



Legislation Text

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File #: CB 120421, Version: 1

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**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

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

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

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

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

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

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

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

**21.28.040 Wastewater volume charge**

\* \* \*

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 as paid to external treatment providers by the Department, any taxes incurred on treatment rate revenue, and any other 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 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.))~~ adjusted for utility discount program credits or any other revenue-reducing credits. 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))~~ changes in the rates charged by external treatment providers.

If an external treatment provider implements new rates for wastewater treatment or related services, the updated treatment contract cost under the new rates for the subsequent 12-month period shall be compared with the Department's cost assumption used in the adopted revenue requirement for the same time period. If the calculated difference for the rate year is \$500,000 greater than what was adopted, then it will be deemed material and passed through in rates. Treatment rates in all rate schedules will be adjusted upwards or downwards by a consistent amount such that the identified material cost difference, including taxes and Utility Discount Program expense, is collected from or credited to customers over the subsequent 12-month period from the onset of the rate adjustment.

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 system volume rate per CCF shall be in accordance with the following schedule:

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

\* \* \*

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

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. 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 Jan 1, 2021	Effective Jan 1, 2022	Effective Jan 1, 2023	Effective Jan 1, 2024
Single-Family	\$35.85	\$36.57	\$36.57	\$36.57
Duplex	\$35.85	\$36.57	\$36.57	\$36.57
Multifamily	\$25.01	\$25.52	\$25.52	\$25.52))

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

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 3. 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 4. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the

validity of its application to other persons or circumstances.

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 \_\_\_\_\_, 2022, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Bruce A. Harrell, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
\_\_\_\_\_, City Clerk

(Seal)

Attachments: