

Ordinance No. 123449

Council Bill No. 1170210

AN ORDINANCE relating to drainage and wastewater services of Seattle Public Utilities; adjusting wastewater and drainage rates to pass through increased treatment costs charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle Municipal Code to reflect the adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income drainage and wastewater customers.

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Godden

Councilmember

Committee Action:

11-10-10 Pass as amended 9-0

11-22-10 Passed 9-0

CF No. _____

Date Introduced:	<u>Oct. 25, 2010</u>	
Date 1st Referred:	<u>Oct. 25, 2010</u>	
To: (committee)	<u>Budget</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	<u>11-22-10</u>	
Full Council Vote:	<u>9-0</u>	
Date Presented to Mayor:	<u>11-23-10</u>	
Date Approved:	<u>Dec. 2, 2010</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

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

Law Dept. Review

OMP Review

City Clerk Review

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Indexed

ORDINANCE 123449

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3 AN ORDINANCE relating to drainage and wastewater services of Seattle Public Utilities;
4 adjusting wastewater and drainage rates to pass through increased treatment costs
5 charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle
6 Municipal Code to reflect the adjusted rates; and amending Section 21.76.040 of the
7 Seattle Municipal Code to adjust credits to low-income drainage and wastewater
8 customers.

9
10 WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the
11 treatment rate and system rate for each utility and are designed to pass through the
12 wastewater and drainage shares of the rates King County charges for its wastewater
13 treatment services as part of the treatment rate applicable to each utility; and

14
15 WHEREAS, Ordinances introduced as Council Bill Nos. 116926 and 116928 and adopted
16 November 2010, established the 2011-2012 Seattle Public Utilities' wastewater volume
17 rate and drainage rates, respectively, based on the existing King County wastewater
18 treatment charge of \$31.90; and

19
20 WHEREAS, King County adopted a new wastewater treatment rate of \$36.10 per residential
21 customer equivalent per month effective January 1, 2011, which is an increase of more
22 than 10 percent over the existing treatment rate; and

23
24 WHEREAS, Subsections 21.28.040 B.1 and 21.33.030 D.1 allow the treatment rates of each
25 utility to be adjusted by ordinance at any time in response to changes in the King County
26 wastewater rates; and

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28 WHEREAS, the recently adopted Seattle Public Utilities' 2011 and 2012 wastewater and
29 drainage treatment rates will not provide sufficient revenues to pay the increased King
30 County treatment costs; and

31
32 WHEREAS, wastewater and drainage credits for qualified low-income customers, not billed
33 directly by SPU, are based on typical residential bills, and credits for such customers
34 need to be revised to reflect the changes in the wastewater and drainage rates; NOW,
35 THEREFORE,

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

37 Section 1. Subsection 21.28.040 B.3 of the Seattle Municipal Code is amended as
38 follows:



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21.28.040 Wastewater volume charge.

* * *

B. The wastewater volume rate shall be the sum of the treatment rate, the system rate and, where applicable, the MMRD surcharge, as follows:

* * *

3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

	Effective Jan. 1, 2010	<u>Effective Jan. 1, 2011</u>	<u>Effective Jan. 1, 2012</u>
Treatment Rate	\$6.03	(\$6.01) <u>\$6.94</u>	(\$6.00) <u>\$6.94</u>
System Rate	\$2.95	\$3.34	\$3.74
Wastewater Volume Rate	\$8.98	(\$9.35) <u>\$10.28</u>	(\$9.74) <u>\$10.68</u>

* * *

Section 2. Subsection 21.33.030 D.3 of the Seattle Municipal Code is amended as follows:



SMC 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:

* * *

3. The rate categories and the corresponding annual drainage rates are as follows:

Effective January 1, 2010:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
Under 3000 sq. ft.	\$4.48	\$100.42	\$104.90	per parcel
3000-4999 sq. ft.	\$6.50	\$145.96	\$152.46	per parcel
5000-6999 sq. ft.	\$8.78	\$197.31	\$206.09	per parcel
7000-9999 sq. ft.	\$11.13	\$250.22	\$261.35	per parcel
General Service/Large Residential				
Undeveloped (0-15% impervious)				
Low Impact	\$0.44	\$9.95	\$10.39	per 1000 Sq Ft



Maria Coe/mm
 SPU Wastewater Treatment Pass-Through ORD
 October 29, 2010
 Version #6

