagement process."	The use of the Flume property for public open space has been championed by the community before and during the early community engagement process. See also Fig. 17.
	"A significant public benefit shall be provided by major projects Minor projects are required to provide a more moderate public benefit."	 City Light's proposed use of the vacated ROW at Diagonal Ave S is minor. The vacated ROW measures 13,300 sq. ft., less than a third of the 46, 338 sq. ft. being provided as a public benefit. The level of the improvements City Light is planning to make at the Diagonal Ave S. is about \$1.5 M (see Section II). This is indicative of a minor project. City Light's net transfer of property (33,036 sq. ft., once the size of the vacated ROW is subtracted) is valued at \$\$1,321,440. Adding the estimated cash payments that will support the development of the property, the total value of the City Light public benefit is \$1,517,440. The value of the public benefit is equivalent to the cost of the project. This is unusually generous, relatively speaking.
IV.A. PUBLIC BENEFIT REQUIREMENT Several factors will be considered in	"Traffic volumes on the street proposed to be vacated; "	The section of ROW to be vacated dead ends at the railroad, and so has zero through traffic.
identifying whether a public benefit package is sufficient, including the:	 "Size of project in square feet;" "Size of the area to be vacated in square feet;" 	As stated above, the vacated area is less than a third of the public benefit area that is being proposed. The full project area which includes the vacated ROW plus the

		,
IV.A. PUBLIC BENEFIT	"Ideas resulting from the	abutting parcels of existing City Light property is 36,000 sq. ft. This is still less than the 46,338 sq. ft. of public benefit property. The use of the Flume property for public
REQUIREMENT The following factors are not public benefits, but may be considered when reviewing the public benefit package:	 early community engagement process;" "Neighborhood support or opposition; " "Broad-based community support or opposition;" 	open space has been championed by the community before and during the early community engagement process. This support is also apparent in our survey results (see Appendix D and Fig. 17) and the community's ongoing testimony at the Seattle Design Commission (see above.)
	"Proposals designed to improve race and social equity,"	The proposal supports a public open space amenity benefiting Georgetown and South Park – both traditionally underserved communities.
	 "The public nature of the project (library, governmental purposes, low-income housing);" 	The project at Diagonal serves the governmental purpose of City Light's efficient operation.
IV.B. PUBLIC BENEFITS IDENTIFIED [general]	"Public benefit proposals may be informed by needs and ideas identified through community engagement."	The use of the Flume property for public open space has been championed by the community before and during the early community engagement process. See also Fig. 17.
IV.B. PUBLIC BENEFITS IDENTIFIED 1. Physical public benefits	 "Enhancing the pedestrian or bicycle environment;" "Pedestrian trails" "Bicycle paths" 	The trail component of the project will serve both bicycles and pedestrians.
	 "Creating or enhancing publicly-accessible plazas, open spaces, or other green spaces;" 	The project will provide an open space for the community.
	"Spaces that support City goals for race and social equity"	The proposal supports a public open space amenity benefiting Georgetown and South Park – both traditionally underserved communities.
IV.B. PUBLIC BENEFITS IDENTIFIED 3. Real Property	"The City may accept real property as a public benefit."	The proposal is to provide real property to two City departments, in addition to other considerations.

V. SUMMARY STATEMENT

The proposed street vacation shown in this petition will provide a number of specific benefits for the City's consideration:

- The acquisition of this property and the associated street vacation will enable City Light to utilize the South Service Center property with greater efficiency, thus providing long-range cost benefits to its customers.
- The addition of more secure fencing will provide greater safety to City Light, and to the community at large, and enable City Light to utilize the property with a higher degree of security.
- The improvements to stormwater drainage will provide benefits not only to City Light, but also to the Duwamish waterway and the general public.
- As compensation for the vacation of this portion of Diagonal Avenue South, City Light is proposing to transfer a parcel of land on East Marginal Way (the flume property) to the City's Parks and Recreation Department and Department of Transportation. The transfer of this property will provide a significant public benefit to the city. The proposed public benefit is more than proportional to the size and value of the ROW that is being vacated and is otherwise aligned with the City's adopted Street Vacation Policies.

APPENDIX A: SURVEY OF PROPOSED VACATION

APPENDIX B: SEATTLE DESIGN COMMISSION MINUTES

Predesign Meeting Minutes (12/03/2019)

APPENDIX C: LETTER OF SUPPORT FROM GULL PROPERTIES



GULL INDUSTRIES, INC. • 3404 FOURTH AVENUE SOUTH • P.O. BOX 24687 • SEATTLE, WA 98124 • (206) 624-5900 • FAX (206) 624-5412

August 8, 2019

Christoph Strouse Communications Specialist CREÄ Affiliates, LLC 3250 Airport Way South Seattle WA 98134

Dear Christoph,

I understand that Seattle City Light is looking to acquire the right of way at 4101 Diagonal Avenue South by transferring the ownership of this property from Seattle Department of Transportation (SDOT) to Seattle City Light.

I would like to confirm that I have been informed of this project and understand the potential impacts and benefits to the community. Having reviewed this project I, having the authority as Vice President of Gull Industries, Inc. would like to state that I have no concerns and find no issue with the petition.

Sincerely,

Peter True

Vice President

Gull Industries, Inc.

APPENDIX D: COMMUNITY ENGAGEMENT PLAN DETAILS

APPENDIX E: MEMO OF AGREEMENT

BETWEEN CITY LIGHT, SEATTLE PARKS AND RECREATION, AND SEATTLE DEPARTMENT OF TRANSPORTATION DEPARTMENTS & FLUME CONCEPT

APPENDIX F: ENLARGE FIGURES

DIAGONAL AVENUE SOUTH - VACATION LEGAL DESCRIPTION

COMMENCING AT THE MOST SOUTHWESTERLY CORNER OF THAT PORTION OF DIAGONAL AVENUE SOUTH VACATED UNDER BY CITY OF SEATTLE ORDINANCE NUMBER 112889, UNDER KING COUNTY RECORDING NUMBER 8607010965, AND AMENDED BY CITY OF SEATTLE ORDINANCE 113226, UNDER KING COUNTY RECORDING NUMBER 8701070967, SAID POINT OF COMMENCEMENT ALSO BEING THE ANGLE POINT AT THE INTERSECTION OF THE WESTERLY AND NORTHWESTERLY LINES OF LOT 2 OF THE PLAT OF FOURTH AND DUWAMISH INVESTMENT PARK, RECORDED UNDER KING COUNTY RECORDING NUMBER 8307280903:

THENCE NORTH 01°09'28" EAST ALONG THE WEST LINE OF SAID VACATED DIAGONAL AVENUE SOUTH 59.69 FEET TO A POINT AT THE NORTHWESTERLY CORNER OF THE SOUTHEASTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH AND TRUE POINT OF BEGINNING;

THENCE NORTH 43°14'20" EAST ALONG THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH 355.61 FEET TO A POINT THAT BEARS NORTH 46°45'40" WEST AND IS 40.00 FEET DISTANT FROM A POINT ON THE SOUTHEASTERLY MARGIN OF DIAGONAL AVENUE SOUTH AND 38.41 FEET NORTHEASTERLY OF THE SOUTHWEST CORNER OF LOT 4, BLOCK 304, OF THE UNRECORDED PLAT OF SEATTLE TIDE LANDS, SAID POINT ALSO BEING AN ANGLE POINT IN SAID VACATED DIAGONAL AVENUE SOUTH;

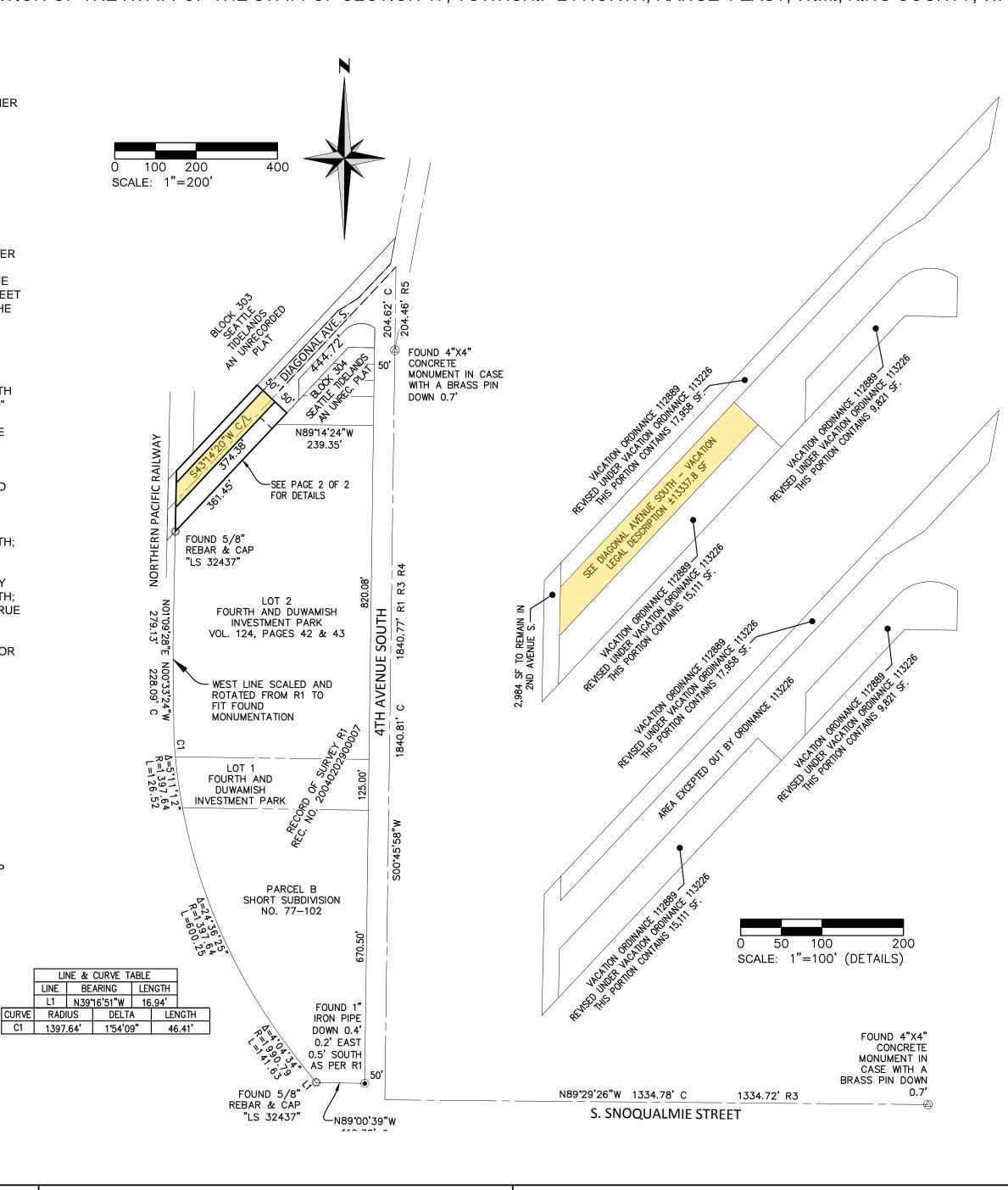
THENCE NORTH 46°45'40" WEST 40.00 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH; THENCE SOUTH 43°14'20" WEST ALONG SAID SOUTHEASTERLY LINE 311.31 FEET TO THE SOUTHWESTERLY CORNER OF THE NORTHWESTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH; THENCE SOUTH 01°09'28" WEST 59.69 FEET TO THE TRUE POINT OF BEGINNING.

VACATION CONTAINS 13,337.8 SQUARE FEET, MORE OR LESS.

LEGEND

MANAGER

- FOUND MONUMENT
- FOUND IRON PIPE
- FOUND REBAR & CAP
- FOUND TACK IN LEAD PLUG WITH WASHER "APS LS# 41024"
- FOUND 5/8" REBAR WITH YELLOW PLASTIC CAP "APS LS# 41024"
- C CALCULATED DISTANCE
- R# DISTANCE FROM REFERENCE



GENERAL NOTES

- THE SOLE PURPOSE OF THIS SURVEY TO MARK ON THE GROUND AND DOCUMENT THE LOCATION OF A VACATION AREA OF DIAGONAL AVENUE, AS ILLUSTRATED HEREON.
- 2. OUR CLIENT, SEATTLE CITY LIGHT, HAS NOT FURNISHED APS SURVEY & MAPPING WITH A TITLE REPORT OF THE BOUNDARIES. A COMBINATION OF RECORD OF SURVEYS AND PLATS WERE USED IN CONCERT WITH FOUND MONUMENTATION TO DETERMINE THE BOUNDARIES SHOWN HEREON. ACTUAL OWNERSHIP STATUS MAY VARY.
- 3. THIS SURVEY WAS BASED ON A RTK VRS SURVEY (USING A TOPCON HYPER UNIT) IN COMBINATION WITH A CONVENTIONAL SURVEY (USING A TOPCON DR-203 TOTAL STATION A THREE SECOND INSTRUMENT). THIS NETWORK MEETS OR EXCEEDS THE ACCURACY STANDARDS SET BY WAC 332-130-090.
- 4. ALL MONUMENTS WERE OCCUPIED OR OBSERVED DURING THE MONTH OF AUGUST, 2019.
- 5. ALL MEASURING INSTRUMENTS AND EQUIPMENT USED FOR THIS SURVEY WERE MAINTAINED IN ADJUSTMENT ACCORDING TO MANUFACTURER'S SPECIFICATIONS.
- THIS SURVEY DOES NOT CONSTITUTE A SUBDIVISION OF LAND.
- 7. BEARINGS ARE BASED ON OBSERVATIONS USING THE WASHINGTON STATE REFERENCE NETWORK, THE WASHINGTON STATE PLANE COORDINATE SYSTEM, NORTH ZONE, EXPRESSED IN US SURVEY FEET GROUND DISTANCES.

SPECIAL SURVEY NOTE

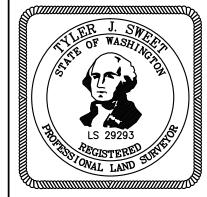
THIS SURVEY WAS PREPARED FOR THE EXCLUSIVE USE OF SEATTLE CITY LIGHT, AND DOES NOT EXTEND TO ANY UNNAMED PARTY WITHOUT EXPRESS RECERTIFICATION BY APS SURVEY & MAPPING, AND/OR THE PROFESSIONAL LAND SURVEYOR NAMED HEREON, NAMING SAID PARTY.

REFERENCES

- R1 RECORD OF SURVEY RECORDING NUMBER 20040202900007
- R2 RECORD OF SURVEY
 RECORDING NUMBER 20081104900015
- R3 RECORD OF SURVEY RECORDING NUMBER 8508159026
- R4 PLAT OF FOURTH AND DUWAMISH INVESTMENT PARK VOLUME 124, PAGES 42 & 43 RECORDING NUMBER 8307280903
- R5 SEATTLE PUBLIC UTILITIES MAP OF THE SW 1/4 SECTION 17, T24N, R4E, W.M. TILE 123 PLOT DATE: 6/8/2012
- R6 CITY OF SEATTLE ORDINANCE 112889 RECORDING NUMBER 8607010965 REVISED UNDER ORDINANCE 113226 RECORDING NUMBER 8701070967

FILED FOR RECORD, THIS ______ DAY OF _____ 2019, AT _____M., IN BOOK _____ OF SURVEYS AT PAGE ____ AT THE REQUEST OF APS SURVEY & MAPPING.

SUPERINTENDENT



SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF SEATTLE CITY LIGHT, IN SEPTEMBER 2019.

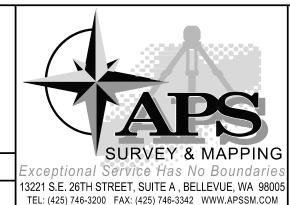
TYLER J. SWEET, PLS DATE

STATE OF WASHINGTON CERTIFICATE NO.____

RECORD OF SURVEY - BOUNDARY
KING COUNTY PARCEL NO # 700670-0570
DIAGONAL AVENUE SOUTH - VACATION
FOR
SEATTLE CITY LIGHT

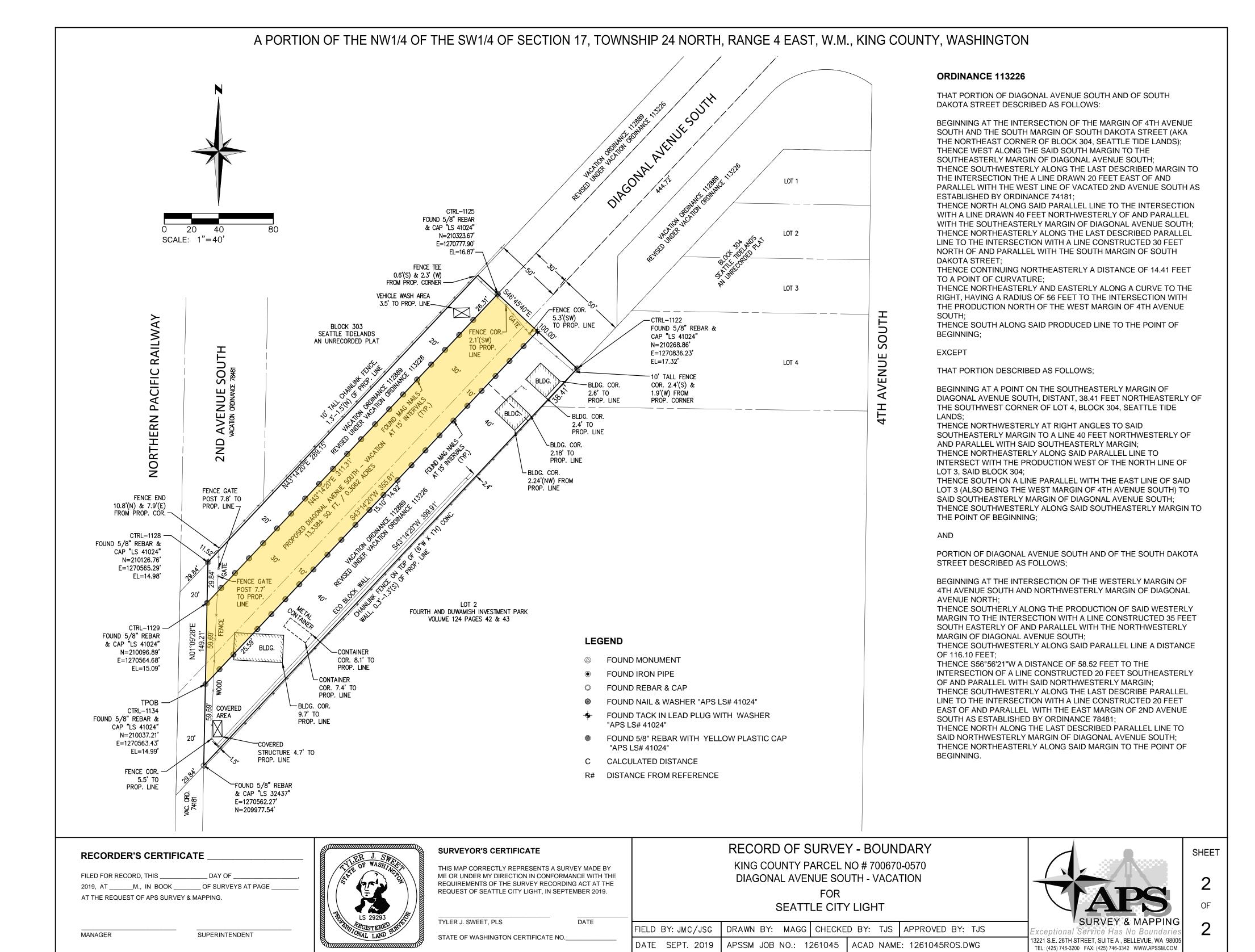
FIELD BY: JMC/JSG DRAWN BY: MAGG CHECKED BY: TJS APPROVED BY: TJS

DATE SEPT. 2019 APSSM JOB NO.: 1261045 ACAD NAME: 1261045ROS.DWG



0F **2**

SHEET





APPROVED MEETING MINUTES

October 3, 2019

Diagonal Ave S Street Vacation

Jenny A. Durkan Mayor

Samuel Assefa Director, OPCD

Ben de Rubertis, Chair

Brianna Holan, Vice Chair

Justin Clark

Laura Haddad

Mark Johnson

Rick Krochalis

Amalia Leighton

Vinita Sidhu

Elaine Wine

Michael Jenkins

Director

Valerie Kinast Strategic Advisor

Aaron Hursey Planner

Juliet Acevedo Administrative Staff

Office of Planning and Community Development Seattle City Hall

600 4th Avenue, 5th Floor Seattle, WA 98124

TEL 206-684-0435 **FAX** 206-233-2784 seattle.gov/designcommission **Commissioners Present**

Brianna Holan, Vice Chair Justin Clark Laura Haddad Mark Johnson Amalia Leighton Vinita Sidhu Elaine Wine **Commissioners Excused**

Ben de Rubertis, Chair Rick Krochalis

Project Description

Seattle City Light (SCL) is petitioning to vacate a segment of Diagonal Ave S between 4th Ave S and the BNSF railroad tracks in the SODO neighborhood. This segment is adjacent to SCL's South Service center and is currently used for storage under a previously approved street use permit. The project team is proposing to use the vacated ROW to make improvements to the existing South Service Center. The public benefit proposal includes providing additional open space within the Georgetown neighborhood that will integrate with the Georgetown to South Park Trail.

Meeting Summary

This was the Seattle Design Commission's (SDC) first review of the SCL – Diagonal Ave S Street Vacation project. The purpose of this meeting was to review the vacation pre-petition and CIP pre-concept design (15% design) phase for the project. After the presentation and discussion, the SDC voted, 8-0, to approve the CIP 15% design. The SDC is not required to take an action on the vacation pre-petition review but did provide recommendations to be addressed prior to the Commission's formal review of the vacation petition.

Recusals and Disclosures

None

October 3, 2019

1:00-2:30 pm

Type

Street Vacation & CIP

Phase

Vacation pre-peition & CIP 15% design

Previous Reviews

None

Presenters

Anindita Mitra CREA Affiliates LLC

Attendees

Beverly Barnett SDOT

Timothy Croll SCL

Patty Foley

Georgetown Open Space Committee

Amy Gray

David Goldberg
OPCD

Kate Kohler

Georgetown Resident

Danyal Lofti

SPR

Ruth Meraz-Caron

Resident

Jesse Moore

Georgetown Open Space Committee

Chip Nevins

SPR

Hallie O'Brien

SDOT

Lish Whitson

Seattle Central Staff



Figure 1: Project location (left) and proposed public benefit location (right)

Summary of Presentation

Anindita Mitra presented the CIP pre-concept design and vacation pre-petition for the SCL – Diagonal Ave S street vacation project. The presentation began with a brief overview of the project area and background information (see figure 1). SCL currently has a permit to use the ROW for the storage of equipment. The area is fenced off from the public as well as the larger SCL facility. The CIP proposal would integrate the area into the existing SCL operating area, provide weather protection for stored materials and equipment while improving stormwater runoff quality into the Duwamish River. The CIP proposal would construct an underground stormwater treatment area, remove internal fencing between the area and the existing SCL facility, and construct new security fencing around the site. The proposed covered area would be constructed out of post and canvas material. Existing underground utilities will prevent SCL from constructing a larger facility.

The proposed public benefit package for the vacation alternative includes transferring SCL's Flume property in Georgetown to Seattle Parks and Recreation (SPR) to be developed as an off-leash area (see figure 1). A portion of the donated site would also be integrated into the Georgetown to South Park multiuse trail.

The no vacation alternative presented would include continuing to operate and use the area as it currently does today.

Agency Comments

Beverly Barnett, SDOT, Reminded the SDC that SDOT is reviewing the project as a CIP project as the vacation petition has not been received. Beverly mentioned that SCL currently has a permit to use space, but that they are starting to see a compelling argument for the necessity of vacating this portion of the street. Beverly then reminded the SDC that they are also beginning to review the proposed public benefit and that they are still understanding City agency and community commitments for the public park proposal.

David Goldberg, OPCD, thanked different parties who spent time in figuring out there priorities. David mentioned that SCL approached other city agencies early in the process to develop the project and to partner with the community to create a public benefit. Partnering with SPR is a great way to show how collaboration on public projects should be done.

Danyal Lofti, SPR, mentioned that the previous plans have also documented the community's desire to have an off leash area in Georgetown. They stated that the proposed open space will benefit the community and that cost sharing between different departments will help make this project a reality.

Chip Nevins, SPR, stated that SPR is working with SCL on this project. Chip mentioned that the community wants more open space, off-leash areas, and bike connection in this area and that this is an opportunity to start providing those benefits. Chip then stated that SCL will convey they Flume property to SPR, will reserve space for SDOT to develop a trail and then develop an off leash area as quickly as possible. SCL will also provide some funds to help develop the site. Chip then mentioned that SPR is supportive of this project and that it is a creative way to provide open space in an area that desires it.

Hallie O'Brien, SDOT, stated that SDOT doesn't have construction funding yet for the trail but that they do have funding for the design. Hallie then mentioned that SDOT has conducted outreach this summer and have spoken with community who is supportive of the project.

Public Comments

Patty Foley, Georgetown open space committee, stated that Georgetown residents are looking for improvements to tree canopy and areas to walk and bike in an area that currently lacks open space, clean air, and trees. Patty then mentioned that they could activate this space and create a sense of ownership and safety while adding an off-leash area, which many neighbors are in favor of having. Patty also stated that the FLUM site is one of the few open parcels in the area to create public space. They then thank SCL and other departments for their proposal to include accessible open space.

Kate Kholer, Georgetown resident, stated that people do want a dog park in Georgetown. Kate then mentioned that feedback from additional community outreach indicated that many people wanted either a dog park or multi use trail. Kate then expressed their appreciation for SCL proactively reaching out to involve community in the planning of the proposed public benefit.

Jesse Moore, Georgetown open space committee, stated that they are interested in SCL making lasting investments and then voiced their support for the vacation request. Jesse then mentioned that people have been using the site to walk through as an alternative to traveling along E Marginal Way and that community members have worked with SCL to clean up the project site. Jesse then stated that both SPR and SDOT have documented the development of this site as a community priority and that this vacation proposal is an opportunity to create a public park and public multiuse path.

Summary of Discussion

The Commission organized its discussion on the CIP pre-concept design around the following issues:

- Site use
- Access

Site use

The SDC recognized that SCL currently uses the ROW and agreed the site use is reasonable given the lack of connectivity of the ROW to the street grid as well as the location of SPU infrastructure beneath the ROW.

Access

The SDC understood that the current configuration of the ROW isn't accessible to the public. As the project continues to develop, commissioners recommended the project team clarify what is required by code for improving the project site, specifically the commission asked if the project would require any pedestrian improvements. The SDC then recommended the project team review the quality and materiality of the fencing as the project continues to evolve.

The Commission organized its discussion on the vacation pre-petition around the following issues:

- Necessity of vacation
- Public trust considerations
- Public benefit considerations

October 3, 2019 E 109

Necessity of the vacation

The Commission understood the rationale for the vacation. Commissioners acknowledged the current agreement between SPU and SDOT and agreed that if SPU wants to invest in the site then they need to maintain ownership.

Public trust considerations

The SDC agreed that the current proposal accommodates access to SPU's infrastructure located below grade. The SDC encouraged that partner agencies such as SPU attend the next meeting to show that communications have occurred between the departments.

Public benefit consideration

The SDC commended the project team for providing open space in an area that does not currently include a significant amount of open space. The commission is concerned with the proposed implementation of the public benefit proposal. Specifically, commissioners are concerned with the use of all of the available funding to gravel the entire area of the Flume site, knowing that portions of the site will need to renovate for future use. The Commission strongly recommended the project team provide a design proposal for the site to create a balance between green space, off-leash area, and trail. Commissioners agreed that a design proposal would provide a realistic cost estimate for the overall project as well as a long term vision for the neighborhood to advocate for additional funding. The SDC then recommended the project team understand how partnerships between SDOT, SCL, and SPR can be used to strategically fund and maximize benefits for the Flume site.

Action

The Commission thanked the project team for their presentation on the CIP pre-concept design and vacation petition for the SCL Diagonal Ave Street Vacation. The SDC voted, 8-0, to approve CIP pre-concept design with the following recommendations:

- 1. Review the quality and materiality of the fencing as the project continues to evolve
- 2. Clarify what is required by code for street improvements abutting the project site, specifically provide information on any required pedestrian improvements

The SDC is not required to take an action on the vacation pre-petition review. At this meeting the Commission provided several recommendations to be addressed during future reviews of the public trust analysis and public benefit proposal. At this time the SDC sees justification for supporting vacation of the ROW in order to accomplish the program goals and is in support of transferring the Flume property in Georgetown for the purpose of creating public open space. The SDC recognizes that the vacation will better meet the security needs of SPU while rectifying a previous agreement made between SPU and SDOT. The Commission provided the following recommendations for the Public Trust and Public Benefit aspects of the vacation proposal:

- 1. Provide a site design for the long term, full development of the Flume property as a public park. Provide a construction budget estimate for full build out of a fully developed public park.
- 2. Understand how the partnership between SDOT, SCL, SPR can be used to strategically fund and maximize benefits for the Flume site.

October 3, 2019

APPENDIX C: LETTER OF SUPPORT FROM GULL PROPERTIES



GULL INDUSTRIES, INC. • 3404 FOURTH AVENUE SOUTH • P.O. BOX 24687 • SEATTLE, WA 98124 • (206) 624-5900 • FAX (206) 624-5412

August 8, 2019

Christoph Strouse Communications Specialist CREÄ Affiliates, LLC 3250 Airport Way South Seattle WA 98134

Dear Christoph,

I understand that Seattle City Light is looking to acquire the right of way at 4101 Diagonal Avenue South by transferring the ownership of this property from Seattle Department of Transportation (SDOT) to Seattle City Light.

I would like to confirm that I have been informed of this project and understand the potential impacts and benefits to the community. Having reviewed this project I, having the authority as Vice President of Gull Industries, Inc. would like to state that I have no concerns and find no issue with the petition.

Sincerely,

Peter True

Vice President

Gull Industries, Inc.



Outreach Summary

Seattle City Light Street Vacation Petition for Diagonal Avenue South

September 3rd, 2019

TABLE OF CONTENTS

- Outreach Summary: Overview
- Digital Outreach: Summary
- Printed Outreach: Summary
- In-Person Meetings: Summary

APPENDICES

A. PUBLIC OUTREACH OVERVIEW

- A. City Light Public Outreach & Engagement Strategy (5/15/19)
- B. Outreach & Communications Log (3/1/19 to 8/12/19)

B. DIGITAL OUTREACH RECORD

HIGH IMPACT METHODS

- D.H.A. Online Survey Diagonal Avenue S. Street Vacation
- D.H.A.I. Survey Data
- D.H.A.2. Survey Printed
- D.H.A.3. Surveys In-person 06-12-19 (Georgetown Public Meeting)
- D.H.B. Project hotline (Public Notice with hotline number)
- D.H.C.I. Website SCL Street Vacation Spanish
- D.H.C.2. Website SCL Street Vacation Vietnamese
- D.H.C.3. Website SCL Street Vacation Chinese
- D.H.C.4. Website SCL Street Vacation English

MULTIPRONGED METHODS

- D.M.A. I. Facebook Georgetown Public Meeting
- D.M.A.2. Facebook SODO Public Meeting
- D.M.A.3. Facebook Posts
- D.M.A.4. Facebook & Nextdoor Poll GCC 6-10-19
- D.M.B. DON Design Review Blog
- D.M.D. Email notice of public meetings

C. PRINTED OUTREACH MATERIAL

HIGH IMPACT METHODS

- P.H.A.I. Street Vacation FAQ
- P.H.A.2. Public Meeting Notice
- P.H.B. I. Public Meeting Poster
- P.H.B.2. Poster Locations -SODO
- P.H.B.3. Poster Locations -Georgetown
- P.H.D.I. Mailing Boundary Map
- P.H.D.2. Letter Costco update 0426
- P.H.D.3. Letter King County Airport 0426
- P.H.D.4. Letter Marine Stewardship 0426
- P.H.D.5. Letter Pacific Asian 0426
- P.H.D.6. Letter SODO Business Association 0426

P.H.D.7. Letter – Gull Oil Properties

P.H.D.8. Letter of Support COSTCO 0806

P.H.D.9. Letter of Support Gull Oil

MULTIPRONGED METHODS

P.M.A. Georgetown Gazette Ad Copy

D. IN-PERSON OUTREACH SUMMARY

HIGH IMPACT METHODS

I.H.A. Door-to-Door Outreach Limits Map

I.H.A.I. Public Meeting Notes - SODO 6/10/19

I.H.A.2. Public Meeting - SODO - Sign-In Sheet 6/10/19

I.H.A.3. Public Meetings 0610 and 0612 Attendance

I.H.A.4. Public Meeting - SODO PowerPoint presentation 0610

I.H.B.I. Public Meeting Notes - Georgetown 6/12/19

I.H.B.2. Public Meeting Georgetown Sign-In Sheet 6/12/19

I.H.B.3. Public Meetings 0610 and 0612 Attendance

I.H.B.4. Public Meeting PowerPoint presentation 0612

MULTIPRONGED METHODS

I.M.A.I. In-Person Outreach & Engagement Map SODO (See also B. Outreach & Communications Log)

I.M.A.2. In-Person Outreach & Engagement Map Georgetown (See also B.

Outreach & Communications Log)

I.M.B.1. Meeting Summary - GCC Open Space Committee - 5/14/19

I.M.B.2. Meeting Summary - Equinox 5/20/19

I.M.B.3. Meeting Summary - Georgetown Open Space Committe 7/22/19

I.M.B.4. Meeting Summary - GREAT 5/20/19

I.M.B.5. Meeting Summary - SODO BIA 5/14/19

I.M.C.I. Presentation Summary – Georgetown CC 5/20/19

I.M.C.2. Presentation Summary - GMA5/14/19

Public Outreach Summary

OVERVIEW

CREÄ Affiliates implemented a multi-pronged and high-impact strategy for public outreach and engagement. This outreach was conducted by CREÄ Affiliates, contracted to assist City Light with this project, in partnership with Seattle City Light Communications staff. The strategy corresponds to the City Light Public Outreach & Engagement Strategy, approved by the Department of Neighborhoods on 5/15/19. This strategy entailed the following tasks.

- Digital outreach
 - Emails
 - Website
 - Survey
 - Social media
- Printed outreach
 - Direct mailers
 - Posters
- In-person public engagement
 - Delivery of door-to-door notices
 - Public meetings and presentations in SODO and Georgetown
 - Stakeholder interviews

The outreach methods varied in their reach into the community. Feedback during the door-to-door outreach suggests that the direct mailings to area businesses and property owners as well as emails from local organizations had the greatest reach. Overall the community expressed strong support for the street vacation and the proposed public benefit. The survey alone indicates that

- 93%+ of survey respondents did not have any concerns about the vacation of the southern portion of Diagonal Ave S.
- 87% of survey respondents did not have any concerns about the transfer of the Flume property to Seattle Parks and Recreation for an Off-Leash Area (OLA) and possible trail.
- 83% of survey respondents found the transfer of the Flume property to Seattle Parks and Recreation to be a fair public benefit for the vacation of Diagonal Ave S.

With regard to the transfer of the Flume property, SODO representatives expressed their interest in some public benefits of the Diagonal Avenue South street vacation coming to the SODO community. In Georgetown, a couple of property owners near the Flume property expressed concern about locating an (OLA) for dogs at the Flume property, due to the crime that it has attracted in the past. Others expressed their interest in the site hosting other activities as well, including a trail. Concerns about delays in activating the OLA was addressed during a presentation to the Georgetown Community Council (GCC) Open Space Committee. This presentation by City Light Staff summarized a memo of understanding under development between City Light and Parks and Recreation. This MOU details expenses being taken on by both departments to clean the property and have it fenced. In addition to other funds presently available, specific funds have been dedicated for this purpose.

DIGITAL OUTREACH

HIGH IMPACT METHODS

A. SURVEY

The online survey has been the most effective electronic method for gathering community feedback and suggestions about the project. 81 people took the survey through the link provided in the Public Notice. The survey was closed on July 31, 2019. The feedback was generally positive with no major concerns about transferring ownership of Diagonal Avenue South to Seattle City Light. There were a few comments that questioned whether Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation was an adequate public benefit, and whether this should be supplemented with additional City Light funds for improving the site. Several comments recommended securing funding for the Parks project before the transfer happens.

Moreover, SODO community member comments in the survey sought benefits for the SODO community. These ranged from suggestions for more green spaces and parklets, to trails for local business employees to use. Specifically, one recommendation was for investing in upgrades to the Industrial Way Corridor—from Airport Way South to 4th Avenue South—specifically to install a walking and/or dog trail for the SODO community. The recommended trail is in the SDOT right-of- way.

There were comments that since more green space is needed in Georgetown, creating an Off-Leash Area (OLA0 was desirable. Other ideas included a pocket park and supporting the walking/biking connector trail between South Park, Georgetown and SODO. A few community comments about the Flume property in Georgetown questioned whether a dog park and/or park was a good choice for this location given its proximity to the Aero Motel; the industrial traffic on Marginal Way; prior incidents with homelessness, drug use, and prostitution in and around the site; and potential soil contamination. For these reasons and more, several community members were concerned about the ability of Seattle Parks and Recreation to make this a safe and useful community asset.

Please refer to:

- Appendix D.H.A. Online Survey Diagonal Avenue South Street Vacation;
- Appendix D.H.A. I. Survey Data;
- Appendix D.H.A.2. Survey Printed
- Appendix D.H.A.3. Survey In-person 06-12-19 (Georgetown Public Meeting)

B. PROJECT HOTLINE

CREÄ secured a unique dedicated phone number for this project. Parks contact for the OLA was the project representative from that department. His regular Parks phone number was listed for the project. Only one call was received by the CREÄ Representative. And none by Parks Staff through the hotline numbers.

Please refer to:

Appendix D.H.B. Project hotline (Public Notice with hotline number)

C. WEBSITE

A project-specific website was developed for the Diagonal Avenue Street Vacation project. This website has project details and had links to the online survey. The project website serves as the central resource for community members to learn about the project, previously fill out the survey, and sign up for project updates. It also has a project hotline. The pages are available in English, Spanish, Chinese, and Vietnamese as requested by DON staff. http://www.diagonalavenue.com/. Community members were directed to the project website through other outreach channels like emails, flyers, posters, and social media.

Please refer to:

- Appendix D.H.C.I. Website Seattle City Light Diagonal Avenue South Project in Spanish
- Appendix D.H.C.2. Website Seattle City Light Diagonal Avenue South Project in Vietnamese,
- Appendix D.H.C.3. Website Seattle City Light Diagonal Avenue South Project in Chinese
- Appendix D.H.C.4. Website Seattle City Light Diagonal Avenue South Project in English

MULTIPRONGED METHODS

A. FACEBOOK

City Light created Facebook events for the SODO and Georgetown public meetings, which CREÄ promoted to local area businesses and community groups. Publicity through this method was limited to those individuals and businesses who are already "friends" or subscribed to City Light's feed on Facebook. CREÄ staff's posts directly on the timeline of businesses and community groups' Facebook pages needed the approval of the site administrator for these Facebook pages before they became publicly visible.

Additionally, the Georgetown Community Council hosted a Facebook and Nextdoor poll that showed strong community support for the Diagonal Ave S street vacation and transfer of the Flume property for use as an offleash dog area and a walking & biking trail.

Please refer to:

- Appendix D.M.A.I. Facebook- Georgetown Public Meeting
- Appendix D.M.A.2. Facebook SODO Public Meeting
- Appendix D.M.A.3. Other Facebook pages contacted
- Appendix D.M.A.4. Facebook & Nextdoor Poll GCC 6-10-19

B. DIGITAL NOTICES

Details of this project was posted on the Seattle Department of Neighborhood (DON) Design Review Blog, and was included as meeting events on DON calendar.

Please refer to:

Appendix D.M.B. DON Design Review Blog

C. EMAILS

The public meeting notice was sent via email to a list of community members in both SODO and Georgetown. Email was one of the most effective methods for outreach, particularly in SODO since the businesses located there can be difficult to reach through other methods. When CREÄ staff went door to door, a number of business owners and employees said that they had already received an email notice about the public meeting. Email had a very high impact relative to the amount of time and energy required to implement, though it did not account for many responses. The emails went out to a diverse group of residents and business owners. These emails were sent out directly by CREÄ, or through an intermediary organization such as the Georgetown Community Council, the Georgetown Merchants Association and the SODO Business Improvement Association.

- Appendix B. Outreach & Communications Log
- Appendix D.M.D. Email notice of public meetings

PRINTED OUTREACH

HIGH IMPACT METHODS

A. DOOR TO DOOR DROP-OFF

Door-to-door outreach for each neighborhood of SODO and Georgetown took place on May 24 and May 31 for SODO and June 3 for Georgetown. The outreach area for SODO was established by a map provided by Seattle City Light. For Georgetown, the radius represents a roughly one-quarter- mile (approximately 500-foot) radius of the Flume Property site in Georgetown. A public meeting notice and FAQ were developed and dropped off during this activity.

Please refer to:

- Appendix P.H.A. I. Street Vacation FAQ
- Appendix P.H.A.2. Public Meeting Notice

B. POSTERS

CREÄ Staff posted 10 laminated posters in SODO and Georgetown each, for a total of 20 posters. The posters were distributed at businesses and major intersections of walking paths throughout each neighborhood to reach as many community members as possible. These were removed in August.

Please refer to:

- Appendix P.H.B.I. Public Notice Poster
- Appendix P.H.B.2. Poster Locations –SODO
- Appendix P.H.B.3. Poster Locations –Georgetown

C. BULK MAIL

City Light Communications Group mailed the Public Notice to 2,614 SODO and Georgetown area residents and businesses within the boundary designated by Seattle City Light.

The details are as follows:

Single-Family: 434Multi-Family: 304Business: 1.876

D. DIRECT MAILING

Letters were sent out directly to property owners close to either the SSC property or the Flume property seeking their support of the project. Targeted letters were also sent out key organizations in the SODO area.

- Appendix P.H.D.I. Mailing Boundary Map
- Appendix P.H.D.2. Letter Costco update 0426
- Appendix P.H.D.3. Letter King County Airport 0426
- Appendix P.H.D.4. Letter Marine Stewardship 0426
- Appendix P.H.D.5. Letter Pacific Asian 0426
- Appendix P.H.D.6. Letter SODO Business Association 0426
- Appendix P.H.D.7. Letter Gull Oil Properties
- Appendix P.H.D.8. Letter of Support COSTCO 0806

• Appendix P.H.D.9. Letter of Support Gull Oil

MULTIPRONGED METHODS

A. <u>ADVERTISEMENTS</u>

CREÄ Staff worked with the Georgetown Gazette to publish an ad introducing the project and announcing the meeting locations and dates.

Please refer to:

Appendix P.M.A.Georgetown Gazette Ad Copy

B. PUBLIC NOTICES

CREÄ Staff left Public Notices with businesses, residents and community groups.

IN-PERSON OUTREACH

In-person outreach was conducted through stakeholder interviews, door-to-door community engagement, meetings with representatives from the SODO Business Improvement Association and the Georgetown Community Council's Open Space Committee, presentations at community meetings as well as through two project specific public meetings. A project hotline was also established for direct calls to CREÄ Staff and Parks Staff.

Please refer to:

Appendix B. Outreach & Communications Log

HIGH IMPACT METHODS

A. PUBLIC MEETINGS

One person attended the SODO meeting while nine (9) people attended the Georgetown meeting. Of the 9, two were City of Seattle staff from the Department of Neighborhoods and the Seattle Department of Transportation. Feedback from these meetings are recorded in the Appendix. Of note, a representative from the SODO Business Improvement Area expressed interest in public benefits potentially coming to the SODO community as well as Georgetown. She requested support for a walking trail along Industrial Way for use by local employees. The Georgetown community was curious if Parks has funding secured to make the Flume property an OLA. They were also interested in the potential for connecting the Flume property to a series of walking and bicycling trails being developed by the Seattle Department of Transportation from South Park through Georgetown to SODO.

SODO

Public Meeting Location: Factory Luxe; Date: 6/10/19 6:00 PM – 7:30 PM Please refer to:

- Appendix I.H.A.I. Public Meeting Notes SODO 6/10/19
- Appendix I.H.A.2. Public Meeting SODO Sign-In Sheet 6/10/19
- Appendix I.H.A.3. Public Meetings 0610 and 0612 Attendance
- Appendix I.H.A.4. Public Meeting SODO PowerPoint presentation 0610

GEORGETOWN

Public Meeting Location: Georgetown Ballroom; Date: 6/12/19 6:00 PM – 7:30 PM Please refer to:

- Appendix I.H.B.1. Public Meeting Notes Georgetown 6/12/19
- Appendix I.H.B.2. Public Meeting Georgetown Sign-In Sheet 6/12/19
- Appendix I.H.B.3. Public Meetings 0610 and 0612 Attendance
- Appendix I.H.B.4. Public Meeting PowerPoint presentation 0612

MULTIPRONGED METHODS

A. DOOR-TO-DOOR

Door-to-door outreach for each neighborhood of SODO and Georgetown took place on May 24 and May 31 for SODO and June 3 for Georgetown. The outreach area for SODO was established by a map provided by Seattle City Light. For Georgetown, the radius represents a roughly one-quarter- mile (approximately 500-foot)

radius of the Flume Property site in Georgetown. Community feedback in SODO was exclusively from businesses with employees who said they would share the flyer with their manager or the owner of the business. There was no direct feedback about the project other than from four community members who had already seen the flyer as a mailer or email in Georgetown.

SODO

Dates: 5/24/19 & 5/31/19

CREÄ Staff conducted door-to-door outreach in SODO and visited the locations identified as the target area on the map. Public Notices were left at these businesses. About half of the businesses did not come to the door and the other half were not willing to stop working and meet in-person. CREÄ staff informed the businesses that they were able to meet in person at a later date, that two public meetings were coming up, and that the project website (with the survey) was available to them if they wanted to leave comments or suggestions. Some community members stated that they had already received the public notice via mail or email. They were aware of the project. In general, community members did not have any objections to the project. The one respondent who offered direct comments said that the project didn't really affect him since "City Light is already occupying the property, so there is no real loss to the neighborhood."

Please refer to:

- Appendix B. Outreach & Communications Log
- I.M.A. I. In-Person Outreach & Engagement Map SODO (See also B. Outreach & Communications Log)
- I.M.A.2. In-Person Outreach & Engagement Map Georgetown (See also B. Outreach & Communications Log)

GEORGETOWN

Date: 6/3/19

CREÄ Staff conducted door-to-door outreach in the Georgetown neighborhood and visited the area marked on the map. Public Notices were left at these residences and businesses. The majority of structures in Georgetown were residences. However, only one community member who lived there answered the door. She said she had heard about the project via email and said, "It would benefit the community since Georgetown doesn't have many parks or off-leash dog areas." One person said she had received the flyer in the mail.

Most of the businesses either weren't there or did not answer. CREÄ Staff informed the few businesses that were available to share the upcoming public meetings and visit the website (with links to the survey) if they wanted to leave comments or suggestions. In general, community members seemed excited about the possibility of a park, off-leash dog area or trail/park combination in the Georgetown neighborhood. The one business in Georgetown that took time to talk with CREÄ Staff at length was the manager/owner of Aero Motel. The owner stated that the motel has problems with people using alcohol and drugs at all hours of the night at the Flume property, which disturbs occupants of the Aero Motel. Plus, the owner was concerned about dogs in that area. The owner also stated that they didn't think the city should do anything with the property because it was going to cause more problems for the motel. CREÄ Staff encouraged the owner to fill out the online survey because this project is adjacent to the motel, and the city would be interested in their input.

- Appendix B. Outreach & Communications Log
- Appendix I.M.A.I. In-Person Outreach and Engagement Record & SODO & Georgetown
- Appendix I.M.A.3. Door to Door Outreach Limits Georgetown

B. STAKEHOLDER INTERVIEWS/ MEETINGS

Key stakeholders in the Georgetown community were identified by DON and indicated in the communications strategy. All the stakeholders were available to meet with CREÄ Staff. They were generally supportive of the vacation request and the Flume property exchange. The representative from Equinox Studios, however, expressed reservations about using the Flume property for an OLA given the many times the police have been called to address incidents in the Flume property and in the neighboring property, the Aero motel. Parks explained that the activation of the site for community purposes , such as an OLA, will deter criminal activities from the site.

Please refer to:

- Appendix I.M.B.1. Meeting Summary GCC Open Space Committee All City Coffee 5/14/19
- Appendix I.M.B.2. Meeting Summary Equinox 5/20/19
- Appendix I.M.B.3. Meeting Summary Notes Georgetown Open Space Committee 7/22/19
- Appendix I.M.B.4. Meeting Summary GREAT 5/20/19
- Appendix I.M.B.5. Meeting Summary SODO BIA 5/14/19

C. MEETING WITH LOCAL ORGANIZATIONS

Additional presentations were made at public meetings held by community organizations such as the Georgetown Community Council, and the Georgetown Merchants Associations. City Light and Parks Staff, along with CREÄ representatives met with the Open Space Committee of the Georgetown Community Council. CREÄ Staff met one-on-one with representatives from the SODO BIA.

- Appendix I.M.C.1. Presentation Summary Georgetown CC 5/20/19
- Appendix I.M.C.2. Presentation Summary GMA 5/14/19

A. SCL Public Outreach & Engagement Strategy (5/15/19)

SEATTLE CITY LIGHT: Diagonal Avenue Street Vacation

Public Outreach and Engagement Strategy

Seattle City Light is seeking the vacation of a portion of Diagonal Avenue South between 2nd Avenue South and 4th Avenue South that is currently designated a public right-of-way. In addition to the water quality and safety benefits that this street vacation will allow, Seattle City Light is making a portion of its Flume Property (between East Marginal Way South and South Myrtle Street) available for public open space.

PROPERTY ADDRESS Vacation ROW: 4101 Diagonal Avenue South, Seattle, WA 98134

Flume Property: 7300 East Marginal Way

South, Seattle, WA 98 I 08

APPLICANT Seattle City Light
CONTACT PERSON Anindita Mitra

EMAIL info@crea-affiliates.com

TYPE OF BUILDING Diagonal Avenue South - Street Vacation

 $\label{eq:property-Public Property Transfer} Flume \ Property \ - \ Public \ Property \ Transfer$

NEIGHBORHOOD

South Downtown and Georgetown

IN EQUITY AREA Yes

		TASK		TYPE	DUE DATE	DOCUMENTATION
			ľ			
	A.	Online survey - (www.surveymonkey.com/r/diagonalave)		High-Impact Method	13-May	Survey pages in pdf; survey summary
	В.	Project hotline (253) 397 3887		High-Impact Method	10-May	Public Notice with Hotline; communications log
	C.	Project web site with online survey- www.diagonalavenue.com (in 4 languages)		High-Impact Method	24-May	Website pages in pdf
五	A.	Project included in City Light's Facebook page		Multi-Pronged Method	14-May	Pdf of page
DIGITAL OUTREACH	В.	DON Design Review Blog		Multi-Pronged Method	II-Apr	Pdf of page
IL OU	Ċ	Include meeting events on DON calendar		Multi-Pronged Method	15-May	Pdf of page
DIGITA	D.	Email to https://georgetowncommunitycouncil.wordpress.com/links/		Multi-Pronged Method	15-Apr	pdf of email
	E.	Email to local organizations list		Multi-Pronged Method	15-May	pdf of email
	F.	GCC Email to membership		Multi-Pronged Method	15-May	pdf of email
	G	GMA Email to membership		Multi-Pronged Method	15-May	pdf of email
	T.	Email to SODO Business Improvement Area list		Multi-Pronged Method	20-May	pdf of email; Constant Contact statistics
_						
	A.	Door-to-door fact sheet or flyer dropped off at businesses - SODO		High-Impact Method	May 23- 28	Map of businesses contacted
	В.	Door-to-door fact sheet or flyer dropped off 500 feet from property - Georgetown		High-Impact Method	May 23- 28	Map of businesses contacted

A. SCL Public Outreach & Engagement Strategy (5/15/19)

SEATTLE CITY LIGHT: Diagonal Avenue Street Vacation

Public Outreach and Engagement Strategy

A. B.	C. Post 10 posters in each neighborhood D. Direct mailings to residences and businesses A. Publish in Georgetown Gazette B. Publish in DON e-newsletter/hard copy C. Leave Public Notice in local gathering areas A. Hosting community meetings (scheduled for 1.5 hours) a. SODO - meeting; The Factory Luxe b. Georgetown - meeting; Georgetown Ballroom A. Door-to-door visits near project sites a. Meet with property owners adjacent to Flume property	High-Impact Method Multi-Pronged Method Multi-Pronged Method	20-May 20-May	Receipt from mailing company pdf of Advertisement
A. B.	Publish in DON e-newsletter/hard copy		20-May	pdf of Advertisement
_		Multi-Pronged Method		
C.	Leave Public Notice in local gathering areas		15-May	pdf of Advertisement
		Multi-Pronged Method	May 23- 28	Pdf, Map of poster locations
A.	Hosting community meetings (scheduled for 1.5 hours)			
	a. SODO - meeting; The Factory Luxe	High-Impact Method	I 0-Jun	Sign-in Sheets, Comment Sheets, Survey Forms
	b. Georgetown - meeting; Georgetown Ballroom	High-Impact Method	l 2-Jun	Sign-in Sheets, Comment Sheets, Survey Forms
Α.	Door-to-door visits near project sites			
	a. Meet with property owners adjacent to Flume property	Multi-Pronged Method	Apr - May 29	Communications Log
S	b. Door-to-door in SODO (1/4 mile or so, see map)	Multi-Pronged Method	May 23- 29	Communications Log
Ž B.	Meet with local leaders			
IN-PERSON MEETINGS	a. Sam Farrazaino (Equinox)	Multi-Pronged Method	20-May	Communications Log
-PERS	b. GREAT (Andrew Schiffer)	Multi-Pronged Method	20-May	Communications Log
Ž	c. Rodario/Kate Koehler / Patty Foley (GCC- Open Space Committee)	Multi-Pronged Method	I 4-May	Communications Log
	d. Erin Goodman (SODO Business Improvement Area)	Multi-Pronged Method	I 4-May	Communications Log
C.	Presentation at an established community organization's meeting	(Minimum 20-min)		
	a. Georgetown Community Association Council	Multi-Pronged Method	tbd	Sign-in Sheets, Comment Sheets
	b. Georgetown Merchants Association	Multi-Pronged Method	I 4-May	Sign-in Sheets, Comment Sheets
	c. Georgetown Community Council	Multi-Pronged Method	20-May	Sign-in Sheets, Comment Sheets

B. Outreach & Communications Log

Communications Log - Door to Door, Emails, Phone Calls, Social Media

Date	Name	Contact Info	Method	Communication/Inquiry	Response/Resolut
6/3/2019	C/E JENSEN FAMILY LP	1001 S MYRTLE ST	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e	
6/3/2019	KOCHINA CORPORATIO N	7200 EAST MARGINAL WAY S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
6/3/2019	SEATTLE CITY OF FAS	1000 S MYRTLE ST	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
6/3/2019	K BRANDS LLC	1136 S ALBRO PL	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	K BRANDS LLC	1128 S ALBRO PL	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	BRADLEY JOSEPH K.	6310 ELLIS AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	MYLES GALE R	6600 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	MORENO MARTHA ELENA+BARN HAR	6738 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	KREJCI HOLLY MARIE	6901 ELLIS AVE S	In-Person, Door to Door -	Public_Meeting_Notic e_Revised_5-17-19_ AM	

			Georgetow		
6/3/2019	CLAXTON JOANNE	6909 ELLIS AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	MACHLEID ANDREW	6915 ELLIS AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	HARMON ROBERT+ANT ONETTE	6919 ELLIS A	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	EHLERS SHERELL+CH RISTOPHER	6921 ELLIS AVE S	In-Person, Door to Door - Georgetow	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	STEVENSON ANDREA+AHN MINAN	6925 ELLIS A	In-Person, Door to Door - Georgetow	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	PONDER JIM	6929 ELLIS AVE S	In-Person, Door to Door - Georgetow	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	CASSEN VICTOR	6933 ELLIS AVE S	In-Person, Door to Door - Georgetow	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	LAKE TERRACE LLC	7150 S MYRTLE ST	In-Person, Door to Door - Georgetow	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	KV PARTNERS LLC	950 S MYRTLE ST	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered

6/3/2019	KREIKEMEIER TERRY+SUE	6942 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered
6/3/2019	DAVIS MEGAN E+SACHA L	6938 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	FORMAN PAUL J	6934 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	_
6/3/2019	SURESH JILLELLAMUDI	6930 FLORA A	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	ROUXE GREGORY L	6920 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	BERQUIST CLINTON	6916 FLORA A	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered
6/3/2019	FISHBEIN AARON MICHAEL	6912 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	SIDDIQUE MOHAMMAD S+MARGHOO	6908 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered
6/3/2019	WITTMAN JOHN P	6900 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered

6/3/2019	DE HAAN SIBYL	6739 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Earthwise Architectural Salvage	3447 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 9	Emerald City Trapeze Arts	2702 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Paramount Motor	2908 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Brake & Clutch Supply	2930 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Franz Bakery	2901 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Sherwin Williams	2924 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Kroesens Uniforms	2922 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Second Use	3223 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Atlas Supply	611 S Charlestown St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	The Foundry Print and Embroidery Shop	411 S Dawson St ste f, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered

5/31/201 8	Georgetown Brewing Co	5200 Denver Ave S, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Aboeda Design	616 S Lucile St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Oasis Water Gardens	404 S Brandon St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	McKinstry	5005 3rd Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	NAPA Auto Parts - Genuine Parts Company	187 S Hudson St, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	UFCW Local 21	5030 1st Ave S #200, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Public Notice Poster	5030 1st Ave S	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Daniel Smith Fine Art Materials	4150 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Botanical Designs	690 S Dakota St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Bader & Olson	601 S Andover St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Gauge Design Group	3810 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Closed. Public Meeting Notice delivered.
5/24/201 9	Fogland Studio	Room 12, 3814 4th Ave S, Seattle, WA 98134	In-Person, Door to	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered

			Door - SODO		
5/24/201 9	Dream Home Lighting	3828 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Rodda Paint	3838 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Merlino Foods	4100 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Closed. Public Meeting Notice delivered.
5/24/201 9	Burger Madness	4117 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Closed. Public Meeting Notice delivered.
5/24/201 9	AsianGingerTeri yaki & Roll	4119 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	The Head Shop	4121 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	IdentoGo	4123 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Charlie's Produce	3844 1st Ave S, Seattle, WA	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Closed. Public Meeting Notice delivered.
5/24/201 9	Casacade Designs Inc	4000 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Closed. Public Meeting Notice delivered.
5/24/201 9	Crosscut Hardwoods	4100 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Franks Quality Produce	135 Diagonal Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Closed. Public Meeting Notice delivered.

5/24/201 9	Lantern Press	4225 2nd Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Seattle Warehousing Services	3807 2nd Ave South, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Closed. Public Meeting Notice delivered.
5/24/201 9	Rejuvenation Hardware	2910 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Westland Distiliery	2931 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Ghostfish Brewing	2942 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Seapine Brewing	2959 Utah Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	Strouse Davis Architects	3201 1st Ave S #206, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/24/201 9	GreyPants	3220 1st Ave S #400, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
6/3/2019	LAI NU	6451 FLORA AVE S	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered & Large Poster
6/3/2019	GALLOWAY JAY W	6603 FLORA AVE S	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered & Large Poster
6/3/2019	SHELTON PAUL G	6448 FLORA AVE S	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered & Large Poster

6/3/2019	FLORABOX LLC	6901 FLORA AVE S	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered & Large Poster
6/3/2019	SEED 153 LLC	7070 EAST MARGINAL WAY S	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered & Small Poster
6/3/2019	JULIUS HORTON BUILDING L L	6261 13TH AVE S	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered & Large Poster
6/3/2019	Georgetown Tiny Village	1020 S Myrtle St, Seattle, WA 98108	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered & Small Poster
6/3/2019	Star Motel Busstop # 45820	5216 4th Ave S, Seattle, WA 98108	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Large Poster posted
6/3/2019	JOHNSON JULIE L+ROGER LLOYD	6924 FLORA AVE S	Poster, Door to Door - Georgetow n	Public_Meeting_Notic e_Revised_5-17-19_ AM	Public Meeting Notice delivered
5/24/201 9	Public Notice	4th Ave South & S Lander	Poster, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Posted large poster NE corner
5/24/201 9	Public Notice	1st Ave South & S Lander	Poster, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Posted large poster NW corner
5/24/201 9	Public Notice	1st Ave S & Horton St	Poster, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	
6/3/2019	AERO MOTEL LLC	7240 EAST MARGINAL WAY S	Poster, In-Person, Door to Door -	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered + Large Poster posted

			Georgetow		
5/24/201 9	Starbucks Reserve SODO	2401 Utah Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered + Poster left
5/24/201 9	Silver Platters SODO	2930 1st Ave S, Seattle, WA 98121	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered
5/31/201 8	Costco Wholesale	4401 4th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered + Large Poster posted
5/24/201 9	Starbucks	4115 4th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and flyers left &. Sm Poster
5/24/201 9	Derby Restaurant	2233 6th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	In-person contact and Public Meeting Notice delivered + sm Poster
5/24/201 9	Public Notice - Seattle City Light South	2207, 3613 4th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Poster left and left message for SCL staff about where to put posters near facility
5/31/201 9	Public Notice	S Lander & 6th Ave S	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notic e_Revised_5-17-19_ AM	Posted large poster Southeast corner
5/8/2018	Barbara Hill	barbaragraced1@g mail.com	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/19
5/8/2018	Tom Van Bronkhorst	tom.vanbronkhorst3 @seaatle.gov	Digital, Email	Public_Meeting_Notic e_Sent	
5/8/2018	Josh Castle	jcastle@lihi.org	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/21
5/8/2018	John Phillips(No longer works there)	john.phillips@seattl ecolleges.edu	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/22

5/8/2018	And referred	jwphillips323@hotm	Digital,	Public Meeting Notic	Survey reminder
0,0,2010	Sarah Sabay	ail.com	Email	e_Sent	email sent 7/22/23
5/8/2018	Sarah Sabay	Sarah.sabay@seatt	Digital,	Public_Meeting_Notic	Survey reminder
		lecolleges.edu	Email	e_Sent	email sent 7/22/24
5/8/2018	Karen Ko	karen.ko@seattle.g	Digital,	Public_Meeting_Notic	•
		ov	Email	e_Sent	email sent 7/22/25
5/8/2018	Bill Oliver	wjoliv19@wport.co	Digital,	Public_Meeting_Notic	-
		m	Email	e_Sent	email sent 7/22/26
5/8/2018	Alexandra	alexandra.james@li	Digital,	Public_Meeting_Notic	
F/0/0040	James	hi.org	Email	e_Sent	email sent 7/22/27
5/8/2018	Scott Morrow	scott@nickelsville.w orks	Digital, Email	Public_Meeting_Notic e_Sent	email sent 7/22/28
5/9/2019	Sharon Lee	sharonl@lihi.org	Digital,	Public Meeting Notic	
3/0/2010	Silaion Lee	snaroni@iin.org	Email	e_Sent	email sent 7/22/29
5/8/2018	Emilie	emilieshepherd43@	Digital,	Public Meeting Notic	
0/0/2010	Shepherd	gmail.com,	Email	e_Sent	email sent 7/22/30
	S.1.5 p.1.5. a	206.883.3298			
5/14/201	Crystal Stunns	crystalstunns@gma	Digital,	Public Meeting Notic	Survey reminder
9		il.com	Email	e_Sent	email sent 7/22/31
5/14/201	John Bennett +	bennettproperties@	Digital,	Public_Meeting_Notic	Survey reminder
9	Aurora	comcast.net,	Email	e_Sent	email sent 7/22/32
		206.227.1990			
5/14/201	Patti	info@foguestudios.	Digital,	Public_Meeting_Notic	
9	Curtis-Fogue	com	Email	e_Sent	email sent 7/22/33
5/14/201	Angela	info@SanGennaroF	Digital,	Public_Meeting_Notic	
9	Koumriqian	estivalSeattle.org	Email	e_Sent	email sent 7/22/34
5/14/201	Ruth Keating	ruth@oxbowseattle.	Digital,	Public_Meeting_Notic	
9	Lockwood	com, 206.615.1721	Email	e_Sent	email sent 7/22/35
5/14/201 9	Danyal lotfi	danyal.lofti@gmail. com, 206.615.1721	Digital, Email	Public_Meeting_Notic e_Sent	email sent 7/22/36
5/14/201	Melissa Jeter	omdotjet@live.com	Digital,	Public Meeting Notic	
9	Albrecht	omdotjet@iive.com	Email	e_Sent	email sent 7/22/37
	Anita Woo	anita@georgetowni	Digital,	Public Meeting Notic	
9		nnseattle.com	Email	e_Sent	email sent 7/22/38
5/14/201	Willie Moneda	willie@sandboxspor		Public Meeting Notic	Survey reminder
9		ts.net,	Email	e_Sent	email sent 7/22/39
		206.321.9861			
5/14/201	Jason Maroney	jason@foodzcaterin	Digital,	Public_Meeting_Notic	Survey reminder
9		g.com,	Email	e_Sent	email sent 7/22/40
		206.402.8377			
5/14/201	Shelby Sewell	shelby@foodzcateri	Digital,	Public_Meeting_Notic	•
9		ng.com, 206.297.9634	Email	e_Sent	email sent 7/22/41
5/14/201	Thom Geibel	thom.smartypants	Digital,	Public_Meeting_Notic	Survey reminder
9		@gmail.com,	Email	e_Sent	email sent 7/22/42
		414.588.0745			

5/14/201	Rusty Oliver	allmetalarts@gmail.	Digital,	Public Meeting Notic	Survey reminder
9	,	com, 206.200.9496	Email	e_Sent	email sent 7/22/43
	Aj Mohn	ajmohn@gmail.com	Digital,	Public_Meeting_Notic	•
9		, 206.412.7872	Email	e_Sent	email sent 7/22/44
5/14/201	Michelle Thurston	chellmelt78@gmail.	Digital,	Public_Meeting_Notic	
9 5/14/201		com, 206.940.9302 206.396.1276	Email Digital,	e_Sent Public Meeting Notic	email sent 7/22/45
9	-		Email	e_Sent	email sent 7/22/46
5/14/201 9	Jerry Chinn	jerrychinn@emsn.c om	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/47
5/14/201 9	Patty Foley	patty_foley@hotmai l.com, 206.409.9838	Digital, Email	Public_Meeting_Notic e_Sent	
5/14/201 9	Jesse Moore	jesse@dvsafestreet s.org, 206.234.4561	Digital, Email	Public_Meeting_Notic e Sent	Survey reminder email sent 7/22/49
5/14/201 9	Kate Kohler	kkohler124@gmail. com, 412.843.5304	Digital, Email	Public_Meeting_Notic e Sent	Survey reminder email sent 7/22/50
5/14/201 9	Rosario Maria Medina	1rosariomaria@gm ail.com, 206.778.8661	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/51
5/8/2019	Theoria	5511 1/2 Airport Way S, Seattle, WA 98108, (425) 354-4025	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/52
5/8/2019	Sophie Frye Brass Library	5933 6th Ave S, Seattle, WA 98108	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/53
5/8/2019	Alice Stenstrom, Museum of History and Industry	alice.stenstrom@m ohai.org, (206) 324-1126	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/54
5/8/2019	Maruta Shoten	1024 S Bailey St, Seattle, WA, (206) 767-5002	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/55
5/8/2019	Airport Way Market	6249 Airport Way S, Seattle, WA, (206) 767-7296	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/56
5/8/2019	Affordable Kosher LLC	info@affordablekos her.com, 5980 1st Ave S, Seattle, WA, (206) 772-1616	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/57
05/08/20 19	Velotti Food	135 S Brandon St, Seattle, WA, (206) 763-2545	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/58
05/08/20 19	Georgetown Community Church	emily_harman@can .salvationarmy.org,	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/59

		6606 Carleton Ave S			
5/8/2019	New Direction Missionary Church	755 S Homer St, (206) 763-2151	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/60
5/8/2019	Grace Church	500 S Brandon St, Seattle, WA 98108, (206) 652-4433	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/61
5/8/2019	School of Acrobatics and New Circus Arts	674 S Orcas St, office@sancaseattl e.org	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/62
5/8/2019	Planet Fitness	9000 Rainier Ave S	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/63
5/8/2019	stephanie.ward @pfgrwth.com	(206) 257-3655	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/64
5/8/2019	Serious About Fitness	15205 NE 95th St, (206)818-0775	Digital, Email	Public_Meeting_Notic e Sent	Survey reminder email sent 7/22/65
5/8/2019	Jet City CrossFit	1115 S Elizabeth St	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/66
5/8/2019	Blueprint Athletic Performance	6335 1st Ave S, (206) 371-7326	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/67
5/8/2019	Boeing Fitness Center (2-22)	222 16th Ave S, (206) 544-9861	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/68
5/8/2019	Yogasmith	5917 Airport Way S, (206) 795-0772	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/69
5/8/2019	Tricia Diamond, Project Admin. King County International Airport	(206)477-9617 7277 Perimeter Rd., S, tdiamond@kingcou nty.gov	Digital, Email	Public_Meeting_Notic e_Sent	Survey reminder email sent 7/22/70
7/22/201 9	Peter True Vice President Gull Industries, Inc.	pat@gulloil.com Office: (206) 624-5900 Cell: (206) 351-4774 Fax: (206) 624-5412	Digital, Email	Requested Letter of Support	Letter of Support Signed 8/9/19
7/22/201 9	Rick Jerabek Corporate Counsel COSTCO WHOLESALE	999 Lake Drive, Issaquah, WA 98027 Direct: (425) 427-3585 - Fax: (425) 313-8114 - rjerabek@costco.co m	Digital, Email	Requested Letter of Support	Letter of Support Signed 8/6/20

7/22/201 9	Sandra Green Corporate Real Estate BNSF	Sandra.Green@bns f.com Work: 817-352-3447- work Moblie 817-771-0486 Fax: 817-352-7797	Digital, Email	Requested Letter of Support	
4/24/201 9	SODO Business Association	206-294-3285	Digital, Phone	(Enter Communication Inquiry)	
4/24/201 9	SODO Business Improvement Area	206-294-3285	Digital, Phone	(Enter Communication Inquiry)	
4/24/201 9	Erin Goodman, Exec. Dir.	206-981-9877 (cell), erin@sodoseattle.o	Digital, Phone	jillian celich checking to see if they can do an email blast for us.	
4/24/201 9	Taiwanese Junior Chamber of Commerce	info@tjccs.org(unde liverable)	Digital, Phone	(Enter Communication Inquiry)	
4/24/201 9	Pacific Asian Empowerment Program	270 So. Hanford Street, Suite 204	Digital, Phone	(Enter Communication Inquiry)	
4/24/201 9	Cristina Vasconcelos, Exec. Dir.	(206) 324-0236	Digital, Phone	NuHope Street Intl., 5825 221st Place SE, Issaquah	
4/24/201 9	NuHope Street	(206) 445-1629, 2450 6th Ave S	Digital, Phone	left message	
4/24/201 9	Marine Stewardship Council (MSC)	(206) 691-0188, 5030 1st Ave S	Digital, Phone	mailbox full	
4/24/201 9	Dina Wright, BNSF Railway Co.	(800)795-2673, 1000 2nd Av.	Digital, Phone	BNSF real estate, contacted	
4/26/201 9	Union Pacific Railway	402 S Dawson St, Seattle, WA 98108	Digital, Phone	left message 4/26, call returned 4/30; email sent	
4/26/201 9	Aaron Galley	(888)877-7267	Digital, Phone	apgalley@up.com	
5/7/2019	United Food Commercial Workers Assn.	1510 N. 18th St., Mt. Vernon, WA 98273	Digital, Phone	own MSC bldg, called in on 5/7 re MSC bldg.	

7/17/201 9	Peter True Vice President Gull Industries, Inc.	pat@gulloil.com Office: (206) 624-5900 Cell: (206) 351-4774 Fax: (206) 624-5412	Digital, Phone	Requested meeting to discuss letter of support	Meeting scheduled and attended 7/30 11am. Outcome, support for street vacation. Will follow up with email letter of support.
7/17/201 9	Sandra Green Corporate Real Estate BNSF	Sandra.Green@bns f.com Work: 817-352-3447- work Moblie 817-771-0486 Fax: 817-352-7797	Digital, Phone	Left message requesting Letter of Support 7/17/19	
7/30/201 9	Costco	Rick Jerabek, Corporate Counsel COSTCO WHOLESALE 999 Lake Drive, Issaquah, WA 98027 Direct: (425) 427-3585 - Fax: (425) 313-8114 - rjerabek@costco.co m	Digital, Phone	Left follow up VM 7/30 from March meeting, sent email follow up to VM on 7/31	
7/17/201 9	Bobby Whelan	(206)436-0210, bwhelan@ufcw21.o rg	Digital, Phone	Left message 7/17/19	
05/27/20 19	Georgetown Community Discussion Group	https://www.facebo ok.com/groups/Geo rgetownCommunity/ about/	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/20 19	Georgetown North	https://www.facebo ok.com/groups/306 305049922142/	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/20 19	Georgetown Seattle	https://groups.yaho o.com/neo/groups/ Georgetown-Seattle /info	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/20 19	Georgetown Garden Walk	https://www.facebo ok.com/Georgetow nGardenWalk	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/20 19	Georgetown SouthPark P.O.C.	https://www.facebo ok.com/groups/114 390859313629/	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content

05/27/20	Georgetown	https://www.facebo	Digital,	Attempted to post	Need access from
19	Dogs	ok.com/groups/101 50097008755556/	Social Media	Public Meeting Event on Facebook Group	Adminstrator to post content
05/27/20 19	Georgetown Parents	https://www.facebo ok.com/Georgetow n-Parents-1652456 00202714/	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/20 19	Georgetown Events Club	https://www.facebo ok.com/georgetown eventsclub/	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/20 19	Seattle Design District	https://www.seattle designdistrict.com/c ontact	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/20 19	SODO BIA	https://www.facebo ok.com/SODOBIA/	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content

D.H. A. Street Vacation Online Survey



Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. We'd like your feedback on this proposal.

To learn more about this project, please visit <u>diagonal avenue.com</u> for more information.

Survey responses will be accepted until Wednesday, July 31 at 11:59 p.m.

OK

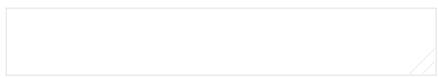
1. Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?

D.H. A. Street Vacation Online Survey

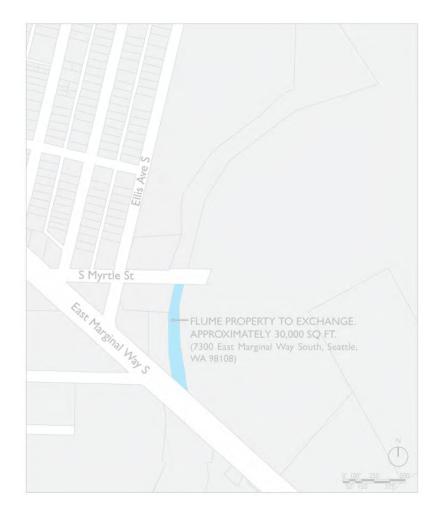


	N.I.
	INO
	110

Yes (please specify):



D.H. A. Street Vacation Online Survey
2. Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.



No

Yes (please specify):

D.H. A. Street Vacation Online Survey
3. Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?
Yes, I agree
No, I disagree
4. Do you have additional questions or comments for us?
5. Do you work in SODO or Georgetown?
○ I work in SODO
☐ I work in Georgetown
O I do not work in either area

D.H. A. Stree	et Vacation Online Survey
6. Do you live in SODO or Georgetown?	
○ I live in SODO	
☐ I live in Georgetown	
I do not live in the area	
Other (please specify)	
7. What age group are you in?	
Under 18	45-54
18-24	55-64
25-34	<u>65+</u>
35-44	

D.H. A. Street Vacation Online Survey
8. The fields below help us understand who we are reaching to ensure we're doing the best job at

connecting with all people in our community. Your participation is voluntary. What language do you speak at home? What is your gender? Do you own or rent? What ZIP code do you live What is your race/ethnicity? 9. If you would like to be added to our email distribution or mailing list, please provide your information below. Name Address City/Town -- select state --ZIP/Postal Code **Email Address**

D.H. A. Street Vacation Online Survey

DONE

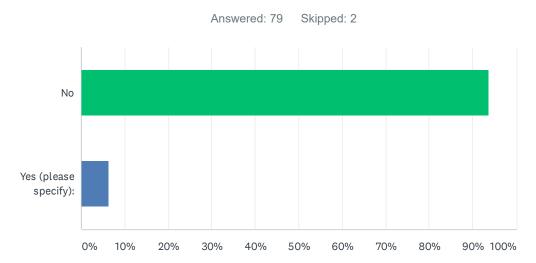
Powered by



See how easy it is to <u>create a survey</u>.

Privacy & Cookie Policy

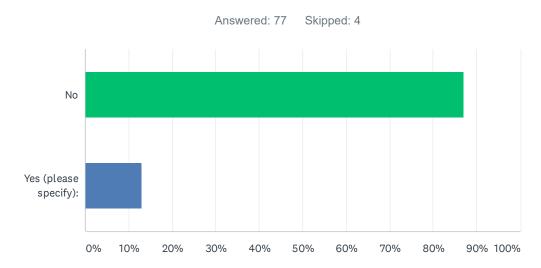
Q1 Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?



ANSWER CHOICES	RESPONSES	
No	93.67%	74
Yes (please specify):	6.33%	5
TOTAL		79

#	YES (PLEASE SPECIFY):	DATE
1	SPU has a 12.5' diameter drain pipe (Diagonal Drain) that runs under Diagonal Ave S. SCL previously used this area as a soil storage area and was found during an PW contract to clean the drain that SCL was allowing storaged spoils from excavations to go into the drain through a manhole cover. Diagonal Drain discharges directly into the Duwamish River. You may want to check with SPU and also SCL Environmental as the drain cleaning project was to get rid of any contamination so King County could clean contaminated soils in front of the dischage location in the Duwamish. If the property is acquired, it should not be used to store spoils without consideration of Diagonal Drain.	7/29/2019 7:53 AM
2	How will closing off this shortcut impact 4th ave s and airport way traffic?	7/26/2019 6:34 PM
3	Concerned about the Georgetown project getting funding for completion and if the space can be trail and dog park.	7/26/2019 1:03 PM
4	I don't really understand exactly what you're asking here.	6/21/2019 10:28 AM
5	I fell that the value of this land far exceeds the value of the flume property. Highest and best use is apparent. The flume has been derelict for so long, and the Diagonal property is currently in use and highly desired by City Light. Would like more investment from City Light into Flume project in addition to land transfer.	6/12/2019 4:02 PM

Q2 Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.

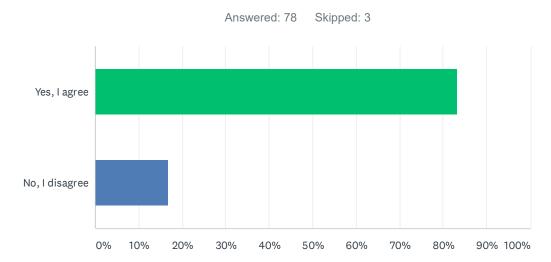


ANSWER CHOICES	RESPONSES	
No	87.01%	67
Yes (please specify):	12.99%	10
TOTAL		77

DHA1 Survey Data 190801

#	YES (PLEASE SPECIFY): DHA1 Survey Data_190801	DATE
1	Contamination?	7/24/2019 12:57 PM
2	Ownership transfer should not occur until an environmental impact study and at least concept- level study of a dog / walking path facility has been completed. It is impossible for the public to understand what the public benefit of the transfer would be without those studies being completed.	7/24/2019 9:59 AM
3	I think an off leash dog park is a great idea! But have fears that this area will just become another place for tents & campers to live and park, ultimately making it unsafe to ever use for its purpose.	6/20/2019 4:48 PM
4	See answer above. Would like additional investment from City Light to make this project and infrastructure possible. Fully support the use of Flume property as park/open space/dog park/trail, etc.	6/12/2019 4:02 PM
5	Need more information about the surrounding property ownership. A narrow swath of property may be fairly useless piece of property if it's bordered by other non park like uses.	6/11/2019 1:26 PM
6	This area is far from the vacated property. I think there is much better use for the funds within SODO particularly to link the SODO Track to Georgetown.	6/11/2019 11:30 AM
7	This property is in a TERRIBLE location for a park, and is unsafe after 5pm. There are no businesses open after daytime 9-5 hours, all of the industries close up shop, and what is there is cheap motels with the typical traffic. That stretch of E Marginal Way is dirty and fast, and mainly services large trucks, through traffic, industrial traffic, etc. The area has no parking, and is not at all pedestrian friendly, and it is at the very edge of the neighborrhood, quite far from most of it, and on the high truck traffic, seedier end- this property is behind the Aero Motel, a reasonable business in this area, but not a place to hang out. In addition, there are a lot of activities there that are on the edge of society, not surprisingly- this is outside of residential areas, and in a place where no one is there to bother you after business hours! These places are necessary, but co-opting them into parks isa terrible idea. I'm not afraid of persons experiencing homelessness, but out behind the Aero motel there is alot more going on than just that, and done by people beyond just the homeless- prostitution, drugs, I wouldnt be surprised if human trafficking were a regular activity here. You're asking us to send our kids and pets here? Whats your security proposal? Are you just leaving that to Parks and Rec? And it's called the Flume property? How contaminated are the soils? What would be done for clean up? Transfering this property seems like a gift of a headache to parks, and no exchange at all for the neighborhood.	6/10/2019 9:41 AM
8	We have limited green space in south Seattle. I do not feel a dog park is a good use of land with our diminishing population of insects and birds.	6/9/2019 6:44 AM
9	1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor.	6/8/2019 8:59 AM
10	the Parks Dept will need funds to actual make this a community benefit to Georgetown - whether it be for a dog park or trail improvements, or both. We need Council to help us find funds within the City's budget.	5/15/2019 5:06 PM

Q3 Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?



ANSWER CHOICES	RESPONSES	
Yes, I agree	83.33%	65
No, I disagree	16.67%	13
TOTAL		78

DHA1 Survey Data_190801

Q4 Do you have additional questions or comments for us?

Answered: 53 Skipped: 28

#	DHA1 Survey Data_190801	DATE
1	An off leash dog park is the best choice for the space, the city needs more public space for dogs	7/29/2019 10:04 AM
2	Nope, sounds like a great plan!	7/29/2019 7:59 AM
3	Just the traffic impacts	7/26/2019 6:34 PM
4	Off leash dog park please	7/26/2019 6:08 PM
5	Thanks SCL for partnering with Seattle Parks to ensure a usable, clean, useful dog park can be opened within a year of the transfer.	7/26/2019 2:25 PM
6	No	7/26/2019 2:00 PM
7	Please create an off-leash dog park!	7/26/2019 1:44 PM
8	Only agree if there is funding and commitment from departments to due engagement around what the space should be for the community and to invest in the project/property after it's swapped.	7/26/2019 1:03 PM
9	Please put a dog park there.	7/26/2019 1:01 PM
10	The Diagonal property isn't being used by the public already, this is a no-brainer!	7/26/2019 8:25 AM
11	no	7/24/2019 12:57 PM
12	As a Georgetown resident, I would be delighted to see a park in my neighborhood with an off-leash dog area with biking and walking trails. Seems like an great use of space!	6/26/2019 9:00 AM
13	The survey says the land would be "considered for use as" what are other things the land could be used for?	6/26/2019 7:21 AM
14	Dog park would be amazing, we are totally in favor of it!	6/26/2019 7:20 AM
15	Is the Plume site contaminated? Would the city clean up this property? I feel like parks should be clean and safe.	6/24/2019 1:29 PM
16	thanks for being pragmatic and making something work for the community	6/21/2019 10:47 AM
17	I would love the trail and dog park! This is a great plan!	6/21/2019 10:28 AM
18	A better bike route will be a worthwhile public benefit,	6/20/2019 8:45 PM
19	Turning the flume into a park/trail is a good idea.	6/20/2019 2:49 PM
20	Funding for improvements to the "Flume" property in order to make it an active public space should accompany the Flume property transfer to Parks and Recreation. Without funding for improvements the property will provide no increased benefit to the local community than it is presently.	6/20/2019 2:33 PM
21	Love the idea of a dog park!	6/18/2019 6:50 PM
22	No additional comments at this time.	6/18/2019 4:40 PM
23	If converted to a pocket dog parkwill there be a dog limit imposed to prevent dog walkers from taking over the small premises?	6/17/2019 7:44 PM
24	I support transfer, but want additional investment from City Light in Flume property/project. Property transfer alone is not a fair public benefit.	6/12/2019 4:02 PM
25	This would be a great benefit to the people in SODO as there is no safe place to walk here.	6/12/2019 1:24 PM
26	We would like a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor	6/12/2019 11:21 AM
27	We would like a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along	6/12/2019 10:19 AM

the corridor. This used to be a safe and nice area folius to walk at unchtime but that can't happen any longer.

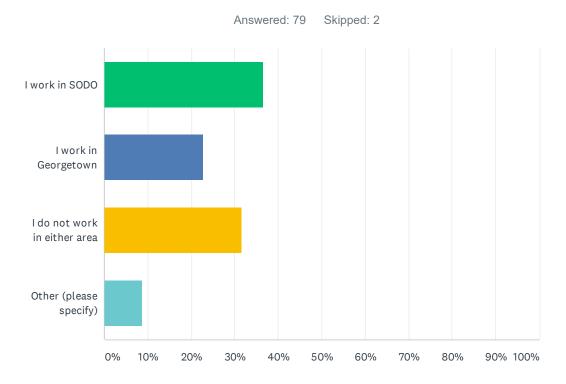
	nappen any longer.	
28	What specifically is SCL going to do to improve the water runoff to the Duwamish and to control flooding. How is it that they have used this area for so long and not done this already.	6/11/2019 1:26 PM
29	This seems like a great win for the Georgetown area, providing some much-needed services to that neighborhood (of which I consider myself a part). I would definitely utilize the new park space, assuming i was turned into an offleash park or bike-way.	6/11/2019 1:17 PM
30	The area you're proposing to use as park space is disconnected from the community and off of a very busy road with poor pedestrian infrastructure. I worry it wouldn't be activated and think making it habitat would be a better use of the space.	6/11/2019 11:30 AM
31	I would like to see improvements to Industrial Way as well, for a walking trail and greenspace development.	6/11/2019 10:42 AM
32	I do not oppose this exchange- but do feel that some of the benefit should come to SODO since that is where the street in question is. It would be fair if, in addition to the exchange, SCL invest in upgrades to the Industrial Way Corridor- from Airport Way S to 4th Ave S- specifically that they install a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks a safe space to walk is critical. As the only green-space in SODO this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO.	6/11/2019 10:17 AM
33	No	6/10/2019 6:11 PM
34	I don't oppose Georgetown getting a dog park, but it would be good to also create benefit for SODO including: 1. Activate the space 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks a safe space to walk is critical. As the only green-space in SODO this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO. Thank You!	6/10/2019 3:09 PM
35	No	6/10/2019 10:23 AM
36	Please find a more suitable property, something more accesible to more of the neighborhood living and working in Sodo and Georgetown. Also, somethign more viable as a park. The flume property isnt acceptable for this use.	6/10/2019 9:41 AM
37	Dog park is not a good use of land.	6/9/2019 6:44 AM
38	In addition to the proposed exchange, we would ask that SCL invest in upgrades to the Industrial Way Corridor- from Airport Way S to 4th Ave S- specifically that they install a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks, a safe space to walk is critical. As the only green-space in SODO, this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO.	6/6/2019 9:22 AM
39	While I think the Georgetown Flume property is a decent exchange, it only seems fair to do something to benefit SoDo directly, since the street being vacated is in SoDo. Specifically, I'd like to see SCL invest in upgrades to the Industrial Way Corridor- from Airport Way S to 4th Ave S- specifically installing a walking trail and rehabbing the old, dilapidated sign at the east end of the corridor. Many people work in this area and having a small area of clean, well-maintained greenspace in SoDo would be a huge boost to the morale of the area's workforce.	6/5/2019 5:10 PM
10	no	6/5/2019 3:52 PM
41	Please make a walking train for pedestrians in this area.	6/5/2019 3:36 PM

153

42	DHA1 Survey Data 190801 I would like to see the area used to benefit Sodo Businesses and the employees that work in the area.	6/5/2019 10:12 AM
43	I think there should be more pedestrian improvements in the area, as well as public safety.	6/5/2019 9:58 AM
44	Please consider investing in upgrades to the Industrial Way Corridor- from Airport WAy S to 4th Ave S- specifically install a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks a safe space to walk is critical. As the only green-space in SODO this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO.	6/4/2019 5:41 PM
45	I would like to add an additional public benefit for SODO, the green-space across from the site-under the power-lines- is the only swath of green in the entire SODO area. I have had multiple requests from neighboring businesses for a walking path or trail that would activate the space and give their employees somewhere to walk and enjoy some greenery in SODO. I would be happy to discuss this further and possible partnership on the project. It makes sense that some benefit come to SODO for this vacation.	6/4/2019 4:13 PM
46	We would love to see more green space and parks in the Georgetown/SODO neighborhoods. Lots of kids and dogs in the area but only a few small parks currently.	6/3/2019 4:46 PM
47	No	6/2/2019 6:50 PM
48	No	6/2/2019 2:47 PM
49	Please create the off leash park! Georgetown needs more public space.	6/2/2019 2:19 PM
50	I am in support of more park space in Georgetown!	5/31/2019 3:50 PM
51	This is an exciting exchange, mutually beneficial!	5/30/2019 4:11 PM
52	Give the land to the community!	5/30/2019 1:23 PM
53	Actually, yes BUT we will need some funds to make this an actual benefit. Having a park owned piece of land if not automatically a public benefit.	5/15/2019 5:06 PM

154

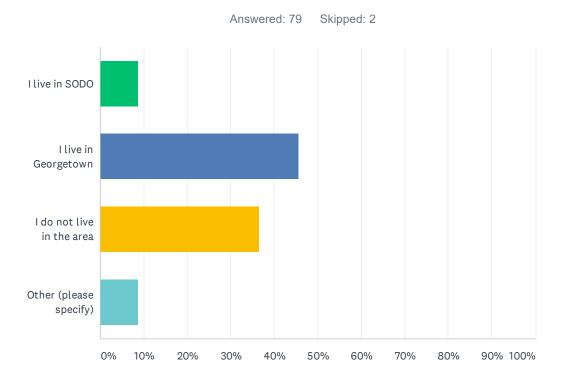
Q5 Do you work in SODO or Georgetown?



ANSWER CHOICES	RESPONSES	
I work in SODO	36.71%	29
I work in Georgetown	22.78%	18
I do not work in either area	31.65%	25
Other (please specify)	8.86%	7
TOTAL		79

#	OTHER (PLEASE SPECIFY)	DATE
1	I live in Georgetown	7/26/2019 10:05 PM
2	I work from home in georgetown	7/26/2019 1:01 PM
3	I live on Beacon Hill and come to Georgetown and South Park for almost everything I need.	6/21/2019 10:28 AM
4	I occasionally work in Georgetown	6/20/2019 2:49 PM
5	I live in South Park.	6/20/2019 2:44 PM
6	I work at Recovery Cafe that owns a space in SODO that we will begin actively operating in November.	6/10/2019 3:09 PM
7	I work in both SoDo and Georgetown and represent a property owner with properties in both areas.	6/5/2019 5:10 PM

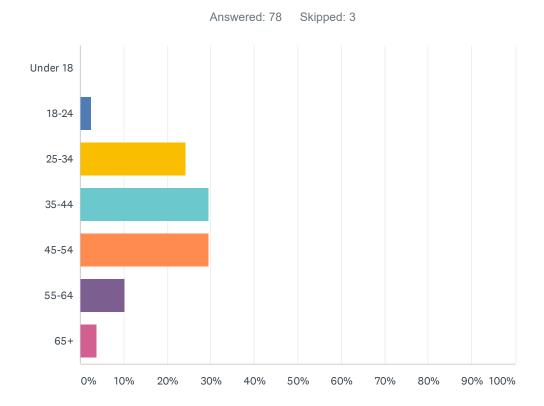
Q6 Do you live in SODO or Georgetown?



ANSWER CHOICES	RESPONSES	
I live in SODO	8.86%	7
I live in Georgetown	45.57%	36
I do not live in the area	36.71%	29
Other (please specify)	8.86%	7
TOTAL		79

#	OTHER (PLEASE SPECIFY)	DATE
1	I live and work in South Park	6/24/2019 9:11 PM
2	I live on Beacon Hill and come to Georgetown and South Park for almost everything I need	6/21/2019 10:28 AM
3	I live in South Park and frequent Georgetown	6/20/2019 2:46 PM
4	Live in South Park.	6/20/2019 2:44 PM
5	I own property and a business in Georgetown. I live in South Park and call both neighborhoods home.	6/12/2019 4:02 PM
6	I live in "Georgetown Heights", near the corner of Albro and Swift. This new park is walking distance for myself and my dog.	6/11/2019 1:17 PM
7	I hope that one day there will be living options in SODO.	6/8/2019 8:59 AM

Q7 What age group are you in?



ANSWER CHOICES	RESPONSES	
Under 18	0.00%	0
18-24	2.56%	2
25-34	24.36%	19
35-44	29.49%	23
45-54	29.49%	23
55-64	10.26%	8
65+	3.85%	3
TOTAL		78

Q8 The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.

Answered: 73 Skipped: 8

ANSWER CHOICES	RESPONSES	
What language do you speak at home?	100.00%	73
What is your gender?	97.26%	71
Do you own or rent?	98.63%	72
What ZIP code do you live in?	98.63%	72
What is your race/ethnicity?	86.30%	63

#	DHA1 Survey Data_1908	DATE
1	English	7/29/2019 12:02 PM
2	English	7/29/2019 7:59 AM
3	english	7/27/2019 8:25 PM
4	English	7/26/2019 10:05 PM
5	English	7/26/2019 6:34 PM
6	English	7/26/2019 6:08 PM
7	English	7/26/2019 6:00 PM
8	English	7/26/2019 5:33 PM
9	English	7/26/2019 2:25 PM
10	english	7/26/2019 2:00 PM
11	English	7/26/2019 1:44 PM
12	English	7/26/2019 1:42 PM
13	English	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	English	7/24/2019 12:57 PM
16	English	7/24/2019 12:50 PM
17	English	7/24/2019 9:59 AM
18	English	7/24/2019 9:45 AM
19	English	6/26/2019 9:00 AM
20	English	6/26/2019 7:21 AM
21	English	6/26/2019 7:20 AM
22	English	6/24/2019 9:11 PM
23	english	6/24/2019 1:29 PM
24	English and Spanish	6/21/2019 10:28 AM
25	english	6/20/2019 8:45 PM
26	English	6/20/2019 4:48 PM
27	English	6/20/2019 3:39 PM
28	English	6/20/2019 2:49 PM
29	English	6/20/2019 2:46 PM
30	English	6/20/2019 2:44 PM
31	English	6/20/2019 2:42 PM
32	english	6/20/2019 2:33 PM
33	English	6/18/2019 6:50 PM
34	English	6/18/2019 4:40 PM
35	English	6/17/2019 7:44 PM
36	English and Spanish	6/12/2019 4:02 PM
37	English	6/12/2019 1:24 PM

159

38	Diagonal Avenue South - Street vacal english DHA1 Survey Data_1	-
39	English and Italian	6/12/2019 10:19 AM
40	Englis	6/12/2019 8:02 AM
41	English	6/11/2019 3:26 PM
42	english	6/11/2019 1:26 PM
43	English	6/11/2019 1:17 PM
44	english	6/11/2019 12:07 PM
45	Engligh	6/11/2019 11:30 AM
46	English	6/11/2019 10:42 AM
47	English	6/11/2019 10:17 AM
48	English	6/10/2019 6:11 PM
49	English	6/10/2019 3:17 PM
50	english	6/10/2019 3:09 PM
51	English	6/10/2019 10:23 AM
52	English	6/10/2019 9:41 AM
53	English	6/8/2019 8:59 AM
54	english	6/7/2019 7:56 PM
55	English	6/6/2019 9:22 AM
56	English	6/5/2019 5:10 PM
57	English	6/5/2019 3:52 PM
58	English	6/5/2019 3:36 PM
59	ENGLISH	6/5/2019 10:12 AM
60	English	6/5/2019 9:58 AM
61	English	6/5/2019 7:14 AM
62	English	6/4/2019 5:41 PM
63	English	6/4/2019 4:13 PM
64	English	6/3/2019 4:46 PM
65	English	6/2/2019 6:50 PM
66	English	6/2/2019 2:47 PM
67	English	6/2/2019 2:19 PM
68	english	6/1/2019 1:05 PM
69	English	5/31/2019 3:50 PM
70	English	5/30/2019 4:11 PM
71	Purepecha	5/30/2019 1:23 PM
72	English	5/30/2019 10:56 AM
73	English	5/15/2019 5:06 PM

Male	Diagonal Avenue South - Street Vacation Survey DHA1 Survey Data 100801		
F 7/29/2019 7:59 AM male 7/29/2019 7:59 AM F 7/29/2019 8:25 PM F 7/29/2019 6:05 PM T/26/2019 6:05 PM T/26/2019 6:05 PM T/26/2019 6:06 PM T/26/2019 6:00 PM T/26/2019 6:00 PM T/26/2019 6:00 PM T/26/2019 6:00 PM T/26/2019 5:33 PM T/26/2019 2:25 PM T/26/2019 1:44 PM T/26/2019 1:44 PM T/26/2019 1:42 PM T/26/2019 1:45 PM T	#	WHAT IS YOUR GENDER? DHA1 Survey Data_190801	DATE
3 male 7/2/2019 8.25 PM 4 F 7/26/2019 10.05 PM 5 Male 7/26/2019 6.08 PM 6 Female 7/26/2019 6.08 PM 7 M 7/26/2019 6.09 PM 3 Male 7/26/2019 5.33 PM 9 M 7/26/2019 5.33 PM 10 female 7/26/2019 2.25 PM 10 female 7/26/2019 2.25 PM 11 Female 7/26/2019 2.00 PM 11 Female 7/26/2019 1.04 PM 12 Male 7/26/2019 1.42 PM 12 Male 7/26/2019 1.01 PM 14 NDBBM 7/26/2019 1.02 PM 15 female 7/24/2019 1.25 PM 16 female 7/24/2019 1.25 PM 17 female 7/24/2019 1.25 OPM 18 Female 6/26/2019 7.21 AM 19 F 6/26/2019 7.20 AM 20 Male 6/26/2019 7.20 AM 21 Female 6/24/2019 1.22 PM 22 </td <td>1</td> <td>Male</td> <td>7/29/2019 12:02 PM</td>	1	Male	7/29/2019 12:02 PM
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5 Male 7/26/2019 6:34 PM 6 Female 7/26/2019 6:08 PM 7 M 7/26/2019 6:00 PM 3 Male 7/26/2019 5:33 PM 9 M 7/26/2019 5:33 PM 10 female 7/26/2019 2:00 PM 11 Female 7/26/2019 1:04 PM 12 Male 7/26/2019 1:44 PM 13 Female 7/26/2019 1:42 PM 14 NDBSM 7/26/2019 1:01 PM 14 NDBSM 7/26/2019 1:25 PM 15 female 7/24/2019 1:25 PM 16 female 7/24/2019 1:25 PM 17 female 7/24/2019 1:25 PM 18 Female 6/26/2019 7:20 AM 19 F 6/26/2019 7:21 AM 20 Maile 6/26/2019 7:20 AM 21 Female 6/26/2019 7:20 AM 22 male 6/26/2019 1:29 PM 23 Female 6/26/2019 1:29 PM 24 male 6/26/2019 1:29 PM <t< td=""><td>3</td><td>male</td><td>7/27/2019 8:25 PM</td></t<>	3	male	7/27/2019 8:25 PM
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30 Male 6/20/2019 2:42 PM 31 male 6/20/2019 2:33 PM 32 Female 6/18/2019 6:50 PM 33 Male 6/18/2019 4:40 PM 34 Female 6/17/2019 7:44 PM 35 Female 6/12/2019 1:24 PM 36 female 6/12/2019 11:21 AM	28	Female	6/20/2019 2:46 PM
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33 Male 6/18/2019 4:40 PM 34 Female 6/17/2019 7:44 PM 35 Female 6/12/2019 1:24 PM 36 female 6/12/2019 11:21 AM	31	male	6/20/2019 2:33 PM
34 Female 6/17/2019 7:44 PM 35 Female 6/12/2019 1:24 PM 36 female 6/12/2019 11:21 AM	32	Female	6/18/2019 6:50 PM
35 Female 36 female 6/12/2019 1:24 PM 6/12/2019 11:21 AM	33	Male	6/18/2019 4:40 PM
36 female 6/12/2019 11:21 AM	34	Female	6/17/2019 7:44 PM
	35	Female	6/12/2019 1:24 PM
37 m 6/12/2019 10:19 AM	36	female	6/12/2019 11:21 AM
	37	m	6/12/2019 10:19 AM

161

38	Female	DHA1 Survey Data_190801	6/12/2019 8:02 AM
39	Female		6/11/2019 3:26 PM
40	female		6/11/2019 1:26 PM
41	Female		6/11/2019 1:17 PM
42	female		6/11/2019 12:07 PM
43	female		6/11/2019 11:30 AM
44	female		6/11/2019 10:42 AM
45	F		6/11/2019 10:17 AM
46	Male		6/10/2019 6:11 PM
47	Female		6/10/2019 3:17 PM
48	male		6/10/2019 3:09 PM
49	Femal		6/10/2019 10:23 AM
50	Female		6/10/2019 9:41 AM
51	Male		6/8/2019 8:59 AM
52	female		6/7/2019 7:56 PM
53	M		6/6/2019 9:22 AM
54	Female		6/5/2019 5:10 PM
55	F		6/5/2019 3:52 PM
56	Half and hslf		6/5/2019 3:36 PM
57	FEMALE		6/5/2019 10:12 AM
58	female		6/5/2019 9:58 AM
59	Female		6/5/2019 7:14 AM
60	male		6/4/2019 5:41 PM
61	Female		6/4/2019 4:13 PM
62	Male		6/3/2019 4:46 PM
63	Female		6/2/2019 6:50 PM
64	Female		6/2/2019 2:47 PM
65	Male		6/2/2019 2:19 PM
66	female		6/1/2019 1:05 PM
67	Female		5/31/2019 3:50 PM
68	female		5/30/2019 4:11 PM
69	Male		5/30/2019 1:23 PM
70	F		5/30/2019 10:56 AM
71	female		5/15/2019 5:06 PM

Diagonal Avenue South - Street Vacation Survey		
#	DHA1 Survey Data_190801	DATE
1	own	7/29/2019 12:02 PM
2	own	7/29/2019 7:59 AM
3	rent	7/27/2019 8:25 PM
4	Own	7/26/2019 10:05 PM
5	Own	7/26/2019 6:34 PM
6	Rent	7/26/2019 6:08 PM
7	Own	7/26/2019 6:00 PM
8	Own	7/26/2019 5:33 PM
9	Own	7/26/2019 2:25 PM
10	own	7/26/2019 2:00 PM
11	Own	7/26/2019 1:44 PM
12	Own	7/26/2019 1:42 PM
13	Rent	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	own	7/24/2019 12:57 PM
16	rent	7/24/2019 12:50 PM
17	Own	7/24/2019 9:59 AM
18	own	7/24/2019 9:45 AM
19	Own	6/26/2019 9:00 AM
20	Own	6/26/2019 7:21 AM
21	Own	6/26/2019 7:20 AM
22	Own	6/24/2019 9:11 PM
23	own	6/24/2019 1:29 PM
24	Rent	6/21/2019 10:28 AM
25	own	6/20/2019 8:45 PM
26	Own	6/20/2019 4:48 PM
27	Own	6/20/2019 3:39 PM
28	rent	6/20/2019 2:49 PM
29	own	6/20/2019 2:46 PM
30	rent	6/20/2019 2:44 PM
31	Own	6/20/2019 2:42 PM
32	own	6/20/2019 2:33 PM
33	Rent	6/18/2019 6:50 PM
34	Own	6/18/2019 4:40 PM
35	Own	6/17/2019 7:44 PM
36	own	6/12/2019 1:24 PM
37	own	6/12/2019 11:21 AM

38	DHA1 Survey Data_1	90801 6/12/2019 10:19 AM
39	Own	6/12/2019 8:02 AM
0	Rent	6/11/2019 3:26 PM
1	own	6/11/2019 1:26 PM
12	Own	6/11/2019 1:17 PM
13	own	6/11/2019 12:07 PM
4	own	6/11/2019 11:30 AM
15	own	6/11/2019 10:42 AM
6	Own	6/11/2019 10:17 AM
7	Own	6/10/2019 6:11 PM
8	Own	6/10/2019 3:17 PM
9	own	6/10/2019 3:09 PM
0	Own	6/10/2019 10:23 AM
51	Own	6/10/2019 9:41 AM
52	Own	6/8/2019 8:59 AM
3	rent	6/7/2019 7:56 PM
4	rent	6/6/2019 9:22 AM
5	Own	6/5/2019 5:10 PM
6	rent	6/5/2019 3:52 PM
7	Both	6/5/2019 3:36 PM
8	OWN	6/5/2019 10:12 AM
9	own	6/5/2019 9:58 AM
60	Own	6/5/2019 7:14 AM
1	own	6/4/2019 5:41 PM
62	Own	6/4/2019 4:13 PM
3	Rent	6/3/2019 4:46 PM
64	Rent	6/2/2019 6:50 PM
55	Own	6/2/2019 2:47 PM
6	Own	6/2/2019 2:19 PM
7	rent	6/1/2019 1:05 PM
8	own	5/31/2019 3:50 PM
9	own	5/30/2019 4:11 PM
0	Own	5/30/2019 1:23 PM
'1	Own	5/30/2019 10:56 AM
2	own	5/15/2019 5:06 PM

Diagonal Avenue South - Street Vacation Survey DHA1 Survey Data 100801			
#	WHAT ZIP CODE DO YOU LIVE IN? Survey Data_19080	DATE	
1	98126	7/29/2019 12:02 PM	
2	98115	7/29/2019 7:59 AM	
3	98155	7/27/2019 8:25 PM	
4	98108	7/26/2019 10:05 PM	
5	98029	7/26/2019 6:34 PM	
6	98108	7/26/2019 6:08 PM	
7	98108	7/26/2019 6:00 PM	
8	98108	7/26/2019 5:33 PM	
9	98108	7/26/2019 2:25 PM	
10	98087	7/26/2019 2:00 PM	
11	98108	7/26/2019 1:44 PM	
12	98108	7/26/2019 1:42 PM	
13	98108	7/26/2019 1:01 PM	
14	NDBBM	7/26/2019 8:25 AM	
15	98108	7/24/2019 12:57 PM	
16	98134	7/24/2019 12:50 PM	
17	98108	7/24/2019 9:59 AM	
18	98108	7/24/2019 9:45 AM	
19	98108	6/26/2019 9:00 AM	
20	98108	6/26/2019 7:21 AM	
21	98108	6/26/2019 7:20 AM	
22	98108	6/24/2019 9:11 PM	
23	98108	6/24/2019 1:29 PM	
24	98116	6/20/2019 8:45 PM	
25	98155	6/20/2019 4:48 PM	
26	98108	6/20/2019 3:39 PM	
27	98108	6/20/2019 2:49 PM	
28	98108	6/20/2019 2:46 PM	
29	98108	6/20/2019 2:44 PM	
30	98108	6/20/2019 2:42 PM	
31	98108	6/20/2019 2:33 PM	
32	98134	6/18/2019 6:50 PM	
33	98108	6/18/2019 4:40 PM	
34	98108-2758	6/17/2019 7:44 PM	
35	98108	6/12/2019 4:02 PM	
36	98008	6/12/2019 1:24 PM	
37	98014	6/12/2019 11:21 AM	

165

38	98922	DHA1 Survey Data_190801	6/12/2019 10:19 AM
39	98133		6/12/2019 8:02 AM
40	98108		6/11/2019 3:26 PM
41	98115		6/11/2019 1:26 PM
42	98108		6/11/2019 1:17 PM
43	98108		6/11/2019 12:07 PM
44	98108		6/11/2019 11:30 AM
45	98108		6/11/2019 10:42 AM
46	98108		6/11/2019 10:17 AM
47	98108		6/10/2019 6:11 PM
48	98198		6/10/2019 3:17 PM
49	98103		6/10/2019 3:09 PM
50	98136		6/10/2019 10:23 AM
51	98108		6/10/2019 9:41 AM
52	98116		6/8/2019 8:59 AM
53	98108		6/7/2019 7:56 PM
54	98121		6/6/2019 9:22 AM
55	98033		6/5/2019 5:10 PM
56	98102		6/5/2019 3:52 PM
57	98134		6/5/2019 3:36 PM
58	98103		6/5/2019 10:12 AM
59	98115		6/5/2019 9:58 AM
60	98042		6/5/2019 7:14 AM
61	98136		6/4/2019 5:41 PM
62	98118		6/4/2019 4:13 PM
63	98108		6/3/2019 4:46 PM
64	98108		6/2/2019 6:50 PM
65	98108		6/2/2019 2:47 PM
66	98108		6/2/2019 2:19 PM
67	98108		6/1/2019 1:05 PM
68	09108		5/31/2019 3:50 PM
69	98108		5/30/2019 4:11 PM
70	98108		5/30/2019 1:23 PM
71	98106		5/30/2019 10:56 AM
72	98108		5/15/2019 5:06 PM

#	WHAT IS YOUR RACE/ETHNICITY? Survey Data	_ 19000 I
1	Gringo	7/29/2019 12:02 PM
2	white	7/29/2019 7:59 AM
3	white	7/27/2019 8:25 PM
4	Seattle	7/26/2019 10:05 PM
5	Issaquah	7/26/2019 6:34 PM
6	White	7/26/2019 6:08 PM
7	White	7/26/2019 6:00 PM
8	White	7/26/2019 5:33 PM
9	Caucasian	7/26/2019 2:25 PM
10	white	7/26/2019 2:00 PM
11	Asian	7/26/2019 1:44 PM
12	White	7/26/2019 1:42 PM
13	Caucasian	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	Caucasian	7/24/2019 12:57 PM
16	white	7/24/2019 12:50 PM
17	white	7/24/2019 9:45 AM
18	Caucasian	6/26/2019 9:00 AM
19	White	6/26/2019 7:20 AM
20	Caucasian	6/24/2019 9:11 PM
21	white	6/24/2019 1:29 PM
22	Mixed race	6/21/2019 10:28 AM
23	white	6/20/2019 8:45 PM
24	Caucasian	6/20/2019 4:48 PM
25	White/Native American	6/20/2019 2:49 PM
26	white	6/20/2019 2:46 PM
27	White	6/20/2019 2:44 PM
28	African American	6/20/2019 2:42 PM
29	caucasian	6/20/2019 2:33 PM
30	Black	6/18/2019 6:50 PM
31	Caucasian	6/18/2019 4:40 PM
32	white	6/12/2019 1:24 PM
33	caucasian	6/12/2019 11:21 AM
34	white	6/12/2019 10:19 AM
35	Caucasian	6/12/2019 8:02 AM
36	caucasian	6/11/2019 1:26 PM
37	white	6/11/2019 1:17 PM

38	caucasian	DHA1 Survey Data_190801	6/11/2019 12:07 PM
39	white		6/11/2019 11:30 AM
40	white		6/11/2019 10:42 AM
41	caucasian		6/11/2019 10:17 AM
42	Caucasian		6/10/2019 6:11 PM
43	white		6/10/2019 3:09 PM
44	Caucasian		6/10/2019 10:23 AM
45	White/Causcasian		6/10/2019 9:41 AM
46	White		6/8/2019 8:59 AM
47	white		6/7/2019 7:56 PM
48	white		6/6/2019 9:22 AM
49	White		6/5/2019 5:10 PM
50	white		6/5/2019 3:52 PM
51	Bleached		6/5/2019 3:36 PM
52	white		6/5/2019 9:58 AM
53	Caucasian		6/5/2019 7:14 AM
54	white		6/4/2019 5:41 PM
55	White		6/4/2019 4:13 PM
56	White		6/3/2019 4:46 PM
57	Caucasian		6/2/2019 6:50 PM
58	Biracial		6/2/2019 2:47 PM
59	Caucasian		6/2/2019 2:19 PM
60	Seattle		5/31/2019 3:50 PM
61	caucasian		5/30/2019 4:11 PM
62	Seattle		5/30/2019 1:23 PM
63	white		5/15/2019 5:06 PM

22 / 27 168

Q9 If you would like to be added to our email distribution or mailing list, please provide your information below.

Answered: 24 Skipped: 57

ANSWER CHOICES	RESPONSES	
Name	83.33%	20
Company	0.00%	0
Address	70.83%	17
Address 2	0.00%	0
City/Town	70.83%	17
State	75.00%	18
ZIP/Postal Code	75.00%	18
Country	0.00%	0
Email Address	87.50%	21
Phone Number	50.00%	12

#	DHA1 Survey Data_190801	DATE
1	Clare A Sayas	7/26/2019 10:05 PM
2	Lawrence Solomon	7/26/2019 6:34 PM
3	Jessica McComas	7/26/2019 6:08 PM
4	Sara	7/24/2019 12:50 PM
5	Patrick Hansen-Lund	7/24/2019 9:59 AM
6	Sean	6/26/2019 7:20 AM
7	Kevin Byers	6/24/2019 1:29 PM
8	Bridgid Persephone Newman-Henson	6/20/2019 2:49 PM
9	Marissa Birchman	6/20/2019 2:46 PM
10	Jessica Hanson	6/17/2019 7:44 PM
11	Ella Dorband	6/11/2019 1:17 PM
12	Janet Neuhauser	6/11/2019 12:07 PM
13	Dacon Hayes	6/10/2019 3:17 PM
14	S. Jordan Lee	6/9/2019 6:44 AM
15	Regina Menssen	6/5/2019 5:10 PM
16	Darby DuComb	6/5/2019 9:58 AM
17	ERIN GOODMAN	6/4/2019 4:13 PM
18	Kyle Kretschman	6/2/2019 2:19 PM
19	Amanda B Slepski	5/30/2019 4:11 PM
20	Patty Foley	5/15/2019 5:06 PM
#	COMPANY	DATE
	There are no responses.	

#	DHA1 Survey Data_190801	DATE
* 1	775 South Homer Street	7/26/2019 10:05 PM
<u> </u>	1543 NE Iris Street	7/26/2019 6:34 PM
3	6601 Carleton Avenue South, Unit B	7/26/2019 6:08 PM
1	836 S Orcas Street	7/24/2019 9:59 AM
* 5	6311 Ellis Ave S	6/26/2019 7:20 AM
6	6733 Flora Ave S	6/24/2019 1:29 PM
7	Seattle	6/20/2019 8:45 PM
8	6321 Corgiat Dr S STE B	6/20/2019 2:49 PM
9	912 S Warsaw St	6/17/2019 7:44 PM
10	5911 18TH AVE S	6/11/2019 1:17 PM
11	707 South Snoqualmie Street, Studio 1C	6/11/2019 12:07 PM
12	Po box 80471	6/9/2019 6:44 AM
13	66 S. Hanford St.	6/5/2019 9:58 AM
14	270 S HANFORD ST STE 112	6/4/2019 4:13 PM
15	6652 Corson Ave S Unit B	6/2/2019 2:19 PM
16	6715 Ellis Ave S	5/30/2019 4:11 PM
17	6415 Flora Ave S	5/15/2019 5:06 PM
#	ADDRESS 2	DATE
T .	There are no responses.	DATE
#	CITY/TOWN	DATE
1	Seattle	7/26/2019 10:05 PM
2	Issaquah	7/26/2019 6:34 PM
3	Seattle	7/26/2019 6:08 PM
4	Seattle	7/24/2019 12:50 PM
5	Seattle	7/24/2019 9:59 AM
6	Seattle	6/26/2019 7:20 AM
7	Seattle	6/24/2019 1:29 PM
8	Seattle	6/20/2019 2:49 PM
9	Seattle	6/17/2019 7:44 PM
10	Seattle	6/11/2019 1:17 PM
11	Seattle	6/11/2019 12:07 PM
12	Seattle	6/9/2019 6:44 AM
13	Seattle	6/5/2019 9:58 AM
14	SEATTLE	6/4/2019 4:13 PM
15	Seattle	6/2/2019 2:19 PM
16	Seattle	5/30/2019 4:11 PM
-		

#	DHA1 Survey Data	_ 1 9000 1
1	WA	7/26/2019 10:05 PM
2	WA	7/26/2019 6:34 PM
3	WA	7/26/2019 6:08 PM
4	WA	7/24/2019 12:50 PM
5	WA	7/24/2019 9:59 AM
6	WA	6/26/2019 7:20 AM
7	WA	6/24/2019 1:29 PM
8	WA	6/20/2019 2:49 PM
9	WA	6/17/2019 7:44 PM
10	WA	6/11/2019 1:17 PM
11	WA	6/11/2019 12:07 PM
12	WA	6/9/2019 6:44 AM
13	WA	6/5/2019 5:10 PM
14	WA	6/5/2019 9:58 AM
15	WA	6/4/2019 4:13 PM
16	WA	6/2/2019 2:19 PM
17	WA	5/30/2019 4:11 PM
18	WA	5/15/2019 5:06 PM
#	ZIP/POSTAL CODE	DATE
1	98108	7/26/2019 10:05 PM
2	98029	7/26/2019 6:34 PM
3	98108	7/26/2019 6:08 PM
4	98134	7/24/2019 12:50 PM
5	98108	7/24/2019 9:59 AM
6	98108	6/26/2019 7:20 AM
7	98108	6/24/2019 1:29 PM
8	98108	6/20/2019 2:49 PM
9	98108-2758	6/17/2019 7:44 PM
10	98108	6/11/2019 1:17 PM
11	98108	6/11/2019 12:07 PM
12	98108	6/9/2019 6:44 AM
13	98134	6/5/2019 9:58 AM
14	98134	6/4/2019 4:13 PM
15	98108	6/2/2019 2:47 PM
16	98108	6/2/2019 2:19 PM
17	98108	5/30/2019 4:11 PM
		5/15/2019 5:06 PM

#	DHA1 Survey Data_190801	DATE
	There are no responses.	
#	EMAIL ADDRESS	DATE
1	clare.sayas@gmail.com	7/26/2019 10:05 PM
2	solomon@pacificplumbing.com	7/26/2019 6:34 PM
3	sara@designbysml.com	7/24/2019 12:50 PM
4	phansenlund@gmail.com	7/24/2019 9:59 AM
5	seanholt11@gmail.com	6/26/2019 7:20 AM
6	kevinbyers@gmail.com	6/24/2019 1:29 PM
7	bridgidpnh@gmail.com	6/20/2019 2:49 PM
8	mbirchman@gmail.com	6/20/2019 2:46 PM
9	davalean@yahoo.com	6/17/2019 7:44 PM
10	kritty@q.com	6/11/2019 1:26 PM
11	ella.dorband@gmail.com	6/11/2019 1:17 PM
12	janet.neuhauser@gmail.com	6/11/2019 12:07 PM
13	dacon.hayes@plymouthinc.com	6/10/2019 3:17 PM
14	seannaj@gmail.com	6/9/2019 6:44 AM
15	rosiecoe@yahoo.com	6/7/2019 7:56 PM
16	rmenssen@prologis.com	6/5/2019 5:10 PM
17	dnd@soslaw.com	6/5/2019 9:58 AM
18	ERIN@SODOSEATTLE.ORG	6/4/2019 4:13 PM
19	kyle_kretsch@hotmail.com	6/2/2019 2:19 PM
20	aslepski@gmail.com	5/30/2019 4:11 PM
21	patty_foley@hotmail.com	5/15/2019 5:06 PM
#	PHONE NUMBER	DATE
1	8185176093	7/26/2019 10:05 PM
2	2069195596	7/26/2019 6:34 PM
3	2068492690	7/26/2019 6:08 PM
4	8585810754	7/24/2019 9:59 AM
5	2065954775	6/20/2019 2:49 PM
6	2066178963	6/17/2019 7:44 PM
7	2672669723	6/11/2019 1:17 PM
8	2063810579	6/11/2019 12:07 PM
9	2064147612	6/5/2019 5:10 PM
10	206-268-3391	6/5/2019 9:58 AM
11	2069819877	6/4/2019 4:13 PM
12	206-409-9838	5/15/2019 5:06 PM

D.H.A.2. Survey Printed



DIAGONAL AVENUE SOUTH STREET VACATION SURVEY

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. **We'd like your feedback on this proposal**.

Please answer the following survey questions to provide your input on this petition.

То	To learn more about this project, please visit www.diagonalavenue.com for more information.	
1.	Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility? □ No □ Yes (please specify):	
2.	Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.	
	□ No	
	☐ Yes (please specify):	
3.	Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?	
	□ Yes, I agree	
	□ No, I disagree	
4.	Do you have additional questions or comments for us?	
	□ No	
	☐ Yes (please specify):	

5.	Do you work in SODO or Georgetow	/n?			
	☐ I work in SODO				
	\square I work in Georgetown				
	☐ I do not work in either area ☐ Other (please specify):				
6.	Do you live in SODO or Georgetown?				
	☐ I live in SODO				
	☐ I live in Georgetown				
	$\hfill\Box$ I do not live in the area				
	□ Other (please specify):				
-	M/L-4				
7.	What age group are you in? ☐ Under 18	□ 45-54			
	□ 18-24	□ 55-64			
	□ 25-34	□ 55- 04			
	□ 35-44	□ 05+			
	□ 33 -44				
8.	-	l who we are reaching to ensure we're doing the best job at mmunity. Your participation is voluntary.			
	What language do you speak at home?				
	What is your gender?				
	Do you own or rent?				
	What ZIP code do you live in?				
	What is your race/ethnicity?				
9.	If you would like to be added to our below.	email distribution or mailing list, please provide your information			
	Name:				
	Address:				
		State: ZIP/Postal Code:			
	Email Address:				
	Phone Number				

D.H.A.3. Surveys In-person 06-12-19



DIAGONAL AVENUE SOUTH STREET VACATION SURVEY

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. **We'd like your feedback on this proposal**.

Please answer the following survey questions to provide your input on this petition.

To learn more about this project, please visit www.diagonalavenue.com for more information.

Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility? No
☐ Yes (please specify):
Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.
No XYes (please specify): Seattle Parts of Recreation should have
a Fully planned and paid-for project For
approvat it advance ut any potential tractor
Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?
XYes, lagree —7 only if there is a ylm. If It
No, I disagree Sits vacat, than No.
Do you have additional questions or comments for us?

5.	Do you work in SODO or Georgetown?				
	□ I work in SODO				
,	☐ I work in Georgetown				
7	I do not work in either area				
	☐ Other (please specify):				
6.	Do you live in SODO or Georgetown?				
h	☐ I live in SODO				
	I live in Georgetown				
v	☐ I do not live in the area				
	□ Other (please specify):				
7.	What age group are you in?				
	□ Under 18	□ 45-54			
	□ 18-24	□ 55-64			
	□ 25-34	□ 65+			
1	₹35-44				
8.	The fields below help us understand who we connecting with all people in our community	e are reaching to ensure we're doing the best job at			
	What language do you speak at home? $\underline{\mathcal{E}}$				
	What is your gender?Male				
	Do you own or rent?				
	941012				
	What 710 and a day was live in 2 99109	\			
	What ZIP code do you live in? 99108	3			
	What ZIP code do you live in?	3			
9.	What is your race/ethnicity? When the control of the contro	istribution or mailing list, please provide your information			
9.	What is your race/ethnicity? When the sum of th				
9.	What is your race/ethnicity? When the control of the contro	~e S			
9.	What is your race/ethnicity? White If you would like to be added to our email display. Name: Dane Hofbarer Address: 6240+ Corson Andrew	~e S			
9.	If you would like to be added to our email d below. Name: Dane Hofbauer Address: (0240+ Corson Au City/Town: Sen He				

D.H.A.3. Surveys In-person 06-12-19



DIAGONAL AVENUE SOUTH STREET VACATION SURVEY

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. **We'd like your feedback on this proposal**.

Please answer the following survey questions to provide your input on this petition.

Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?
TSP No
Yes (please specify):
Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.
™No
☐ Yes (please specify):
Do you agree that this property transfer to South Barbarand Barbaranian is a fair while to start
Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?
exchange for Seattle City Light's street vacation petition on Diagonal Avenue South? Ves, I agree
exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?
exchange for Seattle City Light's street vacation petition on Diagonal Avenue South? □ Yes, I agree
exchange for Seattle City Light's street vacation petition on Diagonal Avenue South? Ves, I agree No, I disagree
exchange for Seattle City Light's street vacation petition on Diagonal Avenue South? Yes, I agree No, I disagree Do you have additional questions or comments for us?
exchange for Seattle City Light's street vacation petition on Diagonal Avenue South? Ves, I agree No, I disagree

5.	Do you work in SODO or Georgetown?	E .				
	☐ I work in SODO					
	☐ I work in Georgetown					
	☐ Other (please specify): ☐ Other (please specify):					
6.	Do you live in SODO or Georgetown?					
	☐ I live in SODO					
	🗹 live in Georgetown					
	☐ I do not live in the area					
	☐ Other (please specify):					
7.	What age group are you in?					
,.	☐ Under 18	□ 45-54				
	□ 18-24	□ 55-64				
	☑ 25-34	□ 65+				
	□ 35-44	<u> </u>				
8.	The fields below help us understand who we connecting with all people in our community.	. Your participation is vo		<u> </u>		
	What language do you speak at home? <u>English</u>					
	What is your gender? <u>Femsle</u>					
	Do you own or rent? Own					
	What ZIP code do you live in? 98108					
	What is your race/ethnicity? Wliste					
9.	If you would like to be added to our email disbelow.	stribution or mailing list	, ple	ease provide your information		
	Name:	Name:				
	Address:					
	City/Town:					
	Email Address:					
	Phone Number					

D.H.A.3. Surveys In-person 06-12-19



DIAGONAL AVENUE SOUTH STREET VACATION SURVEY

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. We'd like your feedback on this proposal.

Please answer the following survey questions to provide your input on this petition.

1.	Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?
	Ø No.
	☐ Yes (please specify):
2.	Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.
	□ No.
	Yes (please specify): I like the idea of a park / that but am concerned that it will not be developed for a long time. Also, it Dog Park is something the Community would like, but I'm not sure this is the best location. I would like a Dog Park to be considered but am uncertain if this is really should be part of this discussion. I really would like a thail to be part of the conversation especially stated is a separate thack of work to connect George town to South Park. Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in
3.	Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?
	□ Yes, I agree
	□ No, I disagree
	Deincertain
4.	Do you have additional questions or comments for us?
	□ No
	☐ Yes (please specify):

5.	Do you work in SODO or Georgetown?							
	☐ I work in SODO ☐ I work in Georgetown							
								☑ I do not work in either area
		□ Other (please specify):						
6.	Do you live in SODO or Georgetown?							
	☐ I live in SODO							
	☑ I live in Georgetown							
	□ I do not live in the area							
	☐ Other (please specify):							
7.	What age group are you in?							
	□ Under 18	D2-45-54						
	□ 18-24	□ 55-64						
	□ 25-34	□ 65+						
	□ 35-44	_ 33.						
8.	The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.							
	connecting with all people in our com	nmunity. Your participation is voluntary.						
		· · · · · · · · · · · · · · · · · · ·						
	What language do you speak at home?	Englist						
	What language do you speak at home? What is your gender?	· · · · · · · · · · · · · · · · · · ·						
	What language do you speak at home? What is your gender? Do you own or rent?	English						
	What language do you speak at home? What is your gender? Do you own or rent? What ZIP code do you live in?	English 8						
	What language do you speak at home? What is your gender? Do you own or rent?	English 8						
9.	What is your gender? Find Do you own or rent? What ZIP code do you live in? AS IDS What is your race/ethnicity? Filipin If you would like to be added to our ebelow.	English So Do Pemail distribution or mailing list, please provide your information						
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9.	What is your gender? Find Do you own or rent? What ZIP code do you live in? AS IDS What is your race/ethnicity? Filipin If you would like to be added to our ebelow.	English So Pemail distribution or mailing list, please provide your information						
9.	What is your gender? Find Do you own or rent? What ZIP code do you live in? AS IDS What is your race/ethnicity? Filipin If you would like to be added to our ebelow.	English						

DHB Public_Meeting_Notice with hotline



SODO/GEORGETOWN PUBLIC MEETING NOTICE

TRANSLATION SERVICES AVAILABLE AT (253) 397-3887

• Información en español • 中文資訊 • Thông tin bằng tiếng Việt

PROJECT OVERVIEW

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is proposing to transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area. **Please see the maps on the back of this flier for more information.**





PUBLIC MEETINGS

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Light refreshments will be provided.

SODO Public Meeting

June 10, 2019, 6:00-7:30 p.m. The Factory Luxe 3100 Airport Way South Seattle, WA 98134

Georgetown Public Meeting

June 12, 2019, 6:00-7:30 p.m. Georgetown Ballroom 5623 Airport Way South Seattle, WA 98108

If you are unable to attend, comments can be submitted via phone or email. You can also take an online survey to provide your input (www.surveymonkey.com/r/diagonalave). Please be advised that any information collected through this process may become public.

CONTACT US

For questions about the street vacation petition, please contact:

Anindita Mitra
Seattle City Light (Project Representative)
info@crea-affiliates.com
(253) 397-3887
www.diagonalavenue.com

For questions about off-leash areas, please contact:

Danyal Lotfi Seattle Parks and Recreation danyal.lotfi@seattle.gov (206) 615-1721 seattle.gov/parks/find/dog-off-leash-areas

PROJECT MAP





















Petición de liberación de calle: Diagonal Avenue South

Proyecto de Seattle City Light



Seattle City Lightsolicita al Seattle Department of Transportation (SDOT, Departamento de

Transporte de Seattle) que cierre permanentemente el acceso público a la parte sur de Diagonal Avenue South entre 4th Avenue South y las vías de Union Pacific Railroad. Actualmente, esto se encuentra dentro de la propiedad cercada de Seattle City Light y se ha utilizado para almacenamiento bajo un permiso de uso de calle.

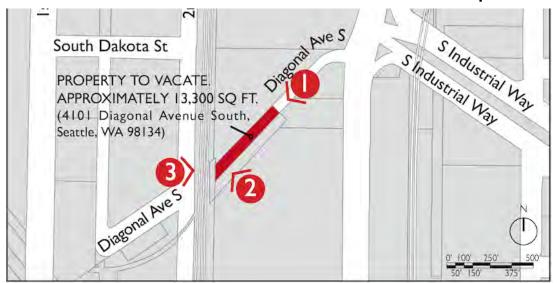
Poseer esta propiedad permitirá a City Light mejorar esta zona para mejorar la seguridad y los resultados ambientales, como por ejemplo:

- 1. Reducir los daños causados por las inundaciones durante los meses de invierno
- 2 Dirigir el agua de lluvia bacia el río Duwamich

- 2. Dingii ei agua de liuvia nacia ei no Duwanish
- 3. Mejorar la seguridad del sitio
- 4. Utilizar la propiedad más eficientemente

El rediseño de esta propiedad no modificará el uso de calles adyacentes ni la vida del vecindario.

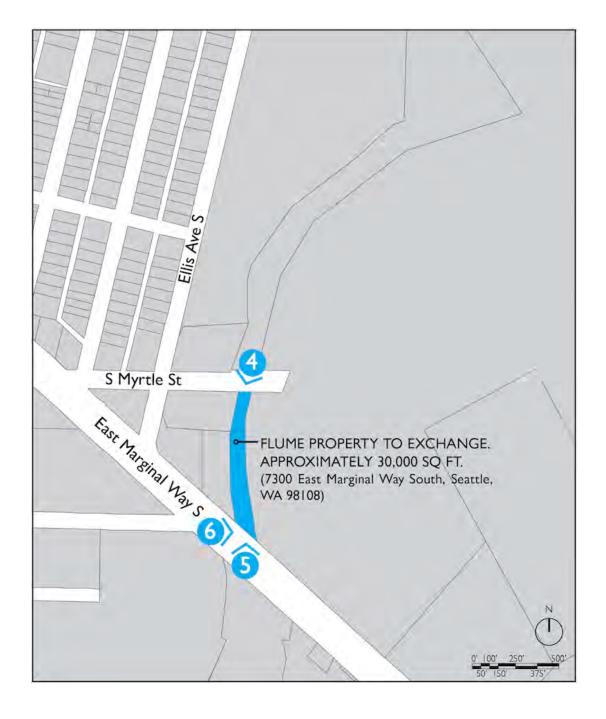




El intercambio de propiedad está sujeto a la revisión de la Seattle Design Commission y del Seattle Department of Transportation. Debe ser aprobado por el ayuntamiento de Seattle.

Beneficio público

En caso de que City Light busque obtener derechos de paso para este tramo de la calle, será necesario identificar un beneficio público para los residentes de Seattle que compense esta adquisición. City Light transferirá una propiedad desocupada en East Marginal Way South a Seattle Parks and Recreation (Departamento de Parques y Recreaciones de Seattle), también referido como Parks. La propiedad desocupada de Georgetown es el doble del tamaño de la propiedad de Diagonal Avenue South. Parks está considerando el potencial que tiene esta área de usarse como parque para pasear sin correa a los perros, posiblemente con un sendero para caminar y andar en bicicleta.



Petición de liberación de calle: Diagonal Avenue South Preguntas frecuentes

¿QUÉ ES UNA LIBERACIÓN DE CALLE?

Una liberación de calle se refiere al proceso en el que el dueño de una propiedad (en este caso, Seattle City Light) solicita al ayuntamiento de Seattle que adquiera el derecho de paso de una calle adyacente para un uso que no sea una vía pública. La responsabilidad de tomar estas decisiones está asignada al ayuntamiento. Este considerará los comentarios públicos que se recopilen antes o en una audiencia pública antes de tomar una decisión formal sobre la petición.

¿POR QUÉ SEATTLE CITY LIGHT ESTÁ BUSCANDO UNA LIBERACIÓN DE CALLE?

Durante varios años, Seattle City Light ha operado continuamente esta porción de 13 300 pies cuadrados (1235,61 metros cuadrados) de Diagonal Avenue South bajo un permiso de uso para vía pública. Bajo este permiso, la empresa de servicios públicos ha restringido el acceso público a esta parte de Diagonal Avenue South.

Con el fin de realizar mejoras de seguridad, operativas y ambientales, City Light está buscando la propiedad de esta sección de Diagonal Avenue South, que está rodeada por la propiedad del servicio público South Service Center.

¿CUÁL SERÁ EL IMPACTO PARA EL BARRIO?

La parte cerrada de Diagonal Avenue South (objeto de esta petición de liberación de calle) ha estado en uso industrial. El acceso a 2nd Avenue South actualmente está restringido por las vías del ferrocarril directamente al oeste de la propiedad de City Light. No se espera que la transferencia de la posesión de la propiedad del Seattle Department of Transportation (SDOT, Departamento de Transporte de Seattle) a Seattle City Light tenga algún impacto en las propiedades circundantes o en los patrones de circulación del vecindario.

¿CÓMO FUNCIONA EL PROCESO DE UNA DE PETICIÓN DE LIBERACIÓN DE CALLE?

La petición es regida por las políticas de liberación de calle del ayuntamiento de Seattle que se adoptaron en 2018. La petición de liberación de calle es revisada por el SDOT, que mantiene los derechos de la ciudad a todos los derechos de paso públicos. El SDOT trabaja con la Seattle Design Commission (SDC) para asegurarse de que el proceso de liberación de calle sea equitativo y no afecte a la comunidad. El Department of Neighborhoods (DON, Departamento de Barrios) revisa y aprueba la estrategia de difusión para todas las propuestas de liberación de calle. Después de que se haya implementado la estrategia de divulgación pública, el SDOT y la SDC revisan la petición antes de enviarla al ayuntamiento para su aprobación.

¿CÓMO UNA LIBERACIÓN DE CALLE BENEFICIA A LOS RESIDENTES DE SEATTLE?

El solicitante, Seattle City Light debe proporcionar un beneficio compensatorio a los residentes de Seattle per transferir la propiede di loro del derecho de pasa pública. El beneficio puede

tomar muchas formas. En este caso, City Light transferiría 30 000 pies cuadrados (2787 metros cuadrados) de su propiedad en el vecindario de Georgetown al Seattle Parks and Recreation (Departamento de Parques y Recreación de Seattle). La comunidad de Georgetown reconoce el potencial de esta propiedad para convertirse en un espacio comunitario. Seattle Parks and Recreation está analizando poder usarlo como una área para pasear sin correa a los perros, posiblemente con un sendero para caminar y andar en bicicleta.

¿CÓMO PUEDO OBTENER INFORMACIÓN ACTUAL SOBRE ESTA PETICIÓN DE LIBERACIÓN DE CALLE?

Como parte de esta petición, City Light organizará dos reuniones públicas para proporcionar detalles sobre esta propuesta y cómo afectará esto al área de SODO/Georgetown. Se recolectarán los comentarios del público en general en ambas reuniones.

Registrese aquí para las actualizaciones de proyectos

INFORMACIÓN DE CONTACTO

Si tiene preguntas sobre la petición de liberación de calle, póngase en contacto con:

Anindita Mitra (Representante de Proyecto)

info@crea-affiliates.com

(253) 397-3887

Facebook: Seattle City Light
Twitter: @seacitylight

Si tiene preguntas sobre áreas para pasear sin correa a los perros, póngase en contacto con:

Danyal Lotfi, Seattle Parks and Recreation

danyal.lotfi@seattle.gov

(206) 615-1721

RECURSOS ADICIONALES

Políticas de liberación de calle, ciudad de Seattle

Proceso de la liberación de calle, Seattle Department of Transportation (SDOT)

Reglamentación 2018 del directorio

Seattle Department of Construction and Inspections (SDCI, Departamento de Construcción e Inspección de Seattle) Seattle Department of Neighborhoods (DON)





DIAGONAL AVENUE SOUTH STREET VACATION PETITION

Kiến Nghị về Đoạn Đường Trống – Diagonal Avenue South

Dự Án của Seattle City Light

Seattle City Light đang yêu cầu Seattle Department of Transportation (SDOT, Sở Giao Thông Thành Phố Seattle) hạn chế vĩnh viễn việc đi lại của công chúng tại phần phía nam của Diagonal Avenue South giữa 4th Avenue South và đường ray Union Pacific Railroad. Phần đường này hiện đang nằm trong khuôn viên tài sản có rào chắn của City Light và hiện được sử dụng để lưu trữ đồ theo Giấy Phép Sử Dụng Đường Phố.

Việc sở hữu tài sản này sẽ cho phép City Light nâng cấp khu vực này nhằm đảm bảo vấn đề an toàn và môi trường tốt hơn:

- 1. Giảm thiệt hại do lũ lụt trong những tháng mùa đông.
- 2. Xử lý dòng chảy nước mưa vào sông Duwamish;
- 3. Cải thiện an ninh tại cơ sở; và
- 4. Sử dụng tài sản hiệu quả hơn.

Việc thiết kế lại tài sản này sẽ không gây ra bất kỳ thay đổi nào đối với việc sử dụng các tuyến phố lân cận hoặc các đặc điểm của khu phố.

DHC2 Website SCL Vacation Vietnamese

Việc chuyển giao cơ sở này phải được Seattle Design Commission (SDC, Hội Đồng Thiết Kế Seattle) và Seattle Department of Transportation xem xét. Và phải được Seattle City Council (Hội Đồng Thành Phố Seattle) phê duyệt.

Lợi Ích Cho Cộng Đồng

Nếu City Light theo đuổi việc xin đoạn đường trống của tuyến đường này, cơ quan này sẽ cần phải xác định các lợi ích công cộng đem lại cho cư dân Seattle để bù đắp cho việc thu nhận này. City Light sẽ chuyển giao một tài sản trống tại East Marginal Way South cho Seattle Parks and Recreation (Cơ Quan Công Viên và Giải Trí Seattle) (Cơ Quan Công Viên). Cơ sở Georgetown bỏ trống có diện tích gấp đôi đoạn đường xin kiến nghị của Diagonal Avenue South. Cơ Quan Công Viên đang khám phá tiềm năng sử dụng khu vực này làm công viên cho chó chạy thả rông, có thể với đường mòn kết nối cho người đi bộ/đi xe đạp dành cho công chúng.

Kiến Nghị về Đoạn Đường Trống – Diagonal Avenue South Các Câu Hỏi Thường Gặp

ĐỊNH NGHĨA ĐOẠN ĐƯỜNG TRỐNG?

Đoạn đường trống là quy trình mà chủ sở hữu tài sản (trong trường hợp này là Seattle City Light) kiến nghị với Hội Đồng Thành Phố Seattle để có được quyền sử dụng đoạn đường liền kề cho mục đích sử dụng không phải là đường công cộng. Hội Đồng Thành Phố có trách nhiệm đưa ra các quyết định như thế này. Hội Đồng Thành Phố sẽ tham khảo ý kiến của người dân đã được thu thập trước hoặc trong phiên điều trần công cộng trước khi đưa ra quyết định chính thức về kiến nghị này.

TẠI SAO SEATTLE CITY LIGHT TÌM KIẾM ĐOẠN ĐƯỜNG TRỐNG?

Từ vài năm nay, Seattle City Light khai thác liên tục phần diện tích 13,300 foot vuông tại tuyến đường Diagonal Avenue South thông qua giấy phép sử dụng các tuyến phố. Thông qua giấy

DHC2 Website SCL Vacation Vietnamese

phép này, cơ quan tiện ích đã giới hạn quyền đi lại của công chúng với đoạn đường này của tuyến phố Diagonal Avenue South.

Để đảm bảo an toàn, các cải thiện về khai thác và môi trường, City Light đang tìm kiếm việc sở hữu đoạn đường này của tuyến phố Diagonal Avenue South, hiện đang được bao quanh bởi phần tài sản South Service Center (Trung Tâm Dịch Vụ Phía Nam) của cơ quan tiện ích.

KHU DÂN CỬ LÂN CẬN SẼ BỊ ẢNH HƯỞNG NHƯ THẾ NÀO?

Đoạn đường bị đóng này của Diagonal Avenue South (phụ thuộc vào kiến nghị đoạn đường trống này) đã được sử dụng cho mục đích công nghiệp. Việc đi lại vào 2nd Avenue South hiện đang bị hạn chế bởi các đường ray xe lửa nằm ngay phía tây khu đất của City Light. Việc chuyển nhượng quyền sở hữu từ Seattle Department of Transportation (SDOT, Sở Giao Thông Seattle) cho Seattle City Light được kỳ vọng không gây bất kỳ ảnh hưởng nào tới các tài sản xung quanh hoặc luồng giao thông đi lại của dân cư.

QUY TRÌNH XIN ĐOẠN ĐƯỜNG TRỐNG ĐƯỢC THỰC HIỆN NHƯ THẾ NÀO?

Kiến nghị này bị chi phối bởi các Chính Sách Đoạn Đường Trống của Hội Đồng Thành Phố Seattle đã được thông qua năm 2018. Kiến nghị xin đoạn đường trống được SDOT xem xét, cơ quan này duy trì các quyền của thành phố đối với tất cả các quyền sử dụng hợp pháp công cộng đường phố. SDOT phối hợp với Seattle Design Commission (SDC) nhằm đảm bảo thủ tục giải quyết việc xin đoạn đường trống được thực hiện nghiêm minh và không gây ảnh hưởng tới cộng đồng. Department of Neighborhoods (DON, Ban Phụ Trách Khu Dân Cư) xem xét và phê duyệt chiến lược tiếp cận với tất cả các đơn xin đoạn đường trống. Sau khi đã triển khai chiến lược tiếp cận công chúng, SDOT và SDC sẽ xem xét đơn kiến nghị và chuyển cho Hội Đồng Thành Phố phê duyệt.

DỰ ÁN ĐEM LẠI NHỮNG LỢI ÍCH GÌ CHO NGƯỜI DÂN SEATTLE?

Đơn vị kiến nghị, Seattle City Light, phải thực hiện bồi thường cho cư dân Seattle khi chuyển đổi tài sản không còn thuộc quyền sử dụng tuyến phố hợp pháp của người dân. Quyền lợi bồi thường có thể được cung cấp dưới nhiều hình thức. Trong trường hợp này, City Light sẽ chuyển nhượng quyền sở hữu một tài sản 30,000 foot vuông tại khu dân cư Georgetown cho Seatle Parks and Recreation (Cơ Quan Công Viên và Giải Trí Seattle). Cộng đồng Georgetown luôn ghi nhận tiềm năng của tài sản này trong việc trở thành một tiện nghi của cộng đồng. Seattle Parks and Recreation đang khám phá tiềm năng sử dụng tài sản này thành khu vực

DHC2 Website SCL Vacation Vietnamese

thả chó chạy rông, có thể với đường mòn dành cho người đi xe đạp và đi bộ.

TÔI CÓ THỂ NHẬN THÔNG TIN HIỆN TẠI VỀ KIẾN NGHỊ ĐOẠN ĐƯỜNG TRỐNG NÀY Ở ĐÂU?

Là một phần của đơn kiến nghị này, City Light sẽ tổ chức hai cuộc họp dành cho công chúng nhằm cung cấp các thông tin chi tiết về dự án và cách dự án sẽ ảnh hưởng đến khu vực SODO/ Georgetown. Các ý kiến đóng góp của công chúng sẽ được thu thập tại cả hai cuộc họp.

Đăng ký ở đây để cập nhật dự án

THÔNG TIN LIÊN HỆ

Đối với các câu hỏi về kiến nghị xin đoạn đường trống, vui lòng liên hệ:

Anindita Mitra, Seattle City Light (Đại Diện Dự Án)

info@crea-affiliates.com

(253) 397-3887

Facebook: Seattle City Light

Twitter: @seacitylight

Đối với các câu hỏi về khu vực thả chó chạy rông, vui lòng liên hệ:

Danyal Lotfi, Seattle Parks and Recreation danyal.lotfi@seattle.gov (206) 615-1721

CÁC NGUỒN THÔNG TIN BỔ SUNG

Các Chính Sách Đoạn Đường Trống Năm 2018, Thành Phố Seattle

Quy Trình Xin Đoạn Đường Trống, Seattle Department of Transportation (SDOT)

2018 Directors' Rule

Seattle Department of Construction and Inspections (SDCI, Sở Xây Dựng và Thanh Tra Seattle) Seattle Department of Neighborhoods (DON)

DHC2 Website SCL Vacation Vietnamese





DIAGONAL AVENUE SOUTH STREET VACATION PETITION

土地产权变更申请 – Diagonal Avenue South Seattle City Light(西雅图电力公司)项目

Seattle City Light正在向Seattle Department of Transportation(SDOT,西雅图交通局)申请永久向公众关闭Diagonal Avenue South在4th Avenue South和Union Pacific Railroad铁道之间南路段的通行。该路段目前位于City Light围栏围起的地产内并在一项街道使用许可下作为储存功能使用。

拥有该地产将使City Light可以升级该区域以获得安全性和环境上的改善:

- 1. 减少冬季月份雪水泛滥造成的水灾损害;
- 2. 处理流入Duwamish河流的雨水
- 3. 改善场地的安全性;以及
- 4. 更加高效地使用该地产。

该地产的重新设计将不会造成对邻近街道和邻里区状态的改变。

该地产置换须经过Seattle Design Commission(西雅图设计委员会)和Seattle Department of Transportation的审核。置换必须经西雅图市议会批准。

公众权益

DHC3 Website SCL Vacation Chinese

如果City Light寻求此段街道用地产权变更,则需要为西雅图居民的公众权益做出补偿,以抵消此路段的获取。City Light计划将其所有的位于East Marginal Way South的空闲地产置换给 Seattle Parks and Recreation(Parks,西雅图公园与休闲局)。该位于Georgetown的空地面积约为Diagonal Avenue South地产的两倍。Parks正在考虑将该区域发展为犬只活动的公园,可能包含供公众使用的步行和骑行的连接小道。

土地产权变更申请 – Diagonal Avenue South 常见问题

什么是产权变更?

土地产权变更是指地产所有者(此处为Seattle City Light)向西雅图市议会申请获得毗邻街道的使用权,使其不再作为公共道路使用。做出这些决定的责任属于市议会。市议会将在考虑公共会议上以及之前所收集的公众评论后对此申请做出正式决定。

为什么Seattle City Light要寻求道路产权变更?

若干年来,Seattle City Light一直在一项街道使用许可下使用Diagonal Avenue South此段面积为13,300平方英尺的区域。在此许可下,该公共设施限制了公众对Diagonal Avenue South该段道路的通行和使用。

为了确保安全性、可行性和环境上的改善,City Light寻求获得Diagonal Avenue South该路段的所有权。该路段处在公共设施South Service Center(南服务中心)的地产之间。

周边区域会受到什么影响?

Diagonal Avenue South的封闭路段(即此申请道路产权变更的路段)已被用作工业用途。该路段与2nd Avenue South之间的交通目前被City Light所属地产西侧的铁路阻断。因此,将该地产的所有权由Seattle Department of Transportation(SDOT,西雅图交通局)转交给Seattle City Light预计不会对周边的地产或邻里交通状况造成影响。

道路产权变更的过程是怎样的?

该申请受到2018年开始实施的西雅图市议会道路产权变更政策管辖。道路产权变更的申请将由

DHC3 Website SCL Vacation Chinese

SDOT审查以确保城市公共道路使用的权利。SDOT将与Seattle Design Commission(SDC)合作,以确保道路产权变更的过程是公正的且不会对社区造成影响。Department of Neighborhoods(DON,西雅图邻里局)将审查和批准所有道路产权变更的公共宣传方案。在公共宣传方案得到实施后,该申请将由SDOT和SDC审阅后递交给市议会进行批准。

该道路产权变更对西雅图居民有何补偿?

Seattle City Light作为申请者必须为占据公共道路使用权向西雅图居民提供相应的补偿。补偿可以是多种形式。在本次情况下,City Light将向Seattle Parks and Recreation(西雅图公园与休闲局)转让一块位于Georgetown周边的面积为30,000平方英尺的地产所有权。Georgetown社区认为这块地产有可能建设成服务社区的公共设施。Seattle Parks and Recreation正在考虑将该地产发展为犬只自由活动的区域,可能包含步行和骑行的小道。

如何获取关于该道路产权变更申请的最新信息?

作为该申请过程的一部分,City Light将举行两次公众会议来提供关于此项目的的细节和此方案对SODO/Georgetown区域可能产生的影响。两次公众会议都会收集公众评论。

在此处注册项目更新

联系信息

如有关于该道路产权变更申请的问题,请联系:

Anindita Mitra(项目代表) info@crea-affiliates.com (253) 397-3887

Facebook: Seattle City Light

Twitter: @seacitylight

如有关于犬只自由活动区的问题, 请联系:

Danyal Lotfi, Seattle Parks and Recreation danyal.lotfi@seattle.gov (206) 615-1721

DHC3 Website SCL Vacation Chinese

更多资源

2018 西雅图街道产权变更政策

Seattle Department of Transportation (SDOT) 街道产权变更程序

2018 Directors' Rule

Seattle Department of Construction and Inspections (SDCI,西雅图建设与监察局)

Seattle Department of Neighborhoods (DON)





Seattle City Light – Diagonal Avenue South

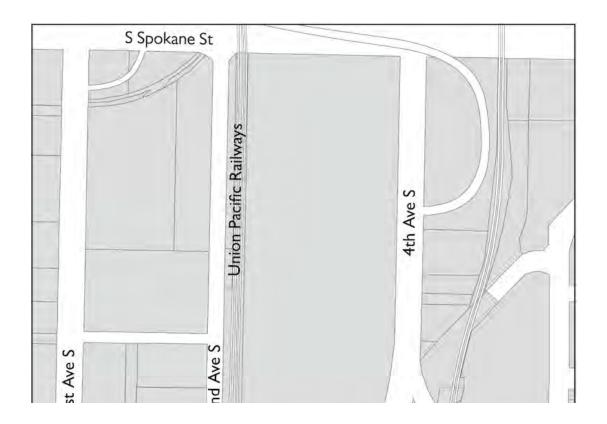


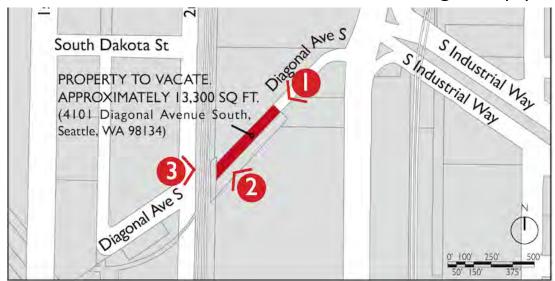
Seattle City Light is requesting the Seattle Department of Transportation (SDOT) to permanently close public access to the southern portion of Diagonal Avenue South between 4th Avenue South and the Union Pacific Railroad tracks. This currently lies within City Light's fenced-in property and has been used for storage under a Street Use Permit.

Owning this property will allow City Light to upgrade this area for better safety and environmental outcomes:

- 1. Reduce water damage from flooding during winter months.
- 2. Treat stormwater runoff into the Duwamish River;
- 3. Improve site security; and
- 4. Use the property more efficiently.

The redesign of this property will not result in any changes to the use of adjacent streets or

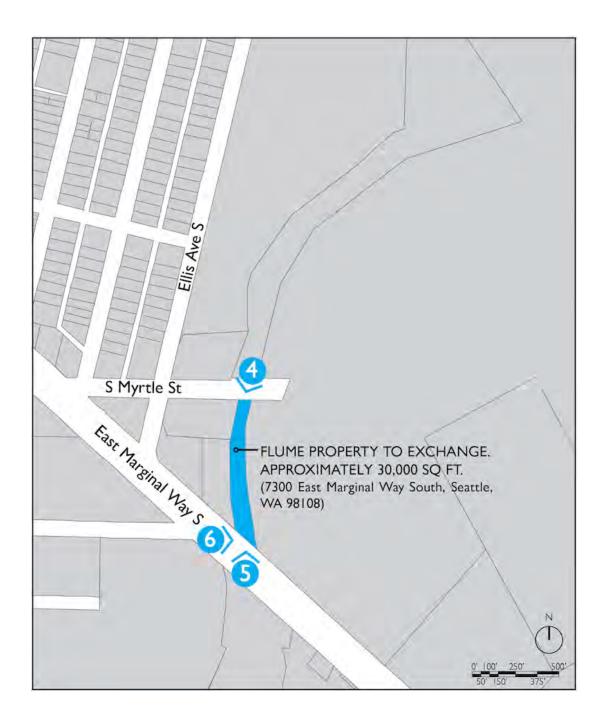




The property exchange is subject to the review of the Seattle Design Commission and the Seattle Department of Transportation. It must be approved by the Seattle City Council.

Public Benefit

Should City Light pursue a street vacation for this section of the road, it will be required to identify a public benefit for Seattle residents to offset this acquisition. City Light would transfer a vacant property on East Marginal Way South to Seattle Parks and Recreation (Parks). The vacant Georgetown property is double the size of the Diagonal Avenue South property. Parks is exploring the potential of using this area for an off-leash dog park, possibly with a public walking/biking connector trail.



Frequently Asked Questions

WHAT IS A STREET VACATION?

A *street vacation* refers to the process where a property owner (in this case, Seattle City Light) petitions Seattle City Council to acquire adjacent street right-of-way for use other than as a public roadway. The responsibility for making these decisions is assigned to the City Council. The City Council will consider public comments that were collected prior to or at a public hearing before making a formal decision about the petition.

WHY IS SEATTLE CITY LIGHT CONSIDERING A STREET VACATION?

For several years, Seattle City Light has continuously operated this 13,300-square-foot portion of Diagonal Avenue South under a street use permit. Under this permit, the utility has restricted public access to this portion of Diagonal Avenue South. In order to make safety, operational and environmental improvements, City Light is considering taking ownership of this section of Diagonal Avenue South, which is surrounded by the utility's South Service Center property.

HOW WILL THE NEIGHBORHOOD BE IMPACTED?

The closed portion of Diagonal Avenue South (subject of this vacation petition) has been in industrial use. Access to 2nd Avenue South is currently restricted by the railroad tracks directly west of the City Light property. Transferring the ownership of this property from the Seattle Department of Transportation (SDOT) to Seattle City Light is not expected to have any impact on surrounding properties or neighborhood circulation patterns.

HOW DOES THE STREET VACATION PROCESS WORK?

The petition is governed by the Seattle City Council Street Vacation Policies that were adopted in 2018. The petition for a street vacation is reviewed by SDOT which maintains the city's rights to all public rights-of-way. SDOT works with the Seattle Design Commission (SDC) to make sure the street vacation process is equitable and does not impact the community. The Department of Neighborhoods (DON) reviews and approves the outreach strategy for all street vacation proposals. After the public outreach strategy has been implemented, the petition is reviewed by SDOT and the SDC before it is forwarded to the City Council for approval.

HOW DOES THE STREET VACATION BENEFIT SEATTLE RESIDENTS?

The petitioner, Seattle City Light must provide an offsetting benefit to Seattle residents for transferring property out of the public right-of-way. The benefit can take many forms. In this case, City Light would transfer ownership of a 30,000-square-foot property in the Georgetown neighborhood to Seattle Parks and Recreation. The Georgetown community recognizes this property's potential to become a community amenity. Seattle Parks and Recreation is exploring the potential to use this as an off-leash dog park, possibly with a walking and biking trail.

HOW CAN I GET CURRENT INFORMATION ABOUT THIS VACATION PETITION?

As part of this petition, City Light will host two public meetings to provide details about this proposal and how this will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Please check back on this site for project news and updates.

Sign up here for Project Updates

CONTACT INFORMATION

For questions about the street vacation petition, please contact:

Name: Anindita Mitra, Seattle City Light's Project Representative

Email: info@crea-affiliates.com

Phone: (253) 397-3887
Facebook: Seattle City Light
Twitter: @seacitylight

For questions about off-leash areas, please contact:

Name: Danyal Lotfi, Seattle Parks and Recreation

Email: danyal.lotfi@seattle.gov

Phone: (206) 615-1721

ADDITIONAL RESOURCES

2018 Street Vacation Policies, City of Seattle

Street Vacation Process, Seattle Department of Transportation, City of Seattle

2018 Directors' Rule, Seattle Department of Construction and Inspections (SDCI), Seattle Department of Neighborhoods (DON)

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Georgetown Public Meeting Re: Diagonal
Ave Street Vacation

Public · Hosted by Seattle City Light

Going

Wednesday, June 12, 2019 at 6 PM - 7:30 PM about 3 weeks ago

Georgetown Ballroom 5623 Airport Way S, Seattle, Washington 98108

About Discussion

Details

Seattle City Light is seeking to improve a portion of Diagonal Avenue South in the SODO neighborhood. While this portion of the roadway lies within City Light's fenced-in property, it is owned by the Seattle Department of

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Nitzer Ebb

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Friday at Counterbalance Park 4,057 guests

Interested · Going



Ancestral Waters: Screening...

Tomorrow at Southside Commons Kathy Lawhon is going

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Ferris Bueller at Marymoor Pa...

6:30 PM at Movies at Marymoor... 27,296 guests

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one of many approaches that City Light is considering before it makes this investment is to petition SDOT to vacate this section of the street from public access and use. To offset this acquisition, the utility is considering transferring a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's potential use as an off-leash area for dogs, possibly with a walking and biking trail.

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the

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Seattle City Light — Added an album May 29, 2019

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Seattle City Light

Public Utility Company · Seattle, Washington
Seattle City Light is a publicly owned utility dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low cost and reliable power. We are committed to delivering the best customer service

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Miller Community Center Open House

Wed 4 PM · Seattle, Washington

Apprenticeship Open House

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Events

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SODO Public Meeting Re: Diagonal Ave. S Street Vacation

Public · Hosted by Seattle City Light

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Monday, June 10, 2019 at 6 PM - 7:30 PM about 4 weeks ago

The Factory Luxe 3100 Airport Way S, Seattle, Washington 98134

Show Map

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As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the

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JU

Miller Community Center Open House

Wed 4 PM · Seattle, Washington

Apprenticeship Open House

Interested

Interested

DMA3 FaceBook Posts



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Digital, Social Media **Facebook Groups Contacted**

Summary

Seattle City Light (SCL) hosted a Facebook event page for the SODO and Georgetown public meetings. Promotion through this method was limited to those individuals and businesses who were already "friends" with Seattle City Light on Facebook or to Facebook groups that allowed SCL or CREÄ to post on their timeline. CREÄ Affiliates staff attempted to post on the timeline of businesses and community groups' Facebook pages, however the site administrator for these Facebook pages needed to approve the post before they became publicly visible. Follow up to these sites on 6/14/19 revealed that none of the groups listed below accepted the attempted post by CREÄ Affiliates on 5/27/19.

Groups Contacted

Date	Group	Website
05/27/2019	Georgetown Community Discussion Group	https://www.facebook.com/groups/GeorgetownCommunity/about/
05/27/2019	Georgetown North	https://www.facebook.com/groups/306305049922142/
05/27/2019	Georgetown Seattle	https://groups.yahoo.com/neo/groups/Georgetown-Seattle/info
05/27/2019	Georgetown Garden Walk	https://www.facebook.com/GeorgetownGardenWalk
05/27/2019	Georgetown SouthPark P.O.C (Georgetown South Park People of Color)	https://www.facebook.com/groups/114390859313629/
05/27/2019	Georgetown Dogs	https://www.facebook.com/groups/10150097008755556/
05/27/2019	Georgetown Parents	https://www.facebook.com/Georgetown-Parents- 165245600202714/
05/27/2019	Georgetown Events Club	https://www.facebook.com/georgetowneventsclub/
05/27/2019	Seattle Design District	https://www.seattledesigndistrict.com/contact
05/27/2019	SODO BIA	https://www.facebook.com/SODOBIA/

DMA4 Facebook & Nextdoor Poll Results 06/19

Flume Survey Results from Facebook & Nextdoor poll 6/10/2019

Name	OLA	Trail	Both	Other	Notes
Jesse Moore			1		
Rosario Medina		1	1		
LaDele Sines	1		1		
Clint Berquist			1		
Angie Walls			1		
Matt Pearsall			1		
Melissa Schreader			1		
Dane Hofbauer			1		
Victor Facundo			1		
Kerri Egan	1		1		
Greg Ramirez		1			
Jim Hill		1			
Kathy Nyland		1			
Jordan Lee		1		1	NW Natives garden for insects & birds
Wiley Youngblood	1				
Kristen Taylor		1			
Bill Ringler				1	putt putt golf course
Grace Cobbins	1				
Jim Kjelland			1		
Jess Bacon	1				
Kaitlin Lingburg	1				
Tim Keber	1		1		
Rita Bonita	1				
Hannah Craswell	1				
Angielena Chamberlain	1				
Patty Foley			1		
Amy Amaryllis		1			
Andy Bookwalter			1		
Barbara Hill			1		

DMA4 Facebook & Nextdoor Poll Results 06/19

	17	11	25	4	
Dawna Holloway				1	wildlife habitat w/ native plantings
Jon B Dove			1		
Rebecca Martinez Roberts			1		
Kyshee Hoover Rizzo			1		
Yukari Romano		1	_	_	
Ed Ball	1			_	
Gale Myles			1		
Megan Davis		1			
Hattie Rhodes	1				
Daniel Roberts	1				
Holly Wick Eyes Err			1		
Marc Galt	1				
Laura Wright			1		
Janet Neuhauser			1		
K Steimer				1	community art
Kate Kohler	1				
Scott Sinclair Hall	1			_	
Greg Rehm		1			
Debbie Pessein		1			
Durin Gleaves	1		1		
Kathleen Dowd			1		
Aley Thompson			1		

DMB DON Design Review Blog_SODO_Georgetown Street Vacation

Seattle.gov

Early Outreach for Design Review Projects Blog

Department of Neighborhoods

SODO/Georgetown Street Vacation

April 11, 2019 by drearlyoutreach

Project Address: Vacation ROW: 4101 Diagonal Avenue South, Seattle, WA 98134; Flume Property: 7300 East Marginal Way South, Seattle, WA 98108

Brief Description: Seattle City Light is seeking the vacation of a portion of Diagonal Avenue South between 2nd Avenue South and 4th Avenue South that is currently designated a public right-of-way. In addition to the water quality and safety benefits that this street vacation will allow, Seattle City Light is making a portion of its Flume Property (between East Marginal Way South and South Myrtle Street) available for public open space.

Developer/Applicant: Seattle City Light

Contact Person: Anindita Mitra

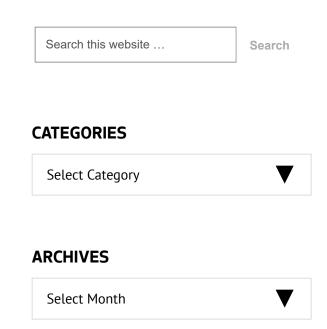
Contact Information: info@crea-affiliates.com

Type of building: Diagonal Avenue Street Vacation; and Flume Property –

Public Property Transfer

Neighborhood: South Downtown (SODO) and Georgetown

In Equity area: Yes



DMB DON Design Review Blog_SODO_Georgetown Street Vacation

Filed Under: Southeast, Street Vacation Tagged With: Equity Area, Flume property, Georgetown,

SEattle City Light, SODO

Early Outreach Design Review Project Blog - RSS Feed - Log in

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D.M.C. Email notice of public meetings

Subject: Seale City Ligh t: SODO/Georgetown Public Meengs in June 2019

Date: Wednesday, May 29, 2019 at 3:58:22 PM Pacific Daylight Time

From: Michael Davolio
To: 'Anindita Mitra'

Attachments: image003.png, image004.png, image005.png, image002.png

Seattle City Light is seeking to improve a portion of Diagonal Avenue South in the SODO neighborhood. While this portion of the roadway lies within City Light's fenced-in property, it is owned by the Seattle Department of Transportation (SDOT). One of many approaches that City Light is considering before it makes this investment is to petition SDOT to vacate this section of the street from public access and use. To offset this acquisition, the utility is considering transferring a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's potential use as an off-leash area for dogs, possibly with a walking and biking trail.

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Light refreshments will be provided.

SODO Public Meeting

June 10, 2019, 6:00-7:30 p.m.

The Factory Luxe - 3100 Airport Way South Seattle, WA 98134

Georgetown Public Meeting

June 12, 2019, 6:00-7:30 p.m.

Georgetown Ballroom - 5623 Airport Way South Seattle, WA 98108

If you are unable to attend, comments can be submitted via phone or email. You can also take an online survey to provide your input (www.surveymonkey.com/r/diagonalave). Please be advised that any information collected through this process may become public.

For questions about the street vacation petition, please contact:

Anindita Mitra
Seattle City Light (Project Representative)
info@crea-affiliates.com
(253) 397-3887
www.diagonalayenue.com

For questions about off-leash areas, please contact: Danyal Lotfi
Seattle Parks and Recreation
danyal.lotfi@seattle.gov
(206) 615-1721
www.seattle.gov/parks/find/dog-off-leash-areas

D.M.C. Email notice of public meetings

MICHAEL DAVOLIO, AICP

Project Manager

O: 206.297.3045 #642 M: 206.486.3540

E: mdavolio@crea-affiliates.com

3250 Airport Way South, Seattle, WA 98134

P.H.A.1. Street Vacation FAQ



FREQUENTLY ASKED QUESTIONS

Street Vacation Petition – Diagonal Avenue South Frequently Asked Questions

WHAT IS A STREET VACATION?

A street vacation refers to the process where a property owner (in this case, Seattle City Light) petitions Seattle City Council to acquire adjacent street right-of-way for use other than as a public roadway. The responsibility for making these decisions is assigned to the City Council. The City Council will consider public comments that were collected prior to or at a public hearing before making a formal decision about the petition.

WHY IS SEATTLE CITY LIGHT SEEKING A STREET VACATION?

For several years, Seattle City Light has continuously operated this 13,300-square-foot portion of Diagonal Avenue South under a street use permit. Under this permit, the utility has restricted public access to this portion of Diagonal Avenue South.

In order to make safety, operational and environmental improvements, City Light is seeking ownership of this section of Diagonal Avenue South, which is surrounded by the utility's South Service Center property.

HOW WILL THE NEIGHBORHOOD BE IMPACTED?



The closed portion of Diagonal Avenue South (subject of this vacation petition) has been in industrial use. Access to 2nd Avenue South is currently restricted by the railroad tracks directly west of the City Light property. Transferring the ownership of this property from the Seattle Department of Transportation (SDOT) to Seattle City Light is not expected to have any impact on surrounding properties or neighborhood circulation patterns.

HOW DOES THE STREET VACATION PROCESS WORK?

The petition is governed by the Seattle City Council Street Vacation Policies that were adopted in 2018. The petition for a street vacation is reviewed by SDOT which maintains the city's rights to all public rights-of-way. SDOT works with the Seattle Design Commission (SDC) to make sure the street vacation process is equitable and does not impact the community. The Department of Neighborhoods (DON) reviews and approves the outreach strategy for all street vacation proposals. After the public outreach strategy has been implemented, the petition is reviewed by SDOT and the SDC before it is forwarded to the City Council for approval.

HOW DOES THE STREET VACATION BENEFIT SEATTLE RESIDENTS?

The petitioner, Seattle City Light must provide an offsetting benefit to Seattle residents for transferring property out of the public right-of-way. The benefit can take many forms. In this case, City Light would transfer ownership of a 30,000-square-foot property in the Georgetown neighborhood to Seattle Parks and Recreation. The Georgetown community recognizes this property's potential to become a community amenity. Seattle Parks and Recreation is exploring the potential to use this as an off-leash dog area, possibly with a walking and biking trail.

HOW CAN I GET CURRENT INFORMATION ABOUT THIS VACATION PETITION?

As part of this petition, City Light will host two public meetings to provide details about this proposal and how this will affect the SODO/Georgetown area. Public comments will be collected at both meetings.

SODO Public Meeting

June 10, 2019, 6:00-7:30 p.m. The Factory Luxe 3100 Airport Way South Seattle, WA 98134

Georgetown Public Meeting

June 12, 2019, 6:00-7:30 p.m. Georgetown Ballroom 5623 Airport Way South Seattle, WA 98108

If you are unable to attend, questions and comments can be submitted via phone or email. You can also take an online survey to provide your input (www.surveymonkey.com/r/diagonalave). Please be advised that any information collected through this process may become public.

For questions about the street vacation petition, please contact:

Anindita Mitra

Seattle City Light (Project Representative)

info@crea-affiliates.com (253) 397-3887

www.diagonalavenue.com **Facebook:** Seattle City Light **Twitter:** @seacitylight

For questions about off-leash areas, please contact:

Danyal Lotfi

Seattle Parks and Recreation

danyal.lotfi@seattle.gov seattle.gov/parks/find/dog-off-leash-areas (206) 615-1721

ADDITIONAL RESOURCES

2018 Street Vacation Policies, City of Seattle

https://seattle.legistar.com/View.ashx?M=F&ID=6262206&GUID=0471C612-0993-414B-BB85-4C40BF83379E

Street Vacation Process, Seattle Department of Transportation (SDOT)

http://www.seattle.gov/documents/Departments/SDOT/Services/StreetVacation/StreetVacationFullProcess.pdf

2018 Directors' Rule

Seattle Department of Construction and Inspections (SDCI)

Seattle Department of Neighborhoods (DON)

http://www.seattle.gov/dpd/codes/dr/DR2018-4.pdf

P.H.A.2. Flyer_Public Meeting Notice



SODO/GEORGETOWN PUBLIC MEETING NOTICE

TRANSLATION SERVICES AVAILABLE AT (253) 397-3887

• Información en español • 中文資訊 • Thông tin bằng tiếng Việt

PROJECT OVERVIEW

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is proposing to transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area. **Please see the maps on the back of this flier for more information.**





PUBLIC MEETINGS

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Light refreshments will be provided.

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CONTACT US

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Danyal Lotfi
Seattle Parks and Recreation
danyal.lotfi@seattle.gov
(206) 615-1721
seattle.gov/parks/find/dog-off-leash-areas

PROJECT MAP

















TRANSLATION SERVICES AVAILABLE AT (253) 397-3887

• Información en español • 中文資訊 • Thông tin bằng tiếng Việt

PROJECT OVERVIEW

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is proposing to transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are potentially exploring this property's use as an off-leash dog area, possibly with a walking and biking trail.





PUBLIC MEETINGS

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CONTACT US

For questions about the street vacation petition, please contact:

Anindita Mitra
Seattle City Light (Project Representative)
info@crea-affiliates.com
(253) 397-3887
www.diagonalavenue.com

For questions about off-leash areas, please contact:

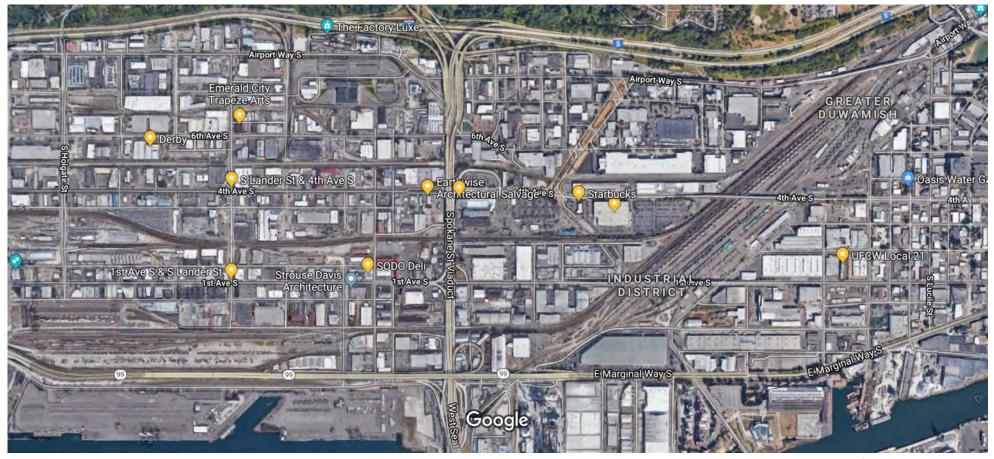
Danyal Lotfi
Seattle Parks and Recreation
danyal.lotfi@seattle.gov
(206) 615-1721
seattle.gov/parks/find/dog-off-leash-areas

P.M.A.3. Poster Locations SODO



Starred places

SODO poster locations (marked with orange stars)



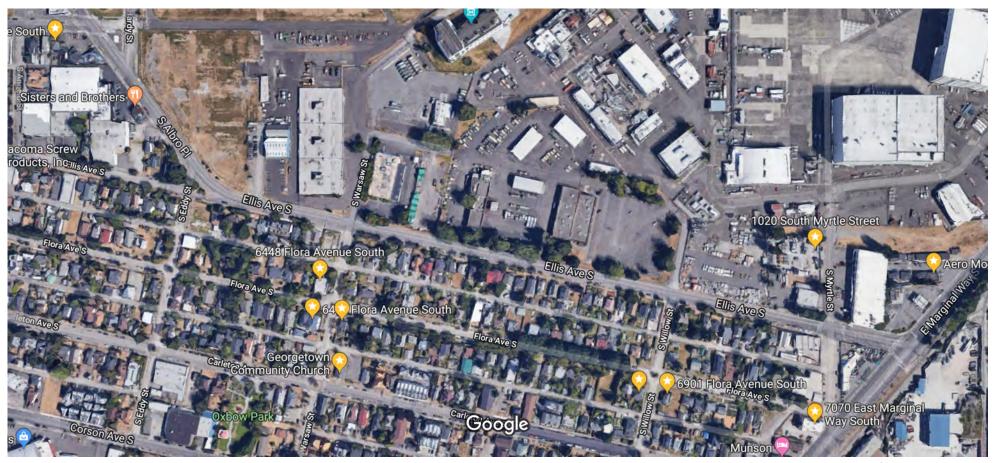
Imagery ©2019 Google, Map data ©2019 Google 1000 ft

P.H.B.3. Poster Locations Georgetown

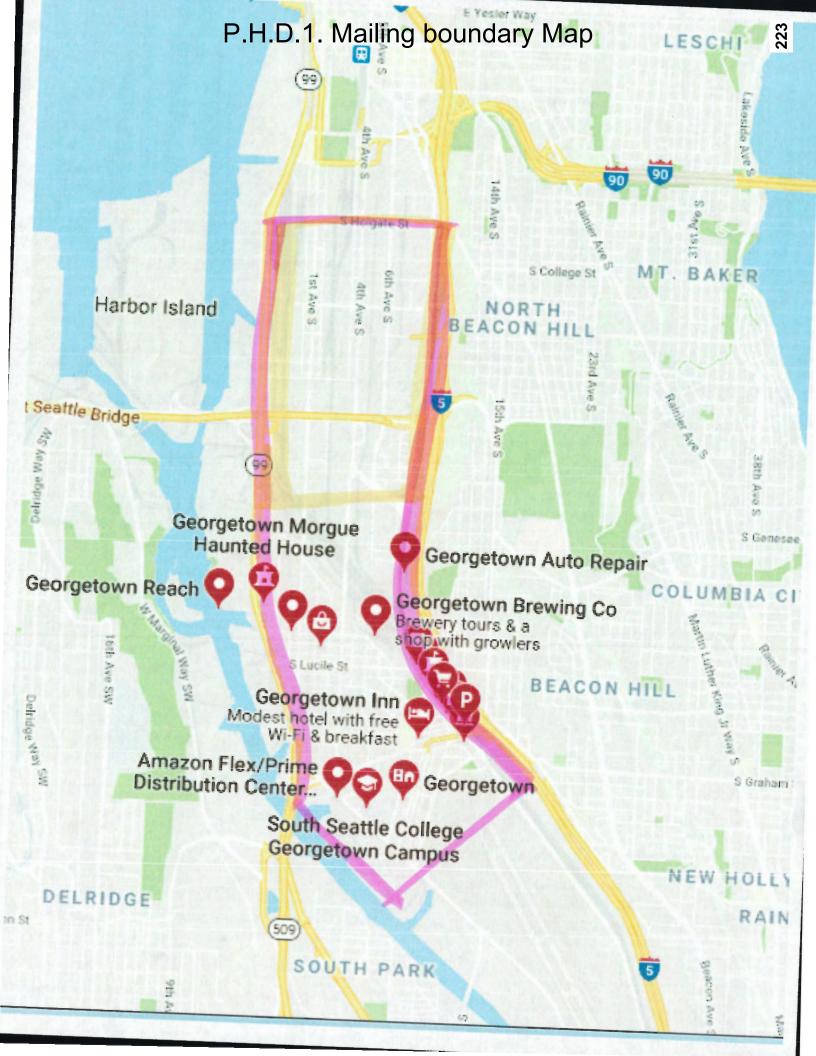


Starred places

Georgetown Flyer & Poster Outreach (locations marked with an orange star)



Imagery ©2019 Google, Map data ©2019 200 ft



P.H.D.2. Letter - Costco update 0426

Mr. Rick Jerabek, Corporate Counsel Costco Wholesale 999 Lake Drive, Issaguah, WA 98027

Re: Vacation of a Portion of Diagonal Way, South

Dear Mr. Jerabek,

As you know, CREÄ Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. The area to be vacated is currently closed to public use pursuant to a street use permit granted by the Seattle Department of Transportation.

We appreciate the time you and your staff have taken to become familiar with our efforts, including meeting with us on-site. I am writing to provide you with an update on our recent and upcoming actions on this project. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future. If it is agreeable, we would like to post these flyers at your SODO location.

I will continue to be your primary point of contact for this project. You may reach me using the contact information shown below. Please feel free to contact me if you have any questions.

Sincerely,

Michael Davolio, AICP Senior Planner mdavolio@crea-affiliates.com 360-951-3846

c: Mr. Peter Kahn, Real Estate Manager Costco Northwest Headquarters 999 Lake Drive Issaquah, Washington 98027

P.H.D.3. Letter-King County Airport 0426

Mr. John Parrott, Director King County International Airport-Boeing Field AIR-ES-0200 7277 Perimeter Rd. S. Seattle, Washington 98108-3844

Re: Property of Seattle City Light, abutting the King County Airport

Dear Mr. Parrott,

CREÄ Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. As a part of that effort, we are in discussions with the Seattle Parks and Recreation Department regarding the possibility of transferring the above-referenced property (a/k/a/ the "Flume Property") for its potential use as a public park. The subject property consists of approximately 30,000 square feet in area, and is located to the west of the airport, between East Marginal Way South and South Myrtle Street. Attached you will find a map that shows the subject property in relation to the King County Airport.

I will be your primary point of contact for this project. You may reach me using the contact information shown below.

Because you are an abutter to this property, we would like to give you an opportunity to review and comment on the proposal. Also, if there are additional users or tenants at the airport that you would like to be made aware of this project, we would be happy to speak with them as well. Please contact us at your earliest convenience to arrange a time to meet.

Sincerely,

Michael Davolio, AICP Senior Planner mdavolio@crea-affiliates.com 360-951-3846

cc: Ms. Tricia Diamond
Programs and Project Administration
King County Airport

Attachment: Map of Flume Property

P.H.D4. Letter - Marine Stewardship 0426

Marine Stewardship Council 5030 First Avenue, South Seattle, Washington 98134

Re: Vacation of a Portion of Diagonal Way, South

Dear Marine Stewardship Council,

CREÄ Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. The area to be vacated is currently closed to public use pursuant to a street use permit granted by the Seattle Department of Transportation. Attached you will find a map that shows the subject property.

We have tried to reach you by telephone, without success. This letter is sent in order to make you aware of our proposed action. Because the office of the Marine Stewardship Council is located within the area of the proposed action, we would like to give you an opportunity to review and comment on the proposal. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future.

I will be your primary point of contact for this project. You may reach me using the contact information shown below. Please feel free to contact me if you have any questions. We are available to meet with you in person, if you desire.

Sincerely,

Michael Davolio, AICP Senior Planner mdavolio@crea-affiliates.com 360-951-3846

Attachment: Map of Diagonal Way, South

P.H.D.5. Letter-Pacific Asian 04 26

Ms. Cristina Vasconcelos, Executive Director Pacific Asian Empowerment Program 270 South Hanford Street, Suite 204 Seattle, Washington 98108

Re: Vacation of a Portion of Diagonal Way, South

Dear Ms. Vasconcelos,

CREÄ Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. The area to be vacated is currently closed to public use pursuant to a street use permit granted by the Seattle Department of Transportation. Attached you will find a map that shows the subject property.

I will be your primary point of contact for this project. You may reach me using the contact information shown below.

Because the Pacific Asian Empowerment Program represents stakeholders in this area, we would like to give you an opportunity to review and comment on the proposal. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future. We would appreciate your assistance in making this material available to your members. Please feel free to contact me if you have any questions. We are available to meet with you in person, if you desire.

Sincerely,

Michael Davolio, AICP Senior Planner mdavolio@crea-affiliates.com 360-951-3846

Attachment: Map of Diagonal Way, South

P.H.D.6. Letter-SODO Business Assc 04 27

Ms. Erin Goodman, Executive Director SODO Business Association/SODO Business Improvement Area 270 South Hanford Street, suite 200 Seattle, Washington 98108

Re: Vacation of a Portion of Diagonal Way, South

Dear Ms. Goodman,

CREÄ Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. Attached you will find a map that shows the subject property.

Because the SODO Business Association represents many of the stakeholders in this area, we would like to give you an opportunity to review and comment on the proposal. I have also spoken with Jillian Cellich of your staff regarding the possibility of reaching your members via email to inform them of our efforts. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future. We would appreciate your assistance in making this material available to your members.

I will be your primary point of contact for this project. You may reach me using the contact information shown below.

Sincerely,

Michael Davolio, AICP Senior Planner mdavolio@crea-affiliates.com 360-951-3846

Attachment: Map of Diagonal Avenue, South

P.H.D.7. Letter - Gull Properties

Subject: Seale City Ligh t street vacaon

Date: Friday, May 24, 2019 at 3:31:43 PM Pacific Daylight Time

From: Michael Davolio
To: pat@gulloil.com
CC: 'Anindita Mitra'

Attachments: image003.png, image004.png, image005.png, image006.png,

Street_Vacaon_F_AQ_Revised_5-17-19.pdf, Public_Meeng_N_oce_R_evised_5-17-19.pdf

Mr. True;

I work for a consulng firm assis ng Sea le City Ligh t in their effort to secure more permanent access to that poron of Diag onal Avenue South that has been closed to the public for several years per a street use permit issued by the Seale Departmen t of Transportaon. Among the op ons that City Light is considering is a peon to the City Council to permanently vacate that poron of the street.

As you may imagine, this is a complex process that appropriately requires a significant amount of public outreach to neighboring properes such as yours. While City Light believes that the vacaon of the street will have no impact upon nearby properes, you are entled to review the proposal and make your own determination as to the potental impact that this project may have.

I have a\$ached two documents that will help to provide you with some perspecv e. A er you have had the met o review this material, I would be happy to answer any quesons that you may have. If you wish, you can respond to this email or I can meet you in person at your convenience.

I will look forward to hearing from you.

Best regards,

Michael Davolio

MICHAEL DAVOLIO, AICP

Project Manager

O: 206.297.3045 #642 M: 206.486.3540

E: mdavolio@crea-affiliates.com

3250 Airport Way South, Seattle, WA 98134



August 6, 2019

VIA OVERNIGHT DELIVERY

Christoph Strouse Communications Specialist CREÄ Affiliates, LLC 3250 Airport Way South Seattle WA 98134

RE: Seattle City Light - 4101 Diagonal Ave. S. - Proposed Street Vacation

Dear Strouse:

Costco does not object to the proposed street vacation to Seattle City Light from Seattle Department of Transportation, as described in your attached letter dated March 8, 2019. If you have any questions, I can be reached directly at (425) 427-3585 or by email: rjerabek@costco.com.

Very truly yours. Costco Wholesale Corporation

Rick Jerabek Corporate Counsel



crea affiliates

sustainable planning, building and landscapes

MR. PETER KAHN

March 8, 2019

Real Estate Manager Costco Northwest Headquarters 99 Lake Drive Issaquah, Washington 98027

RE: Vacation of Diagonal Avenue South

Dear Mr. Kahn,

In order to improve their facility and provide greater security, Seattle City Light (SCL) is requesting the vacation of a portion of Diagonal Avenue South, which is located on the westerly side of Fourth Avenue in Seattle, between your property and theirs. We are sending this correspondence because you are an abutter to this property.

We have been contracted by Seattle City Light to work with them on this topic. As a part of the street vacation application, SCL would like to improve their property boundary by adding more secure fencing which will add a greater measure of security to your property, as well. Attached to this correspondence you will find relevant maps and drawings. We are also in the process of obtaining a new survey of the property.

We would like to meet with you at your earliest convenience to discuss this proposal in greater detail. Could you please contact me at the phone number below to arrange a time and place to meet? Thank you.

Sincerely

Michael Davolio, AICP

Senior Planner

Encld:

- Map of proposed vacation area
- 2. Map of existing fence location
- 3. Drawing of existing fence Detail



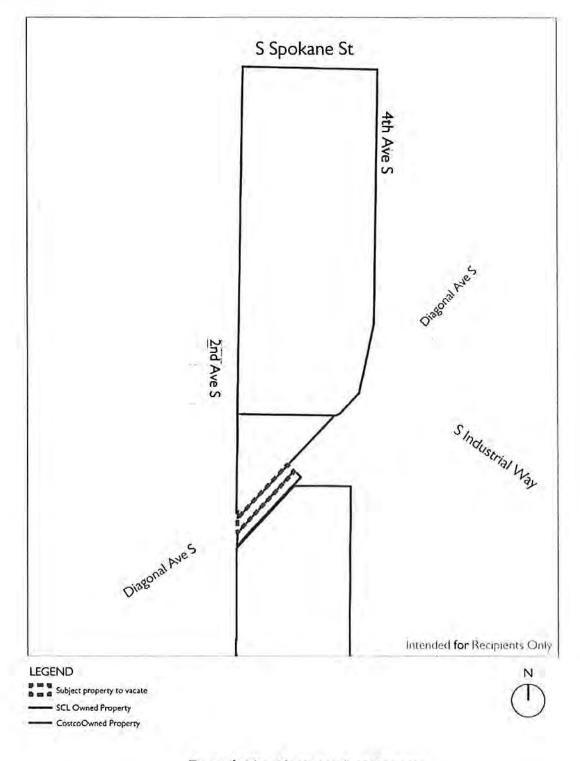


Figure 1: Map of proposed vacation area



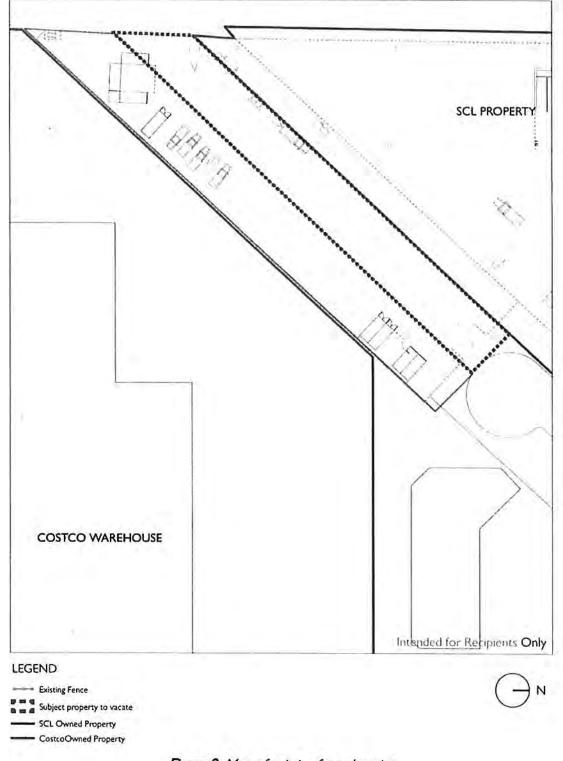


Figure 2: Map of existing fence location



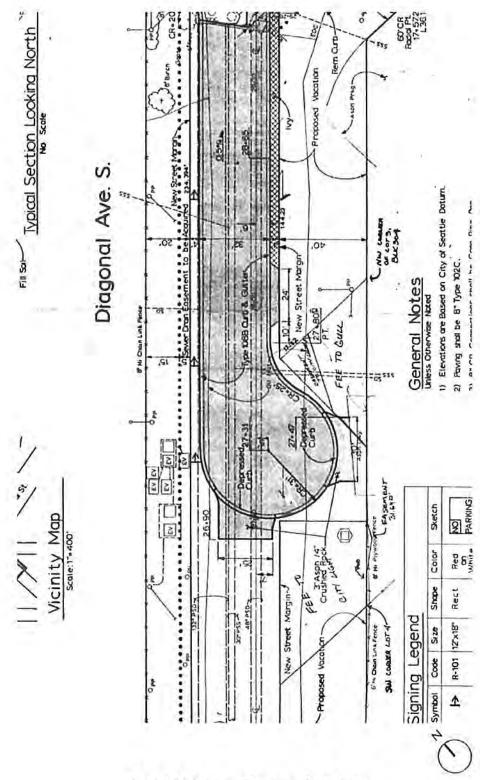


Figure 3: Drawing of existing fence detail

P.H.D.9. Letter of Support Gull Oil 0808



GULL INDUSTRIES, INC. • 3404 FOURTH AVENUE SOUTH • P.O. BOX 24687 • SEATTLE, WA 98124 • (206) 624-5900 • FAX (206) 624-5412

August 8, 2019

Christoph Strouse Communications Specialist CREÄ Affiliates, LLC 3250 Airport Way South Seattle WA 98134

Dear Christoph,

I understand that Seattle City Light is looking to acquire the right of way at 4101 Diagonal Avenue South by transferring the ownership of this property from Seattle Department of Transportation (SDOT) to Seattle City Light.

I would like to confirm that I have been informed of this project and understand the potential impacts and benefits to the community. Having reviewed this project I, having the authority as Vice President of Gull Industries, Inc. would like to state that I have no concerns and find no issue with the petition.

Sincerely,

Peter True

Vice President

Gull Industries, Inc.

P.M.A. Georgetown Gazette Ad Copy

STREET VACATION PUBLIC MEETINGS - June 10 & 12

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is transferring a piece of Georgetown property to Seattle Parks and Recreation, who is exploring its use as an off-leash area.

Learn more about this proposal and provide your input by coming to one of our public meetings. Light refreshments will be provided.

SODO Public Meeting

June 10, 2019, 6:00-7:30 p.m. The Factory Luxe 3100 Airport Way South, Seattle, WA 98134

Georgetown Public Meeting

June 12, 2019, 6:00-7:30 p.m. Georgetown Ballroom 5623 Airport Way South, Seattle, WA 98108

If you are unable to attend, comments can be submitted via phone or email.

For additional information, please contact:

Anindita Mitra
Seattle City Light (Project Representative)
info@crea-affiliates.com
(253) 397-3887
www.diagonalavenue.com



I.H.A. Door to Door Outreach Limits Map SODO



	Seattle Industrial Area	Source:	N
	Date: 02/27/2019	SCL Project Summary 18012019	
creä affiliates, llc		King County GIS iMap https://gismaps.kingcounty.gov/iMap/	(
3250 AIRPORT WAY SOUTH, SEATTLE, WA 98109			

I.H.A.1. PUBLIC MEETING NOTES - SODO 6-10

Meeting Summary Notes

MEETING SODO Community Meeting

 MEETING DATE
 6/10/19

 MEETING TIME
 6:00 p.m.

MEETING LOCATION 3100 Airport Way, S

PARTICIPANTS Seattle City Light: Timothy Croll, Ruth Meraz-Caron, Hernann Ambion,

Jenny Levesque

Seattle Parks and Recreation: Rachel _____

CREÀ Affiliates: Anindita Mitra, Michael Davolio, Yueru Deng, Christoph Strouse

AUDIENCE MEMBERS Erin Goodman, SODO Business Improvement District

Jane Elliott

SUBJECT Diagonal Av. S. street vacation, property transfer from City Light to Parks

Timothy Croll opened the meeting by introducing members from Seattle City Light, Seattle Parks and Recreation, and the City Light consulting team of CREÄ Affiliates. Anindita Mitra then presented a PowerPoint slide show. The presentation described the reasons why Seattle City Light is interested in petitioning the City to permanently acquire a portion of South Diagonal Avenue, for operational and security improvements.

Anindita's presentation included a full description of the Flume property, and the proposal of Seattle City Light to offer this property to the Seattle Department of Parks and Recreation. Rachel ______ of Parks and Recreation continued with an explanation of their interest in the Flume property, and their previous public discussions of utilizing the property as an off-leash dog park.

Anindita then described the importance of the public outreach process, including this meeting and the subsequent meeting scheduled in Georgetown on June 10^{th} . Emphasis was placed on the online survey that was available for the public to provide their comments.

Erin Goodman of the SODO business Improvement District was in attendance, and offered several questions and comments. She emphasized that she did not object to the street vacation, but she asked why the proposed property exchange did not directly benefit the SODO neighborhood. Ms. Goodman expressed concerns about the "challenging location" of the Flume property, with regard to its proximity to homeless encampments. She spoke of concerns regarding illegal activities at the abutting motel, and of the temporary status of the nearby tiny house village.

Ms. Goodman also discussed the possibility of generating public support for public improvements such as walking trails in the SODO neighborhood, and she offered the support of her organization for such an

I.H.A.1. PUBLIC MEETING NOTES - SODO 6-10

effort. She indicated that the employees of several local businesses would enjoy the use of safe walking trails in the area, and she noted specific businesses and organizations who might be persuaded into participating financially in such improvements.

When asked to comment on the small turnout at this public meeting, Ms. Goodman said, "If people don't have a concern, they won't come."

The presentation lasted approximately 20 minutes. With Q&A, the full meeting lasted more than 60 minutes.

TASK UPDATES

CREÄ to follow up with Erin Goodman to get more details regarding her proposal for walking trails in the SODO neighborhood.

I.H.A.2. SODO Sign-In-Sheet_06-10-19

SIGN-IN SHEET



Event Name: Diagonal Avenue South – Street Vacation Public Meeting The Factory Luxe (3100 Airport Way South, Seattle, WA 98134)

Date: June 10, 2019

NAME	ADDRESS	PHONE NUMBER	EMAIL ADDRESS
Erin Gowman	270 S. Hanfar St 4/12	206-981-9877	enha sodo satta.org
		·	
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	,		



SIGN-IN SHEET

Event Name: Diagonal Avenue South - Street Vacation Public Meeting The Factory Luxe (3100 Airport Way South, Seattle, WA 98134)

Date: June 10, 2019

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I.H.A.3. Public Meeting Attendance 0610 & 0612

SCL Public Meeting Attendance 6/10/19 & 6/12/19

Date Receive d	Name	Contact Info	Meeting Location	Communication Inquiry	Response/Resolut ion
6/10/2 019	Erin Goodman	210 S. Hanford St., #112	attended SODO public meeting	questioned lack of public benefit in SODO	requested separate, on-site meeting
6/10/2 019	Jana Elliott	943 29th Av.	attended SODO public meeting		
6/12/2 019	Heather Carney	6736 Corson Av. S; ph. 425-736-8874; email heather.j.carney@gm ail.com		concerned that Flume will not be developed; uncertain if it is the best location for dog park	
6/12/2 019	Kate Kohler	728 S. Orcas St.; 612- 834-5304; kkohler124@gmail.co m	attended Georgetown public meeting		
6/12/2 019	Dane Hufbauer	6240D Corson Av. S; 206-778-4125; dhofbauer@gmail.co m	attended Georgetown public meeting	Parks Dept. must have a plan for Flume property	
6/12/2 019	Patty Foley	6415 Flora Av. S; 206- 409-9838; patty_foley@hotmail .com	attended Georgetown public meeting		
6/12/2 019	Jesse Moore	6415 Flora Av. S; 206- 234-4561; georgetownjesse@g mail.com	attended Georgetown public meeting		
6/12/2 019	John Sutton	6525 Ellis Av. S;206- 234-6139; sendjohnmail@gmail. com	attended Georgetown public meeting		
6/12/2 019	Tom van Bronkhorst	tom.vanbronkhorst3 @seattle.gov	attended Georgetown public meeting		
6/12/2 019	Holly Krejci	holly.krejci@gmail.co	attended Georgetown public meeting		

I.H.A.4. Public Meeting - SODO PPT 0610
Seattle City Light

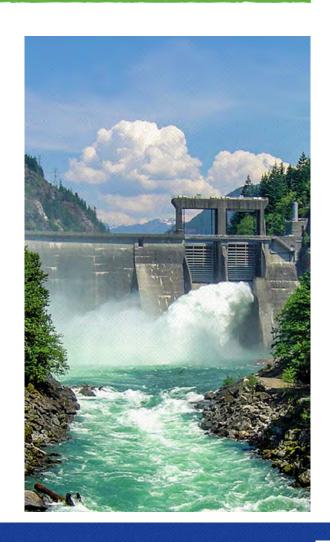
DIAGONAL AVENUE SOUTH STREET VACATION PROJECT

Public Meeting, SODO June 10, 2019



WHO WE ARE

- Seattle City Light
 - o Ruth Meraz-Caron
 - o Timothy Croll
- Seattle Parks and Recreation
 - o Rachel Schulkin
- Consultants: CREÄ Affiliates
 - o Anindita Mitra
 - Michael Davolio



PURPOSE OF THIS MEETING

- Seek public opinion about the transfer of a portion of Diagonal Ave S. from the City of Seattle (Department of Transportation) to Seattle City Light.
- Gather comments on the proposed public benefit to offset the loss of this once-public street to a utility.

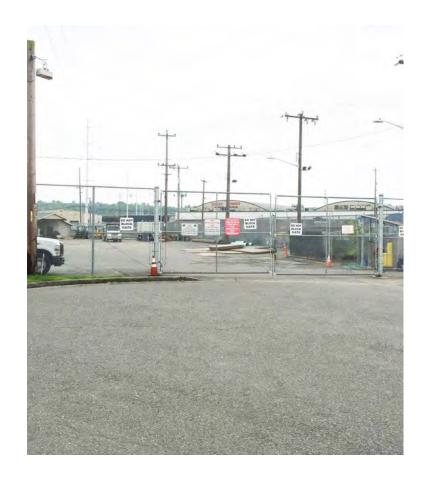
BACKGROUND

- Seattle City Light is planning major improvements to its South Service Center west of 4th Avenue South in SODO.
- Some of these improvements fall within Diagonal Avenue South's right-of-way.



BACKGROUND

- Seattle City Light has utilized this site under a street use permit from the Department of Transportation for more than ten years.
- This portion of the site has not been accessible to the public during this time.



PROPOSED DIAGONAL AVE S. STREET VACATION

The street is located within a commercial and industrial area.



DIAGONAL AVE SEGMENT



DIAGONAL AVE S. - SITE FEATURES

- The area in question is roughly 13,300 square feet.
- The area is used for the storage of materials, equipment, and vehicle parking.
- It is surrounded by a 10' tall fence made of chain link and wood.



DIAGONAL AVE S. - ISSUES

- There have been many reported break-ins and several items have been recorded missing.
- The surface is uneven and is known to pool stormwater during the winter, creating a dangerous walking surface.
- The site is currently not secured in a manner consistent with Seattle City Light standards.

DIAGONAL AVE S. - BENEFITS OF IMPROVEMENTS

- Improved on-site grading and pavement.
- Additional water treatment.
- Addition of surveillance cameras.
- Increased site and public safety.

- The South Service Center site will function as a single site with controlled entry.
- Improve overall site utilization.

OPTIONS FOR MAKING SITE IMPROVEMENTS

- Seattle City Light is exploring several options for making improvements to this site:
 - A construction permit under its current annual street use permit.
 - A term-permit for a longer period.
 - A street vacation petition.

PUBLIC BENEFITS PACKAGE

- Transfer of Seattle City Light property for use by city of Seattle residents.
- Public outreach and communications to gather comments.

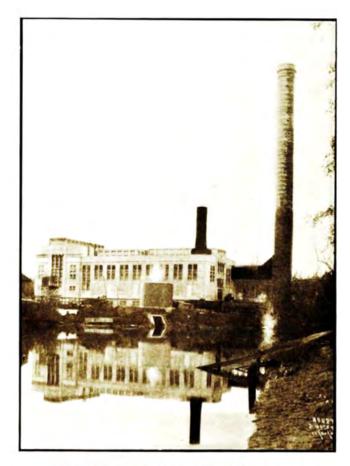
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The Georgetown Steam
 Plant's flume property,
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GEORGETOWN PROPERTY DETAILS

- The Flume was previously part of a drainage system from the historic steam plant to the Duwamish River.
- The wooden flume has been removed.
- The property has been vacant for many years.



EXTERIOR OF TURBINE PLANT, GEORGETOWN.

PROPOSED PUBLIC BENEFIT

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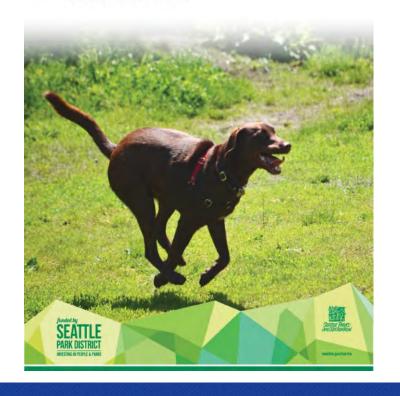
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SEATTLE PARKS AND RECREATION PEOPLE, DOGS & PARKS PLAN

REPORT: AUGUST 2017



OFF-LEASH AREAS IN SEATTLE

- Seattle currently has 14 legal Off-Leash Areas (OLA).
- Most Seattle residents live within
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- There is a growing need for safe, fun spaces for dogs and their owners.



SPR INTEREST

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CREÄ Affiliates

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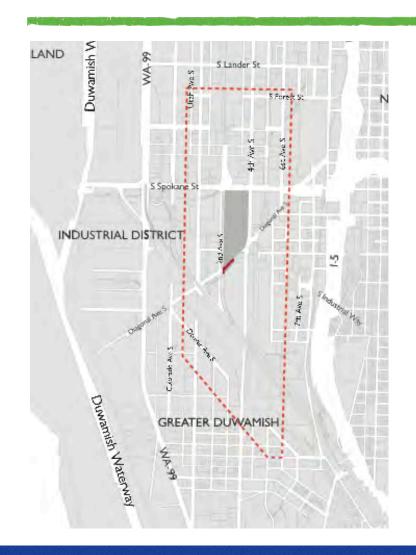
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- Public Support
 - No impact on neighboring properties for either site.
 - Appreciate possibility of using the Flume as an OLA or walking / bike path.

- Concerns
 - Funds to implement the OLA.
 - Unsafe conditions at the Aero motel.
 - Maintenance of property after transfer.
 - Lack of investment in SODO.

UPCOMING PUBLIC MEETINGS

 Staff from Seattle City Light and Seattle Parks and Recreation are available to answer questions.

Georgetown Public Meeting
June 12, 2019, 6-7:30 p.m.
Georgetown Ballroom
5623 Airport Way South
Seattle, WA 98108

- If you're unable to attend, take our online survey: surveymonkey.com/r/diagonalave.
- Survey closes July 31st, 2019.

NEXT STEPS

Task	Date	
Check back with GTCC Open Space Committee and others.	3 rd Quarter 2019	
Seattle City Light submits street vacation petition.	Early 4 th Quarter 2019	
Presentation to Seattle Design Commission (opportunity for public comment).	4 th Quarter 2019	
Petition sent to Seattle City Council for review and approval.	4 th Quarter 2019	

We need your input!

Your questions, comments, and concerns will help to shape this project.

HOW TO STAY INVOLVED

For questions about the street vacation petition, or to submit public comments, please contact:

Anindita Mitra, Seattle City Light (Project Representative)

info@crea-affiliates.com (253) 397-3887

Sign up at www.diagonalavenue.com

For questions about off-leash areas, please contact:

Danyal Lotfi, Seattle Parks and Recreation

danyal.lotfi@seattle.gov (206) 615-1721 seattle.gov/parks/find/dog-off-leash-areas

I.H.B.1. MEETING SUMMARY NOTES - Georgetown PM 6-12



Crea affiliates, [[[sustainable planning, building, landscapes and research

Meeting Summary Notes

MEETING Georgetown Community Meeting

MEETING DATE 6/12/19 MEETING TIME 6:00 p.m.

MEETING LOCATION Georgetown Ballroom, 5623 Airport Way, S

PARTICIPANTS Seattle City Light: Timothy Croll, Ruth Meraz-Caron, Hernann Ambion,

Jenny Levesque

Seattle Parks and Recreation: Danyal Lotfi

CREÀ Affiliates: Anindita Mitra, Michael Davolio, Yueru Deng, Christoph Strouse

AUDIENCE MEMBERS Heather Carney, Kate Kohler, Dane Hufbauer, Patty Foley, Jesse Moore,

John Sutton, Tom van Bronkhorst, Holly Krejci

ALSO PRESENT Representatives from the Seattle Department of Transportation

SUBJECT Diagonal Av. S. street vacation, property transfer from City Light to Parks

Timothy Croll opened the meeting by introducing members from Seattle City Light, Seattle Parks and Recreation, and the City Light consulting team of CREÄ Affiliates. Anindita Mitra then presented a PowerPoint slide show. The presentation described the reasons why Seattle City Light is interested in petitioning the City to permanently acquire a portion of South Diagonal Avenue, for operational and security improvements.

Anindita's presentation included a full description of the Flume property, and the proposal of Seattle City Light to offer this property to the Seattle Department of Parks and Recreation. Danyal Lotfi of Parks and Recreation continued with an explanation of their interest in the Flume property, and their previous public discussions of utilizing the property as an off-leash dog park. He described the role of the Flume property as part of the Georgetown Open Space Vision Framework, and the site's potential to include public walking and bicycle trails.

Anindita then described the importance of the public outreach process, including this meeting and the subsequent meeting scheduled in Georgetown on June 10^{th} . Emphasis was placed on the online survey that was available for the public to provide their comments.

The meeting was then opened for public questions and comments.

QUESTION: What were the questions asked at the SODO meeting?

ANSWER: Why is SODO not receiving any public benefits from this action? Areas of SODO can benefit from the development of trails and green spaces.

I.H.B.1. MEETING SUMMARY NOTES - Georgetown PM 6-12

Q: How can residents and others provide substantive feedback going forward?

A: There is an online survey that people can fill out. The survey is available in several languages. Also, tonight's public outreach is at the beginning of the process. Several city departments, such as the Department of Neighborhoods and the Design Commission, will conduct public processes as they consider this proposal. Finally, when a petition reaches the City Council, an additional public hearing will be held.

Q: Will the Flume property actually be developed as planned?

A: The Parks Department hopes to include this project in future plans as soon as feasible.

Q: What about existing easements on the Flume property?

A: Existing easements, primarily for storm drainage, will remain.

Q: King County owns abutting property. Can that property be included in the exchange?

A: Neither Seattle City Light nor the Parks Department have had any discussions with the county at this time.

Q: What is the range of options here? Is the street vacation petition the only option being considered?

A: City Light currently manages the property pursuant to an annual street use permit. Because of the improvements they'd like to make, they are looking at a more permanent solution. In addition to a street vacation, which is a permanent solution, City Light may also consider a longer-term permit of at least 30 years. However, at this time, the street vacation offers a permanent solution, and is considered as the preferred option.

Q: Does the Flume property provide a sufficient public benefit, in terms of comparative value?

A: The Flume property is approximately 30,000 square feet in size, which is about three times the size of the South Diagonal Avenue property. We believe that the public benefit is sufficient.

Q: The annual costs to maintain the Flume property are not included in the public benefit analysis.

A: Those costs will be assumed by the Parks Department, but Seattle City Light has performed environmental reviews and has performed regular maintenance of the property.

Q: Seattle City Light should provide additional funds to make a park at the Flume property useful to the community, as part of the public benefits package.

A: Seattle City Light believes that the Flume property, in itself, provides an adequate public benefit.

Q: If the property is transferred and doesn't get developed, what happens?

A: It is not in the interest of the Parks Department to allow the property to sit idle. There will be an effort made to develop the property.

Q: What is the timing of the SODO/Georgetown trail?

I.H.B.1. MEETING SUMMARY NOTES - Georgetown PM 6-12

A: (by DOT) We expect to see a preliminary design by the end of the year, although the schedule is uncertain.

The presentation lasted approximately 30 minutes. With Q&A, the full meeting lasted approximately 90 minutes.

TASK UPDATES

The project team will update its records to reflect the results of both public meetings.

I.H.B.2. Public Meeting Georgetown Sign-In Sheet 6/12/19

SIGN-IN SHEET



Event Name: Diagonal Avenue South – Street Vacation Public Meeting Georgetown Ballroom (5623 Airport Way South, Seattle, WA 98108)

Date: June 12, 2019

NAME	ADDRESS	PHONE NUMBER	EMAIL ADDRESS
Heather Carney	4734 Corson Auc S.	425-736-8874	heather j. carney agrail, con
hate houler	728 S Orcas St.	612-834-934	KKohler 1246 guestican
Dane Hufbauer	62402 CORSON AVES.	206-778-4125	dhofbauer Ognail.com
Patty Foley	6415 Flora Ave S	206-409-9838	patty_forey@hotmail.com
Jesse Moore	6415 Flora Ave S	206-234-4561	gtown georgetown; essel
JOHN SUHON	4525 EZLIS AVE S.	204-234-6139	SENDLOHNMAIL @ GMAK.com
Tom VAN BRONKLHORST			TOM. VANBRONKHORST3@SATTLES
HOLLY KRETCE	GT 918108		holly. Krej ci a gmail, com
			3 3

I.H.B.3. Public Meetings 0610 and 0612 Attendance

SCL Public Meeting Attendance 6/10/19 & 6/12/19

Date Receive d	Name	Contact Info	Meeting Location	Communication Inquiry	Response/Resolut ion
6/10/2 019	Erin Goodman	210 S. Hanford St., #112	attended SODO public meeting	questioned lack of public benefit in SODO	requested separate, on-site meeting
6/10/2 019	Jana Elliott	943 29th Av.	attended SODO public meeting		
6/12/2 019	Heather Carney	6736 Corson Av. S; ph. 425-736-8874; email heather.j.carney@gm ail.com		concerned that Flume will not be developed; uncertain if it is the best location for dog park	
6/12/2 019	Kate Kohler	728 S. Orcas St.; 612- 834-5304; kkohler124@gmail.co m	attended Georgetown public meeting		
6/12/2 019	Dane Hufbauer	6240D Corson Av. S; 206-778-4125; dhofbauer@gmail.co m	attended Georgetown public meeting	Parks Dept. must have a plan for Flume property	
6/12/2 019	Patty Foley	6415 Flora Av. S; 206- 409-9838; patty_foley@hotmail .com	attended Georgetown public meeting		
6/12/2 019	Jesse Moore	6415 Flora Av. S; 206- 234-4561; georgetownjesse@g mail.com	attended Georgetown public meeting		
6/12/2 019	John Sutton	6525 Ellis Av. S;206- 234-6139; sendjohnmail@gmail. com	attended Georgetown public meeting		
6/12/2 019	Tom van Bronkhorst	tom.vanbronkhorst3 @seattle.gov	attended Georgetown public meeting		
6/12/2 019	Holly Krejci	holly.krejci@gmail.co	attended Georgetown public meeting		



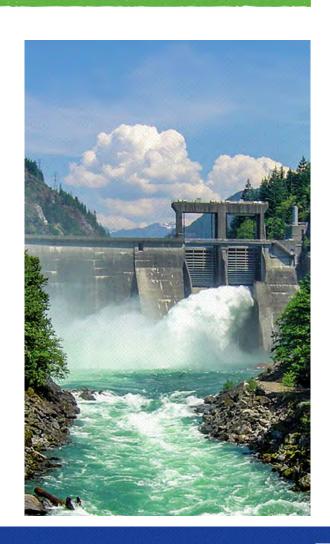
DIAGONAL AVENUE SOUTH STREET VACATION PROJECT

Public Meeting, Georgetown June 12, 2019



WHO WE ARE

- Seattle City Light
 - o Ruth Meraz-Caron
 - o Timothy Croll
- Seattle Parks and Recreation
 - Danyal Lotfi
- Consultants: CREÄ Affiliates
 - o Anindita Mitra
 - Michael Davolio



PURPOSE OF THIS MEETING

- Seek public opinion about the transfer of a portion of Diagonal Ave S. from the City of Seattle (Department of Transportation) to Seattle City Light.
- Gather comments on the proposed public benefit to offset the loss of this once-public street to a utility.

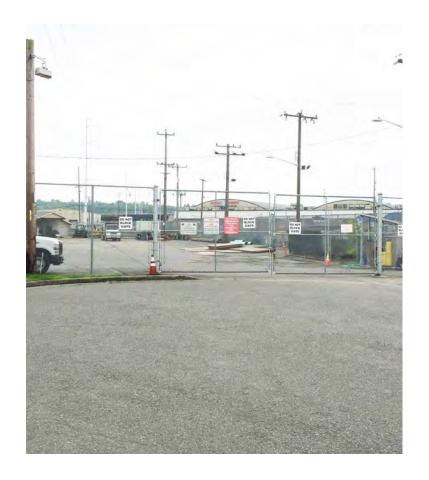
BACKGROUND

- Seattle City Light is planning major improvements to its South Service Center west of 4th Avenue South in SODO.
- Some of these improvements fall within Diagonal Avenue South's right-of-way.



BACKGROUND

- Seattle City Light has utilized this site under a street use permit from the Department of Transportation for more than ten years.
- This portion of the site has not been accessible to the public during this time.



PROPOSED DIAGONAL AVE S. STREET VACATION

The street is located within a commercial and industrial area.



DIAGONAL AVE SEGMENT



DIAGONAL AVE S. - SITE FEATURES

- The area in question is roughly 13,300 square feet.
- The area is used for the storage of materials, equipment, and vehicle parking.
- It is surrounded by a 10' tall fence made of chain link and wood.



DIAGONAL AVE S. - ISSUES

- There have been many reported break-ins and several items have been recorded missing.
- The surface is uneven and is known to pool stormwater during the winter, creating a dangerous walking surface.
- The site is currently not secured in a manner consistent with Seattle City Light standards.

DIAGONAL AVE S. - BENEFITS OF IMPROVEMENTS

- Improved on-site grading and pavement.
- Additional water treatment.
- Addition of surveillance cameras.
- Increased site and public safety.

- The South Service Center site will function as a single site with controlled entry.
- Improve overall site utilization.

OPTIONS FOR MAKING SITE IMPROVEMENTS

- Seattle City Light is exploring several options for making improvements to this site:
 - A construction permit under its current annual street use permit.
 - A term-permit for a longer period.
 - A street vacation petition.

PUBLIC BENEFITS PACKAGE

- Transfer of Seattle City Light property for use by city of Seattle residents.
- Public outreach and communications to gather comments.

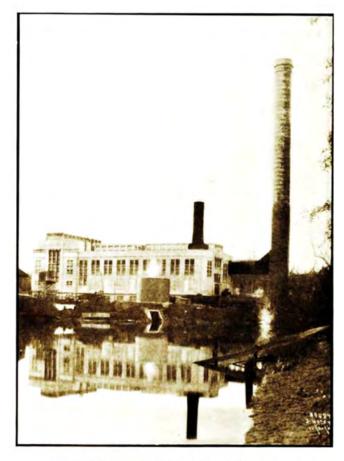
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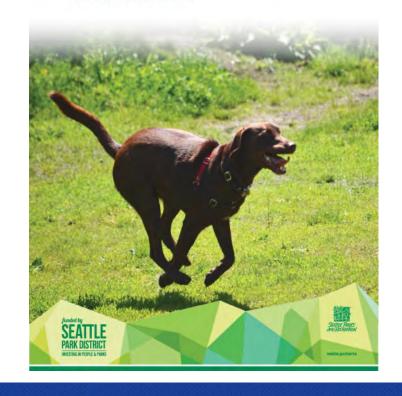
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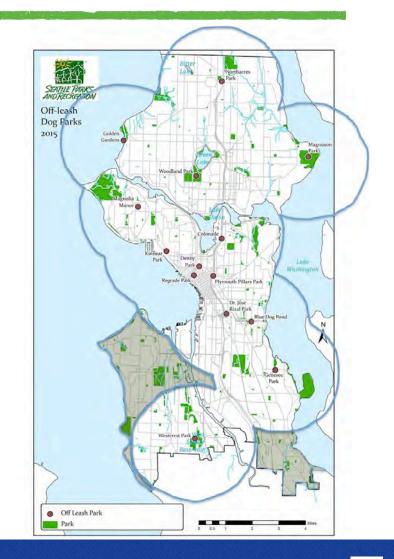
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REPORT: AUGUST 2017



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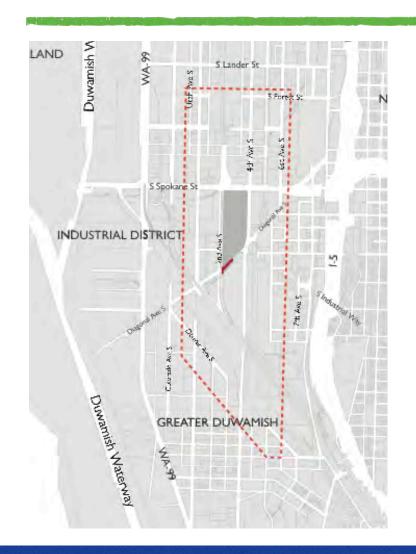
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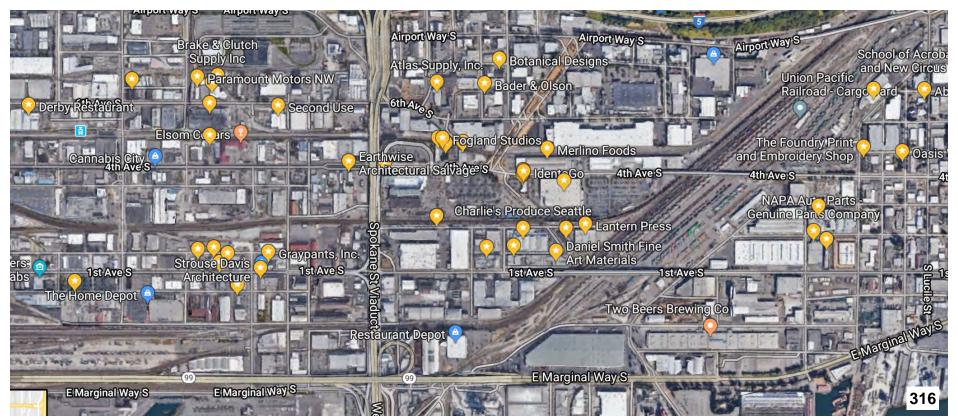
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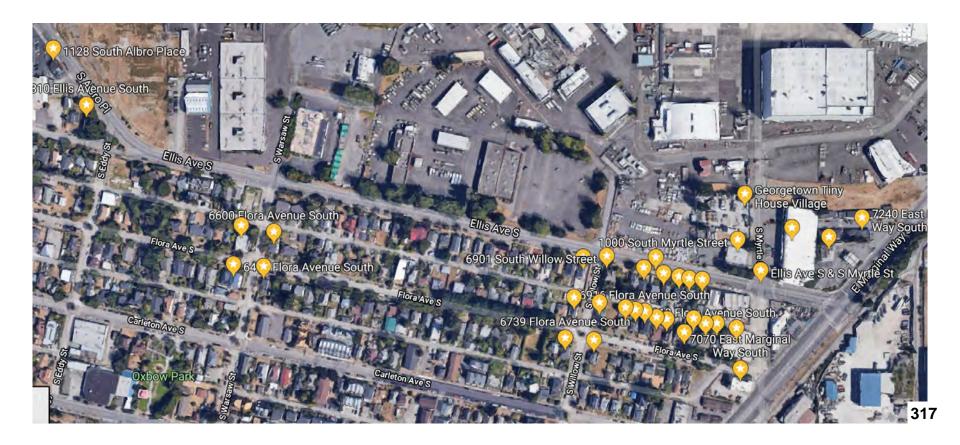
danyal.lotfi@seattle.gov (206) 615-1721

seattle.gov/parks/find/dog-off-leash-areas

I.M.A.1. InPerson Outreach Engagement Map SODO Seattle City Light - Diagonal Avenue South Street Vacation SODO Public Outreach & Engagement



I.M.A.2. InPerson Outreach & Engagement Map Georgetown Seattle City Light - Diagonal Avenue South Street Vacation Georgetown Public Outreach & Engagement



I.M.B.1. MEETING SUMMARY NOTES - GCC OSC 5-14



creä affiliates, llc sustainable planning, building, landscapes and research

Meeting Notes

MEETING DATE 5/14/19 **MEETING TIME** 4:30 p.m. MEETING LOCATION: All City Coffee **PARTICIPANTS** Patty Foley, GCC

> Jesse Moore, GCC Open Space Committee Kate Kohler, GCC Open Space Committee

Rosario-Maria Medina, GCC Open Space Committee

Timothy Croll, Seattle City Light

Danyal Lotfi, Seattle Parks and Recreation

Anindita Mitra, CREÄ Affiliates Michael Davolio, CREÄ Affiliates Yueru Deng, CREÄ Affiliates (sign-in sheet available)

SUBJECT

Diagonal Av. S. street vacation, property transfer from City Light to Parks

The meeting was led by Tim Croll, who began by describing the City Light petition for street vacation and the related proposal to transfer property to the Parks Department.

Danyal described the Parks Department's interest in using the property for an off-leash dog park. He noted that there has been a lot of local support for the creation of a dog park, based upon public comments made at previous public meetings over a span of several years.

Patty Foley noted that the Parks Department currently has numerous projects that are not funded; some for as long as 15 years. She indicated that she would support a dog park, but was skeptical that it would be

lesse Moore asked how the dog park would be funded, especially for regular maintenance.

Tim described how the process would occur through the Seattle Design Commission. There was discussion about different options being available to allow for public feedback.

Responding to a question, Tim explained how the Flume property had been used in the past by City Light, and how public policy would not have permitted the property to be transferred except through a "public benefit" proposal such as the one being proposed. Tim spoke about current drainage on the site, as well as infrastructure and environmental reports that are now being shared with Parks for their review.

Kate Kohler suggested that there be additional community contact prior to the Design Review process. It was noted that the Open Space Committee meets on the fourth Monday of each month (except July and August, when there are no meetings). If possible, a presentation before that committee would be helpful.

Kate also asked about whether fencing, lighting, and parking were being considered as part of the plan for the dog park.

I.M.B.1. MEETING SUMMARY NOTES - GCC OSC 5-14

Rosario Medina expressed concern that the public meeting scheduled for Georgetown conflicted with her event the same time and day. She asked whether it might be possible for this project to provide some degree of funding for local committees working within the community on open space issues. Anindita Mitra offered to see whether such funding might be possible, in a small measure.

Jesse and Patty needed to leave early, but they offered to be the contact people if City Light wanted to get their message on to local social media sites.

There was general agreement that the project could have a positive impact on the community. Some dog owners could come from a distance to utilize the park.

Tim and Danyal indicated that they would be making a presentation about the project to the Georgetown Merchants Association later in the day. It was also noted that the dates for public meetings on the project had been set, and will occur on June 11th and June 12th.

The meeting lasted approximately 55 minutes.

TASK UPDATES

CREÄ: Will check with community members prior to scheduling future public meetings.

CREÄ: Will explore ways to reimburse community members for their help publicizing the project.

CREÄ: Will provide social media content to Patty prior to asking for her help in publishing them.

