



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

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)) |

| | <u>Effective Jan 1, 2021</u> | <u>Effective Jan 1, 2022</u> | <u>Effective Jan 1, 2023</u> | <u>Effective Jan 1, 2024</u> |
|------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Treatment Rate | <u>\$9.25</u> | <u>\$9.34</u> | <u>\$10.01</u> | <u>\$10.52</u> |
| 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> |

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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)) |

| | <u>Effective Jan 1, 2021</u> | <u>Effective Jan 1, 2022</u> | <u>Effective Jan 1, 2023</u> | <u>Effective Jan 1, 2024</u> |
|----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <u>Single-Family</u> | <u>\$35.85</u> | <u>\$36.57</u> | <u>\$38.01</u> | <u>\$39.11</u> |
| <u>Duplex</u> | <u>\$35.85</u> | <u>\$36.57</u> | <u>\$38.01</u> | <u>\$39.11</u> |
| <u>Multi-Family</u> | <u>\$25.01</u> | <u>\$25.52</u> | <u>\$26.52</u> | <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:

| <u>Effective Date</u> | <u>Single-Family</u> | <u>Duplex</u> | <u>Multifamily</u> |
|-----------------------|----------------------|-------------------|--------------------|
| 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

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 |

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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 _____, 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

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)