1		Regular	\$0.73	\$16.45	\$17.18	per 1000 Sq Ft
2	Light	(16-35% impervious)				
3		Low Impact	\$0.82	\$18.53	\$19.35	per 1000 Sq Ft
4		Regular	\$1.09	\$24.60	\$25.69	per 1000 Sq Ft
5	Moderate	(36-65% impervious)				
6		Low Impact	\$1.29	\$28.99	\$30.28	per 1000 Sq Ft
7		Regular	\$1.59	\$35.73	\$37.32	per 1000 Sq Ft
8	Heavy	(66-85% impervious)	\$2.06	\$46.20	\$48.26	per 1000 Sq Ft
9		Very Heavy	\$2.45	\$54.87	\$57.32	per 1000 Sq Ft
10		(86-100% impervious)				

Effective January 1, 2011:

15	Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
16	Small Residential				
17					
18		(\$7.63)		(\$133.02)	
19	Under 3000 sq. ft.	\$8.67	\$125.39	\$134.06	per parcel
20		(\$9.84)		(\$171.73)	
21	3000-4999 sq. ft.	\$11.21	\$161.89	\$173.10	per parcel
22		(\$13.36)		(\$233.08)	
23	5000-6999 sq. ft.	\$15.22	\$219.72	\$234.94	per parcel
24		(\$16.97)		(\$296.07)	
25	7000-9999 sq. ft.	\$19.22	\$279.10	\$298.32	per parcel



1	General Service/Large Residential				
2	Undeveloped	(0-15% impervious)			
3			(((\$1.12))		(((\$19.56))
4		Regular	<u>\$1.28</u>	\$18.44	<u>\$19.72</u> per 1000 Sq Ft
5			(((\$0.70))		(((\$12.25))
6		Low Impact	<u>\$0.80</u>	\$11.55	<u>\$12.35</u> per 1000 Sq Ft
7	Light	(16-35% impervious)			
8			(((\$1.68))		(((\$29.38))
9		Regular	<u>\$1.92</u>	\$27.70	<u>\$29.62</u> per 1000 Sq Ft
10			(((\$1.33))		(((\$23.28))
11		Low Impact	<u>\$1.52</u>	\$21.95	<u>\$23.47</u> per 1000 Sq Ft
12	Moderate	(36-65% impervious)			
13			(((\$2.44))		(((\$42.55))
14		Regular	<u>\$2.78</u>	\$40.11	<u>\$42.89</u> per 1000 Sq Ft
15			(((\$1.96))		(((\$34.16))
16		Low Impact	<u>\$2.23</u>	\$32.20	<u>\$34.43</u> per 1000 Sq Ft
17			(((\$3.22))		(((\$56.13))
18	Heavy	(66-85% impervious)	<u>\$3.66</u>	\$52.91	<u>\$56.57</u> per 1000 Sq Ft
19			(((\$3.80))		(((\$66.37))
20	Very Heavy	(86-100% impervious)	<u>\$4.33</u>	\$62.57	<u>\$66.90</u> per 1000 Sq Ft

Effective January 1, 2012:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
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Small Residential

		(\$10.10)		(\$147.99)	
	Under 3000 sq. ft.	<u>\$11.44</u>	\$137.89	<u>\$149.33</u>	per parcel
		(\$13.04)		(\$191.05)	
	3000-4999 sq. ft	<u>\$14.78</u>	\$178.01	<u>\$192.79</u>	per parcel
		(\$17.70)		(\$259.30)	
	5000-6999 sq. ft	<u>\$20.06</u>	\$241.60	<u>\$261.66</u>	per parcel
		(\$22.48)		(\$329.37)	
	7000-9999 sq. ft.	<u>\$25.34</u>	\$306.89	<u>\$332.23</u>	per parcel

General Service/Large Residential

Undeveloped (0-15% impervious)

(\$1.49) (\$21.76)

Regular \$1.69 \$20.27 \$21.96 per 1000 Sq Ft

(\$0.93) (\$13.63)

Light (16-35% impervious)

Low Impact \$1.06 \$12.70 \$13.76 per 1000 Sq Ft

(\$2.23) (\$32.68)

Regular \$2.53 \$30.45 \$32.98 per 1000 Sq Ft

(\$1.77) (\$25.90)

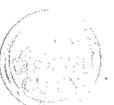
Moderate (36-65% impervious)

Low Impact \$2.01 \$24.13 \$26.14 per 1000 Sq Ft

(\$3.23) (\$47.33)

Regular \$3.66 \$44.10 \$47.76 per 1000 Sq Ft

Low Impact (\$2.59) \$35.41 (\$38.00) per 1000 Sq Ft



1			<u>\$2.94</u>		<u>\$38.35</u>	
2			(\$4.26)		(\$62.44)	
3	Heavy	(66-85% impervious)	<u>\$4.83</u>	\$58.18	<u>\$63.01</u>	per 1000 Sq Ft
4			(\$5.04)		(\$73.83)	
5	Very Heavy	(86-100% impervious)	<u>\$5.70</u>	\$68.79	<u>\$74.49</u>	per 1000 Sq Ft