I.M.B.2. MEETING SUMMARY NOTES - Equinox 5-20



creä affiliates, llc

sustainable planning, building, landscapes and research

Meeting Notes

MEETING: Equinox Studios / Georgetown

MEETING DATE: 5/20/19
MEETING TIME: 12:30 p.m.
MEETING LOCATION: Equinox Studios
PARTICIPANTS: Sam Farrazaino

Anindita Mitra, CREÄ Affiliates Michael Davolio, CREÄ Affiliates

Danyal Lotfi, Seattle Parks

SUBJECT: Diagonal Av. S. street vacation, property transfer from City Light to Parks

Anindita and Danyal confirmed that Sam understood that City Light was in the process of vacating a portion of Diagonal Avenue South, and was proposing to transfer property in Georgetown in exchange for acquiring ownership of the vacated right-of-way.

Sam talked about the nearby steam plant, which is listed on the *National Register of Historic Places*, and is also a *National Science and Engineering Landmark*. The basic structure of this building is intact. His group is working to transform the steam plant into a museum for the arts and sciences, an arts center for local underserved children and occasionally, as an event venue. Sam asked whether the reuse of the steam plant could be commemorated through interpretive signs or markers in City Light's utilization of the Flume property.

The group discussed the history of the Flume property, noting that the public has discussed its potential for future public use at many events. This property has been an integral part of the Georgetown Open Space Plan. While many public comments over the years have addressed the possibility of using the property as an off-leash dog park, there has also been discussion about the use of the property as a part of a connected walking trail. Concerns have also been noted to the effect that if the property were to be used as a dog park, it must be fenced to prevent the danger of dogs wandering off onto Marginal Way South. Lighting and parking were also noted as desirable improvements.

Sam spoke about general conditions in the Georgetown neighborhood. He expressed a strong (and repeated) desire to see the motel that abuts the Flume property purchased. Sam spoke at length about the human trafficking known to occur on that site. There was acknowledgement of the location of the "tiny house village," and comments about its term in the current location coming to an end soon. He also noted that the crime rate in Georgetown has been rising, while the crime rate in the rest of the city has been dropping. Sam indicated that he has seen Georgetown residents becoming sensitive to the perceived lack of city engagement in the neighborhood. Michael indicated to Sam that City Light was committed to a broad base of public engagement for this project, and that this meeting was a part of that public engagement process.

In response to a question from Sam, Danyal indicated that the Parks Department requires a minimum of 5,000 square feet for a dog park, and the Flume property, at approximately 30,000 square feet, easily meets that requirement. Danyal also noted that the city tries to separate dog parks from playgrounds.

I.M.B.2. MEETING SUMMARY NOTES - Equinox 5-20

Sam indicated that he has no specific objection to the street vacation, or to the transfer of the Flume property as a part of that process.

The meeting lasted approximately 45 minutes.

TASK UPDATES

None.

I.M.B.3. MEETING SUMMARY NOTES - Georgetown OSC 07 22

SCL Georgetown Flume Property Proposal Georgetown Open Space Committee 7/22/19

Meeting Notes

ATTENDEES

PROJECT TEAM GEORGETOWN OPEN SPACE

Tim Croll, SCL COMMITTEE
Ruth Meraz-Caron, SCL Jesse Moore

Danyal Lotfi, Seattle Parks Dept.

Andrew Schiffer

Anindita Mitra. CREÄ Affiliates

Patty Foley

Christoph Strouse, CREÄ Affiliates Steve Nishigawa

Kate Kohler Rosario Medina

Holly Krecj

TOPICS

A. SUMMARY OF SCOPE OF SERVICES

See Attached: Georgetown Steam Plant Flume Proposal (SCL, July 22, 2019)

B. PROJECT UPDATES

See Attached: Georgetown Steam Plant Flume Proposal

- Surveyor discovered that SCL appears to own 45k sq ft not 30k sq ft of property (to the KC Airport fence line and maybe beyond).
- SCL and Parks are planning for interim Off Leash Area (OLA).
- Take off 6 in. of topsoil and replace with clean gravel, this is parks standard approach to OLAs.
- Parks will fence in property and put in water cistern for dogs.
- Parks will take possession of property and work with SDOT for the trail study and possibly develop MOA for OLA and Trail.
- Petition approval anticipated for Q I of 2020.
- SCL and Parks needs community support for Diagonal Ave S vacation otherwise Flume property will not be available for community.

C. COMMUNITY FEEDBACK

- Q: When the soil is removed will the site be regraded to remove the existing slope?
- A: The design will have to figure out what to do about the drainage swale
- Q: Would the fence be permanent or temporary?
- A: It would be a permanent chain link fence.
- Q: Is the amount required for the Interim OLA available to Parks?
- A: Yes, money is available and allocated. Parks' budget is through the \$100K identified by Paulina (DRCC) at the GCC meeting in May.
- Q: Is 6 in. of topsoil removal adequate or will there be contaminated runoff?
- A: SCL: 6 in. removal should protect OLA users and gravel replacement will help drain the site effectively.
- Q: Won't the gravel hurt the dogs?

I.M.B.3. MEETING SUMMARY NOTES - Georgetown OSC 07 22

- A: It is not ideal though most OLAs in Seattle use gravel. COLA (Citizens for Off Leash Areas) is a non-profit that helps maintain the OLA surfaces throughout the city. Parks used to use mulch for the surface of the Golden Gardens OLA but that breaks down within a few seasons into dirt.
- Q: Won't SCL have to talk with Aero Motel about their encroachment?
- A: Yes, this will have to be worked out with Aero Motel. There is a report that shows a portion of the Flume is used as a drain field for a septic tank that is on Aero Motel site. The motel will either be required to remove the building or will be granted a revocable easement for the life of the building.
- Q: What was the feedback from SODO BIA?
- A: SODO BIA is looking for community benefit from transfer of Diagonal Ave property. SCL open to their idea for a trail but SDOT owns that right of way. SCL will work with BIA as much as possible on topics that are of interest to them and would affect SCL property.
- Q: When is the first SDC hearing about the street vacation and transfer?
- A: Oct. 3rd. SDC will review the SCL petition and prepare a package and recommendation to City Council. Support from SDC is ideal when it goes to City Council, but not an absolute necessity.
- Q: Is there an advantage for GOSC to contact SDC in advance of SCL's presentation?
- A: CREA advised that it would be better to prepare a strong presentation and let SDC know that GOSC would like to take time at the meeting to make a presentation.

ACTIONS/NEXT STEPS

- CREÄ will let GOSC know the day and time that SCL's presentation to the SDC will be made.
- CREÄ will alert the SDC that community members might want to make a presentation or testify at the SDC meeting.

I.M.B.4. MEETING SUMMARY NOTES - GREAT 5-20



creä affiliates, llc sustainable planning, building, landscapes and research

Meeting Notes

MEETING Andrew Schiffer

MEETING DATE: 5/20/19 **MEETING TIME** 4:00 p.m. MEETING LOCATION All City Coffee Andrew Schiffer **PARTICIPANTS**

Michael Davolio, CREA Affiliates

SUBJECT Diagonal Av. S. street vacation, property transfer from City Light to Parks

Michael confirmed that Andrew was familiar with City Light's street vacation petition and the prospective transfer of property to Seattle Parks as a part of that petition.

Michael asked Andrew about his roles in community activism. Andrew is a GCC Board member and a member of the Open Space Committee. He is also active with Dirt Corps and the local survey project, as well as being generally active in local civic engagement as a Georgetown resident. He is also a part of the Port of Seattle's Community Action Team.

Andrew indicated that he has been involved with other Seattle Parks projects in the past, many of which have taken up to twenty years from inception to funding. He asked if the transfer of the Flume property would be treated similarly. Michael noted that, at this point, neither City Light nor Parks were committing to any specific future use of the property.

Andrew noted that he believes the best use of the property would be as a walking trail. He would like to see City Light or Parks fund improvements to the site, including lighting and landscaping. He also noted that some wet areas on the site would be suitable as rain gardens.

Michael advised Andrew that his role as a consultant was to bring all comments from meetings such as this to City Light and other city departments for their review and future action. Michael also indicated that City Light was committed to an open and transparent public engagement process for this project.

Andrew expressed concern that, if the site were used as a dog park, it must be fenced to protect the safety of the dogs. He was worried about dogs running into traffic.

The meeting lasted approximately 30 minutes.

TASK UPDATES

None.

I.M.B.5. MEETING SUMMARY NOTES - SODO - BIA 5-14



crea affiliates, IIC sustainable planning, building, landscapes and research

Meeting Summary Notes

MEETING: SODO Business Association

MEETING DATE: 5/14/19 **MEETING TIME:** 1:00 p.m.

MEETING LOCATION: CREÄ Affiliates meeting room

PARTICIPANTS: Erin Goodman, SODO Business Assn.

> Anindita Mitra, CREÄ Affiliates Michael Davolio, CREÄ Affiliates

SUBJECT: Diagonal Av. S. street vacation, property transfer from City Light to Parks

Michael Davolio asked Erin Goodman to describe the work of the SODO Business Association. Erin provided a brochure for the SBA, and also their most recent annual plan. Erin indicated that, as a tenant in the Urban Work Lofts building, CREÄ Affiliates is a member of the Association. She also indicated that her organization works with property owners, business owners, and employees of businesses in the SODO area.

Erin advised that the SBA is required by city regulations to remain neutral on land use issues. They are familiar with the street vacation process because another member, the Nissan dealership, is currently going through the same process.

Michael described the street vacation petition as it applies to City Light, noting that the proposed property transfer will provide a public benefit to the Georgetown neighborhood. Erin indicated that she would have preferred a public benefit to the SODO neighborhood, but that she understood that City Light is limited by the properties that it owns. Erin then asked whether City Light would also consider providing some vegetation and/or a walking trail beneath power lines on a different portion of Diagonal Avenue. She understands that this request may be outside the scope of the current petition. Michael agreed to pass the information along as a part of the public comments received through this process.

Anindita provided an example of the materials that we would be sharing with the SBA membership. Erin indicated that she saw no problem with distributing that material. Responding to a question, she indicated that she did not have the authority to provide a letter of support for the project without the approval of her Board of Directors. However, she would be willing to provide documentation to indicate that her membership had no objection to the project, if that proved to be the case.

The meeting lasted approximately 45 minutes.

TASK UPDATES

CREÄ: Will provide electronic materials to SBA for inclusion in their next quarterly report, which will

be distributed by email on June 3rd.

I.M.C.1. MEETING SUMMARY NOTES - GCC 5-20



creä affiliates, llc sustainable planning, building, landscapes and research

Meeting Notes

MEETING: Georgetown General Body

MEETING DATE: 5/20/19 **MEETING TIME:** 7:00 p.m.

MEETING LOCATION: Old City Hall, Georgetown **PARTICIPANTS:** Anindita Mitra, CREÄ Affiliates

> Timothy Croll, City Light Ruth Meraz-Caron, City Light

Rachel Schulkin, Parks

SUBJECT Diagonal Av. S. street vacation, property transfer from City Light to Parks

Tim Croll provided a summary of the proposed street vacation and SCL's need to own it to clean it. Tim also noted that the offsetting public benefit of transferring property in Georgetown to the Parks Department. This might help address some suspected illicit activity currently occurring in the area.

QUESTION: Have there been any talks between SCL and King County to consolidate the extra property on the southern edge of the Flume Property?

COMMENT: Tim mentions that SCL is interested in the topic, but has not pursued it. Rachel says that the City is always interested in engaging the public.

QUESTION: Are OLAs fenced in?

ANSWER: Yes.

QUESTION: Can OLAs and trails co-exist?

ANSWER: Yes. Parks' MDAR (?) has more ability to remove people. A dog park is considered a positive activation, even as a temporary use.

QUESTION: Who is negotiating for Georgetown? Is City Light getting more as a part of this deal?

ANSWER: Size and money-wise, it appears to be a fair deal. Could talk to the County about including their property.

QUESTION: How is funding guaranteed? ANSWER: We want community input.

QUESTION: Is there money in the pipeline for this?

ANSWER: The Parks Department is now developing 14 new parks into the system. They are interested in getting this land while they can.

QUESTION: This is not an ideal location for a dog park.

ANSWER: Rachel mentions that they have heard that people don't want to live next to it. It's not the only space for an off-leash area in Georgetown.

QUESTION: How is this a complete project?

I.M.C.1. MEETING SUMMARY NOTES - GCC 5-20

ANSWER: Tim mentions that this is a \$650,000 net benefit for the community and could be considered a donation of the property.

Paulina says there is 100,000 for funding in the Duwamish Valley Action Plan for community engagement and project design. Alberto and Danyal reassured Paulina that the budget was available.

The discussion lasted approximately 20 minutes.

TASK UPDATES

None.

I.M.C.2. Presentation SUMMARY NOTES - GMA 5-14



Creä affiliates, IIC sustainable planning, building, landscapes and research

Meeting Summary Notes

MEETING: Georgetown Merchants Association

MEETING DATE: 5/14/19 **MEETING TIME:** 6:00 p.m.

MEETING LOCATION: Machine House Brewing PARTICIPANTS: Anindita Mitra, CREÄ Affiliates

Michael Davolio, CREA Affiliates Yueru Deng, CREÄ Affiliates Timothy Croll, Seattle City Light

Danyal Lotfi, Seattle Parks and Recreation Georgetown merchants (see sign-in sheet)

SUBJECT: Diagonal Av. S. street vacation, property transfer from City Light to Parks

CREÄ Affiliates and City Light distributed handouts to attendees (see attached).

CREÄ Affiliates representatives attended the meeting in "listening mode."

Tim Croll describedthe City Light petition for street vacation and the related proposal to transfer property to the Parks Department. He described the street vacation petition as an opportunity for City Light to make safer and more efficient use of their property on Fourth Avenue. Tim then deferred to Danyal Lotfi to describe the role of the Parks Department.

Danyal described the Parks Department's interest in using the property for an off-leash dog park. He noted that there has been a lot of local support for the creation of a dog park, based upon public comments made at previous public meetings over a span of several years.

Tim then described the formal street vacation process required by the city, and he encouraged those in attendance to participate in one of the public meetings that will take place in June.

Questions from the audience:

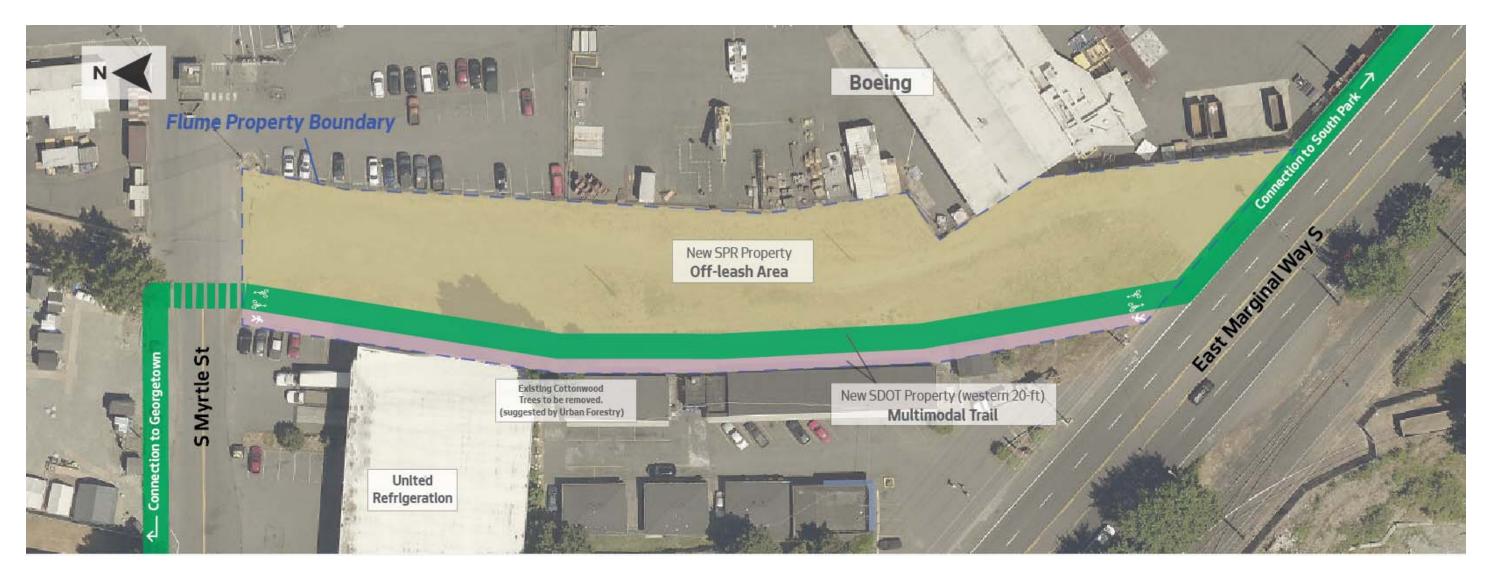
"What is the current use of the vacated property?" The portion of Diagonal Avenue South that will be vacated is currently closed to the public per a street use permit. It is used by City Light as a part of their operations.

"There is no public access now?" No.

"What are comparative values of the two properties?" There is no specific value established because property valuations are not typically performed on public properties, but the Flume property is more than three times larger than the Diagonal Avenue property.

"How was the decision made to use the Flume property as a dog park?" The Parks Department has held public meetings over several years, and members of the public have generally expressed this as their preferred choice.

The discussion lasted approximately 15 minutes.



Plan of Flume Property as Redeveloped per MOA



Early Concept – Example Treatment Only, Subject to Design

Memorandum of Agreement Developing the Georgetown Steam Plant Flume into a Community Asset

- Whereas, the City Light Department (SCL) owns 46,338 square feet of property located between S Myrtle St and East Marginal Way S, which formerly functioned as part of the Georgetown Steam Plant Flume (Flume Property); and
- Whereas, SCL is seeking a vacation of a segment of Diagonal Way S, which would require the provision of an offsetting public benefit; and
- Whereas, the Georgetown community has been historically underserved in terms of public amenities; and
- Whereas, this community has long expressed an interest in additional open-space amenities, including specifically an off-leash area and a trail connection with the South Park community; and
- Whereas, the Georgetown community has participated in the Seattle Parks and Recreation Department's (SPR) planning for City off-leash areas (OLA), the Seattle Department of Transportation's (SDOT) study of a trail connection between Georgetown and South Park, and SCL's community outreach process for that department's proposed vacation of a segment of Diagonal Ave S and has specifically advocated for both an OLA and a trail segment at the Flume Property; and
- Whereas, SPR finds the Flume Property to be a suitable and preferred location for an OLA and SDOT finds the Flume Property to be a suitable and preferred location for a segment of the Georgetown/South Park Connector trail;
- The City Light Department, the Seattle Department of Parks and Recreation, and the Seattle Department of Transportation agree to the following:
- Overview. SCL will petition to vacate a section of Diagonal Ave S. As a public benefit for the vacation, the petition will include transferring the jurisdiction of the Flume Property, at no cost, to SPR and SDOT. The jurisdiction of the western twenty feet of the property will be transferred to SDOT for the future development of a bike/pedestrian trail. The jurisdiction of the remainder of the property will be simultaneously transferred to SPR for the development of an OLA. These two transfers would constitute the offsetting public benefit for the granted vacation and would be contingent on the granting of the vacation.
 - SCL will also transfer partial jurisdiction of a portion of the property to Seattle Public Utilities (SPU) for the operation and maintenance of SPU's existing drainage infrastructure on the property. SCL will also retain partial jurisdiction of the property to allow the continued presence of its utility poles and overhead lines.

If the street vacation is approved and the jurisdiction of the property is transferred by the City Council, then SPR, SCL, and SDOT would develop the property as outlined below.

<u>Phase 1 development.</u> The property would initially be developed to support an Interim Off-Leash Area (OLA), including:

- The top 6" of soil will be removed from the flume property and properly disposed.
- The underlying soil may be regraded.
- Six inches of clean gravel will be placed on the surface. The soil removal and gravel replacement will serve two purposes:
 - It will remove any residual contamination and leave a clean surface for the OLA users
 - It will create a surface that is more suitable for OLA use
- The Interim OLA on SPR portion of the property will also be fenced, and a water cistern will be installed for dog drinking water.
- There will be a number of trees included in the OLA area, which will be protected from the dogs.
- If the street vacation and property transfer can be approved by mid- 2020, the Interim OLA should be designed by mid-, 2020 (which design may be in phases) and be constructed by 2021.

<u>Further development.</u>

- Any future improvements by SPR to the OLA beyond Phase 1 will be considered through the usual budget process.
- Design and construction of the SDOT trail segment on the corridor would be subject to City Council budget approval.

Responsibilities.

- SPR and SDOT will continue to support SCL in its efforts to receive the street vacation, including participating in meetings with the community, the Seattle Design Commission, SDOT Street Vacation staff and the Seattle City Council.
- SPR will complete a phase I, interim design for the OLA by the second Seattle Design Commission meeting on the street vacation, expected to be in late 2Q 2020. SPR will include the public in this design process.
- SCL will remove, issue a revocable easement or permit for, or otherwise resolve to the satisfaction of SPR any existing encroachments on the east side the Flume Property prior to transfer to SPR.
- SPR and SDOT will be responsible for maintaining their respective properties once the transfer of jurisdiction is effective.
- SPR will manage the development project that will create the Interim OLA.
- SCL will pay SPR for the soil removal and disposal based on the bid for this line item (est. \$45,000).

- SCL will pay SPR for 50% of the cost of the purchase and placement of the clean gravel based on the bid line item (est. \$150,000 for SCL's share.)
- SDOT will pay SPR for 21% of the cost of the purchase and placement of the clean gravel based on the bid for this line item (est. \$32,000 for SDOT's share.) The gravel installed in SDOT's portion of the property will be of a suitable specification for their future trail use.
- SPR will pay the remaining cost of the purchase and placement of the clean gravel (est. \$118,000 for SPR's share.)
- SPR will fence the OLA (including the fence between the OLA and the future trail) and purchase and install the water cistern (est. \$45,000.)
- SCL would not be responsible for any future contamination of the top 6" gravel layer in their respective areas after its installation.
- SDOT will pay for the trees in the OLA.
- SPR will be responsible for the cost of maintaining the trees in the OLA.
- SCL would continue to be responsible even after the transfer of the jurisdiction of the
 property for any testing and/or removal of legacy contamination below the top 6" that is
 required by a regulatory agency.
- The costs of further park-related development beyond the Phase I Interim OLA mentioned above will be SPR's responsibility.
- Construction and maintenance of the trail will be SDOT's responsibility.

Lynn Best, Chief Environmental Officer Seattle City Light	Date	
Jesus Aguirre, Superintendent Seattle Department of Parks and Recreation	Date	
Jim Curtin, Director of Project Development Seattle Department of Transportation	Date	

Darren Morgan, Manager of Urban Forestry	Date	
Seattle Department of Transportation		

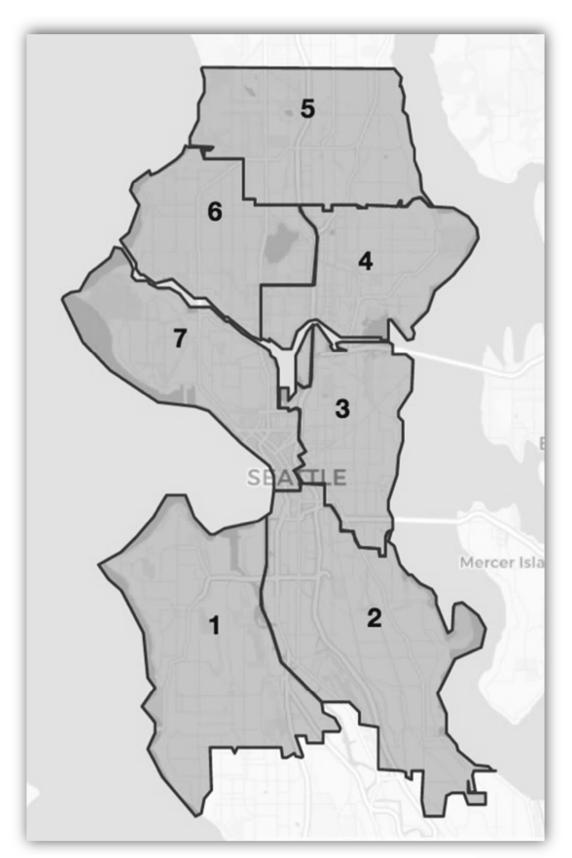


Figure 1. Seattle City Council Districts, 2019.

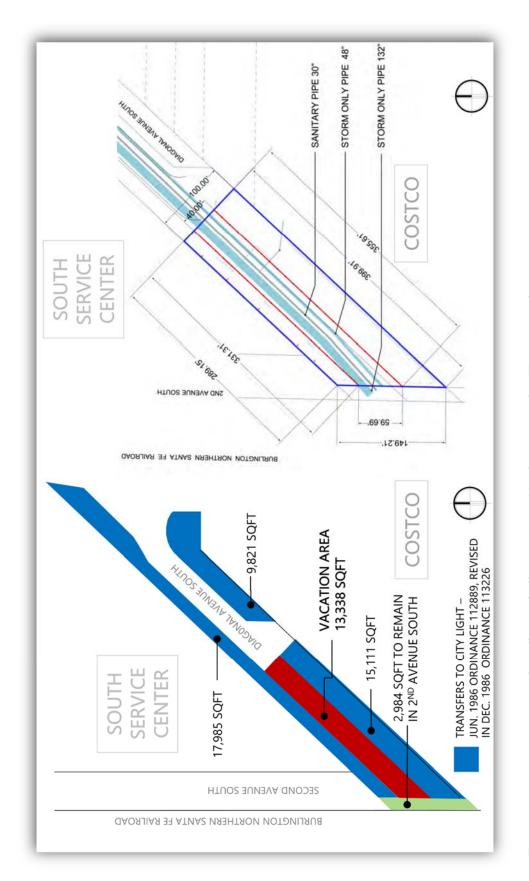


Figure 2. Vacation site details and dimensions. Underground utilities are shown.

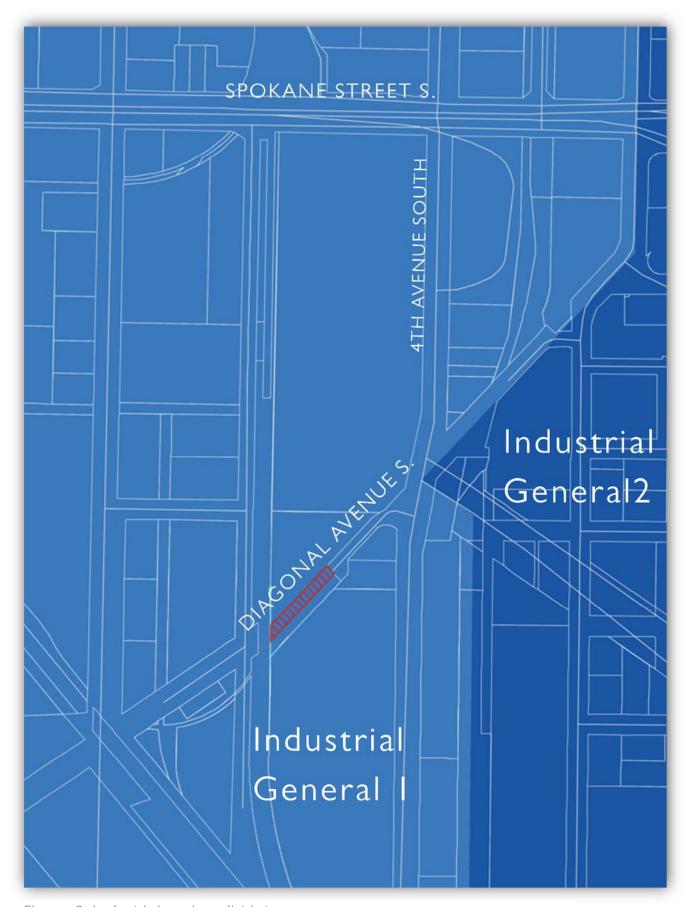


Figure 3. Industrial zoning districts.

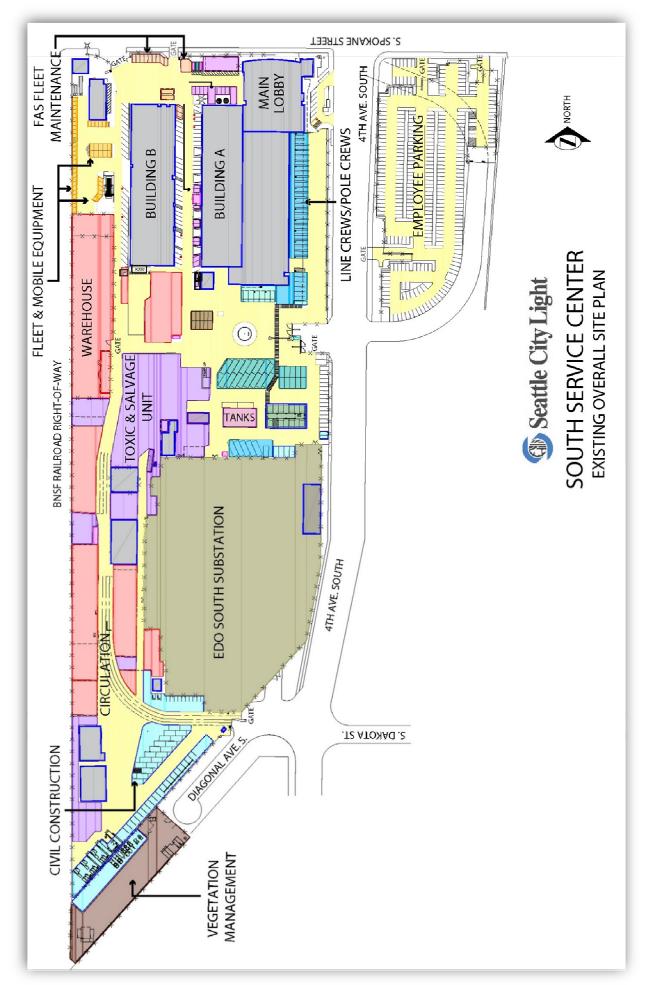


Figure 4. The South Service Center property is congested with storage, parking and other functions.

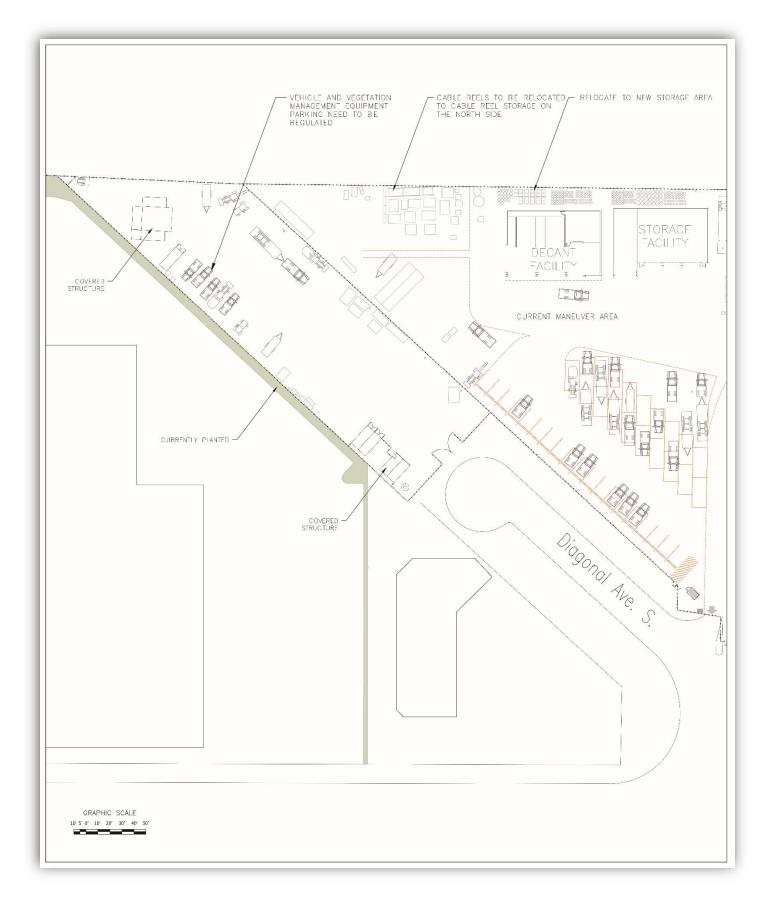


Figure 5. Existing use of the Diagonal Avenue South right-of-way.

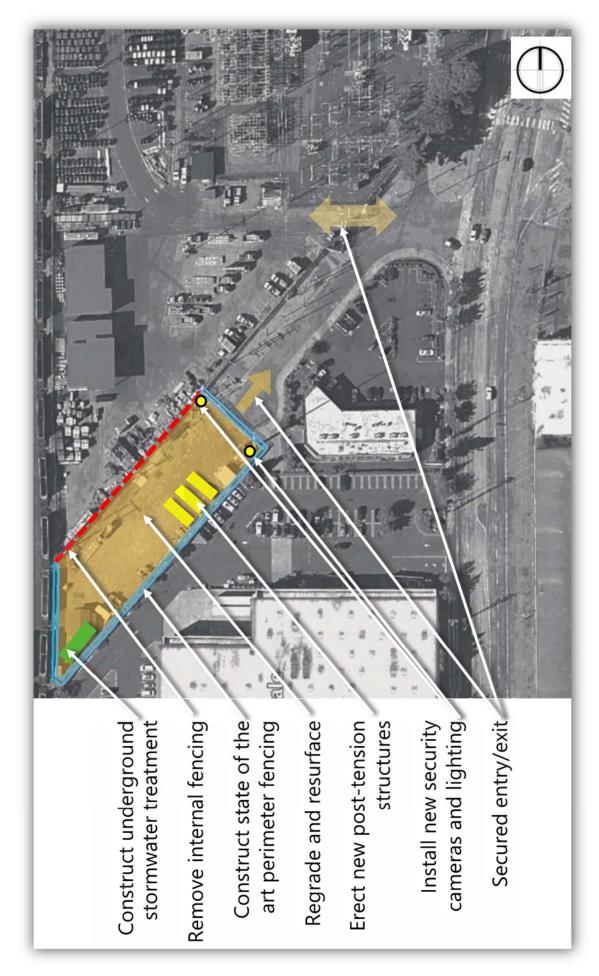


Figure 6. Plan diagram of proposed site improvements.

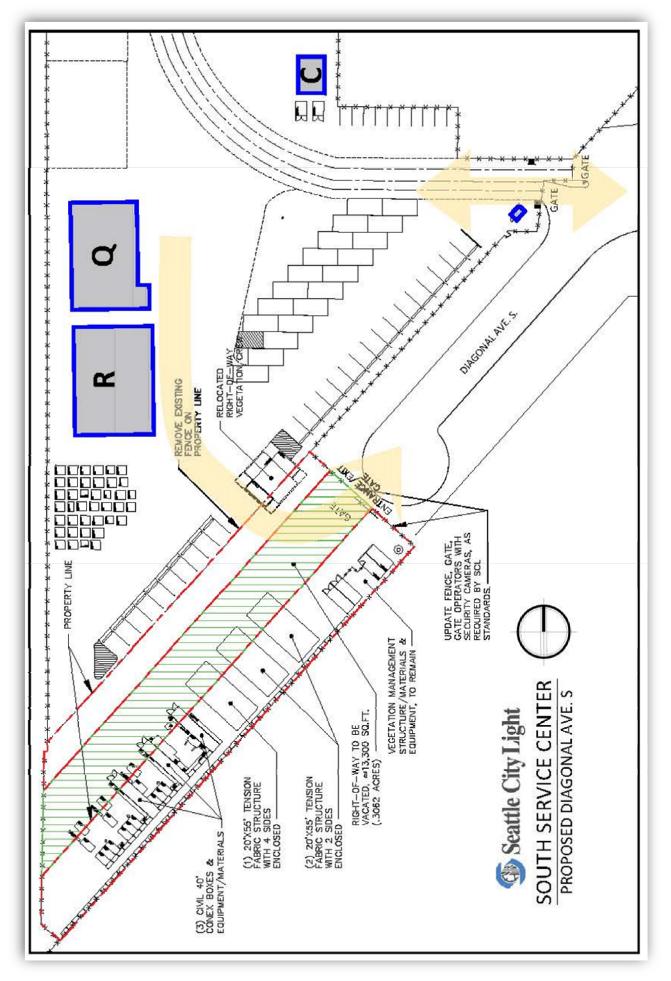


Figure 7. Removing the fence between Diagonal Avenue South and the South Service Center will improve traffic flow on the site.

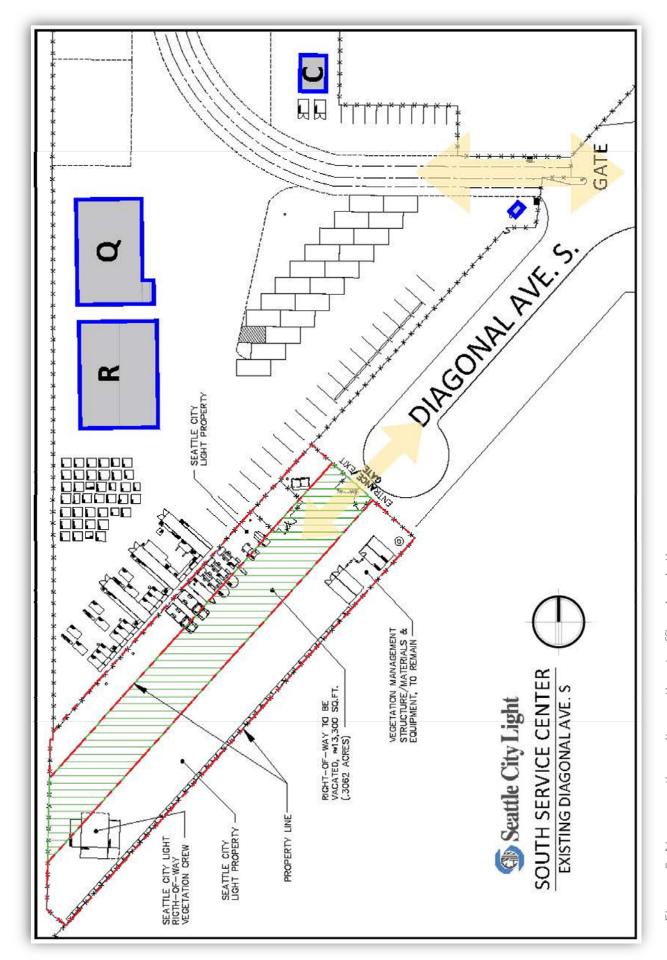


Figure 8. No vacation alternative traffic circulation.

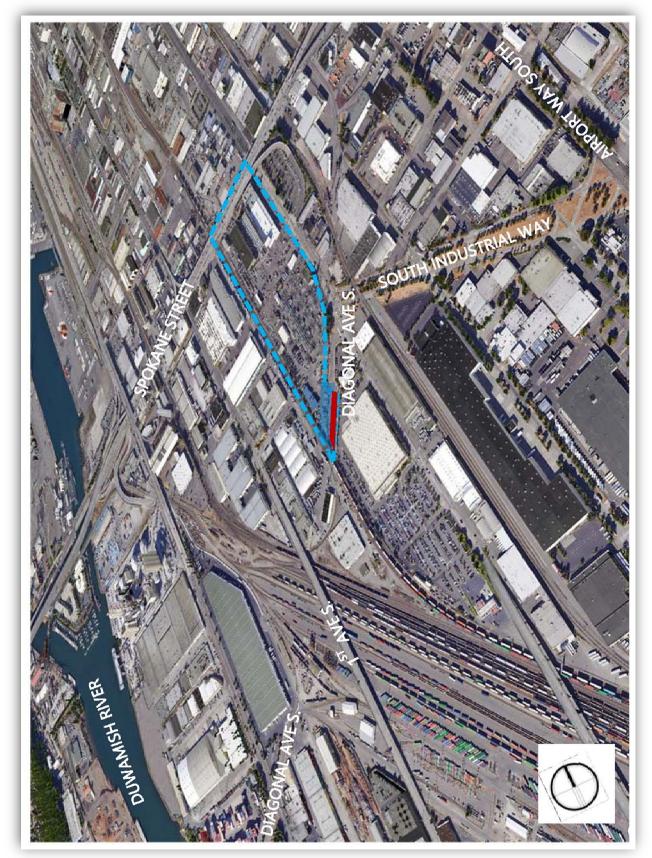


Figure 9. Aerial view of the industrial area looking west.

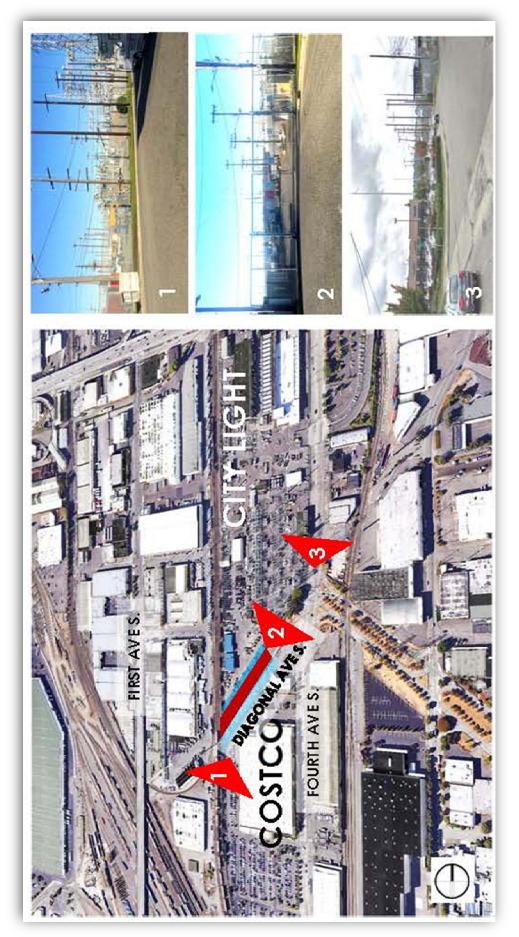


Figure 10. Aerial view of the industrial area looking west.

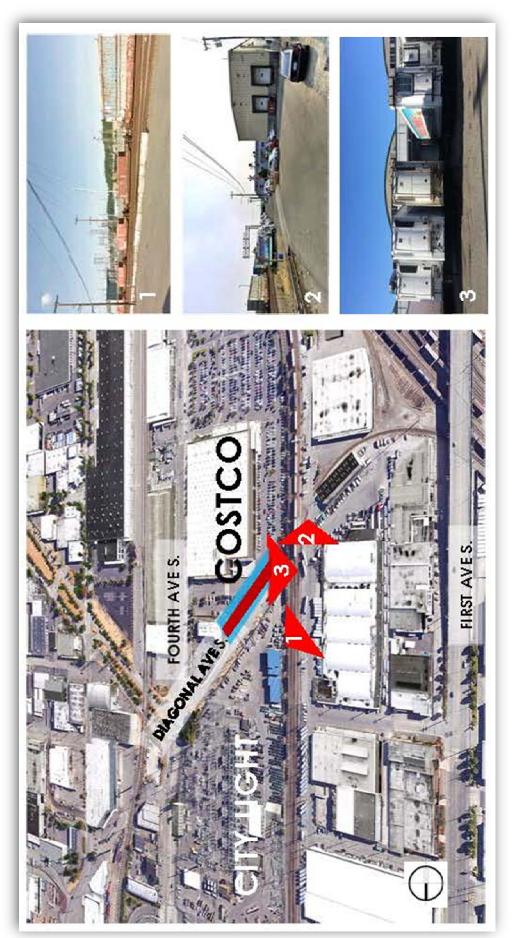


Figure 11. Existing use of the Diagonal Avenue South right-of-way.

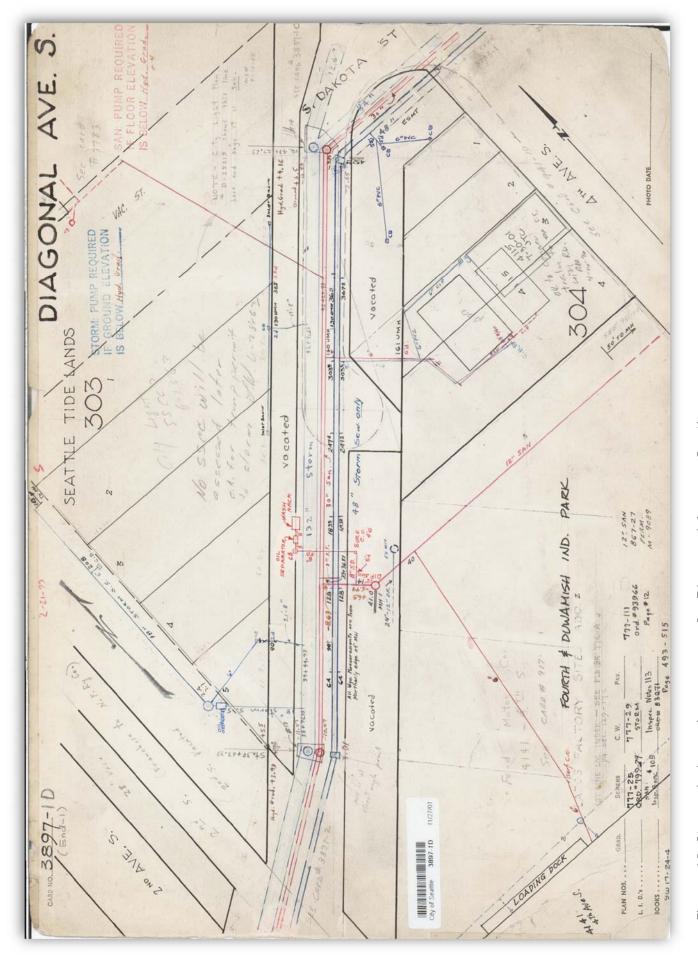


Figure 12. Storm drain and sewer map for Diagonal Avenue South.

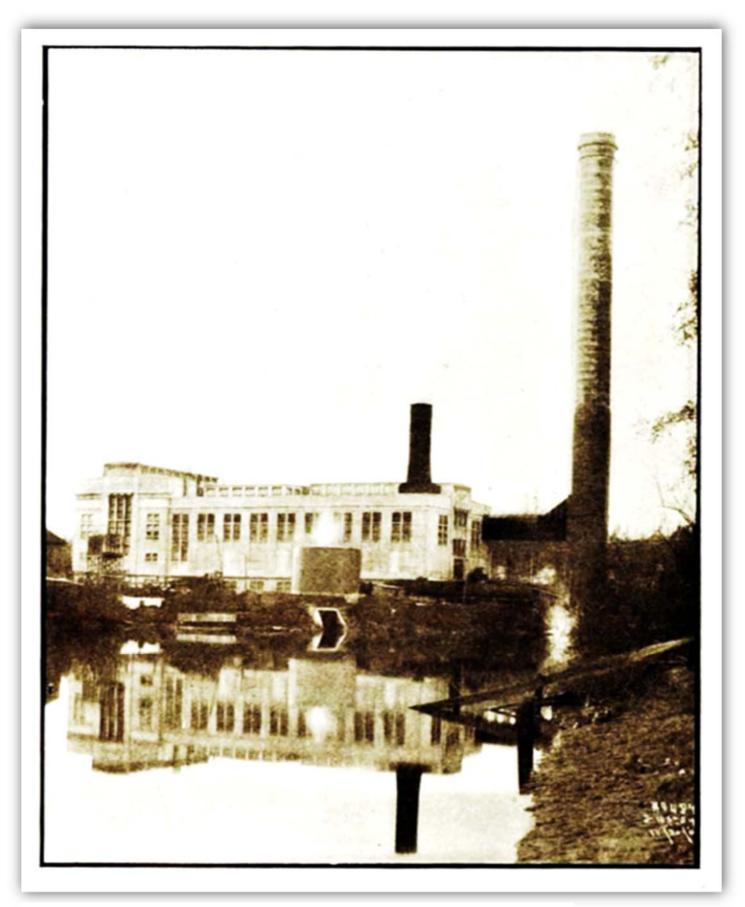


Figure 110. The historic Georgetown Steam Plant.

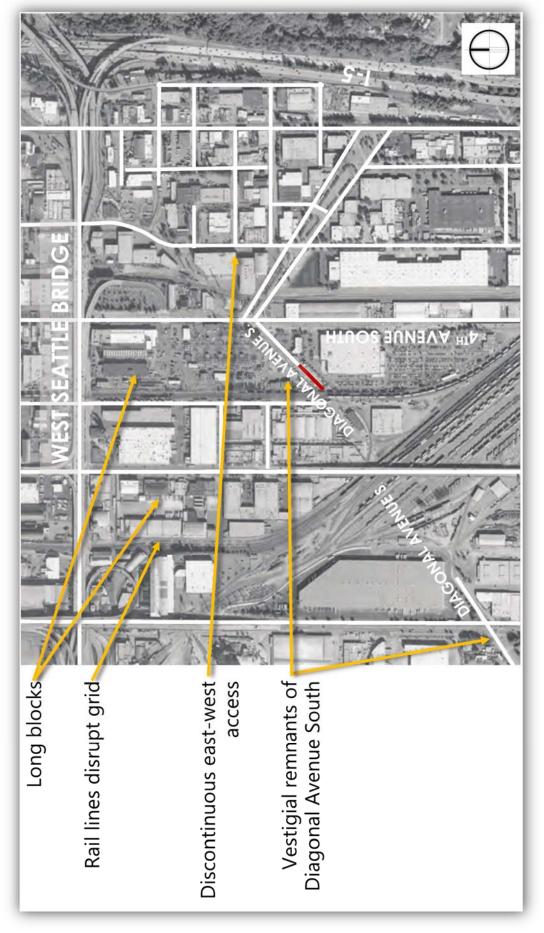


Figure 14. Circulation and block lengths around the vacation site.



Figure 15. An aerial view of the Flume property.



Figure 16. View of the flume property from South Myrtle Street

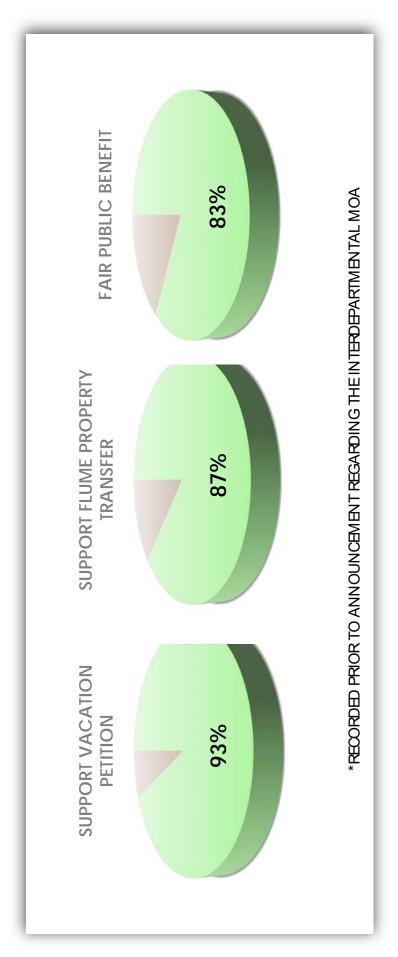


Figure 17. Community survey results (2019).



July 28, 2021

Honorable Alex Pedersen, Chair Transportation and Utilities Committee Seattle City Council 600 Fourth Avenue Seattle, Washington 98104

Subject: Petition of Seattle City Light for the vacation of a portion of Diagonal Way

South, west of 4th Avenue South in Seattle City Council District 2 and the

Greater Duwamish Manufacturing/Industrial Center

Clerk File 314451

Dear Councilmember Pedersen and Honorable Members of the Transportation and Utilities Committee:

We are returning the petition from Seattle City Light ("SCL" or "Petitioner") for the vacation of a portion of Diagonal Way South between 4th Avenue South and 2nd Avenue South, described as:

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under by City of Seattle Ordinance Number 112889, under King County Recording Number 86070I 0965, and amended by City of Seattle Ordinance 113226, under King County Recording Number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of Lot 2 of the plat of Fourth and Duwamish Investment Park, recorded under King County Recording Number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning;

Thence north 43°14′20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45′40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest comer of Lot 4, Block 304, of the unrecorded plat of Seattle Tide Lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45′40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence north 43°14′20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09′28" west 59.69 feet to the true point of beginning. Vacation contains 13,337.8 square feet, more or less.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 2 of 21 V. 4

The proposed vacation is 330 feet in length and approximately 40 feet in width (the width tapers) for a total of approximately 13,300 square feet of right-of-way.

Seattle Department of Transportation (SDOT) recommends the vacation be granted subject to conditions.

I. CITY COUNCIL DISTRICT

The proposed street vacation is in City Council District 2.

II. ACTIVITIES PRIOR TO FORMAL VACATION APPLICATION

In the policy revisions adopted in Resolution 31809 in 2018, the City Council formalized a number of procedural obligations that a developer must complete before filing a vacation petition. The policy revisions provide that these steps must be completed before SDOT should accept a vacation petition and before beginning the formal review of a proposed vacation.

The Council also imposed a much more rigorous and consistent plan to engage the community before the review process begins. This early work is intended to move beyond notification about a proposed vacation and create an opportunity for early input on a proposal and public benefit plan.

The pre-petition activities outlined in the Vacation Policies includes:

- Feasibility assessment: SDOT requires a developer to provide conceptual information about the proposal and how the vacation contributes to the development and an outline of the public benefit plan. SDOT staff can then provide information about the time frame, costs, and obligations of a vacation including the public benefit obligations and the appraisal process to determine the vacation fee. SDOT will, as needed, include other City staff such as SDCI, Department of Neighborhoods (DON), utility representatives, and the Seattle Design Commission (SDC). City staff will work to provide an initial feasibility assessment based on the information provided.
- Community Engagement Plan: The developer is required to consult with DON staff and develop a Community Engagement Plan that must be included in the vacation application.
- Conduct early community engagement: Consistent with the Community Engagement Plan, the developer must proceed with early community engagement.
- SDC early review: The vacation proposal must be presented to the SDC before any EDG meeting so that the SDC can provide input to the Design Review Board.
- Capital Improvement Projects (CIP): If a CIP project is proposed by the City or other public agency, the proposal including a vacation and a no-vacation alternative must be presented to the SDC at predesign or 15% review of the proposed facility.
- Early Design Guidance: If the project is subject to design review the EDG process must be completed before the vacation petition can be accepted by SDOT.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 3 of 21 V. 4

This early work can create opportunities for meaningful early input from the community and City staff and can assist a developer or public agency in determining whether to proceed with a vacation.

III. COMMUNITY ENGAGEMENT PLAN

A significant change in the revised Vacation Policies is the obligation that before a Petitioner can begin the formal vacation review, the Petitioner must work with DON on developing a Community Engagement Plan. The City first expanded the obligation to develop Community Engagement Plans in Ordinance 125429. This legislation added requirements to Seattle Municipal Code (SMC) 23.41 that all projects going through Streamlined, Administrative, or the Full Design Review program administered by SDCI must prepare a community outreach plan before scheduling the EDG meeting. SDCI Director's Rule 4-2081 and DON Director's Rule 1-2018 provide more guidance about the components of the plan.

The vacation review follows the guidance provided by the SMC and the Director's Rule. The developer can then work with DON on a plan that will be accepted by SDCI and SDOT.

The Community Engagement Plan uses a number of strategies to reach individuals and organizations in the neighborhood where a vacation is proposed. DON will guide the developer on the strategies to employ, organizations to contact or meet, and whether translation of materials or at meetings is necessary. DON provides support throughout the process.

SCL and its consultant worked with DON on a Public Outreach & Engagement Strategy that DON approved in May of 2019. The strategy included:

- Digital outreach,
- Emails.
- Website,
- Survey,
- Social media.
- Direct mailers,
- Posters,
- In-person public engagement,
- Delivery of door-to-door notices,
- Public meetings and presentations in SODO and Georgetown, and
- Stakeholder interviews.

SCL met with the Georgetown Community Council Open Space Committee who supported the use of the Flume property for public open space to be used as an off-leash area and as a trail connection. At a design charrette, several recommendations were made:

- Make this area a safe, walkable, rollable space,
- Add native trees and plants,
- Provide a historic connection/narrative, and

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 4 of 21 V. 4

• Possibly add an off-leash dog park/run area.

The community work indicated that there were not concerns about the vacation of Diagonal Way and it was noted that the area had not been used for right-of-way purposes for many years. SODO representatives noted that since the vacation was in SODO at least a portion of the public benefit should be located in that neighborhood. Early comments on a proposed off-leash area noted the possibility of safety issues if the area was not well used.

SCL conducted a survey and the survey results indicated that 93% of responders support the vacation, 87% support the transfer of the Flume property, and 83% indicated that the proposed public benefit was fair.

IV. EARLY CITY COUNCIL REVIEW

The Vacation Policies provide that the Council may host a briefing on a new vacation petition. The purpose of the briefing is to provide the public with an early opportunity to give input on the vacation to the City Council, the Petitioner, and City reviewers. The briefing provides an opportunity for the Council to hear about the vacation, and to provide early feedback regarding the process.

If the Council chooses to hold a briefing it will be scheduled after a petition has been accepted and introduced at City Council and early in the review process. The goal is for the Petitioner to present the vacation to the City Council and the community before the elements of the formal review process such as SDC, Design Review Board meetings, SIP review, or other City procedures have begun to identify issues and work to refine the proposal.

An early Council briefing was held on July 17, 2018 at the committee then titled the Sustainability & Transportation Committee. This early briefing was held before SCL submitted a vacation petition when the Council was still engaged in the work to revise the vacation policies. During the briefing, the Committee heard from SCL, SDOT, Design Commission, and Council staff on the proposal. SDOT noted that it was important the public benefit be provided at the time the vacation occurs and was not an opportunity for a future public benefit. Several community representatives expressed strong support for the idea of using the SCL property in Georgetown known as the Flume property, for public benefit. The Committee expressed support for the proposed vacation and the use of the Flume property and noted that more detail about public benefit elements and timing of the public benefit work would be needed before approval.

V. BACKGROUND

Diagonal Way South in this location extends from 4th Avenue S to 2nd Avenue S where the street dead ends at the BNSF rail lines. This section between 4th Avenue S and 2nd Avenue S is a paved street that is approximately 730 feet in length. A previous vacation of the north and south margins of the street in 1996 narrowed it from 100 feet to 40 feet. Approximately 330 feet of the

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 5 of 21 V. 4

west portion is fenced and gated for material and equipment storage operated by SCL with an SDOT street use permit.

SCL is proposing to vacate the west 330 feet of Diagonal Way South that it currently manages with a street use permit. The remaining 400-foot portion provides access to two parcels that also have access from 4th Avenue S. These parcels have driveways and sidewalks on Diagonal Way South. There is an existing curbed turnaround at the gate to the SCL South Service Center. The approximately 400-foot section of Diagonal Way South at 4th Avenue S is not a part of the vacation proposal and will remain as public right-of-way ("ROW") providing access to the other property owners and the turnaround for vehicles to exit the area.

The ROW proposed for vacation is the segment of ROW adjacent to SCL's South Service Center at 3613 4th Avenue S and is approximately 330 feet in length and 40 feet in width (the width tapers) for a total of approximately 13,300 square feet. SCL owns the property on both sides of the ROW and is the only property owner who abuts the portion of the ROW proposed for vacation.

A large Costco warehouse store is located just southeast of the SCL facility and the access to the store and its parking are from 4th Avenue S.

The project is in the Greater Duwamish Manufacturing/Industrial Center and the area is zoned Industrial General 1 (IG1). The IG zone is intended to support industrial activities. This zone allows for utility services without restrictions on height or size of use.

VI. REASON FOR VACATION

The vacation is sought to support SCL's investment in upgrades in the ROW and its existing South Service Center site. SCL has used the ROW as an auxiliary, low-security yard for the storage of materials and equipment and some maintenance vehicles and trucks. While SCL has used the ROW with street use permits for many years at this time SCL needs to make investments to the site. SCL needs to provide major drainage upgrades to the site, provide covered space for activities such as industrial painting, and provide for security upgrades such as fencing and lighting. SCL has indicated that without the vacation it would not make the upgrades in property it does not own.

VII. NO-VACATION ALTERNATIVE

For many large-scale projects such as a full-block office tower located downtown or institutional expansion such as a new hospital building, the proposed project cannot be built without using the vacation process to connect property and create a site of sufficient size for development. For other projects, the vacation is requested because of the flexibility to develop the site to meet the functional and program goals of the developer. Site flexibility can provide for anything from a more desirable building orientation on the site or for a plaza area with more sunlight or visibility.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 6 of 21 V. 4

Without a vacation, as a City agency, SCL would likely be able to continue with permits to use the ROW and even accommodate the enhancements and upgrades SCL needs. SCL is not proposing any significant physical developments such as constructing permanent buildings for utility purposes, office or warehouse space, or permanent vehicle storage. None of those permanent uses could be accommodated with street use permits. Permits are adequate for the way that SCL is currently using the site, but permits do not provide a guarantee of permanent or even continued use. SCL does not wish to invest in the site without securing a vacation that allows SCL to own and use the site without time or permit constraints. SCL's upgrades at its adjacent facility include a large investment of approximately \$1.5M. SCL does not propose to make upgrades in the ROW unless a vacation is secured.

The no-vacation alternative would not require any public benefits and there would be no opportunity to develop the pedestrian and bicycle trail connection and the off-leash dog park.

VIII. PROJECT DESCRIPTION

SCL's capital improvement project (CIP) includes three components: improving drainage, reducing airborne particulates, and enhancing security at the site. Consolidating the ROW and the existing service center will also provide for efficiency in using the site and supporting the turning movements of oversize vehicles at the service center.

SCL's large, paved yard currently sends untreated runoff to the Duwamish River. SCL is proposing drainage upgrades that will protect the Duwamish River by improving the water quality runoff. This includes the constructing underground stormwater treatment that will collect and treat water before it flows into the Duwamish River. This would be constructed in the vacated ROW along the western edge of the site.

SCL conducts some industrial activity on the site including spray coating steel plates. The Washington State Department of Ecology has identified improvements that need to be made to the process of spray-painting steel plates so that particulates do not disperse into the air. SCL plans to enclose this activity in small structures to protect the air quality.

In addition, SCL has identified the need for security upgrades to the site. This includes upgrading the perimeter fencing, new security cameras and lighting, and a secured entry/exit to the site.

The CIP proposal includes:

- Improve water quality runoff into the Duwamish River by constructing underground stormwater treatment,
- Reduce airborne particulates from unprotected material by conducting activity such as spray coating in a covered space such as a post-tension structure,
- Remove internal fencing to allow for efficient use of the total site and improve circulation and provide for use by oversize vehicles,
- Construct state of the art perimeter fencing consistent with SCL security standards,

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 7 of 21 V. 4

- Regrade and resurface the site to reduce flooding and freezing during heavy rain,
- Erect structures to enclose activity on the site,
- Install new security cameras and lighting, and
- Provide a secured entry/exit.

The public benefit package includes SCL's proposal to convey property known as the Flume property in part to Parks and in part to SDOT. This property in the Georgetown area is between E Marginal Way S and S Myrtle Street. The property would be used by Parks for an off-lease area for dogs. SDOT would develop its portion as a bike and pedestrian trail connection between the Georgetown and South Park communities. SCL will convey the property to Parks and SDOT and provide some site preparation such as stormwater treatment and lighting. An agreement between the three departments provides for SCL funding as well as commitments from SDOT and Parks. SDOT and Parks will conduct community work, do the design and installation as their share of development costs. The property and SCL support for the planning and development of the public benefit uses is about \$3.8M in value from SCL.

IX. CIRCULATION/ISSUE IDENTIFICATION

Vacations are generally associated with significant development proposals and will generally include a number of other review and regulatory procedure and obligations. The vacation review is coordinated with other regulatory and review procedures where applicable. In addition to the vacation review, the project may be subject to:

- Design Review Board review as required by SDCI,
- Major Institution Master Plan,
- Landmarks or Special Review District review,
- Master Use Permit (MUP) review,
- Environmental review or transportation analysis,
- Preparation of a SEPA Checklist,
- Street Improvement Plan (SIP) review, the SDOT process to review street design and utility issues, and
- Utility Major Permit, the process to review major utility changes.

As SCL is proposing a number of upgrades to its site, the proposal required a concurrent CIP review by the Seattle Design Commission (SDC) which included review at 15% or pre-concept, followed by concurrent and schematic reviews (30% and 60% respectively). The vacation proposal did not trigger other review procedures or environmental review beyond the CIP and vacation review at the SDC and the Community Engagement Plan.

The vacation review includes circulation of the proposed vacation, the development proposal, and the public benefit plan to various City departments, outside agencies, and community groups for comment. The purpose of the broad review of the vacation petition is to identify issues that need to be addressed through the vacation process by changes to the project or by adding

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 8 of 21 V. 4

vacation conditions. All the comments received are a part of the record as presented to City Council and are not revised or amended by SDOT.

The public comments reflect the views and analysis of the group, organization, or individual for consideration by the City and do not reflect the analysis and conclusions of the City.

A number of City departments and outside agencies reviewed the SCL proposed vacation and did not identify any issues or concerns, including:

- SDOT Transit & Mobility,
- SDOT Maintenance Operations,
- Seattle Department of Construction and Inspections (SDCI),
- Seattle Fire Department,
- Office of Planning and Community Development (OPCD),
- King County Metro,
- King County Wastewater Treatment Division, and
- Century Link.

One City department identified issues with the proposed vacation:

• Seattle Public Utilities (SPU) identified three major DWW sewer mains that are approximately 17 feet deep, including a 30" sewer main, 132" Pipe Sewer Drain (PSD), and a 48" PSD. SPU notes that these lines were installed in the 1950s and 1960s and are likely in poor soils with some contamination. These lines were installed to accommodate the weight of vehicular traffic but could not withstand permanent construction. SPU asks that the vacation be conditioned on SCL agreeing to the development of a Memorandum of Understanding (MOU) to address access and maintenance issues and guarantee SPU may expand its facilities as needed in the future.

The Seattle Design Commission (SDC) reviewed the proposed vacation at 3 meetings and held several informal meetings on the project and the proposed public benefit. As required by Council vacation policies, the SDC conducted a concurrent review of the proposed vacation and the CIP that would be developed should the vacation be granted.

October 2, 2019: This meeting was the initial pre-petition meeting and concurrent 15% CIP review. The SDC indicated support for the vacation and the proposed capital facilities upgrades that would be achieved from the vacation. The SDC provided the following direction:

- The vacation request is understandable given the investments proposed by SCL and the need for enhanced security at the South Service Center,
- The SPU concerns about access of its drainage facilities at the site must be addressed,
- Concern was expressed about the timing and funding for the public benefit at the Flume site and that a gravel road surface for any non-motorized connection in the near term was problematic,
- The Community expressed the need for trees and water at the proposed public benefit site, and

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 9 of 21 V. 4

• SDC asked for clarification of code requirements for utility services and details of the proposed fencing to secure the South Service Center.

July 2, 2020: This was the Public Trust meeting with the concurrent 30% CIP review, which were approved 8-0; with the following recommendations.

- Ensure that community engagement is well documented and that it includes demographic data from public participation,
- Provide information about how the project team is addressing issues raised by the community,
- Provide information about SCL and interdepartmental funding commitments for the public benefit proposal,
- Provide a design alternative to address how the project could be constructed in phases,
- Provide additional information on departmental funding and project phasing to better understand how design elements will be implemented, and
- Consider additional screening of the adjacent parcel along the eastern edge of the project site.

September 3, 2020: the SDC approved the 60% CIP review and the public benefit 6-0 with the following conditions:

- Provide a presentation to a subcommittee once the design has been advanced,
- Provide information on funding and address accessibility,
- Site furniture and dog park elements such as water, wayfinding and the kiosk,
- Plantings, and
- The stormwater and sustainability and its place in the Duwamish watershed.

The SDC also had the following recommendations about additional design details for the public benefit site:

- Continue to consider accessibility for all ages and abilities as the design advances.
- Consider providing art and involving the community in a holistic way,
- Continue to consider who is being impacted and reach out to them intentionally,
- Strongly consider additional seating opportunities to encourage community members to gather and spend time in the space,
- Consider increasing the width of the gate,
- Green infrastructure is especially important at the south end of the site in relation to the Duwamish River, and
- We encourage partnerships with Duwamish River related organizations.

X. POLICY FRAMEWORK

Street vacation decisions are City Council decisions as provided by State statute and have not been delegated to any City department. There is no right under the zoning code or elsewhere to vacate or to develop public right-of-way. Vacating public right-of-way requires discretionary

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 10 of 21 V. 4

legislative approval that must be obtained from the City Council, and the Council may not vacate public right-of-way unless it determines that to do so is in the public interest. The City uses a two-part test to determine whether a vacation is in the public interest. First, the City undertakes a "Public Trust Analysis", a determination of whether the street is needed and whether the public interest can be protected if the street is vacated. Second, the City undertakes a "Public Benefit Analysis" assessing the Petitioner's proposal to provide benefits to the public.

Established plans, policies, and standards guide this review as called for by the Vacation Policies. The City will not support vacations that conflict with City planning goals, particularly if the vacation would be inconsistent with the desired intensity of development and preferred uses, or if a clear harm would result. But land use policies and codes do not bind the Council's decision to grant or deny a street vacation petition. The Council may condition or deny vacations as necessary to protect the public interest.

The City's Street Vacation Policies provide that vacation requests may be approved only when they significantly serve the public interest. The Street Vacation Policies provide for a two-step review of any vacation petition to determine if the vacation is in the public interest. The Policies define the components of public interest as protecting the public trust and providing public benefit.

The Street Vacation Policies provide that during its review of the petition, the Council will weigh the public trust and land use effects of a vacation, the mitigating measures, and the public benefits provided by the vacation to determine if the vacation is in the public interest. In balancing these elements of the public interest, the Council places primary importance upon protecting the public trust it holds in rights-of-way.

This petition has been reviewed for its consistency with the vacation policies in Resolution 31809, adopted May 15, 2018.

XI. PUBLIC TRUST ANALYSIS

City streets are held in trust for the public and the City acts as a guardian for the public in reviewing vacations. The Council may approve vacations only when they are in the public interest. Streets will be retained unless it can be shown that they are not needed for a current or foreseeable public use and the Council is convinced the vacation is in the public interest. The policies define the public trust functions of rights-of-way as being circulation, access, utilities, free speech, public assembly, open space, light and air, and views.

Vacations affect the land use and development patterns in an area by adding to the developable land base, altering the local land division pattern, changing vehicular and pedestrian movement patterns, and increasing the development potential on the vacated and abutting streets. A vacation petition may be approved only when the increase in development potential that is attributable to the vacation would be consistent with the Comprehensive Plan.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 11 of 21 V. 4

<u>Circulation</u>: Streets provide for the movement of people, goods, and vehicles through the city as part of a network. If a part of the network is removed, there may be impacts to the transportation network. The City will only vacate right-of-way if it will not disrupt the movement of people, goods, and vehicles through the city, and only if it is consistent with the City's transportation plans.

The street proposed for vacation is a dead-end street that does not serve through traffic or services and currently ends at BNSF property. The portion of the street proposed to be vacated only provides access to property owned by SCL. The area proposed for vacation has been closed to the public and in use by SCL for a number of years for storage and other secondary uses for the South Service Center.

The portion of Diagonal Way South that abuts 4th Avenue S will remain as public ROW and provide access for adjacent property owners on both sides of the street. The remaining public portion of Diagonal Way South includes a turning space adjacent to the SCL boundary so that vehicles may make a safe turn to exit the area.

Access: Streets and alleys provide access between abutting property from the surrounding community. Streets are designed to provide for the range of transportation modes, including walking, bicycling, transit, and driving. The City will only approve vacations if they do not result in negative effects on the current or future needs of the City's vehicular, bicycle, or pedestrian circulation systems, or on access to private property. If the negative impacts can be appropriately mitigated, the City may choose to vacate the street.

No negative impacts were identified as the vacation would act to make permanent the current long-standing uses. The property owners adjacent to 4th Avenue S would continue to have access to their property and drives in the remaining public portion of Diagonal Way South. The turnaround remains in public ROW to accommodate anyone who uses Diagonal Way South to enter and turnaround safely. SCL will continue to access its site through an enhanced security gate in Diagonal Way South.

If the street use permit was not in place and the entire street was open from 2nd Avenue S to 4th Avenue S there is not enhanced access to any property owners. The private owners and SCL will continue to use the remaining public portion of Diagonal Way South for access to the abutting properties. The street terminates at 2nd Avenue S because of the railroad tracks so even without the limitation of access because of the street use permit, SCL and the other property owners have access with the remaining public portion of Diagonal Way South.

<u>Utilities</u>: City and private utilities use streets to serve their customers. The City will only vacate a street when all utilities using or potentially using the right-of-way can be adequately protected with an easement, relocation, fee ownership, or similar agreement satisfactory to the utility owner. The Council will require that future potential utilities can be accommodated.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 12 of 21 V. 4

During the review process Seattle Public Utilities (SPU) was the only utility that identified any impacts from the vacation. SPU noted that it owned three major Drainage and Waste Water ("DWW") sewer mains that are approximately 17 feet deep in the ROW. This includes a 30" sewer main, a 132" Pipe Storm Drain ("PSD"), and a 48" PSD. These lines were put in place in the 1950s and 1960s and are in poor soils which likely have some contamination. The lines were designed and installed to accommodate a live load, meaning the lines can only accommodate the weight of vehicle and truck traffic and could not withstand a building being constructed over the line. SPU also has a catch basin in the area.

SPU also identified that Diagonal Way South is a critically important corridor for the addition of a new water main to increase reliability and seismic resiliency in the SODO service area. It will be difficult for SPU to transect the existing railroad tracks and SPU finds this location is possibly the most feasible option for doing so in the future. SPU needs to preserve its right to construct this water main in the Diagonal Way South ROW proposed for vacation.

SPU has requested that SCL and SPU craft a Memorandum of Understanding ("MOU") on the use of the ROW and access to the SPU lines for maintenance, repair, and upgrades. Implementing the MOU may require a partial transfer of jurisdiction or another implementation document. SCL has agreed to this and the work is ongoing. Should the vacation be approved, this agreement will need to be completed and adequately provide for the identified SPU concerns before the final vacation ordinance will be passed. The completion of this agreement will provide appropriate mitigation for the issues identified by SPU.

The vacation should be conditioned on protecting SPU facilities through a binding agreement such as a partial Transfer of Jurisdiction, an MOU or other type of agreement.

<u>Free Speech:</u> The public has traditionally used Seattle's streets to exercise constitutional rights under the First Amendment ranging from large scale protests to newspaper vendors. Streets will only be vacated if publicly accessible spaces on the site will be kept open for the same speech-related purposes.

The ROW proposed for vacation is in an industrial area and has been fenced and used as a part of the SCL South Service Center. There are no public buildings or significant public spaces or transportation hubs in the area that are likely to draw members of the public to the site to exercise free speech rights. The area to be vacated and the existing open section of Diagonal Way South currently do not provide an important space for free speech so the vacation will not have an impact on the public's ability to exercise free speech rights.

The area does not provide opportunities for the exercise of free speech so the limitation in public access from the street use permit or the permanent loss of ROW through the vacation process are unlikely to have any impact on members of the public who wish to access public ROW for the expression of free speech.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 13 of 21 V. 4

<u>Public Assembly:</u> Streets also act as places for people to gather, to meet others in the community, space for children to play, and for all segments of society to interact. The role of the right-of-way can be particularly important for people who have the fewest resources. The Council will consider the importance of each street as a place for community activity in considering the street vacation.

The area proposed for vacation is not adjacent to any public buildings or spaces where it would be likely that the public would gather for any purpose. To the west, the street ends at rail lines, to the north is the SCL South Service Center where materials and vehicles are stored and to the south is a Costco facility. To the east, the street segment that remains public provides access for two commercial facilities. It is highly unlikely that the area would ever have value as a space for public assembly. As with the consideration of the free speech opportunities this industrial area seems a very unlikely location for public activity.

The vacation will not limit the opportunity for public assembly at this unlikely location. Should members of the public wish to gather in the area the remaining portion of Diagonal Way South could provide space for the public to gather or speak out on an issue.

<u>Open Space</u>: Streets provide spaces for people to gather, interact, and travel, and offer open space benefits. These benefits include space between structures, connection to open spaces, places for trees and vegetation, and contributions to the open space network. The open space roles of boulevards, green streets, urban trails, shoreline street ends, and future open space are of heightened importance; all streets and alleys provide these benefits.

The street proposed for vacation does not currently provide for any accessible open space as the area is fenced and not available for public use. Were the street use permits to be revoked the area could be open but would not be in a location that was accessible and usable to the public. As was noted in assessing free speech or public assembly, this location does not lend itself to access or use by members of the public.

Should the vacation be granted, the public will acquire useable open space as the public benefit. While the new public space will be in a different neighborhood to the south, the site will create a real opportunity for biking and walking and an off-leash area for dogs.

<u>Light and Air</u>: Streets and alleys maintain access to light and air to their users and to surrounding property. The Council will consider the loss of light and air, and shadow impacts in considering whether to approve a street vacation. Shadow impacts on public spaces will be given importance.

The street grid provides for consistency in the development pattern. Streets provide for open, undeveloped space and breathing room and access to sunlight between buildings. Streets provide for light and air onto buildings and public spaces. The street proposed for vacation is a closed segment of street in an industrial area that is not part of a continuous grid that creates a balanced pattern of space and buildings. SCL does not propose a large new building on the site but instead proposes upgrades for environmental purposes and

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 14 of 21 V. 4

security enhancements. Whatever light and air are currently provided by the ROW will remain largely the same following the vacation.

<u>Views:</u> Street and alleys provide view to mountains, bodies of water, and the city itself. The City will protect designated view corridors along specifically identified streets. The City will consider impacts of a street vacation on views of designated public places and designated landmarks.

The portion of street right-of-way proposed for vacation does not provide views of any natural feature such as mountains or water and there are no urban views of civic or community landmarks. The street is located in an industrial area on level property and extends between BNSF rail lines and a major arterial, 4th Avenue S. With or without the vacation or street use permits the views only include industrial property and uses. There are no views of importance that will be lost by vacating this portion of Diagonal Way South.

Land Use and Urban Form: Streets and alleys also play a significant role in the shape of the city. The City considers the relationship between the intended character of the area as described in Seattle's Comprehensive Plan and other adopted neighborhood, subarea, or community plans. The width and spacing of streets, the presence and absence of alleys, and the location and path of boulevards and other linear open spaces have significant impacts on neighborhoods and how they function. The Council will pay attention to vacations that disrupt an existing pattern of development in the neighborhood. The Council may place conditions on a vacation to mitigate negative land use effects.

The Office of Planning and Community Development (OPCD) and the Seattle Department of Construction and Inspections (SDCI) reviewed the proposal for compliance with land use and development regulations and with planning goals for the area and noted the vacation would support existing functions of the South Service Center that are compatible with the industrial and manufacturing uses in the greater Duwamish area.

Nearby developments consist of warehouse buildings that are generally two or three stories in height with no new buildings being proposed in the ROW. The proposed vacation allows for permanent use of the area for increased security and infrastructure to support the South Service Center. The Land Use Code allows for large industrial uses in this zone. The expansion of the SCL property with the vacation would expand the developable area by a small amount as compared to the overall size of many of the nearby properties. The use proposed by SCL is consistent with the size, scale, and character of existing development in the area.

The vacation does not impact any Comprehensive Plan policies regarding the use of the land as the vacation will help support an existing industrial use it is consistent with City policies for the area. The proposal is consistent with uses anticipated in the Land Use Code.

No adverse land use impacts were identified.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 15 of 21 V. 4

XII. PUBLIC BENEFIT ANALYSIS

The Street Vacation Policies note that a vacation shall include a commitment to provide public benefits. The concept of providing a public benefit is derived from the public nature of streets. Streets, whether improved or unimproved, provide important benefits to the public. Among the various benefits are preserving the street grid that provides for consistency in the development pattern and influences the scale and orientation of buildings. Streets provide for breathing space, open space and views, natural drainage, and wildlife corridors. These benefits are in addition to the public functions provided by streets including moving people and goods in vehicles, on foot, or by bicycle; and providing for current and future utility services, for street trees, and for other amenities.

Vacations cannot be granted for a purely private benefit. Before this public asset can be vacated for private purposes, there shall be a permanent or long-term benefit to the public. To best address the needs of the community, a strong focus on race and social equity is important in assessing the public benefits included as a part of vacation petition. The Vacation Policies stress the importance of the public benefit proposal responding to the needs of those most vulnerable to the negative impacts of development.

Proposed vacations may be approved only when they a provide a permanent or long-term public benefit. Because the public permanently loses the street, short-term public benefits or public benefits that solely benefit individuals will not be considered. The Vacation Policies specify that the following are not public benefits:

- Mitigating the vacation's adverse effects,
- Meeting code requirements,
- Paying the required vacation fee,
- Facilitating economic development, or
- Providing a public, governmental, or educational service.

The vacation review looks very closely at the proposed public benefit package. SDOT, various City staff, and the SDC considered the amenities proposed for the vacation and whether the package was adequate.

About one-half of all vacation petitions are for public or government projects. This includes everything from schools, libraries, and hospitals to City utilities such as SCL's Denny Substation and this current petition for the Diagonal Way South vacation. The Vacation Policies state that while the nature of the project is a factor in deciding the adequacy of a public benefit proposal, it is not itself a public benefit. This has been interpreted as a need to provide a public benefit that serves the general public and not merely a benefit to those who reside in the building or access the services. When no significant impacts have been identified projects such as SCL's Diagonal Way South have proposed smaller and more moderate public benefit packages that implicitly recognize the public benefit in supporting the proposal.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 16 of 21 V. 4

In Section IV, A the policies note, in part, that the following factors are not public benefits, but may be considered when reviewing the public benefit package:

- Project compliance with City policies and goals,
- Proposals designed to improve race and social equity, improve access to opportunity, and reduce the threat of displacement by increasing the supply of affordable housing beyond City requirements,
- Providing affordable housing, and
- Neighborhood support or opposition.

Public benefit elements must also exceed elements required by the Seattle Municipal Code or mitigation required under the State Environmental Policy Act or other regulations and is in addition to vacation fees and other obligations. The public benefit proposal should recognize the loss of the benefits provided by the street to the public and the gains received by the Petitioner. The public benefit proposal should reflect the comments, ideas, and concerns voiced by the public during the early community engagement work. The public benefit must be more than just compensatory and should provide something of benefit to the public.

In addition to addressing the scale or amount of public benefit that must be provided, the policies are clear that the public benefit elements proposed must clearly benefit the general public and not merely the project's tenants. The policies provide that the public benefit proposed for a vacation must be separate and above amenities provided to meet code or other requirements.

SCL proposes to convey real property for the public benefit. SCL owns a parcel of land in the Georgetown neighborhood known as the Flume property. The Flume property is located between East Marginal Way S and S Myrtle Street. The property is long and narrow and includes approximately 46, 338 square feet. To the east of the site is Boeing field and to the west of the site is commercial buildings, including a motel. In its petition, SCL provided some background on the Flume property and noted its historic connection to the Georgetown community and the Duwamish River. A wooden flume was part of the drainage system from the historic steam plant to the Duwamish River. The wooden flume was removed, and the property has been vacant for a number of years.

The Georgetown community has worked with SCL for many years in the hope that the Flume property could be put to a community use. It was hoped that an active use of the property would create opportunities for the community and had to deter unwanted activities.

The idea of SCL transferring the property for open space use has been supported from the very beginning of the vacation process. While the idea was supported there were questions for SCL about what it was willing to do beyond the property transfer to guarantee a useable public space. SDOT identified that the Vacation Policies contemplated that the public benefit should be accomplished at the same time as the project is developed. The SDC had questions about the funding and timing of the proposal and how the City departments were working together to create this space.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 17 of 21 V. 4

The community was a very powerful voice in saying we are ready for this to happen now and we do not want to wait for a useable public space.

SCL heard this feedback and greatly enhanced their original proposal. SCL continued to work with Parks and SDOT and has increased its financial support to make sure the public open can be developed and open in around 2022.

SDOT also continued its work on trail planning. SDOT notes that the Georgetown and South Park communities have been asking for a walking and biking connection for the past 20 years. SDOT has looked at options for a trail location and design. In 2018 the community was able to secure \$600,00 for outreach, planning, and early design of a trail. In 2020 through the budget process the City Council provided SDOT with \$5.2M for construction of the trail. This trail will provide an important and long missing link between the Georgetown and South Park communities. The connection will support community use of amenities such as the South Park library.

Parks also continued its work to look at the design and options for an off-leash area in the Flume property. Parks worked with the community on design and considered ideas for the surface treatment and landscaping.

SCL, SDOT, and Parks have signed an agreement relating to design and construction obligations at the Flume property. The public benefit obligations reflect this agreement and outline the financial contributions required of SCL and what SDOT and Parks must provide. The vacation conditions and the interdepartmental agreement address the initial vacation obligations and do not address other funding such as the \$5.2M for SDOT construction of the trail. Once the property is conveyed and the vacation obligations are completed, SCL does not have a role in continued design, construction, maintenance, or operation of either site. SDOT and Parks will be the owners of the asset and be responsible for all ongoing maintenance. The trail portion of the site will always be open and accessible to the public. Parks will manage the off-leash area consistent with its management of other off-leash areas and will post signage about hours of operations.

SCL's proposal to convey the real property to SDOT and Parks will require legislation and a public hearing. SCL has been working with Law on the timing and legislation for the property transfer. There will also need to be legislation that identifies an existing encroachment in the Flume property. The property conveyance should be a condition of the vacation that requires SCL to complete this work before the final vacation ordinance can be completed.

The chart below outlines the public benefit package and provides an estimate of the cost to provide the public benefits. None of the public benefit components are required to meet any code or other obligations.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 18 of 21 V. 4

Public Benefit Element	Department Obligations on Cost Sharing			
	SPR	SDOT	SCL	Total
Site preparation			\$480k	
Off Leash Area: • Pedestrian access, • Benches, • Water to site, & • ½ stormwater treatment	\$400k		\$195k	\$595k
Bike and Pedestrian Trail: • Street improvements, • Lighting, • Trees, & • ½ stormwater treatment		\$400k	\$1.283M	\$1.683M
Total development costs	\$400k	\$400k	\$1.958M	\$2.758M
Property transfer: • Approx.46,338 sq ft • Property to Parks for Off Leash Park (36,626 sq ft) • Property to SDOT for Bike and Pedestrian Trail (9,712 sq ft)			\$1.854M	\$1.854M
Grand total	\$400k	\$400k	\$3.812M	\$4.612M

The public benefit elements are intended to enhance the pedestrian and bike environment and provide a connection between the Georgetown and South Park communities and provide a park space for families and their dogs. This public benefit package responds to the priorities expressed by the community and reflect a great deal of cooperation between SCL, Parks, and SDOT. This very strong public benefit package meets the criteria established in the Vacation Policies outlining the public benefit obligations.

XIII. RECOMMENDATION

It is recommended that the vacation be granted upon the Petitioner meeting the following conditions. The Petitioner shall demonstrate that all conditions imposed by the City Council have been satisfied and all fees paid before the street vacation ordinance is passed.

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 19 of 21 V. 4

- 1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. This approval constitutes the substantive Council approval of the vacation, and the Petitioner may proceed with the permitting and development of the project, consistent with the conditions of this approval.
- 2. Any street improvements that may be required at the vacation site or at the public benefit site shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements and be reviewed and approved by SDOT through a Street Improvement Permit, as necessary.
- 3. The utility issues shall be resolved to the full satisfaction of the affected utility before the final vacation ordinance is approved. Before starting any development activity on the site, the Petitioner shall work with the affected utilities and provide protection for the utility facilities. SPU has a number of lines in the area and has requested a Memorandum of Understanding (MOU) to detail access for service and repair to its current facilities and the need for future facilities. A partial Transfer of Jurisdiction or other accountability measure may be required to implement the agreement. This may include an MOU, easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner.

SPU facilities include:

- 30" sewer main.
- 132" PSD,
- 48" PSD; and
- Need for future new water main in Diagonal Way South.
- 4. It is expected that development activity at the vacation site will commence within approximately 18 months of this approval and that development activity will be completed within 5 years. To ensure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide SDOT with regular reports, following City Council vacation approval, providing an update on the development activity, schedule, and progress on meeting the conditions and anticipated date of project completion and opening. The Petitioner shall not request or be issued a Final Certificate of Occupancy until SDOT determines that all conditions have been satisfied and all fees have been paid as applicable.
- 5. In addition to the conditions imposed through the vacation process, if the project as it proceeds through the permitting process is subject to SEPA review it may be subject to conditioning pursuant to City codes through the regulatory review processes.
- 6. The Petitioner shall convey the real property known as the Flume property to Parks and to SDOT as outlined in the signed agreement between the three departments. Once the property is conveyed the receiving department shall bear the responsibility to complete the public amenities and shall be responsible for ongoing maintenance. The SDOT trail

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 20 of 21 V. 4

connection shall be open to the public at all times. The Parks off-leash area shall be open and managed consistent with other off-leash areas and the public signage should indicate the hours of operation. Public signage shall be consistent with signage provided at SDOT trails and Park off-leash areas. The signage shall be clearly visible to the public. The property transactions to convey the real property must be completed before SCL may proceed with the final vacation ordinance.

7. Parks and SDOT shall be responsible for the process to meet with the community and complete the final design of the trail connection and the off-leash area and securing any necessary permits. The final design of the public benefit elements and schedule for construction shall be provided to SDOT Street Vacations to demonstrate compliance with the vacation conditions. SDOT Street Vacations may require additional review by the Design Commission if any significant changes are proposed. The public benefit requirements are outlined in the following chart.

PUBLIC BENEFIT MATRIX

Honorable Alex Pedersen SCL Diagonal Way S vacation July 28, 2021 Page 21 of 21 V. 4

Public Benefit Element	Department Obligations on Cost Sharing			
	SPR	SDOT	SCL	Total
Site preparation			\$480k	
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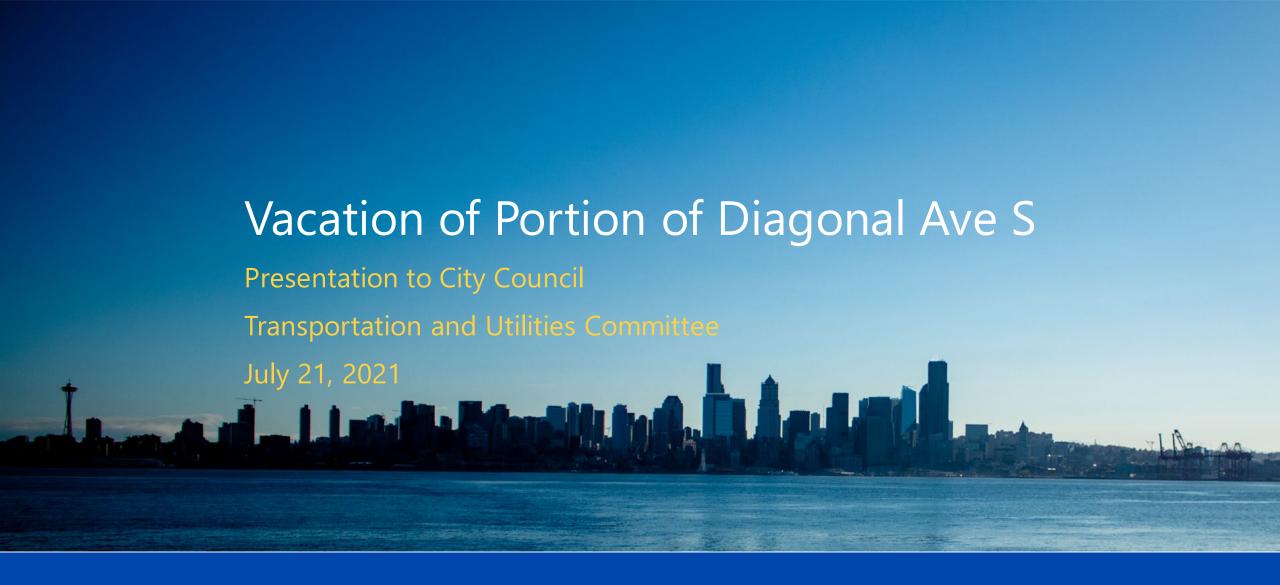
Sincerely,

Sam Zimbabwe (Jul 14, 2021 13:49 PDT)

Sam Zimbabwe

Director, City of Seattle Department of Transportation

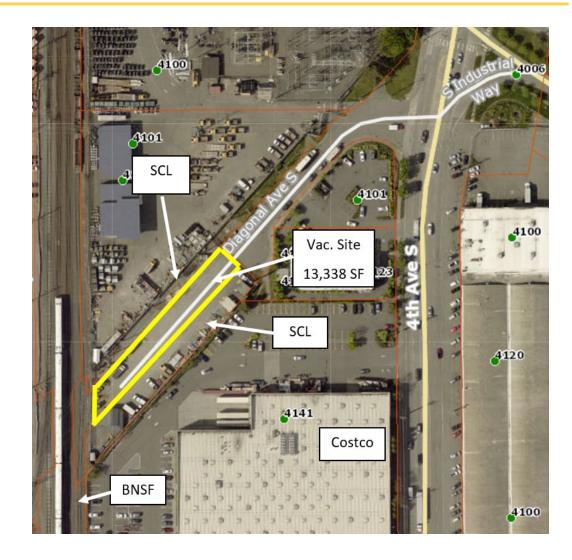
Enclosures





Vacation Location: 4101 Diagonal Ave South





Vacation Site Overview



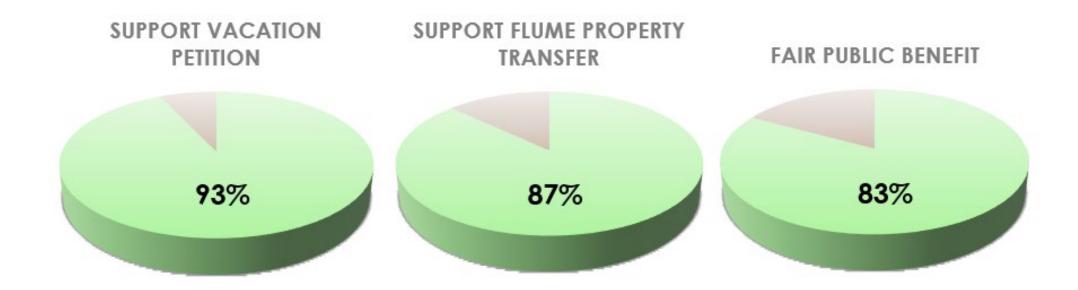
Vacation/No Vacation Comparison

	No-Vacation	Vacation
City Light Use	 Keep street use permit Low investment / no improvements 	 More efficient operation Investments in upgrades
SPU Infrastructure	Sewer & drainage lines & future water main in ROW	Utilities preserved
Public Benefit	• None	Off-Leash Area and trail segment in Georgetown

Carried out DON-approved Community Engagement Plan

- Mass mailing
- Flyers in multiple languages
- Door to door
- 2 public meetings
- Met local groups and 4 community leaders
- Social media and website
- Survey

Survey Showed Very Strong Community Support



Community Engagement Results

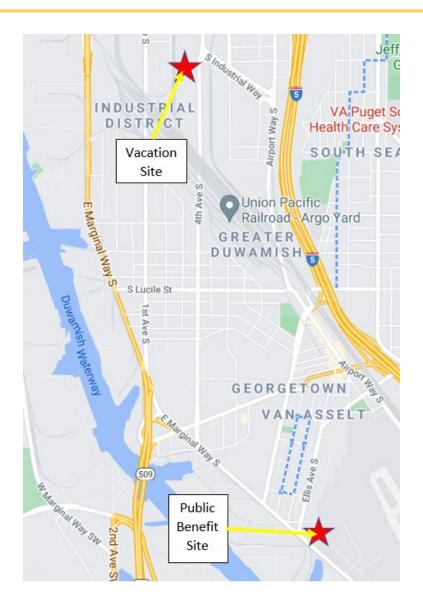
- Strong Georgetown community support for vacation and public benefit of Off-Leash Area and trail segment
- Community-driven project improvements:
 - Trees
 - Water to the site
 - Lighting
 - Full funding secured

Public Benefit: Off-Leash Area and Trail Segment in Georgetown



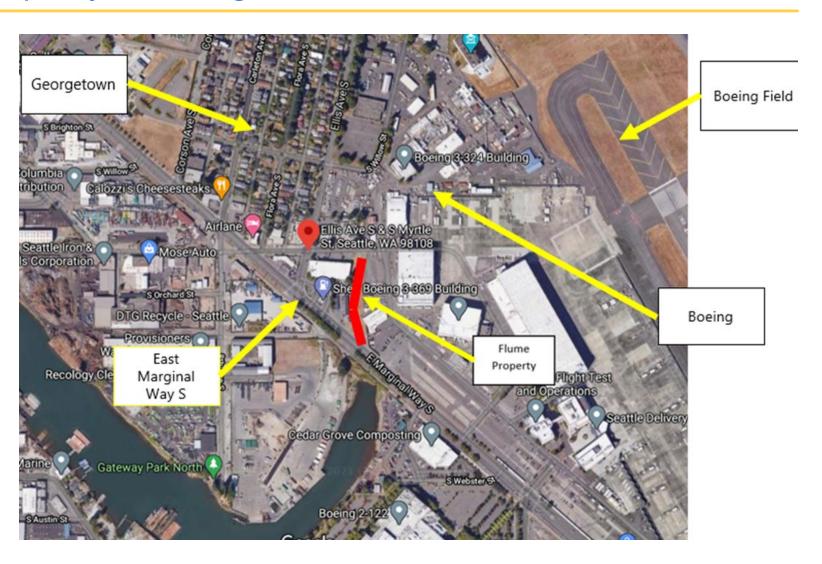


Vacation Site & Location of Public Benefit



City Light's "Flume" Property in Georgetown

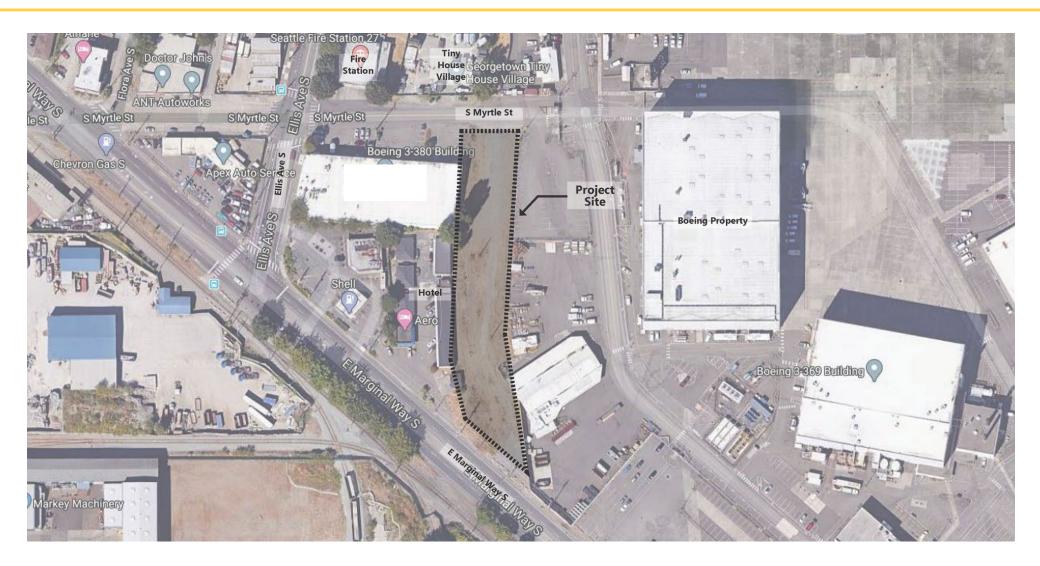
- Off-Leash Area
- Segment of GeorgetownSouth Park ConnectionTrail
- Both are longstanding community priorities
- Also, City Light \$ for development



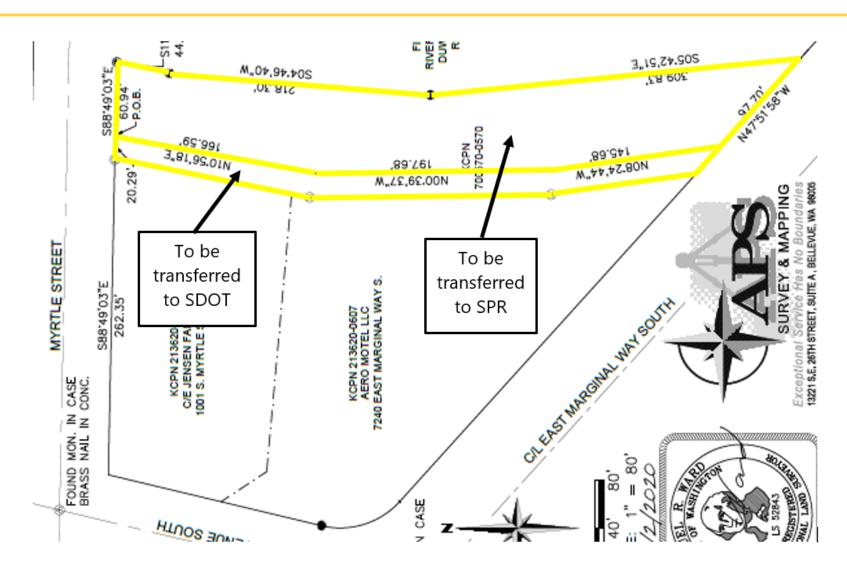
Segment of Georgetown – South Park Connection



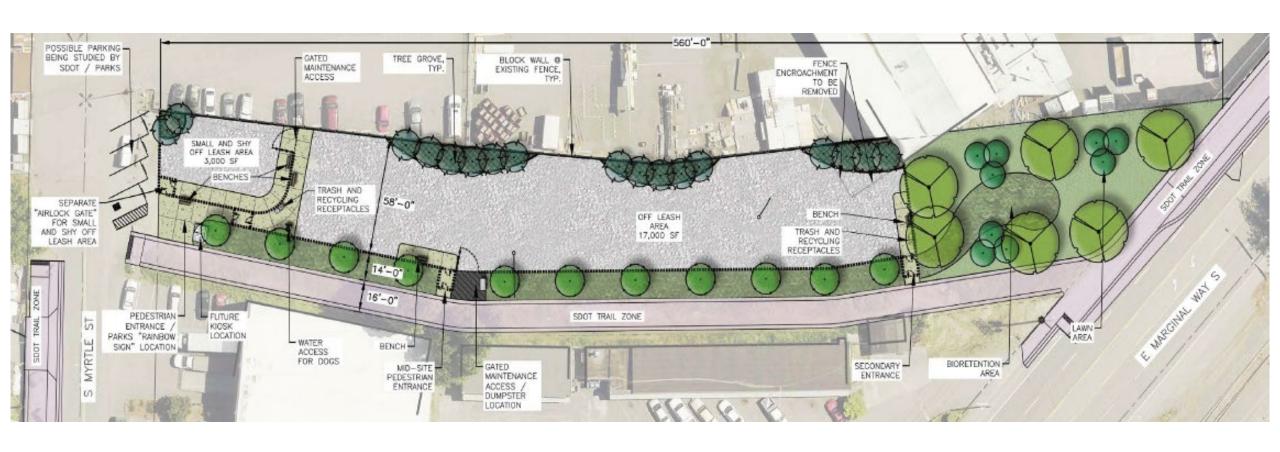
Public Benefit Site Overview



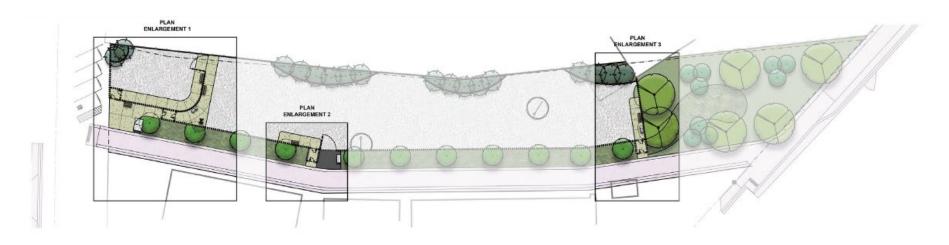
Parcels to be Transferred

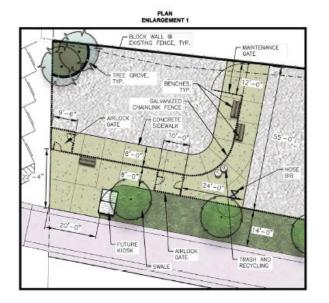


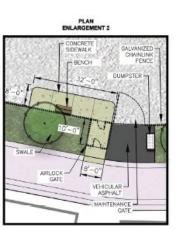
Off Leash Area & Trail Segment



OLA Design Details









Plan Enlargements

Proposed Site Furnishings









Benches

Bike Racks

Water for Dogs

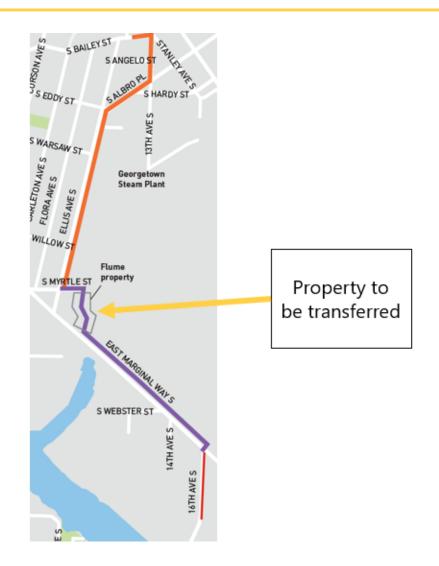




Airlock Gate

Parks Rainbow Sign

Segment of Georgetown – South Park Connection



Example of shared use path design:



Milestones

- •Ordinance to transfer off-leash area/trail property from City Light to Parks and SDOT to be considered in the near future
- Plan to complete design this year
- Construction planned for next year

Public Benefit Components and Departmental Responsibilities

Public Benefit Element	Department Obligations on Cost Sharing			
	SPR	SDOT	SCL	Total
Site preparation			\$480k	
Off Leash Area: Pedestrian access, Benches, Water to site, 1/2 stormwater treatment	\$400k		\$195k	\$595k
Bike and Pedestrian Trail: Street improvements, Lighting, Trees, '2 stormwater treatment		\$400k	\$1.283M	\$1.683M
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 Property transfer: Approx.46,338 sq ft Property to Parks for Off Leash Area Property to SDOT for Bike and Pedestrian Trail 			\$1.854M	\$1.854M
Grand total	\$400k	\$400k	\$3.812M	\$4.612M

THANK YOU





July 15, 2021

MEMORANDUM

To: Transportation and Utilities Committee

From: Lish Whitson, Analyst

Subject: Clerk File 314451: Petition of Seattle City Light to vacate a portion of Diagonal

Avenue South, west of 4th Avenue South

On July 21, the Transportation and Utilities Committee (Committee) will hold a public hearing and may vote on Clerk File (CF) 314451, a petition from Seattle City Light (SCL) to vacate the westernmost 330 feet of Diagonal Avenue S, west of 4th Avenue S. The vacation of this portion of the street would connect SCL's South Service Station which includes property on both sides of Diagonal Avenue S at this location. The Seattle Department of Transportation (SDOT) and the Seattle Design Commission (SDC) have reviewed the vacation petition in CF 314451 and recommend granting the vacation with conditions.

Public benefits proposed as part of the vacation process include transferring property currently owned by SCL in the Georgetown neighborhood (the "Flume" property) to SDOT and the Seattle Department of Parks and Recreation (Parks) and the development of a bike/pedestrian trail and off-leash area to serve the Georgetown neighborhood and improve pedestrian and bicycle connections between Georgetown and South Park.

This memorandum describes:

- 1. the street vacation review policies that guide the Council's decision;
- 2. the proposed vacation of Diagonal Avenue S;
- 3. the proposed public benefits associated with the proposal; and
- 4. the conditions proposed to be placed on the vacation.

Street Vacation Policies

From time to time, property owners seek to permanently acquire the street or alley next to their property from the City. The process to do so is laid out in the Revised Code of Washington Chapter 35.79, Seattle Municipal Code, Chapter 15.62, and the City Council's Street Vacation Policies. In 2018, the City Council updated its street vacation policies to provide greater clarity for petitioners, members of the public and decision-makers in proposing and reviewing street vacation petitions. The policies identify two related but independent questions that the Council must consider in reviewing a street vacation petition:

- 1. are the "public trust functions" of the right-of-way maintained? and
- 2. will the public receive a benefit from the vacation?

Public trust functions are the uses of right-of-way. The policies describe the public trust functions as follows:

Streets are dedicated in perpetuity for use by the public for travel, transportation of goods, and locating utilities. The dedication carries with it public rights to circulation, access, utilities, light, air, open space, views, free speech, and assembly, and contributes significantly to the form and function of the city. The primary concern of the City in vacation decisions is to safeguard the public's present and future needs and to act in the public's best interest. (p. 7)

Public benefits are a required component of street vacations to offset loss of public space. The policies describe public benefits as follows:

The City acts as a trustee for the public in its administration of rights-of-way. Courts have required that in each vacation there shall be an element of public use or benefit, and a vacation cannot be granted solely for a private use or benefit. Therefore, before this public asset can be vacated to a private party, there shall be a permanent or long-term benefit to the public.

The fact that these benefits are provided equally to all members of the public may be most important to those who have the least. To best address the needs of the community, a strong focus on race and social equity is important in assessing the public benefits included as part of a street vacation petition.

Proposed vacations may be approved only when they provide a permanent or long-term public benefit. Because the public permanently loses the street, short-term public benefits or public benefits that solely benefit individuals will not be considered. The following are not considered public benefits:

- Mitigating the vacation's adverse effects;
- Meeting code requirements for development;
- Paying the required vacation fee;
- Facilitating economic activity; or
- Providing a public, governmental, or educational service.

While the nature of the project is a factor in deciding the adequacy of a public benefit proposal, it is not itself a public benefit. (p. 22)

After a petitioner files a complete vacation petition, it is sent to SDOT and the SDC for review. SDOT collects comments from City Departments, private utilities, transit agencies, and others with an interest in the City's rights-of-way. After review and recommendation by these parties, the petition is returned and considered by the City Council. The Council is required to hold a public hearing on the petition, and then must act on the petition. State law states that approval of vacations is solely a legislative act.

If the Council decides it is appropriate to vacate the right-of-way, it will typically grant conditional approval. That approval is placed in the CF alongside the vacation petition. That conditional approval allows the petitioner to begin using the right-of-way. After all conditions have been met and all fees have been paid, SDOT will draft an ordinance for Council consideration that authorizes the transfer of ownership of the right-of-way to the petitioner.

Vacation of Diagonal Avenue S

SCL's South Service Center is in Council District 2 in the Duwamish Manufacturing/ Industrial Center. The Service Center is bounded on the north by S Spokane Street, on the east by 4th Avenue S, and on the west by the BNSF railway. It sits between the Spokane Street Viaduct and the Costco Wholesale Store on 4th Avenue S. The south edge of the Service Center is bounded partially by Diagonal Avenue S and partially by a strip of property located on the south side of Diagonal Avenue S. In the area bounded on both sides by Diagonal Avenue S, SCL holds a street use permit from SDOT to use the right-of-way for their operations and has fenced off this section of Diagonal. This is the portion of Diagonal that SCL seeks to vacate.

SCL has petitioned the Council for the vacation of this section of Diagonal Avenue S to justify improvements to this area. In their petition, SCL states:

At this point in time, significant investment in the Diagonal Avenue South property is necessary to improve drainage and pavement, and to provide greater security for the site. City Light also plans to add a temporary tension-fabric structure to the site to provide an indoor venue for the spray coating of steel plates. Some of these improvements are necessary pursuant to a recent site inspection made by the Washington State Department of Ecology. Safety improvements will be constructed in conformance with the standards set forth in City Light's Design and Construction Guidelines for Security Facilities, adopted by City Light's Office of Internal Compliance in 2013. From City Light's perspective, the level of investment necessary is justified only if it owns the property. (CF 314451, Vacation Petition, Page 7)

In their review of the petition, SDOT found that if SCL and Seattle Public Utilities sign a Memorandum of Understanding (MOU) or other agreements allowing for future access to the area to be vacated for SPU facilities, there would be no negative impacts from the vacation to the public trust functions of the right-of-way.

Proposed Public Benefits

In 2018, the <u>Duwamish Valley Action Plan</u> recommended developing SCL's Flume property into a community asset. That plan describes opportunities available at the Flume as follows:

The Georgetown Steam Plant Flume site was part of an abandoned 2,500-foot-long system of wood- or concrete-lined open ditches and buried pipes that discharged cooling water from the steam plant to the Duwamish River at Slip 4. The site went into disuse once the plant closed in the 1960s. In 2008, Seattle City Light (SCL) cleaned up

contaminants and replaced the flume with piped drainage as part of early actions to clean up the Duwamish River's Superfund site Slip 4.

Opportunities for new open space in Georgetown are limited. During the Georgetown Open Space Vision Framework process, community members identified this site as both an important pedestrian link between S Myrtle St. and East Marginal Way S and a potential location for an Off-Leash Area (OLA). While still a potential site for an interim OLA, there is a greater preference that it be used as a pedestrian link to the Georgetown to South Park Connection. (page 41)

SCL, SDOT, Parks and the Georgetown community members developed a strategy to convert the Flume property into an Off-Leash Area with a bicycle/pedestrian path that will link to the Georgetown to South Park Connection. This would occur as planned only if the vacation were approved. Improvements would be fully funded through a partnership between the three departments. Georgetown neighbors have indicated support for the proposal.

Proposed Conditions

The Director of SDOT has proposed seven conditions be placed on the vacation of Diagonal Avenue S, as shown on Attachment 1. Key conditions include (1) commitments to transfer the Flume property to SDOT and Parks and develop the trail and off-leash area; and (2) a requirement that utility issues under Diagonal Avenue S be resolved to SPU's satisfaction, including a MOU between SPU and SCL and possible partial transfer of jurisdiction.

If the Committee supports the proposed vacation, it should direct staff to add these conditions to CF 314451 for final consideration at City Council.

Next Steps

The Committee will hold a public hearing and may vote on CF 314451 at its July 21 committee meeting. If the Committee seeks to vote at its July 21 meeting, it should waive the Council Rule that limits committee votes on the same day as a public hearing. If it recommends approval, the legislation could be considered as early as the July 26 City Council meeting.

Attachments:

Draft conditions as proposed by SDOT

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

IN THE MATTER OF THE PETITION OF SEATTLE CITY LIGHT FOR THE VACATION OF A PORTION OF DIAGONAL WAY SOUTH, WEST OF 4TH AVENUE SOUTH IN SEATTLE CITY COUNCIL DISTRICT 2 AND THE GREATER DUWAMISH MANUFACTURING/INDUSTRIAL CENTER

CLERK FILE 314451

The City Council hereby grants approval of the petition from Seattle City Light, ("SCL" or "Petitioner") for Seattle City Light ("SCL" or "Petitioner") for the vacation of a portion of Diagonal Way South between 4th Avenue South and 2nd Avenue South, described as:

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under by City of Seattle Ordinance Number 112889, under King County Recording Number 86070I 0965, and amended by City of Seattle Ordinance 113226, under King County Recording Number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of Lot 2 of the plat of Fourth and Duwamish Investment Park, recorded under King County Recording Number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning;

Thence north 43°14'20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45'40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest comer of Lot 4, Block 304, of the unrecorded plat of Seattle Tide Lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45'40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence north 43°14'20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09'28" west 59.69 feet to the true point of beginning.

The proposed vacation is 330 feet in length and approximately 40 feet in width (the width tapers) for a total of approximately 13,300 square feet of right-of-way.

The vacation is granted upon the Petitioner meeting the following conditions. The Petitioner shall demonstrate that all conditions imposed on the vacation by the City Council have been satisfied: all utility work relating to the vacation including easements or other agreements is completed; all public benefit elements have been provided; any other agreements or easements have been completed and recorded as necessary; and all fees paid, prior to the passage of the street vacation ordinance.

1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. This approval constitutes the substantive Council approval of the vacation, and the Petitioner

Diagonal Way S Vacation Conditions for SCL, CF 314451 Beverly Barnett, SDOT July 15, 2021 Page 2 of 4

may proceed with the permitting and development of the project, consistent with the conditions of this approval.

- 2. Any street improvements that may be required at the vacation site or at the public benefit site shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements and be reviewed and approved by SDOT through a Street Improvement Permit, as necessary.
- 3. The utility issues shall be resolved to the full satisfaction of the affected utility before the final vacation ordinance is approved. Before starting any development activity on the site, the Petitioner shall work with the affected utilities and provide protection for the utility facilities. SPU has a number of lines in the area and has requested a Memorandum of Understanding (MOU) to detail access for service and repair to its current facilities and the need for future facilities. A partial Transfer of Jurisdiction or other accountability measure may be required to implement the agreement. This may include an MOU, easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner.

SPU facilities include:

- 30" sewer main,
- 132" PSD,
- 48" PSD; and
- Need for future new water main in Diagonal Way South.
- 4. It is expected that development activity at the vacation site will commence within approximately 18 months of this approval and that development activity will be completed within 5 years. To ensure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide SDOT with regular reports, following City Council vacation approval, providing an update on the development activity, schedule, and progress on meeting the conditions and anticipated date of project completion and opening. The Petitioner shall not request or be issued a Final Certificate of Occupancy until SDOT determines that all conditions have been satisfied and all fees have been paid as applicable.
- 5. In addition to the conditions imposed through the vacation process, if the project as it proceeds through the permitting process is subject to SEPA review it may be subject to conditioning pursuant to City codes through the regulatory review processes.
- 6. The Petitioner shall convey the real property known as the Flume property to Parks and to SDOT as outlined in the signed agreement between the three departments. Once the property is conveyed the receiving department shall bear the responsibility to complete the public amenities and shall be responsible for ongoing maintenance. The SDOT trail

connection shall be open to the public at all times. The Parks off-leash area shall be open and managed consistent with other off-leash areas and the public signage should indicate the hours of operation. Public signage shall be consistent with signage provided at SDOT trails and Park off-leash areas. The signage shall be clearly visible to the public. The property transactions to convey the real property must be completed before SCL may proceed with the final vacation ordinance.

7. Parks and SDOT shall be responsible for the process to meet with the community and complete the final design of the trail connection and the off-leash area and securing any necessary permits. The final design of the public benefit elements and schedule for construction shall be provided to SDOT Street Vacations to demonstrate compliance with the vacation conditions. SDOT Street Vacations may require additional review by the Design Commission if any significant changes are proposed. The public benefit requirements are outlined in the following chart.

PUBLIC BENEFIT MATRIX

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	SPR	SDOT	SCL	Total
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Off Leash Area	\$400K		\$195K	\$595K
Pedestrian access,				
Benches,				
Water to site, and				
• ½ stormwater treatment				
Bike and Pedestrian Trail:		\$400K	\$1.283M	\$1.683M
• Street improvements,				
• Lighting,				
• Trees, &				
• ½ stormwater treatment				
Total development costs	\$400K	\$400K	\$1.958M	\$2.758M
Property transfer:			\$1.854M	\$1.854M
• Total: Approx. 46,338 sq ft				
 Property to Parks for Off Leash Area: 				
36,626 sq ft				
 Property to SDOT for Bike and 				
Pedestrian Trail: 9,712 sq ft				
Grand total	\$400K	\$400K	\$3.812M	\$4.612M

Diagonal Way S Vacation Conditions for SCL, CF 314451 Beverly Barnett, SDOT July 15, 2021 Page 4 of 4

Granted by the City Council the	day of	, 2021,
and signed by me in open session in authen	tication of its pass	age this day of
, 2021.		
	President	of the City Council



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Inf 1850, Version: 1

Presentation: 2020 Outside Financial Audit of Seattle City Light

City of Seattle —
City Light Department
Transportation and Utilities
Committee
Report on 2020 Financial Audit

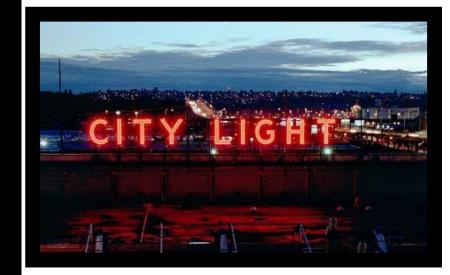
Presented by: Aaron Worthman, CPA, Partner Baker Tilly US, LLP

July 21, 2021



The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely. The intended recipients of this communication and any attachments are not subject to any limitation on the disclosure of the tax treatment or tax structure of any transaction or matter that is the subject of this communication and any attachments. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a members of the global network of Baker Tilly international Ltd., the members of which are separate and independent legal entities. © 2018 Baker Tilly Virchow Krause, LLP







Audit presentation topics

- > Audit overview
- > Internal control communication
- > Auditor Communication with Those Charged with Governance
- > Questions



Audit overview

- Management and staff were prepared, cooperative and readily available.
- > Audit schedule was maintained and communication between management and auditors was good.
- > Four weeks of "fieldwork" were conducted remotely (one week of preliminary and three weeks of final).
- > Last day of "fieldwork" was April 9, 2021.
- > No adjusting journal entries were noted.



Audit overview

- > Audit performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards.
- > Audit objective reasonable assurance that financial statements are free from material misstatement.
- > Financial statements received an Unmodified Opinion (clean opinion).



Main Areas of Audit Focus

- Control Environment
- Control Activities
- Information Technology
- Cash and Investments
- Capital Assets
- Revenues and Accounts
 Receivable
- Pension & OPEB
- Regulatory Accounting
- Environmental Liabilities

- Expenditures and Payables
- Payroll
- Financing
- Net Position
- Compliance with Laws and Regulations
- Contracts and Contingencies
- Financial Reporting



Internal control communication

Communicating Internal Control Related Matters Identified in an Audit

Material weaknesses noted in the Department's internal control:

> None noted

Significant deficiencies noted in the Department's internal control:

> None noted



Area to be Communicated	Auditor's Response
Auditor's View on Qualitative Aspects of Significant Accounting Policies	The significant accounting policies used in the preparation of your financial statements are discussed in Note 1 to the financial statements.
	Accounting estimates are an integral part of the financial statements prepared by management's knowledge and experience about past and current events and assumptions about future events. We feel that all estimates made by management are in accordance with generally accepted accounting principles.



Area to be Communicated	Auditor's Response
Significant Difficulties Encountered in Performing the Audit	> We encountered no difficulties in performing our audit.
Uncorrected Misstatements	> By Professional Auditing Standards, uncorrected misstatements refer to immaterial passed audit adjustments — a summary of the uncorrected financial statement misstatements is included with the Audit Results Letter.



Area to be Communicated	Auditor's Response
Disagreements with Management	> Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements were encountered during the course of the audit.
Other Findings or Issues	> There are no other issues to disclose as part of the audit in connection with these Professional Auditing Standards.



Area to be Communicated	Auditor's Response
Material Corrected Misstatements	> Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.
	> There were no adjustments as part of this year's audit.



Area to be Communicated	Auditor's Response
Management Representations	> We have requested certain representations from management that are included in the management representation letter. A copy of this letter is included with our Audit Results Letter.



Area to be Communicated	Auditor's Response
Management's Consultations with Other Accountants	 To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants on auditing and or the application of accounting principles during the past year. Professional standards require the consulting accountant to discuss any such contacts with the current auditor to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



Area to be Communicated	Auditor's Response
Auditor Independence	We are not aware of any relationships between Baker Tilly US, LLP and the Department that, in our professional judgment, may reasonably be thought to bear on our independence.



Audit summary

Thank you!

We appreciate the work done by the Department's accounting staff and management in preparing for and assisting in the audit!



The City of Seattle—City Light Department

Enterprise Fund of The City of Seattle

Financial Statements as of and for the Years Ended December 31, 2020 and 2019, Required Supplementary Information, Other Information, and Independent Auditors' Report

ENTERPRISE FUND OF THE CITY OF SEATTLE TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS – Required Supplementary Information	3 - 21
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019:	
Balance Sheets	22 - 23
Statements of Revenues, Expenses, and Changes in Net Position	25
Statements of Cash Flows	26 - 27
Notes to Financial Statements	28 - 82
Required Supplementary Information (Unaudited)	
Defined Benefit Pension Plan	83
Defined Benefit OPEB Plan	84
Other Information (Unaudited)	
Debt Service Coverage	85 - 86
Interest Requirements and Principal Redemption on Long-term Debt	87
Statement of Long-term Debt	88
Power Costs and Statistics	89
Historical Energy Resources	90
Customer Statistics	91
Taxes and Contribution to the Cost of Government	92 - 93
Public Purpose Expenditures	94 - 95
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	96 - 97



INDEPENDENT AUDITORS' REPORT

To the Transportation and Utilities Committee The City of Seattle – City Light Department

Report on the Financial Statements

We have audited the accompanying financial statements of The City of Seattle – City Light Department (the "Department"), an enterprise fund of The City of Seattle, Washington, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

- 1 -

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Department and do not purport to, and do not, present fairly the financial position of The City of Seattle, Washington, as of December 31, 2020 and 2019 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2021 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Madison, Wisconsin May 27, 2021

Baker Tilly US, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

The following discussion and analysis of the financial performance of The City of Seattle—City Light Department (the Department) provides a summary of the financial activities for the years ended December 31, 2020, and 2019. This discussion and analysis should be read in combination with the Department's financial statements, which immediately follow this section.

ORGANIZATION

The Department is the public electric utility of The City of Seattle (the City). As an enterprise fund of the City, the Department owns and operates generating, transmission, and distribution facilities and delivers electricity to approximately 478,000 customers in Seattle and certain surrounding communities, and other City agencies.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Department's accounting records are maintained in accordance with generally accepted accounting principles for proprietary funds as prescribed by the Governmental Accounting Standards Board (GASB). The Department's accounting records also follow the Uniform System of Accounts for Public Licensees prescribed by the Federal Energy Regulatory Commission (FERC).

This discussion and analysis serve as an introduction to the Department's financial statements, which are composed of the financial statements and the notes to the financial statements and include the following:

Balance Sheets, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows—The financial statements provide an indication of the Department's financial health. The balance sheets include all the Department's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position using the accrual basis of accounting, and indicate which assets may be utilized for general purposes and which are restricted due to bond covenants and other commitments. The statements of revenues, expenses, and changes in net position report all the revenues and expenses during the time periods indicated. The statements of cash flows report the cash provided and used by operating activities, as well as other cash sources, such as investment income and cash payments for bond principal and capital additions and betterments.

Notes to the Financial Statements—The notes to the financial statements provide additional information needed for a full understanding of the data provided in the financial statements.

COVID-19

COVID-19 had a significant effect on the Department's operations, operating results, and financial statements. Additional details are noted within the specific areas impacted in the following discussion.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

CONDENSED BALANCE SHEETS

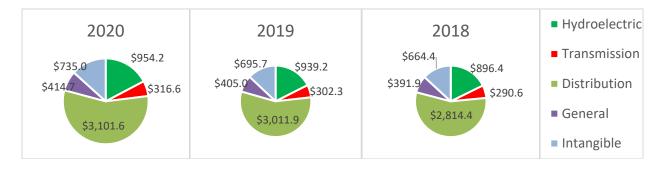
	December 31		
(\$ in millions)	2020	2019	2018
Assets:			
Utility plant—net	\$ 4,207.1	\$4,041.5	\$3,820.8
Restricted assets	324.8	276.5	263.7
Current assets	373.1	449.9	374.0
Other assets	427.1	432.0	432.0
Total assets	5,332.1	5,199.9	4,890.5
Total deferred outflows of resources	65.0	102.7	57.9
Total assets and deferred outflows of resources	\$ 5,397.1	\$5,302.6	\$4,948.4
Liabilities:			
Long-term debt	\$ 2,694.8	\$2,682.5	\$2,564.9
Noncurrent liabilities	407.9	459.8	365.8
Current liabilities	271.1	306.8	316.6
Other liabilities	38.0	35.2	37.8
Total liabilities	3,411.8	3,484.3	3,285.1
Total deferred inflows of resources	160.9	116.1	163.9
Net position:			
Net investment in capital assets	1,822.8	1,653.7	1,523.8
Restricted:			
Rate stabilization account	25.0	25.0	25.0
Total restricted	25.0	25.0	25.0
Unrestricted—net	(23.4)	23.5	(49.4)
Total net position	1,824.4	1,702.2	1,499.4
Total liabilities, deferred inflows, and net position	\$ 5,397.1	\$5,302.6	<u>\$4,948.4</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

ASSETS

Utility Plant—Net

2020 Compared to 2019 Utility plant assets net of accumulated depreciation and amortization increased \$165.6 million to \$4,207.1 million in 2020. Utility plant assets are composed of hydroelectric production plant, \$954.2 million, which increased \$15.0 million, transmission plant, \$316.6 million, which increased \$14.3 million, distribution plant, \$3,101.6 million, which increased \$89.7 million, general plant, \$414.7 million, which increased \$9.7 million, and intangible assets, \$735.0 million, which increased \$39.3 million. The net increase in utility plant assets was partially offset by a \$123.6 million net increase in accumulated depreciation and amortization to \$2,103.0 million.



The \$89.7 million increase in distribution plant is primarily due to overhead and underground systems, \$48.9 million, network systems, \$23.5 million, poles, streetlights, and meters, \$17.3 million. An increase of \$39.3 million in intangibles is primarily due to licensing costs. An increase of \$15.0 million in hydro assets is primarily due to Ross water pipe replacement, \$5.6 million and Diablo units 31 and 32 rebuild, \$3.1 million.

Other components of utility plant include construction work-in-progress, \$612.6 million, which increased \$119.2 million, land and land rights, \$153.9 million, which increased \$1.3 million. The increase in construction work-in-progress is primarily due to \$321.8 million in additions, partially offset by capitalization of \$202.7 million. The additions in construction work-in-progress consist mainly of \$110.7 million in underground and overhead systems, primarily due to Denny network, \$52.4 million in billable service connections, \$44.2 million in generation projects primarily due to Boundary units 51, 52 and 54 rebuild, \$29.8 million in intangibles, \$25.8 million in general plant, \$18.1 million in data processing systems, \$13.8 million in transmission, and \$13.7 million in street lighting.

See Note 3 Utility Plant of the accompanying financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

2019 Compared to 2018 Utility plant assets net of accumulated depreciation and amortization increased \$220.7 million to \$4,041.5 million in 2019. Utility plant assets were comprised of hydroelectric production plant, \$939.2 million, which increased \$42.8 million, transmission plant, \$302.3 million, which increased \$11.7 million, distribution plant, \$3,011.9 million, which increased \$197.5 million, general plant, \$405.0 million, which increased \$13.1 million, and intangible assets, \$695.7 million, which increased \$31.3 million. The net increase in utility plant assets were partially offset by an \$85.6 million net increase in accumulated depreciation and amortization to \$1,979.4 million.

The \$197.5 million increase in distribution plant is primarily due to service installations, \$89.2 million, meters, \$50.6 million. An increase of \$42.8 million in Hydro assets is primarily due to Diablo Unit 32 rebuild and Boundary improvements, \$28.1 million. An increase of \$31.3 million in Intangibles is primarily due to Boundary licensing, \$18.2 million. Other components of utility plant include Construction work-in-progress, \$493.4 million, which increased \$7.2 million, land and land rights, \$152.6 million, which increased \$2.4 million, nonoperating property, \$16.8 million, which increased \$0.3 million, The increase in construction work-in-progress is primarily due to \$373.6 million in additions, partially offset by capitalization of \$366.4 million. The additions in Construction work-in-progress consist mainly of \$122.0 million in underground and overhead systems, primarily due to Denny network system, \$55.6 million in billable service connections; \$40.6 million in generation projects primarily due to Boundary units 51 and 54, and Diablo unit 32 rebuild; \$35.0 million in intangibles mainly due to Boundary licensing; \$32.0 million in stations; \$25.3 million in transmission; \$23.9 million in general plant; and \$13.7 million in street lighting.

Restricted Assets

2020 Compared to 2019 Restricted assets consisting of restricted cash increased by \$48.3 million to \$324.8 million.

Construction funds increased by \$16.1 million to \$38.3 million. The ending balance was for unspent proceeds from the 2020A bonds that will continue to be used in 2021 to fund a portion of the ongoing capital improvement program. Also, within the ending balance was a positive fair value adjustment for the Department's share of City pooled cash investments attributed to remaining bond proceeds.

The Rate Stabilization Account (RSA) increased by a net \$22.7 million to \$96.8 million. A surcharge on electric rates of 3.0% in 2020 reflects the original 1.5% surcharge in effect since August 2016 plus an additional 1.5% surcharge imposed in November 2019. Additions to the RSA came from rate surcharge revenues of \$23.5 million plus interest earnings of \$1.5 million. These were offset by transfers of funds to operating cash of \$2.3 million due to the difference between actual and budgeted net wholesale revenues. See Note 4 Rate Stabilization Account of the accompanying financial statements.

Other restricted assets increased by \$9.5 million to \$189.7 million. The Bond reserve account increased by \$7.3 million primarily from the additional deposit of the 2020A bonds. The debt service account increased by \$2.2 million.

2019 Compared to 2018 Restricted assets consisting of restricted cash increased by \$12.8 million to \$276.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

Construction funds increased by \$21.6 million to \$22.2 million. At the end of 2019, the balance was primarily from unspent proceeds from the 2019A bonds that will continue to be used in early 2020 to fund a portion of the ongoing capital improvement program.

Bond reserve account increased by \$18.4 million to \$146.5 million from 2018. Increases were from 2019 bond proceeds, interest earnings, and ongoing funding from operating cash to replace the existing surety bond expiring in 2029. The respective additions were \$5.5 million, \$2.9 million and \$10.0 million.

The Rate Stabilization Account (RSA) decreased by a net \$22.8 million to \$74.1 million. A surcharge on electric rates of 1.5% remained in effect since August 2016 and an additional 1.5% surcharge was imposed in November 2019 because the RSA balance fell below the next trigger level of \$80.0 million at the end of the 3rd quarter. The total 3.0% surcharge is expected to remain in effect through 2020. Additions to the RSA came from rate surcharge of \$14.2 million and interest earnings of \$2.0 million. These were offset by transfers of funds to operating cash of \$39.0 million due to the difference between actual and budgeted net wholesale revenues. See Note 4 Rate Stabilization Account of the accompanying financial statements.

Other restricted assets decreased by \$4.4 million to \$33.7 million. Restricted cash for ongoing pole attachment projects with communications customers was nearly 100% drawn at the end of the year for a decrease of \$4.7 million. Sundry prepayments were lower by \$1.6 million as a result of higher completed service connections compared to 2018. These were offset by \$1.9 million net increases in other and mostly for a favorable unrealized gain adjustment from the Department's share of investments in the City's cash pool.

Current Assets

2020 Compared to 2019 Current assets decreased by \$76.8 million to \$373.1 million at the end of 2020.

Operating cash decreased by \$87.8 million to \$102.4 million. Increased inflows to cash were from the 5.5% system average rate increase effective January 1, 2020, RSA surcharges, net wholesale revenues, capital contributions, interest earnings, and reimbursement from the Construction account for capital expenditures. Substantial capital expenditure reimbursements were made from the Construction account during the 4th quarter from the 2020A bonds. These were offset by payments for higher debt service including advance repayments of \$88.6 million of certain prior lien bonds, as well as transfers to RSA, capital construction projects, purchased power contracts, and ongoing operations.

Accounts receivable, net, increased by \$12.3 million to \$144.8 million. The highest increase in the amount of \$6.4 million, net, was for retail electric accounts, which were greatly impacted by pandemic response efforts. Retail electric receivables increased by \$21.4 million, offset by an increase in the allowance of \$12.8 million and decrease of \$2.3 million from increased customer participation in the Utility Discount Program and deferred payment plans. The rate increase in 2020 and the impact of collections forbearance also contributed to the net increase in retail electric accounts.

Sundry receivables increased a net \$1.6 million consisting mainly of higher large project service connections of \$6.9 million offset by an increase in the allowance of \$1.5 million, and payment of \$3.8 million in Sound Transit electrical work, some of which pertained to prior years. COVID-19 also affected the higher allowance as collection efforts were suspended for sundry billings.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

The remaining increase in accounts receivable of \$4.4 million is for power related receivables for short-term wholesale energy. This increase is attributable to higher power market prices, \$2.0 million, wind generation stored power, \$1.4 million, and receivable from the Federal Energy Regulatory Commission related to current year land use fees, \$1.0 million.

Unbilled revenues decreased by \$5.1 million due to lower consumption by commercial and industrial customers, responding to pandemic stay at home orders. Materials and supplies increased by \$3.8 million for projects in progress.

2019 Compared to 2018 Current assets increased by \$75.9 million to \$449.9 million at the end of 2019.

Operating cash increased by \$55.1 million to \$190.2 million. Increased inflows to cash were from the 5.8% system average rate increase effective since January, RSA surcharges, capital contributions, interest earnings, and reimbursement from the Construction account for capital expenditures. Significant capital expenditures reimbursements were made from the Construction account during the 4th quarter from the 2019A bonds. These were offset by lower net wholesale energy sales and payments for higher debt service, transfers to RSA, capital construction projects, and ongoing operations.

Accounts receivable, net, increased by \$3.9 million to \$132.5 million. The highest increase was for completion of large service connections in progress of \$12.4 million due in part to the ongoing strong local economy.

Retail electric receivables decreased a net \$1.3 million from a year ago. Collection efforts on these receivables resumed to normal activities in late 2018 and continued throughout 2019 as the Department's response to customer's concerns on charges from the new billing system and AMI installations were stabilized. The result was lower retail electric receivables of \$7.3 million. A result of renewed collection efforts was that the allowance for bad debt decreased by \$6.0 million from 2018 that also contributed to the decline in net retail electric receivables.

Other decreases in accounts receivable were \$4.6 million for interdepartmental receivables as a result of higher emphasis for settlement of these receivables by the end of the year. Remaining net decrease of \$2.6 million was due to normal operations.

Unbilled revenues increased by \$18.0 million to \$92.6 million. The increase was mainly attributable to the higher retail electric rates in 2019 and higher unbilled consumption due to colder weather for the last two months of 2019 compared to 2018.

Other current assets decreased by \$1.1 million to \$34.6 million as a result of lower materials and supplies inventory at year end used for ongoing projects.

Other Assets

2020 Compared to 2019 Total Other assets of \$427.1 million decreased by \$4.9 million from 2019. Conservation costs decreased by \$2.9 million for amortization and by \$1.8 million for ongoing payment of loans from local jurisdictions for underground infrastructure improvements. This decrease was partially offset by an increase of \$1.6 million for environmental cleanup costs estimated for several Duwamish River Superfund sites for which the Department has been named a responsible party. Environmental cleanup costs are recovered through rates over a 25-year period. See Note 15 Environmental Liabilities of the accompanying financial statements.

See Note 7 Other Assets of the accompanying financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

2019 Compared to 2018 Total Other assets at \$432.0 million did not change from 2018. The regulatory asset for environmental cleanup costs increased by \$2.3 million, due to the estimated costs to clean up several Superfund sites along the Duwamish River that the Department has been designated a responsible party. Environmental cleanup costs are being recovered through rates over a 25-year period. See Note 15 Environmental Liabilities of the accompanying financial statements.

An offsetting decrease of \$2.3 million was primarily for ongoing payment of loans from local jurisdictions for underground infrastructure improvements. Conservation costs, net, decreased by \$0.1 million.

Deferred Outflows of Resources

2020 Compared to 2019 Deferred outflows of resources decreased by \$37.7 million to \$65.0 million.

Pension related deferred outflows decreased net \$33.8 million primarily because of a year over year decrease in the actuarially determined net difference between projected and actual investment earnings of \$33.9 million. This results from strong equity market performance in 2019, the year used as the measurement for actuarial expectations. The most recent actuarial experience study was used to update assumptions including for salary increase, mortality, and retirement rates. See Note 13 Seattle City Employees' Retirement System of the accompanying financial statements.

Deferred outflow of resources pertaining to GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB) increased by \$0.6 million from 2019 for actuarial differences between expected and actual experience, based on the most recent actuarial experience study.

Charges on advance refunding decreased a net \$4.5 million to \$20.1 million. Activity for 2020 consisted of amortization and adjustment for advanced refunding of certain bonds.

2019 Compared to 2018 Deferred outflows of resources increased by \$44.8 million to \$102.7 million.

In 2019, pension related deferred outflows increased net \$51.2 million because of year over year increase in actuarially determined net difference between projected and actual investment earnings of \$33.9 million. This is the result of lower equity market performance in 2018 used as the measurement date as compared to actuarial expectations. Additionally, an increase of \$17.4 million is generally attributable to changes in actuarial assumptions. The most recent actuarial experience study was used to update assumptions including for salary increase, mortality, and retirement rates.

Deferred outflow of resources pertaining to GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB) had an inconsequential change from 2018.

Charges on advance refunding decreased a net \$6.4 million to \$24.6 million. Activity for 2019 consisted of amortization and adjustment for advanced refunding of certain bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

LIABILITIES

Long-Term Debt

2020 Compared to 2019 Long-term debt increased a net \$12.3 million to \$2,694.8 million during 2020.

The Department issued new debt in the amount of \$198.3 million revenue bonds to fund a portion of the ongoing capital improvement program. The 2020 bond issue was fixed rate in nature. \$39.4 million of the 2012A revenue bonds and \$49.9 million of the 2013 revenue bonds were advance refunded.

Debt to capitalization ratio was 58.3% at the end of 2020, a decrease from the 60.1% ratio of 2019.

Net revenues available to pay debt service were equal to 1.73 times principal and interest on all bonds for 2020. COVID-19 and associated pandemic response efforts had a significant effect on financial results, as noted in results of operations, and therefore, the lower coverage ratio for 2020.

See Note 9 Long-Term Debt of the accompanying financial statements.

2019 Compared to 2018 Long-term debt increased a net \$117.6 million to \$2,682.5 million during 2019.

The Department issued new debt in the amount of \$210.5 million revenue bonds and \$140.3 million refunding revenue bonds to fund a portion of the ongoing capital improvement program and to advance refund certain bonds. The 2019 bond issues were fixed rate in nature. \$155.8 million of the 2010B revenue bonds were refunded with lower interest rate debt over the life of the new bonds.

Debt to capitalization ratio was 60.1% at the end of 2019, a decrease from the 62.4% ratio of 2018.

Net revenues available to pay debt service were equal to 2.10 times principal and interest on all bonds for 2019.

Noncurrent Liabilities

2020 Compared to **2019** Total non-current liabilities decreased by \$51.9 million to \$407.9 million at the end of 2020.

Net Pension Liability decreased by a net \$56.4 million based on the most recent actuarial report, this decrease was due largely to strong investment returns from the preceding year. See Note 13 Seattle City Employees' Retirement System of the accompanying financial statements.

Environmental Liability decreased by a net \$0.8 million to \$104.3 million. Environmental liabilities are principally attributable to the estimated cost of remediating contaminated sediments in the lower Duwamish Waterway, a designated federal Superfund site. The Department is considered a responsible party for contamination in the Duwamish River due to land ownership and use of property located along the river. See Note 15 Environmental Liabilities of the accompanying financial statements.

Liabilities for damage claims/lawsuits and worker's compensation increased by \$1.6 million based on most recent estimates.

The remaining net increase of \$3.7 million was primarily for an increase in the estimate for compensated absences which reflected staff reducing their vacation use during the pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

2019 Compared to 2018 Total non-current liabilities increased by \$94.0 million to \$459.8 million at the end of 2019.

Net Pension Liability increased by a net \$89.1 million based on the most recent actuarial report and due largely to the negative investment returns during 2018, the measurement year. See Note 13 Seattle City Employees' Retirement System of the accompanying financial statements.

Environmental Liability increased by a net \$3.0 million to \$105.1 million. Environmental liabilities are principally attributable to the estimated cost of remediating contaminated sediments in the lower Duwamish Waterway, a designated federal Superfund site. The Department is considered a potentially responsible party for contamination in the Duwamish River due to land ownership or use of property located along the river.

Liabilities for damage claims/lawsuits and worker's compensation remained virtually unchanged at \$6.8 million.

The balance net increase of \$1.9 million was for nominal changes for compensated absences, post-employment benefits, estimated arbitrage liability for certain bonds, and other.

Current Liabilities

2020 Compared to **2019** Current liabilities decreased by a net of \$35.7 million for a total of \$271.1 million at the end of 2020.

Current liability increases totaled \$12.9 million. The increase includes \$9.5 million for pole attachment projects in progress with telecommunication companies, \$1.2 million for retail electric customer prepayments, and \$2.2 million for higher interest payable as a result of greater bonds outstanding at the end of the year.

Current liability decreases totaled \$48.6 million. \$15.4 million was for lower vouchers payable as invoices were processed more timely than the prior year, \$13.1 million for lower payroll accrual, a large portion of which was due to no COLA accrual for 2020, \$6.7 million for payment of call center services payable to Seattle Public Utilities, \$4.8 million for lower debt due within one year, \$3.2 million for lower retainage payable, \$2.5 million for lower state taxes payable, and \$2.9 million for other payables.

2019 Compared to **2018** Current liabilities decreased by a net of \$9.8 million for a total of \$306.8 million at the end of 2019.

Current liability increases totaled \$31.9 million. The increases included \$13.5 million additional general vouchers payable, \$5.7 million in salary COLA accrual, \$6.2 million primarily for Call Center services, \$3.2 million for current portion of bonds, \$2.3 million for taxes, and other payables of \$1.0 million.

Current liability decreases totaled \$41.7 million. \$33.4 million was for lower interdepartmental payables due to a change to settle these payables at year end, \$2.3 million for lower debt interest payable, \$2.0 million for lower short-term environmental liabilities, \$2.0 million for customer prepayments, and other payables of \$2.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

Other Liabilities

2020 Compared to **2019** Other liabilities increased by \$2.8 million to \$38.0 million, which reflects a net increase in capital contributions for projects in progress. Increases of \$2.9 million for higher unearned capital contributions for large service connections and \$1.3 million primarily for smaller service connections were partially offset by \$1.4 million in higher actual billings issued against prepayments received for estimated larger service connections.

2019 Compared to **2018** Other liabilities decreased by \$2.6 million to \$35.2 million in 2019. The decrease was due to \$2.0 million greater realization of capital contributions revenue for larger service connection projects in progress and higher actual billings issued against prepayments received for completed service connection work.

Deferred Inflows of Resources

2020 Compared to **2019** Deferred inflows of resources increased by \$44.8 million for a total of \$160.9 million at the end of 2020.

Deferred inflows related primarily to pension liability increased by \$18.5 million to \$44.7 million. \$23.0 million was due to higher actuarially determined net difference between projected and actual investment earnings and \$1.8 million related to differences between expected and actual experience. These were offset by \$6.3 million for lower changes between employer contributions and proportionate share of contributions.

Deferred inflows of resources pertaining to OPEB increased by \$0.3 million from 2019 for actuarial changes of assumptions, based on the most recent actuarial experience study.

The rate stabilization unearned revenue account increased a net \$22.7 million from 2019. The 1.5% surcharge on electric rates in effect since August 2016 and the additional 1.5% surcharge in effect since November 2019 contributed \$23.5 million, with an offset of \$2.3 million transferred to operating revenues for actual net wholesale revenues being less than budget. \$1.5 million in interest income was transferred to the unearned revenue account resulting in an ending balance of \$71.8 million. See Note 4 Rate Stabilization Account of the accompanying financial statements.

Other deferred inflows of resources increased by \$3.3 million to \$40.9 million mostly due to net payments received from Bonneville in accordance with the Department's Energy Conservation Agreement.

2019 Compared to 2018 Deferred inflows of resources decreased by \$47.8 million for a total of \$116.1 million at the end of 2019.

Deferred inflows related primarily to pension liability decreased by \$28.9 million to \$26.2 million. \$20.5 million is due to lower actuarially determined net difference between projected and actual investment earnings and reduced changes in employer proportion and differences between employer contributions and proportionate share of contributions totaling \$9.2 million. The \$0.8 million increase in deferred pension inflows of resources was the result of differences between expected and actual experience.

In 2018, the Department implemented GASB Statement No. 75 and initially recorded deferred inflows of \$2.9 million with a minimal change of \$0.3 million increase in 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

The rate stabilization unearned revenue account decreased a net \$22.8 million from 2018. The 1.5% surcharge on electric rates in effect since August 2016 and the additional 1.5% surcharge since November contributed \$14.2 million, with an offset of \$39.0 million transferred to operating revenues for actual net wholesale revenues being less than budget. \$2.0 million in interest income was transferred to the unearned revenue account resulting in an ending balance of \$49.1 million. See Note 4 Rate Stabilization Account of the accompanying financial statements.

Other deferred inflows of resources increased by \$3.6 million to \$37.6 million. \$1.9 million was because of recognition of an accounting gain on advance refunding of the 2010B bonds. Remaining balance of \$1.7 million increase was mostly due to net payments received from Bonneville in accordance with the Department's Energy Conservation Agreement.

RESULTS OF OPERATIONS

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended December 31			
(\$ in millions)	2020	2019	2018	
Operating revenues	\$ 1,015.7	\$ 1,079.5	\$ 991.6	
Nonoperating revenues	26.7	25.8	17.6	
Total revenues	1,042.4	1,105.3	1,009.2	
Operating expenses	880.3	873.3	823.2	
Nonoperating expenses	93.7	93.0	83.4	
Total expenses	974.0	966.3	906.6	
Income before capital contributions and grants	68.4	139.0	102.6	
Capital contributions	53.3	63.4	59.6	
Capital grants	0.5	0.4	-	
Total capital contributions and grants	53.8	63.8	59.6	
Change in net position	\$ 122.2	\$ 202.8	\$ 162.2	

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

SUMMARY

2020 Compared to 2019 Change in net position for 2020 was \$122.2 million, a significant decrease of \$80.6 million or 39.7% from 2019 Change in net position of \$202.8 million. The COVID-19 pandemic had a substantial negative effect on the Department's operations. Operating revenues were considerably lower due largely to a significant reduction in non-residential retail sales. RSA transfers were also lower in 2020 primarily from significantly higher net wholesale revenues. Lower operating revenues were further exacerbated by higher expenses for bad debt, as the pandemic caused many customers to fall behind on their bills and City Light reduced its collection operations in response. Administrative and general, net were higher in large part due to COVID-19 administrative response expenses, including a shift away from CIP-related work. As mentioned above, net wholesale revenues were up compared to 2019, primarily on account of strong hydro conditions leading to lower short-term power purchases. Capital contributions were also lower and along with higher generation, depreciation, taxes, interest expense, and other expenses were contributors to the lower Change in net position.

2019 Compared to 2018 Change in net position for 2019 was \$202.8 million, an increase of \$40.6 million or 25.0% from 2018 Change in net position of \$162.2 million. Higher retail electric sales due to rate increases, including for the 3.0% RSA surcharge, unbilled revenue, transfers from RSA, interest earnings, capital contributions, and other combined with lower bad debt expense were the major reasons for the higher revenues. Offsetting the higher revenues were lower net Short-term wholesale power revenues and higher expenses for administrative & general, interest, depreciation, and taxes.

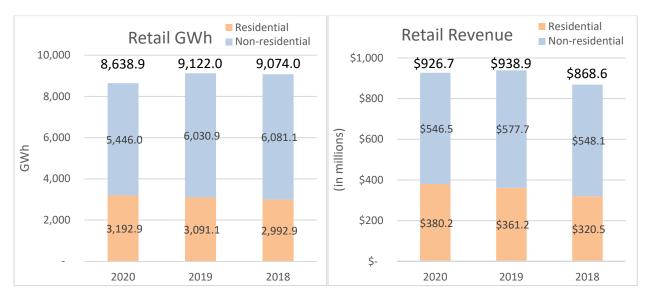
REVENUES

2020 Compared to 2019 Total operating revenues were \$1,015.7 million, a decrease of \$63.8 million or 5.9% from 2019. Retail power revenues at \$926.7 million decreased \$12.2 million, Short-term wholesale power revenues at \$51.3 million increased \$8.1 million, Other power-related revenues at \$40.8 million decreased \$11.4 million, Transfers from/(to) RSA at (\$22.7) million were reduced by \$45.5 million, and Other operating revenues at \$19.6 million decreased \$2.8 million.

Lower Retail power revenues of \$12.2 million were the net result of higher billed residential revenues of \$30.3 million, offset by lower nonresidential revenues of \$19.5 million, and lower unbilled revenue of \$23.0 million. The effect of the COVID-19 pandemic, specifically remote work and schooling, caused residential customers to spend more time in their homes, increasing delivered consumption by 3.3% compared to 2019. Conversely, many nonresidential customers reduced normal operations in response to public health measures, resulting in 9.7% lower delivered consumption. In total retail delivered consumption decreased by 5.3%. The BPA rate pass-through negative adjustment of 1.9% effective November 2019 also contributed to lower retail revenue. Partially offsetting the lower retail consumption was the 5.5% average rate increase in January 2020 and an additional 1.5% RSA surcharge which was effective November 2019. The pandemic also contributed to increased Utility Discount Program participation resulting in higher rate discounts, partially offsetting the higher residential consumption. Lower unbilled revenue followed the same general trend as billed revenue at the end of the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

Transfers from/(to) rate stabilization account are affected by actual net wholesale power revenues compared to budget. In 2020, \$22.7 million was transferred from operating cash to the RSA. Actual net wholesale power revenues for 2020 were closer to budget than 2019 by \$36.7 million and RSA surcharge revenues were \$9.3 million higher in 2020 than 2019. Interest earned on the RSA was \$0.5 million lower in 2020 than 2019. In 2019, \$22.8 million was transferred from the RSA to operating cash largely as a result of wholesale power revenues being lower than budget along with the effect of surcharge revenues and interest earnings. The net effect between years was a reduction of \$45.5 million to revenues.



Short-term wholesale power revenues represent revenue received from the sale of power generated in excess of system sales and other obligations and were \$51.3 million, an increase of \$8.1 million than the \$43.2 million recorded in 2019. Short-term wholesale power revenues fluctuate with changes in water conditions, retail sales and economic factors such as the price of natural gas. The considerable increase in short-term wholesale power revenues was in large part due to lower retail electricity demand due to COVID-19, more favorable hydro conditions and the Department's entrance in the western Energy Imbalance Market (EIM) with California System Operator (CAISO) in April.

City Light is active in the wholesale power market both buying and selling energy. For a more comprehensive overview of wholesale transactions City Light management often reviews net wholesale revenue, where wholesale purchases are deducted from wholesale sales and adjusted for book-outs. Net wholesale revenues were \$47.7 million in 2020, \$32.2 million higher than the \$15.5 million recorded in 2019. Wholesale Power Purchases are discussed below.

Net Wholesale Revenue, \$ Million

	2020		2019	2018
Wholesale Power Revenue	\$	51.3 \$	43.2 \$	61.0
Wholesale Power Purchases		(10.0)	(34.3)	(18.5)
Booked out Long-Term Sales		6.4	6.5	7.4
Net Wholesale Revenue	\$	47.7 \$	15.5 \$	49.9

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

2019 Compared to 2018 Total operating revenues were \$1,079.5 million, an increase of \$87.9 million or 8.9% from 2018. Retail power revenues at \$938.9 million increased \$70.3 million, Short-term wholesale power revenues of \$43.2 million decreased \$17.8 million, Other power-related revenues at \$52.2 million increased \$6.3 million, Transfers from/(to) RSA at \$22.8 million increased \$26.3 million, and Other operating revenues at \$22.4 million increased \$2.8 million.

Retail power revenues were higher mainly because of the 5.8% system rate increase implemented in January along with the 1.5% rate surcharge in effect since August 1, 2016 and the additional 1.5% surcharge billed since November 2019 as a result of the RSA being lower than the next trigger level of \$80.0 million. A BPA 1.9% passthrough credit to customers effective November 1st translated into a 0.4% system rate decrease and including the surcharge. Consumption among customers was mixed with residential customers experiencing an increase of 3.3% and non-residential customers experiencing a decrease of 0.8% decrease. Energy conservation and newly constructed energy efficient buildings continued influencing overall lower consumption for the year, which was offset in part with a spike in consumption in February, October, and November due to colder temperatures than in 2018. Certain large industrial customers also operated at lower production during the year, thus, also contributing to lower consumption. Unbilled revenue increased by \$32.7 million from 2018 and elements noted above also contributed to the higher unbilled revenue.

Transactions within Transfers from/(to) rate stabilization account are affected in part by actual net wholesale power revenues compared to budget. In 2019, actual net wholesale power revenues were lower than budget by \$39.0 million and this amount was transferred from the rate stabilization unearned revenue account. This was partially offset by the RSA rate surcharge revenues of \$14.2 million and interest earnings of \$2.0 million for a net \$22.8 million transferred to the rate stabilization unearned revenue account in 2019. In 2018, net transfers to the rate stabilization unearned revenue account were (\$3.5) for an overall increase of \$26.3 million.

Short-term wholesale power revenues were \$43.2 million, a decrease of \$17.8 million from short-term wholesale power revenues of \$61.0 million in 2018. The decrease in short-term wholesale power revenues was due to below normal water conditions experienced in the Pacific Northwest region during 2019 that negatively affected hydro run-off and generation. Other net power-related revenues increased by \$5.0 million. Higher revenues of \$8.4 million from marketing ancillary services were offset by lower valuation of energy exchange contracts of \$2.1 million. Other net power-related revenues were further offset by net power related expenses.

EXPENSES

2020 Compared to 2019 Operating expenses totaled \$880.3 million, an increase of \$7.0 million or 0.8% from \$873.3 million in 2019.

Power-related operating expenses at \$353.8 million were lower by \$23.2 million or 6.2%. These expenses were comprised of Long-term purchased power - Bonneville and other of \$216.6 million, which increased \$0.7 million, Short-term wholesale power purchases of \$10.0 million, which decreased \$24.3 million, Other power expenses of \$72.6 million, which decreased \$1.8 million, and Transmission of \$54.6 million, which increased \$2.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

Short-term wholesale power purchases were lower by \$24.3 million predominantly because of lower commercial and industrial retail demand combined with lower wholesale power prices during 2020. Other power expenses increased for Generation by \$3.1 million due to higher administration expenses in the areas of safety, asset management support, reporting, and other. These were offset by lower other power related expenses of \$6.7 million because of lower volumes and market prices for exchange contracts and ancillary purchase contracts. Index prices during 1st quarter 2019 was unusually high causing a \$10.0 million increase in power expenses that did not recur in 2020. Remaining balance net increase of \$4.7 million was for normal operations and including for BPA, other long-term purchased power, and Transmission.

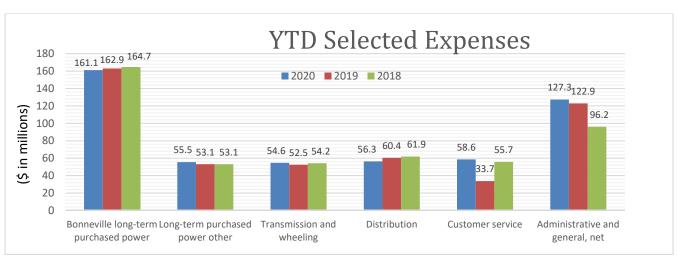
Non-power operating expenses increased significantly by \$25.1 million to \$275.5 million or 10.0% from \$250.4 million in 2019. These expenses included Distribution expenses of \$56.3 million, which decreased \$4.1 million, Customer service of \$58.6 million, which increased \$24.9 million, Conservation of \$33.3 million, which decreased \$0.1 million, and Administrative and general (A&G), net, of \$127.3 million which increased \$4.4 million.

Higher bad debt expense increased customer service expenses by \$19.0 million and \$1.7 million for retail electric sales and sundry accounts receivable, respectively. Since March 2020, collection efforts have been suspended for most accounts in arrears to assist customers confronting COVID-related financial hardships. Other Customer services expenses increased \$4.2 million mostly as a result of pandemic response.

Net changes for Distribution and Conservation expenses were relatively minimal as part of normal operations.

Administrative and General Expenses (A&G) costs, offset by general overhead allocation, increased a net \$4.4 million. Labor, related overhead, and other expenses increased by \$8.4 million for emergency management and administrative-related work as a result of adherence to necessary COVID-19 adjustments to operations. Higher expenses of \$3.4 million were incurred for estimated injury claims and damages based on most recent studies. Employment benefits expenses decreased by \$11.0 million, due to lower pension expenses based on the most recent actuarial study, and the allocation of employment benefits from A&G increased by \$10.1 million. Other costs for normal operations increased \$1.1 million. The pandemic interrupted work on capital projects, and the general overhead allocation from A&G was \$12.6 million lower. Taxes of \$101.2 million increased by \$1.1 million.

Depreciation and amortization at \$149.8 million increased by \$4.0 million as a result of recent additions to plant in service for distribution, generation, and general plant.



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

2019 Compared to 2018 Operating expenses totaled \$873.3 million, an increase of \$50.1 million or 6.1% from \$823.2 million in 2018.

Power-related operating expenses at \$377.0 million were higher by \$16.3 million or 4.5%. These expenses were comprised of Long-term purchased power - Bonneville and other of \$215.9 million, which decreased \$1.9 million, Short-term wholesale power purchases of \$34.3 million, which increased \$15.8 million, Other power expenses of \$74.4 million, which increased \$4.2 million, and Transmission of \$52.4 million, which decreased \$1.8 million.

Higher Short-term wholesale power purchases of \$15.8 million were necessary for managing load and the result of lower generation from below normal hydro conditions in 2019. Increased volume purchases and higher average prices because of demand also added to the higher Short-term wholesale power purchases. Remaining net \$0.5 million increase of power related expenses were incurred in normal operations including for Bonneville power, valuation of energy exchange contracts, ancillary power transactions, and other.

Non-power operating expenses increased by \$3.6 million to \$250.4 million or 1.5% from \$246.8 million in 2018. These expenses included Distribution expenses of \$60.4 million, which decreased \$1.5 million, Customer service of \$33.7 million, which decreased \$22.0 million, Conservation of \$33.4 million, which increased \$0.4 million, and Administrative and general (A&G), net, of \$122.9 million which increased \$26.7 million.

Customer service expenses were lower by \$15.8 million and \$4.2 million because of lower bad debt expense for retail electric sales and sundry billings respectively. Customary collection activities and late fees billed resumed in late 2018 after being suspended for most of 2018 in response to billing concerns from retail electric customers that were since addressed. Sundry billings bad debt expense was also lower because of related decrease in allowance for bad debt as there was no significant change during 2019 for older aged billings, and generally for time and material billings and pole attachment billings. Collection for sundry billings have also been steady during 2019. Balance of increase of \$2.0 million for Customer service was for normal operations.

Net changes for Distribution and Conservation expenses were nominal and part of normal operations.

Administrative and general (A&G), net increased by \$26.7 million due to higher pension, employee benefits, industrial insurance, and injuries & damages expenses combined with lower A&G applied to capital projects were the major components comprising the higher A&G expenses, net.

Pension costs were \$11.6 million higher based on the most recent actuarial study and accrued to comply with GASB Statement No. 68. The cost of employee medical related benefits increased by \$4.6 million, trending in part with the general national direction of rising health related costs. Injuries and damages expenses were higher by \$6.3 million for general claims and industrial insurance, also based on recent actuarial studies. These were offset by lower \$1.7 million reduction in applied A&G overhead to capital projects. The balance net \$5.9 million increase was for normal operations such as salaries, COLA salary adjustments, city cost allocations, year-end accruals, and other administrative.

Taxes at \$100.1 million increased by \$8.3 million and were the result of higher retail electric revenue.

Depreciation and amortization at \$145.8 million increased by \$21.9 million. \$10.5 million of the increase was due to recent new software implemented such as for the new financial system, automated metering, utility design, and other. Remaining balance increase of \$11.4 million was primarily for recent additions to distribution assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

NONOPERATING REVENUES AND (EXPENSES), CAPITAL CONTRIBUTIONS AND GRANTS

2020 Compared to **2019** Nonoperating revenues increased by \$0.9 million to \$26.7 million in 2020. The largest increase of \$0.8 million was attributable to release of easements to the city of Bellevue in connection with the construction of the regional light rail system in progress. Remaining net balance increase was for normal operations and including investment income.

Nonoperating expenses at \$93.7 million were higher by \$0.7 million. Net interest expense for bonds was higher by \$3.4 million on account of additional bonds outstanding in 2020. This was offset by \$2.7 million of net amortization of bond costs mostly for bond premium amortization.

Capital contributions and grants decreased by \$10.0 million to \$53.8 million primarily due to pandemic response causing an interruption in service connection projects.

2019 Compared to 2018 Nonoperating revenues increased by \$8.2 million to \$25.8 million in 2019. The largest increase was for higher interest earnings totaling \$7.8 million and specifically, the unrealized gain on investments for the Department's share of the City's cash pooled investments. Remaining balance decrease was for normal operations.

Nonoperating expenses at \$93.0 million were higher by \$9.6 million, of which \$12.1 million was due to no interest applied to capital projects in progress. The Department elected not to apply interest during construction to capital projects in progress during 2019 in accordance with GASB Statement No. 89 Accounting for Interest Cost Incurred Before the End of a Construction Period. The balance net decrease was for normal operations.

Capital contributions and grants increased by \$4.2 million to \$63.8 million in 2019. The increase was primarily due to continued large service connections and related completed work on larger projects due in part to the prolonged strong local economy.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

RISK MANAGEMENT

The Department evaluates and monitors all strategic risks at the enterprise level, including emergency response, cybersecurity, physical plant security and seismic risks.

In addition, the Department's wholesale energy marketing activities are managed by the Power Management Division, and the Department's risk management activities are carried out by the Risk Oversight Division. Risk Oversight Council (ROC) oversees wholesale power marketing activities. It is comprised of the Facilities and Oversight Services Officer (Chair/Voting), Chief Financial Officer (Voting), Energy Innovation and Resources Officer (Voting), Director of Risk Oversight (Voting), as well as non-voting members including the Director of Power Management, Manager of Power Marketing, and Risk Oversight Strategic Advisor. ROC meets at least twice per month to review recent events in the wholesale power markets and the Department's market positions, exposures, Wholesale Energy Risk Management (WERM) policy compliance, and portfolio-balancing strategies and plans.

The Risk Oversight Division manages the market and credit risk related to all wholesale marketing activities and carries out the middle office functions of the Department. This includes risk control, deal review & valuations, independent reporting of market positions and portfolio performance, counterparty credit risk, risk modeling, model validations, settlements, and ensuring adherence to WERM policy and procedures.

Hydro Risk

Due to the Department's reliance on hydroelectric generation, weather can significantly affect its operations. Hydroelectric generation depends on the amount of snowpack in the mountains upstream of the Department's hydroelectric facilities, springtime snowmelt, runoff and rainfall. Hydroelectric operations are also influenced by flood control and environmental matters, including protection of fish. In low-water years, the Department's generation is reduced, and the use of wholesale purchased power may increase in order to meet retail needs. Normally, the Department experiences electricity usage peaks in winter; however, extreme weather conditions affecting either heating or summer cooling needs could cause the Department's seasonal fluctuations to be more pronounced and increase costs. In addition, economic trends (increase or decrease in business activity, housing sales and development of properties) can affect demand and change or increase costs.

Energy Market Risk

For the Department, energy market risk is the risk of adverse fluctuations in the price of wholesale electricity, which is compounded by volumetric changes affecting the availability of or demand for electricity. Factors that contribute to energy market risk include regional planned and unplanned generation plant outages, transmission constraints or disruptions, the number of active creditworthy market participants willing to transact, and environmental regulations that influence the availability of generation resources.

The Department's exposure to hydro volumetric and energy market risk is managed by the ROC and the approved strategies are executed by the Power Management Division. The Department engages in market transactions to meet its retail obligations and to realize earnings from surplus energy resources.

With a portion of the Department's revenue expectations associated with wholesale energy market transactions, emphasis is placed on the management of risks associated with this activity. Policies, procedures, and processes designed to manage, control and monitor these risks are in place. A formal front, middle, and back office structure is in place to ensure proper segregation of duties.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

The Department measures the risk in its energy portfolio using a model that utilizes historical simulation methodology and incorporates not only price risk, but also the volumetric risk associated with its hydrodominated power portfolio. Scenario analysis is used for stress testing.

Credit Risk

Credit risk is the risk of loss that would be incurred as a result of nonperformance by a counterparty of their contractual obligations. If a counterparty failed to perform on its contractual obligation to deliver electricity, then the Department may find it necessary to procure electricity at current market prices, which may be higher than the contract price. If a counterparty failed to pay its obligation in a timely manner, this would have an impact on the Department's revenue and cash flow. As with market risk, the Department has policies governing the management of credit risk.

Wholesale counterparties are assigned credit limits based on publicly available and proprietary financial information. Along with ratings provided by national ratings agencies, an internal credit scoring model is used to classify counterparties into one of several categories with permissible ranges of credit limits. Specific counterparty credit limits are set within this prescribed range based on qualitative and quantitative factors. Credit limits are also used to manage counterparty concentration risk. The Department actively strives to reduce concentration of credit risk related to geographic location of counterparties as it only transacts in the western energy markets. This geographic concentration of counterparties may impact the Department's overall credit exposure, because counterparties may be affected by similar conditions.

Credit limits, exposures and credit quality are actively monitored. Despite such efforts, there is potential for default, however the Department has not faced a counterparty default in nearly 15 years. The Department transacts with counterparties on an uncollateralized and collateralized basis. Posted collateral may be in the form of cash, letters of credit, or parental guarantees.

REQUESTS FOR INFORMATION

For more information about Seattle City Light, contact Communications at 206-684-3090 or at P.O. Box 34023, Seattle, WA 98124-4023.

BALANCE SHEETS - ASSETS AND DEFERRED OUTFLOWS OF RESOURCES AS OF DECEMBER 31, 2020 AND 2019

(\$ in millions)	2020	2019
ASSETS		
UTILITY PLANT—At original cost:		
Plant -in-service—excluding land	\$ 5,522.1	\$ 5,354.1
Less accumulated depreciation and amortization	(2,103.0)	(1,979.4)
Total plant-in-service—net	3,419.1	3,374.7
Construction work-in-progress	612.6	493.4
Nonoperating property—net of accumulated depreciation	17.5	16.8
Assets held for future use	4.0	4.0
Land and land rights	153.9	152.6
Total utility plant—net	4,207.1	4,041.5
RESTRICTED ASSETS:		
Rate stabilization account	96.8	74.1
Municipal light and power bond reserve account	153.8	146.5
Construction account	38.3	22.2
Special deposits and other restricted assets	35.9	33.7
Total restricted assets	324.8	<u>276.5</u>
CURRENT ASSETS:		
Cash and equity in pooled investments	102.4	190.2
Accounts receivable,		
net of allowance of \$41.8 and \$27.4	144.2	131.1
Interfund receivables	0.6	1.4
Unbilled revenues	87.5	92.6
Materials and supplies at average cost	38.1	34.3
Prepayments and other current assets	0.3	0.3
Total current assets	373.1	449.9
OTHER ASSETS:		
Conservation costs—net	256.7	261.4
Environmental costs—net	117.1	116.0
Other charges and assets—net	53.3	54.6
Total other assets	427.1	432.0
TOTAL ASSETS	5,332.1	5,199.9
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to Pension and OPEB	44.9	78.1
Charges on advance refunding	20.1	24.6
TOTAL DEFERRED OUTFLOWS OF RESOURCES	65.0	102.7
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,397.1	_\$ 5,302.6

BALANCE SHEETS - LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION AS OF DECEMBER 31, 2020 AND 2019

(\$ in millions)	2020				
LIABILITIES					
LONG-TERM DEBT:					
Revenue bonds	\$	2,553.5	\$	2,567.1	
Plus bond premium—net		259.0		238.0	
Less revenue bonds—current portion		(117.7)		(122.6)	
Total long-term debt		2,694.8		2,682.5	
NONCURRENT LIABILITIES:					
Net pension liability		265.2		321.6	
Accumulated provision for injuries and damages		112.7		112.0	
Compensated absences		20.3		16.7	
Other noncurrent liabilities		9.7		9.5	
Total noncurrent liabilities		407.9		459.8	
CURRENT LIABILITIES:					
Accounts payable and other current liabilities		109.4		129.3	
Accrued payroll and related taxes		6.3		19.5	
Compensated absences		1.4		1.3	
Accrued interest		36.3		34.1	
Long-term debt—current portion		117.7		122.6	
Total current liabilities		271.1		306.8	
OTHER LIABILITIES		38.0		35.2	
TOTAL LIABILITIES		3,411.8		3,484.3	
DEFERRED INFLOWS OF RESOURCES					
Rate stabilization unearned revenue		71.8		49.1	
Deferred inflows related to pension and OPEB		48.2		29.4	
Other deferred inflows of resources		40.9		37.6	
TOTAL DEFERRED INFLOWS OF RESOURCES		160.9		116.1	
NET DOCUTION					
NET POSITION				1 (52 5	
Net investment in capital assets Restricted:		1,822.8		1,653.7	
Rate stabilization account		25.0		25.0	
Total restricted		25.0		25.0	
Unrestricted—net		(23.4)		23.5	
Total net position		1,824.4	-	1,702.2	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$	5,397.1	\$	5,302.6	

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STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(\$ in millions)	2020	2019
OPERATING REVENUES:		
Retail power revenues	\$ 926.7	\$ 938.9
Short-term wholesale power revenues	51.3	43.2
Other power-related revenues	40.8	52.2
Transfers from/(to) rate stabilization account	(22.7)	22.8
Other operating revenues	19.6	22.4
Total operating revenues	1,015.7	1,079.5
OPERATING EXPENSES:		
Long-term purchased power—Bonneville and other	216.6	215.9
Short-term wholesale power purchases	10.0	34.3
Other power expenses	72.6	74.4
Transmission	54.6	52.4
Distribution	56.3	60.4
Customer service	58.6	33.7
Conservation	33.3	33.4
Administrative and general	127.3	122.9
Taxes	101.2	100.1
Depreciation and amortization	149.8	145.8
Total operating expenses	880.3	873.3
OPERATING INCOME	135.4	206.2
NONOPERATING REVENUES AND (EXPENSES):		
Other revenues and (expenses)—net	26.7	25.8
Interest expense		
Interest expense—net	(111.0)	(107.6)
Amortization of bond costs—net	17.3	14.6
Total interest expense	(93.7)	(93.0)
Total nonoperating expenses	(67.0)	(67.2)
Total honopoliting expenses	(07.0)	(07.2)
INCOME BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	68.4	139.0
CAPITAL CONTRIBUTIONS AND GRANTS:		
Capital contributions	53.3	63.4
Capital grants	0.5	0.4
Total capital contributions and grants	53.8	63.8
Total capital contributions and grants		03.8
CHANGE IN NET POSITION	122.2	202.8
NET POSITION:		
Beginning of year	1,702.2	1,499.4
End of year	\$ 1,824.4	\$ 1,702.2

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(\$ in millions)		2020	2019
OPERATING ACTIVITIES:			
Cash received from customers and counterparties	\$	996.4	\$ 1,027.0
Cash paid to suppliers and counterparties		(365.7)	(365.8)
Cash paid to employees		(173.2)	(159.9)
Taxes paid		(103.3)	(103.4)
Net cash provided by operating activities		354.2	397.9
NONCAPITAL FINANCING ACTIVITIES:			
Interfund operating cash received		1.3	1.3
Interfund operating cash paid		(47.0)	(47.7)
Principal paid on long-term debt		(12.7)	(11.3)
Interest paid on long-term debt		(11.0)	(10.2)
Noncapital grants received		0.9	0.6
Bonneville receipts for conservation		6.1	3.7
Payment to vendors on behalf of customers for conservation		(21.0)	(26.2)
·			
Net cash used in noncapital financing activities		(83.4)	 (89.8)
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from long-term debt		198.3	350.8
Proceeds from long-term debt premiums		50.4	69.4
Payment to trustee for defeased bonds		(93.3)	(154.5)
Bond issue costs paid		(0.4)	(0.5)
Principal paid on long-term debt		(109.8)	(108.1)
Interest paid on long-term debt		(94.9)	(97.3)
Acquisition and construction of capital assets		(315.6)	(346.9)
Interfund payments for acquisition and construction of capital assets		(20.9)	(20.7)
Capital contributions		52.6	44.9
Interfund receipts for capital contributions		1.7	0.7
Capital grants received/(paid)		0.2	1.1
Interest received for suburban infrastructure improvements		2.5	2.6
Proceeds on sale of property		1.6	1.7
Decrease in other assets		1.8	 1.7
Net cash used in capital and related financing activities		(325.8)	 (255.1)
INVESTING ACTIVITIES:			
Interest received on cash and equity in pooled investments		15.5	14.9
Net cash provided by investing activities		15.5	14.9
NET INCREASE (DECREASE) IN CASH AND EQUITY IN POOLED INVESTMENTS		(39.5)	67.9
CASH AND EQUITY IN POOLED INVESTMENTS:			
Beginning of year		466.7	 398.8
End of year	<u>\$</u>	427.2	\$ 466.7

STATEMENTS OF CASH FLOWS - RECONCILIATION FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(\$ in millions)		2020	2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: Operating income	\$	135.4	\$ 206.2
Adjustments to reconcile operating income to net cash			
provided by operating activities:			
Non-cash items included in operating income:			
Depreciation		149.8	145.8
Amortization of other assets		32.0	29.9
Bad debt expense		20.7	0.3
Power revenues		(27.1)	(35.8)
Power expenses		26.1	37.6
Provision for injuries and damages		2.6	(0.4)
Other non-cash items		(7.1)	11.1
Change in:			
Accounts receivable		15.4	55.4
Unbilled revenues		5.1	(18.0)
Materials and supplies		(4.6)	1.0
Prepayments, interest receivable, and other receivables		-	(2.7)
Other assets		(3.3)	(4.7)
Provision for injuries and damages and claims payable		(0.7)	5.9
Accounts payable and other payables		(10.6)	(8.8)
Deferred inflows		(2.2)	(2.1)
Rate stabilization unearned revenue		22.7	(22.8)
Total adjustments	_	218.8	 191.7
Net cash provided by operating activities	\$	354.2	\$ 397.9
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:			
In-kind capital contributions	\$	1.8	\$ 0.7
Amortization of debt related costs—net		17.3	14.7
Power exchange revenues		11.4	15.4
Power exchange expenses		(11.4)	(15.4)
Power revenue netted against power expenses		5.4	9.0
Power expense netted against power revenues		(9.0)	(12.9)

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Light Department (the Department) is the public electric utility of The City of Seattle (the City). The Department is an enterprise fund of the City. The Department owns and operates certain generating, transmission, and distribution facilities and supplies electricity to approximately 478,000 residential, commercial, and public customers in the city of Seattle. The Department also supplies electrical energy to other City agencies at rates prescribed by City ordinances, and to certain neighboring communities under franchise agreements. The establishment of the Department's rates is within the exclusive jurisdiction of the Seattle City Council. A requirement of Washington State law provides that rates must be fair, nondiscriminatory, and fixed to produce revenue adequate to pay for operation and maintenance expenses and to meet all debt service requirements payable from such revenue. The Department pays occupation taxes to the City based on total revenues.

The Department's revenues for services provided to other City departments were \$27.5 million and \$22.3 million in 2020 and 2019, respectively, and \$2.2 million and \$2.1 million for non-energy services, respectively.

The Department receives certain services from other City departments and paid \$111.7 million in 2020 and \$107.4 million in 2019, for such services. Amounts paid include central cost allocations from the City for services received including treasury services, risk financing, purchasing, data processing systems, vehicle maintenance, personnel, payroll, legal, administrative, information technology and building rentals, including for the Department's administrative offices.

The Department's receivables from other City departments totaled \$0.6 million and \$1.4 million at December 31, 2020, and 2019, respectively. The Department's payables to other City departments were \$0.0 million on December 31, for 2020 and 2019, respectively. The balances receivable and payable are the result of transactions incurred in the normal course of operations.

Basis of Presentation and Accounting Standards—The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Department has applied and is current through 2020 with all applicable GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

GASB Statement No. 87 - GASB Statement No. 87, Leases, requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about leasing activities. In 2020, due to the ongoing impacts of COVID-19, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. Statement No. 87 will now be effective for the Department in 2022. The Department is currently evaluating the impact the adoption of this statement will have on its financial statements.

GASB Statement No. 91 - GASB Statement No. 91, Conduit Debt Obligations, clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement will be effective for the Department in 2022. GASB Statement No. 95 delayed implementation of this statement by one year. However, because the Department's debt instruments do not include conduit debt obligations, implementation of this statement is not expected to have an impact on the financial statements.

GASB Statement No. 92 - GASB Statement No. 92, *Omnibus 2020*, addresses several topics and issues that have been identified during implementation of various GASB Statements. This statement clarifies issues related to intra-entity transfers of assets, pension and postemployment benefits, asset retirement obligations, risk pools, and fair value measurements. This statement will be effective for the Department in 2022. GASB Statement No. 95 delayed implementation of this statement by one year. The Department is currently evaluating the impact of implementation on the financial statements.

GASB Statement No. 93 - GASB Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank offered rates such as the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021. This statement is effective for the Department in 2022. GASB Statement No. 95 delayed implementation of this statement by one year. The Department is evaluating the impact this implementation will have on the financial statements.

GASB Statement No. 94 - GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements (PPPs) and provides guidance for availability payment arrangements. This statement will be effective for the Department in 2023 and the Department is currently evaluating the impact of implementation on the financial statements.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

GASB Statement No. 96 - GASB Statement No. 96, Subscription-Based Information Technology Arrangements, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. This statement will be effective for the Department in 2023 and the Department is currently evaluating the impact of implementation on the financial statements.

GASB Statement No. 97 - GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement is effective for the Department in 2022 and the Department is currently evaluating the impact of implementation on the financial statements.

Fair Value Measurements—Descriptions of the Department's accounting policies on fair value measurements for items reported on the balance sheets at December 31, 2020 and 2019, are as noted in Note 2 Fair Values, Note 5 Cash and Equity in Pooled Investments and Investments, Note 6 Accounts Receivable and Note 19 Long-Term Purchased Power, Exchanges, and Transmission.

Fair Value of Financial Instruments—The Department's financial instruments reported on the balance sheets at December 31, 2020 and 2019, as Restricted assets and Cash and equity in pooled investments are measured at fair value. These instruments consist primarily of the Department's share of the City-wide pool of investments (see Note 5 Cash and Equity in Pooled Investments and Investments). Gains and losses on these financial instruments are reflected in Investment income in the statements of revenues, expenses, and changes in net position. The fair value of long-term debt at December 31, 2020 and 2019 is discussed in Note 9 Long-Term Debt.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Net Position—The Department classifies its net position into three components as follows:

- Net investment in capital assets—This component consists of capital assets, net of accumulated depreciation and amortization, reduced by the net outstanding debt balances related to capital assets net of unamortized debt expenses.
- Restricted—This component consists of net position with constraints placed on use. Constraints include those imposed by creditors (such as through debt covenants and excluding amounts considered in net capital, above), grants, or laws and regulations of other governments, or by enabling legislation, The City of Seattle Charter, or by ordinances legislated by the Seattle City Council.
- *Unrestricted*—This component consists of assets and liabilities that do not meet the definition of Net investment in capital assets or Restricted.

Restricted and Unrestricted Net Position—The Department's policy is to use restricted net position for specified purposes and to use unrestricted net position for operating expenses. The Department does not currently incur expenses for which both restricted and unrestricted net position is available.

Assets Held for Future Use—These assets include property acquired but never used by the Department in electrical service and therefore, held for future service under a definitive plan. Also included is property previously used in service but retired and held pending its reuse in the future under a definitive plan. As of December 31, 2020, and 2019, assets held for future use included the following electrical plant assets: land for future substations, communication system and risk mitigation structures were unchanged totaling \$4.0 million.

Materials and Supplies—Materials and supplies are generally used for construction, operation and maintenance work, not for resale. They are valued utilizing the average cost method and charged to construction or expense when used.

Revenue Recognition—Service rates are authorized by City ordinances. Billings are made to customers on a monthly or bimonthly basis. Revenues for energy delivered to customers between the last billing date and the end of the year are estimated and reflected in the accompanying financial statements as unbilled revenue within Retail power revenues.

The Department's customer base accounted for electric energy sales at December 31, 2020 and 2019, as follows:

	2020	2019
Residential	41.0 %	38.5 %
Nonresidential	<u>59.0</u> %	<u>61.5</u> %
Total	100.0 %	100.0 %

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Revenues earned in the process of delivering energy to customers, wholesale energy transactions, and related activities are considered operating revenues in the determination of change in net position. Investment income, nonexchange transactions, and other revenues are considered Nonoperating revenues.

Expense Recognition—Expenses incurred in the process of delivering energy to customers, wholesale energy transactions, and related activities are considered operating expenses in the determination of net income. Debt interest expense, debt related amortization, and certain other expenses are considered Nonoperating expenses.

Administrative and General Overhead Costs Applied—Certain administrative and general overhead costs are allocated to construction work-in-progress, major data processing systems development, programmatic conservation, relicensing mitigation projects, and billable operations and maintenance activities based on rates established by cost studies. Pension and benefit costs are allocated to capital and operations and maintenance activities based on a percentage of labor dollars. The administrative and general overhead costs applied totaled \$49.7 million and \$62.4 million in 2020 and 2019, respectively. Benefit costs applied were \$37.4 million and \$27.3 million in 2020 and 2019, respectively. Administrative and general expenses, net of total applied overhead, were \$127.3 million and \$122.9 million in 2020 and 2019, respectively.

Interest Charged to Construction—Interest is no longer charged for funds used during construction of plant assets. The department has implemented this change in January 2019 to comply with GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, that requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

Nonexchange Transactions—Capital contributions and grants in the amount of \$53.8 million and \$63.8 million for 2020 and 2019, respectively, are reported in the statements of revenues, expenses, and changes in net position as nonoperating revenues from nonexchange transactions. Capital contributions and grants revenues are recognized based on the accrual basis of accounting. In-kind capital contributions are recognized at estimated acquisition value in the period when all eligibility requirements have been met as described in GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Federal and state grant revenues are recognized as earned and are subject to contract and other compliance audits.

Compensated Absences—Regular employees of the Department earn vacation time in accordance with length of service. A maximum of 480 hours may be accumulated for the most tenured employees and, upon termination, employees are entitled to compensation for unused vacation. Upon retirement, employees receive compensation equivalent to 25% of their accumulated sick leave. Employees represented by unions who voted in favor of a Healthcare Reimbursement Arrangement (HRA) receive 35% of their sick leave balance tax-free through an HRA account for healthcare expenses post retirement. Because of the special tax arrangement, the sick leave balance may only go into the HRA account; it may not be taken as a cashout. The HRA program is administered by an independent third-party administrator, Meritain Health. HRA investments are managed by HRA Voluntary Employee Beneficiary Association (VEBA) Trust. The Department accrues all costs associated with compensated absences, including payroll taxes.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Use of Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. The Department used significant estimates in determining reported allowance for doubtful accounts, unbilled revenues, power exchanges, accumulated provision for injuries and damages and workers' compensation, environmental liabilities, accrued sick leave, net pension liability, other postemployment benefits, and other contingencies. Actual results may differ from those estimates.

Significant Risk and Uncertainty—The Department is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include financial market liquidity and economic uncertainty; prices on the wholesale markets for short-term power transactions; interest rates and other inputs and techniques for fair valuation; water conditions, weather, climate change, and natural disaster-related disruptions; terrorism; collective bargaining labor disputes; fish and other Endangered Species Act (ESA) issues; Environmental Protection Agency (EPA) regulations; compliance with clean and renewable energy legislation; local and federal government regulations or orders concerning the operations, maintenance, and/or licensing of hydroelectric facilities; other governmental regulations; restructuring of the electrical utility industry; and the costs of constructing transmission facilities that may be incurred as part of a northwest regional transmission system, and related effects of this system on transmission rights, transmission sales, surplus energy, and governance.

Deferred Outflows of Resources— A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time. See Note 8 for additional information.

Deferred Inflows of Resources— A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. See Note 17 for additional information.

2. FAIR VALUE MEASUREMENT

The Department records certain assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurement.

Fair value is defined in Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

Valuation techniques to determine fair value should be consistent with one or more of three approaches: the market approach, cost approach, and income approach. The Department uses the market approach for the valuation of pooled investments, a combination of the market and income approaches for the valuation of the undelivered forward portion of energy exchanges and other nonmonetary transactions.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

As a basis for considering market participant assumptions in fair value measurements, Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Department can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability. Valuation adjustments such as for nonperformance risk or inactive markets could cause an instrument to be classified as Level 3 that would otherwise be classified as Level 1 or Level 2.

The valuation methods of the fair value measurements are disclosed as noted below.

Cash resources of the Department are combined with cash resources of the City to form a pool of cash and investments that is managed by the City's Department of Finance and Administrative Services (FAS). The City records pooled investments at fair value based on quoted market prices.

The Department obtained the lowest level of observable input of the fair value measurement of energy exchanges and other non-monetary transactions in its entirety from subscription services or other independent parties. The observable inputs for the settled portion of the energy exchange contracts are Dow Jones price indices. The observable inputs for the undelivered forward portion of energy exchanges and other non-monetary transactions are Kiodex forward curves and present value factors based on the interest rate for Treasury constant maturities, bond-equivalent yields.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Department's assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the valuation of fair value assets and liabilities and their place within the fair value hierarchy levels.

The Department had no assets or liabilities that met the criteria for Level 3 at December 31, 2020 and 2019. The following fair value hierarchy table presents information about the Department's assets and liabilities, reported at fair value on a recurring basis or disclosed at fair value as of December 31, 2020 and 2019:

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

2020	Leve	el 1	L	evel 2	Total	
Assets						
Fair value investments						
Corporate Bonds	\$	15.6	\$	-	\$	15.6
International Bank for Reconstruction & Development		6.9		-		6.9
Local Government Investment Pool		-		87.2		87.2
Municipal Bonds		-		53.7		53.7
Repurchase Agreements		12.2		-		12.2
U.S. Government Agency Mortgage-Backed Securities		-		45.0		45.0
U.S. Government Agency Securities	1	27.7		-		127.7
U.S. Treasury and U.S. Government-Backed Securities		78.9				78.9
Total fair value investments	2	241.3		185.9		427.2
Total Assets at fair value	\$ 2	241.3	\$	185.9	\$	427.2

(\$ in millions)

019		evel 1	L	evel 2	Total		
Assets							
Fair value investments							
Commercial Paper	\$	-	\$	14.5	\$	14.5	
Local Government Investment Pool		-		87.1		87.1	
Municipal Bonds		-		60.5		60.5	
Repurchase Agreements		20.2		-		20.2	
US Government Agency Mortgage Backed Securities		-		49.7		49.7	
US Government Agency Securities		118.7		-		118.7	
Corporate Bonds		8.6		-		8.6	
International Bank for Reconstruction & Development		7.6		-		7.6	
U.S. Treasury and U.S. Government-Backed Securities T		99.8				99.8	
Total fair value investments		254.9		211.8		466.7	
Total Assets at fair value	\$	254.9	\$	211.8	\$	466.7	

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

3. UTILITY PLANT

Utility Plant—Utility plant is recorded at original cost, which includes both direct costs of construction or acquisition and indirect costs.

The capitalization threshold for tangible assets was \$5,000, and for intangible assets, \$500,000 in 2020 and 2019. Plant constructed with capital contributions or contributions in-aid-of construction received from customers is included in Utility plant. Capital contributions and grants totaled \$53.8 million in 2020 and \$63.8 million in 2019. The Department uses a straight-line composite method of depreciation and amortization and, therefore, groups assets into composite groups for purposes of depreciation. Estimated economic lives range from 4 to 50 years. Effective January 1, 2017, the Department changed from a half-year convention method of depreciation to an actual month method. Depreciation and amortization expense as a percentage of depreciable utility plant-in-service was approximately 2.7% in 2020 and 2.7% in 2019. When operating plant assets are retired, their original cost together with retirement costs and removal costs, less salvage, is charged to accumulated depreciation or amortization, if applicable. The cost of maintenance and repairs is charged to expense as incurred, while the cost of replacements and betterments are capitalized. The Department periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable over their economic lives. There were no impairments in 2020 and 2019.

Intangible assets are those that lack physical substance, are nonfinancial in nature, and have useful lives extending beyond a single reporting period. The Department's intangible assets are reported as capital assets under Utility Plant. The Department's intangible assets consist of easements, purchased and internally developed software, transmission rights, capitalized relicensing costs for Skagit and Boundary hydroelectric projects, Tolt hydroelectric project mitigation costs, and costs capitalized under the High Ross Agreement.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Utility plant-in-service at original cost, including land on December 31, 2020, and 2019, was:

		electric uction	Trans	smission	Dis	tribution	G	eneral	Inta	ingibles		Total
2020												
(\$ in millions)												
Utility Plant-in-service - At original cost:												
Plant-in-service, excluding Land:												
1/1/2020 Balance	\$	939.2	\$	302.3	\$	3,011.9	\$	405.0	\$	695.7	\$	5,354.1
Acquisitions		18.4		20.2		106.6		9.7		39.3		194.2
Dispositions		(3.4)		(5.9)		(16.9)		-		-		(26.2)
Transfers and adjustments		-		-		-		-		-		-
12/31/2020 Balance		954.2		316.6		3,101.6		414.7		735.0		5,522.1
Accumulated depreciation												
and amortization:												
1/1/2020 Balance	\$	384.9	\$	92.6	\$	999.3	\$	251.1	\$	251.5	\$	1,979.4
Increase in accumulated depreciation and												
amortization		17.2		6.7		85.4		13.9		34.7		157.9
Retirements		(3.3)		(5.4)		(18.7)		-		-		(27.4)
Gain/Loss on Retirements		(1.2)		(2.6)		(3.1)		-	-			(6.9)
12/31/2020 Balance		397.6		91.3		1,062.9		265.0		286.2		2,103.0
Sub Total Plant-in-service - Net,												
excluding Land:	\$	556.6	\$	225.3	\$	2,038.7	\$	149.7	\$	448.8	\$	3,419.1
Land and land rights:												
1/1/2020 Balance	\$	56.5	\$	3.0	\$	86.5	\$	6.6	\$	_	\$	152.6
Acquisitions		1.3		-		-		-		-		1.3
Dispositions		-		-		-		-		-		-
Transfers and adjustments		-		-		-		-	-			-
12/31/2020 Balance		57.8		3.0		86.5		6.6				153.9
Construction work-in-process:												
1/1/2020 Balance	\$	56.8	\$	50.0	\$	335.9	\$	39.9	\$	10.8	\$	493.4
Additions	•	43.9	*	14.0	-	190.2	*	25.2	-	47.9	•	321.2
Closings		(21.9)		(22.1)		(110.1)		(9.5)		(39.1)		(202.7)
12/31/2020 Balance		78.8		41.9		416.0		55.6		19.6		611.9
* Total Plant-in-service - Net,	\$	693.2	•	270.2	s	2,541.2	\$	211.9	\$	468.4	\$	4,184.9
including Land and CWIP:	3	093.2	φ	2/0.2	Φ	2,341.2	Þ	211.9	D.	406.4	Þ	4,104.9

 $[*] Excludes \ Nonoperating \ property \ and \ Assets \ held \ for \ future \ use.$

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

2019	•	electric uction			tribution	General		Intangible			Total	
(\$ in millions)												
Utility Plant-in-service - At original cost:												
Plant-in-service, excluding Land: 1/1/2019 Balance Acquisitions Dispositions Transfers and adjustments	\$	896.4 50.3 (7.5)	\$	290.6 13.5 (1.8)	\$	2,814.4 238.8 (41.3)	\$	391.9 14.6 (1.5)	\$	664.4 40.6 (9.3)	\$	5,057.7 357.8 (61.4)
12/31/2019 Balance		939.2		302.3		3,011.9		405.0		695.7		5,354.1
Accumulated depreciation and amortization: 1/1/2019 Balance Increase in accumulated	\$	377.8	\$	88.5	\$	960.9	\$	240.7	\$	225.9		1,893.8
depreciation and amortization Retirements Transfers and adjustments		16.4 (9.3)		6.5 (2.4)		81.7 (43.2) (0.1)		13.2 (2.8)		34.9 (9.3)		152.7 (67.0) (0.1)
12/31/2019 Balance		384.9		92.6		999.3		251.1		251.5		1,979.4
Sub Total Plant-in-service - Net: excluding Land:	<u>\$</u>	554.3	\$	209.7	\$	2,012.6	<u>\$</u>	153.9	<u>\$</u>	444.2	<u>\$</u>	3,374.7
Land and land rights: 1/1/2019 Balance Acquisitions Dispositions Transfers and adjustments	\$	54.5 2.0 -	\$	3.0	\$	86.1 0.4 -	\$	6.6 - - -	\$	- - - -	\$	150.2 2.4 -
12/31/2019 Balance		56.5		3.0		86.5		6.6				152.6
Construction work-in-process: 1/1/2019 Balance Additions Closings	\$	67.1 45.4 (55.7)	\$	37.6 26.3 (13.9)	\$	343.1 234.8 (242.0)	\$	32.8 27.0 (19.9)	\$	5.6 40.1 (34.9)	\$	486.2 373.6 (366.4)
12/31/2019 Balance		56.8		50.0		335.9		39.9		10.8		493.4
*Total Plant-in-service - Net: including Land and CWIP:	<u>\$</u>	667.6	\$	262.7	\$	2,435.0	\$	200.4	\$	455.0	\$	4,020.7

 $[*] Excludes \ Nonoperating \ property \ and \ Assets \ held for future \ use.$

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

4. RATE STABILIZATION ACCOUNT

The Rate Stabilization Account (RSA) is a restricted cash reserve established to reduce the need for rapid and substantial rate increases solely to comply with the Department's bond covenants.

In March 2010, the Seattle City Council adopted Resolution No. 31187 and Ordinance No. 123260, establishing revised financial policies and parameters for the operation of the RSA created by Ordinance No. 121637 in 2004. Ordinance No. 123260 identified the sources of significant funding of the RSA and specified parameters for its operation. The RSA is drawn down to supplement revenues when surplus power sales revenues are below the budgeted amount, and conversely, deposits are to be made to the RSA when the surplus power sales revenues are greater than budgeted. Deposits or withdrawals may be made up to and including the date 90 days after the end of the applicable year.

Ordinance No. 123260 established a target size for the RSA of no less than \$100.0 million and no greater than \$125.0 million, and authorized the imposition of automatic temporary surcharges on electric rates when the RSA balance is within the below specified levels:

RSA Balance	Action
Less than or equal to \$90.0 million but greater than \$80.0 million:	Automatic 1.5% surcharge
Less than or equal to \$80.0 million but greater than \$70.0 million:	Automatic 3.0% surcharge
Less than or equal to \$70.0 million but greater than \$50.0 million:	Automatic 4.5% surcharge
Less than or equal to \$50.0 million:	City Council must initiate rate review within 45 days and determine actions to replenish RSA to \$100.0 million within 12 months

In February 2014, the Seattle City Council adopted Ordinance No. 124426 (retroactive to December 2013), directing specific cash transfers to the RSA with the intention of reducing the likelihood of future rate surcharges.

Ordinance No. 123260 originally required a rate review whenever the RSA balance exceeded \$125.0 million, along with the implementation of measures to reduce the RSA balance to \$125.0 million within a period of 12 months or less. Subsequently, the Seattle City Council adopted Ordinance No. 124108 in February 2013 (retroactive to January 1, 2013) which extended the timing of this required rate review and associated action to an effective date of January 1, 2014.

In 2020, actual net wholesale revenue was \$2.3 million less than budgeted. Hence, net transfers of \$2.3 million were made from the RSA to the operating cash account during the year. The 1.5% surcharge enacted August 2016 and the 1.5% surcharge enacted November 2019 remained in effect throughout 2020, for a total of 3.0%. Transfers from the RSA were offset by \$23.5 million revenue resulting from the surcharge. Interest of \$1.5 million was earned on the RSA in 2020. The RSA ending balance was \$96.8 million at December 31, 2020.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

In 2019, actual net wholesale revenue was \$39.0 million less than budgeted. Hence, net transfers of \$39.0 million were made from the RSA to the operating cash account during the year. The 1.5% surcharge enacted August 2016 remained in effect throughout 2019. An additional 1.5% surcharge, for a total of 3.0%, was enacted in November 2019 due to the RSA ending the third quarter of 2019 with a balance of less than \$80 million, but greater than \$70 million. Transfers from the RSA were partially offset by \$14.2 million revenue resulting from the surcharge. Interest of \$2.0 million was earned on the RSA in 2019. The RSA ending balance was \$74.1 million at December 31, 2019.

The RSA at December 31, 2020, and 2019, consisted of cash from the following sources:

(\$ in millions)	2020		2019
Rate Stabilization Account	_		
Beginning balance	\$	74.1	\$ 96.9
Surcharge revenue		23.5	14.2
RSA interest income		1.5	2.0
Operating revenue		(2.3)	 (39.0)
Ending balance	\$	96.8	\$ 74.1

RSA transactions are recorded in accordance with GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

The regulatory deferred inflow of resources rate stabilization unearned revenue account at December 31, 2020, and 2019, consisted of the following:

(\$ in millions)	2020			2019		
Unearned revenue - Rate Stabilization Account						
Beginning balance	\$	49.1	\$	71.9		
Surcharge revenue		23.5		14.2		
RSA interest income		1.5		2.0		
Operating revenue		(2.3)		(39.0)		
Ending balance	\$	71.8	\$	49.1		

The RSA includes \$25.0 million from the Contingency Reserve Account. This amount is not included in unearned revenue and is not available to be transferred to operating cash. The Contingency Reserve Account was established in 2005 with proceeds that had been deposited in the Bond Reserve Fund, which was replaced with a surety bond.

Net transfers from/(to) the RSA in the statements of revenues, expenses and net position for the periods ended December 31, 2020, and 2019 were as follows:

(\$ in millions)	2020	2019
Transfers from/(to) Rate Stabilization Account	\$ (22.7)	\$ 22.8

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

5. CASH AND EQUITY IN POOLED INVESTMENTS AND INVESTMENTS

Cash and Equity in Pooled Investments—Cash resources of the Department are combined with cash resources of the City to form a pool of cash that is managed by the City's Department of Finance and Administrative Services (FAS). Under the City's investment policy, all temporary cash surpluses in the pool are invested. The Department's share of the pool is included on the balance sheets as Cash and Equity in Pooled Investments or as restricted assets. The pool operates like a demand deposit account in that all departments, including the Department, may deposit cash at any time and can also withdraw cash, out of the pool, up to the amount of the Department's fund balance, without prior notice or penalty. Accordingly, the statements of cash flows reconcile to cash and equity in pooled investments. The City considers investments in financial instruments having a maturity of 90 days or less as a cash equivalent.

Custodial Credit Risk – Deposits—Custodial credit risk of deposits is the risk that in the event of bank failure for one of the City's depository institutions, the City's deposits or related collateral securities may not be returned in a timely manner.

As of December 31, 2020, and 2019, the City did not have custodial credit risk. The City's deposits are covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Association (NCUA) as well as protection provided by the Washington State Public Deposit Protection Commission (PDPC) as established in RCW 39.58. The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks, credit unions, and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. This secures public treasurers' deposits when they exceed the amount insured by the FDIC or NCUA by requiring banks, credit unions, and thrifts to pledge securities as collateral.

As of December 31, 2020, and 2019, the City held \$95,000 in its cash vault. Additional small amounts of cash were held in departmental revolving fund accounts with the City's various custodial banks, all of which fell within the NCUA/FDIC's \$250,000 standard maximum deposit insurance amount. Any of the City's cash not held in its vault, or a local depository, was held in the City's operating fund (investment pool), and at the close of every business day, any cash remaining in the operating fund is swept into an overnight repurchase agreement that matures the next day.

Investments—The Department's cash resources may be invested by FAS separate from the cash and investments pool. Investments are managed in accordance with the City's Statement of Investment Policy, with limits and restrictions applied at the City-wide level rather than to specific investments of the Department. As of December 31, 2020, and 2019, the Department did not have any dedicated investments. The City's Statement of Investment Policy was modified on January 1, 2018, with an effective date of March 8, 2018 and includes, but is not limited to, the topics of Standards of Care, Objectives, Strategy, Eligible Investments and Investment Parameters.

The City follows a set of Standards of Care when it comes to its investments that include the following:

Social Policies: A City social policy shall take precedence over furthering the City's financial objectives
when expressly authorized by City Council resolution, except where otherwise provided by law or trust
principles.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

- Prudence: The standard of prudence to be used by investment personnel shall be the "Prudent Investor Rule" and will be applied in the context of managing an overall portfolio.
- Ethics and Conflict of Interest: Investment officers shall comply with the City's Ethics Code (SMC 4.16.080) and annually submit a Financial Interest Statement to the City's Ethics & Elections Commission that identifies any potential financial interest that could be related to the performance of the City's investment portfolio.
- Delegation of Authority: The Director of Finance and Administrative Services has delegated management responsibility for the City's investment program to the Director of Finance who has designated day to day management responsibility to investment officers under the supervision of the City's Treasury Services Director. No persons may engage in an investment transaction except as provided under the terms of the City Statement of Investment Policy and the procedures established therein.

The three objectives in managing the City of Seattle's investments define its risk profile and guide implementation of its investment strategy. In order of importance they are Safety of Principal, Maintenance of Liquidity, and Return on Investment.

Eligible investments for the City are those securities and deposits authorized by statute (RCW 39.59.040) and include, but are not limited to:

- A. Bonds of the state of Washington and any local government in the state of Washington;
- B. General obligation bonds of a state and general obligation bonds of a local government of a state, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency;
- C. Subject to compliance with RCW 39.56.030, registered warrants of a local government in the same county as the government making the investment;
- D. Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States;
- E. United States dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that at the time of investment, the institution has the United States government as its largest shareholder;
- F. Federal home loan bank notes and bonds, federal land bank bonds and federal national mortgage association notes, debentures, and guaranteed certificates of participation, or the obligations of any other government sponsored corporation whose obligations are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system;
- G. Bankers' acceptances purchased in the secondary market;
- H. Commercial paper purchased in the secondary market;
- I. Corporate notes purchased in the secondary market.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

State statute also permits investment in the following types of securities:

- A. Certificates of deposit or demand deposits with financial institutions made in accordance with the provisions of Chapter 39.58 RCW;
- B. Washington State Local Government Investment Pool (LGIP), Chapter 43.250 RCW;
- C. Repurchase agreements collateralized by the above eligible securities issued by the U.S. Government and its sponsored entities.

As of December 31, 2020, and 2019, the City's pooled investments were as follows:

			2020			2019
(\$ in millions)	Ci	r Value of ty Pooled estments	Weighted-Average Maturity (Days)	City	Value of Pooled stments	Weighted-Average Maturity (Days)*
Corporate Bonds	\$	92.7	508	\$	50.2	545
International Bank for Reconstruction & Development		41.1	853		44.7	1060
Local Government Investment Pool		519.7	1		509.6	2
Municipal Bonds		319.7	702		354.0	781
Repurchase Agreements		72.6	4		118.2	2
U.S. Government Agency Mortgage-Backed Securities		268.7	1608		290.9	1811
U.S. Government Agency Securities		760.6	1018		693.8	1246
U.S. Treasury and U.S. Government-Backed Securities		470	732		583.5	902
Commercial Paper		0	0		84.9	22
Total	\$	2,545.1		\$	2,729.8	
Portfolio Weighted Average Maturity			731			689

^{*2019} Weighted-Average Maturity (Days) - updated

As of December 31, 2020, and 2019, the Department's share of the City pool was as follows:

(\$ in millions)	2020	2019
Operating cash and equity in pooled investments	\$ 102.4	\$ 190.2
Restricted cash and equity in pooled investments	324.8	276.5
Total	\$ 427.2	\$ 466.7
Balance as a percentage of City pool cash and investments	16.7%	17.1%

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Fair Value of Pooled Investments—The City reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, Fair Value Measurement and Application. See Note 2 Fair Value Measurement. Fair value of the City's pooled investments fluctuates with changes in interest rates and the underlying size of the pooled investment portfolio. To mitigate interest rate risk in the City's pooled investment portfolio, the City typically holds its investments to maturity and manages its maturities to ensure sufficient monthly cash flow to meet its liquidity requirements. On March 11, 2021, President Biden signed into law the \$1.9 trillion "American Rescue Plan of 2021" to combat economic fallout from the Covid-19 pandemic that began during the first quarter of 2020. The Fed has communicated its ongoing support to maintain short-term historically low interest rates until the US economy can reach and sustain 2% inflation and unemployment return to prepandemic levels. Yields for longer term US treasuries have risen over 1Q21 in response to the unprecedented coordination of fiscal and monetary policy. By the end of March 2021, yields for Treasury Bills held close to zero while the yield for the U.S. 10-year Treasury rose to 1.74%, the highest it has been since December 2019 before Covid-19 broke out, and 81 basis point higher than the close on Dec. 31, 2020.

The City held \$519.7 million in the Washington State Local Government Investment Pool (LGIP) managed by the Office of the Washington State Treasurer. The City's investments in the LGIP are reported at amortized cost which approximates fair value. It is overseen by the Office of the State Treasurer, the State Finance Committee, the Local Government Investment Pool Advisory Committee, and the Washington State Auditor's Office.

To provide for the City's investment objectives, parameters have been established that guide the investment officers. Management of the Pool is subject to the restrictions outlined in the following sections.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. To mitigate interest rate risk, the City intentionally immunizes its known and expected cash flow needs. To best accomplish meeting its investment objectives, the City has divided the Pool into two separate portfolios: Operating and Strategic.

The Operating Portfolio is invested to meet reasonably expected liquidity needs over a period of twelve to eighteen months. This portfolio has low duration and high liquidity. Consistent with this profile, and for the purpose of comparing earnings yield, its benchmark is the net earnings rate of the State of Washington's Local Government Investment Pool (LGIP).

The Strategic Portfolio consists of cash that is in excess of known and expected liquidity needs. Accordingly, this portfolio is invested in debt securities with longer maturities than the Operating Portfolio, which over a market cycle, is expected to provide a higher return and greater investment income. Consistent with this profile, and for the purpose of comparing duration, yield and total return, the benchmark for the Strategic portfolio is the Barclays U.S. Government 1-7 year index. The duration of the Strategic Portfolio is targeted between 75 percent and 125 percent of the benchmark.

To further mitigate interest rate risk a minimum of 60% of the Operating Portfolio and 30% of the Strategic Portfolio must be invested in asset types with high liquidity, specifically U.S. government obligations, U.S. government agency obligations, LGIP, demand accounts, repo, sweep, commercial paper and Banker's Acceptances.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Credit Risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

To mitigate credit risk, municipal bonds must have one of the three highest credit ratings of a Nationally Recognized Statistical Rating Agency (NRSRO) at the time of purchase. The Office of the State Treasurer interprets the three highest credit ratings to include AAA, AA and A including gradations within each category. For example, the lowest credit rating allowable is A3 by Moody's and A- by S&P and Fitch.

Commercial paper and corporate note investments must adhere to the Washington State Investment Board Policy Number 2.05.500, and together are defined as the "credit portfolio" with the following constraints in place to mitigate credit risk:

Commercial paper investments may not have maturities exceeding 270 days and must hold the highest short-term credit rating by all the major credit rating agencies that rate the issuer at the time of purchase.

Corporate notes must be rated at least weak single-A or better by all the major rating agencies that rate the note at the time of purchase. Corporate notes rated in the broad single-A category with a negative outlook may not be purchased. Portfolio holdings of corporate notes downgraded to below single A and portfolio holdings of securities rated single A with their outlooks changed to negative may continue to be held. No additional purchases are permitted.

Municipal bonds must have a credit rating of weak single-A or better by all the major rating agencies that rate the issuer at the time of purchase. No single issuer may exceed 5 percent of the Pool's fair value.

Concentration Risk—Concentration Risk is the risk of loss attributed to the magnitude of investments in a single issuer. The City manages concentration risk by limiting its investments in any one issuer in accordance with the City's investment policy and state statutes. The policy limits vary for each investment category.

The maturity of a corporate note shall be 5.5 years or less at the time of purchase. The maximum duration of aggregate corporate note investments shall not exceed 3 years. No corporate note issuer may exceed 3 percent of the fair value of the assets of the total portfolio. The percentage of corporate notes that may be purchased from any single issuer rated AA or better by all major rating agencies that rate the note is 3 percent of assets of the total portfolio. The percentage of corporate notes that may be purchased from any single issuer in the broad single-A category from all the major rating agencies that rate the security is 2 percent of the total portfolio.

The credit portfolio may not exceed 25 percent of the Pool's fair value. Credit investments must be diversified by sector and industry. Commercial paper and corporate notes must be purchased in the secondary market and directly from an issuer. No single issuer shall exceed 3 percent of the total portfolio's fair value.

The individual country limit of non-U.S. and non-Canadian exposure is 2 percent of the total portfolio. The exposure is determined by the country of domicile of the issuer.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

State statute and the City's Statement of Investment Policy do not stipulate concentration limits for holdings of U.S. Government or U.S. Government Agency Obligations. There is a maximum of 5 percent of the Pool in any municipal issuer. The City's investments in which 5% or more is invested in any single issuer as of December 31, 2020 and 2019 are as follows:

(\$ in millions)		2020				
Issuer	Fair Value	Percent of Total Investments				
Local Government Investment Pool	\$ 519.7	20%				
Federal Farm Credit Bank	519.5	20%				
U.S. Treasury and Government-Backed Securities	470.0	18%				
Municipal Bonds	319.7	13%				
Federal National Mortgage Association	267.5	11%				
Federal Home Loan Mortgage Corporation	242.3	10%				
	\$ 2,338.7	92%				

	2019				
(\$ in millions)			Percent of		
	Fair	r Value	Total		
Issuer			Investments		
US Treasury (HUD Debenture, US Treasury Bonds)	\$	583.5	21%		
Washington State Treasurer's Investment Pool		509.6	19%		
Federal Farm Credit Bank, Federal Home Loan Bank		406.9	15%		
Municipal Bonds		354.0	13%		
Federal Home Loan Mortgage Corporation (Freddie Mac) and FHMS K Series		293.8	11%		
Federal National Mortgage Association (Fannie Mae), FNA, and FNMA DUS ACES, FN DUS POOL		284.0	10%		
SWEEP-REPO		118.2	4%		
	\$	2,550.0	93%		

Custodial Credit Risk – Investments—Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the City will not have access to, or be able to recover, its investments or collateral securities that are in the possession of an outside party. The City mitigates custodial credit risk for its investments by having its investment securities held by the City's contractual custodial agent. The City maintains a custody relationship with Wells Fargo under the State of Washington's statewide custody provider program arranged by the State Treasurer's Office. The City mitigates counterparty risk by settling trades through its custodian on a delivery-versus-payment method.

By investment policy, the City maintains a list of approved securities dealers for transacting business. The City also conducts its own due diligence as to the financial wherewithal of its counterparties.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Foreign Currency Risk—The City's pooled investments do not include securities denominated in foreign currencies.

The City of Seattle's Annual Comprehensive Financial Report may be obtained by writing to The City of Seattle, Department of Finance and Administrative Services, P.O. Box 94689, Seattle, WA 98124-4689; telephone: (206) 684-2489, or obtained on-line at http://www.seattle.gov/financial-services/comprehensive-annual-financial-report.

6. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2020 and 2019, consist of:

(\$ in millions)		Retail Electric		olesale Power		Other perating		perating Subtotal		operating ubtotal		Total
2020	•	0.7.6	•	0.7	•	10.6	•	100.0	•	(2.1	•	1060
Accounts receivable Less allowance for doubtful accounts	\$	95.6 (27.6)	\$	8.7	\$	18.6 (14.2)	\$	122.9 (41.8)	\$	63.1	\$	186.0 (41.8)
	\$	68.0	\$	8.7	\$	4.4	\$	81.1	\$	63.1	\$	144.2
2019												
Accounts receivable Less allowance for doubtful accounts	\$	76.3 (14.8)	\$	5.4	\$	16.1 (12.6)	\$	97.8 (27.4)	\$	60.7	\$	158.5 (27.4)
	\$	61.5	\$	5.4	\$	3.5	\$	70.4	\$	60.7	\$	131.1

There was no exchange energy at fair value under long-term contracts within Wholesale power receivables at December 31, 2020 and 2019. (see Note 19 Long-Term Purchased Power, Exchanges, and Transmission).

7. OTHER ASSETS

Seattle City Council passed resolutions authorizing debt financing and reporting as regulatory assets certain costs in accordance with Statement No. 62 of the GASB, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB & AICPA Pronouncements. Programmatic conservation costs incurred by the Department and not funded by third parties, Endangered Species Act costs, and environmental costs are reported as regulatory assets in accordance with GASB Statement No. 62. Conservation costs reported as regulatory assets are amortized over 20 years. Endangered Species Act costs reported as regulatory assets are amortized over 20 years. Endangered Species Act costs reported as regulatory assets are amortized over 19 Commitments and Contingencies). Environmental costs reported as regulatory assets are amortized over 25 years, beginning in the year costs are paid.

Other assets, which are not covered under GASB Statement No. 62, consist of:

• Suburban infrastructure long-term receivables are underground electrical infrastructure costs for suburban jurisdictions, which are recovered through rates from customers within the respective jurisdictions for a period of approximately 25 years, as approved by the Seattle City Council.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

- Long-term interfund receivable for expected recoveries related to environmental costs covered under GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 15 Environmental Liabilities).
- Puget Sound Energy interconnection and substation costs are being amortized to expense over 25 years.
- Studies, surveys, and investigations are reported as other assets until such time they result in active projects, or when it is determined no assets will result, at which time they are expensed.
- Long-term customer loans receivable and the remaining components of other assets, are not amortized.

Regulatory assets and other assets, net, at December 31, 2020 and 2019, consisted of the following:

(\$ in millions)	2020	2019
Regulatory assets: Conservation costs—net Endangered Species Act costs—net Environmental costs	\$ 256.7 1.4 117.1 375.2	\$ 261.4 1.5 116.0 378.9
Other charges and assets—net: Suburban infrastructure long-term receivables Long-term interfund receivable for environmental costs Long-term customer notes receivable Puget Sound Energy interconnection and substation Studies, surveys, and investigations Other	47.3 0.6 1.1 - 2.8 0.1 51.9	49.1 0.6 - 0.1 2.8 0.5 53.1
Total Other Assets	\$ 427.1	\$ 432.0

8. DEFERRED OUTFLOWS OF RESOURCES

In accordance with the requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, the Department recognizes pension contributions made between the pension plan measurement date and the Department's fiscal year end as deferred outflows of resources. Also recognized as deferred outflows of resources are losses resulting from differences between projected and actual earnings on plan investments, which are amortized over a closed five-year period, and losses related to differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability, which are amortized to pension expense over a period equal to the expected remaining service life of employees receiving pension benefits. See Note 13 Seattle City Employees' Retirement System.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

In accordance with the requirements of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), the Department records the contributions subsequent to the net OPEB liability measurement date, but before the end of the reporting period, as deferred outflows of resources. Also, the deferred outflows of resources result from (1) differences between expected and actual experience, (2) changes in assumptions, and (3) differences between projected and actual investment earnings. Deferred outflows of resources from assumption changes and experience differences are amortized using a systematic and rational method over a closed period equal to the average remaining service lives of all plan participants. Deferred outflows from investment earnings differences are amortized over a closed five-year period. See Note 14 Other Postemployment Benefits.

The excess of costs incurred over the carrying value of bonds refunded on early extinguishment of debt are reported as Deferred outflows of resources and amortized as a component of interest expense using the effective interest method over the terms of the issues to which they pertain. See Note 9 Long-term Debt.

Deferred outflows of resources at December 31, 2020 and 2019 consisted of the following:

(\$ in millions)		2019		
Deferred outflows of resources: Unrealized contributions and losses related to pension Unrealized contributions and losses related to OPEB Charges on advance refunding	\$	42.3 2.6 20.1	\$	76.2 1.9 24.6
Total	\$	65.0	\$	102.7

9. LONG-TERM DEBT

At December 31, 2020 and 2019, the Department's long-term debt consisted of the following prior lien or parity bonds:

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

LONG-T (\$ in mi		Rate	Maturity Year	Original Issuance	2020	2019
Prior Lie	en Bonds:					
2020A	ML&P Improvement Revenue Bonds	4.000%-5.000%	2050	\$ 198.3	\$ 198.3	\$ -
2019A	ML&P Improvement Revenue Bonds	5.000%-5.000%	2049	210.5	207.0	210.5
2019B	ML&P Refunding Revenue Bonds	5.000%-5.000%	2026	140.3	140.3	140.3
2018C2	ML&P Refunding Revenue Bonds	variable rates	2046	49.2	45.9	47.2
2018C1	ML&P Refunding Revenue Bonds	variable rates	2046	49.2	45.9	47.2
2018B2	ML&P Refunding Revenue Bonds	variable rates	2045	50.1	50.1	50.1
2018B1	ML&P Refunding Revenue Bonds	variable rates	2045	50.1	50.1	50.1
2018A	ML&P Improvement Revenue Bonds	4.000%-5.000%	2048	263.8	255.5	259.9
2017C	ML&P Improvement and Refunding Revenue Bonds	4.000%-5.000%	2047	385.5	372.0	376.3
2016A	ML&P Revenue Bonds	4.050% fixed	2041	31.9	31.9	31.9
2016B	ML&P Refunding Revenue Bonds	4.000%-5.000%	2029	116.9	105.1	115.3
2016C	ML&P Improvement and Refunding Revenue Bonds	4.000%-5.000%	2046	160.8	151.6	154.1
2015A	ML&P Revenue Bonds	4.000%-5.000%	2045	171.9	143.2	149.0
2014	ML&P Improvement and Refunding Revenue Bonds	4.000%-5.000%	2044	265.2	185.0	198.4
2013	ML&P Improvement and Refunding Revenue Bonds	2.000%-5.000%	2043	190.8	118.3	171.9
2012A	ML&P Improvement and Refunding Revenue Bonds	2.000%-5.000%	2041	293.3	159.3	212.6
2012C	ML&P Clean Renewable Energy Bonds	3.400%-3.750%	2033	43.0	43.0	43.0
2011A	ML&P Improvement and Refunding Revenue Bonds	1.000%-5.500%	2036	296.3	46.1	58.0
2011B	ML&P Clean Renewable Energy Bonds	5.750%-5.750%	2027	10.0	10.0	10.0
2010A	ML&P Build America Bonds	4.447%-5.570%	2040	181.6	181.6	181.6
2010B	ML&P Improvement and Refunding Revenue Bonds	2.000%-5.000%	2026	596.9	-	46.4
2010C	ML&P Recovery Zone Economic Development Bonds	5.590%-5.590%	2040	13.3	13.3	13.3
Total pri	or lien bonds			\$ 3,768.9	\$ 2,553.5	\$ 2,567.1

The Department had the following activity in long-term debt during 2020 and 2019:

(\$ in millions)	Balance at			Balance at	Current
	1/1/20	Additions	Reductions	12/31/20	Portion
2020					
Prior Lien Bonds - fixed rate	\$ 2,372.5	\$ 198.3	\$ (209.4)	\$ 2,361.4	\$ 115.6
Prior Lien Bonds - variable rate	194.6		(2.5)	192.1	2.1
	\$ 2,567.1	\$ 198.3	\$ (211.9)	\$ 2,553.5	\$ 117.7
(\$ in millions)	Balance at			Balance at	Current
	1/1/19	Additions	Reductions	12/31/19	Portion
2019					
Prior Lien Bonds - fixed rate	\$ 2,294.1	\$ 350.8	\$ (272.4)	\$ 2,372.5	\$ 120.1
Prior Lien Bonds - variable rate	197.5		(2.9)	194.6	2.5
	\$ 2,491.6	\$ 350.8	\$ (275.3)	\$ 2,567.1	\$ 122.6

Prior Lien Bonds—In August 2020, the Department issued \$198.3 million of tax exempt Municipal Light and Power (ML&P) Improvement Revenue Bonds (2020A Bonds) and in November 2020 advance refunded or defeased \$39.4 million of tax exempt Municipal Light and Power (ML&P) Improvement and Refunding Revenue Bonds (2012A Bonds) and \$49.9 million of (2013 Bonds). The 2020A Bonds had coupon interest rates ranging from 4.00% of 5.00% and mature serially from July 1, 2021 through July 1, 2050. The arbitrage yield was 1.19% for the 2020A Bonds. Arbitrage yield, when used in computing the present worth of all payments of principal and interest on the Bonds in the manner prescribed by the Internal Revenue Code, produces an amount equal to the issue price of the Bonds. Proceeds from the 2020A Bonds were used to finance certain capital improvement and conservation programs and to make a deposit to the reserve fund.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

The debt service on the 2020A Bonds requires a cash flow over the life of the bonds of \$320.1 million, including \$121.8 million in interest. Bonds defeased in November 2020 partially refunded certain 2012A Bonds and 2013 Bonds on an advanced refunding basis. Advance refunding is a refunding in which the refunded issue(s) remains outstanding for a period of more than 90 days after a bond defeasance transaction, the proceeds of which are held in escrow invested in securities and used to pay principal and interest on the refunded issue(s). The source of refunding for the 2012A and 2013 bonds was from operating cash whereby \$99.9 million of open market securities were purchased and placed in escrow to pay principal and interest on the refunded bonds. The accounting loss on refunding for 2020 was \$2.8 million.

