Ordinance No. 123332

Council Bill No. 116872

AN ORDINANCE accepting Enron Corporation legal settlement revenues from the State of Washington and Puget Sound Energy; authorizing related agreements; amending the 2010 Adopted Budget to increase appropriations for the Office of Housing and the City Light Department; and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Bruce A. Harrell
Councilmember

Committee Action:

6/16/2010 Aye BH, RC, NL

6/21/10 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: _____ (initial/date)

CF No. _____

Date Introduced: May 24, 2010	
Date 1st Referred:	To: (Energy, Technology, and Civil Rights)
Date Re - Referred:	To: (committee)
Date Re - Referred:	To: (committee)
Date of Final Passage: 6.21.10	Full Council Vote: 9-0
Date Presented to Mayor: 6.21.10	Date Approved: 6/28/10
Date Returned to City Clerk: 6/28/10	Date Published: T.O. ✓ F.T. ___
Date Vetoed by Mayor:	Date Veto Published:
Date Passed Over Veto:	Veto Sustained:

Law Department

Law Dept. Review | OMP Review | City Clerk Review | Electronic Copy Loaded | Indexed

ORDINANCE 123332

AN ORDINANCE accepting Enron Corporation legal settlement revenues from the State of Washington and Puget Sound Energy; authorizing related agreements; amending the 2010 Adopted Budget to increase appropriations for the Office of Housing and the City Light Department; and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

WHEREAS, the Attorney General of the State of Washington reached a legal settlement with the Enron Corporation in 2005 over the cost to Washington ratepayers of Enron's manipulation of energy markets in 2000 and 2001, and subsequently determined that the settlement funds will be used to support residential low-income energy assistance or low-income residential weatherization; and

WHEREAS, Puget Sound Energy received approximately $2.1 million from the 2005 settlement, based upon the number of customers it serves, and intends to apply the funds to its 2010 low-income weatherization program; and

WHEREAS, Puget Sound Energy has awarded the City of Seattle's HomeWise Program with a sub-recipient grant of $238,442 for low-income weatherization services, which Puget Sound Energy requires the City to disburse by no later than December 31, 2010; and

WHEREAS, the City Light Department has received $793,539 from the Washington State Attorney General's office, relating to the settlement from the Enron Corporation, because City Light customers were impacted by the 2000-2001 energy crisis rate increase, and intends to apply the funds to certain residential accounts via low-income program(s); NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of Housing, or his or her designee ("Director") is authorized to accept funding from Puget Sound Energy in up to the amount listed below, and to execute, deliver, and perform on behalf of The City of Seattle agreements that the Director reasonably deems necessary for the receipt of the funds and to carry out the purpose for those funds described below. The acceptance by the Superintendent of City Light, or his or her designee ("Superintendent") of funds from Washington State Attorney General's Office in the amount set

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forth below and the execution by the Superintendent of an agreement accepting the funds are ratified and confirmed, and the Superintendent is authorized to execute, deliver, and perform on behalf of The City of Seattle any other agreements that the Superintendent reasonably deems necessary related to the receipt of the funds and to carry out the purpose for those funds described below. The money accepted under this section shall be deposited in the receiving funds identified below to support, or as reimbursement for, the corresponding appropriations set forth in Section 2 of this ordinance.

Department	Grantor	Purpose	Amount	Receiving Fund
Office of Housing	Puget Sound Energy	Contract with outside contractors to complete energy-saving home improvement measures for low-income households	$238,442	Low-Income Housing Fund (16400)
City Light	Washington State Attorney General's Office	Support City Light residential customers' accounts determined eligible for certain low income energy assistance programs	$793,539	Light Fund (41000)
Total			**$1,031,981**	

Section 2. Contingent, as to the Office of Housing, upon the execution of the grant or other funding agreement with Puget Sound Energy as authorized in Section 1, the appropriations for the following items in the 2010 Budget are increased from the funds shown, as follows:

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Fund Name and Number	Department	Budget Control Level	Amount
Low-Income Housing Fund (16400)	Office of Housing	Low-Income Housing Fund BCL	$238,442
Light Fund (41000)	City Light	Customer Service BCL	$793,539

Unspent funds so appropriated shall carry forward to subsequent years until they are exhausted or abandoned by ordinance.

Section 3. Any act authorized by this ordinance and taken after its passage is ratified and confirmed.

Section 4. The foregoing appropriations are made to meet actual necessary expenditures of the City for which insufficient appropriations have been made due to causes which could not have been foreseen at the time of the making of the 2010 Budget, in accordance with RCW 35.32A.060.

Section 5. This ordinance shall take effect and be in force 30 days from and 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 Municipal Code Section 1.04.020.

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Passed by a 3/4 vote of all the members of the City Council the 21st day of June, 2010, and signed by me in open session in authentication of its passage this 21st day of June, 2010.

President _____ of the City Council

Approved by me this 28th day of June, 2010.

Michael McGinn, Mayor

Filed by me this 28 day of June, 2010.

City Clerk

(Seal)

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Form revised February 4, 2010

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Office of Housing	Gregg Johanson/3.0066	Amanda Allen/4.8894

Legislation Title:
AN ORDINANCE accepting Enron Corporation legal settlement revenues from the State of Washington and Puget Sound Energy; authorizing related agreements; amending the 2010 Adopted Budget to increase appropriations for the Office of Housing and the City Light Department; and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

- **Summary of the Legislation:** This legislation authorizes the acceptance of funds, made available through Washington's State's 2005 legal settlement with the Enron Corporation, to the Office of Housing's HomeWise low-income weatherization program and to Seattle City Light's Emergency Low Income Assistance or Project Share programs. Both department's 2010 Adopted Budgets are increased to authorize expenditures of these funds.