7 * * *

8 Section 3. Subsection 21.76.040 A of the Seattle Municipal Code is amended as follows:

10 **21.76.040 Low Income Rate Credits.**

11 * * *

13 A. Drainage, Wastewater, and Water. Persons qualified by the Human Services Department as
 14 eligible recipients of low income utility credits provided for in Section 21.76.010 (eligible
 15 recipients) shall be granted low income billing credits in the following amounts:

17 1. Wastewater. Eligible recipients billed directly by Seattle Public Utilities for wastewater
 18 services and residing in single-family dwellings shall receive a credit equal to 0.5 times the total
 19 current wastewater volume charge. Eligible recipients not billed directly by Seattle Public
 20 Utilities for wastewater services shall receive the following credits based on dwelling type:

Effective Date	Single-family and duplex	Multifamily dwelling
January 1, 2010	\$23.35 per month	\$16.16 per month
January 1, 2011	(\$24.31) <u>\$26.73</u> per month	(\$16.83) <u>\$18.50</u> per month



January 1, 2012

~~(\$25.32)~~ \$27.77 per month

~~(\$17.53)~~ \$19.22 per month

At the time of a change to the wastewater volume rate described in SMC 21.28.040, the Director of Seattle Public Utilities shall calculate new credits based on dwelling type for eligible recipients not billed directly by Seattle Public Utilities. The credit for Single-family and duplex customers shall be 0.5 times the wastewater volume rate multiplied by 5.2 CCF, which is typical single family residential sewer billed consumption. The credit for Multifamily dwelling customers shall be 0.5 times the wastewater volume rate multiplied by 3.6 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Eligible recipients residing inside The City of Seattle shall receive the following credits for drainage services based on dwelling type:

	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Single-family	\$8.95 per month	(\$9.71) <u>\$9.80</u> per month	(\$10.80) <u>\$10.90</u> per month
Duplex	4.29 per month	(\$4.86) <u>\$4.90</u> per month	(\$5.40) <u>\$5.45</u> per month
Multifamily	0.92 per month	(\$1.04)	(\$1.16)



\$1.05 per month \$1.17 per month

* * *

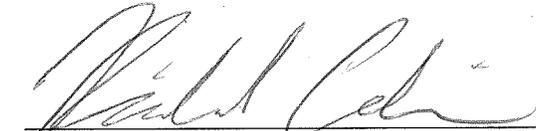
Section 4. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

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.

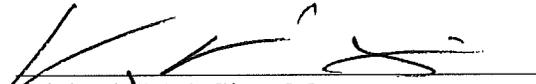
Section 6. This ordinance shall take effect and be in force 30 days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020; provided that if C.B. 116926 and/or C.B. 116928 become ordinances, then this ordinance shall take effect no earlier than one day after the effective date of the ordinance introduced as C.B. 116926 or the effective date of the ordinance introduced as C.B. 116928, whichever is later.



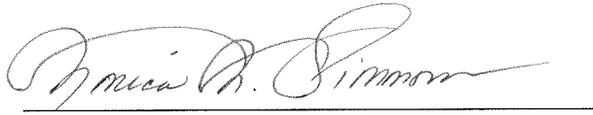
1 Passed by the City Council the 22 day of November, 2010, and signed by me in
2 open session in authentication of its passage this 22 day of November, 2010.

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4 
5 _____
6 President _____ of the City Council

7 Approved by me this 2nd day of Dec., 2010.

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9 
10 _____
11 Michael C. McGinn, Mayor

12 Filed by me this 2nd day of Dec., 2010.

13 
14 _____
15 City Clerk

16 (Seal)
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2011-2012 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Maria Coe/233-7905	Karen Grove/684-5805

Legislation Title: AN ORDINANCE relating to drainage and wastewater services of Seattle Public Utilities; adjusting wastewater and drainage rates to pass through increased treatment costs charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle Municipal Code to reflect the adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income drainage and wastewater customers.

Summary of the Legislation: This ordinance would revise the 2011-2012 wastewater treatment rate from \$6.01 per CCF (hundred cubic feet) to \$6.94 per CCF, and revise the 2011-2012 drainage treatment rates. The proposed increases are due to an increase in the rate King County charges the City for treating our wastewater. The ordinance would also increase the applicable wastewater and drainage credits for low-income customers.