Prior Lien Bonds— In October 2019, the Department issued \$210.5 million of tax exempt Municipal Light and Power (ML&P) Improvement Revenue Bonds (2019A Bonds) and in November 2019 issued \$140.3 million of tax exempt Municipal Light and Power (ML&P) Refunding Revenue Bonds (2019B Bonds). The 2019A Bonds had a coupon interest rate of 5.00% and mature serially from April 1, 2020 through April 1, 2049. The 2019B serial Bonds also had a coupon interest rate of 5.00% and mature serially from February 2021 through February 2026. The arbitrage yield was 1.82% for both the 2019A and 2019B Bonds. Arbitrage yield, when used in computing the present worth of all payments of principal and interest on the Bonds in the manner prescribed by the Internal Revenue Code, produces an amount equal to the issue price of the Bonds. Proceeds from the 2019A Bonds were used to finance certain capital improvement and conservation programs and to make a deposit to the reserve fund. Proceeds from the 2019B Bonds were used to refund \$155.8 million of the 2010B Bonds.

The debt service on the 2019A Bonds requires a cash flow over the life of the bonds of \$405.7 million, including \$195.1 million in interest, the debt service on the 2019B Bonds requires a cash flow over the life of the bonds of \$166.5 million, including \$26.3 million in interest. The 2019B Bonds refunded the 2010B Bonds on an advanced refunding basis. The difference between the cash flows required to service the old and new debt and to complete the refunding for the 2019B Bonds totaled \$20.6 million and the aggregate economic gain on refunding totaled \$19.4 million at present value. The accounting gain on refunding for the 2019B Bonds was \$2.0 million.

The Department has certain bonds outstanding that provide a refundable tax credit, or federal subsidy, paid to state or local governmental issuers by the U.S. Treasury. The amount of the federal subsidy is equal to the lesser of the amount of interest payable based on the coupon interest rate or a percentage of the amount of interest payable based on the tax credit rate on the sale date with respect to those bonds. This federal subsidy ultimately results in a net decrease to debt service, although debt service payments are paid gross. The federal subsidies are recorded as nonoperating revenues on the statements of revenues, expenses, and changes in net position.

Federal Sequestration—The sequestration provisions of the Budget Control Act of 2011 went into effect on March 1, 2013. The only direct impact of sequestration on the Department for 2020 was a 5.9% reduction through the end of the federal fiscal year (FFY) ending September 30, 2020 at which time the automatic reductions were adjusted to 5.7% in the amount the Department expects to receive from the federal government in connection with its Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—Direct Payment); Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds—Direct Payment); Municipal Light and Power Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy Bonds—Direct Payment); Municipal Light and Power Improvement Revenue Bonds, 2012C (Taxable New Clean Renewable Energy Bonds—Direct Payment); and Municipal Light and Power Revenue Bonds, 2016A (Taxable New Clean Renewable Energy

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Bonds—Direct Payment). Because of this reduction, the Department received \$0.4 million less in interest subsidies than originally anticipated for 2020. The Department has sufficient revenues to pay the interest without these subsidies. The effect for the accrual of federal subsidies as of December 31, 2020 was inconsequential. The effect during 2021 is estimated to be lower federal subsidies by approximately \$0.4 million. The effect thereafter for federal subsidies is indeterminable. Sequestration was originally in effect through FFY 2021 and has subsequently been extended through approximately FFY 2029.

Debt service requirements for prior lien bonds, excluding federal subsidies for the 2016, 2012, 2011 and 2010 bonds are shown in the table below. Future debt service requirements on the variable 2018B and 2018C Bonds are estimated based on actual interest rates in effect as of December 31, 2020.

18	in	mil	lions	١
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	Fixed F	Fixed Rate Bonds			Variable Rate Bonds			
Years Ending December 31	Principal demptions	Re	Interest quirements		rincipal lemptions		terest iirements	Total
2021	\$ 115.6	\$	105.1	\$	2.1	\$	0.9	\$ 223.7
2022	118.8		100.3		2.2		0.9	222.2
2023	121.3		94.2		2.3		0.9	218.7
2024	125.0		88.1		2.3		0.9	216.3
2025	115.0		81.7		2.4		0.9	200.0
2026 - 2030	432.6		338.8		31.7		3.9	807.0
2031 - 2035	386.2		249.9		38.7		3.1	677.9
2036 - 2040	443.3		158.8		47.2		2.1	651.4
2041 - 2045	345.4		71.6		57.7		0.9	475.6
2046 - 2050	 158.2		13.5	-	5.5			 177.2
Total	\$ 2,361.4	\$	1,302.0	\$	192.1	\$	14.5	\$ 3,870.0

Reserve Fund—The Department has created and is required under Ordinance No. 125459 (Bond Ordinance) to maintain a Reserve Fund for the purpose of securing the payment of the principal of and interest on all Parity Bonds outstanding and all amounts due under Parity Payment Agreements. The Reserve Fund is a pooled reserve and is an account within the books of the Department.

Reserve Fund Requirement—Under the Bond Ordinance, the aggregate Reserve Fund Requirement for all Parity Bonds is equal to the sum of the Reserve Fund Requirements established for each issue of Parity Bonds outstanding. The Bond Ordinance permits the City to establish the Reserve Fund Requirement (if any) for each issue of the Bonds or of Future Parity Bonds in connection with approving the sale of each such issue. Solely for purposes of setting the Reserve Fund Requirement, all series issued together under a single bond sale resolution are treated as a single "issue". Upon issuance of the 2020A Bonds, the aggregate Reserve Fund Requirement for all Parity Bonds outstanding was \$163.1 million. The Reserve Fund Requirement is satisfied by cash held in the Reserve Fund and the current value of the surety bond (see below). The reserve fund balance of \$153.8 million at December 31, 2020 consisted of \$107.9 million in cash which included a \$4.4 million deposit from the 2020A bond proceeds, and \$45.9 million in surety bond replacement funds. The reserve fund balance at December 31, 2019 of \$146.5 million consisted of \$100.6 million in cash which included a \$5.5 million deposit from the 2019A bond proceeds, and \$45.9 million in surety bond replacement funds.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Surety Bond—Under the Bond Legislation, the City is permitted to provide for the Reserve Fund Requirement with an Alternate Reserve Security consistent with the Bond Legislation requirements. Under the Bond Legislation, a surety bond qualifies as Qualified Insurance for purposes of satisfying the Reserve Fund Requirement if the provider's ratings are in one of the top two rating categories at the time the policy is issued. The Bond Legislation does not require that the Reserve Fund be funded with cash or an Alternate Reserve Security if the provider of qualified insurance is subsequently downgraded. The City currently has a surety bond (the "Surety Bond") purchased from Assured Guaranty Municipal Corporation (AGM), with a policy limit that is equal to \$71.5 million. This amount is used to satisfy a large proportion of the aggregate Reserve Fund Requirement.

AGM is currently rated A2 and AA by Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

Irrevocable Trust Accounts—\$100.0 million from operating cash was placed in a separate irrevocable trust account to partially defease the 2012A and 2013 Bonds on an advanced refunding basis. There were balances outstanding in the irrevocable trust account during 2020 for prior lien bonds advance refunded or defeased in 2020 with balances outstanding for prior lien bonds advance refunded prior to 2019. The ending balance of irrevocable trust accounts for the defeased bonds outstanding was \$234.5 million and \$333.0 million as of December 31, 2020 and 2019 respectively. During 2020, \$187.9 million of the defeased bonds were called and paid from the 2020 irrevocable trust account. Neither the assets of the trust accounts nor the liabilities for the defeased bonds are reflected in the Department's financial statements. Funds held in the irrevocable trust accounts at December 31, 2020 are sufficient to service and redeem the defeased bonds outstanding.

Bond Ratings—The 2020 and 2019 Bonds, along with other outstanding parity bonds, were rated "Aa2" and "AA"; and "Aa2" and "AA", by Moody's Investors Service, Inc. and Standard Poor's Rating Services, respectively.

Revenue Pledged—Revenue bonds are special limited obligations payable from and secured solely by the gross revenues of the Department, less charges for maintenance and operations, and by money in the debt service account and Reserve Fund. Principal and interest paid during 2020 and 2019 was \$228.5 million and \$226.9 million, respectively. Total revenue available for debt service as defined for the same periods was \$386.3 million and \$462.7 million, respectively. Annual interest and principal payments are expected to require 57.9% of revenues available for debt service for 2021 and required 49.4% in 2020.

Federal Arbitrage Regulations—Revenue bonds are subject to federal arbitrage regulations and the Department has complied with these regulations. As of December 31, 2020 and 2019, arbitrage liability existed for certain bonds outstanding totaling \$0.7 million for both years.

Certain Disclosures Related to Debt – There were no direct borrowings or direct placements for the Department as of December 31, 2020 and 2019, respectively.

The Department has an arrangement with the City of Seattle Department of Finance and Administrative Services (FAS) regarding potential sources of funds that could be accessed if cash resources of the Department are insufficient for a period of less than 90 days. The Department relies on ready access to the City's consolidated cash pool via interfund loans as a source of short-term emergency liquidity. Interfund loans of longer than 90 days require review by the Debt Management Policy Advisory Committee (DMPAC) and City Council approval. As of December 31, 2020, and 2019, there were no interfund loans outstanding.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Also, there were no financed purchases of underlying assets or accounts payable regarding capital leases as of December 31, 2020 and 2019, respectively.

Default of Debt – In the event of a default, Bond owners would be permitted to pursue remedies available under State law, including the right to bring action against the City to compel the setting aside and payment of the amounts pledged to be paid into the Parity Bond Fund in respect of the then-Outstanding Parity Bonds.

If any Bond of a Series is not paid when properly presented at its maturity or redemption date, the City will be obligated to pay, solely from the Seattle Municipal Light Revenue Parity Bond Fund (the "Parity Bond Fund") and the other sources pledged in the Bond Ordinance, interest on that Bond at the same rate provided in that Bond from and after its maturity or redemption date until that Bond, principal, premium, if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Parity Bond Fund and that Bond has been called for payment by giving notice of that call to the Registered Owner of that Bond.

Other—There were no liens on property or revenue pertaining to parity bonds and all bond covenants were in compliance for the Department's prior lien bonds as of December 31, 2020 and 2019, respectively.

Fair Value— Debt is recorded and presented in the financial statements at carrying value net of premiums and discounts and shown below with fair values as provided by the Department's financial advisor, Piper Sandler Companies. The fair value for the Department's bonds is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Department for debt of the same remaining maturities. Carrying amounts and fair values at December 31, 2020 and 2019, were as follows:

(\$ in millions)	20	2020		019		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value		
Long-term debt:						
Prior lien bonds	\$ 2,812.5	\$ 2,950.9	\$ 2,805.1	\$ 2,889.0		

Amortization—Discounts and premiums are amortized using the effective interest method over the term of the bonds.

The excess of costs incurred over the carrying value (refunding loss), or the excess of carrying value over costs (refunding gain) of bonds refunded on early extinguishment of debt is amortized as a component of interest expense using the effective interest method over the terms of the issues to which they pertain. Net refunding losses and gains amortized to interest expense totaled \$6.0 million in 2020 and \$5.1 million in 2019. Charges on advance refunding in the amount of \$20.1 million and \$24.6 million are included as a component of Deferred Outflows of Resources on the 2020 and 2019 balance sheets, respectively. Gains on advance refunding included as a component of Deferred Inflows of Resources were \$1.4 million in 2020 and \$1.9 million in 2019.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

10. NONCURRENT LIABILITIES—The Department had the following activities during 2020 and 2019:

(\$ in millions)		alance at 1/1/20	Ad	lditions	Red	ductions		alance at 2/31/20
2020								
Net pension liability	\$	321.6	\$	-	\$	(56.4)	\$	265.2
Accumulated provision for injuries								
and damages		112.0		0.7		-		112.7
Compensated absences		16.7		3.6		-		20.3
Other		9.5		0.2				9.7
Total	\$	459.8	\$	4.5	\$	(56.4)	\$	407.9
		alance at	A 4	lditi o o o	Da	d		alance at
2019		1/1/19	Ad	lditions	Red	ductions	1	2/31/19
	¢	222.5	¢	90.1	¢		¢	221.6
Net pension liability	\$	232.5	\$	89.1	\$	-	\$	321.6
Accumulated provision for injuries		108.9		3.1				112.0
and damages Compensated absences		15.0		1.7		-		16.7
Other		9.4		0.3		(0.2)		9.5
Total	\$	365.8	\$	94.2	\$	(0.2)	\$	459.8

Additional information on the Net pension liability can be found in Note 13 Seattle City Employees' Retirement System. Information about the provision for injuries and damages can be found in Note 11 Provision for Injuries and Damages and Note 15 Environmental Liabilities. Other includes primarily a liability for Other Postemployment Benefits; see Note 14 Other Postemployment Benefits.

11. PROVISION FOR INJURIES AND DAMAGES

The Department establishes liabilities for claims based on estimates of the ultimate projected cost of claims. Environmental related expenses are discussed in Note 15 Environmental Liabilities. The length of time for which such costs must be estimated varies depending on the nature of the claim. Actual claims costs depend on such factors as inflation, changes in doctrines of legal liability, damage awards, and specific incremental claim adjustment expenses. Claims liabilities are recomputed periodically using actuarial and statistical techniques to produce current estimates, which reflect recent settlements, claim frequency, industry averages, City-wide cost allocations, and economic and social factors. For 2020 and 2019, liabilities for lawsuits, claims, and workers' compensation were discounted over a period of 28 to 33 years at the City's average annual rate of return on investments, which was 2.36% and 2.00%, respectively.

To address the risk for certain losses arising from personal and property damage claims by third parties and for job-related illnesses and injuries to employees, the Department as part of the City of Seattle, has been self-insured for most of its general liability risks, for workers' compensation, and for employees' health care benefits. Effective June 1, 2020, the City had general liability insurance coverage for losses over a \$6.5 million self-insured retention per occurrence with a \$35 million limit per occurrence in the aggregate. Prior to June 1, 2020, the City had general liability insurance coverage for losses over a \$6.5 million self-insured retention per occurrence with a \$100 million limit per occurrence in the aggregate. The Department had no settled claims exceeding coverage in the last three years.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

The City also purchased an all risk comprehensive property insurance policy that provides \$500.0 million in limits subject to various deductible levels depending on the type of asset and value of the building. This includes \$100.0 million in earthquake and flood limits. Hydroelectric and certain other utility producing and processing projects are not covered by the property policy. The City also purchased insurance for excess workers' compensation, cyber, fiduciary and crime liability, inland marine transportation, volunteers, and an assortment of commercial general liability, medical, accidental death and dismemberment, and miscellaneous policies. Bonds are purchased for public officials, public notaries, pension exposures, and specific projects and activities as necessary.

The changes in the provision for injuries and damages at December 31, 2020 and 2019 are as follows:

(\$ in millions)	2020	2019
Beginning unpaid claims liability Payments Incurred claims	\$ 10.3 (3.8) 6.1	\$ 10.1 (4.1) 4.3
Ending unpaid claims liability	\$ 12.6	\$ 10.3

The provision for injuries and damages included in current and noncurrent liabilities at December 31, 2020 and 2019 is as follows:

(\$ in millions)	2	020	2	019
Noncurrent liabilities Accounts payable and other current liabilities	\$	8.4 4.2	\$	6.9 3.4
Total liability	\$	12.6	\$	10.3

12. ACCOUNTS PAYABLE

Accounts Payable and Other Current Liabilities—The composition of accounts payable and other current liabilities at December 31, 2020 and 2019, is as follows:

(\$ in millions)	2020		2019	
Vouchers payable	\$	33.7	\$	49.1
Power accounts payable		23.5		24.8
Taxes payable		8.1		10.6
Claims payable		6.4		6.9
Guarantee deposit and contract retainer		34.1		26.6
Other accounts payable		3.6		11.3
Total	\$	109.4	\$	129.3

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

13. SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

Plan Description—The Seattle City Employees' Retirement System (SCERS) is a cost-sharing multiple-employer defined benefit public employee retirement system, covering employees of the City and administered in accordance with Chapter 41.28 of the Revised Code of Washington and Chapter 4.36 of the Seattle Municipal Code. SCERS is a pension trust fund of the City. SCERS is administered by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Personnel Director, two active members and one retired member of the System who are elected by other system members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three-year terms.

All employees of the City are eligible for membership in SCERS with the exception of uniformed police and fire personnel who are covered under a retirement system administered by the State of Washington. Employees of the King County Departments of Transportation and Public Health who established membership in SCERS when these organizations were City departments were allowed to continue their SCERS membership.

Beginning with employees with hire dates of January 1, 2017, all new members are enrolled in SCERS Plan II, which has contribution and benefit calculation rates different than the SCERS I Plan.

Following is membership data for employees covered by the benefit terms as of the reporting date, December 31, 2020, and the measurement date, December 31, 2019 and the reporting date December 31, 2019, and the measurement date December 31, 2018:

	2020	2019
Active members	9,410	9,440
Retired members and beneficiaries receiving benefits	7,138	7,029
Vested terminated employees entitled to benefits	1,366	1,371
Terminated employees not entitled to benefits beyond		
contributions and accumulated interest, non-vested	1,442	1,401

Summary of Significant Accounting Policies—SCERS financial statements and schedules are presented using the economic resources measurement focus and the accrual basis of accounting. For purposes of measuring the net pension liability (NPL), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of SCERS and additions to and deductions from SCERS fiduciary net position have been determined on the same basis as they are reported by SCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value in accordance with GASB 72.

The NPL was measured as of December 31, 2019 and December 31, 2018, and the total pension liability used to calculate the NPL was based on an actuarial valuation as of January 1, 2019 and January 1, 2018, respectively.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Pension Benefits—Service retirement benefits are calculated on the basis of age, salary, and service credit.

SCERS I – Members are eligible for retirement benefits after 30 years of service, at age 52 after 20 years of service, at age 57 after 10 years of service, and at age 62 after 5 years of service. Annual retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after 5 years of credited service.

SCERS II – Members are eligible for retirement benefits at age 55 after 20 years of service, at age 57 after 10 years of service, and at age 60 after 5 years of service. Annual retirement benefits are calculated as 1.75% multiplied by years of creditable service, multiplied by average salary, based on the highest 60 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after 5 years of credited service.

Disability Benefits—An active member is eligible to receive disability benefits when: (a) member has achieved 10 years of credited service within the 15 years preceding disability retirement, or (b) the disability occurs in the course of City employment in which no service requirement exists. The amount of the disability benefit is the greater of (a) 1.5% times the final compensation times completed years of creditable service, or (b) 1.5% times final compensation total years of service that could have been earned to age 62, but not to exceed one-third of final compensation. Disability benefits vest after 10 years of credited service.

Death Benefits—Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are (a) payment to the beneficiary of accumulated contributions, including interest, or (b) if the member had completed 10 years of service at the time of death, a surviving spouse or registered domestic partner may elect to receive, in place of (a) above, either: (1) A monthly allowance for life equal to the benefit the spouse would have received had the member just retired with a 100% contingent annuitant option in force, or (2) A cash payment of no more than one-half of the member's accumulated contributions, along with a correspondingly reduced retirement allowance. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement. Death benefits vest after 10 years of credited service.

Contributions—Member and employer contributions rates are established by Seattle Municipal Code Chapter 4.436. The overall contribution rate is determined by the actuarial formula identified as the Entry Age Cost Method. Member contribution rates are also set via collective bargaining contracts. The overall formula determines the amount of contributions necessary to fund the current service cost, representing the estimated amount necessary to pay for benefits earned by the employees during the current service year and the amount of contributions necessary to pay for prior service costs. Total required contributions, including amounts necessary to pay administrative costs, are determined through annual actuarial valuations. Contribution rates and amounts were as follows as of the reporting dates, December 31, 2020 and December 31, 2019, and the measurement dates, December 31, 2019 and December 31, 2018:

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(\$ in millions)	Contributions					
		Ra	tes		Am	ounts
	SCERS I Employer	SCERS I Employee	SCERS II Em ployer	SCERS II Em ployee	City	Department
2020	16.20%	10.03%	14.42%	7.00%	\$141.0	\$28.7
2019	15.23%	10.03%	14.42%	7.00%	\$118.4	\$24.8

Net Pension Liability—The Department reported a liability of \$265.2 million and \$321.6 million for its proportionate share of net pension liability as of December 31, 2020 and December 31, 2019, respectively. The Department's proportion of the NPL as of December 31, 2020 and December 31, 2019 was based on contributions to SCERS during the fiscal year ended December 31, 2019 and December 31, 2018, respectively. The Department's proportionate share was 21.10% and 21.17% for the years ended December 31, 2019 and December 31, 2018, respectively. The net pension liability was measured as of December 31, 2019 and December 31, 2018, and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2019 and January 1, 2018, respectively.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Changes in Net Pension Liability

(\$ In millions)

	Fiscal Year Ended December 31		
	2020	2019	
Total Pension Liability			
Service cost	\$ 22.5	\$ 22.5	
Interest on total pension liability	64.0	62.1	
Effect of economic/demographic gains or losses	(4.5)	(2.6)	
Effect of assumptions changes or inputs	-	21.2	
Benefit payments	(42.9)	(40.3)	
Refund of contributions	(3.2)	(4.3)	
Net change in total pension liability	35.9	58.6	
Total pension liability, beginning of period	896.9	831.6	
Effect of change in proportionate share	(3.0)	6.7	
Adjusted total pension liability, beginning of period	893.9	838.3	
Total pension liability, end of period	929.8	896.9	
Plan fiduciary net position			
Benefit payments	(42.9)	(40.3)	
Refunds of contributions	(3.2)	(4.3)	
Administrative expenses	(2.0)	(2.6)	
Member contributions	15.9	16.2	
Employer contributions	25.1	24.9	
Net investment income	98.3	(22.6)	
Net change in Plan fiduciary net position	91.2	(28.7)	
Plan fiduciary net position, beginning of period	575.3	599.1	
Effect of change in proportionate share	(1.9)	4.9	
Adjusted fiduciary net position, beginning of period	573.4	604.0	
Plan fiduciary net position, end of period	664.6	575.3	
Net pension liability, end of period	\$ 265.2	\$ 321.6	

The Department incurred pension expense of \$24.7 million and \$33.6 million for the years ended December 31, 2020, and 2019, respectively.

Actuarial assumptions—The total pension liability at December 31, 2020 and 2019 was based on actuarial valuations as of December 31, 2019 and 2018, respectively, using the following actuarial methods and assumptions:

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Actuarial Cost Method Individual Entry Age Normal

Amortization Method

Level percent or level dollar Level percent Closed, open, or layered periods Closed

Amortization period and start date 30 years as of January 1, 2013 Valuation

Amortization growth rate 3.50%

Asset Valuation Method

Smoothing period 5 years

Recognition method Non-asymptotic

Corridor None

Inflation 2.75%

Investment Rate of Return 7.25%

Cost of Living Adjustments Annual compounding COLA of 1.5% assumed.

Additional restoration of purchasing power benefits available based on an assumed 3.25% if

purchasing level decreases to 65%.

Mortality Various rates based on RP-2014 mortality tables

and using generational projection of improvement using MP-2014 Ultimate

projection scale.

All other actuarial assumptions used in the December 31, 2019 and December 31, 2018 valuations were based on the results of an actuarial experience study for the period January 1, 2014 through December 31, 2017.

Discount Rate—The discount rate used to measure the total pension liability for FY 2020 and FY 2019 was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the participating governmental entity contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods on projected benefit payment to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and gross of administrative expenses) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

The following table reflects long-term expected (30 year) real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The expected inflation rate for FY 2020 and 2019 is projected at 2.75% for the same periods.

Asset Category	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	48%	4.77%
Private Equity	9%	7.96%
Fixed Income		
Core Fixed Income	16%	0.67%
Credit Fixed Income	7%	3.66%
Real Assets		
Real Estate	12%	3.76%
Infrastructure	3%	3.95%
Diversifying Strategies	5%	N/A

Sensitivity of the Net Pension Liability to Changes in the Discount Rate—The following presents the Department's proportionate share of the net pension liability of SCERS, calculated using a discount rate of 7.25% for FY 2020 and FY 2019, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

Discount Rate Sensitivity

(In millions)

	Net Pension Liability at December 31,			
	2020	2019		
Discount Rate				
1% decrease - 6.25%	\$ 379.6	\$ 430.5		
Current discount Rate - 7.25%	265.2	321.6		
1% increase - 8.25%	169.5	226.7		

Plan Fiduciary Net Position—Detailed information about the SCERS's fiduciary net position is available in the separately issued, audited financial statements as of December 31, 2020, which are publicly available at http://www.seattle.gov/retirement/about-us/board-of-administration.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension—The following table presents information about the pension-related deferred outflows of resources and deferred inflows of resources for the Department at December 31, 2020, and December 31, 2019:

(\$ in millions)	December 31,				
	2020	2019			
<u>Deferred outflows of resources</u>					
Differences between expected and actual experience	\$ -	\$ 0.1			
Changes of assumptions	13.6	17.4			
Net difference between projected and actual earnings	-	33.9			
Contributions made subsequent to measurement date	28.7	24.8			
Total deferred outflows of resources	\$ 42.3	\$ 76.2			
Deferred inflows of resources					
Differences between expected and actual experience	\$ 8.6	\$ 6.8			
Net difference between projected and actual earnings	23.0	-			
Changes in employer proportion and differences between employer					
contributions and proportionate share of contributions	13.0	19.4			
Total deferred inflows of resources	\$ 44.6	\$ 26.2			

Department contributions made in 2020 in the amount of \$28.7 million are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. These contributions along with the net difference between projected and actual earnings reported as deferred outflows of resources will be recognized as pension expense in the future as shown in the following table.

Year Ending December 31	Amortization
(\$ in millions)	
2021	(13.3)
2022	(10.0)
2023	3.0
2024	(10.2)
2025	(0.5)
Total	\$ (31.0)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

14. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – Health care plans for active and retired employees are administered by the City of Seattle as single-employer defined benefit public employee health care plans.

Employees retiring under the City may continue their health insurance coverage under the City's health insurance plans for active employees. When a retired participant dies, the spouse remains fully covered until age 65 and covered by the Medicare supplement plan thereafter. Employees that retire with disability retirement under the City may continue their health coverage through the City with same coverage provisions as other retirees. Eligible retirees self-pay 100 percent of the premium based on blended rates which were established by including the experience of retirees with the experience of active employees for underwriting purposes. The postemployment benefit provisions are established and may be amended by ordinance of the Seattle City Council and as provided in Seattle Municipal Code 4.50.020. The City provides an implicit rate subsidy of the post-retirement health insurance costs and funds the subsidy on a pay-as-you-go basis. The City of Seattle covers 11,853 active employee plan participants and 466 retiree, disabled, and survivor plan participants as of the January 1, 2020 valuation date.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Based on the latest biennial actuarial valuation date the significant methods and assumptions are as follows:

Actuarial data and assumptions – the demographic assumptions of mortality, termination, retirement, and disability are set equal to the assumptions used for City pension actuarial valuations based on a Seattle City Employees' Retirement System Experience Report for the period 2014-2017.

Valuation date

Actuarial cost method

Amortization method

Discount rate

January 1, 2020

Entry age normal

Level dollar

FY 2020: 2.74%

FY 2019: 4.10%

FY 2019: 4.10%

Participation 25% of Active Employees who retire participate

Health care cost trend rates - The health care cost trend assumptions shown below were based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on the provisions of the benefits sponsored by City of Seattle.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

		Pre 65	
<u>Year</u>	Medical	Rx	Composite
2020 to 2021	6.55%	9.00%	7.15%
2021 to 2022	6.32%	8.50%	6.86%
2022 to 2023	6.09%	8.00%	6.57%
2023 to 2024	5.86%	7.50%	6.28%
2024 to 2025	5.64%	7.00%	5.99%
2025 to 2026	5.41%	6.50%	5.69%
2026 to 2027	5.18%	6.00%	5.40%
2027 to 2028	4.95%	5.50%	5.10%
2028 to 2029	4.73%	5.00%	4.80%
2029 to 2030	4.50%	4.50%	4.50%

Mortality

General Service (Actives)

Males: RP-2014 Employees Table for Males, adjusted by 60%. Females: RP-2014 Employees Table for Females, adjusted by 95% Rates are projected generationally using Scale MP-2014 ultimate rates

General Service (Retirees)

Males: RP-2014 Healthy Annuitant Males, adjusted by 95% Females: RP-2014 Healthy Annuitant Females, adjusted by 95% Rates are projected generationally using Scale MP-2014 ultimate rates

Dependent Coverage – 25% of members electing coverage are assumed to be married or have a registered domestic partner. Male spouses are assumed to be two years older than their female spouses. It is assumed that children will have aged off of coverage.

Health Care Claims Development – The sample per capita claim cost assumptions shown below by age, benefit, and plan represent the true underlying baseline experience estimated for the City of Seattle's sponsored postretirement benefits and costs.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Aetna Preventive Plan				Aetr	na Tra	aditional P	lan				
Age		Medical		Rx	Α	dmin	 Medical		Rx	Α	dmin
50	\$	11,520	\$	2,677	\$	358	\$ 11,243	\$	2,659	\$	358
52	\$	12,533	\$	2,912	\$	358	\$ 12,230	\$	2,893	\$	358
55	\$	14,220	\$	3,305	\$	358	\$ 13,877	\$	3,282	\$	358
57	\$	15,499	\$	3,601	\$	358	\$ 15,125	\$	3,576	\$	358
60	\$	17,638	\$	4,097	\$	358	\$ 17,210	\$	4,069	\$	358
62	\$	19,003	\$	4,415	\$	358	\$ 18,543	\$	4,384	\$	358

	Group Health Deductible					Grou	р Не	alth Stand	ard			
Age		Medical		Rx	Α	dmin	Me	edical		Rx	Α	dmin
50	\$	4,961	\$	1,145	\$	689	\$	5,291	\$	1,171	\$	689
52	\$	5,397	\$	1,246	\$	689	\$	5,755	\$	1,273	\$	689
55	\$	6,123	\$	1,413	\$	689	\$	6,531	\$	1,445	\$	689
57	\$	6,674	\$	1,540	\$	689	\$	7,118	\$	1,574	\$	689
60	\$	7,595	\$	1,752	\$	689	\$	8,100	\$	1,792	\$	689
62	\$	8,182	\$	1,888	\$	689	\$	8,727	\$	1,930	\$	689

The average medical and prescription drug per capita claims costs were developed from 2021 calendar year self-funded premium rates. Premium-equivalent rates were provided by City of Seattle's health pricing actuary. The average medical and prescription drug per capita "adult-equivalent" claims costs were based on the respective pre-65 enrollment weighted average of the 2021 four-tier rate structure including the add-on cost of dependent children and trended back from 2021 to 2020 to be centered at the mid-point of the annual period following the valuation date. Average medical/Rx per capita claims costs were then age-adjusted based on the demographics of the rating population, and the assumed health care aging factors shown in the table below.

The average medical and prescription drug per capita claims costs were blended with the 2019 medical/Rx per capita developed claims cost trended forward to the valuation date.

Morbidity Factors – The claim costs for medical and prescription drugs were assumed to increase with age according to the table below.

Age Band	Medical	Rx	Composite
40-44	3.00%	4.80%	3.3%
45-49	3.70%	4.70%	3.8%
50-54	4.20%	4.70%	4.3%
55-59	4.40%	4.60%	4.4%
60-64	3.70%	4.60%	3.8%

Net OPEB Liability – The department reported an OPEB liability of \$9.0 million and \$8.7 million for the years ended December 31, 2020 and 2019, respectively. The Department's proportionate share of the OPEB liability was 14.14% and 14.34% for the years ended December 31, 2020 and 2019, respectively. Based on the actuarial valuation date of January 1, 2020 and measurement dates January 1, 2019 and January 1, 2020, details regarding the Department's Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability as of December 31, 2020 and 2019 are shown below.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Changes	in Net	OPEB	Liability
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(\$ in millions)	Fiscal Year Ended December 31,					
		2020		2019		
Total OPEB Liability						
Service cost	\$	0.5	\$	0.6		
Interest on the total OPEB liability		0.4		0.3		
Differences between expected and actual experience		1.0		-		
Changes of assumptions		(1.1)		(0.6)		
Benefit payments		(0.4)		(0.3)		
Net Changes		0.4		0.0		
Total OPEB liability, beginning of period		8.7		8.9		
Effect of change in proportionate share		(0.1)		(0.2)		
Adjusted total OPEB liability, beginning of period		8.6		8.7		
Total OPEB liability, end of period		9.0		8.7		
Plan fiduciary net position						
Benefit payments		(0.4)		(0.3)		
Employer contributions		0.4		0.3		
Net change in Plan fiduciary net position		-		-		
Plan fiduciary net position, beginning of period		-		-		
Effect of change in proportionate share		-		-		
Adjusted fiduciary net position, beginning of period		-		-		
Plan fiduciary net position, end of period		-		-		
Net OPEB liability, end of period	\$	9.0	\$	8.7		

The Department recorded an expense for OPEB of \$0.3 million and \$0.7 million in 2020 and 2019, respectively. The Health Care Subfund of the General Fund is reported in The City of Seattle's Annual Report.

Discount Rate and Healthcare Cost Trend Rates – The discount rate used to measure the total OPEB liability is 2.74% and 4.10% for the years ended December 31, 2020 and 2019, respectively. The following tables present the sensitivity of net OPEB liability calculation to a 1% increase and a 1% decrease in the discount rate used to measure the total OPEB liability:

Discount Rate Sensitivity

(In millions)	Net	ty at Decem	at December 31,		
		2020	:	2019	
Discount Rate					
1% decrease - 1.74%	\$	9.8			
Current discount Rate - 2.74%		9.0			
1% increase - 3.74%		8.2			
1% decrease - 3.10%			\$	9.6	
Current discount Rate - 4.10%				8.7	
1% increase - 5.10%				8.0	

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

The following table presents the sensitivity of net Health Plan OPEB liability calculation to a 1% increase and a 1% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB liability:

Healthcare Cost Trend Rate Sensitivity

(In millions)

	Net OPEB Liability at December 31,			
	<u> </u>	2019		
Discount Rate		_		
1% decrease	\$	8.0	\$	7.7
Trend rate		9.0		8.7
1% increase		10.2		10.0

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for the Department at December 31, 2020 and December 31, 2019.

(\$ in millions)	Decem	iber 31,
	2020	2019
<u>Deferred outflows of resources</u>		
Difference between actual and expected experience	\$ 2.2	\$ 1.5
Contributions made after measurement date	0.4	0.4
Total deferred outflows of resources	\$ 2.6	\$ 1.9
<u>Deferred inflows of resources</u>		
Assumption changes	\$ 3.5	\$ 3.0
Changes in proportionate share		0.2
Total deferred inflows of resources	\$ 3.5	\$ 3.2

Department contributions made in 2020 in the amount of \$0.4 million are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. These contributions will be recognized in the future as shown in the following table. Note that additional future deferred outflows and inflows of resources may impact these amounts.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Year Ending December 31 (\$ in millions)	Amortization
2021	\$ (0.2)
2022	(0.2)
2023	(0.2)
2024	(0.2)
2025	(0.2)
Total Thereafter	(0.3)
Total	\$ (1.3)

15. ENVIRONMENTAL LIABILITIES

Environmental liabilities were \$106.6 million and \$108.6 million, at December 31, 2020, and 2019, respectively

The following is a brief description of the significant Superfund sites:

• The Harbor Island Superfund Site—In 1983, the U.S. Environmental Protection Agency (EPA or Agency) designated this site as a federal Superfund site. The Department and other entities are sharing costs equally for investigating contamination in the East Waterway (EWW) alongside Harbor Island. The City's share is split between the Department 45% and Seattle Public Utilities (SPU) 55%. The Department's involvement stems from its sale of transformers to a company on Harbor Island. The City is one of four parties who are conducting remedial investigation and feasibility study that will delineate cleanup actions. A draft final feasibility study was submitted to EPA in October 2016. Nine alternative actions were presented with costs ranging from \$256.0 million to \$411.0 million with an estimated time to complete construction on active cleanup components ranging from 9 to 13 years. The Feasibility Study (FS) was completed in 2017. The EPA comments were received in 2017 and the final FS was approved by the EPA in June 2019. The proposed plan is expected to be released in May 2021. The clean-up construction timing and cost estimates will not be known until the Agency identifies a preferred remedy; the final FS has identified a range of costs on which the clean-up estimate is based. The Department does not own East Waterway.

The City anticipates that EPA will issue a notification letter to Potential Liable Parties (PLP) informing them of their potential liability for the East Waterway Cleanup. The timing of this notification is unknown. The current East Waterway Group is working to define an allocation process that will commence once additional PLPs are identified. The Department owns property adjacent to the East Waterway but does not own any of the waterway channel or sediments. The Department recorded a liability of \$52.8 Million as of December 31, 2020 and the ultimate liability is indeterminate.

• The Lower Duwamish Waterway Superfund Site—In 2001, the EPA designated this site as a federal Superfund site for contaminated sediments. The Department's involvement is attributable to its land ownership or use of property along the river. The City is one of four parties who signed an Administrative Order on Consent (AOC) with the EPA and Washington State Department of Ecology (DOE) to conduct a remedial investigation and feasibility study to prepare a site remedy. The EPA

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

approved the feasibility study in November 2012. In February 2013, the EPA issued the Proposed Plan for cleanup of the Lower Duwamish Waterway. In December 2014, the EPA issued its final Record of Decision (ROD) indicating its preferred alternative clean-up with a discounted estimated cost of \$342.0 million, from the total estimated cost of \$394.0 million. This estimate was recalculated to its 2018 current value using a starting point of the undiscounted estimated cost of \$394.0 million plus an average Marine Construction Inflation Factor of 1.038 annually. This recalculation resulted in an increase in estimated environmental liability of \$12.3 million for the Department for a revised estimated total project cost of \$504.2 million for the project in 2018. The same inflation factor was applied in 2020 with a revised estimated total project cost of \$568.4 million at the end of 2020.

There have been four amendments to the AOC. The first amendment required Lower Duwamish Waterway Group (LDWG) to complete the Fisher Study which was completed in 2016; the second amendment required the completion of carbon study which was constructed in the first quarter of 2017 and will continue through 2020. Year 1 and year 2 monitoring of the carbon plots were completed in 2018 and 2019. The third amendment required additional pre-design activities. The workplan for predesign work was approved by EPA in August 2017. The field work was completed in 2018 and the draft final reports were submitted in the same year. The EPA approval of all pre-design reports except the Data Evaluation Report was received in 2019. Approval of the Data Evaluation Report was received in 2020. In July 2018, EPA issued a 4th amendment to the AOC that requires LDWG to (1) Design the remedy for river mile 3.0 to river mile 5 of Lower Duwamish Waterway Site (the "LDW Upper Reach"), consistent with the Lower Duwamish Waterway ROD and CERCLA; (2) incorporate the work being carried out under the Third Amendment to this AOC in support of the development of seafood consumption institutional controls for the Site; and (3) provide for timely periodic monitoring of selected site conditions, as necessary. The final amendment (AOC4), consultant selection and initial work were completed in 2019. The workplan for the design of LDW Upper Reach was approved by EPA in 2019. The Quality Assurance Project Plan and Phase 1 of design sampling were completed in 2020. Compiling and evaluating Phase 1 data and submittal of the draft Phase 1 Data Evaluation Report were completed in Q1, 2021 Activities planned for 2021 include, preparing the Survey and QAPP Addendums for the Phase 2 design sampling. Phase 2 design sampling is anticipated to begin in Q3, 2021. The cost is currently split equally between the four LDWG parties. The Department recorded a liability of \$45.1 Million as of December 31, 2020. The Department's ultimate liability is indeterminate.

In November 2012, the EPA issued general notification letters to parties informing them of their potential liability for the Lower Duwamish Waterway cleanup. The City and other three parties who signed the AOC with the EPA agreed to invite some of those parties to participate in an alternative dispute resolution process (the "allocation process") to resolve their respective shares of past and future costs. There are 45 parties participating in allocation. The City hired an allocator and the allocation process began in April 2014. The Department agreed to administer the allocator's contract, estimated to cost about \$4.0 million over a four-year period. Parties participating in the allocation process will share the cost of the allocator and the process.

The City is also responsible for investigation and cleanup at the Port of Seattle Terminal 117 Streets, Uplands and Sediments sites, which is an Early Action Area of the Lower Duwamish Waterway (LDW). The South Park Street is not owned by the Department, but the City has jurisdiction over the streets and rights-of-way. Remediation activities for streets were completed in August 2016. The City's share for the uplands and sediments site is paid 100% by the Department. The City's share for the adjacent streets is split between the Department and SPU according to a Memorandum of Agreement (MOA) signed in

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

August 2014. According to this MOA, SPU will pay 2.5% for some portions of the construction and up to 100% for other parts of the cleanup and restoration. The final construction closeout and project closeout was approved by EPA in July 2018. In September 2018, the Long-term Monitoring and Maintenance Plan (LTMMP) was approved by EPA. Activities and costs related to the ongoing monitoring of the drainage infrastructure will be completed by SPU. Annual reports are submitted in March of each year. The first report was submitted in March 2019 with subsequent reports submitted in March 2020 and to be submitted in March 2021. Department recorded a liability of \$2.0 Million as of December 31, 2020 and the ultimate liability is indeterminate.

- South Park Marina—The Washington Department of Ecology has notified the City that it is a Potentially Liable Party for contamination at South Park Marina, which is adjacent to Terminal 117. The Department is the lead for the City at this site. Negotiations for an Agreed Order between Ecology and Potential Liable Parties (PLP) have resulted in an Agreed Order to conduct a Remedial Investigation (RI). The Agreed Order was finalized in April 2019. The Common Interest for Cost Sharing agreement between PLPs was signed in 2019. The City, the Port of Seattle and South Park Marina have agreed to share costs equally with the City administering the contract with a common consultant. City share is split between the Department 97.5% and SPU 2.5%. In 2019, the City contracted with a consultant to conduct the RI. A draft workplan was submitted to Ecology in May 2020 and comments were received. A revised draft workplan was submitted in December 2020. Phase 1 field activities and some data analysis is anticipated to be conducted in 2021. The Department recorded a liability of \$0.2 Million as of December 31, 2020 and the ultimate liability is indeterminate.
- North Boeing Field/Georgetown Steam Plant—The City, King County, and Boeing signed an Administrative Order issued by the Washington State Department of Ecology (Ecology) requiring them to investigate and possibly remove contamination in an area that encompasses North Boeing Field, the Department's Georgetown Steam Plant (GTSP), and the King County Airport. This site was also the subject of the lawsuit brought by the City against Boeing. Boeing agreed to pay 67% of the costs for Ecology's implementation of the current order. The order requires completion and then implementation of a Remedial Investigation (RI) and feasibility study. The final RI work plan was issued in November 2013. In January 2015, all parties executed the First Amendment to the North Boeing Field/Georgetown Steam Plant Agreed Order, making the PRPs responsible for conducting and completing remedial action at the site. The City is responsible for one third of the costs, with the Department's share at 90% and SPU's share at 10%. The draft RI was submitted in June 2016. Ecology directed additional investigation in offsite areas following the submittal of RI. The additional investigation and negotiation on RI comments has delayed the submittal of the revised draft RI until 2020. Furthermore, conditions related to COVID-19 pandemic further delayed the Ecology engagement during 2020. The draft RI is now anticipated to be submitted in 2021. The FS process will begin following approval of RI. The timing of the approval is currently unknown. Boeing and the City will each pay 100% of costs for remedial action at their own facilities. Storm drain sampling conducted during the RI revealed presence of chemicals in the storm lines that drain the GTSP roof. City light agreed with Department of Ecology that it will replace the GTSP roof as an interim action prior to finalization of the RI/FS. Roof replacement began in December 2020 and is anticipated to be completed in early 2021. The Department recorded a liability of \$1.7 Million as of December 31, 2020 and the ultimate liability is indeterminate.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

• Newhalem – this project is comprised of three sites. The Ladder Creek Settling Tank – this project is one of three sites within City Light's Skagit River Hydroelectric Project being conducted under a 2019 Settlement Agreement with the National Park Service (NPS). The project is located near Newhalem, WA and is a cleanup of contaminated debris and soil resulting from the incineration of a building structure that covered a large water settling tank during the 2015 Goodell Creek Forest Fire. The removal work was completed in 2018 to comply with CERCLA requirements under a Time Critical Removal Action (TCRA) administered by NPS. The final TCRA Completion Report has been approved, and a final reporting of two years of post-TCRA vegetative restoration monitoring has been approved. NPS will keep the project open while conducting periodic vegetative restoration monitoring through approximately 2023. NPS owns the land.

Newhalem Penstock – this project is the second of three sites within City Light's Skagit River Hydroelectric Project being conducted under the 2019 Settlement Agreement with NPS. The project is also located near Newhalem and currently includes preparation of an Engineering Evaluation and Cost Analysis (EE/CA) to comply with CERCLA requirements under a Non-time Critical Removal Action administered by NPS. The draft EE/CA was started in 2020 and the final is anticipated to be approved in Q1 or Q2 2022. Floyd|SnideNr (F|S) is under contract to provide City Light with consulting services related to the EE/CA, and cleanup planning if necessary. NPS owns the land.

Diablo Dry Dock – this project is the third of three sites within City Light's Skagit River Hydroelectric Project being conducted under the 2019 Settlement Agreement with NPS. The project is located near Diablo, WA and includes preparation of an EE/CA to comply with CERCLA requirements under a Non-time Critical Removal Action administered by the NPS. GeoSyntec is under contract to provide City Light with consulting services related to the EE/CA. The EE/CA field investigation is planned for 2021, and the draft and final EE/CA Reports are planned for 2021-2023. NPS owns the land

The Department recorded a liability of \$2.7 Million as of December 31, 2020 for all three Skagit sites and the ultimate liability is indeterminate.

The Department has included in the estimated environmental liability those portions of the environmental remediation work that are currently deemed to be reasonably estimable.

Cost estimates were developed using the expected cash flow technique in accordance with GASB Statement No. 49. Estimated outlays were based on current cost and no adjustments were made for discounting or inflation accept as noted earlier for LDW. Cost scenarios were developed that defined a particular solution for a given site. Scenarios considered relevant potential requirements and alternatives for remediation of a site. Costs were calculated on a weighted average that was based on the probabilities of each scenario being selected and reflected cost-sharing agreements in effect. In addition, certain estimates were derived from independent engineers and consultants. The estimates were made with the latest information available; as new information becomes available, estimates may vary significantly due to price increases or reductions, technology, or applicable laws or regulations.

The Department is aggressively pursuing other third parties that may have contributed to the contamination of Superfund sites for appropriate cost sharing. The Department's estimate for realized recoveries was \$0.03 million and \$0.4 million at December 31, 2020, and 2019, respectively, primarily representing an interfund receivable from SPU for recovery of remediation costs incurred related to the lower Duwamish Waterway site. The Department's estimate for not yet realized recoveries from other parties for their share

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

of remediation work performed that partially offset the Department's estimated environmental liabilities was zero at December 31, 2020. As of December 31, 2020, and 2019, environmental costs of \$117.1 million and \$116.0 million were deferred primarily for cleanup estimates of the Department's responsibility for the LDW and EWW Superfund Sites; and these costs are being amortized and will be recovered through future rates in accordance with GASB Statement No. 62.

The changes to the deferred environmental costs at December 31, 2020 and 2019 were as follows:

(\$ in millions)	2020		:	2019	
Beginning Deferred Environmental Costs	\$	116.0	\$	113.7	
Incurred		1.5		2.9	
True-up of Realizable Recoveries from SPU and Other Parties		-		(0.4)	
Amortization		(0.4)		(0.2)	
Ending Deferred Environmental Costs net of Recoveries	\$	117.1	\$	116.0	

The changes in the provision for environmental liabilities at December 31, 2020, and 2019 were as follows:

(\$ in millions)	2	2020	2	2019
Beginning Environmental Liability, Net of Recoveries Payments Incurred Environmental Liability	\$	108.6 (3.5) 1.5	\$	107.7 (2.0) 2.9
Ending Environmental Liability, Net of Recoveries	\$	106.6	\$	108.6

The provision for environmental liabilities included in current and noncurrent liabilities at December 31, 2020 and 2019, was as follows:

(\$ in millions)	2020	2019
Noncurrent Liabilities Accounts Payable and Other Current Liabilities	\$ 104.3 2.3	\$ 105.1 3.5
Ending Non-Current Liabilities	\$ 106.6	\$ 108.6

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

16. OTHER LIABILITIES

Other liabilities include unearned capital fees which are amortized to revenues as earned, deposits and certain other unearned revenues which expire at contract completion.

Other liabilities at December 31, 2020 and 2019 consisted of the following:

(\$ in millions)	2	2019			
Other liabilities:					
Unearned capital fees	\$	26.5	\$	22.4	
Customer deposits—sundry sales		10.6		12.1	
Unearned revenues—other		0.9		0.7	
Total	\$	38.0	\$	35.2	

17. DEFERRED INFLOWS OF RESOURCES

Seattle City Council passed resolutions authorizing the reporting of certain credits as regulatory liabilities in accordance with Statement No. 62 of the GASB, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB & AICPA Pronouncements.

The unearned revenue for the Rate Stabilization Account for 2020 and 2019 is the result of spreading retail electric revenues and related activity over multiple periods to reduce the need for rapid and substantial rate increases (see Note 4 Rate Stabilization Account). Payments received from Bonneville's Energy Conservation Agreement are amortized to revenues over 20 years.

In accordance with the requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, decreases in Net Pension Liability resulting from changes in employer proportion and differences between contributions and proportionate share of pension expense are recognized as deferred inflows of resources. These deferred inflows are amortized over a closed five-year period. See Note 13 Seattle City Employees' Retirement System for more information.

In accordance with the requirements of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), amounts related to assumption changes are recognized as deferred inflows of resources, which are amortized over a closed five-year period. See Note 14 Other Postemployment Benefits for more information.

The Department purchases electric energy from the U.S. Department of Energy, Bonneville Power Administration under the Block and Slice Power Sales Agreement, exclusively purchasing Block. Seattle City Council affirmed the Department's practice of recognizing the effects of reporting the fair value of exchange contracts in future periods for rate making purposes and maintaining regulatory accounts to spread the accounting impact of these accounting adjustments, in Resolution No. 30942 adopted January 16, 2007. See Note 19 Long-Term Purchased Power, Exchanges, and Transmission for more information.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Deferred inflows of resources at December 31, 2020 and 2019 consisted of the following:

(\$ in millions)		2020		2019		
Deferred inflows of resources:	_					
Unearned revenue—rate stabilization account	\$	71.8	\$	49.1		
Changes in Net Pension Liability		44.7		26.2		
Changes in OPEB Liability		3.5		3.2		
Gains on advanced refunding		1.4		1.9		
Bonneville energy conservation agreement		39.5		35.7		
Total	<u>\$</u>	160.9	\$	116.1		

18. SHORT-TERM ENERGY CONTRACTS AND DERIVATIVE INSTRUMENTS

The Department engages in an ongoing process of resource optimization, which involves the economic selection from available energy resources to serve the Department's load obligations and using these resources to capture available economic value. The Department makes frequent projections of electric loads at various points in time based on, among other things, estimates of factors such as customer usage and weather, as well as historical data and contract terms. The Department also makes recurring projections of resource availability at these points in time based on variables such as estimates of stream flows, availability of generating units, historic and forward market information, contract terms, and experience. Based on these projections, the Department purchases and sells wholesale electric capacity and energy to match expected resources to expected electric load requirements, and to realize earnings from surplus energy resources. These transactions can be up to 60 months forward. Under these forward contracts, the Department commits to purchase or sell a specified amount of energy at a specified time, or during a specified time in the future.

Except for limited intraday and interday trading to take advantage of owned hydro storage, the Department does not take market positions in anticipation of generating profit. Energy transactions in response to forecasted seasonal resource and demand variations require approval by the Department's Risk Oversight Council. In April 2020 the Department entered the California ISO Energy Imbalance Market (EIM) which is an energy market system that balances fluctuations in supply and demand by automatically finding lower cost resources to meet real-time power needs and serve consumer demand across the western region. The EIM manages congestion on transmission lines to maintain grid reliability and supports integrating renewable resources. In addition, the EIM makes excess renewable energy available to participating utilities at low cost.

It is the Department's policy to apply the normal purchase and normal sales exception of Statement No. 53 of the GASB, *Accounting and Financial Reporting for Derivative Instruments*, as appropriate. Certain forward purchase and sale of electricity contracts meet the definition of a derivative instrument but are intended to result in the purchase or sale of electricity delivered and used in the normal course of operations. Accordingly, the Department considers these forward contracts as normal purchases and normal sales under GASB Statement No. 53. These transactions are not required to be recorded at fair value in the financial statements.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

The undiscounted aggregate contract amounts, fair value, and unrealized gain or (loss) of the Department's commodity derivative instruments qualifying as normal purchases and normal sales at December 31, 2020 and 2019 consisted of the following:

(\$ in millions)		Aggregate Contract Amount		gate Fair alue	Unrealized Gain (Loss)			
2020	Oontia	Ct Amount	•	aiue	_	.033)		
Sales	\$	13.0	\$	12.5	\$	0.5		
Purchases				_				
Total	\$	13.0	\$	12.5	\$	0.5		
		Aggregate Contract Amount		Aggregate Fair Value				
				•		ized Gain .oss)		
2019				•				
2019 Sales				•				
	Contra	ct Amount	v	alue	(L	.oss)		

All derivative instruments not considered as normal purchases and normal sales are to be recorded within the financial statements using derivative accounting according to GASB Statement No. 53. In 2010, the Seattle City Council adopted a resolution granting the Department authority to enter into certain physical put and call options that would not be considered normal purchases and normal sales under GASB Statement No. 53. The Department did not have any such activity for 2020 and 2019. In addition, the Seattle City Council has deferred recognition of the effects of reporting the fair value of derivative financial instruments for rate-making purposes, and the Department maintains regulatory accounts to defer the accounting impact of these accounting adjustments in accordance with GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (see Note 7 Other Assets and Note 17 Deferred Inflows of Resources).

Market Risk—Market risk is, in general, the risk of fluctuation in the market price of the commodity being traded and is influenced primarily by supply and demand. Market risk includes the fluctuation in the market price of associated derivative commodity instruments. Market risk may also be influenced by the number of active, creditworthy market participants, and to the extent that nonperformance by market participants of their contractual obligations and commitments affects the supply of, or demand for, the commodity. Because the Department is active in the wholesale energy market, it is subject to market risk.

Credit Risk—Credit risk relates to the potential losses that the Department would incur as a result of nonperformance by counterparties of their contractual obligations to deliver energy or make financial settlements. Changes in market prices may dramatically alter the size of credit risk with counterparties, even when conservative credit limits are established. The Department seeks to mitigate credit risk by entering into bilateral contracts that specify credit terms and protections against default; applying credit limits and duration criteria to existing and prospective counterparties; and actively monitoring current credit exposures. The Department also seeks assurances of performance through collateral requirements in the form of letters of credit, parent company guarantees, or prepayment.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

The Department has concentrations of suppliers and customers in the electric industry including electric utilities; electric generators and transmission providers; financial institutions; and energy marketing and trading companies. In addition, the Department has concentrations of credit risk related to geographic location as it operates in the western United States. These concentrations of counterparties and concentrations of geographic location may impact the Department's overall exposure to credit risk, either positively or negatively, because the counterparties may be similarly affected by changes in conditions.

Other Operational and Event Risk—There are other operational and event risks that can affect the supply of the commodity, and the Department's operations. Due to the Department's primary reliance on hydroelectric generation, the weather, including springtime snow melt, runoff, and rainfall, can significantly affect the Department's operations. Other risks include regional planned and unplanned generation outages, transmission constraints or disruptions, environmental regulations that influence the availability of generation resources, and overall economic trends.

19. LONG-TERM PURCHASED POWER, EXCHANGES, AND TRANSMISSION

Bonneville Power Administration—The Department purchases electric energy from the U.S. Department of Energy, Bonneville Power Administration (Bonneville) under the Block and Slice Power Sales Agreement, a 17-year contract, for the period October 1, 2011 through September 30, 2028. Effective October 1, 2017 there was an amendment to the agreement whereby the Department no longer participates as a Slice customer and will exclusively purchase Block. Block quantities are expected to be recalculated periodically during the term of the contract. Rates will be developed and finalized every two years. Accordingly, certain estimates and assumptions were used in the calculations in the estimated future payments table below.

Bonneville's Residential Exchange Program (REP) was established as a mechanism to distribute financial benefits of the Federal Columbia River Power System to residential customers of the region's investor owned utilities (IOUs). In May 2007, the Ninth Circuit Court (the Court) rulings found the 2000 REP Settlement Agreements with IOUs inconsistent with the Northwest Power Act. To remedy this inconsistency, the Court ruled that refunds be issued to non-IOUs through September 2019. The Department received the final billing credit of \$4.3 million in 2019 related to the Block and Slice agreement.

Lucky Peak—In 1984, the Department entered into a purchase power agreement with four irrigation districts to acquire 100% of the net surplus output of a hydroelectric facility that began commercial operation in 1988 at the existing Army Corps of Engineers Lucky Peak Dam on the Boise River near Boise, Idaho. The irrigation districts are owners and license holders of the project, and the FERC license expires in 2030. The agreement, which expires in 2038, obligates the Department to pay all ownership and operating costs, including debt service, over the term of the contract, whether or not the plant is operating or operable.

The Department incurred \$6.7 million and \$8.4 million in 2020 and 2019, respectively, including operations costs and royalty payments to the irrigation districts. The Department provided and billed Lucky Peak \$0.3 million for operational and administrative services in both 2020 and 2019. These amounts are recorded as offsets to purchased power expense.

The Department's receivables from Lucky Peak were less than \$0.1 million on December 31, for 2020 and 2019, respectively. The Department's payables to Lucky Peak were \$0.8 million and \$1.2 million at December 31, for 2020 and 2019, respectively.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

British Columbia—High Ross Agreement—In 1984, an agreement was reached between the Province of British Columbia and the City under which British Columbia will provide the Department with energy equivalent to that which would have resulted from an addition to the height of Ross Dam. Delivery of this energy began in 1986 and is to be received for 80 years. In addition to the direct costs of energy under the agreement, the Department incurred costs of approximately \$8.0 million in prior years related to the proposed addition and was obligated to help fund the Skagit Environmental Endowment Commission through four annual \$1.0 million payments. These other costs are included in utility plant-in-service as an intangible asset and are being amortized to purchase power expense over 35 years through 2035 (see Note 3 Utility Plant).

Expenses incurred, and energy received under these and other long-term purchased power agreements at December 31, 2020 and 2019 were as follows:

	Ex	Expense Avera				
(\$ in millions)	2020	2019	2020	2019		
Long-term purchased power-Bonneville	\$ 161.1	\$ 162.9	489.4	501.0		
Lucky Peak	6.7	8.4	29.0	41.6		
British Columbia - High Ross Agreement	13.4	13.5	35.3	35.1		
Grant County Public Utility District	1.2	1.8	2.9	2.3		
Columbia Basin Hydropower	7.9	6.0	29.4	25.0		
Bonneville South Fork Tolt billing credit	(3.4)	(3.4)	-	-		
Renewable energy - State Line Wind	26.3	22.6	43.4	38.6		
Renewable energy - Other	7.9	7.9	13.2	13.3		
Exchanges and loss returns energy at fair value	1.9	2.7	48.8	46.8		
Long-term purchased power booked out	(6.4)	(6.5)	(35.6)	(19.8)		
Long-term purchase power-other	55.5	53.0	166.4	182.9		
Total	\$ 216.6	\$ 215.9	655.8	683.9		

Renewable Energy Purchase and/or Exchanges—The Energy Independence Act, Chapter 19.285 Revised Code of Washington, requires all qualifying utilities in Washington State with more than 25,000 customers to meet certain annual targets of eligible new renewable resources and/or equivalent renewable energy credits (RECs) as a percentage of total energy delivered to retail customers. The annual target is at least 15% for 2020 and 9% for 2019. The law also has a compliance option for utilities with declining load to spend 1% of revenue requirements on eligible RECs and/or resources. The Department met the requirements of the compliance option in both 2020 and 2019.

Fair Value of Exchange Energy—During 2020 and 2019, exchange energy settled deliveries were valued using Dow Jones U.S Daily Electricity Price Indices.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Estimated Future Payments Under Purchased Power, Transmission and Related Contracts—The Department's estimated payments for purchased power and transmission, RECs, and other contracts for the period from 2021 through 2065, undiscounted, are as follows:

\$ in millions Years Ending December 31	Estimated Payments
2021 ^(a)	\$ 260.8
2022	236.4
2023	237.8
2024	246.0
2025 ^(b)	216.9
2026-2030 ^(c)	600.8
Thereafter (through 2065)	161.3
Total	\$ 1,960.0
(a) Stateline wind agreement expires December 31, 2021.	

⁽b) Bonneville transmission agreement expires July 31, 2025.

20. COMMITMENTS AND CONTINGENCIES

Operating Leases—While the Department owns several buildings including those at the Skagit and Boundary hydroelectric projects, service centers, and the System Control Center, the Department leases some administrative office space from the City. Such lease payments to the City are made through a central cost allocation process, similar to all other payments for tenancy of City property. These payments are not included in the operating leases table below. The Department also leases certain office equipment and smaller facilities for various purposes through long-term operating lease agreements. Expenses for all operating leases totaled \$1.4 million in 2020 and \$1.3 million in 2019.

⁽c) Bonneville Block & Slice agreement expires September 30, 2028.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Minimum payments under the operating leases are:

Year Ending December 31 (\$ in millions)	Minimum Payments
2021 2022	\$ 1.6 1.5
2022 2023	1.5
2024	1.4
2025	-
Thereafter	
Total	\$ 6.0

2021 Capital Program—The budget for the Department's 2021 program for capital improvement, conservation, and deferred operations and maintenance including required expenditures on assets owned by others is \$361.8 million. At December 31, 2020, the Department had approximately \$155.5 million in commitments relating thereto. Department overhead costs and other allocations associated with the capital program are not included in the budget amount.

2021 Operations and Maintenance Budget—The Department's 2021 Operating and Maintenance budget is \$995.9 million for labor and related benefits, purchased power, outside services, supplies, taxes, injuries and damages, interest, debt-related costs, maintenance of Department assets, and other non-capital expenditures incurred in the normal course of operations.

Federal Energy Regulatory Commission Fees—Estimated Federal land use and administrative fees related to hydroelectric licenses total \$166.0 million through 2055; these estimates are subject to change. The estimated portion of fees attributed to the Skagit and Tolt licenses are excluded after 2025, when their existing FERC licenses expire. The estimated portion of Boundary fees is included through 2055, the year the current license issued by FERC expires. The Boundary FERC license and related issues are discussed below.

New Boundary License—The Department's FERC license for the Boundary Project was re-issued on March 20, 2013 with a 42-year life and a total cost of \$48.6 million. The terms and conditions of the new license have been evaluated and the Department continues the license implementation process, which imposes mitigation of endangered species including water quality standards and conservation management.

As part of the license renewal process, the Department negotiated a settlement with external parties such as owners of other hydroelectric projects, Indian tribes, conservation groups and other government agencies. The settlements sought to preserve the Department's operational flexibility at Boundary Dam while providing for natural resource protection, mitigation and enhancement measures.

The cost projections for such mitigation over the expected 42-year life of the license, included in the Department's license application, were estimated to be \$356.8 million adjusted to 2020 dollars, of which \$101.6 million were expended through 2020. Projected mitigation cost estimates are subject to revision as more information becomes available.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Skagit and South Fork Tolt Licensing Mitigation and Compliance—In 1995, the FERC issued a license for operation of the Skagit hydroelectric facilities through April 30, 2025. On July 20, 1989, the FERC license for operation of the South Fork Tolt hydroelectric facilities through July 19, 2029, became effective. As a condition for both licenses, the Department has taken and will continue to take required mitigating and compliance measures.

Total Skagit license mitigation costs from the effective date until expiration of the federal operating license were estimated at December 31, 2020, to be \$147.1 million, of which \$138.2 million had been expended. Total South Fork Tolt license mitigation costs were estimated at \$2.1 million, of which \$1.9 million were expended through 2020. In addition to the costs listed for South Fork Tolt mitigation, the license and associated settlement agreements required certain other actions related to wildlife studies and wetland mitigation for which no set dollar amount was listed. Requirements for these actions have been met, and no further expenditures need to be incurred for these items.

Capital improvement, other deferred costs, and operations and maintenance costs are included in the estimates related to the settlement agreements for both licenses. Amounts estimated are adjusted to 2020 dollars. Department labor and other overhead costs associated with the activities required by the settlement agreements for the licenses are not included in the estimates.

Hydroelectric projects must satisfy the requirements of the Endangered Species Act (ESA) and the Clean Water Act in order to obtain a FERC license. ESA and related issues are discussed below.

Endangered Species—Several fish species that inhabit waters where hydroelectric projects are owned by the Department, or where the Department purchases power, have been listed under the ESA as threatened or endangered. Although the species were listed after FERC licenses were issued for all of the Department's hydroelectric projects, the ESA listings still affect operations of the Department's Boundary, Skagit, Tolt, and Cedar Falls hydroelectric projects.

Federal Regulations in response to the listing of species affect flow in the entire Columbia River system. As a result of these regulations, the Department's power generation at its Boundary Project is reduced in the fall and winter when the region experiences its highest sustained energy demand. The Boundary Project's firm capability is also reduced.

The Department, with the support of City Council, elected to take a proactive approach to address issues identified within the ESA. The Department is carrying out an ESA Early Action program in cooperation with agencies, tribes, local governments, and watershed groups for bull trout, Chinook salmon, and steelhead in the South Fork Tolt and Skagit Watersheds. The ESA Early Action program is authorized by City Council but is separate from any current FERC license requirements. The program includes habitat acquisition, management and restoration. The ESA Early Action has been successful in protecting listed species. Total costs for the Department's share of the Early Action program from inception in 1999 through December 31, 2020, are estimated to be \$17.2 million, and \$1.8 million has been allocated for the program in the 2021 budget.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Project Impact Payments—Effective August 2010, the Department renewed its contract with Pend Oreille County and committed to pay a total of \$19.0 million over 10 years ending in 2019 to Pend Oreille County for impacts on county governments from the operations of the Department's hydroelectric projects. This contract was renewed in May 2020 with the Department agreeing to pay \$29.8 million over 10 years ending in 2029. Effective February 2009, the Department renewed its contract with Whatcom County committing to pay a total of \$15.8 million over 15 years ending in 2023. The payments compensate the counties, and certain school districts and towns located in these counties, for loss of revenues and additional financial burdens associated with the projects. The Boundary Project, located on the Pend Oreille River, affects Pend Oreille County, and Skagit River hydroelectric projects affect Whatcom County. The impact payments totaled \$2.7 million to Pend Oreille County in 2020 and \$1.9 million in 2019, and \$1.2 million to Whatcom County in 2020 and \$1.1 million in 2019.

Deien v. City – Plaintiff brings a purported class action against the Department based on the Department's billing practices associated with the Department's transition to advanced meters. No class has been certified and any ultimate liability is indeterminate.

Dixon v. City and 3 "John Doe" defendants – Plaintiff Dixon alleges that he is a victim of discrimination and retaliation based on race, color, and engaging in protected activities. The plaintiff includes allegations under federal antidiscrimination laws, as well as under state tort law. The Department is seeking removal of the case to federal court. An adverse result could include awards of compensatory damages and attorneys' fees. The Department's ultimate liability is indeterminate.

The following case from 2019 was settled in 2020

Overby v. City, Haynes, and Wilson – Plaintiff Overby alleged that he was a victim of age and disability discrimination and retaliation. The case arose from asserted occupational exposure to contaminants at the Department's Skagit generation facility. The plaintiff asserted that the Department and the individual defendants mistreated him following such exposure. In January 2020, the plaintiff accepted an offer of judgment in the amount of \$100,000 plus costs and attorneys' fees then accrued.

Other Contingencies—In addition to those noted above, in the normal course of business, the Department has various other legal claims and contingent matters outstanding. The Department believes that any ultimate liability arising from these actions will not have a material adverse impact on the Department's financial position, operations, or cash flows.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

<u>Changes in Net Pension Liability and Related Ratios - The Department's schedule of the employer's proportionate share of the net pension liability for the years ended December 31 (dollar amounts in millions):</u>

	2020	2019	2018	2017		2016	:	2015
Employer's proportion of the net pension liability	21.10%	21.17%	21.00%	22.13%		24.46%		24.53%
Employer's proportionate share of total pension liability	\$ 929.8	\$ 896.9	\$ 831.6	\$ 839.5	\$	883.5	\$	841.5
Employer's proportionate share of plan fiduciary net position	\$ 664.6	\$ 575.3	\$ 599.1	\$ 550.7	\$	565.7	\$	569.7
Employer's proportionate share of the net pension liability	\$ 265.2	\$ 321.6	\$ 232.5	\$ 288.8	\$	317.8	\$	271.8
Employer's covered-employee payroll	\$ 165.3	\$ 163.7	\$ 153.6	\$ 156.5	\$	157.0	\$	152.3
Employer's proportionate share of net pension liability as a percentage of								
its covered-employee payroll	160.44%	196.42%	151.41%	184.49%	2	202.44%	1	178.48%
Plan fiduciary net position as a percentage of the total pension liability	71.48%	64.14%	72.04%	65.60%		64.03%		67.70%

Notes to Schedule

This schedule is intended to show information for 10 years. Since 2015 was the first year of this presentation, data on years preceding 2015 are not available. Additional years' data will be included as they become available.

Actuarial Methods and Assumptions:

Actuarial cost method Individual Entry Age Normal

Amortization method Level percent

Amortization Growth Rate 3.50% for FY 2020 and FY 2019, 4.0% for prior years

Remaining amortization period 30 years as of January 1, 2013 Valuation

Asset valuation method 5 years, Non-asymptotic

Inflation 2.75% for FY 2020 and 2019, 3.25% for prior years Investment rate of return 7.25% for FY 2020 and FY 2019, 7.50% for prior years

Mortality Based on RP-2014 mortality tables using generational projection of improvement

using MP-2014 Ultimate projection scale for FY 2020 and FY 2019. Prior years based on RP-2000 mortality tables using generational projection of improvement

using Projection Scale AA.

There were no changes to benefit terms in 2020. See Note 13 for details regarding actuarial methods and assumptions.

The Department's proportionate schedule of employer's contributions (dollar amounts in millions):

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 28.7	\$ 24.8	\$ 24.7	\$ 23.7	\$ 25.3	\$ 24.9
Contributions in relation to contractually required contribution	28.7	24.8	24.7	23.7	25.3	24.9
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 178.1	\$ 165.3	\$ 163.7	\$ 153.6	\$ 156.5	\$ 157.0
Contributions as a percentage of covered-employee payroll	16.11%	15.00%	15.09%	15.43%	16.17%	15.86%

Notes to Schedule

This schedule is intended to show information for 10 years. Since 2015 was the first year of this presentation, data on years preceding 2015 are not available. Additional years' data will be included as they become available.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Changes in Net OPEB Liability and Related Ratios - The Department's schedule of the employer's proportionate share of the net OPEB liability for the years ended December 31:

(\$ in millions)

(\$\psi\)	:	2020	:	2019	:	2018
Employer's proportion of the net OPEB liability		14.14%		14.34%		14.61%
Employer's proportionate share of total OPEB liability	\$	9.0	\$	8.7	\$	8.9
Employer's proportionate share of plan fiduciary net position		-		-		-
Employer's proportionate share of the net OPEB liability	\$	9.0	\$	8.7	\$	8.9
Employer's covered-employee payroll	\$	159.0	\$	145.6	\$	148.3
Employer's proportionate share of net OPEB liability as a percentage of its						
covered-employee payroll		5.66%		6.00%		6.02%
Plan fiduciary net position as a percentage of the total OPEB liability		-		-		-

Notes to Schedule

Mortality

This schedule is intended to show information for 10 years. Since 2018 was the first year of this presentation, data on years preceding 2018 are not available. Additional years' data will be included as they become available.

Actuarial Methods and Assumptions:

Actuarial cost method Entry Age Normal Amortization method Level dollar

Discount Rate 2.74% for FY 2020, 4.10% for FY 2019, and 3.44% for FY 2018 Health care cost trend rate- Medical 6.55% initial, decreasing to an ultimate rate of 4.50% for FY 2020.

7.00% initial, decreasing to an ultimate rate of 4.50% for prior years. 9.00% initial, decreasing to an ultimate rate of 4.50% for FY 2020.

Health care cost trend rate- RX 9.00% initial, decreasing to an ultimate rate of 4.50% for FY 2020. 10.00% initial, decreasing to an ultimate rate of 4.50% for prior years.

Based on RP-2014 mortality tables using generational projection of

improvement using MP-2014 Ultimate projection scale

There were no changes to benefit terms in 2020. See Note 14 for details regarding actuarial methods and assumptions.

OTHER INFORMATION (UNAUDITED)

DEBT SERVICE COVERAGE

Following is a table that provides information for the Department's debt service coverage for years 2020, 2019, and 2018. The target level for debt service coverage was 1.8x on all bonds for 2020, 2019 and 2018 in accordance with current financial policies (which include a Rate Stabilization Account that will result in greater compliance of actual debt service coverage with the policy-specified level).

	milli	

(\$ in millions)							
Debt Service Coverage			De	cember 31			
		2020		2019		2018	
OPERATING REVENUES:							
Retail power revenues	\$	926.7	\$	938.9	\$	868.6	
Short-term wholesale power revenues		51.3		43.2		61.0	
Other power-related revenues (a)(b)(c)		40.8		52.2		45.9	
Transfers from/(to) rate stabilization account (d)		(22.7)		22.8		(3.5)	
Other operating revenues		19.6		22.4		19.6	
Total operating revenues	\$	1,015.7	\$	1,079.5	\$	991.6	
OPERATING EXPENSES:							
Long-term purchased power—Bonneville and other (b)	\$	216.6	\$	215.9	\$	217.8	
Short-term wholesale power purchases		10.0		34.3		18.5	
Other power expenses (b)		72.6		74.4		70.2	
Transmission (e)		54.6		52.4		54.2	
Distribution		56.3		60.4		61.9	
Customer service		58.6		33.7		55.7	
Conservation		33.3		33.4		32.9	
Administrative and general		127.3		122.9		96.2	
Taxes Depreciation and amortization		101.2 149.8		100.1 145.8		91.8 124.0	
•	\$		\$		•		
Total operating expenses	2	880.3	3	873.3	\$	823.2	
NET OPERATING REVENUE (f)	\$	135.4	\$	206.2	\$	168.4	
Adjustments to Net Operating Revenue (g)							
City Taxes (h)	\$	57.5	\$	58.5	\$	53.4	
Depreciation and amortization		149.8		145.8		124.0	
Depreciation & amortization included in operating & maintenance expenses (i)		32.5		30.8		33.0	
Pension expense (j)		24.6		33.6		22.0	
Pension contributions (j)		(28.7)		(24.8)		(24.7)	
Valuation on exchange power, net (b)(c)		-		-		0.9	
BPA Conservation Augmentation/Agreement revenue (k)		(2.4)		(2.1)		(1.9)	
Investment income (I)		10.8		10.7		10.9	
Non-cash expenses (m)		3.4		1.0		0.8	
Other (n)		3.4		3.0		1.6	
Total adjustments	\$	250.9	\$	256.5	\$	220.0	
Net Revenue Available for Debt Service	\$	386.3	\$	462.7	\$	388.4	
				·			
Total Debt Service (o)	\$	223.0	\$	220.8	\$	212.4	
Ratio of Available Net Revenue to Debt Service		1.73x		2.10x		1.83x	

OTHER INFORMATION (UNAUDITED)

Notes

- (a) Includes conservation and renewable credits under the power sales contract with BPA, the recognition of payments from BPA for the purchase of conservation savings, revenue from deliveries of power to Pend Oreille PUD pursuant to the Boundary Project's FERC license, and other energy credits.
- (b) Effective January 1, 2016, the Department adopted GASB Statement No. 72, Fair Value Measurement and Application. Non-monetary transactions are measured at fair value and are valued at market. Disclosures required by GASB Statement No. 72 are available in Note 2 Fair Value Measurement.
- (c) Includes significant activity for the valuation of energy delivered under seasonal exchanges, basis sales, and other power exchange contracts. Energy exchanges have both revenue and expense components; therefore, a net revenue or expense adjustment is made for a given year.
- (d) Transfers from/(to) the RSA in accordance with Ordinance No. 123260, primarily to address fluctuations in surplus power sales.
- (e) Includes revenue from the short-term sale of excess transmission capacity.
- (f) Operating Income per audited financial statements.
- (g) Significant non-cash transactions are adjusted from Net Operating Revenue to calculate Revenue Available for Debt Service. Furthermore, some types of revenue in addition to Operating Revenue are included to calculate Revenue Available for Debt Service. These adjustments are listed in the remaining lines within the table.
- (h) City taxes are excluded because the lien on such taxes is junior to debt service in accordance with the Bond Legislation.
- (i) The majority of the depreciation and amortization (non-cash) expenses included in Operating and Maintenance Expense are for amortization of conservation expenses that are recognized over a 20-year period.
- (j) Pension expense is the amount recorded for compliance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, a non-cash item. Pension contributions are the Department cash contributions to the Seattle City Employee's Retirement System.
- (k) Payments received for conservation measures are initially recorded as unearned revenue. The adjustment represents the amount of revenue amortized and recognized over future periods for financial reporting, a non-cash transaction.
- (1) Investment income is not included in Total Revenue in this table; therefore, an adjustment is made to Net Operating Revenue, consisting primarily of interest earnings from City's cash pool and interest receipts from suburban underground charges. This amount excludes unrealized gains and losses, which are non-cash adjustments.
- (m) Effective 2018 includes adjustment for GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in addition to primarily claim expenses and capital projects expenditures from prior year which were determined not to be capital expenditures.
- Includes proceeds from sale of properties, principal receipts from suburban underground charges from local jurisdictions, and miscellaneous items.
- (o) Net of federal bond subsidies.

DEBT SERVICE COVERAGE: ALL BONDS

Year Ending	Reven	ue Available	Debt	t Service	Debt Service			
December 31	for D	ebt Service	Requ	uirements	Coverage			
(\$ in millions)								
2020	\$	386.3	\$	223.0	1.73			
2019		462.7		220.8	2.10			
2018		388.4		212.4	1.83			
2017		376.8		203.3	1.85			
2016		331.9		196.5	1.69			

OTHER INFORMATION (UNAUDITED)

INTEREST REQUIREMENTS AND PRINCIPAL REDEMPTION ON LONG-TERM DEBT

Year Ending	Fixed Rate Bonds						Variable Rate Bonds							
December 31 (\$ in millions)	Princ	ipal		Interest		Subtotal	P	rincipal		Interest	\$	Subtotal		Total ^(a)
2021	\$ 1	15.6	\$	105.1	\$	220.7	\$	2.1	\$	0.9	\$	3.0	\$	223.7
2022	1	18.8		100.3		219.1		2.2		0.9		3.1		222.2
2023	1	21.3		94.2		215.5		2.3		0.9		3.2		218.7
2024	1	25.0		88.1		213.1		2.3		0.9		3.2		216.3
2025	1	15.0		81.7		196.7		2.4		0.9		3.3		200.0
2026	1	07.2		76.6		183.8		5.9		0.8		6.7		190.5
2027	8	35.0		71.6		156.6		6.1		0.8		6.9		163.5
2028		88.7		67.3		156.0		6.3		0.8		7.1		163.1
2029		83.0		63.4		146.4		6.5		0.8		7.3		153.7
2030		68.7		59.8		128.5		6.9		0.7		7.6		136.1
2031		71.5		56.6		128.1		7.1		0.7		7.8		135.9
2032		74.3		53.3		127.6		7.4		0.7		8.1		135.7
2033		77.2		50.0		127.2		7.7		0.6		8.3		135.5
2034		79.2		46.8		126.0		8.0		0.6		8.6		134.6
2035		84.1		43.2		127.3		8.4		0.5		8.9		136.2
2036		92.7		39.4		132.1		8.7		0.5		9.2		141.3
2037		82.7		35.4		118.1		9.1		0.5		9.6		127.7
2038		85.9		31.8		117.7		9.5		0.4		9.9		127.6
2039		89.3		28.0		117.3		9.8		0.4		10.2		127.5
2040		92.8		24.1		116.9		10.2		0.3		10.5		127.4
2041		82.4		20.4		102.8		10.6		0.3		10.9		113.7
2042		69.1		17.2		86.3		11.1		0.2		11.3		97.6
2043		72.1		14.3		86.4		11.5		0.2		11.7		98.1
2044		64.1		11.2		75.3		12.0		0.1		12.1		87.4
2045		57.7		8.5		66.2		12.4		0.1		12.5		78.7
2046		51.7		6.3		58.0		5.6		-		5.6		63.6
2047		46.3		4.1		50.4		_		-		-		50.4
2048		33.7		2.1		35.8		_		-		-		35.8
2049		19.6		0.9		20.5		-		-		-		20.5
2050		6.7		0.3		7.0								7.0
Total	\$ 2,3	61.4	\$	1,302.0	\$	3,663.4	\$	192.1	\$	14.5	\$	206.6	\$	3,870.0

⁽a) Maximum debt service of \$223.7 million is due in 2021. See Note 9 Long-term debt.

Note: All parity bonds of the Department are fixed rate bonds except the 2018B B.1 & B.2, and 2018C C.1 & C.2 bonds which are variable rate bonds.

OTHER INFORMATION (UNAUDITED)

STATEMENT OF LONG-TERM DEBT

As of December 31, 2020

(\$ in millions)				Amount Due				
		Interest	Amount	Amount	Within	Accrued		
Bond Series	When Due	Rate (%)	Issued	Outstanding	One Year	Interest		
Series 2010A	2021	4.447	4.6	4.6	4.6	0.1		
Series 2010A	2022	4.597	7.2	7.2	-	0.1		
Series 2010A	2023	4.747	7.5	7.5	-	0.2		
Series 2010A	2024	4.947	7.7	7.7	-	0.2		
Series 2010A	2025	5.047	8.0	8.0	-	0.2		
Series 2010A	2026	5.147	8.2	8.2	-	0.2		
Series 2010A	2027	5.247	8.5	8.5	-	0.2		
Series 2010A	2028-2030	5.470	27.4	27.4	_	0.6		
Series 2010A	2031-2040	5.570	102.6	102.5	_	2.3		
Series 2010C	2021-2040	5.590	13.3	13.3	_	0.3		
Series 2011A	2021-2026	5.250	75.8	46.0	12.5	1.0		
Series 2011B	2027	5.750	10.0	10.0	-	0.2		
Series 2012A	2021-2027	5.000	198.0	80.7	14.6	0.2		
Series 2012A	2028	3.250	12.4	12.4	-	0.1		
Series 2012A	2034-2036	4.000	25.1	17.1	_	0.1		
Series 2012A	2037-2041	4.000	49.1	49.1	_	0.1		
Series 2012C	2028	3.400	4.3	4.3	_	-		
Series 2012C	2029	3.500	7.7	7.7	_	_		
Series 2012C	2030	3.500	7.7	7.7		_		
Series 2012C	2031-2033	3.750	23.4	23.4		0.1		
Series 2013	2021-2033	5.000	97.4	30.9	-	0.7		
Series 2013	2034-2035	4.000	14.7	14.7	-	0.7		
Series 2013	2036-2038	4.125	24.4	24.4	-	0.6		
Series 2013	2039-2043	4.500	48.3	48.3	-	1.1		
Series 2014	2021-2029	5.000	163.2	83.0	18.3	1.2		
Series 2014	2030-2038	4.000	53.9	53.9	-	0.8		
Series 2014	2039-2040	4.000	14.8	14.8	-	0.2		
Series 2014	2041-2044	4.000	33.3	33.3	-	0.5		
Series 2015A	2021-2026	5.000	62.9	34.2	5.5	0.2		
Series 2015A	2027-2045	4.000	109.0	109.0	-	0.8		
Series 2016A	2036-2041	4.050	31.9	31.9	_	0.6		
Series 2016B	2021-2028	5.000	103.0	91.1	10.8	1.1		
Series 2016B	2021-2028	4.000	13.9	13.9	-	0.2		
Series 2016C	2021-2026	5.000			12.5	0.4		
Series 2016C	2027-2046	4.000	56.9 103.9	47.7 103.9	12.3	1.2		
Series 2017C	2021-2032	5.000	174.2	160.7	4.5	2.4		
Series 2017C		4.000			-			
	2033-2047		211.3	211.3		3.1		
Series 2018A	2021-2029	5.000	60.2	51.8	4.7	0.8		
Series 2018A	2030-2048	4.000 .37 - 5.49 A	203.6	203.6	-	4.6		
Series 2018B B.1	2026-2045		50.1	50.1	-	0.1		
Series 2018B B.2	2026-2045	.37 - 5.49 A	50.1	50.1	-	0.1		
Series 2018C C.1	2021-2046	.28 - 5.69 A	49.3	46.0	1.1	0.1		
Series 2018C C.2	2021-2046	.28 - 5.69 A	49.3	46.0	1.1	0.1		
Series 2019A	2021-2049	5.000	210.5	207.0	3.3	2.5		
Series 2019B	2021-2026	5.000	140.3	140.3	2 1.8	2.9		
Series 2020A	2021-2030	5.000	78.5	78.5	2.4	1.4		
Series 2020A	2031-2050	4.000	119.8	119.8	-	2.1		
Total			\$ 2,937.2	\$ 2,553.5	\$ 117.7	\$ 36.3		

 $^{^{\}rm A}\,R$ ange of a djustable rates in effect during 2020.

Note: All parity bonds of the Department are fixed rate bonds except the 2018B B 1&B2, and 2018C C 1&C2 bonds, which are variable rate bonds.

OTHER INFORMATION (UNAUDITED)

POWER COSTS AND STATISTICS

Year ending December 31 (S in m illions)	2020	2	2019	:	2018	:	2017	:	2016
POWER COSTS									
Hydroelectric generation (a)(5)	\$ 58.2	2 \$	54.4	S	51.7	S	56.8	S	53.0
Long-term purchased power ^(b)	216.6	5	215.9		217.8		224.8		219.8
Wholesale power purchases (c)(c)	10.0)	34.3		18.5		15.2		15.1
Fair valuation & other power purchases (6)(c)	15.2	2	21.9		20.6		11.4		10.5
Owned transmission ^(a)	16.4	1	15.7		17.0		15.5		15.9
Wheeling expenses	44.9		43.3		43.2		42.9		42.9
Other power expenses	16.3		14.5	_	13.1	_	13.9	_	12.8
Total power costs	377.6		400.0	_	381.9		380.5	_	370.0
Less short-term wholesale power sales (c)	(51.3	3)	(43.2)		(61.0)		(60.9)		(62.9)
Less other power-related revenues	(29.3	3)	(36.8)		(28.5)		(20.8)		(16.7)
Less fair valuation other power-related ⁽⁶⁾	(11.4	4)	(15.4)	_	(17.4)	_	(15.0)	_	(15.9)
Net power costs	\$ 285.6	<u>\$</u>	304.6	\$	275.0	\$	283.8	\$	274.5
POWER STATISTICS (MWh)									
Hydroelectric generation(c)	6,017,176	5 5,	346,373	6,	,419,136	6,	396,563	6,	707,264
Long-term purchased power ^(b)	6,173,078	6,	243,569	6,	354,303	7,	521,767	7,	215,308
Wholesale power purchases (c)(e)	633,111	1,	028,182	1,	,167,441		904,362		936,289
Wholesale power sales (c)(c)	(2,605,592	2) (2,	123,263)	(3.	329,288)	(3.	695,173)	(4.	044,452)
Other ^(d)	(1,003,455	5)(958,287)	(938,363)	_(1,	,154,419)	_(1,	117,826)
Total power available	9,214,318	9,	536,574	9,	673,229	9,	973,100	9,	696,583
Less self consumed energy	(26,203	3)	(26,962)		(25,642)		(26,691)		(24,912)
Less system losses	(549,228	3)(387 <u>,653</u>)	(573,525	(537,750)		491 233)
Total power delivered to retail customers	8,638,887	9.	121,959	9.	074,062	9,	408,659	9.	180,438
Net power cost per MWh delivere d 6	\$ 33.05	<u>\$</u>	33.38	\$	30.31	\$	30.16	\$	29.90

⁽a) Including depreciation.

⁽b) Long-term purchased power, fair valuation & other power purchases, and fair valuation other power-related include energy exchanged under seasonal and other exchange contracts are valued at market.

⁽c) The level of generation (and consequently the amount of power purchased and sold on the wholesale market) can fluctuate widely from year to year depending upon water conditions in the Northwest region.

⁽d) "Other" includes seasonal exchange power delivered and miscellaneous power transactions.

⁽e) Bookout purchases are excluded from wholesale power purchases and are reported on a net basis in wholesale power sales, however MWh are presented gross.

OTHER INFORMATION (UNAUDITED)

HISTORICAL ENERGY RESOURCES (in MWh)

	2020	2019 ^(d)	2018	2017	2016
Department-Owned Generation					
Boundary Project	3,576,351	3,307,074	4,008,235	3,825,302	3,888,316
Skagit Hydroelectric Project:					
Gorge	958,211	832,815	947,000	998,676	1,036,540
Diablo	703,719	610,968	626,127	692,828	870,216
Ross	655,524	524,516	690,006	741,493	791,415
Cedar Falls/Newhalem	81,065	41,376	89,250	83,461	68,429
South Fork Tolt	42,306	29,624	58,518	54,803	52,348
Subtotal	6,017,176	5,346,373	6,419,136	6,396,563	6,707,264
Energy Purchases					
Bonneville	4,299,280	4,388,973	4,435,838	5,482,904	5,138,417
Priest Rapids	25,596	19,866	25,732	24,532	25,249
Columbia Basin Hydropower	258,498	219,094	241,236	228,789	253,628
High Ross	309,960	307,599	310,700	313,973	308,478
Lucky Peak	254,619	364,089	347,669	463,403	340,474
Stateline Wind Project	380,795	338,452	342,873	330,161	373,389
Columbia Ridge	102,421	101,615	102,617	96,096	99,487
Seasonal and Other Exchange(a)	541,909	503,881	547,638	581,909	676,186
Wholesale Market Purchases(b)	633,111	1,028,182	1,167,441	904,362	936,289
Subtotal	6,806,189	7,271,751	7,521,744	8,426,129	8,151,597
Total Department Resources	12,823,365	12,618,124	13,940,880	14,822,692	14,858,861
Minus Offsetting Energy Sales					
Firm Energy Sales and Marketing Losse	505,727	387,615	344,435	328,666	344,383
Seasonal and Other Exchange ^(a)	497,728	570,672	593,928	825,753	773,443
Wholesale Market Sales	2,605,592	2,123,263	3,329,288	3,695,173	4,044,452
W HOLESAIE WIAIKEL SAIES	2,000,002	2,123,203	3,327,200	3,073,173	1,011,132
Total Energy Resources	9,214,318	9,536,574	9,673,229	9,973,100	9,696,583

⁽a) Includes exchange contracts with Grant County, Lucky Peak Project, Northern California Power Agency (NCPA), expired 5/31/2018, and Sacramento Municipal Utility District (SMUD), expired 7/31/2017.

⁽b) Purchases to compensate for low water conditions and to balance loads and resources.

⁽c) Energy provided to Public Utility District of Pend Oreille County under the Boundary Project's FERC license and include incremental losses due to expanded activity in the wholesale market.

⁽d) Certain numbers were corrected in 2020.

OTHER INFORMATION (UNAUDITED)

CUSTOMER STATISTICS

Years ended December 31,		2020		2019		2018		2017		2016
Average number of customers:										
Residential		426,359		419,601		410,664		403,888		397,074
Non-residential		51,219		50,779		50,859		50,608		50,258
Total	_	477,577	_	470,380	_	461,523	_	454,496		447,332
Megawatt-hours ^(a) : Residential	37%	3,192,877	34%	3,091,019	33%	2,992,914	32%	3,132,079	32%	2,917,984
Non-residential	63%_	5,446,010	66%_	6,030,940	67%	6,081,148	68%	6,276,580	68%	6,262,454
Total	100%	8,638,887	100%	9,121,959	100%	9,074,062	100%	9,408,659	100%	9,180,438
Average annual revenue per customer ^(a) :										
Residential Non-residential	Ç	890 10,651	\$ \$		\$ \$	778 10,748	Ş	812 10,757	\$ \$	717 9,983
Non residential	7	, 10,031	¥	, 11,301	Ţ	10,740	Ψ.	, 10,737	Ą	3,303

^{*} Seattle City Light changed customer counts to Service Agreement effective September 2016 with the implementation of the new retail electric billing system. Service Agreement determines how Seattle City Light and Seattle Public Utilities charge customers for services provided. An account can have several Service Agreements for the different types of services.

Years ended December	31,	2020	2019	2018	2017	2016
Average annual consumption per custo (kWhs) ^{(a)(b)} :	mer					
Residential	- Seattle	7,489	7,367	7,288	7,755	7,349
	- National	n/a	10,649	10,972	10,399	10,766
Non-residential	- Seattle	106,329	118,768	119,568	124,018	124,606
	- National	n/a	120,663	122,952	122,121	123,846
Average rate per						
kilowatt-hour (cents)(a)(b):					
Residential	- Seattle	11.88	11.66	10.67	10.47	9.75
	- National	n/a	13.01	12.87	12.89	12.55
Non-residential	- Seattle	10.02	9.57	8.99	8.67	8.01
	- National	n/a	9.04	9.10	9.07	8.91

⁽a) Source of national data: Department of Energy (www.eia.doe.gov/electricity/annual/). 2020 National average annual consumption data and average rate data not available. Certain 2019-2016 national average annual consumption and national average rate data were updated with revised actuals.

⁽b) Seattle amounts include an allocation for the net change in unbilled revenue. Unbilled revenue excludes retail customer voluntary payments for conservation and solar energy as well as revenue from diverted electricity.

NOTE 1: A comprehensive rate change of 5.5% became effective January 1, 2020

NOTE 2: As of November 2019, a Rate Stabilization Account (RSA) surcharge of 3% is in effect for all residential and non-residential rates schedules.

NOTE 3: A Bonneville Power Administration (BPA) passthrough adjustment of -1.9% is being applied to all retail energy charges beginning November 2019, and as a result, a 0.4% rate decrease effective November 1, 2019 was the net impact of the BPA passthrough and RSA surcharge.

NOTE 4: Notice of public hearings on future rate actions may be obtained on request to:

The Office of the City Clerk, 600-4th Ave, Floor Three, Seattle, WA 98104. Phone number 206-684-8344.

OTHER INFORMATION (UNAUDITED)

TAXES AND CONTRIBUTIONS BY SEATTLE CITY LIGHT TO THE COST OF GOVERNMENT (Unaudited)

(in millions)

Years ended December 31,	2020	2019	2018	2017	2016
Taxes					
City of Seattle occupation utility tax	\$ 57.5 \$	58.4	\$ 53.4	\$ 54.4	\$ 48.4
State public utility and business taxes	31.3	31.5	27.4	30.2	27.1
Suburban contract payments and other	7.3	6.8	6.3	6.4	6.0
Contract payments for government services	5.1	3.3	4.6	3.8	3.7
Total taxes as shown in statement of					
revenues and expenses	101.2	100.0	91.7	94.8	85.2
Taxes/licenses charged to accounts other					_
than taxes	16.7	15.5	16.6	15.4	16.6
Other contributions to the cost of					
government	16.5	17.1	22.2	22.7	17.6
Total miscellaneous taxes	33.2	32.6	38.8	38.1	34.2
Total taxes and contributions	\$ 134.4 \$	132.6	\$ 130.5	\$ 132.9	\$ 119.4

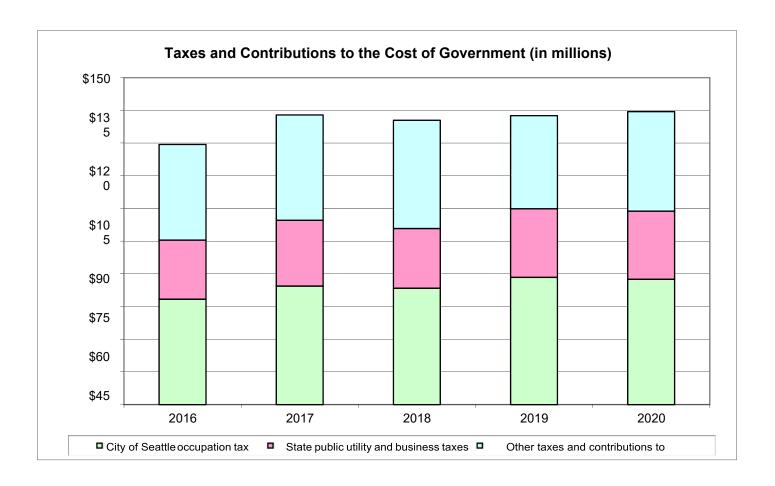
Note 1: Electric rates include all taxes. The State Public Utility Tax rate for retail electric power sales was 3.8734%.

Additional information about city of Seattle Council meetings can be found on the Web at www.seattle.gov/council/calendar.

The City of Seattle Occupation Utility Tax rate was 6% for in-state retail electric power sales.

Note 2: 2017 Taxes/licenses charged to accounts other than taxes updated with more recent information.

OTHER INFORMATION (UNAUDITED)



OTHER INFORMATION (UNAUDITED)

PUBLIC PURPOSE EXPENDITURES (Unaudited)

Years ended December 31,	2020	2019		2018	2017	2016
CONSERVATION						
Annual energy savings (megawatt hours) ^A	80,731	111,735		131,858	136,632	133,532
Programmatic conservation expenses ^B						
Non-low income	\$ 20.3	\$ 23.8	\$	24.3	\$ 31.0	\$ 31.3
Low income	1.7	3.1		1.7	2.9	2.8
Non-programmatic conservation expenses ^C	4.8	6.4		11.5	12.6	11.2
Subtotal	26.8	33.3		37.5	46.5	45.3
OTHER PUBLIC PURPOSE EXPENDITURES Low-income energy assistance D	23.7	18.8	Ī	17.8	18.5	13.4
Non-hydro renewable resources ^E	39.7	34.5		33.7	32.9	36.3
Subtotal	63.4	53.3		51.5	51.4	49.7
NET PUBLIC PURPOSE SPENDING	90.2	86.6		89.0	97.9	95.0
Revenue from retail electric sales	\$ 926.7	\$ 938.9	\$	868.6	\$ 875.2	\$ 788.0
PERCENT PUBLIC PURPOSE SPENDING TO						
RETAIL ELECTRIC SALES						
Conservation only	2.9%	3.5%		4.3%	5.3%	5.7%
Low-income assistance & non-hydro renewables	6.8%	5.7%		5.9%	5.9%	6.3%
Total	9.7%	9.2%		10.2%	11.2%	12.0%

A Energy savings are from completed projects in that year include those from Northwest Energy Efficiency Alliance, residential behavior programs and applicable Transmission & Distribution benefit.

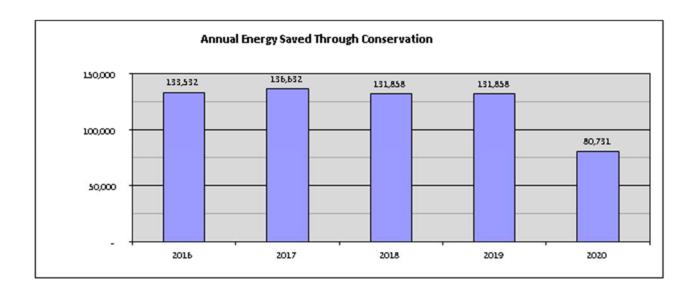
B Programmatic conservation expenditures are deferred and amortized over a 20-year period in accordance with City Council-passed resolutions and Statement No. 62 of the GASB, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB & AICPA Pronouncements. Non-low income programmatic conservation includes expenditures for program measures, customer incentives, field staff salaries, energy code enforcement, and direct program administration. They do not include expenditures related to solar or other renewable programs. Low-income programmatic conservation includes these types of expenditures for the Department's HomeWise and Low-Income Multifamily Programs.

C Non-programmatic expenditures include program planning, evaluation, data processing, and general administration. These expenses are not associated with measured energy savings.

D Low-income assistance includes rate discounts and other programs that provide assistance to low income customers.

E Non-hydro renewable resources include energy generated from various sources bundled with renewable energy certificates (RECs) and purchased RECs which are funded from current revenues to comply with State of Washington Energy Independence Act (RCW 19.285).

OTHER INFORMATION (UNAUDITED)





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

To the Transportation and Utilities Committee The City of Seattle - City Light Department

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The City of Seattle, City Light Department as of and for the year ended December 31, 2020, and have issued our report thereon dated May 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The City of Seattle, City Light Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The City of Seattle, City Light Department's internal control. Accordingly, we do not express an opinion on the effectiveness of The City of Seattle, City Light Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

513

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of The City of Seattle, City Light Department are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Department in separate letters dated May 27, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Madison, Wisconsin

Baker Tilly US, LLP

May 27, 2021



Executive summary

May 27, 2021

To the Transportation and Utilities Committee The City of Seattle – City Light Department 700 5th Ave, Ste 3300 Seattle, WA 98124

We have completed our audit of the financial statements of City of Seattle – City Light Department (the Department) for the year ended December 31, 2020, and have issued our report thereon dated May 27, 2021. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Department's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the Department should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Aaron Worthman, Partner: <u>Aaron.Worthman@bakertilly.com</u> or +1 (512) 975 728
- Dan La Haye, Senior Manager: Dan.LaHaye@bakertilly.com or +1 (608) 240 2534

Sincerely,

Baker Tilly US, LLP

Aaron Worthman, CPA Partner

Claron Worthman

Dan La Haye, CPA Senior Manager

Table of contents

Executive summary	
Responsibilities	
Audit status	
Audit approach and results	
Accounting changes relevant to City of Seattle – City Light Department	
Trending challenges and opportunities for organizations	
Appendix A: Client service team	
Appendix B: Management representation letter	25
Appendix C: Two-way communication regarding your audit	34

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.



Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

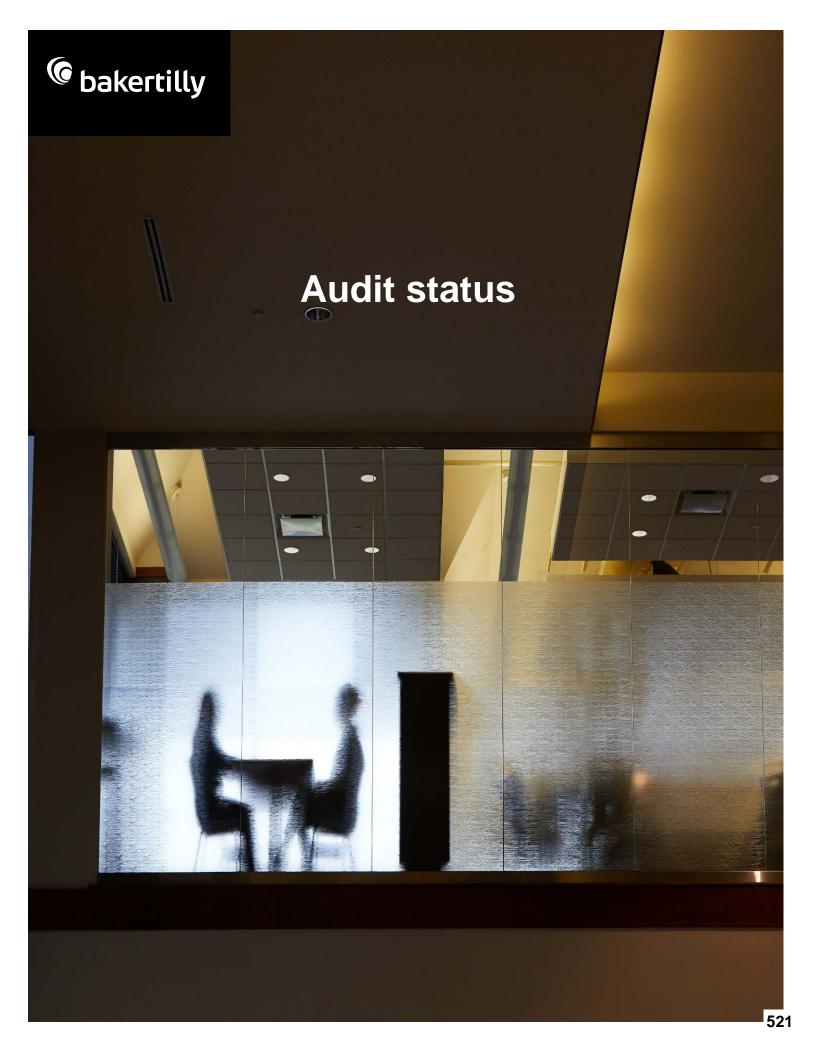
- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Department's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by Government Auditing Standards

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Qualitative aspects of the Department's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

Managen	nent	Auditor
\$≡	Prepare and fairly present the financial statements	Our audit does not relieve management or those charged with governance of their responsibilities
	Establish and maintain effective internal control over financial reporting and compliance with laws, regulations, contracts and grants	An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls
	Provide us with written representations at the conclusion of the audit	See Appendix B for a copy of management's representations

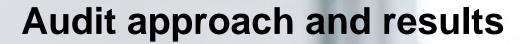


Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.







Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Department and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Department's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other key areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures
Wholesale power purchases and sales	Regulatory accounting	Environmental remediation liabilities

Internal control matters

We considered the Department's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2020. We noted no transactions entered into by the Department during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Seattle City Employees' Retirement System	Reasonable in relation to the financial statements as a whole
Self-insurance claims	Historical claims analysis and report provided by a 3 rd party administrator	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole
Net/Total OPEB liability and related deferrals	Key assumptions set by the City of Seattle with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Unbilled revenues	Evaluation of unbilled revenues based on consumption quantities and existing rates	Reasonable in relation to the financial statements as a whole
Environmental remediation liabilities	Evaluation of key factors and assumptions used in estimation	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

 Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. The schedule, attached the management representation letter, within the Appendix summarizes the uncorrected misstatements that were provided and identified by management. In our judgment, none of the uncorrected misstatements, either individually or in the aggregate, indicate matters that could have had a significant effect on the Department's financial reporting process. Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Department or that otherwise appear to be unusual due to their timing, size or nature.

Other information in documents containing audited consolidated financial statements

The Department's audited financial statements will be included in an Annual Report. Our responsibility for this information does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. We have read the Annual Report to determine whether a material inconsistency exists between the other information and the financial statements. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, in the financial statements.

The Department's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The Department can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Department's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Department that, in our professional judgment, may reasonably be thought to bear on our independence.

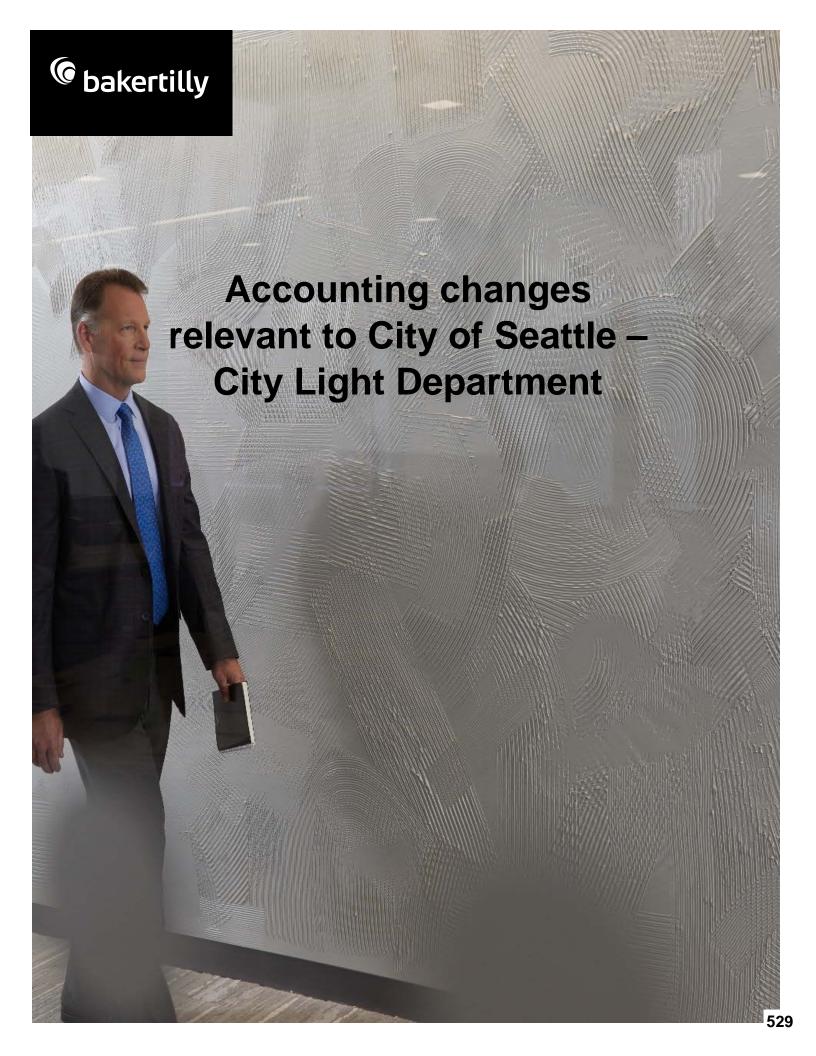
Related parties

We did not have any significant findings or issues arise during the audit in connection with the Department's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.



Accounting changes relevant to City of Seattle – City Light Department

Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	Ø	12/31/22*
91	Conduit Debt	Ø	12/31/22*
92	Omnibus 2020		12/31/22*
93	Replacement of Interfund Bank Offered Rates	\bigcirc	12/31/22*
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	\bigcirc	12/31/23
96	Subscription-Based Information Technology Arrangements	\bigcirc	12/31/23
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans		12/31/22

^{*}The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Gui*dance, with the exception of Statement No. 87 which was postponed by one and a half years. The effective date reflected above is the required revised implementation date. Further information on upcoming GASB pronouncements.

Preparing for the new lease standard

GASB's new single model for lease accounting will be effective soon. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.

We recommend the Department review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

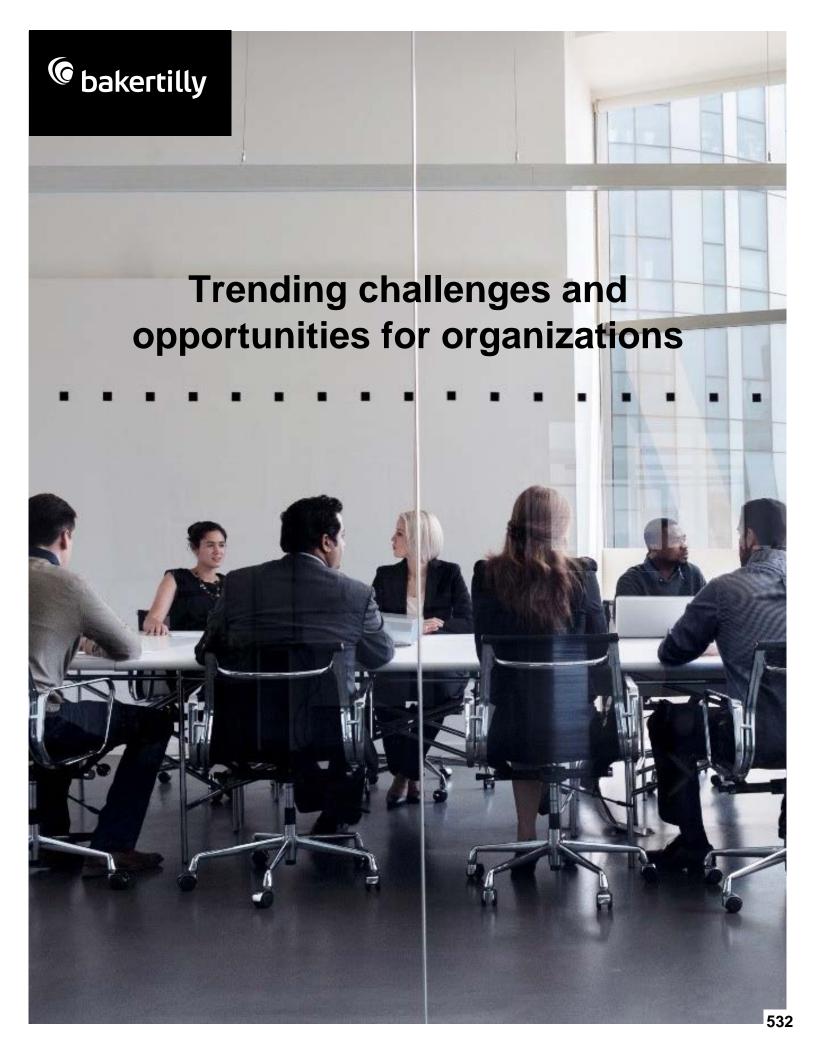
- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, the Department should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about GASB 87.

Planning for the new conduit debt reporting

Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with the intent of providing consistency in how the debt is recorded and reported in governmental financial statements. The Department should identify any existing debt arrangements involving third-party obligors and evaluate how those arrangements will be reported under the new standard in order to determine the potential impact of this standard on future financial reporting.