- **Background:** The Attorney General of the State of Washington reached a legal settlement with the Enron Corporation in 2005 over the cost to Washington ratepayers of Enron's manipulation of energy markets in 2000 and 2001. Over $9 million was disbursed state-wide to programs benefitting utility customers affected by the energy crisis. Due to the impracticality of providing refunds to individual ratepayers, the Attorney General determined that the settlement funds will be used to support residential low-income energy assistance or low-income residential weatherization. The City of Seattle will receive funds to support both types of programs.

  The State awarded $2.1 million of the total Enron settlement to Puget Sound Energy (PSE), based upon the number of customers served by the utility, to provide additional funding of its low-income weatherization program. The Office of Housing, through its HomeWise Program, is one of 11 community service agencies that administers a weatherization program under a contract with PSE. The HomeWise Program assists homeowners in saving energy and provides employment opportunities to small construction contractors who complete energy-saving home improvement measures on contract with the City. This legislation authorizes the acceptance by the Office of Housing of $238,442 of grant funds, and authorizes the Director of Housing to enter into a community agency service agreement with PSE for expenditure of the grant funds.

  Based on the residential populations it serves, the City Light Department or Seattle City Light (SCL) was determined eligible by the Washington State Attorney

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General, along with other Washington utilities, to receive a direct allocation of the Enron Corporation settlement award. SCL's allocation totals $793,539 and will be used to support its Emergency Low Income Assistance or Project Share programs. These program help reduce heating expenses for households by applying credits directly to the SCL residential customers accounts. Both programs provide one-time payment assistance for eligible low-income residential customers facing electrical disconnection. SCL may also use a portion of the funds to support its weatherization programs. This legislation authorizes Superintendent of Seattle City Light to accept this award amount.

Announcement of the sub-grants came too late for the grant funds to be included in either departments' 2010 Adopted Budget. The grant award requires that the funds be expended by no later than December 31, 2010.

- *Please check one of the following:*

____ **This legislation does not have any financial implications.**

__X__ **This legislation has financial implications.**

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
Low Income Housing Fund (16400)	Office of Housing	Low-Income Housing Fund	$ 238,442	$0
Light Fund (41000)	City Light Department	Customer Services BCL (SCL 320)	$793,539	$0
TOTAL			**$ $1,031,981**	**$ 0**

**See budget book to obtain the appropriate Budget Control Level for your department.*

Notes:

Anticipated Revenue/Reimbursement: Resulting From This Legislation:

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
Low Income Housing Fund (16400)	Office of Housing	Puget Sound Energy Low-Income Weatherization Grant	$ 238,442	$0
Light Fund (41000)	City Light Department	Washington State Attorney General's Office Enron Settlement	$793,539	$0
TOTAL			**$ $1,031,981**	**$ 0**

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Notes:

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact:

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2010 Positions	2010 FTE	2011 Positions*	2011 FTE*
TOTAL							

** 2010 positions and FTE are total 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.*

Notes: No positions are affected by this legislation.

- **Do positions sunset in the future?** *(If yes, identify sunset date):* Not applicable.

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2010 Expenditures	2011 Anticipated Expenditures
TOTAL				

** See budget book to obtain the appropriate Budget Control Level for your department.*

Notes: Not applicable.

- **What is the financial cost of not implementing the legislation?** Without this legislation, the City will not receive over one million dollars in additional revenues to support weatherization services for dwellings occupied by low-income persons and to support our Emergency Low Income Assistance or Project Share programs.

- **Does this legislation affect any departments besides the originating department?** No.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** Acceptance of the grant award is a prerequisite for the receipt of the Puget Sound Energy grant and settlement agreement from WA State Attorney General's Office. There are no alternatives that could achieve the same or similar objectives.

- **Is the legislation subject to public hearing requirements:** No special public hearing requirements.

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- **Other Issues**: None.

- **List attachments to the fiscal note below:** Not applicable.

DPS CITY CLERK

City of Seattle
Office of the Mayor

May 18, 2010

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that authorizes both the Director of Housing and the Superintendent of Seattle City Light to accept over a million dollars in Enron Corporation legal settlement revenues from the State of Washington and Puget Sound Energy. Approximately $230,000 of these funds will be used by the Office of Housing's HomeWise Program, to further support low-income residential weatherization assistance in 2010. The remainder of the funds, over $790,000, will be used to support Seattle City Light's Emergency Low Income Assistance or Project Share programs, which help to reduce heating expenses for low-income households.

In 2005, the Attorney General of the State of Washington reached a legal settlement with the Enron Corporation over the cost to Washington taxpayers of Enron's manipulation of energy markets in 2000 and 2001. Due to the impracticality of providing refund to individual ratepayers, the Attorney General determined that the settlement funds would be used to support low-income residential weatherization programs or residential low-income energy assistance. While Seattle City Light received a direct allocation, due to the residential population it serves, Puget Sound Energy (PSE) was awarded $2.1 million of the total Enron settlement. Of the funds allocated to PSE, the Office of Housing was one of 11 community service agencies granted funds to administer weatherization program on PSE's behalf. The program assists homeowners in saving energy and provides employment opportunities to small construction contractors who complete energy-saving home improvement measures on contract with the City.

This legislation will accept funding that increases the City's ability to better serve Seattle's low-income residents hit the hardest by the energy crisis and the current economic recession. Thank you for your consideration of this legislation. Should you have questions, please contact Rick Hooper at 684-0338.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov

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