Background: The wastewater rate that Seattle Public Utilities (SPU) currently charges its customers is the sum of the treatment rate and the system rate and, where applicable, the Master Metered Residential Development (MMRD) surcharge. However, the Executive will propose legislation to remove the MMRD surcharge in the near future. The wastewater treatment rate is the projected cost of treatment, including cash adjustments, divided by the projected billed consumption and adjusted to account for taxes and low-income credits. The system rate is the rate required to pay all other costs of the wastewater system.

The drainage rate that Seattle Public Utilities (SPU) charges its customers is the sum of the treatment rate and the system rate. The drainage treatment rate is a portion of the projected cost of treatment divided by the projected billing units, adjusted to account for taxes and low-income credits. The system rate is the rate required to pay all other costs of the drainage system.

This proposed Bill would adjust the wastewater and drainage treatment rates to pass through rate changes adopted by King County and resulting adjustments to cash and other financial policies. In June 2010, the King County Council adopted a wastewater treatment rate of \$36.10 per residential customer equivalent per month, effective January 1, 2011, an increase from the existing rate of \$31.90. The new 2011 wastewater treatment rate established in this ordinance is based on a projected treatment cost of \$125,049,556, a multiplier of 116.9% to cover the costs of taxes and low-income rate credits, and projected billed wastewater consumption of 20,580,000 CCF. The new 2011 drainage treatment rates established in this ordinance are based on a projected treatment cost of \$3,782,749, a multiplier of 118.0% to cover the costs of taxes and low income rate assistance, and projected drainage billing units. With this treatment rate increase, the applicable wastewater and drainage credits to low-income customers are also increased.



As a result of this Proposed Bill, the typical monthly residential bill for wastewater would increase \$4.84 and the typical monthly residential drainage bill would increase 15 cents.

Council Bills 116926 and 116928, which propose new wastewater and drainage rates for 2011 and 2012, were based on the existing King County wastewater treatment rates. The Seattle Public Utilities and Neighborhoods Committee (SPUN) has considered the Council Bills and has recommended revisions to the 2011-2012 wastewater and drainage rates, which will be considered by the full City Council in November 2010. This Bill will be considered separately in November pursuant to Sections 21.28.040 B.1 and 21.33.030 D.1 of the Seattle Municipal Code, and assumes the revised rates recommended by SPUN. In the event the full City Council adopts new wastewater and drainage rates that are different than what SPUN has recommended, this Bill may need to be amended to reflect the actual rates adopted.

X This legislation has financial implications. Please complete all relevant sections that follow.

Summary of Changes to Revenue Generated Specifically From This Legislation:

	Revenue Source	2011 Proposed	2012 Proposed
	Wastewater Utility Services	\$19,139,400	\$19,176,000
	Drainage Utility Services	\$543,407	\$687,807
Total Fees and Charges Resulting From Passage of This Ordinance		\$19,682,807	\$19,863,807

Notes: The 2011 and 2012 revenues are the additional wastewater and drainage revenues resulting from the increase in SPU's treatment rates and were not assumed in the 2011-2012 Proposed Budget. In contrast, the expenses were increased in the development of the budget so no further appropriation change is required.

Anticipated Total Revenue from Entire Program, Including Changes Resulting From This Legislation:

Fund Name and Number	Revenue Source	Total 2011 Revenue	Total 2011 and 2012 Anticipated Revenue from Entire Program
Drainage and Wastewater Fund (44010)	Drainage and Wastewater Utility Services	\$277,641,584	\$568,014,193
TOTAL		\$277,641,584	\$568,014,193



What is the financial cost of not implementing this legislation? The Drainage and Wastewater Fund (DWF) would not fully recover the cost of its business operations.

Does this legislation affect any departments besides the originating department?

Several City departments have facilities that incur wastewater and drainage costs. These facilities costs will increase commensurate with the rate increases proposed in this legislation. The impacted departments include: Seattle Center, the City Budget Office, Seattle City Light, the Department of Neighborhoods, the Seattle Department of Transportation, the Seattle Fire Department, the Department of Finance and Administrative Services, the Department of Parks and Recreation, the Seattle Police Department, Seattle Public Utilities, and the Seattle Public Library.

What are the possible alternatives to the legislation that could achieve the same or similar objectives? Not raising the rates at this time would result in DWF failing to recover the cost of its operations and to meet its financial policies.

Is the legislation subject to public hearing requirements? No.

Other Issues (including long-term implications of the legislation): None.