Trending challenges and opportunities for organizations

Management and governing bodies must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long-term goals. Economic uncertainty, coupled with key risk areas and fast-paced technology change, make strategic planning complex. Begin the discussion with your management team to find your path to your future.

Turning toward recovery and growth

Many organizations are focusing on the strategic restart and ramp up of their operations.

With great uncertainty about what recovery will look like—or how long it will take—it is essential for your organization to understand the scenarios you may face and plan your path back to growth.

We can help you chart a way forward that will enhance and maximize your value, minimize further disruption and keep your workforce safe.

Recommendation

Follow our road map to reopen, recover and reset.



Compliance with federal awards



Challenge

The COVID-19 crisis has had a significant effect on the nation, including recipients of federal awards resulting from various congressional acts. Federal funding adds an increased level of scrutiny and brings new challenges around compliance, reporting and administration.

Finance and spending departments are operating in unprecedented times as they manage and administer these funds while also remaining economically viable, maintaining operations and adapting to the "new normal."

Recommendation

Learn more about <u>compliance for federal funds</u> obtained for pandemic response efforts.

Recession proofing measures



technology are imperative.

Challenge

Ever aware of the need to balance the needs of diverse constituents against constrained revenue streams and conflicting priorities, public leaders strive to effectively deploy scarce resources while maintaining the highest levels of accountability and transparency.

In times of crisis, additional challenges emerge to maintain essential services, ensure citizen safety, protect their workforce and jumpstart programs to mitigate negative local economic impacts—all while focusing on planning for long-term effects of revenue shortages and the subsequent recovery.

Developing strategic clarity, aligning resources with priorities, strengthening performance, optimizing processes and leveraging

Recommendation

Learn about <u>proactive measures to insulate your organization</u> from financial hardship and to <u>optimize your</u> organization's performance.

Recruiting and hiring

Challenge

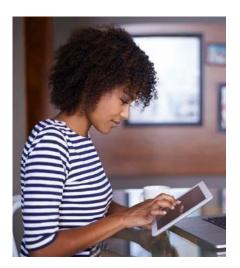
Public sector entities in need of key workforce personnel, such as city or county managers and administrators, city or county attorneys, fire chiefs, police chiefs and other departmental directors, may find themselves in an unenviable position during a pandemic.

Organizations need the talent, but a pandemic can disrupt essential business processes and cause apprehension about access to desirable candidates.

Hiring leaders should proactively discuss what-if scenarios, evaluate short-term and long-term hiring priorities, and plan for situations where immediate recruitment is imperative.

Recommendation

Learn the key considerations and actions for recruiting and hiring in a crisis.



Risk assessment

Challenge



Organizations today manage ever-expanding priorities in a constantly evolving, disruptive risk environment. Undetected risks, insufficient internal controls and inefficient business processes may negatively impact not only the entity but also its workforce and the community at large.

Risk assessment and internal audit prove essential to identifying top risks and the appropriateness of response in order to:

- Manage risk and compliance
- Enhance governance and strategy
- Optimize operations
- Gain assurance around key functions and processes that contribute toward meeting organizational goals

Recommendation

Learn about the key considerations for the risk assessment process and internal audit planning.

Economic development

Challenge

In today's complex economic landscape, communities face the daunting challenge of rebuilding their local economies. Restoring the momentum of economic expansion and investment to enhance quality of life for residents and produce long-term financial gain for the community is at the forefront of concerns.

Whether attracting growth to maximize opportunity built around community strengths or accounting for the many unknowns caused by major disruptions, a robust economic development strategy is essential to recovery.

Recommendation

Learn about the advantages of creating an <u>economic development</u> strategic plan and the framework to follow.



Harnessing data and analytics for strategic insight and decision-making



Challenge

In crisis and recovery, organizations are investing in advanced analytic solutions to help them not only make better decisions faster and more consistently, but also to improve operational efficiency and performance. Of all the business analytics available, advanced analytic solutions should be at the top of your priority list given the impact it can have on your business.

Recommendation

Learn more about <u>data & analytics strategy and roadmaps</u>, <u>MDM and data process re-engineering</u>, <u>Al strategy</u>, <u>data visualization</u> and other digital and analytic capabilities.

Information technology and cybersecurity



Challenge

While return-to-work scenarios are being developed, it is likely that remote workforces will remain a reality for many organizations in the short- to mid-term. Though many organizations have been able to adapt on a short-term basis, some will not be prepared for long-term operation on a remote and virtual basis. Organizations should increase monitoring of invasive cyber events, given the likely increase in hackers sending out fake emails, website links and ransomware attacks – and also consider:

- Adequacy of IT controls and security
- Performance of remote infrastructure supporting operations
- Improvements to remote applications for communication, collaboration and workflow
- Alternatives for data entry, work and information flow

Recommendation

<u>Learn more</u> about information technology and cybersecurity, including <u>System & Organization Controls</u> reporting.



Client service team



Aaron Worthman, CPA
Partner

4807 Innovate Lane Madison, WI 53718 United States

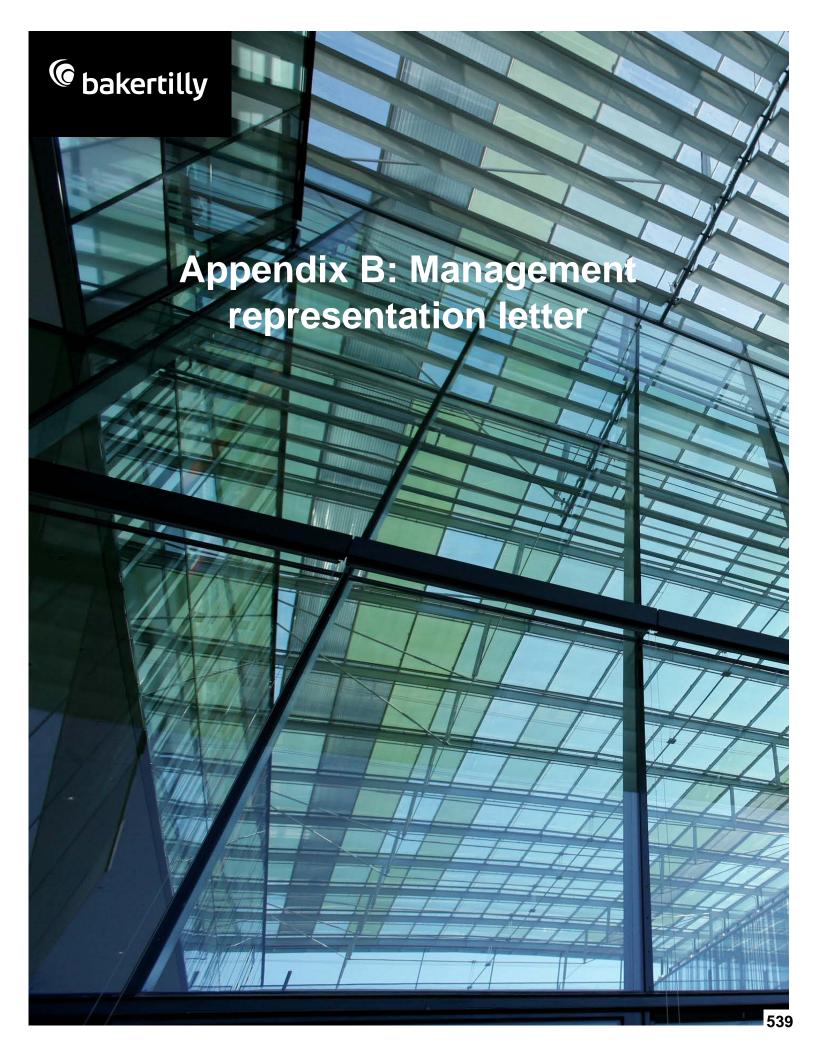
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May 27, 2021

BAKER TILLY USA, LLP 4807 INNOVATE LANE PO BOX 7398 MADISON, WI 53707-7398

Dear Auditors,

We are providing this letter in connection with your audits of the financial statements of The City of Seattle - City Light Department (Department) as of December 31, 2020 and 2019 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Department and the respective changes in financial position and cash flows thereof, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

FINANCIAL STATEMENTS

- 1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
- 3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5. Significant assumptions we used in making accounting estimates, if any, are reasonable.
- 6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 9. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
- 11. Guarantees, whether written or oral, under which the Department is contingently liable, if any, have been properly recorded or disclosed.

INFORMATION PROVIDED

12. We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- d) Minutes of the meetings of the Transportation and Utilities Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13. We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 16. We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17. We have disclosed to you all known related parties and all the related party relationships and transactions of which we are aware.

OTHER

- 18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19. We have a process to track the status of audit findings and recommendations.
- 20. We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 22. The Department has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.

23. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

24. There are no:

- a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
- c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
- d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 25. The Department has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26. The Department has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 27. Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 28. The Department has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 29. We believe that we have properly identified all derivative instruments and any embedded derivative instruments that require bifurcation. The Department's hedging activities, if any, are in accordance with its documented and approved hedging and risk management policies. The

Department follows the valuation, accounting, reporting and disclosure requirements outlined in GASB Statement No. 53. We believe the timing, nature, and amounts of all forecasted transactions are probable of occurring. The fair values of all derivatives and hedged items (if any) have been determined based on prevailing market prices or by using financial models that we believe are the most appropriate models for valuing such instruments and that incorporate market data and other assumptions that we have determined to be reasonable and appropriate at year end.

- 30. Provision for uncollectible receivables, if any, have been properly identified and recorded.
- 31. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 32. Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable)
- 33. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
- 34. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 35. We believe that the estimates made for the pollution remediation liabilities are in accordance with GASB Statement No. 49 and reflects all known available facts at the time it was recorded.
- 36. Tax-exempt bonds issued have retained their tax-exempt status.
- 37. The operations and rate setting process meet the condition for application of accounting for regulated operations as outlined in GASB Statement No. 62. All regulatory items included in the financial statements have been approved and are being accounted for in accordance with specific action taken by the regulatory body and as such the expectation of future recovery or refund is reasonable.
- 38. We have appropriately disclosed the Department's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
- 39. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you

any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- 40. With respect to the supplementary information, (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 41. We have no intention of terminating our participation in the Seattle City Employee's Retirement System ("SCERS") or withdrawing from any multi-employer plans, or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of our participation in the "SCERS" defined benefit plan or multi-employer plans to which we contribute. We believe that the actuarial assumptions and methods used to measure the pension liability and costs for financial accounting purposes are appropriate in the circumstances.
- 42. We agree with the work of specialists in evaluating the net pension liability, net other postemployment benefit liability, pollution remediation liabilities, and provision for injuries and damages and have adequately considered the qualifications of specialists in determining amounts and disclosures used in the financial statements and underlying accounting records. We did not give any instructions, nor cause any instructions to be given, to specialists with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have affected the independence or objectivity of the specialists.
- 43. We have evaluated the requirements of GASB Statement No. 83 Asset Retirement Obligations, and concluded that the Department does not own any assets that have an asset retirement obligation.
- 44. We have implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and believe that all direct borrowings, direct placements, lines of credit or debt default clauses have been identified and properly disclosed in the financial statements in compliance with the Standard.

- 45. We have reviewed our long-term debt agreements and believe that all terms related to significant events of default with finance-related consequences, termination events with finance-related consequences and subjective acceleration clauses have been properly identified and disclosed.
- 46. Management has appropriately estimated and accrued for all unprocessed invoices pertaining to 2020.

Julia Levin
Julia Levin (May 27, 2021 14:49 PDT)

05/27/2021

Julia Levin General Accounting Manager Seattle City Light

Mike Simmonds
Mike Simmonds (May 27, 2021 15:06 PDT)

05/27/2021

05/27/2021

Mike Simmonds Accounting Director/Controller Seattle City Light

Kirsty Grainger

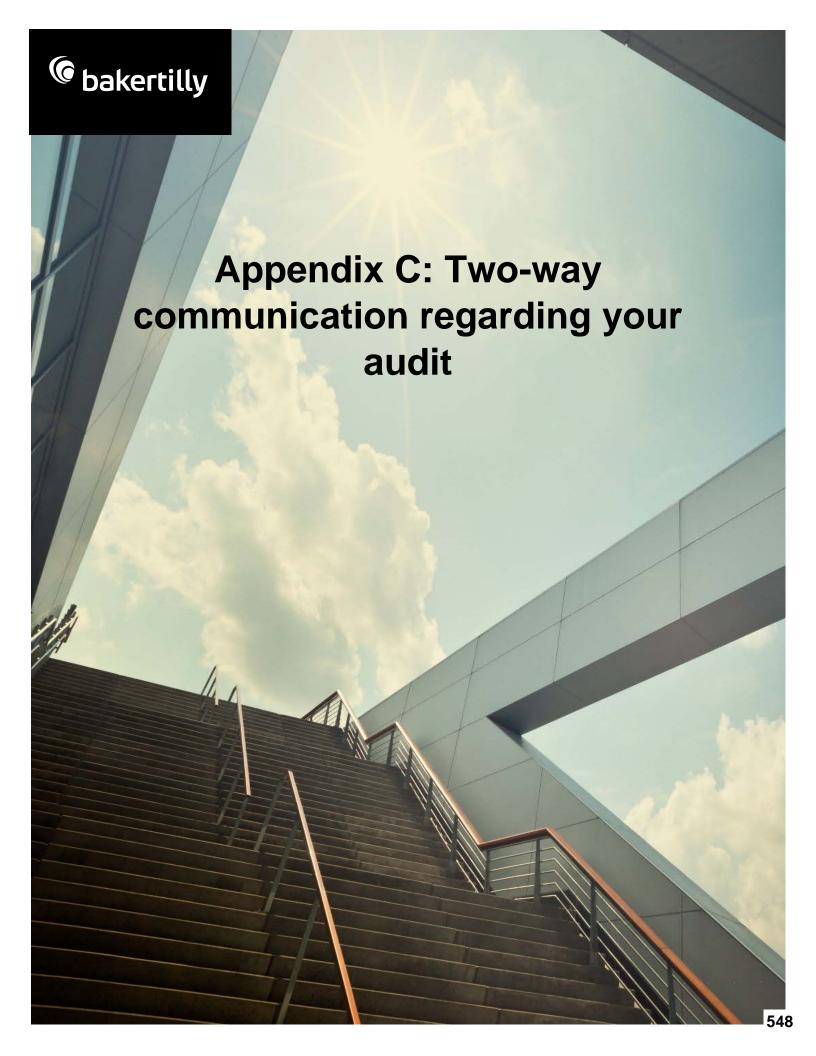
Chief Financial Officer

Seattle City Light

CITY OF SEATTLE - CITY LIGHT DEPARTMENT

SUMMARY OF PASSED ADJUSTING JOURNAL ENTRIES December 31, 2020

		2020								
		Financial Statements Effect -								
		Increase (Decrease) to Financial Statement Total								
	Current Assets	Long-Term Assets	Total Assets	Current Liabilities	Long-Term Liabilities	Total Liabilities	Total Net Position	Total Revenues	Total Expenses	Net Income
Total Net Audit Differences	\$ 918,93	7 \$ (1,500,000) \$	(581,063)	\$ (2,299,288)	\$ -	\$ (2,299,288)	\$ 1,718,225	\$ 918,937	\$ (799,288)	\$ 1,718,225



As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.
- e. We plan to use personnel from The Department's internal audit department to provide direct assistance to us during the audit at our direction. You acknowledge that those personnel will be allowed to follow our instructions and you will not intervene in their work.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Department will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December. Our final financial fieldwork is scheduled during March to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 4-6 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: CB 120128, Version: 1

CITY OF SEATTLE

ORDINANCE _	
COUNCIL BILL	

- AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.
- WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted
 - 2021-2026 Strategic Business Plan; and
- WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and
- WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and
- WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and
- WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and
- WHEREAS, the wastewater and drainage system rates are design to pass through all other expenses, and any taxes or discounts concurrently incurred; and
- WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated

File #: CB 120128, Version: 1

to reflect changes to rates; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection 21.33.030.D of the Seattle Municipal Code, which section was last amended by Ordinance 126215, is amended as follows:

21.33.030 Drainage service charges and drainage rates-Schedule-Exemptions

- D. Drainage rates used in the calculation of drainage service charges shall be the sum of the treatment rate and the system rate, as follows:
- 1. Treatment rate. The "treatment rate" shall be the rate required to pay the drainage share of "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate category is divided by (b) the projected number of billing units in each rate category and the result is multiplied by ((117.4) percent)) 1.189507 in 2022, 1.190301 in 2023, and 1.190379 in 2024 to cover the costs of taxes, low income rate assistance, and other allowances. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the drainage share of expected total treatment cost for the current year and the total drainage service charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.
- 2. System rate. The "system rate" shall be the rate required to fund the expense associated with operating, maintaining, and constructing the City's surface and stormwater management system, including any share of combined sanitary and stormwater system expense assigned to drainage.
- 3. ((The rate categories and the corresponding annual drainage rates)) Annual drainage treatment rates and dates effective are as follows:

((Effective January 1, 2020

File #: CB 120128, Version: 1

R a		Treatment Rate	System Rate	Total Drainage	Billing Unit
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		\$12.88	\$170.59	\$183.47	per parcel
	2,00	\$ <u>22.29</u>	\$ 276.46	\$ 298.75	per parcel
	3,00	\$30.74	\$383.52	\$414.26	per parcel
	5,00	\$41. 85	\$516.42	\$558.27	per parcel
	7,00	\$ 53.16	\$651.93	\$ 705.09	per parcel
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	Reg	\$3.50	\$42.55	\$4 6.05	per 1,000 sq. ft.
	Low	\$2.06	\$25.3 4	\$27.40	per 1,000 sq. ft.
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		\$ 5.25	\$ 63.50		per 1,000 sq. ft.
	Low	\$4.10	\$49.75	\$53.85	per 1,000 sq. ft.

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	Reg	\$7.49		\$90.37	\$97.86	per 1,000 sq. ft.
		\$6.06		\$73.15	\$79.21	per 1,000 sq. ft.
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File #: CB 120128, Version: 1

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Effective January 1, 2021

Ra te Ca teg or y	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Reside 1	ntia			
U	nd \$10.97	\$184.60	\$195.57	per parcel
2,	90 \$21.36	\$ 299.22	\$320.58	per parcel
3,	90\$30.16	\$415. 09	\$445.25	per parcel
5,	90 \$41.00	\$558.94	\$599.94	per parcel
7,	00 \$52.09	\$705.60	\$757.69	per parcel

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Low\$2.0	02	\$27.43	\$29.45	per 1,000 sq. ft.
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	10	\$68.73	\$73.92	1 000 - 6
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_	34	\$97.81	\$105.15	per 1,000 sq. ft.
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Regi\$7.: Low\$5.	82	\$79.18	\$85.00	per 1,000 sq. ft.
Regi\$7 Low\$5.! He \$9	82	\$79.18	\$85.00	
Regi \$7 Low \$5 He \$9	82	\$79.18	\$85.00	per 1,000 sq. ft.
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Reg \$7 Low \$5 He \$9 y (66	82	\$79.18	\$85.00	per 1,000 sq. ft.
Reg \$7.: Low \$5.: He \$9.: (66 - 85	82	\$79.18	\$85.00	per 1,000 sq. ft.
Reg \$7 Low \$5 He \$9 (66 - 85 % iim	82	\$79.18	\$85.00	per 1,000 sq. ft.
Reg \$7.: Low \$5.: He	82	\$79.18	\$85.00	per 1,000 sq. ft.

File #: CB 120128, Version: 1

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For small residential parcels, per parcel:

Small Residential Parcels	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
Under 2,000 sq. ft.	\$10.9 <u>7</u>	\$12.8 <u>3</u>	\$13.9 <u>2</u>	\$14.7 <u>3</u>
2,000-2,999 sq. ft.	\$21.3 <u>6</u>	\$22.4 <u>5</u>	\$24.3 <u>6</u>	\$25.77
3,000-4,999 sq. ft	\$30.1 <u>6</u>	\$31.4 <u>7</u>	\$34.1 <u>5</u>	\$36.1 <u>2</u>
5,000-7,999 sq. ft	\$41. <u>00</u>	\$43.00	\$46.6 <u>6</u>	\$49.3 <u>6</u>
8,000-9,999 sq. ft.	\$52. <u>09</u>	\$54.4 <u>3</u>	\$59.07	\$62.4 <u>8</u>

For general service and large residential parcels, per 1,000 sq. ft.:

	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
<u>Undeveloped</u>	\$3.44	\$3.65	\$3. <u>96</u>	\$4.1 <u>9</u>
Undeveloped (Low Impact)	\$2.02	\$2.09	\$2.2 <u>7</u>	\$2.40
Light	<u>\$5.19</u>	\$5.44	\$5.9 <u>1</u>	\$6.2 <u>5</u>
Light (Low Impact)	\$4.02	\$4.22	\$4.5 <u>8</u>	\$4.8 <u>4</u>
<u>Moderate</u>	\$7.34	<u>\$7.74</u>	\$8.4 <u>0</u>	<u>\$8.89</u>
Moderate (Low Impact)	\$5.82	\$6.24	\$6.7 <u>8</u>	\$7.1 <u>7</u>
Heavy	\$9.75	\$10.25	\$11.1 <u>2</u>	\$11.7 <u>6</u>
Very Heavy	\$11.62	\$12.23	\$13.2 <u>8</u>	\$14.0 <u>4</u>

4. Annual drainage system rates are as follows:

For small residential parcels, per parcel:

	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
Under 2,000 sq. ft.	\$184.60	\$191.38	\$202.8 <u>5</u>	<u>\$215.11</u>
2,000-2,999 sq. ft.	\$299.22	<u>\$314.68</u>	\$333.50	\$353.65
3,000-4,999 sq. ft	\$415. <u>09</u>	\$434.4 <u>4</u>	\$460.4 <u>1</u>	\$488. <u>24</u>
5,000-7,999 sq. ft	\$558.9 <u>4</u>	\$589.67	\$624.9 <u>2</u>	\$662.69
8,000-9,999 sq. ft.	\$705.60	\$743.5 <u>6</u>	\$788.00	\$835.63

File #: CB 120128, Version: 1

For general service and large residential parcels, per 1,000 sq. ft.:

	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
<u>Undeveloped</u>	\$46.0 <u>5</u>	\$50.03	\$53.03	\$56.23
Undeveloped (Low Impact)	\$27.43	\$29.02	\$30.75	\$32.61
Light	\$68.73	\$74.22	\$78.6 <u>5</u>	\$83.40
Light (Low Impact)	\$53.8 <u>5</u>	\$57.70	\$61.1 <u>5</u>	<u>\$64.85</u>
<u>Moderate</u>	\$97.8 <u>1</u>	\$105.13	\$111.4 <u>1</u>	\$118.14
Moderate (Low Impact)	\$79.18	\$84.96	\$90.03	\$95.47
<u>Heavy</u>	\$129.42	\$138.87	\$147.17	\$156.07
Very Heavy	\$154.49	\$165.60	\$175.49	\$186.10

((4. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.))

5. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the

File #: CB 120128, Version: 1

drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.

((5. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.))

6. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.

Section 3. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

21.76.040 Rate discounts

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall 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, 2020	\$33.43 per month	\$23.32 per month
January 1, 2021	\$35.85 per month	\$25.01 per month

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

File #: CB 120128, Version: 1

charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

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

((Effective Date	Single-Family	Duplex	Multifamily
January 1, 2020	\$23.24 per month	\$11.62 per month	\$2.49 per month
January 1, 2021	\$25.00 per month	\$12.50 per month	\$2.68 per month))

	Effective Jan 1,	Effective Jan 1,	Effective Jan 1,	Effective Jan 1,
	<u> 2021</u>	<u> 2022</u>	<u>2023</u>	<u>2024</u>
Single-Family	\$25.00	\$26.3 <u>6</u>	<u>\$27.98</u>	\$29.67
Duplex	\$12. <u>50</u>	\$13.1 <u>8</u>	\$13.9 <u>9</u>	\$14.8 <u>3</u>
Multifamily	<u>\$2.68</u>	\$2.8 <u>2</u>	\$2.9 <u>9</u>	\$3.1 <u>7</u>

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall 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

* * *

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

Section 5. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or

File #: CB 120128, Version: 1	
provisions shall be null and severed from the rest of this ordinance with respect to	the particular person or
	-
circumstance. The offending provision with respect to all other persons and all ot	ner circumstances, as well as
all other provisions of this ordinance, shall remain valid and enforceable.	
Section 6. This ordinance shall take effect and be in force 30 days after its	approval by the Mayor, but if
not approved and returned by the Mayor within ten days after presentation, it shall	l take effect as provided by
Seattle Municipal Code Section 1.04.020.	
Passed by the City Council the day of	, 2021, and signed by
me in open session in authentication of its passage this day of	, 2021.
President of the City	Council
Approved / returned unsigned / vetoed this day of	, 2021.
Jenny A. Durkan, Mayor	
Johny Ti. Barkari, Mayor	
Filed by me this day of, 2021.	
1 ned by me and day of, 2021.	

(Seal)

Monica Martinez Simmons, City Clerk

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle Public Utilities	Vas Duggirala/3-7153	Akshay Iyengar/4-0716

^{*} 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 drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

Summary and background of the Legislation:

This ordinance would revise drainage rates and drainage Utility Discount Program credits. It would revise rates to meet financial policy target requirements set by City Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1. The revision is primarily driven by capital financing needs and King County treatment rate increases. The cost of operations and maintenance (O&M) is a negligible contributor. Capital financing is guided by SPU's 2021-2026 Strategic Business Plan (SBP), recently adopted by Resolution 32000. The SBP included a projected rate path, and this ordinance implements an updated rate path, as follows:

Drainage Revenue Requirement Increases

	2021	2022	2023	2024	2025	2026	AVG
SBP RATE	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%
PATH							
RATE STUDY PROPOS AL	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%

The proposed rate study path is slightly lower than the SBP due to several factors, notably the low interest rate environment that SPU was able to leverage recently and a positive rating agency assessment of the line of business.

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 <u>X</u> No

	Genera	l Fund \$	Other \$	
Appropriation change (\$):	2021	2022	2021	2022
***	\$0	\$0	\$0	\$0
	Revenue to General Fund		Revenue to Other Funds	
Estimated revenue change (\$):	2021	2022	2021	2022
*****	\$0	\$0	\$0	\$10,130,351
	No. of I	Positions	Total F	TE Change
Positions affected:	2021	2022	2021	2022
****	0	0	0	0

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? Rate increases are also proposed in 2023 and 2024. Revenue in 2023 and 2024 is estimated to be, respectively, \$10,942,000 and \$11,379,774 higher than the prior year.

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

This rate proposal is part of a long-term rate path intended to accommodate funding needs with minimized, balanced, and predictable rate increases. Not implementing this legislation potentially places SPU at increased risk for not meeting certain goals under its current SBP. Not implementing this legislation would likely necessitate much larger future rate increases to meet capital financing needs.

3.b. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and	Dept	Revenue Source	2021	2022 Estimated
Number			Revenue	Revenue
44010 – Drainage and Wastewater Fund	SPU	Drainage rates	\$0	\$10,130,151
TOTAL				\$10,130,151

Is this change one-time or ongoing?

Ongoing. This legislation proposes drainage rates effective January 1 of 2022, 2023, and 2024 without an end date. Rate increases beyond 2024 will likely be proposed in mid-2024.

Revenue/Reimbursement Notes:

The City of Seattle assesses a 11.5% tax on drainage revenues. Tax payments are estimated to increase \$811,351 in 2022, \$1,187,835 in 2023, and \$1,261,340 in 2024.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department? Several City departments incur drainage fees including the Department of Parks & Recreation, Seattle Public Utilities, Seattle Center, Department of Finance and Administrative Services, Seattle Fire Department, Seattle City Light, Seattle Public Libraries, Seattle Police Department, Department of Neighborhoods, and the Seattle Department of Transportation. Drainage fees incurred by City departments are estimated to increase \$700,000 each year.
- **b.** Is a public hearing required for this legislation?
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

 No.
- **d.** Does this legislation affect a piece of property? No.
- e. 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 will increase the drainage fees for residents and increase operating expenses for businesses in the retail service area. These increases will have a disproportionate impact on customers that use more water, low-income customers, and small businesses. SPU has initiated a long-term project to address affordability issues through the Accountability and Affordability Strategic Plan and the 2021-2026 Strategic Business Plan.

This legislation also adjusts low-income credits for residents that are not direct customers of SPU and pay utilities through rent.

SPU conducted extensive outreach for the 2021-2026 Strategic Business Plan, which guides the rate path and included similar rate increases. SBP outreach included a significant ethnic media component with in-language advertising targeting Spanish, Chinese, Korean, and Somali speakers.

- f. Climate Change Implications
 - 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

- 2. 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.

 No.
- 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)? $\rm\,N/A$

List attachments/exhibits below:

Summary Exhibit A – 2022-2024 Drainage and Wastewater Rate Study

EXHIBIT A



Seattle Public Utilities 2022-2024 Drainage and Wastewater Rate Study

Table of Contents

ΡI	REFACE	- STRATEGIC BUSINESS PLAN COMPARISON	3
1.	EXE	CUTIVE SUMMARY	4
2.	FIN	ANCIAL POLICY OVERVIEW	5
3.	REV	'ENUE REQUIREMENT	7
	3.1.	Operations and Maintenance	8
	3.2.	Capital Financing Expense	8
	3.3.	Use of Cash Balances	10
	3.4.	Non-Rate Revenue	10
4.	PRO	DPOSED WASTEWATER RATES	11
	4.1.	Overview and Proposed Wastewater Rates	11
	4.2.	SPU System Rate	11
	4.3.	Treatment Rate	12
	4.4.	Wastewater Demand	13
5.	DRA	AINAGE COST ALLOCATION / RATE DESIGN	16
	5.1.	Drainage Allocation Classifications	16
	5.2.	Drainage Rate Design	17
	Cus	tomer Classes and Tiers	18
	Acc	ount and Surface Type Unit Rates	18
	Sur	face Type Profile by Tier	19
	Rate	e Calculation by Tier	20
	5.3.	Other Drainage Credits and Discounts	21
6.	UTILIT	Y DISCOUNT PROGRAM	24
Α	PPEND	IX A — FINANCIAL SUMMARY	25
Α	PPEND	IX B — DWF COST ASSIGNMENT DETAIL	26
	Dra	inage and Wastewater Cost Assignment Methodology	26
	Cos	t Assignment Factor	27
A	PPEND	IX C — COMPARATIVE RATES	28
Δ	PPEND	IX D— DRAINAGE COST ALLOCATION DETAIL	30

PREFACE - STRATEGIC BUSINESS PLAN COMPARISON

The 2021-2026 Strategic Business Plan Update sets a non-binding six-year rate and service path for Seattle Public Utilities, with a built-in three-year review and update. The SBP rate path was proposed nearly a year before this rate study. In the intervening time, several major assumptions were updated that create a variance between the SBP and the drainage and wastewater rate proposal.

The most impactful change to the rate path is including the impacts of the COVID-19 pandemic. Wastewater rates are volume based, and fell 7 percent from 2019 to 2020, but the costs to operate the system are largely fixed. This is particularly true for the capital expenditures directed at consent-decree requirements that drive revenue requirements. Fortunately, the missing revenue was offset by the low interest rate environment, a side effect of the pandemic, eliminating the need to have collected it, and resulting in rate paths slightly lower and smoother than those included in the SBP.

The SBP update was submitted in 2020 but was not adopted until May 2021 with Council Resolution 32000 due to the COVID-19 pandemic.

Table P-1 compares the projected rate path from the SBP to the rates proposed in this rate study.

Table P-1: Rate Path Comparison

Wastewater Rate Path	2022	2023	2024
Strategic Business Plan Update	3.1%	5.9%	0.5%
Rate Study	2.0%	3.9%	2.9%
Drainage Revenue Requirement	2022	2023	2024
Strategic Business Plan Update	8.6%	7.2%	3.9%
Rate Study	6.0%	6.2%	6.0%

1. EXECUTIVE SUMMARY

The Drainage and Wastewater Utility provides wastewater and stormwater management services to Seattle residences and businesses. The fund is supported by utility fee revenue, enumerated for wastewater on SPU combined utility bills based on metered water usage, and for drainage on King County property tax bills, reflecting an estimate of each parcel's contribution to stormwater run-off.

Wastewater and drainage rates consist of a system component, set to recover SPU operations and maintenance and capital expenses, and a treatment component, set to recover payments assessed by SPU's two contracted treatment providers, King County Wastewater Treatment Division and Southwest Suburban Sewer District, for flows sent to their facilities.

Drainage and wastewater rates were last increased on January 1, 2021, using the passthrough mechanism established by Seattle Municipal Code 21.28.040. This mechanism is used periodically in years between rate studies to adjust SPU treatment rates for off-cycle adoption of rates for treatment at King County facilities. Wastewater rates were increased by 7.3 percent and drainage rates by 7.4 percent. These rate increases were slightly lower than those in the 2019-2021 Rate Study (7.3 percent and 8.0 percent, respectively) due to a lower-than-expected increase to the County's treatment rate, and a reduction in volumes projected to be sent for treatment due to COVID-19. This rate study incorporates projected future treatment increases of 4.0 percent annually. These increases have not been approved by the King County Council and while this document presents rates including assumed future increases, the ordinance supported by this document only includes treatment rate increases based on treatment rates formally adopted by the King County Council. If King County Council adopts any rate increases before the next rate study, SPU will submit separate legislation utilizing the pass-through mechanism. The table below summarizes proposed revenue requirements and rates.

Table 1-1: Proposed DWF Retail Rate Revenue Requirement and Monthly Bill Impacts

	2021 2022		20	23	2024		
Revenue Requirement (\$ millions)							
Wastewater	\$311.4	\$334.0	+\$22.6	\$351.2	+\$17.2	\$363.4	+\$12.2
Drainage	\$164.7	\$174.5	+\$9.8	\$185.0	+\$10.6	\$196.1	+\$11.1
Total DWF	\$476.1	\$508.5	+\$32.4	\$536.3	+\$27.7	\$559.5	+\$23.3
Wastewater							
Wastewater Rate per CCF	\$16.67	\$17.01	+\$0.34	\$17.68	+\$0.67	\$18.19	+\$0.51
Residential (4.3 CCF)	\$71.68	\$73.14	+\$1.46	\$76.02	+\$2.88	\$78.22	+\$2.19
Drainage							
Townhome (<2,000 sqft)	\$16.30	\$17.28	+\$0.98	\$18.34	+\$1.06	\$19.45	+\$1.11
Single-Family Residential (0.15 acres)	\$50.00	\$53.01	+\$3.02	\$56.27	+\$3.26	\$59.66	+\$3.39
Salmon Bay Park (2.8 acres)	\$6,101	\$6,469	+\$368	\$6,867	+\$398	\$7,281	+\$414
Supermarket, 120 parking spots (2.5 acres)	\$17,900	\$18,980	+\$1,081	\$20,148	+\$1,167	\$21,362	+\$1,214
Chief Sealth High School (32 acres)	\$100,419	\$106,482	+\$6,063	\$113,030	+\$6,549	\$119,841	+\$6,811

2. FINANCIAL POLICY OVERVIEW

SPU is directed through a set of Seattle City Council-adopted¹ financial policies to adopt rates sufficient to satisfy a comprehensive, inter-connected framework of rules for sound financial management in rate setting. These financial policies:

- Shape the financial profile of the Fund to lenders and the financial community.
- Manage exposure to financial risk.
- Provide intergenerational equity.

Each financial policy sets a financial metric target which results, on a planning basis, in a minimum revenue requirement, the highest of which sets a binding constraint on rate setting. SPU may adhere to a more stringent internal planning target when tracking market conditions and peer utility performance expose any financial risk or weakness. The policies are:

1. Minimum year-end operating cash balance of one month of treatment contract expenses

One-month of treatment expense over the rate period is projected to range from \$14 to \$16

million, providing two weeks of operating liquidity at year-end. A financial risk assessment

exercise conducted in 2019 deemed two weeks insufficient and a higher internal operating

target of 80 to 100 days of operating expense was recommended. The Fund ended 2020 with

\$218.7 million (131 days) which SPU intends to draw down to \$106.8 million (90 days) and divert

those funds to the capital program.

Table 2-1: Operating Cash Balance Financial Policy

Cash Balance Target	2022	2023	2024
Binding - One month treatment expense	\$14.3	\$15.5	\$16.4
Planning - 80 days operating expense	\$85.1	\$90.2	\$94.8
Projected Balance	\$90.4	\$96.0	\$106.8
(¢ millions)			

(\$ millions)

2. Cash finance at least 25% of the capital improvement plan over a four-year average

A minimum 'down-payment' on capital expenditures with operating cash prevents a rapid increase in debt service and debt burden. SPU intends to divert the existing surplus of operating cash to the capital program, funding 43 percent of the capital program with cash in 2022, 35 percent in 2023, and 57 percent in 2024.

3. A debt service coverage ratio of at least 1.5

The debt service coverage ratio is the ratio between the operating margin on a cash basis, with

¹ Council Resolution 30612, 2003; SLI 13-1-A-1 2012

taxes paid to the City of Seattle removed, and the debt service obligation. Per the ordinances which authorize the Fund to issue revenue bonds and the covenants between the Fund and bond holders, City taxes are subordinate priority to the debt service obligation. Following a review of peer utilities' financial performance and credit rating practices that indicated the guarantee of priority to bond holders would be insufficient, SPU implemented a target of 1.8 using the existing metric and 2.0 using a more stringent metric that does not provide credit for City taxes. The ratio under both metrics is projected to be high, partially due to a large portion of financing for the capital program consisting of low-interest loans with initial payments beyond 2024.

4. Net income should be generally positive

Net income is projected to be positive in each year.

5. Debt-to-asset ratio should not exceed 70 percent.

The ratio of debt to assets is a metric of debt burden and an indicator of inflexibility to handle financial stress. The ratio is projected to hover around 60 percent.

6. No more than 15 percent of total debt should be variable rate

A cap on variable rate debt limits the Fund's exposure to interest rate volatility. The Fund does not have and does not plan to issue any variable rate debt.

Table 2-2: Projected Drainage & Wastewater Fund Financial Policy Results

Policy (Target)	2022	2023	2024	2025	2026
1. Operating Cash Balance (80 days Op Expense)	\$90.4	\$95.8	\$106.7	\$118.6	\$131.4
 Cash Financing of CIP (25% over 4 years) 	43%	35%	57%	42%	33%
3. Debt Service Coverage (>2.0)	3.1	2.9	2.7	2.8	2.7
Without Credit for Taxes Paid (>1.5)	2.1	2.0	1.8	1.9	1.8
4. Net Income (generally positive)	\$76.5	\$44.2	\$41.1	\$58.8	\$72.8
5. Debt-to-Asset Ratio (<70%)	58%	60%	58%	59%	60%
6. Variable Rate Debt (<15%)	0%	0%	0%	0%	0%

3. REVENUE REQUIREMENT

WASTEWATER

The binding constraint on creating a financial plan and setting rates is satisfying the revenue requirement that the most stringent financial policy requires. The binding constraint is determined by optimizing the capital financing portfolio and the utilization of operating cash to achieve a rate path equitable to all rate payers, current and future. For the rate period, optimization was dictated by the financing needs of the large upcoming capital program. An expansion of capital investment requires the Fund to take on more debt, though because the expansion is temporary, in this case to complete the bulk of the Ship Canal Water Quality Project, SPU intends to utilize the prudent option of a one-time drawdown of operating cash to pay for a one-time expenditure. The drawdown will reduce operating cash to the extent that maintaining the financial policy minimum will be the binding constraint through 2024.

The table below summarizes the revenue requirement for wastewater rates and drainage rates over the rate period. Each category, in millions of dollars, is followed by that component's contribution to the change in the retail rate. For example, O&M is projected to increase from \$64.0 million in 2021 to \$71.3 million in 2022. A 2.3 percent rate increase is necessary to collect enough revenue to cover this increase. The net sum of each category's impact is the rate increase. Details about each component are in the following sections.

Table 3-1: Components of the Revenue Requirement (\$ millions)

2022

2023

2024

2021

Operating Expenses										
O&M	\$	64.0	\$	71.3	+2.3%	\$	74.5	+0.9%	\$ 78.6	+1.1%
Treatment		155.7		161.5	+1.8%		175.0	+3.9%	184.9	+2.7%
Taxes		41.4		44.9	+1.1%		47.1	+0.6%	48.6	+0.4%
Capital										
Cash Contribution	\$	23.2	\$	46.4	+7.2%	\$	46.1	-0.1%	\$ 47.7	+0.5%
Loans and Grants		28.4		4.7	-7.3%		(16.2)	-6.0%	(23.0)	-1.8%
Debt Service		25.0		25.3	+0.1%		27.5	+0.6%	29.3	+0.5%
Subtotal Expenditures	\$	337.7	\$	354.2	+5.1%	\$	353.8	-0.1%	\$ 366.2	+3.4%
Less Non-Rates Revenue		(13.1)		(8.4)	+1.5%		(8.2)	+0.1%	(8.2)	-0.0%
Less Decrease in Cash Balance		(13.2)		(11.8)	+0.4%		5.6	+5.0%	5.4	-0.0%
Rates Revenue Requirement	\$	311.4	\$	334.0	+7.0%	\$	351.2	+4.9%	\$ 363.4	+3.3%
Plus UDP		11.3		13.1	+0.5%		14.7	+0.5%	15.4	+0.2%
Retail Rate Revenue Requirement	Ś	322.7	\$	347.1	+7.6%	\$	366.0	+5.4%	\$ 378.8	+3.5%
Retail Nate Revenue Requirement										
Change in Demand	*				-5.6%			-1.5%		-0.6%
·	Ť				-5.6% +2.0%			-1.5% +3.9%		-0.6% 2.9%
Change in Demand Change in Wastewater Retail Rate	Ť	2021		2023	+2.0%		2023	+3.9%	2024	2.9%
Change in Demand Change in Wastewater Retail Rate DRAINAGE		2021		2022	+2.0%		2023	+3.9%	 2024	2.9%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses			Ċ		+2.0%	¢		+3.9%		2.9%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M	\$	73.9	\$	75.8	+2.0%	\$	79.0	+3.9% 3 +0.9%	\$ 83.2	2.9% 1 +1.1%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment		73.9 9.8	\$	75.8 10.2	+2.0% 2 +0.6% +0.1%	\$	79.0 11.1	+3.9% 3 +0.9% +0.2%	\$ 83.2 11.7	2.9% +1.1% +0.2%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment Taxes		73.9	\$	75.8	+2.0%	\$	79.0	+3.9% 3 +0.9%	\$ 83.2	2.9% 1 +1.1%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment Taxes Capital	\$	73.9 9.8 23.1	·	75.8 10.2 24.9	+2.0% 2 +0.6% +0.1% +0.6%		79.0 11.1 26.4	+3.9% 3 +0.9% +0.2% +0.4%	83.2 11.7 27.9	2.9% +1.1% +0.2% +0.4%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment Taxes Capital Cash Contribution		73.9 9.8 23.1	\$	75.8 10.2 24.9 54.1	+2.0% 2 +0.6% +0.1% +0.6% +9.6%	\$	79.0 11.1 26.4 50.1	+3.9% 3 +0.9% +0.2% +0.4% -1.1%	\$ 83.2 11.7 27.9 53.6	2.9% +1.1% +0.2% +0.4% +1.0%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment Taxes Capital Cash Contribution Loans and Grants	\$	73.9 9.8 23.1 23.2 33.1	·	75.8 10.2 24.9 54.1 5.8	+2.0% 2 +0.6% +0.1% +0.6% +9.6% -8.4%		79.0 11.1 26.4 50.1 (19.9)	+3.9% +0.9% +0.2% +0.4% -1.1% -7.4%	83.2 11.7 27.9 53.6 (28.1)	+1.1% +0.2% +0.4% +1.0% -2.3%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment Taxes Capital Cash Contribution Loans and Grants Debt Service	\$	73.9 9.8 23.1 23.2 33.1 39.6	\$	75.8 10.2 24.9 54.1 5.8 40.0	+2.0% +0.6% +0.1% +0.6% +9.6% -8.4% +0.1%	\$	79.0 11.1 26.4 50.1 (19.9) 44.3	+3.9% +0.9% +0.2% +0.4% -1.1% -7.4% +1.2%	\$ 83.2 11.7 27.9 53.6 (28.1) 48.3	2.9% +1.1% +0.2% +0.4% +1.0% -2.3% +1.1%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment Taxes Capital Cash Contribution Loans and Grants	\$	73.9 9.8 23.1 23.2 33.1 39.6 202.6	·	75.8 10.2 24.9 54.1 5.8 40.0 210.8	+2.0% +0.6% +0.1% +0.6% +9.6% -8.4% +0.1% +2.5%		79.0 11.1 26.4 50.1 (19.9) 44.3 191.0	+3.9% +0.9% +0.2% +0.4% -1.1% -7.4% +1.2% -5.7%	83.2 11.7 27.9 53.6 (28.1) 48.3 196.6	2.9% +1.1% +0.2% +0.4% +1.0% -2.3% +1.1% +1.5%
Change in Demand Change in Wastewater Retail Rate DRAINAGE Operating Expenses O&M Treatment Taxes Capital Cash Contribution Loans and Grants Debt Service Subtotal Expenditures	\$	73.9 9.8 23.1 23.2 33.1 39.6	\$	75.8 10.2 24.9 54.1 5.8 40.0	+2.0% +0.6% +0.1% +0.6% +9.6% -8.4% +0.1%	\$	79.0 11.1 26.4 50.1 (19.9) 44.3	+3.9% +0.9% +0.2% +0.4% -1.1% -7.4% +1.2%	\$ 83.2 11.7 27.9 53.6 (28.1) 48.3	2.9% +1.1% +0.2% +0.4% +1.0% -2.3% +1.1%

Plus UDP	3.1	3.4	+0.1%	3.8	+0.1%	4.1	+0.1%
Retail Rate Revenue Requirement	\$ 167.8	\$ 177.9	+6.0%	\$ 188.9	+6.2%	\$ 200.2	+6.0%

(\$ millions)

Operations and Maintenance

SPU projects expenditures for the ongoing operations and maintenance of the Drainage and Wastewater System, including indirect administrative and City central support activities, of \$147 million in 2022 (\$71.3 for wastewater and \$75.8 for drainage, see table above), rising to \$162 million by 2024.

Total Fund expenditures are allocated between Wastewater and Drainage based on a direct allocation of each project, the most granular programmatic level of the City Budget, to the wastewater (8 percent of total O&M), drainage (14 percent), or combined (17 percent) systems. Combined system expenses are assigned 45 percent to wastewater and 55 percent to drainage based on an analysis of system infrastructure and requirements of the Consent Decree between SPU and the EPA governing SPU's Combined Sewer Overflow program. Remaining projects (60 percent) inherit the results of the above direct allocation at their respective org, division, or branch levels within the Utility's organizational hierarchy. Based on 2020 actual expenditures, SPU allocated 47 percent of total O&M to drainage. See Table 3-2 for the allocation results in three high-level categories.

Table 3-2: O&M Allocation to Drainage

Infrastructure O&M and Planning	51%
Administrative	32%
Overhead	49%
Total	47%

Capital Financing Expense

Annual capital expenditures over \$200 million are planned for each year of the rate period, more than double the average of the last five years. The largest projects are the Ship Canal Water Quality Project (26 percent of total planned expenditures) followed by Green Stormwater Infrastructure and pipe renewal and rehabilitation (35 percent combined, see GSI under 'Protection of Beneficial Uses' in green and 'rehab' in red).

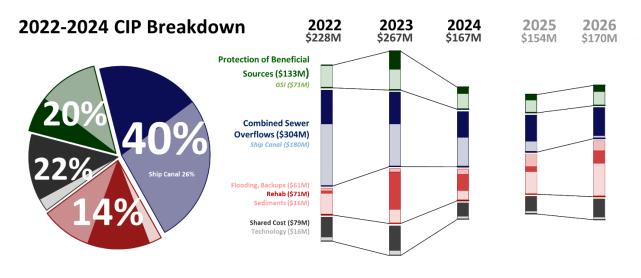


Figure 3-1: Planned CIP Expenditures

The capital program can be financed through a combination of operating cash contributions, low-interest loans, revenue bonds, and grants. SPU proposes to increase operating cash contributions above the 25 percent minimum set by financial policies to a 45 percent average over the rate period to address the short-term increase in planned capital expenditures, requiring close to \$100 million each year.

Table 3-3: Projected CIP Financing

	2021	2022	2023	2024	2021-24	Rate Period
Cash and Grants	\$46.4	\$100.5	\$96.2	\$101.4	\$344.4	\$298.0
Revenue Bonds	\$55.6	\$43.5	\$120.3	\$36.6	\$256.0	\$200.4
Loans	\$83.7	\$84.4	\$50.0	\$31.0	\$249.0	\$165.4
Total CIP Cash-Funded %	\$185.7 25%	\$228.3 44%	\$266.5 36%	\$168.9 60%	\$849.4 41%	\$663.8 45%

(\$ millions)

A further 25 percent will be financed through a combination of: \$123 million in State Revolving Fund loans from the Washington State Department of Ecology, a \$192 million WIFIA loan from the EPA, and a \$10 million Public Works Trust Fund loan from the Washington State Department of Commerce. Another three percent is funded through grants. Loans and grants are only included if they have already been granted.

SPU plans to fund the remaining 30 percent through three revenue bond issues, one \$83 million issue already completed in 2021 and two \$90 million issues in mid-2022 and mid-2023. These two issues will add \$12 million to annual debt service and provide funding into 2025.

Use of Cash Balances

Operating cash balances increase when revenues generated by rates exceed total cash expenditures, which in contrast to income statement expenses do not include non-cash expenses such as depreciation, amortization, environmental liabilities, losses on the sales of assets, or pension liability write-downs, but do include the cash expenses of the principal portion of debt payments. Cash balances can be drawn down to the minimum required by the Fund's financial policies, but financial management practices explicitly limit such draw down to pay for one-time and not ongoing expenses. Because on-going expenses are paid for through rate revenues, in any given year incoming cash from rate revenues will at least balance out outgoing cash to expenses. Large one-time expenses, such as the Ship Canal Water Quality Project, provide an opportunity to draw down cash balances to reduce the revenue requirement in the relevant years; this practice avoids the need to raise rates to cover the impact of a one-time expense and then lower rates as the impact wanes.

Operating cash balances have steadily increased through Seattle's post-recession economic expansion. SPU plans to manage funding the capital program by increasing operating cash contributions (see Section 3.2) and decreasing the share funded by debt. Offsetting the peaks of the capital cycle with operating cash can smooth out the size of debt issuances to the same amount each year, providing stability and predictability to rates and financial performance. DWF cash balances will be reduced from \$218 million at the beginning of 2021 to \$90 million by the end of 2022 and then built back up to \$107 million by the end of 2024.

Non-Rate Revenue

Non-rate revenue includes permit fees, operating and capital grants, contributions in aid of construction, interest income, other miscellaneous revenues, and capital contributions. An increase in non-rate revenues has the effect of reducing the revenue requirement that must be recovered through rates. Grants, contributions, miscellaneous revenues, and permit fees are conservatively held flat in this proposal as it is not fiscally prudent to pattern rates on unsecured revenue. However, SPU expects to increase outside sources of funding wherever opportunities can be identified.

4. PROPOSED WASTEWATER RATES

Overview and Proposed Wastewater Rates

SPU wastewater customers pay a single flat volumetric charge per 100 cubic feet (CCF). There are no monthly fees or tiers of service. A minimum of one CCF per month is assessed on all active accounts. The single-volumetric charge is a combination of a system rate, to cover SPU's internal costs and taxes incurred on system rate revenue, and a treatment rate, to cover payments for wastewater treatment and taxes incurred on treatment rate revenue. The system rate is updated through the rate study process, currently on a 3-year cycle. The treatment rate is updated when the King County Council formally adopts legislation modifying the treatment rates charged to SPU. During the rate study process, any adopted County treatment rate increases are incorporated into proposed SPU treatment rates. If legislation to update the County treatment legislation is adopted by the King County Council mid-cycle, the Seattle Municipal Code provides a mid-term treatment rate adjustment process to formulaically update SPU's treatment rate based on adopted changes to the County's treatment rate.

This rate study includes a treatment rate increase for 2022. The County has not formally adopted any rate increases beyond 2022, and no additional changes to SPU treatment rates are included in the legislation supported by this rate study. This rate study however does include projected increases to the County treatment rate in 2023 and 2024 in all future year results unless otherwise indicated.

Table 4-1 presents system and treatment rates included in legislation based on adopted County treatment rates, and projected future passthroughs based on projected future County treatment rate increases.

Table 4-1: Proposed Wastewater Rates (per CCF)

	2021		2022			2023	2024		
	Adopted		Adopted Proposed		Proposed		Р	roposed	
System Rate	\$	7.42	\$	7.81	\$	7.82	\$	7.83	
Treatment Rate	\$	9.25	\$	9.34	\$	9.34	\$	9.34	
Future Passthrough					\$	0.67	\$	1.18	
Total Wastewater Rate	\$	16.67	\$	17.15	\$	17.83	\$	18.35	

SPU System Rate

The system rate is set to collect enough revenue to cover planned operations, maintenance, and investment expenditures. These expenditures are offset by non-rates revenues including permit fees and standard charges among others. Any non-rate revenue collected reduces the amount required to be collected through rate revenues. Most of these components (operations, maintenance, debt service, and non-rates revenues) tend to be stable, increasing at a rate that is either controlled (debt service) or inflationary (operations and maintenance). Cash contributions to CIP can, on the other hand, be a source of volatility as capital expenditures can vary widely from year to year when the scheduling of a few large projects determines the timing of expenditures. One strategy to counter this volatility is to draw

operating cash balances down during years of high capital expenditures and increase operating cash balances during years of lower capital expenditures. SPU proposes to draw wastewater cash balances down by \$11.8 million in 2022, reducing the amount of revenue that needs to be collected by the same amount, after which cash balances will be managed according to financial policy minimums. See Table 4 2 for an enumeration of each of these components.

Table 0-1 Wastewater System Rate Components

Pata Component	2022 Proposed		2	.023	2024 Proposed		
Rate Component			Pro	posed			
O&M	+\$	71.3	+\$	74.5	+\$	78.6	
City Taxes	+\$	19.6	+\$	19.9	+\$	20.1	
State Taxes	+\$	3.7	+\$	3.8	+\$	3.8	
O&M Expenditures	\$	94.6	\$	98.1	\$	102.4	
Debt Service	+\$	25.3	+\$	27.2	+\$	28.8	
Cash to CIP	+\$	48.8	+\$	49.0	+\$	51.0	
Capital Expenditures	+\$	74.2	+\$	76.2	+\$	79.8	
Expenditures	\$	168.8	\$	174.4	\$	182.2	
Non-Rate Revenue	-\$	8.4	-\$	8.2	-\$	8.2	
Loan Financing	+\$	4.7	-\$	16.2	-\$	23.0	
Use of Cash Balances	-\$	11.8	+\$	5.4	+\$	5.4	
Revenue Requirement	\$	153.4	\$	155.4	\$	156.5	
UDP Enrollment		3.8%		4.0%		4.1%	
Rate Revenue Requirement	\$	159.4	\$	161.9	\$	163.1	
Volume (CCF, Millions)		20.4	\$	20.7	\$	20.8	
System Rate	\$	7.81	\$	7.82	\$	7.83	

(\$ millions, except final rate)

In addition to typically utilizing revenue bonds to provide debt-financing for the capital program, SPU also seeks alternative funding through loans or grants when possible. This rate period includes significant loan funding, so much so that the lag between when capital expenditures are made from the operating fund and when loan reimbursement funding is received into the operating fund presents a liquidity concern that need to be considered in planning. The year-end balance is labeled "Loan Financing" above.

The final step is to adjust for enrollment in the Utility Discount Program. In 2020, 2.9 percent of gross wastewater revenue was returned to customers through bill discounts. SPU intends to expand UDP enrollment, growing UDP to 3.8 percent of revenue in 2022 and to 4.1 percent in 2024. Adjusting the revenue requirement for the revenue loss from UDP is the revenue that the base system rate must recover. Divided by the number of units sold (CCF), is the unit system rate.

Treatment Rate

Payments for wastewater treatment are the single largest component of both wastewater and total DWF operating expense, with 99% of treatment expense paid to King County and the remainder to Southwest Suburban Sewer District. See Table 4-3 for components and derivation of the treatment rate.

Note that 2023 and 2024 are labeled as "Projected" as opposed to "Proposed" because King County Council has not yet adopted rate increases beyond 2022. Expenses and the derived treatment rate in "Projected" years are based on estimated future County and Southwest Suburban treatment rates.

Table 0-1 Wastewater Treatment Rate Components

Expenditure Category	2	2022	:	2023	2024		
	Pro	Proposed		posed	Proposed		
Treatment by King County	+\$	171.0	+\$	\$185.4	+\$	196.0	
Treatment by SWSSD	+\$	0.6	+\$	0.7	+\$	0.7	
Less treatment paid by Drainage	- \$	10.2	+\$	(11.1)	- \$	11.7	
Treatment Expense	\$	161.5	\$	\$175.0	\$	184.9	
City Taxes	+\$	22	+\$	23.9	+\$	25.2	
Revenue Requirement	\$	183.5	\$	\$198.8	\$	\$210.2	
UDP Enrollment		3.8%		4.0%		4.1%	
Rate Revenue Requirement	\$	190.7	\$	\$207.2	-\$	\$219.1	
Volume (CCF, Millions)		20.4		20.7		20.8	
Treatment Rate	\$	9.34	\$	\$10.01	\$	\$10.52	

(\$ millions, except final rate)

Wastewater Demand

The fee for wastewater services is assessed on a volumetric basis measured in 100 cubic foot (CCF) units. The rate is derived by dividing the gross revenue requirement of the system by projected billed volumes. The numerator, the revenue requirement, is largely a fixed cost. The cost to maintain and replace pipe and other utility infrastructure assets that serve customers, whether or not they have any demand, is a function of the size of the system and depreciation over time. The variable portion of expense to serve larger customers is relatively negligible. With costs being fixed, decreases in wastewater demand do not result in compensatory decreases in cost and require instead an increase to rates.

Demand for wastewater services has been in a long-term decline due to efficiency gains in two forms: conservation and redevelopment. Efficiency gains resulted in a five percent decline over the 1990s that was accelerated by a focus on conservation, a response to drought conditions starting in 2000, to 20 percent over the 2000s. Rapid population growth post-recession placed roughly the same upward pressure on wastewater demand as efficiency gains did downward. Seattle's population grew 28% in ten years over which time billed wastewater volumes hovered around 20 million CCF ever year.

29.0 27.0 25.0 23.0 21.0 19.0 1991 1996 2001 2006 2011 2016 2021 2026

Chart 4-1: Historic and Projected Wastewater Volumes

This phase ended with the COVID-19 pandemic. The sectors of the economy more acutely impacted by shutdown orders tended to be large consumers of water and generators of wastewater. Closures in the commercial and education sectors led to a four percent rise in single-family consumption and a 13 percent decline in commercial consumption. Commercial consumption is the combination of business and multi-family consumption, hiding the true effect on business. Large residential firms and low-income housing operators had little change in consumption. Meanwhile, the normal social interactions that were newly found to be dangerous were concentrated in commercial activities that also happened to be large wastewater generators; see Table 4-4. Particularly hard hit were large hotels in the downtown core, the University of Washington, and commercial premises with a heavy restaurant presence.

Table 0-1 COVID-19 Impact on Wastewater Demand

Change from November 2019 to Novem	ber 2020
Downtown Hotels	-70%
University of Washington	-46%
All Other Education	-52%
Commercial – Shopping/Dining Center	-77%
Commercial - Industrial	-80%
Commercial - Heavy Industrial	-100%

As the vaccine rollout allows for the resumption of unimpeded social and commercial activities, wastewater volumes are expected to recover but the patterns those activities take on in the new post-pandemic normal are unknown. The resumption of in-person education and residence hall occupancy at schools and universities is relatively known. The long-term impacts to on-site work, the cruise industry, business travel, and brick and mortar retail and dining are still unknown. This makes projecting wastewater volume for the next few years a product of conservative assumptions tied to a close monitoring of the early stages of recovery.

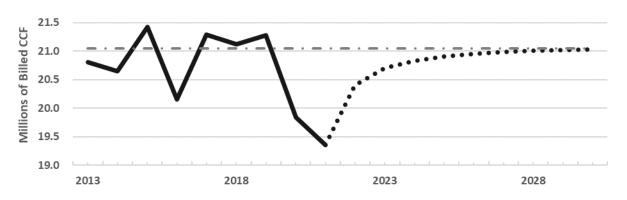


Table 4-5: Wastewater Volume Forecast

Wastewater volume projections assume a long-tailed recovery stretching into 2027 transitioning to slow growth into the long-term. This projection is based on a slowly emerging trend that seems to indicate that per-premise consumption is changing from falling to stable; however, this trend is the product of demand for new residential construction and the growth management, density, and zoning issues that the housing crisis will force the City to address, all of which are external, unknown, and politically sensitive. For the purposes of this rate study, volumes are projected to recover to 20.4 million CCF by the end of the rate period, a two percent decline.

5. DRAINAGE COST ALLOCATION / RATE DESIGN

Once the rate revenue requirement is set, it is assigned to different customer classes. A customer class is a group of customers that places a unique cost on the utility or is administratively easier to serve as a group. In the case of drainage, there is a unique cost of service associated with the management of stormwater run-off from different types of land cover found on customer properties. These land cover types essentially act as customer classes for drainage cost allocation purposes.

The steps required to allocate drainage system costs to land surface types and then to drainage customer rates can be summarized as follows:

- Drainage costs are grouped into two broad classifications: account-allocated expense and flow-allocated expense.
- Flow-related costs are further allocated between four surface type categories based on cost weighted average run-off.
- A unit rate for account costs and for each surface type is developed based on the total number
 of accounts and square footage of land surface by type citywide.
- Rates are developed for each customer class by applying the surface type unit rates to the typical surface type composition for each tier.

Drainage Allocation Classifications

Drainage rates are composed of four distinct components, in addition to the account rate: impervious surface rate, managed grass rate, unmanaged grass rate, and good forest rate. Total flow-related expense is allocated based on the cost of managing the run-off from any given surface type.

The amount of run-off from any given parcel depends on the type of surface it contains. Impervious surface absorbs less run-off than pervious, or porous surface, and therefore generates more stormwater run-off during a given storm event. Likewise, pervious surface with significant ground and tree cover will generate less run-off than a highly managed pervious surface such as a lawn. The more intense the storm, the greater the run-off for all surface types.

Impervious surface is hard or compacted surface from which most water runs off when exposed to rainwater. Common impervious surfaces include roof tops, concrete or asphalt paving, compact gravel and packed earth.

Pervious managed grass is the most common type of pervious area in the City and includes such surfaces as lawns, landscaped parks, and golf courses. Managed grass absorbs nearly all rainwater during average storms but produces increasing amounts of run-off with more intense storm events due to its greater soil compaction.

The last two types of pervious area, woods and unmanaged grass and good forest, are vegetated surfaces of a specific types such as forests or non-forested land that are in the natural progression back

to a forested state. This category includes large undeveloped areas in places such as Seward Park, Carkeek Park, and various greenbelts throughout the City. These surface types perform similarly to managed grass during average storm events but infiltrate significantly more rainwater during more intense storms.

To determine the cost of managing the run-off from any given surface type, SPU looked at two factors:

- The expected volume of run-off from each surface type during differing intensities of storms
- The cost of O&M and infrastructure oriented towards the management of the run-off during each of these storm events

The revenue requirement for account and each surface type is derived by multiplying the cost weighted run-off percentages by the revenue requirement. See Appendix E for the step-by-step calculation underlying the cost share percentages. The cost class allocations are used in the development of drainage rates for each customer tier.

Table 5-1: Revenue Requirement Allocation by Type

	2022	2023	2024
Account	\$2.4	\$2.6	\$2.7
Impervious	144.8	153.7	162.9
Pervious – Managed Grass	27.6	29.3	31.1
Pervious – Woods and Unmanaged Grass	2.4	2.5	2.6
Pervious – Good Forest	0.8	0.8	0.9
Total Revenue Requirement	\$177.9	\$188.9	\$200.2

(\$ in millions)

Drainage Rate Design

Drainage customer bills are intended to recover the cost of service associated with managing the stormwater run-off from individual parcels. In the first part of this chapter, SPU defines the cost of service associated with managing the run-off from different land surface types and with account-related services. The following steps are required to develop drainage rates which assign these costs to individual customer parcels:

- Define customer classes and rate tiers for parcels with similar surface type characteristics (and therefore similar costs of service)
- Develop unit rates for each surface type and account classification
- Determine an average customer land composition profile for each rate tier
- Apply the surface type and account unit rates to applicable profile factors for each tier

Customer Classes and Tiers

Small Residential

Small residential customers with billable areas less than 10,000 square feet are homogeneous in terms of surface cover, which makes property size the key determinant of parcel stormwater flow contribution. Small residential customers are assigned to one of five size-based categories, each representing a range of total area (e.g., 3,000 to 4,999 square feet).

Large Residential and General Service

Large single family and duplex parcels 10,000 square feet or greater ("large residential") and general service parcels (all sizes), pay a unit rate (per 1,000 square feet of billable area) based on their actual property characteristics (percent impervious and parcel size) rather than category averages. There is too much variation between these properties in terms of parcel size and surface characteristics to be fairly captured by a flat rate structure like that applied to small residential customers. SPU has five impervious surface-based rate categories. Each category represents a range of impervious surface (e.g., 66-85% impervious).

General service and large residential parcels which contain significant amounts of highly pervious (absorbent) area, such as forested land or other unmanaged vegetated areas such as pasturelands and meadows, and which are composed of no more than 65% impervious area, may also qualify for discounted low impact rates. Parcels with these surface types generate significantly less stormwater run-off than parcels with similar amounts of impervious surface but whose pervious area is less absorbent (e.g., a highly managed lawn).

Account and Surface Type Unit Rates

Unit rates for each surface type and for account-allocated expense are calculated as described below.

Surface Type Rates

Unit rates are calculated by dividing the expense allocated to each surface type by the total citywide area for that surface type (as expressed in thousands of square feet). Area by surface type is collected from aerial photos in the City's Geographic Information System (GIS). This same data source is used to identify the area of each surface type for each city parcel, used for drainage billing purposes.

Table 5-3 presents the area units and calculated unit rates for each surface type.

Table 5-2: Surface Type Unit Rates

	Area (1,0000 sqft)	2022	2023	2024
Impervious	792,533	\$182.7	\$193.9	\$205.6
Pervious - Managed Grass	655,429	\$42.1	\$44.7	\$47.4
Pervious - Woods and Unmanaged Grass	105,430	\$22.3	\$23.7	\$25.1

Pervious - Good Forest	54,603	\$14.6	\$15.5	\$16.4

Account Rates

Account expense is driven by the number of customers rather than by the volume of run-off. To determine these rates, the account-allocated component of the revenue requirement is first assigned to small residential and general service/large residential customer groups based on an 80/20 split of the total number of parcels in each group and then divided by the billing units for each group.

Table 5-4: Account Unit Rates

	Units	2022	2023	2024
General Service	847,256 sqft	\$ 0.92	\$ 0.98	\$ 1.04
Small Residential	145,837 Parcels	\$ 10.90	\$ 11.57	\$ 12.26

Surface Type Profile by Tier

Drainage bills for each customer are intended to reflect the cost of managing the run-off from that parcel. Each tier rate is composed of a flow and an account component. Both components reflect the average cost for a tier composed of properties with similar characteristics.

The flow component of each tier rate is based on the average percentage of total area attributable to each surface type, as calculated using GIS data for individual parcels assigned to a given tier. For small residential customers, averages are based on a random sample of properties assigned to each flat rate tier. For general service and large residential customers, the percentages are based on citywide GIS data for all parcels assigned to a given tier.

Table 5-5 presents the average land cover profile by tier used to calculate the flow component of the tier drainage rate.

Table 5-5: Surface Type Average Profile by Tier (sq. ft)

		Woods &	Unmanaged	Good	Imponious	Total
		Grass	Grass	Forest	Impervious	TOLAI
Small Residential						_
< 2000 sq. ft.		5,663	0	0	16,119	21,783
2000-2999 sq. ft.		6,744	0	0	11,003	17,747
3000-4999 sq. ft		88,492	0	0	88,492	176,985
5000-7999 sq. ft		153,876	1,023	326	137,652	292,876
8000-9999 sq. ft.		127,008	3,040	1	86,700	216,749
General Service/I	arge Resident	ial				
Undeveloped	Regular	63,546	4,003	1,532	6,605	75,686
	Low Impact	31,392	66,976	46,339	5,746	150,452
Light	Regular	63,035	7,495	662	26,699	97,890
	Low Impact	11,291	11,906	4,145	7,121	34,463
Moderate	Regular	61,706	6,472	554	69,908	138,640

	Low Impact	3,774	3,067	1,007	5,049	12,896
Heavy		28,873	1,338	37	93,886	124,134
Very Heavy		10,030	111	0	237,554	247,694

Rate Calculation by Tier

The rate assigned to each customer tier is equal to the sum of a flow component and an account component.

For all customers, the flow component of the rate is calculated by multiplying the surface type rates (Table 5-4) by the average area assumptions for the tier found in Table 5-5. The formula for this calculation is as follows:

Where:

- IA=Tier average impervious area
- I\$=Impervious surface rate per 1,000 sq. ft.
- MGA=Tier average managed grass area
- MG\$=Managed grass surface rate per 1,000 sq. ft.
- UMGA=Tier average unmanaged grass area
- UMG\$=Unmanaged grass surface rate per 1,000 sq. ft.
- GF=Tier average good forest area
- GF\$=Good Forest surface rate per 1,000 sq. ft.

The account component for small residential customers is the same flat rate per customer. For general service and large residential customers, the account rate is multiplied by parcel area.

The proposed rates presented in Table 5-6 are equal to the sum of the flow component, for the system and treatment rates, and the account component, for the system rate only, for each tier. Small residential tiers are based on a flat rate per parcel; all other parcels are based on area.

Table 5-6: Proposed Drainage Rates

		2022			2023			2024	
	Treatment	System	Rate	Treatment	System	Rate	Treatment	System	Rate
Small Residential									
< 2000 sq. ft.	\$12.83	\$191.38	\$204.21	\$13.92	\$202.85	\$216.77	\$14.73	\$215.11	\$229.84
2000-2999	\$22.45	\$314.68	\$337.13	\$24.36	\$333.50	\$357.86	\$25.77	\$353.65	\$379.42
3000-4999 sq. ft	\$31.47	\$434.44	\$465.91	\$34.15	\$460.41	\$494.56	\$36.12	\$488.24	\$524.36
5000-7999 sq. ft	\$43.00	\$589.67	\$632.67	\$46.66	\$624.92	\$671.58	\$49.36	\$662.69	\$712.05
8000-9999 sq. ft.	\$54.43	\$743.56	\$797.99	\$59.07	\$788.00	\$847.07	\$62.48	\$835.63	\$898.11
General Service									
Undeveloped	\$3.65	\$50.03	\$53.68	\$3.96	\$53.03	\$56.99	\$4.19	\$56.23	\$60.42
Low Impact	\$2.09	\$29.02	\$31.11	\$2.27	\$30.75	\$33.02	\$2.40	\$32.61	\$35.01
Light	\$5.44	\$74.22	\$79.66	\$5.91	\$78.65	\$84.56	\$6.25	\$83.40	\$89.65
Low Impact	\$4.22	\$57.70	\$61.92	\$4.58	\$61.15	\$65.73	\$4.84	\$64.85	\$69.69
Moderate	\$7.74	\$105.13	\$112.87	\$8.40	\$111.41	\$119.81	\$8.89	\$118.14	\$127.03
Low Impact	\$6.24	\$84.96	\$91.20	\$6.78	\$90.03	\$96.81	\$7.17	\$95.47	\$102.64
Heavy	\$10.25	\$138.87	\$149.12	\$11.12	\$147.17	\$158.29	\$11.76	\$156.07	\$167.83
Very Heavy	\$12.23	\$165.60	\$177.83	\$13.28	\$175.49	\$188.77	\$14.04	\$186.10	\$200.14

King County Council has not adopted any rate increases beyond 2022; rates based on SPU internal projections of future increases

Other Drainage Credits and Discounts

Drainage bill discounts are available for property owners that help reduce the impact of stormwater on the City's system. Billing exemptions (which reduce the overall drainage bill) are also available for large natural areas that offer systemic benefits greater than those offered by other types of undeveloped lands or which clearly do not benefit from or impact the stormwater system.

A. Low Impact Rates

Discounts² of 19 to 41 percent are applied to the rate for undeveloped natural areas of 0.5 acres or greater containing sufficient amounts of qualifying "highly infiltrative" surface (i.e., forested areas, unmanaged grasslands, etc.). Certain athletic facilities with engineered designs that mimic the stormwater retention benefits of these large natural areas are also eligible for low impact rates.

B. Stormwater Facility Credit Program (SFCP)

² Relative to the rates for non-qualifying properties with like amounts of impervious surface.

This program offers credits of up to 50 percent for privately-owned systems that slow down stormwater flow and/or provide water quality treatment for run-off from impervious areas, thus lessening the impact to the City's stormwater system, creeks, lakes or Puget Sound.

Stormwater systems are structures such as vaults, rain gardens, permeable pavements and filtration systems. SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

C. Rainwater Harvest Credit

SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

D. Undeveloped Riparian Corridor Exemption

Developed riparian corridors³ with small buffers and bank armoring increase the risk of flooding and downstream property damage. In contrast, undeveloped riparian corridors with a sufficient buffer act as floodplains which allow creeks to expand during peak periods, mitigating downstream flood damage.

The discount assumes exemption of the entire 100-foot qualifying creek buffer from the parcel's billable area. Qualifying criteria for this exemption are found in SPU Director's Rule FIN-211.2.

E. Wetlands Exemption

Wetlands act like natural drainage systems, protecting and improving water quality and storing floodwaters which are slowly released over time. Wetlands also serve as an important habitat for fish and wildlife. Only wetlands of at least 1,000 square feet in area and with no development within the wetland area will be considered for this exemption.

An application is required to qualify for this exemption, including the provision of supporting documentation demonstrating that the wetland meets all required criteria, as defined in SPU Director's Rule FIN-211.3

F. Undeveloped Islands Exemption

³ Riparian corridor is defined in SMC 25.09.020.B.5.A.

Summary Ex A – Drainage and Wastewater Rate Study V1a

This credit applies to undeveloped islands with less than ten percent impervious area. These islands do not benefit from, nor do they impact, the drainage system or surrounding receiving waters.

6. UTILITY DISCOUNT PROGRAM

The City assists qualified customers with discounted utility services. Customers may receive their discount in one of three ways: 1) as a credit to their SPU wastewater bill; 2) where no wastewater bill is received, as a credit to the customer's City Light bill; or 3) in the form of a credit voucher. The latter two options are typically applicable to renters who pay drainage, wastewater, and water utility fees indirectly as part of their rental payment. For customers who do not receive a wastewater bill, a fixed credit is calculated which is equal to 50 percent of a typical residential bill for the class of customer receiving the credit. See Table 6-1 for proposed discounts. Proposed credits do not include projected changes in the King County treatment rate. Increases in the treatment rate will result in increases to credits through the pass-through mechanism established by SMC 21.28.040.

Table 6-1: Utility Discount Program Credits

		Proposed	Proposed	Proposed
	Basis	2022	2023	2024
Wastewater				
Customers Receiving				
SPU Bills		50% discount	off actual usage	
SCL Bills Only	50% di	scount of 'typical'	customer class co	nsumption
Single-Family	4.3 CCF	\$ 36.57	\$ 38.01	\$ 39.11
Multi-Family	3.0 CCF	25.52	26.52	27.29
Drainage (SPU and SCL)				
Typical Monthly Bill*		\$ 52.72	\$ 55.97	\$ 59.34
Single-Family	100%**	26.36	27.98	29.67
Duplex	50%**	13.18	13.99	14.83
Multi-Family	11%**	2.90	3.08	3.26

Note: Rates proposed in legislation do not include projected mid-term treatment rate adjustments

^{* &#}x27;Typical' residential parcel of 5,000 - 7,9999 sq. ft.

^{**} Ratio of 'typical' bill for customers in each discount class to 'typical' single-family parcel bill

APPENDIX A — FINANCIAL SUMMARY

Table A-1: Drainage and Wastewater Fund Financial Summary

	2020 2021 2022		2023		2024			
	Actuals		Projected	Proposed	Proposed		Proposed	
Operating Revenue								
Wastewater	\$ 300.7	\$	322.7	\$ 353.6	\$ 372.8	\$	386.1	
Drainage	\$ 153.4	\$	167.8	\$ 171.3	\$ 181.7	\$	192.6	
Other	\$ 6.2	\$	6.3	\$ 6.5	\$ 6.7	\$	6.8	
Total Operating Revenue	\$ 460.3	\$	496.8	\$ 531.4	\$ 561.2	\$	585.5	
Operating Expenses								
Treatment	\$ 166.6	\$	165.5	\$ 171.7	\$ 186.0	\$	196.6	
O&M	\$ 158.5	\$	137.8	\$ 147.2	\$ 153.5	\$	161.8	
City Taxes	\$ 54.3	\$	57.8	\$ 62.1	\$ 65.4	\$	68.2	
State Taxes	\$ 6.5	\$	6.7	\$ 7.2	\$ 7.5	\$	7.7	
Depreciation	\$ 337	\$	34.5	\$ 41.7	\$ 42.0	\$	43.0	
Total Operating Expenses	\$ 385.9	\$	402.3	\$ 429.9	\$ 454.4	\$	477.4	
Net Operating Income	\$ 74.4	\$	45.9	\$ 63.2	\$ 85.9	\$	103.7	
Other Income (Expenses)								
Net Interest Expense	\$ (22.1)	\$	(34.5)	\$ (32.9)	\$ (37.6)	\$	(40.8)	
Other Non-Operating	\$ 9.9	\$	21.3	\$ 4.6	\$ 3.8	\$	3.4	
Total Other Income (Expenses)	\$ (12.2)	\$	(13.2)	\$ (28.4)	\$ (33.9)	\$	(37.5)	
Grants and Contributions	\$ 21.7	\$	15.7	\$ 0.8	\$ 0.8	\$	0.8	
Net Income (Loss)	\$ 83.9	\$	48.4	\$ 35.6	\$ 52.8	\$	67.0	

APPENDIX B — DWF COST ASSIGNMENT DETAIL

Drainage and Wastewater Cost Assignment Methodology

SPU conducted its last review of DWF cost assignment factors in 2021, using 2020 actual data. Those factors were used to determine the 2022-2024 drainage and wastewater system cost of service.

This rate study uses the methodology described below for assigning operating expenses between drainage and wastewater lines of business. The cost assignment methodology is consistent with that of the rate studies used to propose rates for 2004 through 2021. The current rate study uses 2020 actual labor expense as the basis for labor related cost splits. Consistent use of actual expense over time helps to minimize errors in cost assignment resulting from variations between actual and budgeted spending.

DWF Operating Expenses are grouped into three categories:

Direct Operating Expense

Some expenses are assigned 100 percent to the applicable line of business (e.g., drainage billing administration). The majority of shared direct operating expenses are assigned based on actual direct labor expenses of an identified proxy. For example, most regulatory direct operating expense is related to water quality and combined sewer overflow (CSO) issues. Therefore, these activities are assigned based on actual direct labor expense for a subset of water quality and CSO-related capital and operating activities. The use of a programmatic proxy is useful in capturing any shifts in the focus of regulatory support over time.

Management estimates are used to identify the cost assignment factors for a limited number of activities. The bulk of activities using management estimates are related to billing and customer service activities. SPU is responsible for wastewater billing and for drainage and wastewater customer service.⁴ Management estimates are used to identify labor effort associated with the support of each line of business for a targeted subset of customer service budgeted activities.

<u>Administration</u>

Except for Project Delivery and Engineering (PDE), the cost assignment of all general management expense is based on the sum of actual direct labor expenses for direct operating activities. Administrative expense for PDE is assigned based on actual direct labor expense charged to capital projects by each division.

This methodology creates a direct link between administrative functions and the activities they support. In addition, this methodology provides a consistent mechanism for updating administration cost assignment from year to year in case the programmatic focus changes.

⁴ King County administers billing for drainage.

General and Administrative Expense

Finance, Accounting, and Risk Management (FARS) expense is assigned based on the sum of actual direct labor expense for all direct operating and administrative activities which charge to the DWF budget.

Cost Assignment Factor

The DWF total operating budget for each operating activity is divided between the wastewater and drainage lines of business using cost assignment factors. These factors represent the typical amount of support provided to each line of business in carrying out a specific type of activity. Therefore, drainage and wastewater each receive their proportional shares of activities.

APPENDIX C — COMPARATIVE RATES

The following tables compare 2021 City of Seattle drainage and wastewater fees to those of other regional utilities.

2021 Typical Monthly Drainage Bill -- Single-Family Residence SEATTLE (WA) Portland (OR) Bellevue (WA) Tacoma (WA) Kirkland (WA) Everett (WA) Redmond (WA) Issaquah (WA) \$0 \$10 \$20 \$30 \$40 \$50 \$60 \$70 \$80 \$90 \$100

Figure C-1: Monthly Drainage Bill Comparison - Typical Single-Family Residence

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

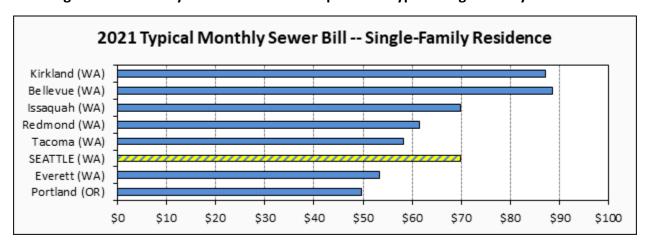


Figure C-2: Monthly Wastewater Bill Comparison - Typical Single-Family Residence

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

2021 Typical Monthly Drainage Bill -- Heavy Industrial

Portland (OR)

SEATTLE (WA)

Redmond (WA)

Issaquah (WA)

Kirkland (WA)

Bellevue (WA)

\$0 \$50 \$100 \$150 \$200 \$250 \$300 \$350 \$400 \$450 \$500 \$550 \$600 \$650

Figure C-3: Monthly Drainage Bill Comparison - Commercial

Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

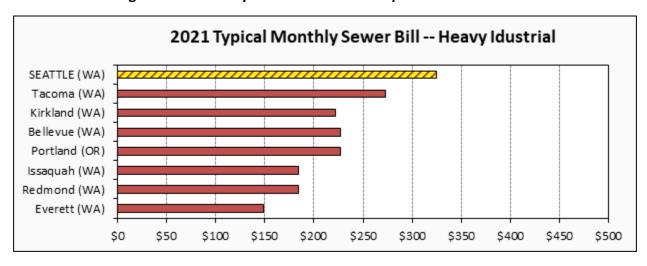


Figure C-4: Monthly Wastewater Bill Comparison - Commercial

Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

APPENDIX D— DRAINAGE COST ALLOCATION DETAIL

Run-off is a factor of area and run-off coefficients. Run-off coefficients, or flow factors, represent a mathematical calculation of the portion of rainfall that becomes direct run-off during a storm event. For example, a 0.35 co-efficient means that 35 percent of the rain falling on a particular surface ends up as run-off, while 65 percent is infiltrated.

Flow factors for a particular surface type will vary depending on the underlying storm assumptions. Storms are classified by intensity (how many inches of rain fall in a given time), duration (how long the storm lasts), and recurrence interval. Storms which occur more frequently (e.g., once 2 years) are considered to be less severe than storms with higher recurrence intervals (e.g., a 25-year storm).

The infrastructure and operation and maintenance expenses of the drainage system are oriented to the frequency of storm events, as noted below.

- 25-year events. The flood management service goal is to prevent flooding of private property in 25-year storm events, defined as the maximum rainfall received in 24 hours for the largest storm expected over a 25-year period. This means that pipes and some other portions of the drainage system designed for peak storm events must be sized to manage these 25-year volumes.
- 2-year events. The regulatory goal for combined sewer overflows is an average of not more than one overflow per site per year. In practice, this means controlling CSOs in a 2-year event, defined as the rainfall that would be received in a recurrence of the second-largest storm in one year during the period of record. Both the King County treatment system and Seattle's Drainage and Wastewater Utility have incurred substantial CSO control costs and expect to continue to incur them in the future.
- **6-month events.** Water quality infrastructure focuses on high-frequency events, defined as storms that occur on average twice per year. These investments are an increasingly significant portion of infrastructure costs as water quality regulations become more stringent and Seattle moves to reduce impacts on creeks and other receiving waters.
- Average storm events. A variety of the remaining SPU drainage assets and activities, ranging from Customer Service to general operations, are not associated with any of the preceding significant storm events, but are designed to serve the overall needs of the drainage system and its customers. These are assigned based on average storm events, defined as the average of all storm events over the course of a year.

Surface Type Cost Share Definition Methodology

The following steps are used to determine the percentage of total flow related expense to be allocated to each surface area type.

Step 1: Identify run-off coefficients and area for each surface type city wide.

Run-off coefficients and surface type area are the inputs used to calculate total run-off by surface type for each storm event.

Table D-1 presents the run-off coefficients assumed for the four storm events underlying surface type flow calculation.

Table D-1: Run-off Coefficients by Surface Type and Storm Event

Surface Type	25-Year Storm	2-Year Storm	6-Month Storm	Average Storm
Impervious	0.925	0.890	0.848	0.613
Pervious - Managed Grass	0.564	0.433	0.314	0.022
Pervious - Woods and Unmanaged Grass	0.349	0.214	0.114	0.021
Pervious - Good Forest	0.249	0.127	0.048	0.020

Run-off coefficients represent the percentage of rainfall which results in stormwater run-off. A run-off coefficient of 0.56 means that 56 percent of the rainfall landing on a surface ends up as run-off while the remaining 44 percent is infiltrated into the ground or cracks. The table above demonstrates that impervious surface has the most amount of run-off under all storm events, but that run-off increases for ALL surface types with an increase in the intensity of the storm.

Table D-2 provides a summary of area by surface type for the City of Seattle. These area calculations were derived from aerial photos present in the City's GIS system.

Table D-2: Square Footage by Surface Type (City of Seattle)

Surface Type	Sq. Ft	% of Total
Impervious	792,533,331	49%
Pervious - Managed Grass	655,429,445	41%
Pervious - Woods and Unmanaged Grass	105,430,165	7%
Pervious - Good Forest	54,602,936	3%
Total	1,607,995,877	100%

Step 2: Calculate run-off for each surface type for each storm event

In Table D-3, the run-off coefficients found in Table D-1 are multiplied by the applicable surface type square footage to calculate total run-off by surface type and storm event. Table D-3 presents this data in both flow-units and as a percentage of total flow for each storm event.

Table D-3: Run-off Volumes by Surface Type

	25-Year Storm		2-Year Storm		6-Month Storm		Average Storm	
Surface Type	Flow Units	% of Flow	Flow Units	%	Flow Units	%	Flow Units	%
Impervious	733,093,331	64%	705,354,664	69%	672,068,264	75%	485,822,932	96%
Pervious - Managed Grass	369,662,207	32%	283,800,950	28%	205,804,846	23%	14,419,448	3%
Pervious - Woods & Grass	36,795,128	3%	22,562,055	2%	12,019,039	1%	2,214,033	0%
Pervious - Good Forest	13,596,131	1%	6,934,573	1%	2,620,941	0%	1,092,059	0%
Total	1,153,146,797	100%	1,018,652,242	100%	892,513,090	100%	503,548,472	100%

Step 3: Determine Cost Weights for Each Storm Event

To develop a single percentage of total cost represented by each storm event, the total flow percentages for each storm event found in Table D-3 are weighted by the percent of total drainage system expense associated with managing each storm event.

The first step in determining cost weights by storm event is to assign pre-tax flow expense to storm event categories. Most capital expense and O&M infrastructure maintenance expense is allocated to the storm event(s) which the associated infrastructure is designed to manage, except for pipe expense which is allocated between storm events using an incremental cost approach. Flow allocated expenses not directly related to a specific type of infrastructure are typically assigned to the Average Storm event.

Table D-4 presents actual pre-tax flow expense by category. The cost weights by storm event found at the bottom of the table represent the percent of total expense associated with each storm event.

Table D-4: Pre-Tax Flow Expense by Storm Event

	25 Year	2 Year	6 Month	Avg Storm	Total
Category					
SPU CSOs Assets	\$0	\$0	\$0	\$0	\$0
Pipe Assets	\$0	\$0	\$0	\$0	\$0
WQ Assets	\$0	\$0	\$0	\$0	\$0
Other Assets	\$40,057	\$67,366	\$67,159	\$73,602	\$248,184
TOTAL CAPITAL	\$40,057	\$67,366	\$67,159	\$73,602	\$248,184
O&M-Treatment	\$0	\$32,974	\$0	\$0	\$32,974
O&M Other	\$15,215	\$11,016	\$14,313	\$148,305	\$188,850
TOTAL O&M	\$15,215	\$43,990	\$14,313	\$148,305	\$221,824
TOTAL PRE-TAX EXPENSE	\$55,272	\$111,356	\$81,472	\$221,908	\$470,008
Cost Weight by Storm Event	11.8%	23.7%	17.3%	47.2%	100.0%

Step 4: Determine Flow-Based Cost Shares by Surface Type

By applying the applicable storm event cost weight from Table D-4 to the percentage of flow represented by each surface type under each design storm scenario (found in Table D-3), SPU can

calculate a cost weighted run-off share for each surface type. These shares are used to allocate the flow-based revenue requirement between different surface types in the development of surface type rates, as further described in the chapter "Drainage Cost Allocation."

Table D-5: Flow-Based Cost Share by Surface Type

Surface Type	Cost Share
Impervious	82.5%
Pervious - Managed Grass	15.7%
Pervious - Woods and Unmanaged Grass	1.3%
Pervious - Good Forest	0.5%



Updating Water, Drainage, and Wastewater Rates

July 21, 2021



Agenda

- Strategic Business Plan (SBP) Update
- Water
 - Updates to Strategic Business Plan
 - Rate Proposal Changes
- Wastewater & Drainage
 - Updates to Strategic Business Plan
 - Rate Proposal Changes

Endorsed Rate Path - Strategic Business Plan

		Rate	Path		Rate Forecast			
	2021	2022	2023	2024	2025	2026	Average	
Water	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%	
Wastewater	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%	
Drainage	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%	
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%	
Combined	4.5%	3.9%	5.0%	2.2%	5.4%	4.2%	4.2%	

Approved rate legislation currently in effect



Strategic Business Plan - Proposed Rates

Six-year average rate path lowered from 4.2% to 3.9%.

		Rate	Path	Rate Forecast			
	2021	2022	2023	2024	2025	2026	Average
Water	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%
Wastewater	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.0%	3.8%	3.5%	4.3%	4.0%	3.9%

Approved rate legislation currently in effect

Proposed rate legislation

Single Family Residential Bill Comparison

Savings	\$0	-\$2.56	-\$5.30	-\$2.16	-\$4.80	-\$5.59
Proposed Rate Update	\$222.62	\$229.47	\$238.49	\$247.34	\$258.16	\$268.92
Strategic Business Plan	\$222.62	\$232.03	\$243.79	\$249.50	\$262.96	\$274.51
_	2021	2022	2023	2024	2025	2026





Proposed Water Rates

		Propose	ed Rate					
		Path			Rat	te Forec	ast	
	2021	2022	2023		2024	2025	2026	Average
SBP Rate Path	0.0%	2.7%	4.7%		3.6%	4.2%	5.5%	3.4%
Rate Proposal	0.0%	2.6%	3.6%		4.0%	4.7%	3.6%	3.1%

Water Rates - Updates since Strategic Business Plan

Capital Financing

Savings from 2021 bond issue, including refunding and defeasance

Non-Retail Rate Revenue

- Adjusted wholesale revenue projections
- Non-operating revenue reduced to reflect more conservative development forecast

Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program





Proposed Drainage & Wastewater Rates

		Proposed Rate Path			Rate Fo	recast	_
	2021	2022	2023	2024	2025	2026	Average
Wastewater SBP Rate Path	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%
Wastewater Rate Proposal	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage SBP Rate Path	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%
Drainage Rate Proposal	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%

Drainage & Wastewater Rates - Updates since Strategic Business Plan

Capital Financing

Savings from 2021 bond issue, including refunding and defeasance

Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

King County Wastewater Treatment Rate

Updated for adopted and projected rate schedule

	2022	2023	2024	2025	2026
SBP	4.5%	0%	10.25%	0%	10.25%
Proposed	4.0%	4.0%	4.0%	5.0%	5.0%



Regulatory Drivers - Ship Canal Project

 As part of the Consent Decree, the Ship Canal Water Quality Project is the largest and most expensive project ever undertaken by the City.

	Proposed Rate Path				
Wastewater	2022	2023	2024		
Consent Decree-Related	0.5%	0.5%	0.5%		
Remaining	1.5%	3.4%	2.4%		
Rate Proposal	2.0%	3.9%	2.9%		
Drainage					
Consent Decree-Related	2.0%	2.0%	2.0%		
Remaining	4.0%	4.2%	4.0%		
Rate Proposal	6.0%	6.2%	6.0%		

Strategic Business Plan - Proposed Rates

		Rate Path		Rate Forecast			
	2021	2022	2023	2024	2025	2026	Average
Water	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%
Wastewater	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.0%	3.8%	3.5%	4.3%	4.0%	3.9%

Approved rate legislation currently in effect

Proposed rate legislation



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: CB 120129, Version: 1

CITY OF SEATTLE

ORDINANCE					
COUNCIL BILL					

- AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.
- WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and
- WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and
- WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and
- WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and
- WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and
- WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and
- WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated

File #: CB 120129, Version: 1

to reflect changes to 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 126216, is amended as follows:

21.28.040 Wastewater volume charge

* * *

- B. The wastewater volume rate shall be the sum of the treatment rate and the system rate, as follows:
- 1. Treatment rate. The "treatment rate" shall be the rate required to pay the wastewater share of "treatment cost," which is the cost of wastewater treatment, interception and disposal services, and any associated costs required to meet Drainage and Wastewater Fund financial policies. The treatment rate shall be the amount obtained when (a) the projected wastewater treatment cost is divided by (b) the projected billed wastewater consumption, each for the next calendar year, and the result is multiplied by ((118.7 percent in 2020 and 116.4 percent in 2021)) 1.180797 in 2022, 1.184033 in 2023, and 1.184530 in 2024 and thereafter to cover the costs of taxes and low-income rate assistance. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the total expected treatment cost for the current year and the total wastewater volume charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.
- 2. System rate. The "system rate" shall be the rate required to pay the cost of carrying and discharging all wastewater and any wastewater-funded share of stormwater into the City sewerage system, as presently maintained and operated and as may be added to, improved, and extended.
 - 3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

	((Effective Jan. 1, 2020	Effective Jan. 1, 2021
Treatment Rate	\$8.84	\$ 9.25
System Rate	\$6.71	\$7.42
Wastewater Volume Rate	\$15.55	\$16.67))

		Effective Jan 1, 2022		Effective Jan 1, 2024
Treatment Rate	<u>\$9.25</u>	\$9.34	<u>\$10.01</u>	\$10.52
System Rate	<u>\$7.42</u>	<u>\$7.67</u>	<u>\$7.67</u>	<u>\$7.67</u>
Wastewater Volume Rate	<u>\$16.67</u>	<u>\$17.01</u>	<u>\$17.68</u>	<u>\$18.19</u>

File #: CB 120129, Version: 1

* * *

Section 3. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

21.76.040 Rate discounts

A. Drainage, wastewater, and water. ((Certified low-income residential utility customers ("Certified customers"))) Certified customers will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall 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, 2020	\$33.43 per month	\$23.32 per month
January 1, 2021	\$35.85 per month	\$25.01 per month))

		Effective Jan 1, 2022	Effective Jan 1, 2023	Effective Jan 1, 2024
Single-Family	<u>\$35.85</u>	<u>\$36.57</u>	\$38.01	\$39.11
<u>Duplex</u>	<u>\$35.85</u>	<u>\$36.57</u>	<u>\$38.01</u>	\$39.11
Multi-Family	<u>\$25.01</u>	<u>\$25.52</u>	\$26.52	<u>\$27.29</u>

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

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

Effective Date	Single-Family	Duplex	Multifamily
January 1, 2020	\$23.24 per month	\$11.62 per month	\$2.49 per month
January 1, 2021	\$25.00 per month	\$12.50 per month	\$2.68 per month

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent

File #: CB 120129, Version: 1

shall 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

* * *

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

Section 5. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the	day of	, 202	21, and signed by
me in open session in authentication of its pa	assage this	day of	, 2021.
	President	of the City Council	

Approved / returned w	nsigned / vetoed	this day of		. 2021.
rapprovide reconstruction of	101811041 10004	<u></u>		, _ v = 11
	J	enny A. Durkan, Mayor		
Filed by me this	day of		, 2021.	
	N	Ionica Martinez Simmor	ns, City Clerk	

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle Public Utilities	Vas Duggirala/3-7153	Akshay Iyengar/4-0716

^{*} 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 wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

Summary and background of the Legislation:

This ordinance would revise wastewater rates and wastewater Utility Discount Program credits. It would revise rates to meet increasing financial policy target requirements set by City Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1. The revision is driven by capital financing needs and King County treatment rate increases. O&M is a negligible contributor. Capital financing is guided by SPU's Strategic Business Plan (SBP), adopted by Resolution 32000. The SBP included a projected rate path, this ordinance implements an updated rate path:

Wastewater Rate Increases

	2021	2022	2023	2024	2025	2026	AVG
SBP RATE PATH	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%
RATE STUDY PROPOSAL	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%

The proposed rate path is slightly lower than the SBP due to several factors most notably the low interest rate environment.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?

____ Yes <u>X</u> No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget?

____ Yes <u>X</u> No

	General	Fund \$	Other \$		
Appropriation change (\$):	2021	2022	2021	2022	
	\$0	\$0	\$0	\$0	

	Revenue to C	General Fund	Revenue to Other Funds		
Estimated revenue change (\$):	2021	2022	2021	2022	
	\$0	\$0	\$0	\$24,400,377	
	No. of Positions		Total FTE Change		
Positions affected:	2021	2022	2021	2022	
FI	0	0	0	0	

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? Rate increases are also proposed for 2023 and 2024. Revenue in 2023 and 2024 estimated to be, respectively, \$18,843,681 and \$12,863,401 higher than the prior year.

Revenues also fluctuate due to demand. This is particularly important in 2022 where demand, pushed upwards by the recovery from COVID-19, is projected to increase revenue \$17,474,027 over 2021. The remainder of the 2022 revenue increase is due to the rate increase.

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

Not implementing this legislation potentially places SPU at increased risk for not meeting certain goals under its current SBP. Not implementing this legislation would likely necessitate much larger future rate increases to meet capital financing needs.

3.b. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and	Dept	Revenue Source	2021	2022 Estimated
Number			Revenue	Revenue
44010 – Drainage	SPU	Wastewater rates	\$0	\$24,400,377
and Wastewater				
Fund				
TOTAL				

Is this change one-time or ongoing?

Ongoing. This legislation proposes drainage rates effective January 1 of 2022, 2023, and 2024 without an end date. Rate increases beyond 2024 will likely be proposed in mid-2024.

Revenue/Reimbursement Notes:

The City of Seattle assesses a 12% tax on wastewater revenues. Tax payments are estimated to increase \$3,506,910 in 2022, \$2,118,318 in 2023, \$1,527,181 in 2024.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department? Several City departments incur wastewater fees including the Department of Parks & Recreation, Seattle Public Utilities, Office of the Waterfront and Civic Projects, Department of Finance and Administrative Services, Seattle Fire Department, Seattle City Light, Seattle Public Libraries, Seattle Police Department, and the Seattle Department of Transportation. Wastewater fees incurred by City departments are estimated to increase \$50,000 in 2022, \$100,000 in 2023, and \$50,000 in 2024.
- **b.** Is a public hearing required for this legislation?
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

 No.
- d. Does this legislation affect a piece of property?
- e. 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 will increase the sewer costs for residents and increase operating expenses for businesses in the retail service area. These increases will have a disproportionate impact on customers that use more water, low-income customers, and small businesses. SPU has initiated a long-term project to address affordability issues through the Accountability and Affordability Strategic Plan and the 2021-2026 Strategic Business Plan.

This legislation also adjusts low-income credits for residents that are not direct customers of SPU and pay utilities through rent.

SPU conducted extensive outreach for the 2021-2026 Strategic Business Plan, which guides the rate path and included similar rate increases. SBP outreach included a significant ethnic media component with in-language advertising targeting Spanish, Chinese, Korean, and Somali speakers.

- f. Climate Change Implications
 - 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. 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.

No.

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)? $\rm\,N/A$

List attachments/exhibits below:

Summary Exhibit A – 2022-2024 Drainage and Wastewater Rate Study



Seattle Public Utilities 2022-2024 Drainage and Wastewater Rate Study

Table of Contents

PR	EFA	CE - STRATEGIC BUSINESS PLAN COMPARISON
1.	E	XECUTIVE SUMMARY4
2.	FI	NANCIAL POLICY OVERVIEW5
3.	RI	EVENUE REQUIREMENT7
3	3.1.	Operations and Maintenance8
3	3.2.	Capital Financing Expense8
3	3.3.	Use of Cash Balances
3	3.4.	Non-Rate Revenue
4.	PI	ROPOSED WASTEWATER RATES11
(Ove	rview and Proposed Wastewater Rates11
	SPU	System Rate
-	Гrea	itment Rate
,	Was	tewater Demand13
5.	D	RAINAGE COST ALLOCATION / RATE DESIGN15
ı	Orai	nage Allocation Classifications
I	Drai	nage Rate Design16
	Cı	ustomer Classes and Tiers17
	A	ccount and Surface Type Unit Rates17
	Sι	urface Type Profile by Tier18
	Ra	ate Calculation by Tier19
(Othe	er Drainage Credits and Discounts20
6.	JTIL	ITY DISCOUNT PROGRAM22
ΑP	PEN	IDIX A — FINANCIAL SUMMARY23
ΑP	PEN	IDIX B — DWF COST ASSIGNMENT DETAIL24
	Di	rainage and Wastewater Cost Assignment Methodology24
	Co	ost Assignment Factor
ΑP	PEN	IDIX C — COMPARATIVE RATES26
ΑP	PEN	IDIX D— DRAINAGE COST ALLOCATION DETAIL28

PREFACE - STRATEGIC BUSINESS PLAN COMPARISON

The 2021-2026 Strategic Business Plan Update sets a non-binding six-year rate and service path for Seattle Public Utilities, with a built-in three-year review and update. The SBP rate path was proposed nearly a year before this rate study. In the intervening time, several major assumptions were updated that create a variance between the SBP and the drainage and wastewater rate proposal.

The most impactful change to the rate path is including the impacts of the COVID-19 pandemic. Wastewater rates are volume based, and fell 7 percent from 2019 to 2020, but the costs to operate the system are largely fixed. This is particularly true for the capital expenditures directed at consent-decree requirements that drive revenue requirements. Fortunately, the missing revenue was offset by the low interest rate environment, a side effect of the pandemic, eliminating the need to have collected it, and resulting in rate paths slightly lower and smoother than those included in the SBP.

The SBP update was submitted in 2020 but was not adopted until May 2021 with Council Resolution 32000 due to the COVID-19 pandemic.

Table P-1 compares the projected rate path from the SBP to the rates proposed in this rate study.

Table P-1: Rate Path Comparison

Wastewater Rate Path	2022	2023	2024		
Strategic Business Plan Update	3.1%	5.9%	0.5%		
Rate Study	2.0%	3.9%	2.9%		
Drainage Revenue Requirement	2022	2023	2024		
Strategic Business Plan Update	8.6%	7.2%	3.9%		

1. EXECUTIVE SUMMARY

The Drainage and Wastewater Utility provides wastewater and stormwater management services to Seattle residences and businesses. The fund is supported by utility fee revenue, enumerated for wastewater on SPU combined utility bills based on metered water usage, and for drainage on King County property tax bills, reflecting an estimate of each parcel's contribution to stormwater run-off.

Wastewater and drainage rates consist of a system component, set to recover SPU operations and maintenance and capital expenses, and a treatment component, set to recover payments assessed by SPU's two contracted treatment providers, King County Wastewater Treatment Division and Southwest Suburban Sewer District, for flows sent to their facilities.

Drainage and wastewater rates were last increased on January 1, 2021, using the passthrough mechanism established by Seattle Municipal Code 21.28.040. This mechanism is used periodically in years between rate studies to adjust SPU treatment rates for off-cycle adoption of rates for treatment at King County facilities. Wastewater rates were increased by 7.3 percent and drainage rates by 7.4 percent. These rate increases were slightly lower than those in the 2019-2021 Rate Study (7.3 percent and 8.0 percent, respectively) due to a lower-than-expected increase to the County's treatment rate, and a reduction in volumes projected to be sent for treatment due to COVID-19. This rate study incorporates projected future treatment increases of 4.0 percent annually. These increases have not been approved by the King County Council and while this document presents rates including assumed future increases, the ordinance supported by this document only includes treatment rate increases based on treatment rates formally adopted by the King County Council. If King County Council adopts any rate increases before the next rate study, SPU will submit separate legislation utilizing the pass-through mechanism. The table below summarizes proposed revenue requirements and rates.

Table 1-1: Proposed DWF Retail Rate Revenue Requirement and Monthly Bill Impacts

	2021 2022			20	23	20	24
Revenue Requirement (\$ millions)							
Wastewater	\$311.4	\$334.0	+\$22.6	\$351.2	+\$17.2	\$363.4	+\$12.2
Drainage	\$164.7	\$174.5	+\$9.8	\$185.0	+\$10.6	\$196.1	+\$11.1
Total DWF	\$476.1	\$508.5	+\$32.4	\$536.3	+\$27.7	\$559.5	+\$23.3
Wastewater							
Wastewater Rate per CCF	\$16.67	\$17.01	+\$0.34	\$17.68	+\$0.67	\$18.19	+\$0.51
Residential (4.3 CCF)	\$71.68	\$73.14	+\$1.46	\$76.02	+\$2.88	\$78.22	+\$2.19
Drainage							
Townhome (<2,000 sqft)	\$16.30	\$17.28	+\$0.98	\$18.34	+\$1.06	\$19.45	+\$1.11
Single-Family Residential (0.15 acres)	\$50.00	\$53.01	+\$3.02	\$56.27	+\$3.26	\$59.66	+\$3.39
Salmon Bay Park (2.8 acres)	\$6,101	\$6,469	+\$368	\$6,867	+\$398	\$7,281	+\$414
Supermarket, 120 parking spots (2.5 acres)	\$17,900	\$18,980	+\$1,081	\$20,148	+\$1,167	\$21,362	+\$1,214
Chief Sealth High School (32 acres)	\$100,419	\$106,482	+\$6,063	\$113,030	+\$6,549	\$119,841	+\$6,811

2. FINANCIAL POLICY OVERVIEW

SPU is directed through a set of Seattle City Council-adopted¹ financial policies to adopt rates sufficient to satisfy a comprehensive, inter-connected framework of rules for sound financial management in rate setting. These financial policies:

- Shape the financial profile of the Fund to lenders and the financial community.
- Manage exposure to financial risk.
- Provide intergenerational equity.

Each financial policy sets a financial metric target which results, on a planning basis, in a minimum revenue requirement, the highest of which sets a binding constraint on rate setting. SPU may adhere to a more stringent internal planning target when tracking market conditions and peer utility performance expose any financial risk or weakness. The policies are:

1. Minimum year-end operating cash balance of one month of treatment contract expenses One-month of treatment expense over the rate period is projected to range from \$14 to \$16 million, providing two weeks of operating liquidity at year-end. A financial risk assessment exercise conducted in 2019 deemed two weeks insufficient and a higher internal operating target of 80 to 100 days of operating expense was recommended. The Fund ended 2020 with \$218.7 million (131 days) which SPU intends to draw down to \$106.8 million (90 days) and divert those funds to the capital program.

Table 2-1: Operating Cash Balance Financial Policy

Cash Balance Target	2022	2023	2024
Binding - One month treatment expense	\$14.3	\$15.5	\$16.4
Planning - 80 days operating expense	\$85.1	\$90.2	\$94.8
Projected Balance	\$90.4	\$96.0	\$106.8
(\$ millions)			

2. Cash finance at least 25% of the capital improvement plan over a four-year average

A minimum 'down-payment' on capital expenditures with operating cash prevents a rapid increase in debt service and debt burden. SPU intends to divert the existing surplus of operating cash to the capital program, funding 43 percent of the capital program with cash in 2022, 36 percent in 2023, and 60 percent in 2024.

3. A debt service coverage ratio of at least 1.5

The debt service coverage ratio is the ratio between the operating margin on a cash basis, with taxes paid to the City of Seattle removed, and the debt service obligation. Per the ordinances which authorize the Fund to issue revenue bonds and the covenants between the Fund and

625

¹ Council Resolution 30612, 2003; SLI 13-1-A-1 2012

bond holders, City taxes are subordinate priority to the debt service obligation. Following a review of peer utilities' financial performance and credit rating practices that indicated the guarantee of priority to bond holders would be insufficient, SPU implemented a target of 1.8 using the existing metric and 2.0 using a more stringent metric that does not provide credit for City taxes. The ratio under both metrics is projected to be high, partially due to a large portion of financing for the capital program consisting of low-interest loans with initial payments beyond 2024.

4. Net income should be generally positive

Net income is projected to be positive in each year.

5. Debt-to-asset ratio should not exceed 70 percent.

The ratio of debt to assets is a metric of debt burden and an indicator of inflexibility to handle financial stress. The ratio is projected to hover around 60 percent.

6. No more than 15 percent of total debt should be variable rate

A cap on variable rate debt limits the Fund's exposure to interest rate volatility. The Fund does not have and does not plan to issue any variable rate debt.

Table 2-2: Projected Drainage & Wastewater Fund Financial Policy Results

Policy (Target)	2022	2023	2024	2025	2026
1. Operating Cash Balance (80 days Op Expense)	\$90.4	\$96.0	\$106.8	\$118.6	\$131.4
 Cash Financing of CIP (25% over 4 years) 	43%	36%	60%	42%	33%
3. Debt Service Coverage (>2.0)	3.1	2.9	2.7	2.8	2.7
Without Credit for Taxes Paid (>1.5)	2.1	2.0	1.8	1.9	1.8
4. Net Income (generally positive)	\$76.5	\$44.2	\$41.1	\$58.8	\$72.8
5. Debt-to-Asset Ratio (<70%)	58%	60%	58%	59%	60%
6. Variable Rate Debt (<15%)	0%	0%	0%	0%	0%

3. REVENUE REQUIREMENT

The binding constraint on creating a financial plan and setting rates is satisfying the revenue requirement that the most stringent financial policy requires. The binding constraint is determined by optimizing the capital financing portfolio and the utilization of operating cash to achieve a rate path equitable to all rate payers, current and future. For the rate period, optimization was dictated by the financing needs of the large upcoming capital program. An expansion of capital investment requires the Fund to take on more debt, though because the expansion is temporary, in this case to complete the bulk of the Ship Canal Water Quality Project, SPU intends to utilize the prudent option of a one-time drawdown of operating cash to pay for a one-time expenditure. The drawdown will reduce operating cash to the extent that maintaining the financial policy minimum will be the binding constraint through 2024.

The table below summarizes the revenue requirement for wastewater rates and drainage rates over the rate period. Each category, in millions of dollars, is followed by that component's contribution to the change in the retail rate. For example, O&M is projected to increase from \$64.0 million in 2021 to \$71.3 million in 2022. A 2.3 percent rate increase is necessary to collect enough revenue to cover this increase. The net sum of each category's impact is the rate increase. Details about each component are in the following sections.

Table 3-1: Components of the Revenue Requirement (\$ millions)

WASTEWATER	2021	2022			2023			2024		
Operating Expenses										
O&M	\$ 64.0	\$ 71.3	+2.3%	\$	74.5	+0.9%	\$	78.6	+1.1%	
Treatment	155.7	161.5	+1.8%		175.0	+3.9%		184.9	+2.7%	
Taxes	41.4	44.9	+1.1%		47.1	+0.6%		48.6	+0.4%	
Capital										
Cash Contribution	\$ 23.2	\$ 46.4	+7.2%	\$	46.1	-0.1%	\$	47.7	+0.5%	
Loans and Grants	28.4	4.7	-7.3%		(16.2)	-6.0%		(23.0)	-1.8%	
Debt Service	25.0	25.3	+0.1%		27.5	+0.6%		29.3	+0.5%	
Subtotal Expenditures	\$ 337.7	\$ 354.2	+5.1%	\$	353.8	-0.1%	\$	366.2	+3.4%	
Less Non-Rates Revenue	(13.1)	(8.4)	+1.5%		(8.2)	+0.1%		(8.2)	-0.0%	
Less Decrease in Cash Balance	(13.2)	(11.8)	+0.4%		5.6	+5.0%		5.4	-0.0%	
Rates Revenue Requirement	\$ 311.4	\$ 334.0	+7.0%	\$	351.2	+4.9%	\$	363.4	+3.3%	
Plus UDP	11.3	13.1	+0.5%		14.7	+0.5%		15.4	+0.2%	
Retail Rate Revenue Requirement	\$ 322.7	\$ 347.1	+7.6%	\$	366.0	+5.4%	\$	378.8	+3.5%	
Change in Demand			-5.6%			-1.5%			-0.6%	
Change in Wastewater Retail Rate			+2.0%			+3.9%			2.9%	

DRAINAGE	2021	20	022		2023		2	2024	ļ
Operating Expenses	\$ 73.9	\$ 75.8	+1.2%	\$ 79.0	+1.8%	\$ 83.2	+2.2%	\$	73.9
O&M	9.8	10.2	+0.2%	11.1	+0.5%	11.7	+0.3%		9.8
Treatment	23.1	24.9	+1.1%	26.4	+0.8%	27.9	+0.8%		23.1
Taxes									
Capital	\$ 23.2	\$ 54.1	+18.4%	\$ 50.1	-2.2%	\$ 53.6	+1.9%	\$	23.2
Cash Contribution	33.1	5.8	-16.3%	(19.9)	-14.4%	(28.1)	-4.4%		33.1
Loans and Grants	39.6	40.0	+0.3%	44.3	+2.4%	48.3	+2.1%		39.6
Debt Service	\$ 202.6	\$ 210.8	+4.9%	\$ 191.0	-11.1%	\$ 196.6	+3.0%	\$	202.6
Subtotal Expenditures	(14.6)	(6.3)	+4.9%	(6.0)	+0.2%	(5.9)	+0.0%		(14.6)
Less Non-Rates Revenue	(23.3)	(30.0)	-4.0%	-	+16.9%	5.4	+2.9%		(23.3)
Less Decrease in Cash Balance	\$ 164.7	\$ 174.5	+5.8%	\$ 185.0	+5.9%	\$ 196.1	+5.9%	\$	164.7
Rates Revenue Requirement	3.1	3.4	+0.2%	3.9	+0.2%	4.1	+0.1%		3.1
Plus UDP	\$ 167.8	\$ 177.9	+6.0%	\$ 188.9	+6.2%	\$ 200.2	+6.0%	\$	167.8
Retail Rate Revenue Requirement	\$ 73.9	\$ 75.8	+1.2%	\$ 79.0	+1.8%	\$ 83.2	+2.2%	\$	73.9

(\$ millions)

Operations and Maintenance

SPU projects expenditures for the ongoing operations and maintenance of the Drainage and Wastewater System, including indirect administrative and City central support activities, of \$147 million in 2022 (\$71.3 for wastewater and \$75.8 for drainage, see table above), rising to \$162 million by 2024.

Total Fund expenditures are allocated between Wastewater and Drainage based on a direct allocation of each project, the most granular programmatic level of the City Budget, to the wastewater (8 percent of total O&M), drainage (14 percent), or combined (17 percent) systems. Combined system expenses are assigned 45 percent to wastewater and 55 percent to drainage based on an analysis of system infrastructure and requirements of the Consent Decree between SPU and the EPA governing SPU's Combined Sewer Overflow program. Remaining projects (60 percent) inherit the results of the above direct allocation at their respective org, division, or branch levels within the Utility's organizational hierarchy. Based on 2020 actual expenditures, SPU allocated 47 percent of total O&M to drainage. See Table 3-2 for the allocation results in three high-level categories.

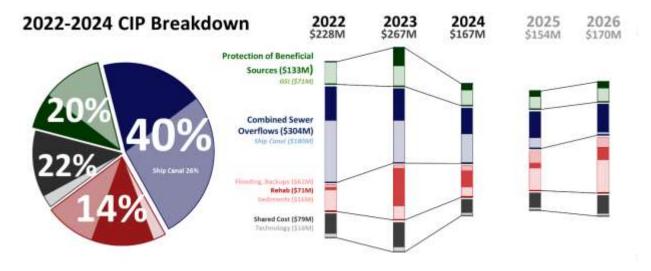
Table 3-2: O&M Allocation to Drainage

Infrastructure O&M and Planning	51%
Administrative	32%
Overhead	49%
Total	47%

Capital Financing Expense

Annual capital expenditures over \$200 million are planned for each year of the rate period, more than double the average of the last five years. The largest projects are the Ship Canal Water Quality Project (26 percent of total planned expenditures) followed by Green Stormwater Infrastructure and pipe renewal and rehabilitation (35 percent combined, see GSI under 'Protection of Beneficial Uses' in green and 'rehab' in red).

Figure 3-1: Planned CIP Expenditures



The capital program can be financed through a combination of operating cash contributions, low-interest loans, revenue bonds, and grants. SPU proposes to increase operating cash contributions above the 25 percent minimum set by financial policies to a 45 percent average over the rate period to address the short-term increase in planned capital expenditures, requiring close to \$100 million each year.

Table 3-3: Projected CIP Financing

	2021	2022	2023	2024	2021-24	Rate Period
Cash and Grants	\$46.4	\$100.5	\$96.2	\$101.4	\$344.4	\$298.0
Revenue Bonds	\$55.6	\$43.5	\$120.3	\$36.6	\$256.0	\$200.4
Loans	\$83.7	\$84.4	\$50.0	\$31.0	\$249.0	\$165.4
Total CIP <i>Cash-Funded %</i>	\$185.7 25%	\$228.3 <i>44%</i>	\$266.5 36%	\$168.9 60%	\$849.4 41%	\$663.8 <i>45%</i>

(\$ millions)

A further 25 percent will be financed through a combination of: \$123 million in State Revolving Fund loans from the Washington State Department of Ecology, a \$192 million WIFIA loan from the EPA, and a \$10 million Public Works Trust Fund loan from the Washington State Department of Commerce. Another three percent is funded through grants. Loans and grants are only included if they have already been granted.

SPU plans to fund the remaining 30 percent through three revenue bond issues, one \$83 million issue already completed in 2021 and two \$90 million issues in mid-2022 and mid-2023. These two issues will add \$12 million to annual debt service and provide funding into 2025.

Use of Cash Balances

Operating cash balances increase when revenues generated by rates exceed total cash expenditures, which in contrast to income statement expenses do not include non-cash expenses such as depreciation, amortization, environmental liabilities, losses on the sales of assets, or pension liability write-downs, but do include the cash expenses of the principal portion of debt payments. Cash balances can be drawn down to the minimum required by the Fund's financial policies, but financial management practices explicitly limit such draw down to pay for one-time and not ongoing expenses. Because on-going expenses are paid for through rate revenues, in any given year incoming cash from rate revenues will at least balance out outgoing cash to expenses. Large one-time expenses, such as the Ship Canal Water Quality Project, provide an opportunity to draw down cash balances to reduce the revenue requirement in the relevant years; this practice avoids the need to raise rates to cover the impact of a one-time expense and then lower rates as the impact wanes.

Operating cash balances have steadily increased through Seattle's post-recession economic expansion. SPU plans to manage funding the capital program by increasing operating cash contributions (see Section 3.2) and decreasing the share funded by debt. Offsetting the peaks of the capital cycle with operating cash can smooth out the size of debt issuances to the same amount each year, providing stability and predictability to rates and financial performance. DWF cash balances will be reduced from \$218 million at the beginning of 2021 to \$90 million by the end of 2022 and then built back up to \$107 million by the end of 2024.

Non-Rate Revenue

Non-rate revenue includes permit fees, operating and capital grants, contributions in aid of construction, interest income, other miscellaneous revenues, and capital contributions. An increase in non-rate revenues has the effect of reducing the revenue requirement that must be recovered through rates. Grants, contributions, miscellaneous revenues, and permit fees are conservatively held flat in this proposal as it is not fiscally prudent to pattern rates on unsecured revenue. However, SPU expects to increase outside sources of funding wherever opportunities can be identified.

4. PROPOSED WASTEWATER RATES

Overview and Proposed Wastewater Rates

SPU wastewater customers pay a single flat volumetric charge per 100 cubic feet (CCF). There are no monthly fees or tiers of service. A minimum of one CCF per month is assessed on all active accounts. The single-volumetric charge is a combination of a system rate, to cover SPU's internal costs and taxes incurred on system rate revenue, and a treatment rate, to cover payments for wastewater treatment and taxes incurred on treatment rate revenue. The system rate is updated through the rate study process, currently on a 3-year cycle. The treatment rate is updated when the King County Council formally adopts legislation modifying the treatment rates charged to SPU. During the rate study process, any adopted County treatment rate increases are incorporated into proposed SPU treatment rates. If legislation to update the County treatment legislation is adopted by the King County Council mid-cycle, the Seattle Municipal Code provides a mid-term treatment rate adjustment process to formulaically update SPU's treatment rate based on adopted changes to the County's treatment rate.

This rate study includes a treatment rate increase for 2022. The County has not formally adopted any rate increases beyond 2022, and no additional changes to SPU treatment rates are included in the legislation supported by this rate study. This rate study however does include projected increases to the County treatment rate in 2023 and 2024 in all future year results unless otherwise indicated.

Table 4-1 presents system and treatment rates included in legislation based on adopted County treatment rates, and projected future passthroughs based on projected future County treatment rate increases.

		2021		2022		2023	2024		
	Α	dopted	Pı	roposed	Pr	oposed	Proposed		
System Rate	\$	7.42	\$	7.67	\$	7.67	\$	7.67	
Treatment Rate	\$	9.25	\$	9.34	\$	9.34	\$	9.34	
Future Passthrough					\$	0.67	\$	1.18	

\$ 17.01

\$ 17.68

18.19

Total Wastewater Rate \$ 16.67

Table 4-1: Proposed Wastewater Rates (per CCF)

SPU System Rate

The system rate is set to collect enough revenue to cover planned operations, maintenance, and investment expenditures. These expenditures are offset by non-rates revenues including permit fees and standard charges among others. Any non-rate revenue collected reduces the amount required to be collected through rate revenues. Most of these components (operations, maintenance, debt service, and non-rates revenues) tend to be stable, increasing at a rate that is either controlled (debt service) or inflationary (operations and maintenance). Cash contributions to CIP can, on the other hand, be a source of volatility as capital expenditures can vary widely from year to year when the scheduling of a few large projects determines the timing of expenditures. One strategy to counter this volatility is to draw operating cash balances down during years of high capital expenditures and increase operating cash balances during years of lower capital expenditures. SPU proposes to draw wastewater cash balances down by \$11.8 million in 2022, reducing the amount of revenue that needs to be collected by the same

amount, after which cash balances will be managed according to financial policy minimums. See Table 4 2 for an enumeration of each of these components.

Table 0-1 Wastewater System Rate Components

		2022		2023	2024		
Rate Component	Proposed			Proposed	Proposed		
O&M	\$	71.3	\$	74.5	\$	78.6	
City Taxes	\$	19.3	\$	19.5	\$	19.7	
State Taxes	\$	3.6	\$	3.7	\$	3.7	
Subtotal Operations & Maintenance	\$	94.2	\$	97.7	\$	102.0	
Debt Service	\$	25.3	\$	27.5	\$	29.3	
Cash to CIP	\$	46.4	\$	46.1	\$	47.7	
Subtotal Capital Financing	\$	71.8	\$	73.6	\$	77.0	
Subtotal Expenditures	\$	166.0	\$	171.3	\$	178.9	
Non Rate Revenue	\$	(8.4)	\$	(8.2)	\$	(8.2)	
Loan Drawdown Bridge	\$	4.7	\$	(16.2)	\$	(23.0)	
Use of Cash Balances	\$	(11.8)	\$	5.6	\$	5.4	
Sewer System Revenue Requirement	\$	150.6	\$	152.4	\$	153.2	
UDP Enrollment		3.8%		4.0%		4.1%	
Sewer System Rate Revenue Requirement	\$	156.4	\$	158.8	\$	159.7	
Volume (CCF, Millions)		20.4		20.7		20.8	
System Rate	\$	7.67	\$	7.67	\$	7.67	
/							

(\$ millions, except final rate)

In addition to typically utilizing revenue bonds to provide debt-financing for the capital program, SPU also seeks alternative funding through loans or grants when possible. This rate period includes significant loan funding, so much so that the lag between when capital expenditures are made from the operating fund and when loan reimbursement funding is received into the operating fund presents a liquidity concern that need to be considered in planning. The year-end balance is labeled "Loan Financing" above.

The final step is to adjust for enrollment in the Utility Discount Program. In 2020, 2.9 percent of gross wastewater revenue was returned to customers through bill discounts. SPU intends to expand UDP enrollment, growing UDP to 3.8 percent of revenue in 2022 and to 4.1 percent in 2024. Adjusting the revenue requirement for the revenue loss from UDP is the revenue that the base system rate must recover. Divided by the number of units sold (CCF), is the unit system rate.

Treatment Rate

Payments for wastewater treatment are the single largest component of both wastewater and total DWF operating expense, with 99% of treatment expense paid to King County and the remainder to Southwest Suburban Sewer District. See Table 4-3 for components and derivation of the treatment rate. Note that 2023 and 2024 are labeled as "Projected" as opposed to "Proposed" because King County Council has not yet adopted rate increases beyond 2022. Expenses and the derived treatment rate in "Projected" years are based on estimated future County and Southwest Suburban treatment rates.

Table 0-1 Wastewater Treatment Rate Components

Expenditure Category		2022	2022 2023			2024		
Experialture Category	Proposed			oposed	Pr	Proposed		
Treatment by King County		171.0	\$	\$185.4	\$	196.0		
Treatment by SWSSD	\$	0.6	\$	0.7	\$	0.7		
Less treatment paid by Drainage	\$	10.2	\$	(11.1)	\$	11.7		
Treatment Expense		161.5	\$	\$175.0	\$	184.9		
City Taxes		22	\$	23.9	\$	25.2		
Revenue Requirement		183.5	\$	\$198.8	\$	\$210.2		
UDP Enrollment		3.8%		4.0%		4.1%		
Rate Revenue Requirement		190.7	\$	\$207.2	\$	\$219.1		
Volume (CCF, Millions)		20.4		20.7		20.8		
Treatment Rate		9.34	\$	\$10.01	\$	\$10.52		

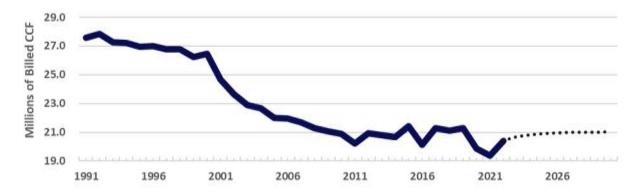
(\$ millions, except final rate)

Wastewater Demand

The fee for wastewater services is assessed on a volumetric basis measured in 100 cubic foot (CCF) units. The rate is derived by dividing the gross revenue requirement of the system by projected billed volumes. The numerator, the revenue requirement, is largely a fixed cost. The cost to maintain and replace pipe and other utility infrastructure assets that serve customers, whether or not they have any demand, is a function of the size of the system and depreciation over time. The variable portion of expense to serve larger customers is relatively negligible. With costs being fixed, decreases in wastewater demand do not result in compensatory decreases in cost and require instead an increase to rates.

Demand for wastewater services has been in a long-term decline due to efficiency gains in two forms: conservation and redevelopment. Efficiency gains resulted in a five percent decline over the 1990s that was accelerated by a focus on conservation, a response to drought conditions starting in 2000, to 20 percent over the 2000s. Rapid population growth post-recession placed roughly the same upward pressure on wastewater demand as efficiency gains did downward. Seattle's population grew 28% in ten years over which time billed wastewater volumes hovered around 20 million CCF ever year.

Chart 4-1: Historic and Projected Wastewater Volumes



This phase ended with the COVID-19 pandemic. The sectors of the economy more acutely impacted by shutdown orders tended to be large consumers of water and generators of wastewater. Closures in the commercial and education sectors led to a four percent rise in single-family consumption and a 13

percent decline in commercial consumption. Commercial consumption is the combination of business and multi-family consumption, hiding the true effect on business. Large residential firms and low-income housing operators had little change in consumption. Meanwhile, the normal social interactions that were newly found to be dangerous were concentrated in commercial activities that also happened to be large wastewater generators; see Table 4-4. Particularly hard hit were large hotels in the downtown core, the University of Washington, and commercial premises with a heavy restaurant presence.

Table 0-1 COVID-19 Impact on Wastewater Demand

Change from November 2019 to Novem	ber 2020
Downtown Hotels	-70%
University of Washington	-46%
All Other Education	-52%
Commercial – Shopping/Dining Center	-77%
Commercial - Industrial	-80%
Commercial - Heavy Industrial	-100%

As the vaccine rollout allows for the resumption of unimpeded social and commercial activities, wastewater volumes are expected to recover but the patterns those activities take on in the new post-pandemic normal are unknown. The resumption of in-person education and residence hall occupancy at schools and universities is relatively known. The long-term impacts to on-site work, the cruise industry, business travel, and brick and mortar retail and dining are still unknown. This makes projecting wastewater volume for the next few years a product of conservative assumptions tied to a close monitoring of the early stages of recovery.

21.5 21.0 20.5 20.0 19.5 19.0 2013 2018 2023 2028

Table 4-5: Wastewater Volume Forecast

Wastewater volume projections assume a long-tailed recovery stretching into 2027 transitioning to slow growth into the long-term. This projection is based on a slowly emerging trend that seems to indicate that per-premise consumption is changing from falling to stable; however, this trend is the product of demand for new residential construction and the growth management, density, and zoning issues that the housing crisis will force the City to address, all of which are external, unknown, and politically sensitive. For the purposes of this rate study, volumes are projected to recover to 20.4 million CCF by the end of the rate period, a two percent decline.

5. DRAINAGE COST ALLOCATION / RATE DESIGN

Once the rate revenue requirement is set, it is assigned to different customer classes. A customer class is a group of customers that places a unique cost on the utility or is administratively easier to serve as a group. In the case of drainage, there is a unique cost of service associated with the management of stormwater run-off from different types of land cover found on customer properties. These land cover types essentially act as customer classes for drainage cost allocation purposes.

The steps required to allocate drainage system costs to land surface types and then to drainage customer rates can be summarized as follows:

- Drainage costs are grouped into two broad classifications: account-allocated expense and flowallocated expense.
- Flow-related costs are further allocated between four surface type categories based on cost weighted average run-off.
- A unit rate for account costs and for each surface type is developed based on the total number of accounts and square footage of land surface by type citywide.
- Rates are developed for each customer class by applying the surface type unit rates to the typical surface type composition for each tier.

Drainage Allocation Classifications

Drainage rates are composed of four distinct components, in addition to the account rate: impervious surface rate, managed grass rate, unmanaged grass rate, and good forest rate. Total flow-related expense is allocated based on the cost of managing the run-off from any given surface type.

The amount of run-off from any given parcel depends on the type of surface it contains. Impervious surface absorbs less run-off than pervious, or porous surface, and therefore generates more stormwater run-off during a given storm event. Likewise, pervious surface with significant ground and tree cover will generate less run-off than a highly managed pervious surface such as a lawn. The more intense the storm, the greater the run-off for all surface types.

Impervious surface is hard or compacted surface from which most water runs off when exposed to rainwater. Common impervious surfaces include roof tops, concrete or asphalt paving, compact gravel and packed earth.

Pervious managed grass is the most common type of pervious area in the City and includes such surfaces as lawns, landscaped parks, and golf courses. Managed grass absorbs nearly all rainwater during average storms but produces increasing amounts of run-off with more intense storm events due to its greater soil compaction.

The last two types of pervious area, woods and unmanaged grass and good forest, are vegetated surfaces of a specific types such as forests or non-forested land that are in the natural progression back to a forested state. This category includes large undeveloped areas in places such as Seward Park, Carkeek Park, and various greenbelts throughout the City. These surface types perform similarly to

managed grass during average storm events but infiltrate significantly more rainwater during more intense storms.

To determine the cost of managing the run-off from any given surface type, SPU looked at two factors:

- The expected volume of run-off from each surface type during differing intensities of storms
- The cost of O&M and infrastructure oriented towards the management of the run-off during each of these storm events

The revenue requirement for account and each surface type is derived by multiplying the cost weighted run-off percentages by the revenue requirement. See Appendix E for the step-by-step calculation underlying the cost share percentages. The cost class allocations are used in the development of drainage rates for each customer tier.

Table 5-1: Revenue Requirement Allocation by Type

	2022	2023	2024
Account	\$2.4	\$2.6	\$2.7
Impervious	144.8	153.7	162.9
Pervious – Managed Grass	27.6	29.3	31.1
Pervious – Woods and Unmanaged Grass	2.4	2.5	2.6
Pervious – Good Forest	0.8	0.8	0.9
Total Revenue Requirement	\$177.9	\$188.9	\$200.2

(\$ in millions)

Drainage Rate Design

Drainage customer bills are intended to recover the cost of service associated with managing the stormwater run-off from individual parcels. In the first part of this chapter, SPU defines the cost of service associated with managing the run-off from different land surface types and with account-related services. The following steps are required to develop drainage rates which assign these costs to individual customer parcels:

- Define customer classes and rate tiers for parcels with similar surface type characteristics (and therefore similar costs of service)
- Develop unit rates for each surface type and account classification
- Determine an average customer land composition profile for each rate tier
- Apply the surface type and account unit rates to applicable profile factors for each tier

Customer Classes and Tiers

Small Residential

Small residential customers with billable areas less than 10,000 square feet are homogeneous in terms of surface cover, which makes property size the key determinant of parcel stormwater flow contribution. Small residential customers are assigned to one of five size-based categories, each representing a range of total area (e.g., 3,000 to 4,999 square feet).

Large Residential and General Service

Large single family and duplex parcels 10,000 square feet or greater ("large residential") and general service parcels (all sizes), pay a unit rate (per 1,000 square feet of billable area) based on their actual property characteristics (percent impervious and parcel size) rather than category averages. There is too much variation between these properties in terms of parcel size and surface characteristics to be fairly captured by a flat rate structure like that applied to small residential customers. SPU has five impervious surface-based rate categories. Each category represents a range of impervious surface (e.g., 66-85% impervious).

General service and large residential parcels which contain significant amounts of highly pervious (absorbent) area, such as forested land or other unmanaged vegetated areas such as pasturelands and meadows, and which are composed of no more than 65% impervious area, may also qualify for discounted low impact rates. Parcels with these surface types generate significantly less stormwater run-off than parcels with similar amounts of impervious surface but whose pervious area is less absorbent (e.g., a highly managed lawn).

Account and Surface Type Unit Rates

Unit rates for each surface type and for account-allocated expense are calculated as described below.

Surface Type Rates

Unit rates are calculated by dividing the expense allocated to each surface type by the total citywide area for that surface type (as expressed in thousands of square feet). Area by surface type is collected from aerial photos in the City's Geographic Information System (GIS). This same data source is used to identify the area of each surface type for each city parcel, used for drainage billing purposes.

Table 5-3 presents the area units and calculated unit rates for each surface type.

Table 5-2: Surface Type Unit Rates

	Area (1,0000 sqft)	2022	2023	2024
Impervious	792,533	\$182.7	\$193.9	\$205.6
Pervious - Managed Grass	655,429	\$42.1	\$44.7	\$47.4
Pervious - Woods and Unmanaged Grass	105,430	\$22.3	\$23.7	\$25.1
Pervious - Good Forest	54,603	\$14.6	\$15.5	\$16.4

Account Rates

Account expense is driven by the number of customers rather than by the volume of run-off. To determine these rates, the account-allocated component of the revenue requirement is first assigned to small residential and general service/large residential customer groups based on an 80/20 split of the total number of parcels in each group and then divided by the billing units for each group.

Table 5-4: Account Unit Rates

	Units	2022	2023	2024
General Service	847,256 sqft	\$ 0.92	\$ 0.98	\$ 1.04
Small Residential	145,837 Parcels	\$ 10.90	\$ 11.57	\$ 12.26

Surface Type Profile by Tier

Drainage bills for each customer are intended to reflect the cost of managing the run-off from that parcel. Each tier rate is composed of a flow and an account component. Both components reflect the average cost for a tier composed of properties with similar characteristics.

The flow component of each tier rate is based on the average percentage of total area attributable to each surface type, as calculated using GIS data for individual parcels assigned to a given tier. For small residential customers, averages are based on a random sample of properties assigned to each flat rate tier. For general service and large residential customers, the percentages are based on citywide GIS data for all parcels assigned to a given tier.

Table 5-5 presents the average land cover profile by tier used to calculate the flow component of the tier drainage rate.

Table 5-5: Surface Type Average Profile by Tier (sq. ft)

		Woods &	Unmanaged	Good	Impervious	Total
		Grass	Grass	Forest	impervious	TOtal
Small Residential						
< 2000 sq. ft.		5,663	0	0	16,119	21,783
2000-2999 sq. ft.		6,744	0	0	11,003	17,747
3000-4999 sq. ft		88,492	0	0	88,492	176,985
5000-7999 sq. ft		153,876	1,023	326	137,652	292,876
8000-9999 sq. ft.		127,008	3,040	1	86,700	216,749
General Service/L	arge Resident	ial				
Undeveloped	Regular	63,546	4,003	1,532	6,605	75,686
	Low Impact	31,392	66,976	46,339	5,746	150,452
Light	Regular	63,035	7,495	662	26,699	97,890
	Low Impact	11,291	11,906	4,145	7,121	34,463
Moderate	Regular	61,706	6,472	554	69,908	138,640
	Low Impact	3,774	3,067	1,007	5,049	12,896
Heavy		28,873	1,338	37	93,886	124,134
Very Heavy		10,030	111	0	237,554	247,694

Rate Calculation by Tier

The rate assigned to each customer tier is equal to the sum of a flow component and an account component.

For all customers, the flow component of the rate is calculated by multiplying the surface type rates (Table 5-4) by the average area assumptions for the tier found in Table 5-5. The formula for this calculation is as follows:

Where:

- IA=Tier average impervious area
- I\$=Impervious surface rate per 1,000 sq. ft.
- MGA=Tier average managed grass area
- MG\$=Managed grass surface rate per 1,000 sq. ft.
- UMGA=Tier average unmanaged grass area
- UMG\$=Unmanaged grass surface rate per 1,000 sq. ft.
- GF=Tier average good forest area
- GF\$=Good Forest surface rate per 1,000 sq. ft.

The account component for small residential customers is the same flat rate per customer. For general service and large residential customers, the account rate is multiplied by parcel area.

The proposed rates presented in Table 5-6 are equal to the sum of the flow component, for the system and treatment rates, and the account component, for the system rate only, for each tier. Small residential tiers are based on a flat rate per parcel; all other parcels are based on area.

Table 5-6: Proposed Drainage Rates

		2022			2023			2024	
	Treatment	System	Rate	Treatment	System	Rate	Treatment	System	Rate
Small Residential									
< 2000 sq. ft.	\$12.83	\$191.38	\$204.21	\$13.92	\$202.85	\$216.77	\$14.73	\$215.11	\$229.84
2000-2999	\$22.45	\$314.68	\$337.13	\$24.36	\$333.50	\$357.86	\$25.77	\$353.65	\$379.42
3000-4999 sq. ft	\$31.47	\$434.44	\$465.91	\$34.15	\$460.41	\$494.56	\$36.12	\$488.24	\$524.36
5000-7999 sq. ft	\$43.00	\$589.67	\$632.67	\$46.66	\$624.92	\$671.58	\$49.36	\$662.69	\$712.05
8000-9999 sq. ft.	\$54.43	\$743.56	\$797.99	\$59.07	\$788.00	\$847.07	\$62.48	\$835.63	\$898.11
General Service									
Undeveloped	\$3.65	\$50.03	\$53.68	\$3.96	\$53.03	\$56.99	\$4.19	\$56.23	\$60.42
Low Impact	\$2.09	\$29.02	\$31.11	\$2.27	\$30.75	\$33.02	\$2.40	\$32.61	\$35.01
Light	\$5.44	\$74.22	\$79.66	\$5.91	\$78.65	\$84.56	\$6.25	\$83.40	\$89.65
Low Impact	\$4.22	\$57.70	\$61.92	\$4.58	\$61.15	\$65.73	\$4.84	\$64.85	\$69.69
Moderate	\$7.74	\$105.13	\$112.87	\$8.40	\$111.41	\$119.81	\$8.89	\$118.14	\$127.03
Low Impact	\$6.24	\$84.96	\$91.20	\$6.78	\$90.03	\$96.81	\$7.17	\$95.47	\$102.64
Heavy	\$10.25	\$138.87	\$149.12	\$11.12	\$147.17	\$158.29	\$11.76	\$156.07	\$167.83
Very Heavy	\$12.23	\$165.60	\$177.83	\$13.28	\$175.49	\$188.77	\$14.04	\$186.10	\$200.14

King County Council has not adopted any rate increases beyond 2022; rates based on SPU internal projections of future increases

Other Drainage Credits and Discounts

Drainage bill discounts are available for property owners that help reduce the impact of stormwater on the City's system. Billing exemptions (which reduce the overall drainage bill) are also available for large natural areas that offer systemic benefits greater than those offered by other types of undeveloped lands or which clearly do not benefit from or impact the stormwater system.

A. Low Impact Rates

Discounts² of 19 to 41 percent are applied to the rate for undeveloped natural areas of 0.5 acres or greater containing sufficient amounts of qualifying "highly infiltrative" surface (i.e., forested areas, unmanaged grasslands, etc.). Certain athletic facilities with engineered designs that mimic the stormwater retention benefits of these large natural areas are also eligible for low impact rates.

B. Stormwater Facility Credit Program (SFCP)

This program offers credits of up to 50 percent for privately-owned systems that slow down stormwater flow and/or provide water quality treatment for run-off from impervious areas, thus lessening the impact to the City's stormwater system, creeks, lakes or Puget Sound.

² Relative to the rates for non-qualifying properties with like amounts of impervious surface.

Stormwater systems are structures such as vaults, rain gardens, permeable pavements and filtration systems. SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

C. Rainwater Harvest Credit

SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

D. Undeveloped Riparian Corridor Exemption

Developed riparian corridors³ with small buffers and bank armoring increase the risk of flooding and downstream property damage. In contrast, undeveloped riparian corridors with a sufficient buffer act as floodplains which allow creeks to expand during peak periods, mitigating downstream flood damage.

The discount assumes exemption of the entire 100-foot qualifying creek buffer from the parcel's billable area. Qualifying criteria for this exemption are found in SPU Director's Rule FIN-211.2.

E. Wetlands Exemption

Wetlands act like natural drainage systems, protecting and improving water quality and storing floodwaters which are slowly released over time. Wetlands also serve as an important habitat for fish and wildlife. Only wetlands of at least 1,000 square feet in area and with no development within the wetland area will be considered for this exemption.

An application is required to qualify for this exemption, including the provision of supporting documentation demonstrating that the wetland meets all required criteria, as defined in SPU Director's Rule FIN-211.3

F. Undeveloped Islands Exemption

This credit applies to undeveloped islands with less than ten percent impervious area. These islands do not benefit from, nor do they impact, the drainage system or surrounding receiving waters.

³ Riparian corridor is defined in SMC 25.09.020.B.5.A.

6. UTILITY DISCOUNT PROGRAM

The City assists qualified customers with discounted utility services. Customers may receive their discount in one of three ways: 1) as a credit to their SPU wastewater bill; 2) where no wastewater bill is received, as a credit to the customer's City Light bill; or 3) in the form of a credit voucher. The latter two options are typically applicable to renters who pay drainage, wastewater, and water utility fees indirectly as part of their rental payment. For customers who do not receive a wastewater bill, a fixed credit is calculated which is equal to 50 percent of a typical residential bill for the class of customer receiving the credit. See Table 6-1 for proposed discounts. Proposed credits do not include projected changes in the King County treatment rate. Increases in the treatment rate will result in increases to credits through the pass-through mechanism established by SMC 21.28.040.

Table 6-1: Utility Discount Program Credits

		Proposed	Proposed	Proposed
	Basis	2022	2023	2024
Wastewater				_
Customers Receiving				
SPU Bills		50% discount	off actual usage	
SCL Bills Only	50% disc	count of 'typical' c	customer class cor	nsumption
Single-Family	4.3 CCF	\$ 36.57	\$ 38.01	\$ 39.11
Multi-Family	3.0 CCF	\$ 25.52	\$ 26.52	\$ 27.29
Drainage (SPU and SCL)				
Typical Monthly Bill*		\$ 52.72	\$ 55.97	\$ 59.34
Single-Family	100%**	\$ 26.36	\$ 27.98	\$ 29.67
Duplex	50%**	\$ 13.18	\$ 13.99	\$ 14.83
Multi-Family	10.7%**	\$ 2.82	\$ 2.99	\$ 3.17

Note: Rates proposed in legislation do not include projected mid-term treatment rate adjustments

^{* &#}x27;Typical' residential parcel of 5,000 - 7,9999 sq. ft.

^{**} Ratio of 'typical' bill for customers in each discount class to 'typical' single-family parcel bill

APPENDIX A — FINANCIAL SUMMARY

Table A-1: Drainage and Wastewater Fund Financial Summary

	020 tuals	 021 oject	_	022 posed	_	023 posed)24 oosed
Operating Revenue							
Wastewater	\$ 300.7	\$ 311.4	\$	334.1	\$	351.2	\$ 363.4
Drainage	\$ 153.4	\$ 164.7	\$	174.5	\$	185.0	\$ 196.1
Other	\$ 6.2	\$ 6.3	\$	10.1	\$	10.4	\$ 10.7
Total Operating Revenue	\$ 460.3	\$ 482.4	\$	518.7	\$	546.7	\$ 570.2
Operating Expenses							
Treatment	\$ 166.6	\$ 165.5	\$	171.7	\$	186.0	\$ 196.6
O&M	\$ 158.5	\$ 137.8	\$	147.2	\$	153.5	\$ 161.8
City Taxes	\$ 54.3	\$ 57.8	\$	62.5	\$	65.9	\$ 68.7
State Taxes	\$ 6.5	\$ 6.7	\$	7.3	\$	7.6	\$ 7.8
Depreciation	\$ 337	\$ 34.5	\$	39.2	\$	39.1	\$ 39.3
Total Operating Expenses	\$ 385.9	\$ 402.3	\$	428.0	\$	452.1	\$ 474.3
Net Operating Income	\$ 74.4	\$ 80.1	\$	90.7	\$	94.6	\$ 95.9
Other Income (Expenses)							
Net Interest Expense	\$ -22.1	\$ (34.5)	\$	(32.9)	\$	(37.4)	\$ (40.3)
Other Non-Operating	\$ 9.9	\$ 5.6	\$	3.8	\$	3.0	\$ 2.6
Total Other Income (Expenses)	\$ -12.2	\$ (29.0)	\$	(29.1)	\$	(34.4)	\$ (37.7)
Grants and Contributions	\$ 21.7	\$ 15.7	\$	0.8	\$	0.8	\$ 0.8
Net Income (Loss)	\$ 83.9	\$ 66.9	\$	62.4	\$	60.9	\$ 59.0

(\$ millions)

APPENDIX B — DWF COST ASSIGNMENT DETAIL

Drainage and Wastewater Cost Assignment Methodology

SPU conducted its last review of DWF cost assignment factors in 2021, using 2020 actual data. Those factors were used to determine the 2022-2024 drainage and wastewater system cost of service.

This rate study uses the methodology described below for assigning operating expenses between drainage and wastewater lines of business. The cost assignment methodology is consistent with that of the rate studies used to propose rates for 2004 through 2021. The current rate study uses 2020 actual labor expense as the basis for labor related cost splits. Consistent use of actual expense over time helps to minimize errors in cost assignment resulting from variations between actual and budgeted spending.

DWF Operating Expenses are grouped into three categories:

Direct Operating Expense

Some expenses are assigned 100 percent to the applicable line of business (e.g., drainage billing administration). The majority of shared direct operating expenses are assigned based on actual direct labor expenses of an identified proxy. For example, most regulatory direct operating expense is related to water quality and combined sewer overflow (CSO) issues. Therefore, these activities are assigned based on actual direct labor expense for a subset of water quality and CSO-related capital and operating activities. The use of a programmatic proxy is useful in capturing any shifts in the focus of regulatory support over time.

Management estimates are used to identify the cost assignment factors for a limited number of activities. The bulk of activities using management estimates are related to billing and customer service activities. SPU is responsible for wastewater billing and for drainage and wastewater customer service.⁴ Management estimates are used to identify labor effort associated with the support of each line of business for a targeted subset of customer service budgeted activities.

Administration

Except for Project Delivery and Engineering (PDE), the cost assignment of all general management expense is based on the sum of actual direct labor expenses for direct operating activities. Administrative expense for PDE is assigned based on actual direct labor expense charged to capital projects by each division.

This methodology creates a direct link between administrative functions and the activities they support. In addition, this methodology provides a consistent mechanism for updating administration cost assignment from year to year in case the programmatic focus changes.

⁴ King County administers billing for drainage.

General and Administrative Expense

Finance, Accounting, and Risk Management (FARS) expense is assigned based on the sum of actual direct labor expense for all direct operating and administrative activities which charge to the DWF budget.

Cost Assignment Factor

The DWF total operating budget for each operating activity is divided between the wastewater and drainage lines of business using cost assignment factors. These factors represent the typical amount of support provided to each line of business in carrying out a specific type of activity. Therefore, drainage and wastewater each receive their proportional shares of activities.

APPENDIX C — COMPARATIVE RATES

The following tables compare 2021 City of Seattle drainage and wastewater fees to those of other regional utilities.

2021 Typical Monthly Drainage Bill -- Single-Family Residence SEATTLE (WA) Portland (OR) Bellevue (WA) Tacoma (WA) Kirkland (WA) Everett (WA) Redmond (WA) Issaquah (WA) \$0 \$20 \$100 \$10 \$30 \$40 \$50 \$60 \$70 \$80 \$90

Figure C-1: Monthly Drainage Bill Comparison - Typical Single-Family Residence

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

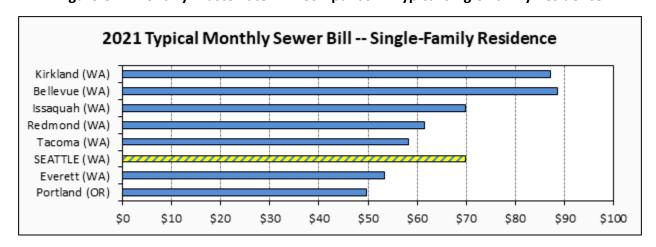


Figure C-2: Monthly Wastewater Bill Comparison - Typical Single-Family Residence

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

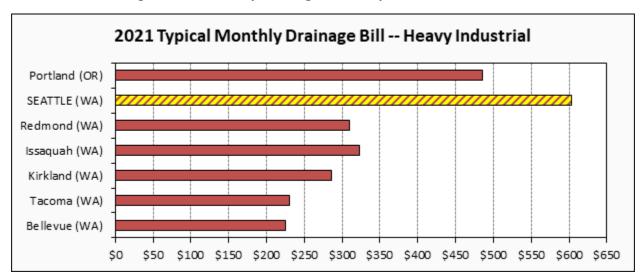


Figure C-3: Monthly Drainage Bill Comparison - Commercial

Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

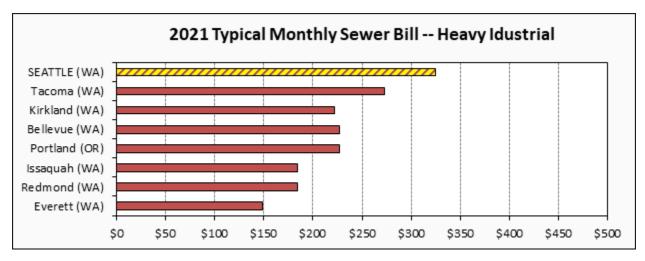


Figure C-4: Monthly Wastewater Bill Comparison - Commercial

Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

APPENDIX D— DRAINAGE COST ALLOCATION DETAIL

Run-off is a factor of area and run-off coefficients. Run-off coefficients, or flow factors, represent a mathematical calculation of the portion of rainfall that becomes direct run-off during a storm event. For example, a 0.35 co-efficient means that 35 percent of the rain falling on a particular surface ends up as run-off, while 65 percent is infiltrated.

Flow factors for a particular surface type will vary depending on the underlying storm assumptions. Storms are classified by intensity (how many inches of rain fall in a given time), duration (how long the storm lasts), and recurrence interval. Storms which occur more frequently (e.g., once 2 years) are considered to be less severe than storms with higher recurrence intervals (e.g., a 25-year storm).

The infrastructure and operation and maintenance expenses of the drainage system are oriented to the frequency of storm events, as noted below.

- 25-year events. The flood management service goal is to prevent flooding of private property in 25-year storm events, defined as the maximum rainfall received in 24 hours for the largest storm expected over a 25-year period. This means that pipes and some other portions of the drainage system designed for peak storm events must be sized to manage these 25-year volumes.
- 2-year events. The regulatory goal for combined sewer overflows is an average of not more than one overflow per site per year. In practice, this means controlling CSOs in a 2-year event, defined as the rainfall that would be received in a recurrence of the second-largest storm in one year during the period of record. Both the King County treatment system and Seattle's Drainage and Wastewater Utility have incurred substantial CSO control costs and expect to continue to incur them in the future.
- 6-month events. Water quality infrastructure focuses on high-frequency events, defined as storms that occur on average twice per year. These investments are an increasingly significant portion of infrastructure costs as water quality regulations become more stringent and Seattle moves to reduce impacts on creeks and other receiving waters.
- Average storm events. A variety of the remaining SPU drainage assets and activities, ranging from Customer Service to general operations, are not associated with any of the preceding significant storm events, but are designed to serve the overall needs of the drainage system and its customers. These are assigned based on average storm events, defined as the average of all storm events over the course of a year.

Surface Type Cost Share Definition Methodology

The following steps are used to determine the percentage of total flow related expense to be allocated to each surface area type.

Step 1: Identify run-off coefficients and area for each surface type city wide.

Run-off coefficients and surface type area are the inputs used to calculate total run-off by surface type for each storm event.

Table D-1 presents the run-off coefficients assumed for the four storm events underlying surface type flow calculation.

Table D-1: Run-off Coefficients by Surface Type and Storm Event

Confere Tona	25 V Ch	2-Year	6-Month	Average
Surface Type	25-Year Storm	Storm	Storm	Storm
Impervious	0.925	0.890	0.848	0.613
Pervious - Managed Grass	0.564	0.433	0.314	0.022
Pervious - Woods and				
Unmanaged Grass	0.349	0.214	0.114	0.021
Pervious - Good Forest	0.249	0.127	0.048	0.020

Run-off coefficients represent the percentage of rainfall which results in stormwater run-off. A run-off coefficient of 0.56 means that 56 percent of the rainfall landing on a surface ends up as run-off while the remaining 44 percent is infiltrated into the ground or cracks. The table above demonstrates that impervious surface has the most amount of run-off under all storm events, but that run-off increases for ALL surface types with an increase in the intensity of the storm.

Table D-2 provides a summary of area by surface type for the City of Seattle. These area calculations were derived from aerial photos present in the City's GIS system.

Table D-2: Square Footage by Surface Type (City of Seattle)

Surface Type	Sq. Ft	% of Total
Impervious	792,533,331	49%
Pervious - Managed Grass	655,429,445	41%
Pervious - Woods and Unmanaged Grass	105,430,165	7%
Pervious - Good Forest	54,602,936	3%
Total	1,607,995,877	100%

Step 2: Calculate run-off for each surface type for each storm event

In Table D-3, the run-off coefficients found in Table D-1 are multiplied by the applicable surface type square footage to calculate total run-off by surface type and storm event. Table D-3 presents this data in both flow-units and as a percentage of total flow for each storm event.

Table D-3: Run-off Volumes by Surface Type

	25-Year Storm		2-Year Storm		6-Month Storm		Average Storm	
Surface Type	Flow Units	% of Flow	Flow Units	%	Flow Units	%	Flow Units	%
Impervious	733,093,331	64%	705,354,664	69%	672,068,264	75%	485,822,932	96%
Pervious - Managed Grass	369,662,207	32%	283,800,950	28%	205,804,846	23%	14,419,448	3%
Pervious - Woods & Grass	36,795,128	3%	22,562,055	2%	12,019,039	1%	2,214,033	0%
Pervious - Good Forest	13,596,131	1%	6,934,573	1%	2,620,941	0%	1,092,059	0%
Total	1,153,146,797	100%	1,018,652,242	100%	892,513,090	100%	503,548,472	100%

Step 3: Determine Cost Weights for Each Storm Event

To develop a single percentage of total cost represented by each storm event, the total flow percentages for each storm event found in Table D-3 are weighted by the percent of total drainage system expense associated with managing each storm event.

The first step in determining cost weights by storm event is to assign pre-tax flow expense to storm event categories. Most capital expense and O&M infrastructure maintenance expense is allocated to the storm event(s) which the associated infrastructure is designed to manage, except for pipe expense which is allocated between storm events using an incremental cost approach. Flow allocated expenses not directly related to a specific type of infrastructure are typically assigned to the Average Storm event.

Table D-4 presents actual pre-tax flow expense by category. The cost weights by storm event found at the bottom of the table represent the percent of total expense associated with each storm event.

Table D-4: Pre-Tax Flow Expense by Storm Event

	25 Year	2 Year	6 Month	Avg Storm	Total
Category					
SPU CSOs Assets	\$0	\$0	\$0	\$0	\$0
Pipe Assets	\$0	\$0	\$0	\$0	\$0
WQ Assets	\$0	\$0	\$0	\$0	\$0
Other Assets	\$40,057	\$67,366	\$67,159	\$73,602	\$248,184
TOTAL CAPITAL	\$40,057	\$67,366	\$67,159	\$73,602	\$248,184
O&M-Treatment	\$0	\$32,974	\$0	\$0	\$32,974
O&M Other	\$15,215	\$11,016	\$14,313	\$148,305	\$188,850
TOTAL O&M	\$15,215	\$43,990	\$14,313	\$148,305	\$221,824
TOTAL PRE-TAX EXPENSE	\$55,272	\$111,356	\$81,472	\$221,908	\$470,008
Cost Weight by Storm Event	11.8%	23.7%	17.3%	47.2%	100.0%

Step 4: Determine Flow-Based Cost Shares by Surface Type

By applying the applicable storm event cost weight from Table D-4 to the percentage of flow represented by each surface type under each design storm scenario (found in Table D-3), SPU can calculate a cost weighted run-off share for each surface type. These shares are used to allocate the flow-based revenue requirement between different surface types in the development of surface type rates, as further described in the chapter "Drainage Cost Allocation."

Table D-5: Flow-Based Cost Share by Surface Type

Surface Type	Cost Share
Impervious	82.5%
Pervious - Managed Grass	15.7%
Pervious - Woods and Unmanaged Grass	1.3%
Pervious - Good Forest	0.5%



Updating Water, Drainage, and Wastewater Rates

July 21, 2021



Agenda

- Strategic Business Plan (SBP) Update
- Water
 - Updates to Strategic Business Plan
 - Rate Proposal Changes
- Wastewater & Drainage
 - Updates to Strategic Business Plan
 - Rate Proposal Changes

Endorsed Rate Path - Strategic Business Plan

		Rate	Path		Rate Forecast			
	2021	2022	2023	2024	2025	2026	Average	
Water	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%	
Wastewater	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%	
Drainage	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%	
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%	
Combined	4.5%	3.9%	5.0%	2.2%	5.4%	4.2%	4.2%	

Approved rate legislation currently in effect



Strategic Business Plan - Proposed Rates

Six-year average rate path lowered from 4.2% to 3.9%.

		Rate	Path		Rate Forecast		
	2021	2022	2023	2024	2025	2026	Average
Water	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%
Wastewater	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.0%	3.8%	3.5%	4.3%	4.0%	3.9%

Approved rate legislation currently in effect

Proposed rate legislation

Single Family Residential Bill Comparison

Savings	\$0	-\$2.56	-\$5.30	-\$2.16	-\$4.80	-\$5.59
Proposed Rate Update	\$222.62	\$229.47	\$238.49	\$247.34	\$258.16	\$268.92
Strategic Business Plan	\$222.62	\$232.03	\$243.79	\$249.50	\$262.96	\$274.51
_	2021	2022	2023	2024	2025	2026



Proposed Water Rates

		Propos	ed Rate				
		Pa	th	Rat	te Forec	ast	_
	2021	2022	2023	2024	2025	2026	Average
SBP Rate Path	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%
Rate Proposal	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%

Water Rates - Updates since Strategic Business Plan

Capital Financing

Savings from 2021 bond issue, including refunding and defeasance

Non-Retail Rate Revenue

- Adjusted wholesale revenue projections
- Non-operating revenue reduced to reflect more conservative development forecast

Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program





Proposed Drainage & Wastewater Rates

		Proposed Rate Path			Rate Fo	recast	_
	2021	2022	2023	2024	2025	2026	Average
Wastewater SBP Rate Path	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%
Wastewater Rate Proposal	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage SBP Rate Path	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%
Drainage Rate Proposal	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%

Drainage & Wastewater Rates - Updates since Strategic Business Plan

Capital Financing

Savings from 2021 bond issue, including refunding and defeasance

Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

King County Wastewater Treatment Rate

Updated for adopted and projected rate schedule

	2022	2023	2024	2025	2026
SBP	4.5%	0%	10.25%	0%	10.25%
Proposed	4.0%	4.0%	4.0%	5.0%	5.0%



Regulatory Drivers - Ship Canal Project

 As part of the Consent Decree, the Ship Canal Water Quality Project is the largest and most expensive project ever undertaken by the City.

	Proposed Rate Path				
Wastewater	2022	2023	2024		
Consent Decree-Related	0.5%	0.5%	0.5%		
Remaining	1.5%	3.4%	2.4%		
Rate Proposal	2.0%	3.9%	2.9%		
Drainage					
Consent Decree-Related	2.0%	2.0%	2.0%		
Remaining	4.0%	4.2%	4.0%		
Rate Proposal	6.0%	6.2%	6.0%		

Strategic Business Plan - Proposed Rates

		Rate	Path				
	2021	2022	2023	2024	2025	2026	Average
Water	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%
Wastewater	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.0%	3.8%	3.5%	4.3%	4.0%	3.9%

Approved rate legislation currently in effect

Proposed rate legislation



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: CB 120130, Version: 1

CITY OF SEATTLE

ORDINANCE	
COUNCIL BILL	

AN ORDINANCE relating to rates and charges for water services of Seattle Public Utilities; revising water rates and charges, and credits to low-income customers; and amending Sections 21.04.430, 21.04.440, and 21.76.040 of the Seattle Municipal Code.

WHEREAS, Seattle Public Utilities recently completed a rate study incorporating guidance of its adopted 2021

-2026 Strategic Business Plan; and

WHEREAS, Seattle City Council adopted the 2021-2026 Strategic Business Plan in Resolution 32000; and WHEREAS, the Cities of Burien and Mercer Island have imposed revenue taxes on water utilities; and WHEREAS, the water rates authorized by this ordinance are consistent with the general rate-making policies set forth in Resolution 30742, adopted March 28, 2005; and

WHEREAS, credits for qualified low-income customers should be revised when water rates change; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 21.04.430 of the Seattle Municipal Code, last amended by Ordinance 125444, is amended as follows:

21.04.430 Rates inside The City of Seattle

All water used inside the City for domestic and commercial purposes shall be supplied by meter only at the following rates and charges. Seasonal rates shall be prorated. For usage representing fractional parts of a month, the base service charge and all components of the commodity charge shall be prorated using a 30-day month. The additional cost of funding the Revenue Stabilization Subfund shall be specifically indicated in the billings.

Seattle Public Utilities shall continue to incorporate arts funding into its capital projects constructed within the municipal boundaries of the City at the one percent level; however, the department shall not be permitted to fund any such program from the Water Fund on any capital project outside the City limits.

A. Residential. The rates for metered water supplied to single-family and duplex residences within the City in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

Schedule WIR. Schedule WIR is for all single-family and duplex residences within the city except those billed on Schedule WIRM.

Commodity Charge per 100 Cubic Feet

	((Effective January 1, 2017		January	Effective January 1, 2020	Effective January 1, 2022	Effective January 1, 2023	
Summer (May 16th-Septe	ember 15th)						
First 500 cubic feet per residence	((\$5.29	\$5.33	\$5.41))	\$5.55	<u>\$5.71</u>	<u>\$5.92</u>	
Next 1,300 cubic feet per residence	((\$6.54	\$6.59	\$6.69))	\$6.86	<u>\$7.06</u>	<u>\$7.32</u>	
All over 1,800 cubic feet per residence	((\$11.80	\$11.80	\$11.80))	\$11.80	<u>\$11.80</u>	\$11.80	
Winter (September 16th-May 15th)							
All usage	((\$5.15	\$5.20	\$5.27))	\$5.40	<u>\$5.56</u>	<u>\$5.76</u>	

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January	January 1,	January	<u>January</u>	<u>January</u>
	2017	1, 2018	2019))	1, 2020	<u>1, 2022</u>	<u>1, 2023</u>
3/4 inch and less	((\$15.15	\$16.10	\$17.15))	\$18.45	<u>\$19.00</u>	<u>\$19.60</u>
1 inch	((\$15.60	\$16.60	\$17.70))	\$19.00	<u>\$19.60</u>	\$20.20
1 1/2 inch	((\$24.10	\$25.60	\$27.25))	\$29.35	\$30.20	\$31.15
2 inch	((\$26.65	\$28.35	\$30.20))	\$32.50	<u>\$33.45</u>	\$34.50
3 inch	((\$98.80	\$104.95	\$111.80))	\$120.30	\$123.90	\$127.80

File #: CB 120130, Version: 1

4 inch and larger	((\$141.50	\$150.40	\$160.20))	\$172.35	<u>\$177.45</u>	<u>\$183.05</u>

Schedule WIRM. Schedule WIRM is for single-family and duplex residences within the City in which one or more persons require medical life support equipment which uses mechanical or artificial means to sustain, restore or supplant a vital function, and which uses a disproportionate amount of water.

Commodity Charge per 100 Cubic Feet

	((Effective January 1, 2017			Effective Jar 2020	Effective Jar 2022	Effective Jar	
ummer (May 16th-September 15th)							
First 500 cubic feet per residence	((\$5.29	\$ 5.33	\$5.41))	\$5.55	<u>\$5.71</u>	\$5.92	
All over 500 cubic feet per residence	((\$6.5 4	\$6.59	\$6.69))	\$6.86	<u>\$7.06</u>	\$7.32	
Winter (September 16th-May 15th)							
All usage	((\$5.15	\$ 5.20	\$ 5.27)	\$5.40	<u>\$5.56</u>	\$5.76	

Base Service Charge Per Month

Meter Size	January 1,	January 1,			January 1,	Effective January 1, 2023
3/4 inch and less	((\$15.15	\$16.10	\$17.15))	\$18.45	\$19.00	\$19. <u>60</u>
1 inch	((\$15.60	\$16.60	\$17.70))	\$19.00	<u>\$19.60</u>	\$20.20
1 1/2 inch	((\$24.10	\$25.60	\$27.25))	\$29.35	\$30.20	\$31.1 <u>5</u>
2 inch	((\$26.65	\$28.35	\$30.20))	\$32.50	\$33.45	\$34.50
3 inch	((\$98.80	\$104.95	\$111.80))	\$120.30	\$123.90	\$127.80
4 inch and larger	((\$141.50	\$150.40	\$160.20))	\$172.35	<u>\$177.45</u>	\$183.0 <u>5</u>

1. Master ((Metered Residential Development: Multiple Parcels)) metered residential development: multiple parcels. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property and which use water primarily to serve singlefamily, detached residences on at least two separate legal parcels, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

Commodity Charge per 100 Cubic Feet

File #: CB 120130, Version: 1

	((Effective January 1, 2017	January 1,		January 1,	Effective January 1, 2022	Effective January 1, 2023	
Summer (May 16th-Septem	ber 15th)						
First 500 cubic feet per residence	((\$5.29	\$5.3 3	\$5.41))	\$5.55	<u>\$5.71</u>	<u>\$5.92</u>	
Next 1,300 cubic feet per residence	((\$6.54	\$6.59	\$6.69))	\$6.86	<u>\$7.06</u>	\$7.32	
All over 1,800 cubic feet per residence	((\$11.80	\$11.80	\$11.80))	\$11.80	<u>\$11.80</u>	<u>\$11.80</u>	
Winter (September 16th-May 15th)							
All usage	((\$5.15	\$5.20	\$5.27))	\$5.40	<u>\$5.56</u>	\$5.7 <u>6</u>	

Base Service Charge Per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	January 1,	January 1,
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
1 1/2 inch	((\$24.10	\$25.60	\$27.25))	\$29.35	\$30.20	\$31.1 <u>5</u>
2 inch	((\$26.65	\$28.35	\$30.20))	\$32.50	\$33.45	\$34.50
3 inch	((\$98.80	\$104.95	\$111.80))	\$120.30	\$123.90	\$127.80
4 inch	((\$141.50	\$150.40	\$160.20))	\$172.35	<u>\$177.45</u>	\$183.0 <u>5</u>
6 inch	((\$174.10	\$185.05	\$197.10))	\$212.00	\$218.00	\$225.00
8 inch	((\$205.00	\$218.00	\$232.00))	\$250.00	\$257.00	\$265.00
10 inch	((\$297.00	\$297.00	\$297.00))	\$305.00	\$314.00	\$324.00
12 inch	((\$402.00	\$402.00	\$402.00))	\$412.00	\$424.00	\$437.00
16 inch	((\$477.00	\$477.00	\$477.00))	\$477.00	\$477.00	\$491.00
20 inch	((\$614.00	\$614.00	\$614.00))	\$614.00	<u>\$614.00</u>	<u>\$614.00</u>
24 inch	((\$771.00	\$771.00	\$771.00))	\$771.00	<u>\$771.00</u>	<u>\$771.00</u>

B. General ((Service)) service. The rates for metered water supplied to houseboats and premises other than single-family, duplex residences, and master-metered residential developments within the City in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge in accordance with the following schedule:

Commodity Charge per 100 Cubic Feet

File #: CB 120130, Version: 1

	_	January 1,	January 1,	January 1,	January 1,	Effective January 1, 2023		
Summer (May 16th-September 15th)								
All usage	((\$6.5 4	\$6.59	\$6.69))	\$6.86	<u>\$7.01</u>	<u>\$7.27</u>		
Winter (September 16th-May 15th)								
All usage	((\$5.15	\$5.20	\$5.27))	\$5.40	\$5.52	\$5.72		

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	<u>January 1,</u>	<u>January 1,</u>
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
3/4 inch and less	((\$15.15	\$16.10	\$17.15))	\$18.45	<u>\$18.85</u>	<u>\$19.55</u>
1 inch	((\$15.60	\$16.60	\$17.70))	\$19.00	\$19.4 <u>5</u>	\$20.1 <u>5</u>
1 1/2 inch	((\$24.10	\$25.60	\$27.25))	\$29.35	\$29.9 <u>5</u>	\$31.10
2 inch	((\$26.65	\$28.35	\$30.20))	\$32.50	\$33.20	\$34.40
3 inch	((\$98.80	\$104.95	\$111.80))	\$120.30	\$122.90	<u>\$127.45</u>
4 inch	((\$141.50	\$150.40	\$160.20))	\$172.35	\$176.0 <u>5</u>	\$182.60
6 inch	((\$174.10	\$185.05	\$197.10))	\$212.00	\$217.00	\$225.00
8 inch	((\$205.00	\$218.00	\$232.00))	\$250.00	\$255.00	\$264.00
10 inch	((\$297.00	\$297.00	\$297.00))	\$305.00	\$312.00	\$323.00
12 inch	((\$402.00	\$402.00	\$402.00))	\$412.00	\$421.00	\$436.00
16 inch	((\$477.00	\$477.00	\$477.00))	\$477.00	\$477.00	\$490.00
20 inch	((\$614.00	\$614.00	\$614.00))	\$614.00	<u>\$614.00</u>	<u>\$614.00</u>
24 inch	((\$771.00	\$771.00	\$771.00))	\$771.00	<u>\$771.00</u>	<u>\$771.00</u>

C. Fire ((Service)) service

1. Fire ((Hydrants)) hydrants. The rates for fire hydrants, including test water and water used to extinguish fires, shall be deemed service charges and shall be for any one year, or fractional part thereof, as follows:

Hydrant Type	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	<u>January</u>	<u>January</u>
	2017	2018	2019))	2020	<u>1, 2022</u>	<u>1, 2023</u>
Hydrants on 4 inch or smaller mains	((\$202.43	\$304.52	\$310.68))	\$321.20	\$503.9 <u>5</u>	\$521.70
Hydrants on 6 inch or larger mains	((\$491.53	\$548.49	\$559.59))	\$578.53	<u>\$669.04</u>	\$692.60

2. Metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

Service Charge per Month

Service Size	((Effective January 1,	Effective January 1,	Effective January 1,	Effective January 1,
	2017	2018	2019))	2020
2 inch and less	((\$16.25	\$16.25	\$17.25))	\$17.75
3 inch	((\$21.00	\$21.00	\$22.00))	\$23.00
4 inch	((\$39.00	\$39.00	\$41.00))	\$43.00
6 inch	((\$66.00	\$66.00	\$71.00))	\$73.00
8 inch	((\$105.00	\$105.00	\$112.00))	\$115.00
10 inch	((\$152.00	\$152.00	\$161.00))	\$166.00
12 inch	((\$222.00	\$222.00	\$235.00))	\$242.00

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional \$20((.00)).

Size of Service	Monthly Allowance
2 inch and less	100 cubic feet
3 inch	500 cubic feet
4 inch	500 cubic feet
6 inch	500 cubic feet
8 inch	1,000 cubic feet
10 inch	1,000 cubic feet
12 inch	1,000 cubic feet

Section 2. Section 21.04.440 of the Seattle Municipal Code, last amended by Ordinance 125662, is amended as follows:

21.04.440 Rates outside The City of Seattle

Except as otherwise provided in this Chapter 21.04, the rates and charges for water supplied to customers located outside The City of Seattle shall be as specified in this Section 21.04.440. Seasonal rates shall be

prorated. For usage representing fractional parts of a month, the base service charge and all components of the commodity charge shall be prorated using a 30-day month.

A. Residential. The rates for metered water supplied to single-family and duplex residences except for those located in the cities of Shoreline and Lake Forest Park and those served under the terms of a wholesale contract, in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

Schedule WOR. Schedule WOR is for all single-family and duplex residences except those billed on Schedule WORM.

Commodity Charge per 100 Cubic Feet

	January 1,	January 1,	January 1,			Effective January 1, 2023
Summer (May 16th-Septe	mber 15th)					
First 500 cubic feet per residence	((\$6.03	\$6.08	\$6.17))	\$6.33	<u>\$6.51</u>	<u>\$6.75</u>
Next 1,300 cubic feet per residence	((\$7.46	\$7.51	\$7.63))	\$7.82	<u>\$8.05</u>	\$8.34
All over 1,800 cubic feet per residence	((\$13.45	\$13.45	\$13.45))	\$13.45	<u>\$13.45</u>	<u>\$13.45</u>
Winter (September 16th-N	May 15th)					
All usage	((\$5.87	\$5.93	\$6.01))	\$6.16	<u>\$6.34</u>	<u>\$6.57</u>

Base Service Charge per Month

Meter Size	~				_	Effective January 1,
	• ,		• ,		2022	2023
3/4 inch and less	((\$17.25	\$18.35	\$19.55))	\$21.05	<u>\$21.65</u>	<u>\$22.35</u>
1 inch	((\$17.80	\$18.90	\$20.20))	\$21.65	\$22.3 <u>5</u>	\$23.0 <u>5</u>
1 1/2 inch	((\$27.45	\$29.20	\$31.05))	\$33.45	<u>\$34.45</u>	\$35.50
2 inch	((\$30.40	\$32.30	\$34.45))	\$37.05	\$38.1 <u>5</u>	\$39.3 <u>5</u>
3 inch	((\$112.65	\$119.65	\$127.45))	\$137.15	<u>\$141.25</u>	\$145.70
4 inch and larger	((\$161.30	\$171.45	\$182.65))	\$196.50	\$202.30	<u>\$208.70</u>

Schedule WORM. Schedule WORM is for single-family and duplex residences in which one or more persons require medical life support equipment which uses mechanical or artificial means to sustain, restore, or supplant a vital function, and which uses a disproportionate amount of water.

Commodity Charge per 100 Cubic Feet

			January 1,	January 1,	January 1,	Effective January 1, 2023
Summer (May 16th-Septem	iber 15th)					
First 500 cubic feet per residence	((\$6.03	\$6.08	\$6.17))	\$6.33	<u>\$6.51</u>	<u>\$6.75</u>
All over 500 cubic feet per residence	((\$7.46	\$7.51	\$7.63))	\$7.82	<u>\$8.05</u>	\$8.34
Winter (September 16th-Ma	ay 15th)					
All usage	((\$5.87	\$5.93	\$6.01))	\$6.16	<u>\$6.34</u>	<u>\$6.57</u>

Base Service Charge per Month

	January 1,	Effective January 1, 2018	January 1,			Effective January 1, 2023
3/4 inch and less	((\$17.25	\$18.35	\$19.55))	\$21.05	<u>\$21.65</u>	<u>\$22.35</u>
1 inch	((\$17.80	\$18.90	\$20.20))	\$21.65	\$22.35	\$23.05
1 1/2 inch	((\$27.45	\$29.20	\$31.05))	\$33.45	<u>\$34.45</u>	\$35.50
2 inch	((\$30.40	\$32.30	\$34.45))	\$37.05	\$38.1 <u>5</u>	\$39.3 <u>5</u>
3 inch	((\$112.65	\$119.65	\$127.45))	\$137.15	\$141.2 <u>5</u>	\$145.70
4 inch and larger	((\$161.30	\$171.45	\$182.65))	\$196.50	\$202.30	\$208.70

1. Master metered residential developments. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property and which use water primarily to serve single-family, detached residences on at least two separate legal parcels, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

Commodity Charge per 100 Cubic Feet

File #: CB 120130, Version: 1

	1	January 1,	January 1,	January 1,	January 1,	Effective January 1, 2023
Summer (May 16th-September	er 15th)					
First 500 cubic feet per residence	((\$6.03	\$6.08	\$6.17))	\$6.33	\$6.5 <u>1</u>	\$6.7 <u>5</u>
Next 1,300 cubic feet per residence	((\$7.46	\$7.51	\$7.63))	\$7.82	\$8.0 <u>5</u>	<u>\$8.34</u>
All over 1,800 cubic feet per residence	((\$13.45	\$13.45	\$13.45))	\$13.45	\$13.4 <u>5</u>	\$13.4 <u>5</u>
Winter (September 16th-May	15th)	-				
All usage	((\$5.87	\$5.93	\$6.01))	\$6.16	\$6.34	<u>\$6.57</u>

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	<u>January 1,</u>	<u>January 1,</u>
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
1 1/2 inch	((\$27.45	\$29.20	\$31.05))	\$33.45	<u>\$34.45</u>	\$35.50
2 inch	((\$30.40	\$32.30	\$34.45))	\$37.05	\$38.1 <u>5</u>	\$39.3 <u>5</u>
3 inch	((\$112.65	\$119.65	\$127.45))	\$137.15	\$141.2 <u>5</u>	\$145.70
4 inch	((\$161.30	\$171.45	\$182.65))	\$196.50	\$202.30	\$208.70
6 inch	((\$198.45	\$210.95	\$224.70))	\$242.00	\$249.00	\$257.00
8 inch	((\$234.00	\$249.00	\$264.00))	\$285.00	\$293.00	\$302.00
10 inch	((\$339.00	\$339.00	\$339.00))	\$348.00	\$358.00	\$369.00
12 inch	((\$458.00	\$458.00	\$458.00))	\$470.00	\$483.00	\$498.00
16 inch	((\$544.00	\$544. 00	\$544. 00))	\$544.00	\$544.00	\$560.00
20 inch	((\$700.00	\$700.00	\$700.00))	\$700.00	\$700.00	\$700.00
24 inch	((\$879.00	\$879.00	\$879.00))	\$879.00	<u>\$879.00</u>	<u>\$879.00</u>

B. General service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments (except for those located in the cities of Shoreline and Lake Forest Park and those served under the terms of a wholesale contract) in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

File #: CB 120130, Version: 1

Commodity Charge per 100 Cubic Feet

	January 1,	January 1,	Effective January 1, 2019))		January 1,	Effective January 1, 2023
Summer (May 16th-Septe	mber 15th)					
All usage	((\$7.46	\$7.51	\$7.63))	\$7.82	<u>\$7.99</u>	\$8.29
Winter (September 16th-N	May 15th)					
All usage	((\$5.87	\$5.93	\$6.01))	\$6.16	\$6.2 <u>9</u>	\$6.52

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	<u>January 1,</u>	<u>January 1,</u>
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
3/4 inch and less	((\$17.25	\$18.35	\$19.55))	\$21.05	\$21.50	\$22.30
1 inch	((\$17.80	\$18.90	\$20.20))	\$21.65	\$22.1 <u>5</u>	\$22.9 <u>5</u>
1 1/2 inch	((\$27.45	\$29.20	\$31.05))	\$33.45	\$34.1 <u>5</u>	\$35.4 <u>5</u>
2 inch	((\$30.40	\$32.30	\$34.45))	\$37.05	\$37.8 <u>5</u>	\$39.20
3 inch	((\$112.65	\$119.65	\$127.45))	\$137.15	\$140.10	\$145.30
4 inch	((\$161.30	\$171.45	\$182.65))	\$196.50	\$200.70	\$208.1 <u>5</u>
6 inch	((\$198.45	\$210.95	\$224.70))	\$242.00	\$247.00	\$257.00
8 inch	((\$234.00	\$249.00	\$264.00))	\$285.00	\$291.00	\$301.00
10 inch	((\$339.00	\$339.00	\$339.00))	\$348.00	\$356.00	\$368.00
12 inch	((\$458.00	\$458.00	\$458.00))	\$470.00	\$480.00	\$497.00
16 inch	((\$544.00	\$544. 00	\$544. 00))	\$544.00	\$544.00	<u>\$559.00</u>
20 inch	((\$700.00	\$700.00	\$700.00))	\$700.00	\$700.00	\$700.00
24 inch	((\$879.00	\$879.00	\$879.00))	\$879.00	<u>\$879.00</u>	\$879.00

C. Fire service

1. Fire hydrants. Except for as provided in subsection 21.04.440.D, the rates for fire hydrants, including test water and water used to extinguish fires, shall be deemed service charges and shall be for any one year, or fractional part thereof, as follows:

Hydrant Type	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	January 1,	<u>January 1,</u>
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
Hydrants on 4 inch or smaller mains	((\$202.43	\$304.52	\$310.68))	\$321.20	\$503.9 <u>5</u>	\$521.7 <u>0</u>

File #: CB 120130, Version: 1

Hydrants on 6 inch or	((\$491.53	\$548.49	\$559.59))	\$578.53	<u>\$670.88</u>	\$694.5 <u>1</u>
larger mains						

2. Metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

Service Charge per Month

Service Size	((Effective	Effective	Effective	Effective
	January 1, 2017	January 1,	January 1,	January 1,
		2018	2019))	2020
2 inch and less	((\$19.00	\$19.00	\$20.00))	\$20.00
3 inch	((\$24.00	\$24.00	\$25.00))	\$26.00
4 inch	((\$44.00	\$44.00	\$47.00))	\$49.00
6 inch	((\$75.00	\$75.00	\$81.00))	\$83.00
8 inch	((\$120.00	\$120.00	\$128.00))	\$131.00
10 inch	((\$173.00	\$173.00	\$184.00))	\$189.00
12 inch	((\$253.00	\$253.00	\$268.00))	\$276.00

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional \$22.80.

Service Size	Monthly Allowance
2 inch and less	100 cubic feet
3 inch	500 cubic feet
4 inch	500 cubic feet
6 inch	500 cubic feet
8 inch	1,000 cubic feet
10 inch	1,000 cubic feet
12 inch	1,000 cubic feet

D. Rates inside the cities of Shoreline, ((and)) Lake Forest Park, Burien, and Mercer Island. Rates and charges in this subsection 21.04.440.D apply to retail customers of Seattle Public Utilities located within the cities of Shoreline, ((and)) Lake Forest Park, Burien, and Mercer Island who are not served under the terms of a wholesale contract. Seasonal rates shall be prorated. For usage representing fractional parts of a month, the base

service charge and all components of the commodity charge shall be prorated using a 30-day month. Except as

otherwise provided in this Chapter 21.04, the rates and charges for water supplied shall be as follows:

1. Shoreline and Lake Forest Park residential. Except for Shoreline and Lake Forest Park master metered residential developments, the rates for metered water supplied to single-family and duplex residences in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

Schedules WARSL and Schedule WARLF. Schedules WARSL and WARLF are for all single-family and duplex residences except those billed on Schedules WARMSL and WARMLF.

Commodity Charge per 100 Cubic Feet

	January 1,		1	Effective January 1, 2020		Effective January 1, 2023
Summer (May 16th-Septe	mber 15th)					
First 500 cubic feet per residence	((\$6.42	\$6.46	\$6.56))	\$6.73	<u>\$6.92</u>	<u>\$7.18</u>
Next 1,300 cubic feet per residence	((\$7.93	\$7.99	\$8.11))	\$8.32	<u>\$8.56</u>	\$8.88
All over 1,800 cubic feet per residence	((\$14.31	\$14.31	\$14.31))	\$14.31	<u>\$14.31</u>	<u>\$14.31</u>
Winter (September 16th-N	May 15th)					
All usage	((\$6.25	\$6.31	\$6.39))	\$6.55	<u>\$6.74</u>	<u>\$6.99</u>

Base Service Charge per Month

Meter Size	**				-	Effective
	• 1		January 1, 2019))	1		<u>January 1, 2023</u>
3/4 inch and less	((\$18.35	\$19.55	\$20.80))	\$22.40	<u>\$23.05</u>	<u>\$23.75</u>
1 inch	((\$18.90	\$20.15	\$21.45))	\$23.05	<u>\$23.75</u>	<u>\$24.50</u>
1 1/2 inch	((\$29.25	\$31.05	\$33.05))	\$35.60	\$36.6 <u>5</u>	\$37.80
2 inch	((\$32.30	\$34.40	\$36.65))	\$39.40	\$40.5 <u>5</u>	\$41.8 <u>5</u>
3 inch	((\$119.80	\$127.30	\$135.60))	\$145.90	\$150.2 <u>5</u>	\$155.00
4 inch and larger	((\$171.60	\$182.40	\$194.30))	\$209.00	\$215.20	\$222.00

Schedules WARMSL and **WARMLF.** Schedules WARMSL and WARMLF are for single-family and duplex residences in which one or more persons require medical life support equipment that uses mechanical or artificial means to sustain, restore, or supplant a vital function, and which uses a disproportionate amount of water.

File #: CB 120130, Version: 1

Commodity Charge per 100 Cubic Feet

	January 1, 2017		January 1,	January 1,	January 1,	Effective January 1, 2023
Summer (May 16th-Septe	mber 15th)					
First 500 cubic feet per residence	((\$6.42	\$6.46	\$6.56))	\$6.73	<u>\$6.92</u>	<u>\$7.18</u>
All over 500 cubic feet per residence	((\$7.93	\$7.99	\$8.11))	\$8.32	<u>\$8.56</u>	<u>\$8.88</u>
Winter (September 16th-N	May 15th)	•				
All usage	((\$6.25	\$6.31	\$6.39))	\$6.55	<u>\$6.74</u>	<u>\$6.99</u>

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
						January 1,
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
3/4 inch and less	((\$18.35	\$19.55	\$20.80))	\$22.40	<u>\$23.05</u>	<u>\$23.75</u>
1 inch	((\$18.90	\$20.15	\$21.45))	\$23.05	<u>\$23.75</u>	<u>\$24.50</u>
1 1/2 inch	((\$29.25	\$31.05	\$33.05))	\$35.60	<u>\$36.65</u>	\$37.80
2 inch	((\$32.30	\$34.40	\$36.65))	\$39.40	<u>\$40.55</u>	<u>\$41.85</u>
3 inch	((\$119.80	\$127.30	\$135.60))	\$145.90	<u>\$150.25</u>	<u>\$155.00</u>
4 inch and larger	((\$171.60	\$182.40	\$194.30))	\$209.00	\$215.20	\$222.00

2. Shoreline and Lake Forest Park master metered residential developments

a. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property, which use water primarily to serve single-family, detached residences on at least two separate legal parcels, and that do not pay public utility taxes under chapter 82.16 RCW directly to the State of Washington, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

Commodity Charge per 100 Cubic Feet

File #: CB 120130, Version: 1

	January 1,	January 1,		Effective January 1, 2020	January 1,	Effective January 1, 2023
Summer (May 16th-Septe	mber 15th)					
First 500 cubic feet per residence	((\$6.42	\$6.46	\$6.56))	\$6.73	\$6.9 <u>2</u>	<u>\$7.18</u>
Next 1,300 cubic feet per residence	((\$7.93	\$7.99	\$8.11))	\$8.32	\$8.5 <u>6</u>	<u>\$8.88</u>
All over 1,800 cubic feet per residence	((\$14.31	\$14.31	\$14.31))	\$14.31	<u>\$14.31</u>	<u>\$14.31</u>
Winter (September 16th-N	May 15th)					
All usage	((\$6.25	\$6.31	\$6.39))	\$6.55	<u>\$6.74</u>	<u>\$6.99</u>

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	<u>January 1,</u>	<u>January 1,</u>
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
1 1/2 inch	((\$29.25	\$31.05	\$33.05))	\$35.60	<u>\$36.65</u>	\$37.80
2 inch	((\$32.30	\$34.40	\$36.65))	\$39.40	\$40.5 <u>5</u>	\$41.8 <u>5</u>
3 inch	((\$119.80	\$127.30	\$135.60))	\$145.90	\$150.2 <u>5</u>	\$155.00
4 inch	((\$171.60	\$182.40	\$194.30))	\$209.00	\$215.20	\$222.00
6 inch	((\$211.15	\$224.40	\$239.05))	\$257.00	\$264.00	\$273.00
8 inch	((\$249.00	\$264.00	\$281.00))	\$303.00	\$312.00	\$321.00
10 inch	((\$360.00	\$360.00	\$360.00))	\$370.00	\$381.00	\$393.00
12 inch	((\$488.00	\$488.00	\$488. 00))	\$500.00	\$514.00	\$530.00
16 inch	((\$579.00	\$579.00	\$579.00))	\$579.00	\$578.00	\$595.00
20 inch	((\$745.00	\$745.00	\$745.00))	\$745.00	\$745.00	\$745.00
24 inch	((\$935.00	\$935.00	\$935.00))	\$935.00	\$935.00	\$935.00

b. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property, which use water primarily to serve single-family, detached residences on at least two separate legal parcels, and that do pay public utility taxes under chapter 82.16 RCW directly to the State of Washington, shall be based on a commodity charge and

a base service charge, in accordance with the following schedule:

Commodity Charge per 100 Cubic Feet

	**	Effective January 1, 2018		Effective January 1, 2020	January 1,	Effective January 1, 2023
Summer (May 16th-Septe	mber 15th)					
First 500 cubic feet per residence	((\$6.01	\$6.05	\$6.14))	\$6.30	\$6.48	<u>\$6.72</u>
Next 1,300 cubic feet per residence	((\$7.42	\$7.48	\$7.59))	\$7.79	\$8.01	\$8.31
All over 1,800 cubic feet per residence	((\$13.39	\$13.39	\$13.39))	\$13.39	\$13.39	\$13.39
Winter (September 16th-N	May 15th)					
All usage	((\$5.85	\$5.91	\$5.98))	\$6.13	\$6.31	\$6.54

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,		January 1,	January 1,	January 1,
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
1 1/2 inch	((\$27.40	\$29.05	\$30.95))	\$33.30	\$34.30	\$35.40
2 inch	((\$30.25	\$32.20	\$34.30))	\$36.85	\$37.9 <u>5</u>	\$39.1 <u>5</u>
3 inch	((\$112.10	\$119.15	\$126.90))	\$136.55	\$140.60	\$145.0 <u>5</u>
4 inch	((\$160.60	\$170.70	\$181.85))	\$195.60	\$201.40	\$207.7 <u>5</u>
6 inch	((\$197.60	\$210.00	\$224.00))	\$241.00	\$247.10	\$255.50
8 inch	((\$233.05	\$247.00	\$263.00))	\$284.00	\$292.00	\$300.00
10 inch	((\$336.90	\$337.00	\$337.00))	\$346.00	\$357.00	\$368.00
12 inch	((\$456.70	\$457.00	\$457.00))	\$468.00	\$481.00	\$496.00
16 inch	((\$541.90	\$542.00	\$542.00))	\$542.00	\$541.00	\$557.00
20 inch	((\$697.25	\$697.00	\$697.00))	\$697.00	\$697.00	\$697.00
24 inch	((\$875.05	\$875.00	\$875.00))	\$875.00	\$875.00	\$875.00

3. Shoreline and Lake Forest Park general service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments within

the ((eity)) cities of Shoreline and Lake Forest Park in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

Commodity Charge per 100 Cubic Feet

	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	<u>January 1,</u>	<u>January 1,</u>
	2017	2018	2019))	2020	2022	<u>2023</u>
Summer (May 16th-Septe	Summer (May 16th-September 15th)					
All usage	((\$7.93	\$7.99	\$8.11))	\$8.32	\$8.50	\$8.82
Winter (September 16th-N	Winter (September 16th-May 15th)					
All usage	((\$6.25	\$6.31	\$6.39))	\$6.55	<u>\$6.69</u>	<u>\$6.94</u>

Base Service Charge per Month

Meter Size	((Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	<u>January 1,</u>	<u>January 1,</u>
	2017	2018	2019))	2020	<u>2022</u>	<u>2023</u>
3/4 inch and less	((\$18.35	\$19.55	\$20.80))	\$22.40	\$22.85	\$23.70
1 inch	((\$18.90	\$20.15	\$21.45))	\$23.05	\$23.60	\$24.4 <u>5</u>
1 1/2 inch	((\$29.25	\$31.05	\$33.05))	\$35.60	\$36.30	\$37.70
2 inch	((\$32.30	\$34.40	\$36.65))	\$39.40	\$40.2 <u>5</u>	\$41.70
3 inch	((\$119.80	\$127.30	\$135.60))	\$145.90	<u>\$149.05</u>	\$154.5 <u>5</u>
4 inch	((\$171.60	\$182.40	\$194.30))	\$209.00	\$213.50	<u>\$221.45</u>
6 inch	((\$211.15	\$224.40	\$239.05))	\$257.00	\$263.00	\$273.00
8 inch	((\$249.00	\$264.00	\$281.00))	\$303.00	\$309.00	\$320.00
10 inch	((\$360.00	\$360.00	\$360.00))	\$370.00	\$378.00	\$392.00
12 inch	((\$488.00	\$488.00	\$488.00))	\$500.00	\$511.00	\$529.00
16 inch	((\$579.00	\$579.00	\$579.00))	\$579.00	\$578.00	\$594.00
20 inch	((\$745.00	\$745.00	\$745.00))	\$745.00	\$745.00	\$745.00
24 inch	((\$935.00	\$935.00	\$935.00))	\$935.00	\$935.00	\$935.00

4. Shoreline and Lake Forest Park metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows: Service Charge per Month

File #: CB 120130, Version: 1

Service Size	((Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,
	2017	2018	2019))	2020
2 inch and less	((\$20.00	\$20.00	\$21.00))	\$22.00
3 inch	((\$25.00	\$25.00	\$27.00))	\$28.00
4 inch	((\$47.00	\$47.00	\$50.00))	\$52.00
6 inch	((\$80.00	\$80.00	\$86.00))	\$89.00
8 inch	((\$127.00	\$127.00	\$136.00))	\$139.00
10 inch	((\$184.00	\$184.00	\$195.00))	\$201.00
12 inch	((\$269.00	\$ 269.00	\$285.00))	\$293.00

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional \$24.30.

Service Size	Monthly Allowance
2 inch and less	100 cubic feet
3 inch	500 cubic feet
4 inch	500 cubic feet
6 inch	500 cubic feet
8 inch	1,000 cubic feet
10 inch	1,000 cubic feet
12 inch	1,000 cubic feet

5. Burien residential. Except for Burien master metered residential developments, the rates for metered water supplied to single-family and duplex residences in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

Schedule WBUR. Schedule WBUR is for all single-family and duplex residences except those billed on Schedule WBURL.

Commodity Charge per 100 Cubic Feet

	Effective	Effective
	<u>January 1, 2022</u>	<u>January 1, 2023</u>
Summer (May 16th-September 15th)		
First 500 cubic feet per residence	\$7.08	\$7.53
Next 1,300 cubic feet per residence	<u>\$8.75</u>	\$9.26
All over 1,800 cubic feet per residence	<u>\$14.62</u>	<u>\$14.62</u>
Winter (September 16th-May 15th)		
All usage	<u>\$6.89</u>	\$7.33

Base Service Charge per Month

Meter Size	Effective January 1, 2022	Effective January 1, 2023
3/4 inch and less	<u>\$23.55</u>	<u>\$24.85</u>
1 inch	\$24.30	\$25.60
1 1/2 inch	\$37.40	\$39.1 <u>5</u>
2 inch	\$41.4 <u>5</u>	\$43.30
3 inch	\$153.5 <u>5</u>	\$159.3 <u>5</u>
4 inch and larger	\$219.90	\$227.80

Schedule WBURL is for single-family and duplex residences in which one or more persons require medical life support equipment which uses mechanical or artificial means to sustain, restore or supplant a vital function, and which uses a disproportionate amount of water.

Commodity Charge per 100 Cubic Feet

	Effective January 1, 2022	Effective January 1, 2023
Summer (May 16th-September 15th)		
First 500 cubic feet per residence	<u>\$7.08</u>	\$7.53
Next 1,300 cubic feet per residence	\$8.7 <u>5</u>	<u>\$9.26</u>
Winter (September 16th-May 15th)	-	
All usage	\$6.8 <u>9</u>	\$7.33

Base Service Charge Per Month

Meter Size	Effective January 1, 2022	Effective January 1, 2023
3/4 inch and less	<u>\$23.55</u>	<u>\$24.85</u>
1 inch	\$24.30	\$25.60
1 1/2 inch	\$37.40	\$39.1 <u>5</u>
2 inch	\$41.4 <u>5</u>	\$43.30
3 inch	\$153.5 <u>5</u>	\$159.3 <u>5</u>
4 inch and larger	\$219.90	\$227.80

6. Burien master metered residential developments. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property and

which use water primarily to serve single-family, detached residences on at least two separate legal parcels, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

Commodity Charge per 100 Cubic Feet

	Effective	Effective
	<u>January 1, 2022</u>	<u>January 1, 2023</u>
Summer (May 16th-September 15th)		
First 500 cubic feet per residence	\$7.08	\$7.53
Next 1,300 cubic feet per residence	\$8.7 <u>5</u>	\$9.26
All over 1,800 cubic feet per	<u>\$14.62</u>	\$14.62
residence		
Winter (September 16th-May 15th)		
All usage	<u>\$6.89</u>	\$7.33

Base Service Charge per Month

Meter Size	Effective January 1, 2022	Effective January 1, 2023
3/4 inch and less	\$23.55	\$24.85
1 inch	\$24.30	\$25.60
1 1/2 inch	\$37.40	\$39.1 <u>5</u>
2 inch	\$41.4 <u>5</u>	\$43.30
3 inch	\$153.5 <u>5</u>	\$159.3 <u>5</u>

7. Burien general service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments within the City of Burien in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

	Effective January 1, 2022	Effective January 1, 2023
Summer (May 16th-September 15th)		
All usage	\$8.69	\$9.21
Winter (September 16th-May 15th)		
All usage	<u>\$6.84</u>	<u>\$7.29</u>

Base Service Charge per Month

File #: CB 120130, Version: 1

Meter Size	Effective	Effective
	January 1,	January 1,
	<u>2022</u>	<u>2023</u>
3/4 inch and less	<u>\$23.35</u>	<u>\$24.85</u>
1 inch	\$24.10	<u>\$25.55</u>
1 1/2 inch	\$37.10	<u>\$39.15</u>
2 inch	\$41.1 <u>5</u>	\$43.2 <u>5</u>
3 inch	\$152.30	\$162.9 <u>5</u>
4 inch	\$218.1 <u>5</u>	\$231.2 <u>5</u>
6 inch	\$269.00	\$284.00
8 inch	\$316.00	\$332.00
10 inch	\$387.00	\$405.00
12 inch	\$522.00	\$545.00
16 inch	\$591.00	\$612.00
20 inch	<u>\$761.00</u>	\$766.00
24 inch	<u>\$955.00</u>	<u>\$960.00</u>

8. Burien fire hydrants. The rates for fire hydrants, including test water and water used to extinguish fires, shall be deemed service charges and shall be for any one year, or fractional part thereof, as follows:

Hydrant Type	Effective	Effective
	January 1,	<u>January 1,</u>
	<u>2022</u>	<u>2023</u>
Hydrants on 4 inch or smaller mains	<u>\$547.78</u>	<u>\$567.06</u>
Hydrants on 6 inch or larger mains	<u>\$729.22</u>	<u>\$754.90</u>

9. Burien metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

Service Charge per Month

Service Size	Effective
	January 1,
	2022
2 inch and less	\$22.00
3 inch	\$29.00
4 inch	\$53.00
6 inch	\$90.00

8 inch	\$143.00
10 inch	\$206.00
12 inch	\$300.00

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional \$24.80.

Service Size	Monthly Allowance
2 inch and less	100 cubic feet
3 inch	500 cubic feet
4 inch	500 cubic feet
6 inch	500 cubic feet
8 inch	1,000 cubic feet
10 inch	1,000 cubic feet
12 inch	1,000 cubic feet

10. Mercer Island general service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments within the city of Mercer Island in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

	Effective January 1, 2022	Effective January 1, 2023		
Summer (May 16th-September 15th)				
All usage	\$8.44	\$8.75		
Winter (September 16th-May 15th)				
All usage	<u>\$6.64</u>	<u>\$6.89</u>		

Base Service Charge per Month

Meter Size	Effective	Effective	
	January 1,	January 1,	
	<u>2022</u>	<u>2023</u>	
8 inch	\$307.00	\$318.00	
10 inch	\$376.00	\$389.00	

Section 3. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by

File #: CB 120130, Version: 1

Ordinance 126216, is amended as follows:

21.76.040 Rate discounts

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

	Single-family and duplex dwellings	Multifamily dwellings
January 1, 2020	\$33.43 per month	\$23.32 per month
January 1, 2021	\$35.85 per month	\$25.01 per month

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

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

	((Single-Family)) Single-famil <u>y</u>	Duplex	Multifamily
January 1, 2020	\$23.24 per month	\$11.62 per month	\$2.49 per month
January 1, 2021	\$25.00 per month	\$12.50 per month	\$2.68 per month

File #: CB 120130, Version: 1

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall 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
January 1, 2022	\$23.52 per month	\$12.78 per month
January 1, 2023	\$24.33 per month	\$13.25 per month

* * *

Section 4. Prior ordinances of the City setting rates and charges for water services of Seattle Public Utilities shall continue in effect with respect to obligations incurred for water services rendered before the effective date of this ordinance, unless and until such prior ordinances expire of their own terms or are superseded.

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

Passed by the City Council the day of	, 2021, and signed by
me in open session in authentication of its passage this day of	, 2021.

ile #: CB 120130, Version: 1	
	President of the City Council
Approved / returned unsigned / veto	oed this, 2021.
	Jenny A. Durkan, Mayor
Filed by me this day of _	, 2021.
	Monica Martinez Simmons, City Clerk

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle Public Utilities	Paul Hanna / 4-7752	

^{*} 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 rates and charges for water services of Seattle Public Utilities; revising water rates and charges, and credits to low-income customers; and amending Sections 21.04.430, 21.04.440, and 21.76.040 of the Seattle Municipal Code.

Summary and background of the Legislation:

This ordinance would revise retail water rates for residential, general service, and public fire customers and adjust low-income assistance credits for water customers. This ordinance would also add new rate schedules for customers in Burien and Mercer Island to reflect new utility taxes in those jurisdictions. It would adjust rates to meet financial policy targets and requirements driven by spending decisions.

Water Fund rate studies typically occur on a 3-year review cycle. SPU held water rates at the 2020 level (no change for 2021) due to the coronavirus pandemic. As a result, this legislation is out of schedule with the proposal cycle as the Fund delayed rate revisions to 2022. This legislation proposes two years of increases, and the next proposal is planned to be on the regular 3-year schedule. This proposal revises rates for 2022 and 2023.

In April 2021, the City Council reviewed and adopted Resolution 32000, which approved SPU's 2021-2026 Strategic Business Plan (SBP). As part of the SBP, SPU estimates the rate path for each line of business and follows up with legislation to formally adopt the rates. This legislation formally adopts the Water Fund rates. As a comparison to the SBP, please see the following table:

Retail Rate Adjustment Summary

	2021	2022	2023	2024	2025	2026	AVG
SBP RATE PATH	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%
RATE STUDY PROPOSAL	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%

The rate study proposal is slightly lower for 2022-23 and the 6-year average than the SBP estimated rate path because of updates to a variety of items, e.g., wholesale revenue, consumption, UDP participation, and capital spending.

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

	Genera	l Fund \$	Other \$		
Appropriation change (\$):	2021	2022	2021	2022	
	\$0	\$0	\$0	\$0	
	Revenue to General Fund		Revenue to Other Funds		
Estimated revenue change (\$):	2021	2022	2021	2022	
****	\$0	\$0	\$0	\$6,988,668	
	No. of I	Positions	Total FTE Change		
Positions affected:	2021	2022	2021	2022	
	0	0	0	0	

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? The proposed rate revisions will change rates in 2022 and 2023. The increase to SPU revenue, in addition to the above, is approximately \$9,088,810 in 2023.

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

The Water Fund would not fully recover the cost of its business operations and meet financial policy targets. In May 2021, Moody's upgraded the Water Fund bond rating to 'Aaa.' Not implementing this legislation may result in that upgrade being revoked, and a possible further downgrade. Revoking the new Aaa rating, or other rating downgrades, would increase the cost of borrowing.

3.b. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements. Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and	Dept	Revenue Source	2021	2022 Estimated	
Number			Revenue	Revenue	
43000 – Water Fund	SPU	Water Sales	\$0	\$6,988,668	
TOTAL					

Is this change one-time or ongoing?

Ongoing. This legislation is part of the process for reviewing and updating retail water rates. This is typically completed every three years. This legislation is out of schedule as the Fund delayed rate increases from 2021 to 2022 in response to the coronavirus pandemic. This legislation proposes two years of increases, and the next proposal is planned to be on the regular 3-year schedule.

Revenue/Reimbursement Notes:

Under Seattle Municipal Code, SPU's Water Fund must pay the City a 15.54% tax on retail water rates revenue. This means that of the additional estimated \$7.0 million this legislation generates for SPU, approximately \$1.1 million would be paid to the City's General Fund through utility taxes.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department? Several City departments incur water costs. Water fees for these departments will increase commensurate with the rate increases proposed in this legislation. The impacted departments include: Seattle Center, the City Budget Office, Seattle City Light, Department of Neighborhoods, Seattle Department of Transportation, Seattle Fire Department, Department of Finance and Administrative Services, Department of Parks and Recreation, Seattle Police Department, Seattle Public Utilities, and Seattle Library.

In addition, the City's General Fund receives a bill for public fire service, which is sometimes called 'hydrant' service. This bill will increase from \$9,966,312 in 2021 to \$11,604,216 in 2022, and to \$12,012,801 in 2023.

- **b.** Is a public hearing required for this legislation? No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
 No.
- d. Does this legislation affect a piece of property?
- e. 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 will increase the cost of living for residents and increase operating expenses for businesses in the retail service area. These increases will have a disproportionate impact on customers that use more water, low-income customers, and small businesses. SPU has initiated a long-term project to address affordability issues through the Accountability and Affordability Strategic Plan and the Strategic Business Plan.

This legislation also adjusts low-income credits for residents that are not direct customers of SPU and pay utilities through rent.

SPU did extensive outreach for the Strategic Business Plan, which included similar rate increases. SBP outreach included a significant Ethnic Media component with in-language

advertising targeting Spanish, Chinese, Korean, and Somali speakers.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

- 2. 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.

 No.
- 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).

 N/A

List attachments/exhibits below:

Summary Exhibit A – 2022-23 Retail Water Rate Study

EXHIBIT A



Seattle Public Utilities **2022-2023 Water Rate Study**

Table of Contents

Preface	- Strategic Business Plan Comparison	4
1. Exe	ecutive Summary	5
2. Fin	ancial Policy Overview	9
3. Ref	tail Water Revenue Requirement	11
3.1.	Operations and Maintenance Expense (O&M)	
3.2.	Capital Financing Expense	13
3.2.1.	Cash Financing (Target Only)	14
3.2.2.	Debt Service	15
3.3.	Other Financial Policy Requirements	15
3.4.	Other Funding Sources	16
3.4.1.	Wholesale Revenues	16
3.4.2.	Non-rate Revenues	16
3.4.3.	Revenue Stabilization Fund Withdrawals	17
3.5.	Effect of Demand (Rate Adjustment)	17
3.6.	Effect of Changes in the Utility Discount Program (Rate Adjustment)	19
4. Cos	st Allocation	20
4.1.	Overview – Cost Categories	21
4.2.	Framework for Allocation of Retail Expense to Cost Categories (Phase I)	21
4.3.	Retail Customer Classes and Characteristics	22
4.4.	Cost of Service and Revenue Requirement by Customer Class	23
5. Rat	te Design	25
5.1.	Rate Design Overview	25
5.1.1.	Retail Water Rate Structure	26
5.1.2.	Rate Objectives	27
5.2.	Residential Rate Design	27
5.2.1.	Residential Rate Structure	28
5.2.2.	Residential Increase	29
5.2.3.	Residential Sub-Classes	29
5.2.4.	Utility Discount Program	31
5.3.	General Service Rate Design	
5.3.1.	General Service Rate Structure	
5.3.2.	General Service Increase	
5.3.3.	General Service Sub-Classes	
5.4.	Private Fire Rate Design	
5.5.	Public Fire Rate Design (Hydrants)	
5.5.1.	Rate Structure	
5.5.2.	Public Fire Rate Increase	36
Append	lix A: Cost Allocation Details	37
Δ1 1	Cost Allocation Context	38

A1.2.	Step One: Water System Expense Allocation	38
A1.3.	Step Two: Allocation of Retail Expense to Allocation Categories	39
A1.4.	Step Three: Allocation of Expense by Allocation Category to Cost Component Cate	gories40
A1.5.	Calculation of Equivalent Meters Allocator	41
A1.6.	Allocation of Reservoirs to Public Fire	43
A1.7.	Calculation of Watermains Allocator	44
Append	ix B: Informational Tables	46
B1.1.	Residential Rate History	46
B1.2.	General Service Rate History	
B1.3.	Wholesale Rate History	52
B1.4.	Private Fire Rate History	53
B1.5.	Public Fire Rate History	54
B1.6.	Average System Rate Increase History	55
B1.7.	Historical Financial Performance	56
B1.8.	Actual Operations Expenditures	57
Append	ix C: Proposed Rates	58

PREFACE – STRATEGIC BUSINESS PLAN COMPARISON

The 2021-2026 Strategic Business Plan Update sets a non-binding six-year rate and service path for Seattle Public Utilities, with a built-in three-year review and update. The SBP rate path was proposed nearly a year before this rate study. In the intervening time, several major assumptions were updated that create a variance between the SBP and the water rate proposal.

The two most impactful assumptions to be updated were wholesale revenue and the capital financing plan. Wholesale revenue was increased from the SBP after a decision to delay the wholesale rate study. Wholesale revenue is now expected to remain similar to levels in recent years. In the SBP, wholesale revenues were expected to decrease as overpayments in previous years were returned through lower rates in the SBP period. Delaying the wholesale rate study and increasing wholesale revenue reduces the revenue required from retail, lowering rate increases.

The capital financing plan also changed dramatically in the year between the SBP submittal and this rate study. Cash balances are at an all-time high for the Water Fund. Interest rates are also near all-time lows. To take advantage of those two factors, the Fund is planning to use approximately \$79 million in operating and Revenue Stabilization Fund cash to defease existing high-interest debt. The 2021 newmoney bond issue will have debt service be structured similarly to the defeased bonds so the overall debt structure will not change. After defeasance, debt service payments through 2034 are expected to be lower than they are currently. In addition, the Fund is planning to refund 2010B bonds as part of the 2021 issue, saving approximately \$400 thousand per year through 2027, except 2022 where savings are expected to be almost \$1.5 million.

The Strategic Business Plan Update was adopted by Council on May 10, 2021 with the passage of Resolution 32000. The plan was submitted mid-2020 but delayed by the COVID-19 pandemic.

Table P-1 compares the rate paths of the approved SBP, and the rate study proposal.

Table P-1
Comparison of Proposed and Adopted Retail Water Rates

	2021	2022	2023
Adopted Strategic Business Plan Update	0.0%	2.7%	4.7%
Proposed Water Rate Study	0.0%	2.6%	3.6%

1. EXECUTIVE SUMMARY

The water system is financed through an enterprise fund of the City of Seattle that is wholly supported by rate and fee revenues related to water service. In any given year, these rates and fees must be sufficient to pay the total costs of the water system and meet financial targets. This total cost is known as the water system revenue requirement. The majority of the water system's revenues are from direct service ("rates") revenues from wholesale and retail customers. Wholesale contracts determine the amount SPU charges for wholesale service in a given year. Thus, retail water rates and other revenues are the "balancing entries" that generate the difference between each year's total water system revenue requirement and wholesale revenues.

This study focuses on proposed retail water rates. **Chapter 1** provides an overview of proposed changes to the revenue requirement and their drivers, bill impacts, and projected financial performance. **Chapter 2** gives an overview of financial policy targets used in the development of the revenue requirement. **Chapter 3** provides additional detail on the various components of the proposed revenue requirement, including a discussion of demand and the low-income rate assistance program. **Chapter 4** discusses how the proposed revenue requirement is allocated between different customer classes. **Chapter 5** presents proposed rates by customer class, as well as an overview of the rate design, or rate structure, for each class. The **Appendices** present additional supporting data.

The combination of stable consumption and decisions on operational and capital spending by SPU management allowed for no rate increase in 2021 as rates set for 2020 were sufficient to meet financial targets for both years. Because rates were set for 2020, not 2021, references to prior years will be based on assumptions in the 2020 rate study. The proposed retail rates support increases to the **retail rate revenue requirement** of \$7.8 million in 2022 and \$7.9 million in 2023, for a combined \$15.6 million over the two-year period. **Table 1-1** presents the change in the retail revenue requirement and the monthly impact of proposed rate increases on typical residential customers and a sampling of general service customers. The proposed rates will affect customer bills to varying degrees depending on the volume of water used.

Table 1-1
Proposed Water System Revenue Requirement and Bill Impacts

	2020*	2022		2022 2023	
	Adopted	Proposed	Change from 2020	Proposed	Change from 2022
Retail Rate Revenue Requirement	\$215,064,225	\$222,846,494	\$7,782,269	\$230,692,928	\$7,846,434
Typical Monthly Water Bills					
Residential	\$45.69	\$47.04	\$1.35	\$48.66	\$1.62
Convenience Store	\$107.30	\$109.70	\$2.40	\$113.70	\$4.00
Small Office Building	\$342	\$350	\$8	\$362	\$13
Apartment Building (90 units)	\$1,291	\$1,320	\$28	\$1,368	\$48
Medium Hotel	\$8,026	\$8,203	\$177	\$8,504	\$300
Large Industrial	\$19,387	\$19,815	\$428	\$20,538	\$723

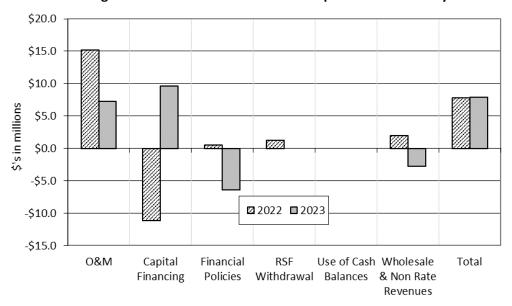
^{*2020} amounts are based on the 2018-2020 rate study

Calculations may not total due to rounding

The overall water system expenditure is expected to increase \$15.2 million between 2020 (the final year of the most recent rate study) and 2023. Proposed O&M spending increases of \$22.5 million account for the entire spending increase. Offsetting proposed O&M increases, spending on capital financing (debt service and cash financing) and other financial policy requirements decreases by \$7.3 million during the study period.

Retail rate revenue requirement changes are comprised of multiple drivers. **Figure 1-1** breaks down the change in each retail revenue requirement driver by year. The drivers of a new rate are based on the change in each underlying assumption used to create the previous rate. Therefore, assumptions for 2022 are compared to assumptions used for 2020 rates in the 2018-2020 rate study, and 2023 assumptions are compared to 2022. See Chapter 3 for more detail.

Figure 1-1
Change in Water Fund Retail Revenue Requirement Drivers by Year



The following section provides further description of the drivers presented in Figure 1-1. See Chapter 3 for further detail.

O&M (and Taxes)

Branch O&M has increased \$13.1 million between the 2020 rate study and 2022 due to updated growth assumptions in labor costs, city central costs, and investments identified in the SBP. Taxes increased \$2.1 million from the 2020 rate study amount.

Capital Financing

Figure 1-1 shows the combined impact of *cash* and *debt financing* of the capital program on the revenue requirement for 2022-2023. Capital financing is significantly less in 2022 than planned in the 2020 rate study due to reduced capital spending and borrowing during the prior rate study period. Capital spending is expected to increase in 2023 due to an increase in both debt service and cash financing.

Financial Policies

The Water Fund has four primary financial targets. Typically, rates are set to just meet all financial policies in each year. For this rate study, however, rates in 2022 are set to smooth rate increases over the study period. As a result, additional revenue is generated in 2022 which is then used to increase the cash balance and financing of the capital program. Debt service coverage is the binding policy target in 2023. See Chapter 2 for more detail on binding policy targets.

Revenue Stabilization Fund (RSF) Withdrawal

In this rate study, SPU is not proposing any withdrawals. Withdrawals from the RSF can be used to increase cash contributions to CIP or reduce retail rate revenue requirements. The 2020 rate study used a \$1.2 million RSF withdrawal as a funding source. With no proposed withdrawal in 2022 rates must increase by \$1.2 million to replace the one-time funding source.

Use of Cash Balances

After a review of financial policies and assessment of current finances, SPU is proposing to keep cash balances higher than the formal policy target. The long-term policy goal is to keep 120 days of operating expense, including taxes, in operating cash. In 2022, proposed operating cash is \$85 million; the target is \$63.7 million. Because cash balances are higher than the target, the current proposal is to allow the requirement to increase until it meets the cash balance.

The proposal to not draw down cash is based on Strategic Business Plan spending projections. Drawing cash down to the new target would allow the fund to increase cash funding of capital in the near term, but future rate periods would be negatively affected as cash would become the binding constraint and create a volatile rate path. In the projection period of 2024-2026, which falls outside this rate study, both O&M spending and CIP, and therefore cash financing, are increasing at such a pace that rates would have to increase rapidly. Keeping the proposed cash balances at \$85 million actually lowers rates and bills from 2024-2026.

Wholesale & Non-Rate Revenues

Non-Rate Revenues are projected to be stable during the rate study period. Changes in projected wholesale revenue account for nearly all funding changes in this category. Wholesale revenues in 2022 are expected to be less than projected in the 2020 rate study, putting upward pressure on retail rates. An increase in 2023 wholesale revenue is projected to have the opposite effect.

Effects of Changes in Demand and Utility Discount Program (UDP)

While generally not a *revenue requirement* driver, changing demand for water is a significant *rate* driver. **Table 1-2** shows the impact of demand and UDP changes on the overall average rate increase. Projected demand in 2022 and 2023 is similar to demand assumed for 2020. A 2 percent increase in system connections allows for the revenue requirement to be spread among more customers, lowering rates for all customers. UDP growth continues to be a rate driver as the program continues to expand. Program enrollment increased dramatically during the COVID-19 pandemic. Enrollment is expected to grow as program awareness increases and the economic impacts of the pandemic continue.

Table 1-2 Impacts of Demand and UDP on Rate Increase

	2022	2023
Revenue Requirement Increase	3.6%	3.5%
Demand/Connections Impact	-1.3%	-0.2%
Utility Discount Program Impact	0.2%	0.3%
Average Rate Increase*	2.6%	3.6%

^{*}Rates may not total due to rounding.

Financial Performance

The 2022-2023 rate study meets or exceeds all water system financial policy targets during the rate period as shown in **Table 1-3**. See Chapter 2 for further discussion of financial policy targets and their impact on rate setting.

Table 1-3
Water Fund Projected Financial Performance

(6 in 4 000in)	Target	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
(\$ in 1,000's)	rarget	2021	2022	2025	2024	2025	2020
Net Income	positive	\$43,923	\$26,524	\$26,523	\$30,087	\$22,617	\$20,195
Debt Service Coverage	1.7x	2.00	1.80	1.72	1.88	1.72	1.72
Cash Financing of the Capital Program	20%*	19.9%	23.3%	21.4%	23.4%	20.6%	20.6%
from Contributions in Aid of Construction		7.3%	6.6%	5.7%	4.8%	5.8%	6.7%
from Rate Revenues		12.6%	16.7%	15.7%	18.6%	14.8%	13.9%
Year-End Operating Cash	varies**	\$80,000	\$85,000	\$85,000	\$85,000	\$82,000	\$82,000
Days of Operating Cash		158	160	154	147	134	128

^{*} Current revenues should be used to finance no less than 15% of the CIP in any one year, and average not less than 20% over each rate proposal period.

^{**} Planning target for year-end operating cash is 120 days of operating expense, or \$63.7 million in 2021.

2. FINANCIAL POLICY OVERVIEW

Financial policies provide a guiding framework for the finances of the water utility. They represent a balance between the competing goals of fiscal conservatism through higher rates today and minimizing these same rates by spreading costs over time to future ratepayers. The direct effect of the policies is to determine the level at which water rates shall be set, given estimated costs and demand, and to define how the capital improvement program is to be financed.

The indirect effects of the policies are to:

- Shape the financial profile the utility presents to the financial community;
- Establish the utility's exposure to financial risk; and
- Allocate the utility's costs between current and future ratepayers.

In 2005, City Council passed Resolution 30742, which adopted new water system financial policies that reflect changes and additions to the financial policies initially adopted in 1992. This rate proposal is based on the 2005 policies which are as follows:

- 1. **Maintenance of Capital Assets.** For the benefit of both current and future ratepayers, the municipal water system will seek to maintain its assets in sound working condition. Future revenue requirement analyses will include provision for maintenance and rehabilitation of facilities at a level intended to minimize total cost while continuing to provide reliable, high quality service.
- 2. **Debt Service Coverage.** Debt service coverage on first-lien debt should be at least 1.7 times debt service cost in each year on a planning basis.
- 3. **Net Income.** Net income should generally be positive.
- 4. **Cash Funding of the Capital Improvement Program.** Current revenues should be used to finance no less than 15 percent of the municipal water system's adopted CIP in any year, and not less than 20 percent of the CIP over the period of each rate proposal. Cash in excess of working capital requirements may be used to help fund the CIP.
- 5. **Eligibility for Debt Financing.** Unless otherwise authorized by Council, the following criteria must be met before project expenditures are eligible for debt financing:
 - i) Project is included in the CIP.
 - ii) Total project cost exceeds \$50,000.
 - iii) Project has expected useful life of more than two years (more than five years for information technology projects).
 - iv) Resulting asset will be owned or controlled by Seattle Public Utilities (SPU), is part of the regional utility infrastructure, or represents a long-term investment for water conservation.
 - v) Consistent with generally accepted accounting practices, project costs include those indirect costs, such as administrative overhead and program management, that can be reasonably attributed to the individual CIP project.
- 6. **Revenue Stabilization Fund (RSF).** Ordinance 121761 requires that a target balance of \$9 million be maintained in the RSF, except when withdrawals below this level are needed to offset shortfalls in metered water sales revenues, or to meet financial policy requirements. Withdrawals of funds in excess of the minimum balance will be used to meet operating expenses, to pay CIP expenditures, or

to meet financial policy requirements. Withdrawals from the RSF must be authorized by ordinance, except that Bonneville Power Administration (BPA) Account funds may be withdrawn based on BPA spending.

The Water Fund must deposit revenues in excess of planned metered water sales to the RSF in years where all financial policy targets are exceeded.

SPU may also make discretionary deposits to the RSF, provided that these discretionary deposits are in excess of the amounts required to meet the financial policy requirements. Should the RSF balance fall below the target balance, SPU will submit a water rate proposal that rebuilds the balance in the RSF within one year.

- 7. **Cash Target.** The adopted target for the year-end operating fund cash balance is one-twelfth of the current year's operating expenditures. SPU plans and targets a higher level of liquidity than the adopted policy in order to be responsive to changing market expectations from bond holders and rating agencies. The planning target is 120 days of operating expense including taxes. For this rate study SPU has modeled year-end cash in excess of the planning target. Keeping cash above the planning target eases cash demands during the second half of the strategic business plan. Keeping cash above the planning target prevents a situation where cash balances are required to increase along with increasing capital funding requirements.
- 8. **Variable Rate Debt.** Variable rate debt should not exceed 15 percent of total outstanding debt. Annual principal payments shall be made on variable rate debt in a manner consistent with fixed rate debt.

In any future year, the minimum revenue requirement is the lowest amount of money necessary to simultaneously satisfy all financial policies in that year. At this level of revenues, some financial policies may be exceeded, but none will be missed – the financial target that is exactly met is known as the binding constraint. For this rate study, however, rates were not set to just meet financial targets. As part of the Strategic Business Plan Update, rates were set to meet *rate* increase targets (a process commonly called rate "smoothing"). Proposed rates in both years will meet or exceed all financial policy targets.

3. RETAIL WATER REVENUE REQUIREMENT

The water system revenue requirement is the minimum amount of operating revenue required to fund the water system operating budget and meet financial policy targets for net income, cash balances, cash financing of the CIP, Revenue Stabilization Fund balances, and debt service coverage. The component requiring the greatest amount of revenue generation (budgetary expenses or one of the financial policy requirements) is termed the "binding constraint." The retail water revenue requirement is equal to the water system revenue requirement, less funding from sources other than retail rates including wholesale revenues, drawdowns of cash balances, withdrawals from the Revenue Stabilization Fund, and other operating/non-operating revenues.

Rate increases are required to fund increases in the revenue requirement from one rate setting period to the next. Where demand is constant, the average rate increase will equal the increase in the revenue requirement. Increasing demand (i.e., customers buying more units of water or more customer meters) will reduce the required rate increase and declining demand will increase the rate increase relative to the change in the revenue requirement. In addition, changes in participation in the utility discount program affect rate changes. Increased participation in the program reduces revenues as more households are paying a discounted rate. The reduction in revenue must be made up through an increase in standard rates.

Table 3-1 summarizes the components of the change in the retail water revenue requirement during the proposed rate period. Current (2020) rates were set in 2017 based on planned expenditures, demand, and other funding sources for the prior rate setting period (2018-2020). The change in the 2022 revenue requirement in Table 3-1, and throughout this section, is relative to the 2020 plan assumed in the 2018-2020 rate study. Likewise, the 2023 changes are relative to planned spending/income in 2022.

Table 3-1
Components of the Change in the Retail Water Revenue Requirement

	2020		\$ Change in	% Change in		\$ Change in
(\$1,000's)	Rate Study	2022	Rev Req	Total Rev Req	2023	Rev Req
Expenditure						
Operations and Maintenance Expense (O&M)						
Branch O&M	133,177	146,283	13,107	6.1%	151,902	5,619
Taxes	46,107	48,199	2,092	1.0%	49,861	1,662
Total	179,284	194,482	15,198	7.1%	201,764	7,282
Capital Financing						
Cash financing (target)	17,992	17,494	(499)	-0.2%	20,763	3,269
Debt Service	91,542	80,880	(10,662)	-5.0%	87,271	6,390
Total	109,534	98,374	(11,160)	-5.2%	108,034	9,660
Other Financial Policy Requirements						
Increase Cash Balance	1,000	5,000	4,000	1.9%	-	(5,000)
Additional Capital Program Funding	6,294	2,844	(3,451)	-1.6%	1,481	(1,363)
Total	7,294	7,844	549	0.3%	1,481	(6,363)
Total Expenditure	296,112	300,699	4,588	2.1%	311,278	10,579
Other Funding Sources						
Wholesale Revenues	(58,815)	(55,242)	3,573	1.7%	(57,580)	(2,338)
Non-rate revenues	(21,035)	(22,611)	(1,576)	-0.7%	(23,005)	(394)
RSF withdrawal	(1,200)	-	1,200	0.6%	-	-
Total Other Funding Sources	(81,050)	(77,853)	3,197	1.5%	(80,585)	(2,732)
Net Retail Rates Revenue Requirement	215,062	222,846	7,785	3.6%	230,693	7,846
Impact of Demand/Connections				-1.3%		
Change in Utility Discount Program	5,820	6,272	452	0.2%	6,882	610
Effective Increase in Retail Rates				2.6%		

Calculations may not total due to rounding

The **Expenditure** section of Table 3-1 presents the operating fund cash spending components that make up the water system revenue requirement. The **Other Funding Sources** section presents other sources of funding which reduce the amount of expenditure that must be recovered through retail rates. The final section of the table presents two items, "**Demand**" and "**Utility Discount Program**," that do not affect the revenue requirement but do affect rates. For example, total expenditure increases the total revenue requirement by 4.7 percent from 2022 to 2023. However, increases in other funding sources (wholesale revenues and non-rate revenues) decrease the retail revenue requirement by 1.2 percent, resulting in a net increase of 3.5 percent in the 2023 retail rates revenue requirement. The actual average rate increase of 3.6 percent is higher than the revenue requirement increase due to a projected increase in utility discount utilization, which is partially offset by an increase in connections.

The following sections include more detailed descriptions of the components of change in the revenue requirement.

3.1. Operations and Maintenance Expense (O&M)

The water system O&M expenditure requirement includes costs attributable to water operations, as well as a portion of administrative expenses that water shares with other SPU funds (e.g., finance, customer service, etc.). For rate study purposes, O&M includes taxes but does not include debt service, which is discussed under capital financing. O&M is broken into two categories: Branch O&M and taxes.

Branch O&M equals the spending required to support operations and maintenance functions of the water utility. Under this proposal, 2022 Branch O&M increases \$13.1 million from the 2020 amount as projected in the 2018-2020 rate study due to cost changes associated with updated growth assumptions in city central costs, pensions, and other labor costs. The proposal assumes an increase in Branch O&M of \$5.6 million in 2023.

SPU pays three primary taxes, the City of Seattle Water Utility Tax, Washington State Utility Tax and the Washington State B&O Tax. While all three taxes are not applicable to all revenue sources, they all are revenue based taxes. As such, as revenue increases, tax expense increases. Taxes increase \$2.0 million in 2022 and \$1.7 million in 2023 due to a higher projected tax revenue base.

3.2. Capital Financing Expense

Financing of the capital program will decrease the expenditure requirement by 5.2 percent in 2022 and increase the requirement by 4.3 percent in 2023, as presented in Table 3-1.

Major water capital programs to be funded during this period include:

- Distribution System Improvements
- Transmission System Rehabilitation
- 'Move Seattle' Utility Relocation Projects
- Dam Safety Improvements
- Service Renewals and Retirements

SPU funds water system capital projects through a combination of cash (from direct service and non-rates revenue) and debt financing (revenue bonds and low-interest loans serviced by rates revenue). As discussed in Section 3.2.2, SPU will be issuing bonds in each year of the rate study. This rate study forecasts CIP cash financing that will exceed the financial target of 20 percent of CIP over the three-year rate period. The remaining CIP will be funded with revenue bond proceeds. **Table 3-2** presents CIP spending and financing assumptions during the rate period.

Table 3-2
Capital Spending and Financing Assumptions

			Rate Study
(\$1,000's)	2022	2023	Average
CIP Spending Assumption	87,469	103,816	
CIP Financing Breakdown Cash Financed	20,337	22,244	
Debt Financing			
Low Interest Loan	0	0	
Bond Financing	67,132	81,572	
Cash Financed Percentage	23.3%	21.4%	22.3%
Debt Financed Percentage	76.7%	78.6%	77.7%

3.2.1. Cash Financing (Target Only)

Water system financial policies require that a minimum of 20 percent of the CIP be financed with current cash revenues (as opposed to debt proceeds) over the rate period. The sources of cash that assist in meeting this 20 percent target are operating revenues, cash on hand, and contributions in aid of construction¹.

Although CIP cash financing is projected to exceed the financial policy target, this section discusses only the cash necessary to just meet the 20 percent cash financing target. The additional capital funding, over and above the cash financing target, is discussed in Section 3.3 and Section 3.4.

As presented in **Table 3-3**, targeted cash financing of the CIP decreases \$0.5 million in 2022 and increases \$3.3 million in 2023.

Table 3-3
Change in Target Cash Financing

(\$1,000's)	2020*	2022	\$ Change	2023	\$ Change
Cash Financed (Target)	17,992	17,494	(498)	20,763	3,269

^{* 2020} assumptions used in 2018-2020 Rate Study

¹ Customers often pay for water facilities when they connect to the water system or cause the relocation of water facilities. For example, a developer pays for installation of a water meter and service line when building a new house.

3.2.2. Debt Service

Table 3-4 presents projected Water Fund debt service, by source, during the rate period.

Table 3-4
Change in Water Fund Debt Service

(\$1,000's)	2020*	2022	\$ Change	2023	\$ Change
Debt Service Details					
Debt service for existing bond issues	89,296	78,509	(10,787)	79,244	734
2022 bond debt service**		-	-	5,685	5,685
2023 bond debt service**		-	-	-	-
Low interest loan debt service	2,246	2,371	125	2,342	(29)
Total Debt Service	91,542	80,880	(10,662)	87,271	6,390

^{* 2020} assumptions used in 2018-2020 Rate Study

In the third quarter of 2022, SPU expects to issue approximately \$87.4 million in new revenue bonds. An additional \$95.8 million of new money bonds are expected to be issued in the third quarter of 2023. SPU is proposing to issue bonds that are expected to fund roughly one year of CIP needs.

3.3. Other Financial Policy Requirements

As discussed in Chapter 2, proposed rates for 2022 and 2023 are not based on financial policy targets, but rather rate path targets designed to smooth the Strategic Business Plan rate path. Because revenues in these years are not set to just meet a binding financial target, all policy targets are exceeded.

In the approved SBP, capital spending and O&M are projected to increase substantially in 2024 and 2025, requiring increasing cash from rates. To help mitigate those increased demands for cash, this rate proposal creates a small cushion of additional cash balance. From a rate setting perspective, increasing cash balances act as a rate driver. Cash balance increases represent revenue that is raised above what is spent, increasing the Fund's revenue requirement.

Proposed rates will be used to increase the operating cash balance by \$5 million in 2022. This will allow a small draw down of cash in future years to fund the cash-to-CIP requirement while remaining above the 120 days of cash target. Some additional rates revenue is proposed to also increase cash-to-CIP above the minimum 20% required during this rate period.

Table 3-5 presents how SPU proposes to spend revenues generated from financial policies over the three-year rate period.

Table 3-5
Impacts of Changes to Financial Policy

(\$1,000's)	2020*	2022	\$ Change	2023	\$ Change
Increase Cash Balance Additional Capital Program Funding	1,000 6,294	5,000 2,844	4,000 (3,451)	- 1,481	(5,000) (1,363)
Financial Polices	7,294	7,844	549	1,481	(6,363)

^{* 2020} assumptions used in 2018-2020 Rate Study

Calculations may not total due to rounding

^{**} Bond principal and interest payments are assumed to begin in the year following issue Calculations may not total due to rounding

3.4. Other Funding Sources

A significant portion of the total water system expenditure requirement is funded through wholesale revenues, capital contributions, asset sales, and other operating and non-operating revenues. These other funding sources reduce the amount to be recovered through retail rates and therefore are reflected as reductions to the retail revenue requirement in each year. Other funding sources, primarily wholesale and non-rate revenues, are projected to decrease from 2020 projections by \$3.2 million in 2022.

3.4.1. Wholesale Revenues

Revenues from wholesale customers, as presented in **Table 3-6**, are expected to be decrease \$3.6 million in 2022 from the assumed amount in the 2020 rate study.

Table 3-6
Change in Wholesale Revenues

(\$1,000's)	2020*	2022	\$ Change	2023	\$ Change
Full & Partial Revenue**	28,604	30,199	1,594	30,202	3
Cascade Block Revenue	24,081	19,702	(4,380)	21,867	2,165
Northshore Block Revenue	6,129	5,341	(788)	5,511	170
Total	58,815	55,242	(3,573)	57,580	2,338

^{* 2020} assumptions used in 2018-2020 Rate Study

Rates for wholesale customers have not yet been approved for 2022-2023, but will be proposed in accordance with wholesale contracts. These contracts define cost of service methodologies that determine how much the water system charges for wholesale service. Wholesale rate studies apply these methodologies based on expenditure projections (budget). Wholesale rates may be affected by actions that raise or lower the water system O&M or CIP budget. Outside of budget changes, there is very little flexibility to alter wholesale rates and revenues.

3.4.2. Non-rate Revenues

As presented in **Table 3-7**, other non-rate revenue (unmetered revenue) is projected to increase from \$21.0 million assumed for 2020 to \$22.6 million and \$23.0 million in 2022 and 2023, respectively.

Table 3-7
Change in Non-Rate Revenues

(\$1,000's)	2020*	2022	\$ Change	2023	\$ Change
Unmetered Revenues					
Capital Contributions & Tap Fees	14,756	13,838	240	14,083	245
Operating Fund Interest Income	93	333	(283)	342	9
Charges for Miscellaneous Services	2,569	4,357	106	4,466	109
Rentals & Others	3,325	1,414	27	1,442	28
Build America Bonds Reimbursement	2,080	1,571	(48)	1,520	(51)
Billing leads & lags	(1,789)	1,097	687	1,152	55
Total Unmetered Revenues	21,035	22,611	729	23,005	394

^{* 2020} assumptions used in 2018-2020 Rate Study

The largest category of other non-rate revenues is capital contributions and tap fees, which are projected to be modestly lower during the rate period. Construction and development in Seattle have

^{**} Includes facilities charge revenues and Renton conservation payment.

sustained a torrid pace since 2013, and the projection reflects a modest regression in development activity partially offset by increased prices for new services.

Billing leads and lags are year-end cash effects that adjust for differences in when an expense (or revenue) is recorded in SPU financial systems² versus when the associated cash is paid (or received). These lags/leads result in an impact on rates when their sum dollar amount changes from year to year. The leads/lags presented in Table 3-8 are primarily associated with changes in the timing of CIP billed to SPU from year to year.

3.4.3. Revenue Stabilization Fund Withdrawals

As discussed in Chapter 2, the minimum balance in the RSF is \$9 million. From a rates perspective, withdrawals from the RSF are part of the other funding sources pool. Increases in withdrawal size add to this pool and therefore reduce the retail rate revenue requirement. Decreases in withdrawal size reduce the size of this alternative funding pool and increase the direct service funding requirement.

At the end of 2020 the RSF balance was \$60.1 million. A \$19.0 million withdrawal is planned in 2021 to defease high-interest rate debt. The projected beginning balance for 2022 is \$41.7 million. In this rate proposal, SPU does not propose any withdrawals from the RSF.

Table 3-8 presents projected RSF balances.

Table 3-8
Projected Water Revenue Stabilization Fund Balances

(\$1,000's)	2020*	2022	2023
Beginning RSF Cash Balance	28,419	41,697	42,114
Interest	284	417	421
Deposit (Withdrawal)	(8,300)	0	0
Ending RSF Cash Balance	20,403	42,114	42,535

^{* 2020} assumptions used in 2018-2020 Rate Study

3.5. Effect of Demand (Rate Adjustment)

The volume of water sold to retail customers is projected to remain flat over the forecast period. For the rate study period, total retail consumption is expected to be 26.6 million CCF per year. Consumption is expected to remain the same in both residential and general service customer classes.

Despite generally growing population and employment, water consumption through the 1990s and 2000s trended downwards due to various forms of conservation (programs, efficiency codes and standards, rising water and sewer rates, etc.). With the end of the 1% Conservation program in 2011 and a rebound in employment after the Great Recession, water consumption appears to level off until 2020 when the COVID-19 pandemic disrupted regular activity. As shown in **Figure 3-1**, consumption is expected to remain at 2020 levels in 2021, before returning to levels of the previous decade. The effects of growth and conservation are forecasted to largely offset each other once pandemic restrictions are lifted.

² In general, revenues are recorded when billed and expenses when invoiced.



Figure 3-1

"Weather adjusted" consumption normalizes consumption to average historical summer weather.

Consumption levels for the rate study period are expected to be similar to the average consumption from 2012 through 2019. The COVID-19 pandemic, and the public health response, dramatically altered water consumption patterns in 2020. State-mandated shutdowns of non-essential businesses, along with capacity limits on indoor spaces, dramatically reduced water consumption for the General Service class. Conversely, water consumption for the Residential class increased as many people spent more time at home, including work from home.

While there will be residual effects from the pandemic, for this rate study consumption is forecast to return to pre-pandemic levels for each customer class. Consumption changes will continue to be studied and known effects will be incorporated in the next rate setting period. Rate Study water demand is shown in Figure 3-1 and in **Table 3-9**.

Table 3-9
Short Term Water Consumption Forecasts (Annual ccf)

	Residen	Residential		General Service		<u> </u>
	Consumption	Percent	Consumption	Percent	Consumption	Percent
	(CCF)	Change	(CCF)	Change	(CCF)	Change
Actual						
2019	10,258,052		16,311,787		26,569,839	
2020	10,865,609	5.9%	14,363,941	-11.9%	25,229,550	-5.0%
Projected						
2021	10,600,000	-2.4%	14,650,000	2.0%	25,250,000	0.1%
2022	10,245,000	-3.3%	16,312,000	11.3%	26,557,000	5.2%
2023	10,245,000	0.0%	16,312,000	0.0%	26,557,000	0.0%

In terms of the impact of demand on water rates, increases in consumption and the number of water meters partially offset increases in the retail revenue requirement. Water rates are made up of a fixed base service charge as well as a consumption charge. Water consumption is the unit of demand for the consumption charge while number of customers (measured by the number of meters) is the unit of demand for the base meter charge. When the number of meters increases, the customer base broadens. Residential meters are projected to increase 0.6 percent annually, and commercial meters are projected to increase by a smaller amount during the 2022-2023 rate period.

As mentioned above, these combined changes in consumption and meters are a portion of the difference between the increase in revenue requirement and the increase in the rate. The impact of these rate drivers is shown in **Table 3-10**. Increased consumption in 2022 compared to 2020 slows rate growth. Similarly, increased meters in 2022 and 2023 also slow rate growth compared to prior years. Because revenue from consumption is significantly higher than from meters, volumetric changes are more impactful to rates than meter growth.

Table 3-10
Effect of Demand on Rate Increase

	2020*	2022	\$ Change	2023	\$ Change
Total Consumption (thousand ccf) Total Retail Meters	26,480 197,498	26,557 201,005	77 3,507	26,557 202,156	0 1,151
Effect on Rate Increase			-1.3%		-0.2%

^{* 2020} assumptions used in 2018-2020 Rate Study

3.6. Effect of Changes in the Utility Discount Program (Rate Adjustment)

Similar to demand, changes in customer participation in the UDP do not affect the Water Fund revenue requirement but do affect the rate increase. Increased participation in the program reduces revenues as more households are paying a discounted rate. The reduction in revenue must be made up through an increase in standard rates. Enrollment in the program has increased steadily since the mid-2010s, with a spike in 2020 due to the COVID-19 pandemic and subsequent economic disruption. Enrollment and revenue reductions are projected to continue rising during the rate study period. The effect on rates is shown in **Table 3-11**.

Table 3-11
Effect of Changes to Utility Discount Program on Rate Increase

(\$1,000's)	2020*	2022	\$ Change	2023	\$ Change
Total Discount Effect on Rate Increase	5,820	6,272	452 0.2%	6,882	610 0.3%

^{* 2020} assumptions used in 2018-2020 Rate Study

4. COST ALLOCATION

Once the **retail revenue requirement** is set, it must be assigned to different customer classes. A customer class is a group of customers that places a unique cost on the utility or is administratively easier to serve as a group. **Figure 4-1** presents the multiple steps (divided into two phases) required to allocate water expense to individual customer classes. In the first phase, the retail component of water system expense is allocated between cost categories, or groupings of cost items, that are driven by similar factors. In the second phase, the cost assigned to each cost category is allocated between customer classes based on defined customer characteristics.

Figure 4-1 **Cost Allocation Process** Phase I – Allocation of expense between cost categories **Water System Expense Allocation Categories Cost Categories** Commodity Commodity Wholesale • Meters & Services O&M/Asset Costs Reservoirs Customer Related Mains Retail Direct Allocation/ Hydrants O&M/Asset Costs **Engineering Basis** • Etc. Phase II - Allocation of cost between customer categories **Cost Categories** Commodity • Customer Related **Customer Characteristics Revenue Requirement** Direct Allocation/ Annual flow · Residential \$ **Engineering Basis** Equivalent Meters • General Service \$ Direct Allocation/ • Public Fire \$ **Customer Class Engineering Basis** • Private Fire \$ Residential General Service · Public Fire Private Fire

The cost allocation process presented above recognizes differences in the costs of providing service to different types of customers. For example, a customer class with higher consumption requires increased

use of the water treatment plants, whereas a customer class with more accounts requires increased use of the customer billing system.

This chapter provides a general framework for **Phase I** of the cost allocation process, with complete details provided in Appendix A. This chapter then focuses on **Phase II** of the cost allocation process, organized as follows:

- Overview cost categories
- Framework for allocation of retail water expense between cost categories (Phase I)
- Identification of customer classes and quantification of cost allocation characteristics (Phase II)
- Calculation of total cost of service, or revenue requirement, for each customer class (Phase II)

The current rate study does not propose any fundamental changes to the cost allocation methodology used in prior rate studies. While the cost category of capacity was eliminated from the 2016-2017 rate study, the effect on final allocations is negligible. The change was made for two reasons:

- 1) Due to falling demand, the current system is oversized from a cost allocation standpoint so very few assets were allocated using the capacity allocator, and
- 2) The difference in peaking characteristics of residential and general service has diminished as demand has fallen, so the allocator does not provide much distinction between customer classes.

4.1. Overview – Cost Categories

Retail water system costs are grouped into three main cost categories which can be allocated among customer classes based on customer characteristics: commodity, customer-related, and directly assigned. The costs assigned to the first two categories are shared among different customer classes based on characteristics such as total annual water volume and number of accounts. Costs included in the directly assigned category are assigned in their entirety to the applicable customer classes.

Commodity Costs. Commodity costs vary proportionately with the amount of water provided under average consumption conditions. These costs include items such as the Cedar and Tolt treatment plants, and chlorination at in-town reservoirs. They also include the cost of activities and assets that are shared with wholesale customers since the allocation between wholesale and retail is based on annual flow.

Customer-Related Costs. Customer-related costs encompass an umbrella of expenses associated with serving customers independent of the amount of water they use. These include the cost of meter maintenance and repair, meter reading, billing, customer accounting, and the call center.

Directly Assigned Costs. These are costs that are directly allocable to a single customer class. For this rate study, directly assigned costs are primarily fire hydrant asset and repair costs.

4.2. Framework for Allocation of Retail Expense to Cost Categories (Phase I)

The cost allocation framework for retail water rates uses the distribution of embedded or average costs from a prior period ("test year") to allocate future revenue requirements between different cost categories. Therefore, the 2022-2023 retail water system revenue requirements are assigned to customer classes based on the actual distribution of expense between those categories in 2019 (the test year). The test year expense is defined according to a "utility basis" which is the sum of the following elements:

Annual operations and maintenance (O&M) costs;

- Depreciation expenses on assets paid for by rates; and
- A return on assets calculated on infrastructure in service.

Phase I of the cost allocation involves the distribution of prior year expense between cost categories, as further described in Appendix A, Sections A1.2 and A1.3. Additional information on the "utility-basis" costing framework can be found in Appendix A, Section A1.1 to this study.

Table 4-1 presents the breakdown of 2019 retail water system expense by cost component (see **Appendix A** for the detail behind this data). As noted below, over two-thirds of retail water system expense is driven by annual water flow (usage).

Table 4-1
Water Cost Category Summary

Component	2019	% of
Cost Category	Revenue	Total
Annual Flow Equivalent Meters Direct/Engineering Basis*	110,547,969 39,871,181 8,680,081	69.5% 25.1% 5.5%
Total	159,099,231	100.0%

^{*}Public Fire

4.3. Retail Customer Classes and Characteristics

Retail water customers are divided into four customer classes.

- **Residential.** Customers living in single family or duplex residences.
- **General Service.** Commercial, governmental, and industrial customers as well as multi-family residential structures.
- **Private Fire.** The separately metered connections for fire-protection sprinkler systems installed on the customer's property. These customers pay a separate rate for these services in addition to their General Service or Residential rates for their domestic services.
- Public Fire. The governmental agencies responsible for providing public fire protection (hydrants).

Costs are assigned to these customer classes based on how the characteristics of each class drive water system costs. **Table 4-2** summarizes the allocator (customer characteristics) used to assign cost to each component cost category.

Table 4-2
Allocators by Cost Category

Allocation Category	Customer	Comments
	Characteristics	
Commodity Costs	Annual flow	Actual 2015 total water consumption
		in hundreds of cubic feet (ccf).
Customer-Related	Equivalent Meters	Equivalent Meters is a weighted
Costs		count of different sized meters by
		class (See Appendix A1.5 for
		calculation details).
Direct Assignment	Class specific expense	These are costs for activities or assets
	assigned directly to	that are dedicated to one customer
	applicable class	class only.

Table 4-3 quantifies the key characteristics (by class) that are used to allocate commodity and customer-related costs in the current rate study.

Table 4-3
Key Customer Characteristics

Customer Class	Annual Flow	Equivalent Meters
Residential	38.5%	73.3%
General Service	61.2%	21.8%
Private Fire	0.1%	4.9%
Public Fire	0.3%	0.0%
Total	100.0%	100.0%

As shown in the table, the residential class accounts for the majority of equivalent meters while the general service class accounts for the majority of annual water usage. Although public fire water use is not directly measured, the annual flow used is consistent with the estimate used for state non-revenue water reporting.

4.4. Cost of Service and Revenue Requirement by Customer Class

The customer characteristic percentages in Table 4-3 are applied to the appropriate 2019 allocation categories in Table 4-1 to determine each customer class' actual 2019 cost of service. **Table 4-4** summarizes the results of this allocation process.

Table 4-4
Retail Water Cost of Service Based on 2019 Actual Financial Data
Direct/

Customer Class	Annual Flow	Equivalent Meters	Engineering Basis	Total	% of Total
Residential	42,530,308	29,215,916	-	71,746,224	45.1%
General Service	67,629,343	8,696,085	-	76,325,429	48.0%
Private Fire	80,703	1,959,180	-	2,039,883	1.3%
Public Fire	307,616	-	8,680,081	8,987,696	5.6%
Total	110,547,969	39,871,181	8,680,081	159,099,231	100.0%

Allocations to the general service and residential customer classes account for the bulk (93.1 percent) of the retail water cost of service. Public and private fire represents only about seven percent of the total. The general service class is allocated the largest single share (48.0 percent). This class accounts for 61.2 percent of annual flows, which is applied to the largest portion of the water system revenue requirement.

The rate revenue requirements for each rate class are calculated by applying each class' percent of total 2019 cost to the 2022-2023 retail rates revenue requirements, with results as presented in **Table 4-5**.

Table 4-5
2022-2023 Retail Revenue Requirement By Customer Class

			Cost of Service
Customer Class	2022	2023	Percentage
Residential	100,493,310	104,031,684	45.1%
General Service	106,907,112	110,671,316	48.0%
Private Fire	2,857,220	2,957,823	1.3%
Public Fire	12,591,998	13,035,363	5.6%
Total	222,849,640	230,696,185	100.0%

Using the same general allocation framework as the 2018-2020 rate proposal, there is little movement in the cost shares by customer class. **Table 4-6** illustrates the small changes for the 2022-2023 rate study relative to the 2018-2020 rate study. See Appendix A for more information.

Table 4-6
Cost Shares by Customer Class

Customer Class	2018-2020 Rate Study	2022-2023 Rate Study
Residential	45.0%	45.1%
General Service	47.9%	48.0%
Private Fire	2.2%	1.3%
Public Fire	5.0%	5.6%
Tatal	100.00/	100.00/
Total	100.0%	100.0%

5. RATE DESIGN

Rate design is the last element of the rate study. Chapter 3 presented the amount of retail water revenue required to fund proposed 2022-2023 O&M and capital programs while meeting financial targets. Chapter 4 discussed the allocation of the revenue requirement between customer classes. This chapter identifies the rate structure and the proposed 2022-2023 rates, which will satisfy the retail revenue requirement and meet established rate design policy objectives.

The current rate study keeps the same rate structure as previous studies. However, some design practices are changed. In past studies, meter and commodity charges were the same for residential and general service customers. This study breaks that rate parity³ and has meter and commodity rates for each class move independently. In this study, meter charges and commodity charges increase at the same rate within a customer class, a change from previous practice. The practice of changing meter and commodity charges at the same rate within a customer class balances rate increases equally among all customers within that class.

Continuing practice from previous rate studies, meter charges utilize the meter cost analysis from the 2009-2011 rate study in determining the differential (or progression) between charges for different size meters. No changes are proposed to some rates (larger meter charges), which are higher than their cost of service at current levels. Holding these rates constant rather than decreasing them somewhat mitigates the impact of the revenue requirement increase on the residential and general service commodity rate and provides rate stability.

The proposed rates increase the typical monthly residential bill by \$1.35 in 2022 and \$1.62 in 2023. The total increase over the two-year period is \$2.97. Typical residential consumption has remained at 5.0 ccf per month in the 2022-2023 rate proposal. The exact increase in general service bills varies based on consumption and meter size. A typical convenience store would see increases of \$2.40 and \$4.00 per month for 2022 and 2023, respectively. Likewise, a typical 90-unit apartment building would see increases of \$28 and \$48 per month. Rates for public fire on larger mains increase 15.6 percent and 3.0 percent in 2022 and 2023, respectively. Private fire meter rates and consumption rates do not increase in this rate study as current revenue meets revenue requirements for the study period.

5.1. Rate Design Overview

A utility rate structure, or rate design, typically considers three elements: classification of customers served, billing frequency, and schedule of charges for each customer class. The schedule of charges, or "rates," is designed to recover the utility's costs, given projected customer demand⁴. In addition to cost recovery, a rate structure should support and optimize a blend of various utility objectives and should work as a public information tool in communicating these objectives to customers.

³ Rate parity began in 2008 when costs of service, consumption, and meter counts aligned to make it possible for rates to be equal between residential and general service classes. Over time, to keep rate parity, base service rates had to increase faster than commodity rates. This disparity led bill increases to be weighted to lower-volume customers within each customer class.

⁴ Section 3.5 discusses projected customer demand and its influence on rates during the rate period.

5.1.1. Retail Water Rate Structure

Seattle's retail water customers are grouped into four broad customer classifications: Residential, General Service, Private Fire (e.g., building sprinklers), and Public Fire (municipal hydrants). SPU has developed rate structures for each of these customer classes which reflect the classes' cost of service structure, demand patterns, and policy objectives. A given rate class may be further divided into subclasses. While the rate structure for each sub-class (under the same primary class) will be similar or identical, the actual rate assigned to each sub-class will vary based on actual differences in cost of service or historical contractual requirements. **Table 5-1** provides a summary of Seattle's retail water rate classes, subclasses, and associated rate structures.

Table 5-1
Retail Water Rate Structure Summary

Class	Sub-class	Rate Structure
Residential	 In-City Out-of-City Shoreline Franchise Lake Forest Park Franchise Burien Master-Metered Developments* 	 Base Service Charge (meter-size based) Single Off-Peak Commodity Rate Tiered Peak Commodity Rate Low-Income Rates
General Service	 In-City Out-of-City Shoreline Franchise Lake Forest Park Franchise Burien Mercer Island 	 Base Service Charge (meter-size based) Single Off-Peak Commodity Rate Single Peak Commodity Rate
Private Fire	 In-City Out-of-City Shoreline Franchise Lake Forest Park Franchise 	 Base Service Charge (meter-size based) Commodity Penalty Rate
Public Fire (hydrants)	In-City/Out -of- CityBurien	Charge for 4-inch mainsCharge for larger mains

^{*}For rate setting purposes, there are two kinds of Master Metered Residential Developments (MMRDs). MMRDs are eligible to be classified as water systems by the State of Washington. Customers that have achieved that designation, and pay State Public Utility Tax on their revenue, are eligible for a lower rate from SPU. SPU does not pay State Public Utility Tax on revenues from those customers. MMRDs that do not pay State Public Utility Tax are subject to regular rates.

Section 5.1.2 discusses the objectives that have been considered in the development of the rate structures outlined above. Sections 5.2 through 5.5 provide additional detail on the rate structures by customer class and subclass. **Appendix C** lists all 2022-2023 rate schedules by class and sub-class.

5.1.2. Rate Objectives

SPU staff, with input from past Rate Advisory Committees, have identified the following policy objectives for the retail water rate design:

- Provide financial soundness;
- Advance economic efficiency;
- Promote customer equity;
- Encourage customer conservation;
- Contribute to transparency and customer understanding; and
- Reduce impacts on low-income customers.

Some of these objectives imply different directions in rate design than others. An appropriate rate design must strike the best overall balance among conflicting objectives. The first objective of financial soundness is overriding and should be met by all rate designs considered. The final objective of reducing impacts on low-income customers is partly met by a citywide program, in which SPU participates, to provide discounts to low-income and disabled customers. The remaining objectives are met to varying degrees by the individual rate structures, as further discussed in Sections 5.2 through 5.5.

5.2. Residential Rate Design

Residential accounts represent about 87 percent of total SPU retail water accounts. Residential customers are further broken into five subclasses: in-city customers, City of Shoreline/City of Lake Forest Park customers, Burien customers, other out-of-city customers, and master-metered customers. Low-income customers in any of these residential subclasses may qualify for a discount off their water utility bill. This section provides additional detail on the components of the residential rate design, the residential rate changes, residential rate subclasses and the UDP.

Under the proposed rates, a typical (median) single family residential bill will increase by \$1.35 per month in 2022 and \$1.62 per month in 2023 (given constant consumption). The impact for different residential customers can vary based on the amount of water used, as presented in **Table 5-2**.

Table 5-2
Monthly Residential Bills at Proposed Rates

Customer	Mont	hly	2020	2022	Change	2023	Change
Туре	Consum	ption	Adopted	Proposed	from 2020	Proposed	from 2022
Low Volume	Winter	2.9	\$34.11	\$35.12	\$1.01	\$36.30	\$1.18
User	Summer	3.8	\$39.54	\$40.70	\$1.16	\$42.10	\$1.40
(30th %tile)	Average	3.2	\$35.92	\$36.98	\$1.06	\$38.23	\$1.25
Median	Winter	4.7	\$43.83	\$45.13	\$1.30	\$46.67	\$1.54
User	Summer	5.5	\$49.42	\$50.87	\$1.44	\$52.64	\$1.77
(50th %tile)	Average	5.0	\$45.69	\$47.04	\$1.35	\$48.66	\$1.62
High Volume	Winter	9.8	\$71.37	\$73.49	\$2.12	\$76.05	\$2.56
User	Summer	13.4	\$103.82	\$106.85	\$3.03	\$110.69	\$3.84
	Average	11.0	\$82.19	\$84.61	\$2.42	\$87.59	\$2.98
Typical 3rd Tier	Winter	6.7	\$54.63	\$56.25	\$1.62	\$58.19	\$1.94
User	Summer	23.5	\$200.28	\$204.23	\$3.95	\$209.26	\$5.03
	Average	12.3	\$103.18	\$105.58	\$2.40	\$108.55	\$2.97
Calculations may not total due to rounding							

Calculations may not total due to rounding

Note: All bill impacts are for in-city customers and assume a ¾" meter.

5.2.1. Residential Rate Structure

Residential customers pay a fixed base service charge plus a commodity rate. The commodity rate is a single rate in the off-peak season (September 16 - May 15) and a three-tiered rate structure in the peak season (May 16 - September 15).

Base Service Charge

The base service charge is a fixed monthly fee which varies by water meter size. This charge is structured to reflect that some costs are not related to the volume of water used. The cost differential, or progression, between different meter sizes is based on 1) annualized costs, by meter size, for meter maintenance, testing, repair, replacement and service renewal; and 2) annual customer service costs. The progression used in this proposal is based on data from the 2009-2011 rate study.

Commodity Rate

Residential commodity rates are seasonal, with tiered peak (May 16 – September 15) rates and uniform off-peak (September 16 – May 15) rates. Peak season rates are higher than off-peak rates and tiered for residential customers to provide a disincentive for wasteful summer water usage.

Peak residential commodity rates consist of three tiers associated with differing usage volumes: 1) the lowest rate is charged on consumption up to five ccf/month; 2) the next 13 ccf/month (six to 18 ccf) is charged a higher rate; and 3) the highest rate is charged on consumption above 18 ccf/month. Historically, one out of fifteen residential customers has some consumption at the third-tier level each year. In the past, the City has implemented a third-tier on a temporary basis to discourage water use under drought conditions. This tier became a permanent feature of the water rate structure in 2002 in

response to the legal requirement of initiative I-63⁵. This rate study holds constant third-tier rates through 2023.

5.2.2. Residential Increase

This study includes increases in residential commodity rates and meter base service charges. The residential rate schedule for inside city customers is presented in **Table 5-3**.

Table 5-3
Proposed Residential Rates

	Current	2022 Poto	2023 Boto
	Rate	Rate	Rate
Commodity			
Off-Peak (\$/ccf)	\$5.40	\$5.56	\$5.76
Peak (\$/ccf)			
Up to 5 ccf/mo	\$5.55	\$5.71	\$5.92
Next 12 ccf/mo	\$6.86	\$7.06	\$7.32
Above 18 ccf/mo	\$11.80	\$11.80	\$11.80
Base Service Charge			
3/4 inch	\$18.45	\$19.00	\$19.60
1 inch	\$19.00	\$19.60	\$20.20
1 1/2 inch	\$29.35	\$30.20	\$31.15
2 inch	\$32.50	\$33.45	\$34.50
3 inch	\$120.30	\$123.90	\$127.80
4 inch	\$172.35	\$177.45	\$183.05

Note: All rates above are in-city.

In 2022 and 2023, residential meter charges will go up **3.0** percent and **3.2** percent, respectively, per year. Currently, rates are aligned in a cost progression based on meter size, with the exception of the three-inch meter. The current three-inch charge is below the cost progression; however, the percentage increases are matched to that of the three-quarter inch meter for this rate period in order to limit customer impact.

Commodity rates are increasing at a similar pace as meter rates. Off-peak consumption rates are proposed to increase **3.0** percent and **3.6** percent in 2022 and 2023, respectively. Peak rates are increasing similar percentages each year, with the exception that the third tier is not increasing in any year.

5.2.3. Residential Sub-Classes

The majority of Seattle Public Utilities' residential customers live within City limits (about 156,500 accounts). However, SPU also directly provides water service to about 10,750 residential customers in

- 29 - Rate Design

⁵ In October 2001, the Mayor and City Council adopted City of Seattle Ordinance No. 120532, otherwise known as I-63 Settlement Ordinance (I-63 SO). This ordinance established various measures designed to promote water conservation, including the creation of the "Everyone Can Conserve" program to fund water conservation in low-income housing. This ordinance also established the requirement for a residential summer peak use third block to be charged on residents and businesses that use extraordinary amounts of water.

the City of Shoreline and City of Lake Forest Park, 1,800 residential customers in the City of Burien, and 3,100 other residential customers who reside outside of City of Seattle boundaries. Each of these residential customer groups, or sub-classes, pays a different rate due to differences in cost of service and/or historic agreements governing these relationships. In addition, master metered residential developments (MMRD) comprise another residential sub-class with its own distinct rates.

Outside City Residential Rates (except Shoreline, Lake Forest Park, and Burien)

SPU sets the base meter and commodity rates for SPU customers residing outside of Seattle City Limits at 14 percent greater than in-city rates. Certain characteristics of these areas increase the cost of service, including lower-density development and topography which limits the use of gravity fed systems. Both factors cause higher capital and operating costs (longer water mains, more pumping) per unit of water delivered. In addition, field crews, meter readers, inspectors, and other employees, along with vehicles and equipment, must travel farther to work on parts of the system that serve outside city customers.

Outside-City residential rates are found in Appendix C.

City of Shoreline/City of Lake Forest Park Residential Rates

SPU sets the base meter and commodity rates for SPU customers residing in Shoreline and Lake Forest Park approximately 21 percent⁶ higher than in-city rates. This rate surcharge is based on the 14 percent out-of-city surcharge (discussed above) plus an additional six percent to cover City of Shoreline and City of Lake Forest Park franchise fees.

The Cities of Shoreline and Lake Forest Park charge SPU franchise fees on the water service SPU provides within their boundaries. Each city's franchise fee is set at six percent of revenue. All the revenues from this franchise fee are paid to the City of Shoreline and City of Lake Forest Park, and neither Seattle nor any water customer outside Shoreline and Lake Forest Park receives a benefit from the associated revenues.

The Shoreline franchise fee was enacted in 1999. The Lake Forest Park franchise agreement has been in effect since November 2009.

Shoreline and Lake Forest Park residential rates are found in Appendix C.

City of Burien Residential Rates

In January 2021, the City of Burien began collecting an eight percent utility tax on all SPU revenue in Burien. As a result, SPU will set base meter and commodity rates for customers residing in Burien approximately 24 percent higher than in-city rates beginning in 2022. This rate surcharge is based on the

⁶ Franchise fees and revenue taxes are compounding by their nature. Because they are based on SPU revenue, SPU must increase charges more than the statutory rate to ensure after-tax/franchise fee charges are consistent. Ex: SPU charges \$10 for a service. A 10% revenue tax rate is applied. If SPU simply added 10% to the charge, the new price would be \$11. In that case revenue would be \$11, and the 10% revenue tax would be \$1.10. SPU would receive \$9.90 after payment of the tax. This is less than before the tax is applied. To account for this compounding effect, charges are increased slightly more than the statutory rate to equalize pre-tax and post-tax SPU receipts. In this example, the after-tax charge would be \$11.11. The 10% revenue tax would generate \$1.11, and SPU would receive \$10.00 after tax.

14 percent out-of-city surcharge (discussed above) plus an additional eight percent to cover City of Burien Utility Tax costs.

All revenues from this utility tax are paid to the City of Burien, and neither Seattle nor any water customer outside Burien receives a benefit from the associated revenue.

Rates for residential customers in Burien will rise in 2022 more than other residential customers due to incorporation of this new tax. Residential meter charges will rise 11.9 percent and commodity charges will rise 11.7 percent, compared to 3.0 percent for all other residential customers.

As stated earlier the City of Burien began collecting tax revenue in 2021, before SPU incorporated the additional cost into rates. The tax is being paid for by all customers. To reimburse other SPU rate payers, Burien residential charges in 2023 will incorporate an additional charge of \$0.55 per month for small meters and \$0.19 per ccf. This delay has been incorporated to not exacerbate the increases already imposed by the new tax in 2022.

Burien residential rates are found in Appendix C.

Master-Metered Residential Development Rates

These rates apply to residential developments with master meters of one and a half-inch or larger which operate and maintain their own distribution systems on private property. The water service to these developments primarily serves single-family detached residences on at least two separate legal parcels.

A separate rate structure was established for MMRD customers in 1995, with residential rates applying in the peak season and an escalated general service rate applying in the off-peak season. This rate structure recognizes the fact that MMRDs, although considered general service habitations, experience peak irrigation demands similar to those of residential customers. At present, all MMRD customers reside in Shoreline and pay Shoreline residential rates.

Certain Master-Metered Residential Developments are eligible to classify as water systems by the State of Washington. Those that have achieved that designation, and pay State Public Utility Tax on their revenue are eligible for a lower rate from SPU. SPU does not pay State Public Utility Tax on revenues from those customers.

MMRD rates are found in **Appendix C.**

5.2.4. Utility Discount Program

The City assists qualified low-income customers with their water bills by providing a 50 percent credit on their utility bills, one of the most generous assistance policies in the nation. Income guidelines vary based on the number of people in the household, monthly income, and annual income. Income limits are updated every January and are based on 70 percent of the state median income. In an effort to ensure utilization by eligible residents, Seattle Housing Authority auto-enrolls its eligible customers in SPU's discount program.

Currently, about 30,000 water customers receive a utility discount. About one-third of these low-income assistance customers receive their credit on their SPU combined utility bill while the other two-thirds receives a credit through their Seattle City Light bill. For customers billed by SPU, the discount cuts their water bill in half. The City Light bill is used as the credit mechanism for customers who do not directly receive an SPU bill, such as customers living in apartment complexes, who typically receive a City Light bill but have utility costs for water, sewer and solid waste included in their rent. These customers receive a fixed dollar credit via their Seattle City Light bill, which approximates the 50 percent discount.

Table 5-4 presents the discounts for 2020, 2022, and 2023.

Table 5-4
Rate Assistance Discounts

Customer-type	Adopted	Proposed	Proposed
	2020	2022	2023
SPU-billed customers Non-SPU-billed customers	50% Discount	50% Discount	50% Discount
Single-family (Residential)	\$22.85/month	\$23.52/month	\$24.33/month
Multi-family (Gen. Serv.)	\$12.50/month	\$12.78/month	\$13.25/month

5.3. General Service Rate Design

General service accounts represent about 12 percent of total SPU retail water accounts. General Service customers are also broken into five subclasses: in-city customers, Shoreline/Lake Forest Park customers, Burien customers, Mercer Island customers, and other outside-City customers. This section provides additional detail on the components of the general service rate design, the general service rate increase and general service rate subclasses.

The proposed rates will affect general service customer bills to varying degrees depending on the volume of water used. **Table 5-5** presents projected bill impacts for a sampling of general service customer types.

Table 5-5
Monthly General Service Bills at Proposed Rates

Customer	Mon	thly	2020	2022	Change	2023	Change
Туре	Consum	ption	Adopted	Proposed	from 2020	Proposed	from 2022
Convenience	Winter	15.0	\$100.00	\$102.25	\$2.25	\$105.95	\$3.70
Store	Summer	15.0	\$121.90	\$124.60	\$2.70	\$129.20	\$4.60
(1" meter)	Average	15.0	\$107.30	\$109.70	\$2.40	\$113.70	\$4.00
Small Office	Winter	49.9	\$302	\$309	\$7	\$320	\$11
Building	Summer	56.8	\$422	\$432	\$9	\$448	\$16
(2" meter)	Average	52.2	\$342	\$350	\$8	\$362	\$13
Apartment	Winter	168.3	\$1,029	\$1,052	\$23	\$1,090	\$38
Bldg (90 units)	Summer	247.3	\$1,816	\$1,856	\$40	\$1,925	\$69
(3" meter)	Average	194.6	\$1,291	\$1,320	\$28	\$1,368	\$48
Medium	Winter	1,180	\$6,586	\$6,733	\$147	\$6,977	\$244
Hotel	Summer	1,559	\$10,906	\$11,145	\$239	\$11,558	\$413
(6" meter)	Average	1,307	\$8,026	\$8,203	\$177	\$8,504	\$300
Large	Winter	3,785	\$20,689	\$21,148	\$459	\$21,914	\$766
Industrial	Summer	2,410	\$16,783	\$17,149	\$366	\$17,785	\$636
(8" meter)	Average	3,327	\$19,387	\$19,815	\$428	\$20,538	\$723

Calculations may not total due to rounding

Note: All bill impacts are for in-city customers.

5.3.1. General Service Rate Structure

The general service rate structure is nearly identical to that for residential customers with a base service charge that varies by meter size and peak and off-peak commodity rates. In general, the discussion in Section 5.2.1 on these two rate components is applicable to general service rates.

The primary difference between the two rate structures is that general service customers do not have tiered peak rates⁷; all peak consumption is charged at a single rate. In addition, the general service base service charge progression includes several larger meter rates which are not applicable to residential customers.

In this rate proposal rate parity between residential and general service customer classes is ended. Proposed 2022-2023 commodity and base service charges increase at approximately the same rate within each class.

5.3.2. General Service Increase

This rate proposal breaks the parity between general service and residential rates that has existed for over a decade. This proposal increases meter charges and commodity charges at approximately the same rate within each customer class. Adjusting meter and commodity charges at the same rate impacts all customers within a class the same way, rather than in a disparate manner based on meter size and consumption level. With respect to larger meter rates not applicable to residential customers, rates for 16-inch meters will remain at 2020 levels for the first year of the proposal, only increasing in 2023. Meters larger than 16-inches will remain at 2020 rate levels for both years of the proposal. These larger meter rates are proposed to remain constant to recognize that charges are already high relative to smaller meter rates based on a cost analysis.

General service rates are shown in **Table 5-6**:

⁷ The residential first tier peak rate is intended as a "lifeline" rate and as such does not apply to general service. The third tier peak rate is intended to capture "excessive" or "wasteful" water consumption. Because each general service customer has a different level of consumption, SPU would not be able to set a threshold amount above which consumption is considered excessive.

Table 5-6
Proposed General Service Rates

	Current	2022	2023
	Rate	Rate	Rate
Commodity			
Off-Peak (\$/ccf)	\$5.40	\$5.52	\$5.72
Peak (\$/ccf)	\$6.86	\$7.01	\$7.27
Base Service Charge			
3/4 inch	\$18.45	\$18.85	\$19.55
1 inch	\$19.00	\$19.45	\$20.15
1 1/2 inch	\$29.35	\$29.95	\$31.10
2 inch	\$32.50	\$33.20	\$34.40
3 inch	\$120.30	\$122.90	\$127.45
4 inch	\$172.35	\$176.05	\$182.60
6 inch	\$212.00	\$217.00	\$225.00
8 inch	\$250.00	\$255.00	\$264.00
10 inch	\$305.00	\$312.00	\$323.00
12 inch	\$412.00	\$421.00	\$436.00
16 inch	\$477.00	\$477.00	\$490.00
20 inch	\$614.00	\$614.00	\$614.00
24 inch	\$771.00	\$771.00	\$771.00

Note: All rates above are in-city.

5.3.3. General Service Sub-Classes

As with residential accounts, the majority of Seattle Public Utilities' general service customers are located within City limits (about 21,500 accounts). In addition, SPU directly provides water service to 600 general service customers in the City of Shoreline and City of Lake Forest Park, 35 general service customers in Burien, one general service customer in Mercer Island, and 370 other general service customers outside of City boundaries. Similar to residential accounts, Shoreline and Lake Forest Park general service customers pay a 21 percent surcharge over the in-city general service meter and commodity rates, Burien customers pay a 24 percent surcharge, and other outside-City customers pay a 14 percent surcharge. One Mercer Island general service customer pays a 20 percent surcharge based on a 5.3 percent utility tax on SPU revenue. For further details, see Section 5.2.3.

5.4. Private Fire Rate Design

Private fire rates are charged for water service to fire sprinkler systems located on a customer's property. Private fire service customers pay a **flat monthly meter base charge** which varies with meter size. This base fee includes an allowance for water consumption for testing and pump cooling. The monthly allowance is five ccf for meters up to six inches and 10 ccf for meters eight inches and larger. A **penalty charge** (\$20.00/ccf) is assessed on non-fire related consumption in excess of the allowed amounts.

Fire service rates are not proposed to change in this study as current revenue is enough to meet the revenue requirement for the class. Fire service rates for inside city customers are presented in **Table 5-7** below.

Table 5-7
Proposed Private Fire Rates

	Current	2022	2023
	Rate	Rate	Rate
Commodity			
Penalty Charge (\$/ccf)	\$20.00	\$20.00	\$20.00
Base Service Charge			
2 inch	\$17.75	\$17.75	\$17.75
3 inch	\$23.00	\$23.00	\$23.00
4 inch	\$43.00	\$43.00	\$43.00
6 inch	\$73.00	\$73.00	\$73.00
8 inch	\$115.00	\$115.00	\$115.00
10 inch	\$166.00	\$166.00	\$166.00
12 inch	\$242.00	\$242.00	\$242.00

Note: All rates above are in-city.

Private fire service rate schedules by subclass are found in **Appendix C** of this study.

Like other retail customers, Shoreline and Lake Forest Park private fire customers pay a 21 percent differential over the in-city private fire rates, Burien customers pay a 24 percent surcharge, and other outside-city customers pay a 14 percent differential. For further details, see Section 5.2.3.

5.5. Public Fire Rate Design (Hydrants)

Fire hydrants provide water used by public fire departments to fight fires. Most fire hydrants owned by SPU are located within the City of Seattle. The majority of other hydrants are in retail service areas just north or south of the city limits. In order to more closely associate the cost of providing water for firefighting with the customers that use this water, SPU directly charges local governments an annual fee for public fire service. Charging local governments for the public fire service within their jurisdiction ensures that this portion of revenue requirement is not borne by Seattle's retail customers.

5.5.1. Rate Structure

Public fire customers are charged *a flat annual fee* which varies based on the size of main attached to the hydrant and jurisdiction where located. SPU has established two different flat rates for fire service to reflect both service level and cost differences between four-inch and larger mains⁸. Four-inch mains provide substantially lower fire flows than larger mains. In addition, four-inch mains, while sufficient for domestic service, generally do not meet current state installation standards for mains supporting hydrants. Consequently, all of the cost of over-sizing water mains to provide fire flow, about half of total hydrant service cost, is assigned to larger mains. The remaining costs are shared between two rates based on the number of units, or hydrants. Hydrants connected to larger mains currently account for

⁸ State requirements for hydrant service have become progressively more stringent over the last century. Four-inch mains were considered sufficient to provide fire flows when originally installed. Now, a minimum of six inches is required. Most areas with both domestic and fire flow demands require a minimum of eight-inch mains.

about 99 percent of all units within the SPU service area. Hydrants in Burien are charged a higher fee to recover the cost of utility taxes in the city.

5.5.2. Public Fire Rate Increase

This study proposes increases in each year of the rate study. The rate increase for large-main hydrants is less than the increase for the 4-inch main rate in 2022. The rates increase evenly in 2023. **Table 5-8** presents the calculation for proposed 2022 and 2023 public fire rates.

Table 5-8
Calculation of Proposed Public Fire Rates

_	20	020*	20	22	2023			
	4-Inch Larger N		4-Inch	Larger Mains	4-Inch	Larger Mains		
Revenue Requirement Meter Count	\$69,057 215	\$10,716,199 18,523	\$104,822 208	\$12,487,176 18,613	\$108,513 208	\$12,926,850 18,613		
Meter Rate	\$321.20	\$578.53	\$503.95	\$670.88	\$521.70	\$694.51		

^{* 2020} assumptions used in 2018-2020 Rate Study

Rates do not apply in Burien

The large 2022 increase is primarily due to an increase in costs associated with maintaining hydrants and mains sized for fire protection throughout the water system. See Table 4-6 for information on the change in cost share for the public fire class.

All public fire hydrants within the SPU retail service area are used to calculate and set hydrant rates. However, due to indemnification language in their franchise agreements, SPU does not charge King County, Shoreline, and Lake Forest Park for hydrant service. Per *Lane v Seattle*, the costs of providing, maintaining, and operating these hydrants are considered a "cost of doing business" in these areas.

Table 5-9 presents projected annual bills for public fire customers at proposed rates.

Table 5-9
Annual Public Fire Bills at Proposed Rates

		Hydrant Count		2020	2022	2023
	4-Inch Mains	Larger Mains	Total	Bill	Bill	Bill
Seattle	117	17,209	17,326	\$9,993,584	\$11,604,216	\$12,012,801
Burien	41	122	163	\$83,750	\$111,424	\$115,347

APPENDIX A: COST ALLOCATION DETAILS

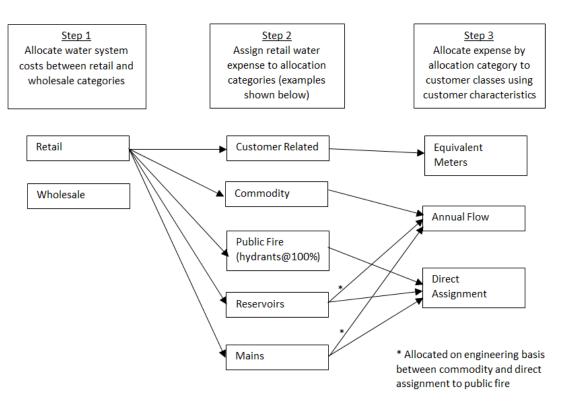
Chapter 4 contained an overview of how the 2022-2023 water revenue requirements were allocated to each cost category. This Appendix provides the detail behind those allocations.

SPU uses embedded, or historical cost of service from a test year (2019 for this rate study), to determine the percentage of revenue to be assigned to each customer class in the rate-setting period. The costs from the test year are broken into service-based allocation categories that are then allocated to cost categories based on defined customer characteristics. The resulting percentages from the test year are then applied to the 2022-2023 revenue requirements.

Three steps are required to determine the revenue split between test year cost component categories:

- 1. Allocation of water system expense into retail and wholesale buckets.
- 2. Allocation of retail water expense between different allocation categories.
- 3. Allocation of the cost assigned to each allocation category between cost categories.

Figure A1-1
Assignment of Water System Expense to Cost Component Categories
Allocation Steps



Prior to launching into the details of the separate steps, however, it is important to provide some context.

A1.1. Cost Allocation Context

The test year cost of service is calculated using a utility-based cost method whereby test year revenue (or total cost) is the sum of three components: O&M expense, depreciation expense, and a return on plant in service. The cost allocation steps described in Sections A1.2 through A1.4 are applied separately to each of the three cost components. Below is a description of each of these components within the context of the current rate study.

O&M. Total O&M spending is equal to O&M presented in the test year (2019) Water Fund audited financial statements, excluding debt service, depreciation, and certain accrued expenses.

Depreciation (use of capital assets). Total depreciation is equal to the amount presented in the 2019 Water Fund audited financial statements, excluding depreciation on contributed assets (those assets, such as water meters, whose installation was paid for directly by individual customers).

Return on Assets. This is the result of applying an "interest rate" (rate-of-return or ROR) to the net book value of plant in service. Plant in service is equal to the amount presented in the 2019 audited financial statements, excluding contributed assets. Two rates of return are used in this cost allocation. "Regional" assets (assets that are shared with the wholesale customers and whose costs are allocated to wholesale – primarily watersheds and transmission assets) use the rate-of-return as defined in the wholesale contracts (5.9 percent in 2019). The rate-of-return on retail assets (i.e., everything that is not regional) is adjusted so that the total rate-of-return is equal to the difference between the adjusted retail service revenue⁹ and the sum of O&M and depreciation in the test year. Therefore,

(Retail portion of Regional Assets*Regional ROR)

- + (Retail assets*Retail ROR)
- + Retail portion of Depreciation
- + Retail portion of O&M
- = Adjusted Retail Revenue

where all values are for the 2019 test year.

The rate-of-return on only retail assets for 2019 is 4.5 percent.

A1.2. Step One: Water System Expense Allocation

The first step is to allocate test year expenses between wholesale and retail. This is similar to the split that is done to determine the wholesale revenue requirement for each year of the rate study.

Both wholesale customers (suburban municipalities and water districts) and Seattle's direct service retail customers share the cost of the "regional" portion of Seattle's water system, including facilities such as the watersheds and transmission pipelines. In addition, the system includes certain "subregional" assets, such as the West Seattle and Des Moines pipelines, which serve both Seattle retail customers and wholesale customers in the applicable subregions.

⁹ Industry standards allow for adjustments to test periods for known and quantifiable changes. Revenue in 2019, the test year, was significantly above the level necessary to meet all financial policies. The adjustment to 2019 revenue, \$22.5 million, reduced revenue to the level that just met all financial policy targets.

This step begins by assigning O&M and asset costs (depreciation and return on plant) to regional, subregional, and retail buckets. The regional O&M costs are then "grossed up" using various multipliers specified in the contracts to reimburse the Water Fund for additional general and administrative overhead costs not directly included in the regional bucket. The mechanics of this are similar to the G&A allocation used for CIP, including the need to create a corresponding regional credit to avoid counting expenses twice.

The resulting regional costs, subregional costs, and regional credit are then split by annual flows (as per contracts) between wholesale and retail customers. For 2019, 52 percent of regional costs went to wholesale and 48 percent to retail. The 2019 split of all subregional costs was 14 percent to wholesale and 86 percent to retail. The portion of the regional credit that retail receives is the amount it would pay under the contracts as a wholesale customer, so it is 48 percent.

Table **A1-1** presents Seattle's share of combined O&M, depreciation, and return on asset expense in the 2019 test year.

Table A1-1 Seattle's Share of Water System Utility-based Expense (2019)

	System Expense	Reta	ail Share		
Regional Expense	87,748,518	48.3%	42,351,959		
Regional Credit	(14,306,789)	48.3%	(6,905,194)		
Sub-regional Expense	3,899,719	85.9%	3,349,335		
Retail Expense	120,303,131	100.0%	120,303,131		
Total	197,644,578		159,099,231		

A1.3. Step Two: Allocation of Retail Expense to Allocation Categories

In Step Two, the retail share of each O&M activity and water asset (for depreciation and return on plant allocation) during the test year is assigned to one of seven allocation categories. This is an intermediate step which groups assets and services to then be allocated using customer characteristics (described in section A1.4). **Table A1-2** presents the distribution of actual 2019 retail expense between the various allocation categories.

Table A1-2
2019 Retail Water Expense by Allocation Category

				Total
Allocation Categories	O&M	Depreciation	Return on Plant	Retail Expense
Commodity	27,550,658	13,003,490	18,070,447	58,624,595
Accounts	9,669,608	8,761,919	7,024,165	25,455,692
Public Fire	1,717,601	125,729	202,225	2,045,555
Reservoirs	1,436,660	2,328,583	3,899,114	7,664,357
Mains	3,570,688	1,571,684	3,730,524	8,872,896
Asset Composite	18,111,364	-	-	18,111,364
Overall Composite	25,796,664	5,923,666	6,604,443	38,324,772
Total	87,853,242	31,715,071	39,530,918	159,099,231

A1.4. Step Three: Allocation of Expense by Allocation Category to Cost Component Categories

In Step Three, each allocation category from Step Two is distributed between the cost component categories. Some of these are fairly straightforward (e.g., commodity is allocated by annual flow) and some are a little more complicated. The details of each assignment follow in **Table A1-3.**

Table A1-3
Allocation Factors for Assignment of Retail Expense
To Cost Component Categories

		Equivalent	Direct/
Allocation Categories	Annual Flow	Meters	Engineering Basis
Commodity	100.0%		
Accounts		100.0%	
Public Fire			100.0%
Reservoirs	99.7%		0.3%
Mains	58.3%		41.7%
Asset Composite	68.9%	26.6%	4.5%
Overall Composite	69.5%	25.1%	5.5%

Commodity. This category is primarily made up of the regional and subregional costs identified in Step One. These costs are assigned to the commodity category because annual flow is what determines the split of costs between wholesale and retail customers.

Accounts. This category contains costs such as service replacements and meter testing and repair, which vary by meter size. It also includes customer related expenses which do not vary significantly with water usage or meter size, such as the Water Fund's share of the CCB billing system, communication equipment (Interactive Voice Response) and other IT investments. Costs are allocated using a factor called "equivalent meters" that assigns a higher weight to larger meters. Additional details on equivalent meters are in Section A1.5.

Public Fire. These categories include expenses which are directly attributable to public fire service, such as hydrant repair and flow testing.

Reservoirs. Reservoirs provide a source of water during fires as well as water for domestic purposes.

Their cost is allocated to these uses based on an engineering analysis of the proportion of capacity devoted to each use. Further information on this allocator is in Section A1.6.

Mains. Watermains are sized to meet fire flow requirements and domestic demands for water. The cost for this allocation category is split between public fire and annual flow categories based on the proportional share of total installed main cost attributed to fire uses and to domestic uses. Section A1.7 contains a detailed description of this calculation.

Asset Composite. This category includes items that support the Water Fund's asset base, such as Maximo and the stage gate process. The allocation among customer characteristics is the average allocation of all previously assigned asset costs.

Overall Composite. This category includes costs that support the overall Water Fund, such as Finance and the General Manager/CEO's Office. The allocation among customer characteristics is the average allocation of all costs.

The application of the allocation factors identified in Table A1-2 to the test year (2019) expense by allocation category in Table A1-3 gives us the distribution of actual test year costs between cost component categories, as presented in **Table A1-4** below.

Table A1-4

Retail Component Cost Allocation

2019 Cost of Service (O&M + Depreciation + Rate-of-Return)

	Total Retail		Equivalent	Direct/
Allocation Categories	Expense	Annual Flow	Meters	Engineering Basis
Commodity	58,624,595	58,624,595		
Accounts	25,455,692		25,455,692	
Public Fire	2,045,555			2,045,555
Reservoirs	7,664,357	7,641,364		22,993
Mains	8,872,896	5,175,770		3,697,127
Asset Composite	18,111,364	12,476,787	4,811,081	823,496
Overall Composite	38,324,772	26,629,454	9,604,408	2,090,910
Total	159,099,231	110,547,969	39,871,181	8,680,081

These costs are then divided among customer classes based on the characteristics of each customer class. This step is discussed in detail in Sections 4.1 and 4.2.

A1.5. Calculation of Equivalent Meters Allocator

Section 4.3 in Chapter 4 discusses the use of the equivalent meters allocator to assign certain customerservice related expense between customer classes.

For customer related expenses, a hybrid allocator was used to reflect that some costs vary with meter size (e.g., meter repair), and some do not (e.g., customer billing). The first step was to calculate the percentage of meters by customer class, with private fire discounted 50% to reflect that these meters are typically secondary meters on a domestic account.

Table A1-5
Step 1 of Equivalent Meters Calculation - Meters by Customer Class

	0.75	1	1.5	2	3	4	6	8	10	12	16	20	24	Total	Percentage
Residential	150,313	17,822	1,413	515	1	1	1	1	-		-	-	-	170,067	87%
General Service	6,648	5,080	3,765	4,925	477	1,079	400	133	34	9	-	2	-	22,552	12%
Private Fire @50%	466	1	4	301	11	753	618	329	12	3	-	-	-	2,497	1%
Total	157,427	22,903	5,182	5,741	489	1,833	1,019	463	46	12	-	2	-	195,116	100%

Step two is to calculate the percentage of meters per customer class after weighting the meter counts using standard American Water Works Association (AWWA) meter progression ratios by meter size. Similar to step one, the private fire ratios were discounted 75% to reflect that these meters are typically secondary meters on a domestic account and typically use very little water.

Table A1-6
Step 2 of Equivalent Meters Calculation – Weighted Meter Counts by Customer Class

	0.75	1	1.5	2	3	4	6	8	10	12	16	20	24	Total
Residential Count	150,313	17,822	1,413	515	1	1	1	1	-	-	-	-	-	
Weighting Factor	1.0	1.7	3.3	5.3	10.0	16.7	33.3	53.3	76.7	143.3	250.0	325.0	420.0	
Residential Weighted Count	150,313	30,297	4,663	2,730	10	17	33	53	ı	-	-	-	-	188,116
	0.75	1	1.5	2	3	4	6	8	10	12	16	20	24	Total
General Service Count	6,648	5,080	3,765	4,925	477	1,079	400	133	34	9	-	2	-	
Weighting Factor	1.0	1.7	3.3	5.3	10.0	16.7	33.3	53.3	76.7	143.3	250.0	325.0	420.0	
Gen Svc Weighted Count	6,648	8,636	12,425	26,103	4,770	18,019	13,320	7,089	2,608	1,290	-	650	-	101,557
	0.75	1	1.5	2	3	4	6	8	10	12	16	20	24	Total
Private Fire Count	932	2	8	602	21	1,506	1,236	658	24	5	-	-	_	
Weighting Factor @25%	0.3	0.4	0.8	1.3	2.5	4.2	8.3	13.3	19.2	35.8	62.5	81.3	105.0	
Private Fire Weighted Count	233	1	7	798	53	6,288	10,290	8,768	460	179	-	-	-	27,075

Table A1-7
Step 2 of Equivalent Meters Calculation – Weighted Meter Percentages

	Total	Percentage
Residential Weighted Count	188,116	59.4%
Gen Svc Weighted Count	101,557	32.1%
Private Fire Weighted Count	27,075	8.5%
Total	316,748	100%

The last step is to average the results of step one and step two. The hybrid allocator produced is used to allocate customer related expenses between customer classes.

Table A1-8
Equivalent Meters Allocation Percentage Basis

	Allocation on Meter Count Basis	Allocation on Weighted Basis	Hybrid Allocation
Residential	87.7%	59.4%	73.6%
General Service	11.6%	32.1%	21.8%
Private Fire	0.6%	8.5%	4.6%

A1.6. Allocation of Reservoirs to Public Fire

The allocation of reservoirs to public fire was updated for the previous rate study since the reservoir covering projects are nearly complete. (Note that for the rate study, "reservoirs" includes reservoirs, tanks, and standpipes.) From an allocation perspective, there are two types of reservoirs: regional/subregional reservoirs whose costs are shared with wholesale customers and those that are retail only. As discussed in Section 4, the retail portions of regional and subregional assets are considered commodity assets since the wholesale/retail split is determined by consumption. In other words, if a particular retail customer class uses more water, they will cause a higher portion of costs to be allocated to retail customers. Therefore, costs are caused by commodity regardless of the nature of the underlying asset.

For retail only reservoirs, detailed reservoir sizing is used to develop an overall allocation between public fire and commodity. For most reservoirs there is no dedicated fire storage, since water is available to the reservoir under gravity flow. It is only reservoirs that rely on pumped water for refill that have a dedicated amount of storage for public fire. That amount of dedicated storage is determined as 8,000 gpm for 15 minutes (equal to 0.12 MG), which is the response time needed to restore water flow to each of the non-gravity supplied reservoirs by remote start of a diesel pump or by activating a turbine driven pump. **Table A1-9** is based on reservoir data from SPU's 2013 Water System Plan.

Table A1-9
Reservoir Capacities

		Storage
Millions of Gallons (MG)	Capacity	Required
Retail Reservoirs		
Bitter Lake	21.30	N/A
Beacon	50.00	N/A
Lincoln	12.70	N/A
Magnolia	5.50	0.12
Myrtle	5.00	0.12
View Ridge	2.50	N/A
Roosevelt	50.30	N/A
Volunteer	20.50	N/A
Retail Tanks		
Charlestown	1.30	0.12
Queen Anne	1.90	0.12
North Trenton	1.20	N/A
South Trenton	1.20	N/A
Volunteer Park	0.90	0.12
Magnolia Bluff	1.00	N/A
Total	175.30	0.60
Percentage allocated to Public Fire		0.3%

A1.7. Calculation of Watermains Allocator

Watermains are sized to meet fire flow requirements and domestic demands for water. In sizing the watermain, the pipe must have sufficient capacity to meet two separate criteria: (i) peak hour domestic demand and (ii) peak day domestic demand + fire flow requirements. For medium and small-size pipes (8 inch diameter or less) the second criteria will be the binding constraint. For larger size pipe (i.e., pipes that are serving very large areas or areas with very dense developments), the first criteria (peak hour demand) will be the binding constraint.

The most common size pipe in Seattle's system is, by far, an 8 inch diameter pipe. In areas served by 8 inch mains, domestic peak hour flows, i.e., the first criteria, can typically be met with 4 inch mains. The oversizing from 4 inch to 8 inch is needed to meet the second criteria. Taking into account that hydraulic capacity grows exponentially with the diameter of the pipe, this means about 25 percent of the 8 inch pipe is serving domestic flows and 75 percent is providing fire protection. Pipes smaller than 8 inch were installed on the system when the fire flow requirements were lower than they are today. For this allocation exercise, the cost of 4 inch mains were assigned to domestic service and the cost of 6 inch mains were assigned to public fire protection. For pipes larger than 8 inch, the share of capacity needed for fire flows shrinks until we reach pipes with diameters of 30 inches or more. The graph below shows the relationship between pipe size and fire flow requirements expressed in diameters.

35 30 ■ Pipe Diameter Diameter in Inches 25 ■ Diameter for domestic use 20 15 10 5 0 4" 6" 8" 12" 20" 24" 30" 4 8 12 20 24 30 Pipe Diameter 6 4 4 4 8 18 23 30 Diameter for domestic use 100% 44% 25% 44% 100% Capacity for domestic use 81% 92%

Figure A1-2
Actual Pipe Diameters Versus Diameter Required for Domestic Use

The cost of watermains is split between fire protection and domestic uses based on each group's proportionate share of total watermain asset value. The calculation of this asset value takes into account the shares of hydraulic capacity discussed above. The steps to determining the appropriate allocation for watermain assets are as follows:

1. <u>Estimate net book value by pipe size for all the mains in the system</u>. SPU financial systems track net book value for total water mains, but not by pipe size. For the purposes of this allocation, net book value by pipe size is estimated by applying estimated accumulated depreciation to estimated replacement cost by pipe size. An adjustment factor is then applied in order to adjust

each pipe size so that the total estimated net book value equals actual total watermains net book value as of 12/31/19. Estimated replacement cost by pipe size is determined as follows:

Estimated Replacement Cost = $(\$Cost/LF_d) \times (LF_d)$

Where $Cost/LF_d$ = the replacement cost per lineal feet of a pipe of diameter 'd,' and LF_d = the number of lineal feet in the system of pipe of diameter 'd' as of 2019.

Using cost indices by year installed, the replacement cost net book value is converted to an estimated original net book value by year installed.

2. <u>Determine cost associated with fire protection service</u>.

Fire Protection Net Book Value =

 Σ (Hydraulic Capacity for Fired) \div (Hydraulic Capacity of Piped) x (Net Book Value by Pipe Length)

3. Determine the proportion of the watermain net book value devoted to fire protection.

Proportion of costs for fire protection =
(Fire Protection Net Book Value) ÷ (Total Net Book Value)

The percentage share determined in Step Three is then used to assign watermain costs to fire protection. Using the above methodology, the cost share assigned to fire protection for this rate period is 42 percent.

APPENDIX B: INFORMATIONAL TABLES

B1.1.	Resid	lential	Rate	History
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Sidential - Inside Seattle Commodity Rate (per ccf)											
Commodity Rate (per ccf) Commodity Rate (per ccf) \$3.62 \$4.04 \$4.50 \$4.99 \$5.06 \$5.15 \$5.20 \$5.27 \$5.44 Peak 1st Block \$3.98 \$4.34 \$4.73 \$5.13 \$5.20 \$5.29 \$5.33 \$5.41 \$5.55 Peak 2nd Block \$4.63 \$5.15 \$5.72 \$6.34 \$6.43 \$6.59 \$6.69 \$6.88 Peak 3rd Block \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80 \$11.80		Effective Date:	1/1/11	1/1/12	1/1/13	1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/20
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Fixed Credit (per month) \$17.02 \$16.97 \$18.19 \$19.46 \$19.84 \$20.56 \$21.15 \$12.86 \$22.88 Commodity Rate (per ccf) Off-Peak \$1.81 \$2.02 \$2.25 \$2.50 \$2.53 \$2.58 \$2.60 \$2.64 \$2.70 Peak 1st Block \$1.99 \$2.17 \$2.37 \$2.57 \$2.60 \$2.65 \$2.67 \$2.71 \$2.76 Peak 2nd Block \$2.32 \$2.58 \$2.86 \$3.17 \$3.22 \$3.27 \$3.30 \$3.35 \$3.45 Peak 3rd Block \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90	Utility Credit										
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Off-Peak \$1.81 \$2.02 \$2.25 \$2.50 \$2.53 \$2.58 \$2.60 \$2.64 \$2.70 Peak 1st Block \$1.99 \$2.17 \$2.37 \$2.57 \$2.60 \$2.65 \$2.67 \$2.71 \$2.75 Peak 2nd Block \$2.32 \$2.58 \$2.86 \$3.17 \$3.22 \$3.27 \$3.30 \$3.35 \$3.45 Peak 3rd Block \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90	Commodity Rate (per ccf)										
Peak 1st Block \$1.99 \$2.17 \$2.37 \$2.57 \$2.60 \$2.65 \$2.67 \$2.71 \$2.75 Peak 2nd Block \$2.32 \$2.58 \$2.86 \$3.17 \$3.22 \$3.27 \$3.30 \$3.35 \$3.45 Peak 3rd Block \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 <			\$1.81	\$2.02	\$2.25	\$2.50	\$2.53	\$2.58	\$2.60	\$2.64	\$2.70
Peak 2nd Block \$2.32 \$2.58 \$2.86 \$3.17 \$3.22 \$3.27 \$3.30 \$3.35 \$3.41 Peak 3rd Block \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.9	Peak 1st Block		\$1.99			\$2.57	\$2.60	-	\$2.67	\$2.71	\$2.78
Peak 3rd Block \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90 \$5.90	Peak 2nd Block				•						\$3.43
	Peak 3rd Block		\$5.90	•	•	\$5.90	\$5.90	•	•	\$5.90	\$5.90
	Meter Charges (Discount)						•				50%

	Effective Date:	1/1/11	1/1/12	1/1/13	1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/20
Residential - Outside Seattle										
Commodity Rate (per ccf)										
Off-Peak		\$4.13	\$4.61	\$5.13	\$5.69	\$5.77	\$5.87	\$5.93	\$6.01	\$6.16
Peak 1st Block		\$4.54	\$4.95	\$5.39	\$5.85	\$5.93	\$6.03	\$6.08	\$6.17	\$6.33
Peak 2nd Block		\$5.28	\$5.87	\$6.52	\$7.23	\$7.33	\$7.46	\$7.51	\$7.63	\$7.82
Peak 3rd Block		\$13.45	\$13.45	\$13.45	\$13.45	\$13.45	\$13.45	\$13.45	\$13.45	\$13.45
Meter Charge (\$s/mtr/mo)										
3/4 inch		\$14.80	\$15.10	\$15.40	\$15.70	\$16.15	\$17.25	\$18.35	\$19.55	\$21.05
1 inch		\$15.30	\$15.55	\$15.85	\$16.20	\$16.65	\$17.80	\$18.90	\$20.20	\$21.65
1 1/2 inch		\$23.60	\$24.00	\$24.45	\$24.90	\$25.65	\$27.45	\$29.20	\$31.05	\$33.45
2 inch		\$26.10	\$26.60	\$27.10	\$27.60	\$28.40	\$30.40	\$32.30	\$34.45	\$37.05
3 inch		\$96.60	\$98.45	\$100.30	\$102.20	\$105.15	\$112.65	\$119.65	\$127.45	\$137.15
4 inch		\$138.40	\$141.10	\$143.75	\$146.45	\$150.65	\$161.30	\$171.45	\$182.65	\$196.50
<u>Utility Credit</u>										
Fixed Credit (per month)		\$17.02	\$16.97	\$18.19	\$19.46	\$19.84	\$20.56	\$21.15	\$12.86	\$22.85
Commodity Rate (per ccf)										
Off-Peak		\$2.07	\$2.31	\$2.57	\$2.85	\$2.89	\$2.94	\$2.97	\$3.01	\$3.08
Peak 1st Block		\$2.27	\$2.48	\$2.70	\$2.93	\$2.97	\$3.02	\$3.04	\$3.09	\$3.17
Peak 2nd Block		\$2.64	\$2.94	\$3.26	\$3.62	\$3.67	\$3.73	\$3.76	\$3.82	\$3.91
Peak 3rd Block		\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73	\$6.73
Meter Charges (Discount)		50%	50%	50%	50%	50%	50%	50%	50%	50%

Effective Da	te: 1/1/11	1/1/12	1/1/13	1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/2
dential - Shoreline, Lake Forest Park									
Commodity Rate (per ccf)	4.00	44.00	4= 40	400=	40.44	400=	4004	4000	40.
Off-Peak	\$4.39	\$4.90	\$5.46	\$6.05	\$6.14	\$6.25	\$6.31	\$6.39	\$6.5
Peak 1st Block	\$4.83	\$5.26	\$5.74	\$6.22	\$6.31	\$6.42	\$6.46	\$6.56	\$6.7
Peak 2nd Block	\$5.62	\$6.25	\$6.94	\$7.69	\$7.80	\$7.93	\$7.99	\$8.11	\$8.
Peak 3rd Block	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.
Franchise Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Meter Charge (\$s/mtr/mo)									
3/4 inch	\$15.80	\$16.05	\$16.35	\$16.70	\$17.15	\$18.35	\$19.55	\$20.80	\$22
1 inch	\$16.30	\$16.55	\$16.85	\$17.20	\$17.70	\$18.90	\$20.15	\$21.45	\$23
1 1/2 inch	\$25.10	\$25.55	\$26.00	\$26.50	\$27.30	\$29.25	\$31.05	\$33.05	\$35
2 inch	\$27.80	\$28.30	\$28.80	\$29.35	\$30.20	\$32.30	\$34.40	\$36.65	\$39
3 inch	\$102.70	\$104.70	\$106.70	\$108.70	\$111.90	\$119.80	\$127.30	\$135.60	\$145
4 inch	\$147.20	\$150.10	\$152.95	\$155.80	\$160.25	\$171.60	\$182.40	\$194.30	\$209
<u>Utility Credit</u>									
Fixed Credit (per month)	\$17.02	\$16.97	\$18.19	\$19.46	\$19.84	\$20.56	\$21.15	\$21.86	\$22
Commodity Rate (per ccf)									
Off-Peak	\$2.20	\$2.45	\$2.73	\$3.03	\$3.07	\$3.13	\$3.16	\$3.20	\$3
Peak 1st Block	\$2.42	\$2.63	\$2.87	\$3.11	\$3.16	\$3.21	\$3.23	\$3.28	\$3
Peak 2nd Block	\$2.81	\$3.13	\$3.47	\$3.85	\$3.90	\$3.97	\$4.00	\$4.06	\$4
Peak 3rd Block	\$7.16	\$7.16	\$7.16	\$7.16	\$7.16	\$7.16	\$7.16	\$7.16	\$7
Meter Charges (Discount)	50%	50%	50%	50%	50%	50%	50%	50%	5
Master Metered Residential Developme	<u>ent</u>								
Commodity Rate (per ccf)									
Off-Peak	\$4.39	\$4.90	\$5.46	\$6.05	\$6.14	\$6.25	\$6.31	\$6.39	\$6.
Peak 1st Block	\$4.83	\$5.26	\$5.74	\$6.22	\$6.31	\$6.42	\$6.46	\$6.56	\$6.
Peak 2nd Block	\$5.62	\$6.25	\$6.94	\$7.69	\$7.80	\$7.93	\$7.99	\$8.11	\$8.
Peak 3rd Block	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.31	\$14.
Meter Charges (See above)									

^{- 48 -} Appendix B: Informational Tables

B1.2. General Service Rate History

	Effective Date:	1/1/11	1/1/12	1/1/13	1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/20
				, , -		, , -		, , -	, , -	, , -
eneral Service - Inside Seattle										
Commodity Rate (per ccf)										
Off-Peak		\$3.62	\$4.04	\$4.50	\$4.99	\$5.06	\$5.15	\$5.20	\$5.27	\$5.40
Peak		\$4.63	\$5.15	\$5.72	\$6.34	\$6.43	\$6.54	\$6.59	\$6.69	\$6.86
Meter Charge (\$s/mtr/mo)										
3/4 inch		\$13.00	\$13.25	\$13.50	\$13.75	\$14.15	\$15.15	\$16.10	\$17.15	\$18.45
1 inch		\$13.40	\$13.65	\$13.90	\$14.20	\$14.60	\$15.60	\$16.60	\$17.70	\$19.00
1 1/2 inch		\$20.70	\$21.05	\$21.45	\$21.85	\$22.50	\$24.10	\$25.60	\$27.25	\$29.35
2 inch		\$22.90	\$23.35	\$23.75	\$24.20	\$24.90	\$26.65	\$28.35	\$30.20	\$32.50
3 inch		\$84.70	\$86.35	\$88.00	\$89.65	\$92.25	\$98.80	\$104.95	\$111.80	\$120.30
4 inch	Ç	\$121.40	\$123.75	\$126.10	\$128.45	\$132.15	\$141.50	\$150.40	\$160.20	\$172.35
6 inch	Ç	\$149.40	\$152.30	\$155.15	\$158.05	\$162.65	\$174.10	\$185.05	\$197.10	\$212.00
8 inch	Ç	\$199.00	\$199.00	\$199.00	\$199.00	\$199.00	\$205.00	\$218.00	\$232.00	\$250.00
10 inch	Ç	\$297.00	\$297.00	\$297.00	\$297.00	\$297.00	\$297.00	\$297.00	\$297.00	\$305.00
12 inch	Ç	\$402.00	\$402.00	\$402.00	\$402.00	\$402.00	\$402.00	\$402.00	\$402.00	\$412.00
16 inch	Ç	\$477.00	\$477.00	\$477.00	\$477.00	\$477.00	\$477.00	\$477.00	\$477.00	\$477.00
20 inch	Ç	\$614.00	\$614.00	\$614.00	\$614.00	\$614.00	\$614.00	\$614.00	\$614.00	\$614.00
24 inch	Ç	\$771.00	\$771.00	\$771.00	\$771.00	\$771.00	\$771.00	\$771.00	\$771.00	\$771.00
tility Credit - Inside & Outside	(Fixed Credit per m	onth)								
Commercial (Multifar		\$9.32	\$10.14	\$11.22	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.50

	Effective Date: 1/1,	11 1/1/ 2	1/1/1	3 1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/20
General Service - Outside Seattle									
Commodity Rate (per ccf)									
Off-Peak	\$4.	13 \$4.6	1 \$5.13	\$5.69	\$5.77	\$5.87	\$5.93	\$6.01	\$6.16
Peak	\$5.	28 \$5.8	7 \$6.52	\$7.23	\$7.33	\$7.46	\$7.51	\$7.63	\$7.82
Meter Charge (\$s/mtr/mo)									
3/4 inch	\$14	.80 \$15.3	.0 \$15.4	0 \$15.70	\$16.15	\$17.25	\$18.35	\$19.55	\$21.05
1 inch	\$15	.30 \$15.	55 \$15.8	5 \$16.20	\$16.65	\$17.80	\$18.90	\$20.20	\$21.65
1 1/2 inch	\$23	.60 \$24.0	00 \$24.4	5 \$24.90	\$25.65	\$27.45	\$29.20	\$31.05	\$33.45
2 inch	\$26	.10 \$26.6	50 \$27.1	0 \$27.60	\$28.40	\$30.40	\$32.30	\$34.45	\$37.05
3 inch	\$96	.60 \$98.4	\$100.3	0 \$102.20	\$105.15	\$112.65	\$119.65	\$127.45	\$137.15
4 inch	\$138	.40 \$141.:	.0 \$143.7	5 \$146.45	\$150.65	\$161.30	\$171.45	\$182.65	\$196.50
6 inch	\$170	.00 \$173.6	50 \$176.8	5 \$180.20	\$185.40	\$198.45	\$210.95	\$224.70	\$242.00
8 inch	\$227	.00 \$227.0	00 \$227.0	0 \$227.00	\$227.00	\$234.00	\$249.00	\$264.00	\$285.00
10 inch	\$339	.00 \$339.0	00 \$339.0	0 \$339.00	\$339.00	\$339.00	\$339.00	\$339.00	\$348.00
12 inch	\$458	.00 \$458.0	00 \$458.0	0 \$458.00	\$458.00	\$458.00	\$458.00	\$458.00	\$470.00
16 inch	\$544	.00 \$544.0	00 \$544.0	0 \$544.00	\$544.00	\$544.00	\$544.00	\$544.00	\$544.00
20 inch	\$700	.00 \$700.0	00 \$700.0	0 \$700.00	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00
24 inch	\$879	.00 \$879.0	00 \$879.0	0 \$879.00	\$879.00	\$879.00	\$879.00	\$879.00	\$879.00
Jtility Credit - Inside & Outside (I	Fixed Credit per montl	1)							
Commercial (Multifami	·	.32 \$10.:	4 \$11.2	2 \$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.50

	Effective Date: 1/1/1	.1 1/1/12	1/1/13	1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/2
eral Service - Shoreline, City	of Lake Forest Park								
Commodity Rate (per ccf)									
Off-Peak	\$4.3	\$4.90	\$5.46	\$6.05	\$6.14	\$6.25	\$6.31	\$6.39	\$6.5
Peak	\$5.6	2 \$6.25	\$6.94	\$7.69	\$7.80	\$7.93	\$7.99	\$8.11	\$8.3
Franchise Charge	N,	'A N/A	N/A	N/A	N/A	N/A	N/A	N/A	N
Meter Charge (\$s/mtr/mo)									
3/4 inch	\$15.8	0 \$16.05	\$16.35	\$16.70	\$17.15	\$18.35	\$19.55	\$20.80	\$22.
1 inch	\$16.3	0 \$16.55	\$16.85	\$17.20	\$17.70	\$18.90	\$20.15	\$21.45	\$23.
1 1/2 inch	\$25.1	.0 \$25.55	\$26.00	\$26.50	\$27.30	\$29.25	\$31.05	\$33.05	\$35.
2 inch	\$27.8	0 \$28.30	\$28.80	\$29.35	\$30.20	\$32.30	\$34.40	\$36.65	\$39.
3 inch	\$102.7	0 \$104.70	\$106.70	\$108.70	\$111.90	\$119.80	\$127.30	\$135.60	\$145.
4 inch	\$147.2	0 \$150.10	\$152.95	\$155.80	\$160.25	\$171.60	\$182.40	\$194.30	\$209.
6 inch	\$181.0	0 \$184.70	\$188.15	\$191.70	\$197.25	\$211.15	\$224.40	\$239.05	\$257.
8 inch	\$241.0	0 \$241.00	\$241.00	\$241.00	\$241.00	\$249.00	\$264.00	\$281.00	\$303.
10 inch	\$360.0	0 \$360.00	\$360.00	\$360.00	\$360.00	\$360.00	\$360.00	\$360.00	\$370.
12 inch	\$488.0	0 \$488.00	\$488.00	\$488.00	\$488.00	\$488.00	\$488.00	\$488.00	\$500.
16 inch	\$579.0	0 \$579.00	\$579.00	\$579.00	\$579.00	\$579.00	\$579.00	\$579.00	\$579.
20 inch	\$745.0	0 \$745.00	\$745.00	\$745.00	\$745.00	\$745.00	\$745.00	\$745.00	\$745.
24 inch	\$935.0	0 \$935.00	\$935.00	\$935.00	\$935.00	\$935.00	\$935.00	\$935.00	\$935.
y Credit - Inside & Outside (Fixed Credit per month)								
Commercial (Multifam	nily) \$9.3	2 \$10.14	\$11.22	\$12.38	\$12.38	\$12.38	\$12.38	\$12.38	\$12.

B1.3. Wholesale Ra	ate History												
	Effective Date:	1/1/09	1/1/10	1/1/11	1/1/12	1/1/13	1/1/14	1/1/15	1/1/16	1/1/17	1/1/18	1/1/19	1/1
nd Partial Contracts													
Commodity Rate (per ccf)													
Off-Peak		\$1.14	\$1.15	\$1.16	\$1.52	\$1.53	\$1.53	\$1.42	\$1.42	\$1.42	\$1.50	\$1.58	\$:
Peak		\$1.77	\$1.77	\$1.79	\$2.26	\$2.26	\$2.27	\$2.10	\$2.10	\$2.10	\$2.22	\$2.36	\$2
Growth Charge		\$0.60	\$0.60	\$0.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$
Demand Charge (\$/1000 gals of deficion One Time New Service Fee	3 /	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$2
3/4 inch	(ψο)ε. γ	\$713	\$713	\$783	\$783								
1 inch		\$1,426	\$1,426	\$1,566	\$1,566								
1 inch and smaller						\$877	\$936	\$936	\$936	\$936	\$936	\$1,081	\$1
1 1/2 inch		\$3,565	\$3,565	\$3,915	\$3,915	\$3,915	\$4,180	\$4,180	\$4,180	\$4,180	\$4,180	\$4,825	\$4
2 inch		\$5,704	\$5,704	\$6,264	\$6,264	\$6,264	\$6,688	\$6,688	\$6,688	\$6,688	\$6,688	\$7,720	\$7
3 inch		\$15,686	\$15,686	\$17,226	\$17,226	\$17,226	\$18,392	\$18,392	\$18,392	\$18,392	\$18,392	\$21,230	\$21
4 inch		\$22,103	\$22,103	\$24,273	\$24,273	\$24,273	\$25,916	\$25,916	\$25,916	\$25,916	\$25,916	\$29,915	\$29
6 inch		\$47,058	\$47,058	\$51,678	\$51,678	\$51,678	\$55,176	\$55,176	\$55,176	\$55,176	\$55,176	\$63,690	\$63
8 inch		\$79,856	\$79,856	\$87,696	\$87,696	\$87,696	\$93,632	\$93,632	\$93,632	\$93,632	\$93,632	\$108,080	\$108
10 inch		\$120,497	\$120,497	\$132,327	\$132,327	\$132,327	\$141,284	\$141,284	\$141,284	\$141,284	\$141,284	\$163,085	\$163
12 inch		\$169,694	\$169 694	\$186 354	\$186,354	\$186.354	\$198.968	\$198,968	\$198,968	\$198,968	\$198,968	\$229,670	\$229
46: 1		\$105,054	7105,054	7100,334	7 = 0 0 /0 0 1	T = 0 0 /0 0 1	1,						
16 inch		\$169,694	. ,	. ,				\$198,968	\$198,968	\$198,968	\$198,968	\$229,670	
20 inch			\$169,694	\$186,354	\$186,354	\$186,354					. ,	. ,	\$229

B1.4. Private Fire Rate History

	ffective Date:	1/1/11	1/1/12	1/1/13	1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/2
ume (Penalty) Rate po	er ccf									
Inside	L1 CC1	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.0
Outside		\$22.80	\$22.80	\$22.80	\$22.80	\$22.80	\$22.80	\$22.80	\$22.80	\$22.8
Shoreline, Lake Fores	st Park	\$24.30	\$24.30	\$24.30	\$24.30	\$24.30	\$24.30	\$24.30	\$24.30	\$24.3
er Charge (\$s/mtr/m	10)									
Inside Seattle										
2 inch		\$15.40	\$15.40	\$15.40	\$15.40	\$16.00	\$16.25	\$16.25	\$17.25	\$17.
3 inch		\$20.00	\$20.00	\$20.00	\$20.00	\$21.00	\$21.00	\$21.00	\$22.00	\$23.0
4 inch		\$37.00	\$37.00	\$37.00	\$37.00	\$38.00	\$39.00	\$39.00	\$41.00	\$43.0
6 inch		\$63.00	\$63.00	\$63.00	\$63.00	\$65.00	\$66.00	\$66.00	\$71.00	\$73.0
8 inch		\$100.00	\$100.00	\$100.00	\$100.00	\$104.00	\$105.00	\$105.00	\$112.00	\$115.0
10 inch		\$144.00	\$144.00	\$144.00	\$144.00	\$150.00	\$152.00	\$152.00	\$161.00	\$166.
12 inch		\$210.00	\$210.00	\$210.00	\$210.00	\$218.00	\$222.00	\$222.00	\$235.00	\$242.
Outside Seattle										
2 inch		\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$19.00	\$19.00	\$20.00	\$20.
3 inch		\$23.00	\$23.00	\$23.00	\$23.00	\$24.00	\$24.00	\$24.00	\$25.00	\$26.
4 inch		\$42.00	\$42.00	\$42.00	\$42.00	\$43.00	\$44.00	\$44.00	\$47.00	\$49.
6 inch		\$72.00	\$72.00	\$72.00	\$72.00	\$74.00	\$75.00	\$75.00	\$81.00	\$83.
8 inch		\$114.00	\$114.00	\$114.00	\$114.00	\$119.00	\$120.00	\$120.00	\$128.00	\$131.
10 inch		\$164.00	\$164.00	\$164.00	\$164.00	\$171.00	\$173.00	\$173.00	\$184.00	\$189.
12 inch		\$239.00	\$239.00	\$239.00	\$239.00	\$249.00	\$253.00	\$253.00	\$268.00	\$276.
Shoreline, Lake Fore	st Park									
2 inch		\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$20.00	\$20.00	\$21.00	\$22.
3 inch		\$24.00	\$24.00	\$24.00	\$24.00	\$25.00	\$25.00	\$25.00	\$27.00	\$28.
4 inch		\$45.00	\$45.00	\$45.00	\$45.00	\$46.00	\$47.00	\$47.00	\$50.00	\$52.
		\$76.00	\$76.00	\$76.00	\$76.00	\$79.00	\$80.00	\$80.00	\$86.00	\$89.
6 inch										
6 inch 8 inch		\$121.00	\$121.00	\$121.00	\$121.00	\$126.00	\$127.00	\$127.00	\$136.00	\$139.
		•	\$121.00 \$175.00	\$121.00 \$175.00	\$121.00 \$175.00	\$126.00 \$182.00	\$127.00 \$184.00	\$127.00 \$184.00	\$136.00 \$195.00	\$139. \$201.

^{- 53 -} Appendix B: Informational Tables

B1.5. Public Fire Rate History

Effective Date:	1/1/11	1/1/12	1/1/13	1/1/14	1/1/16	1/1/17	1/1/18	1/1/19	1/1/20
Hydrants on 4 inch Mains	\$194.80	\$198.03	\$213.17	\$230.48	\$197.67	\$202.43	\$304.52	\$310.68	\$321.20
Hydrants on 6 inch and larger mains	\$389.48	\$412.56	\$444.11	\$480.16	\$479.96	\$491.53	\$548.49	\$559.59	\$578.53

B1.6. Average System Rate Increase History

Effective Date	Rate Increase
May 16, 2001	5.9%
July 16, 2001	3rd Tier Adopted
January 1, 2002	5.6%
September 16, 2002	14.5%
January 1, 2004	10.6%
January 1, 2005	0.2%
June 1, 2006	0.8%
January 1, 2007	4.6%
January 1, 2008	5.9%
January 1, 2009	11.7%
March 31, 2009*	6.9%
January 1, 2010	9.3%
January 1, 2011**	0.6%
January 1, 2012	9.9%
January 1, 2013	9.7%
January 1, 2014	3.4%
January 1, 2015	-1.9%
January 1, 2016	2.5%
January 1, 2017	2.4%
January 1, 2018	0.7%
January 1, 2019	5.1%
January 1, 2020	2.3%

^{*} Temporary surcharge to cover costs related to Lane v. City of Seattle, 2008

^{**} Expiration of surcharge

^{- 55 -} Appendix B: Informational Tables

B1.7. Historical Financial Perform	mance										
	Target	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020
Net Income (\$1,000's)	positive	1,797	20,666	28,191	31,505	38,149	43,327	51,195	82,036	49,482	55,913
Debt Service Coverage	1.7x	1.48	1.70	1.86	1.93	1.87	1.78	1.94	2.27	2.07	2.03
Cash Financing of the Capital Program	20%*	28.5%	59.4%	60.9%	65.8%	62.8%	57.8%	55.9%	50.9%	47.2%	53.0%
from Rate Revenues		24.7%	53.3%	46.7%	57.7%	52.3%	43.9%	37.1%	35.5%	36.5%	45.7%
from Contributions in Aid of Construction		3.7%	6.0%	14.2%	8.1%	10.5%	14.0%	18.8%	15.4%	10.7%	7.2%
from Bonneville Power Administration Account		0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Year-End Operating Cash (\$1,000's)	varies**	7,224	12,373	29,046	43,516	42,349	39,106	54,637	93,941	130,036	140,762
Revenue Stabilization Fund Deposit (Withdrawal) (\$	(1,000)	(1,553)	3,354	7,000	8,172	7,000	5,266	5,200	7,650	2,518	0

^{*} Current revenues should be used to finance no less than 15% of the CIP in any one year, and not less than 20% in each rate proposal

^{**} Year-End Operating Cash Target is 1/12th of the current year's operating expenses

B1.8. Actual (Operations Expend	litures								
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Branch O&M *	78,032,153	82,257,166	89,696,040	92,028,663	98,517,597	101,080,197	117,562,578	112,343,955	113,409,070	112,728,101
Taxes	31,033,547	34,579,191	38,439,778	40,801,911	43,038,318	42,128,072	41,676,404	46,354,856	46,330,520	45,676,064
Debt Service										
Interest	49,599,029	48,810,640	45,171,328	43,601,158	47,467,084	40,549,603	42,781,460	41,047,099	38,667,809	36,478,735
Principal	29,998,293	33,363,293	33,873,204	34,669,987	38,454,987	42,739,987	41,206,473	43,069,929	45,129,935	47,674,935

^{*} Includes contracts associated with treatment plants

APPENDIX C: PROPOSED RATES

Effective	January	1.	2022
Liicuive	Januar v	т.	4044

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)	(n)	(0)	(p)	(q)	(r)	(s)
				Direc	ct Service													
RATE SCHEDULES		Inside	City			Outsid	e City		Cit	y of Shorelin	ne / City of I	Lake Forest I	Park		Buri	en		Mercer Island
	Residential	MMRD*	Gen Svc	Fire Service	Residential	MMRD*	Gen Svc	Fire Service	Residential	MMRD*	Gen Svc	Fire Service	MMRD* w/PUT	Residential	MMRD*	Gen Svc	Fire Service	Gen Svc
Commodity Charge (\$/100 Cubic Feet)																		
Offpeak Usage (Sept 16-May 15)	\$5.56	\$5.56	\$5.52		\$6.34	\$6.34	\$6.29		\$6.74	\$6.74	\$6.69		\$6.31	\$6.89	\$6.89	\$6.84		\$6.6
Peak Usage (May 16-Sept 15)																		
Up to 5 ccf**	\$5.71	\$5.71	\$7.01		\$6.51	\$6.51	\$7.99		\$6.92	\$6.92	\$8.50		\$6.48	\$7.08	\$7.08	\$8.69		\$8.4
Next 13 ccf**	\$7.06	\$7.06	\$7.01		\$8.05	\$8.05	\$7.99		\$8.56	\$8.56	\$8.50		\$8.01	\$8.75	\$8.75	\$8.69		\$8.4
Over 18 ccf**	\$11.80	\$11.80	\$7.01		\$13.45	\$13.45	\$7.99		\$14.31	\$14.31	\$8.50		\$13.39	\$14.62	\$14.62	\$8.69		\$8.4
Usage over base allowance				\$20.00				\$22.80				\$24.30					\$24.80	
												,						
Utility Credit (\$/month)	\$23.52		\$12.78		\$23.52		\$12.78		\$23.52		\$12.78			\$23.52		\$12.78		\$12.78
Base Service Charge (\$/month/meter)																		
<u> </u>																		
3/4 inch and less	\$19.00		\$18.85		\$21.65		\$21.50		\$23.05		\$22.85			\$23.55		\$23.35		
1 inch	\$19.60		\$19.45		\$22.35		\$22.15		\$23.75		\$23.60			\$24.30		\$24.10		
1-1/2 inch	\$30.20	\$30.20	\$29.95		\$34.45	\$34.45	\$34.15		\$36.65	\$36.65	\$36.30		\$34.30	\$37.40	\$37.40	\$37.10		
2 inch	\$33.45	\$33.45	\$33.20	\$17.75	\$38.15	\$38.15	\$37.85	\$20.00	\$40.55	\$40.55	\$40.25	\$22.00	\$37.95	\$41.45	\$41.45	\$41.15	\$22.00	
3 inch	\$123.90	\$123.90	\$122.90	\$23.00	\$141.25	\$141.25	\$140.10	\$26.00	\$150.25	\$150.25	\$149.05	\$28.00	\$140.60	\$153.55	\$153.55	\$152.30	\$29.00	
4 inch	\$177.45	\$177.45	\$176.05	\$43.00	\$202.30	\$202.30	\$200.70	\$49.00	\$215.20	\$215.20	\$213.50	\$52.00	\$201.40	\$219.90	\$219.90	\$218.15	\$53.00	
6 inch		\$218.00	\$217.00	\$73.00		\$249.00	\$247.00	\$83.00		\$264.00	\$263.00	\$89.00	\$247.10		\$270.00	\$269.00	\$90.00	
8 inch		\$257.00	\$255.00	\$115.00		\$293.00	\$291.00	\$131.00		\$312.00	\$309.00	\$139.00	\$292.00		\$318.00	\$316.00	\$143.00	\$307.0
10 inch		\$314.00	\$312.00	\$166.00		\$358.00	\$356.00	\$189.00		\$381.00	\$378.00	\$201.00	\$357.00		\$389.00	\$387.00	\$206.00	\$376.0
12 inch		\$424.00	\$421.00	\$242.00		\$483.00	\$480.00	\$276.00		\$514.00	\$511.00	\$293.00	\$481.00		\$525.00	\$522.00	\$300.00	
16 inch		\$477.00	\$477.00			\$544.00	\$544.00			\$578.00	\$578.00		\$541.00		\$591.00	\$591.00		
20 inch		\$614.00	\$614.00			\$700.00	\$700.00			\$745.00	\$745.00		\$697.00		\$761.00	\$761.00		
24 inch		\$771.00	\$771.00			\$879.00	\$879.00			\$935.00	\$935.00		\$875.00		\$955.00	\$955.00		

^{*} Master Metered Residential Development

^{**} per residence

Effective January 1, 2023

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)	(n)	(o)	(p)	(q)	(r)	(s)
	-			Direc	ct Service							-						
RATE SCHEDULES		Inside	City			Outsid	le City		Cit	y of Shorelin	ne / City of I	Lake Forest I	Park		Buri	ien		Mercer Island
	Residential	MMRD*	Gen Svc	Fire Service	Residential	MMRD*	Gen Svc	Fire Service	Residential	MMRD*	Gen Svc	Fire Service	MMRD* w/PUT	Residential	MMRD*	Gen Svc	Fire Service	Gen Svc
Commodity Charge (\$/100 Cubic Feet)																		
Offpeak Usage (Sept 16-May 15)	\$5.76	\$5.76	\$5.72		\$6.57	\$6.57	\$6.52		\$6.99	\$6.99	\$6.94		\$6.54	\$7.33	\$7.33	\$7.29		\$6.89
Peak Usage (May 16-Sept 15)																		
Up to 5 ccf**	\$5.92	\$5.92	\$7.27		\$6.75	\$6.75	\$8.29		\$7.18	\$7.18	\$8.82		\$6.72	\$7.53	\$7.53	\$9.21		\$8.75
Next 13 ccf**	\$7.32	\$7.32	\$7.27		\$8.34	\$8.34	\$8.29		\$8.88	\$8.88	\$8.82		\$8.31	\$9.26	\$9.26	\$9.21		\$8.7
Over 18 ccf**	\$11.80	\$11.80	\$7.27		\$13.45	\$13.45	\$8.29		\$14.31	\$14.31	\$8.82		\$13.39	\$14.62	\$14.62	\$9.21		\$8.75
l																		
Usage over base allowance				\$20.00				\$22.80				\$24.30					\$24.80	
Utility Credit (\$/month)	\$24.33		\$13.25		\$24.33		\$13.25		\$24.33		\$13.25			\$24.33		\$13.25		\$13.25
Base Service Charge (\$/month/meter)																		,
3/4 inch and less	\$19.60		\$19.55		\$22.35		\$22.30		\$23.75		\$23.70			\$24.85		\$24.85		
1 inch	\$20.20		\$20.15		\$23.05		\$22.95		\$24.50		\$24.45			\$25.60		\$25.55		
1-1/2 inch	\$31.15	\$31.15	\$31.10		\$35.50	\$35.50	\$35.45		\$37.80	\$37.80	\$37.70		\$35.40	\$39.15	\$39.15	\$39.15		
2 inch	\$34.50	\$34.50	\$34.40	\$17.75	\$39.35	\$39.35	\$39.20	\$20.00	\$41.85	\$41.85	\$41.70		\$39.15	\$43.30	\$43.30	\$43.25	\$22.00	
3 inch	\$127.80	\$127.80	\$127.45	\$23.00	\$145.70	\$145.70	\$145.30		\$155.00	\$155.00	\$154.55		\$145.05	\$159.35	\$159.35	\$162.95	\$29.00	
4 inch	\$183.05	\$183.05	\$182.60	\$43.00	\$208.70	\$208.70	\$208.15	\$49.00	\$222.00	\$222.00	\$221.45	\$52.00	\$207.75	\$227.80	\$227.80	\$231.25	\$53.00	
6 inch		\$225.00	\$225.00	\$73.00		\$257.00	\$257.00	\$83.00		\$273.00	\$273.00	\$89.00	\$255.50		\$280.00	\$284.00	\$90.00	
8 inch		\$265.00	\$264.00	\$115.00		\$302.00	\$301.00	\$131.00		\$321.00	\$320.00	\$139.00	\$300.00		\$329.00	\$332.00	\$143.00	\$318.00
10 inch		\$324.00	\$323.00	\$166.00		\$369.00	\$368.00	\$189.00		\$393.00	\$392.00	\$201.00	\$368.00		\$402.00	\$405.00	\$206.00	\$389.00
12 inch		\$437.00	\$436.00	\$242.00		\$498.00	\$497.00	\$276.00		\$530.00	\$529.00	\$293.00	\$496.00		\$543.00	\$545.00	\$300.00	
16 inch		\$491.00	\$490.00			\$560.00	\$559.00			\$595.00	\$594.00		\$557.00		\$609.00	\$612.00		
		\$614.00	\$614.00			\$700.00	\$700.00			\$745.00	\$745.00		\$697.00		\$762.00	\$766.00		
20 inch		Ψ017.00																

^{*} Master Metered Residential Development

^{**} per residence



Updating Water, Drainage, and Wastewater Rates

July 21, 2021

Agenda

- Strategic Business Plan (SBP) Update
- Water
 - Updates to Strategic Business Plan
 - Rate Proposal Changes
- Wastewater & Drainage
 - Updates to Strategic Business Plan
 - Rate Proposal Changes

Endorsed Rate Path - Strategic Business Plan

		Rate	Path		Rate Forecast		
	2021	2022	2023	2024	2025	2026	Average
Water	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%
Wastewater	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%
Drainage	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.9%	5.0%	2.2%	5.4%	4.2%	4.2%

Approved rate legislation currently in effect



Strategic Business Plan - Proposed Rates

Six-year average rate path lowered from 4.2% to 3.9%.

		Rate	Path		Rate Forecast		
	2021	2022	2023	2024	2025	2026	Average
Water	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%
Wastewater	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.0%	3.8%	3.5%	4.3%	4.0%	3.9%

Approved rate legislation currently in effect

Proposed rate legislation



Single Family Residential Bill Comparison

Savings	\$0	-\$2.56	-\$5.30	-\$2.16	-\$4.80	-\$5.59
Proposed Rate Update	\$222.62	\$229.47	\$238.49	\$247.34	\$258.16	\$268.92
Strategic Business Plan	\$222.62	\$232.03	\$243.79	\$249.50	\$262.96	\$274.51
_	2021	2022	2023	2024	2025	2026



Proposed Water Rates

		Propose	ed Rate				
		Pa	th	Rat	te Forec	ast	
	2021	2022	2023	2024	2025	2026	Average
SBP Rate Path	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%
Rate Proposal	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%

Water Rates - Updates since Strategic Business Plan

Capital Financing

Savings from 2021 bond issue, including refunding and defeasance

Non-Retail Rate Revenue

- Adjusted wholesale revenue projections
- Non-operating revenue reduced to reflect more conservative development forecast

Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program



Proposed Drainage & Wastewater Rates

		Proposed Rate Path			Rate Fo	recast	_
	2021	2022	2023	2024	2025	2026	Average
Wastewater SBP Rate Path	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%
Wastewater Rate Proposal	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage SBP Rate Path	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%
Drainage Rate Proposal	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%

Drainage & Wastewater Rates - Updates since Strategic Business Plan

Capital Financing

Savings from 2021 bond issue, including refunding and defeasance

Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

King County Wastewater Treatment Rate

Updated for adopted and projected rate schedule

	2022	2023	2024	2025	2026
SBP	4.5%	0%	10.25%	0%	10.25%
Proposed	4.0%	4.0%	4.0%	5.0%	5.0%



Regulatory Drivers - Ship Canal Project

 As part of the Consent Decree, the Ship Canal Water Quality Project is the largest and most expensive project ever undertaken by the City.

	Proposed Rate Path			
Wastewater	2022	2023	2024	
Consent Decree-Related	0.5%	0.5%	0.5%	
Remaining	1.5%	3.4%	2.4%	
Rate Proposal	2.0%	3.9%	2.9%	
Drainage				
Consent Decree-Related	2.0%	2.0%	2.0%	
Remaining	4.0%	4.2%	4.0%	
Rate Proposal	6.0%	6.2%	6.0%	

Strategic Business Plan - Proposed Rates

		Rate Path		Rate Forecast			
	2021	2022	2023	2024	2025	2026	Average
Water	0.0%	2.6%	3.6%	4.0%	4.7%	3.6%	3.1%
Wastewater	7.3%	2.0%	3.9%	2.9%	4.5%	4.5%	4.2%
Drainage	7.4%	6.0%	6.2%	6.0%	6.2%	6.2%	6.3%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
Combined	4.5%	3.0%	3.8%	3.5%	4.3%	4.0%	3.9%

Approved rate legislation currently in effect

Proposed rate legislation