Please list attachments to the fiscal note below:

Attachment 1 – Seattle Public Utilities 2011 Wastewater/Drainage Treatment Rate



Seattle Public Utilities 2011 Wastewater/Drainage Treatment Rate

Background

Seattle Public Utilities (SPU) wastewater customers pay a single fee per one hundred cubic feet (CCF) of wastewater discharged into the City's wastewater system. This single fee is the sum of two components, a treatment rate and a system rate. The treatment rate is based on the projected cost of treating wastewater at King County¹ owned treatment facilities. The system rate is the rate required to pay all other costs of the wastewater system. It is set through a formal rate process.

In addition, beginning in 2008, SPU's drainage rates share in the recovery of combined system costs, which include a portion of the King County treatment costs. This sharing of costs was initiated by phasing-in one-sixth of the allocation of these costs in 2008, two-sixths in 2009, and three-sixths in 2011. Thus, drainage rates are now also comprised of a treatment component and a system component.

On June 14, 2010, the King County Council passed a 13.2 percent increase in the rate charged to entities that use their wastewater treatment facilities, effective January 1, 2011.

Wastewater Treatment Rate Method of Calculation

Payments to King County² for wastewater treatment are the single largest component of both wastewater and total Drainage and Wastewater Fund (DWF) operating expense. The inability to fully recover this expense through the wastewater rate can seriously impact DWF financial performance. To mitigate this risk the Council approved a process to adjust the wastewater treatment rate when there is a change in the underlying cost drivers. The formula for this adjustment is defined in Section 21.28.040 B of the Seattle Municipal Code, allowing for the treatment rate to be adopted at any time by ordinance. The formula is as follows:

Projected wastewater treatment expense/Projected annual wastewater volumes
times

A multiplier of 116.9% to recover revenue reductions and revenue taxes

The projected treatment expense includes an adjustment for cash lags in the full recovery of the treatment expense in years in which there is a rate increase. The treatment expense excludes the portion of budgeted treatment expense associated with the County's High Strength Industrial and Contaminated Stormwater Surcharges. These expenses are recovered directly from applicable customers and not through the wastewater direct service rate.

¹In addition, less than 3% of our customers are served by the Southwest Suburban Sewer District for wastewater treatment. These treatment costs are also included in this analysis.

²King County treats over 99% of the City's sewage. The Southwest Suburban Sewer District treats the balance.



In contrast to this method of setting the treatment rate, the system rate is proposed by the Executive via rate studies and adopted by Council. The system rate recovers all other operating expense, including operations and maintenance expense, capital financing expense (debt service and cash), and related revenue taxes and is set to ensure that financial policy targets are met.

2011 Wastewater Rate

The 13.2 percent increase in the King County treatment rate results in an increase in the 2011 wastewater treatment rate from \$6.01 per one hundred cubic feet (CCF) to \$6.94 per CCF. As a result, the total wastewater rate (treatment plus system rate) for 2011 increases by an additional 10.0 percent for SPU wastewater customers compared with the 2011 rates that will be considered by Council in November.

Table 1
2011 and Revised 2011 Wastewater Rate, per CCF

	2011³	Revised 2011
Treatment Rate	\$6.01	\$6.94
System Rate	\$3.34	\$3.34
Total Rate	\$9.35	\$10.28
% Change		10.0%

SPU staff conducted an analysis using financial and forecasting models to project the wastewater treatment expense, the wastewater treatment volume, and the cash lags to support calculation of the treatment rate. Table 2 presents the calculation of the 2011 treatment rate using the formula described above.

³ Council Bill 116928 proposes new wastewater rates for 2011-2012. The Seattle Public Utilities and Neighborhoods Committee (SPUN) has considered the Council Bill and has recommended revisions to the wastewater rates. The full City Council will consider and adopt new 2011-2012 wastewater rates in November. The \$6.01 per CCF reflects the 2011 treatment rate as recommended by SPUN.



Table 2
2011 SPU Wastewater Treatment Rate Calculation

2011 Treatment Expense (including cash adjustment)	\$122,148,907
Projected Wastewater Volume in CCF	<u>20,580,000</u>
Unadjusted Treatment Rate per CCF	\$5.94
Multiplier	<u>116.9%</u>
Treatment Rate	<u>\$6.94</u>

Drainage Treatment Rate Method of Calculation

The drainage "treatment rate" is the rate required to pay the drainage share of "treatment cost" which includes a portion of the cost of King County wastewater treatment. The treatment rate is 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 one hundred eighteen percent (118%) to cover the costs of taxes and low income rate assistance. The projected treatment cost is 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 drainage 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 changes pursuant to Section 21.33.030 D.

2011 Drainage Rate

The 13.2 percent increase in the King County treatment rate results in a 0.8 percent increase in the 2011 drainage rates compared with 2011 rates that will be considered by Council in November.



Seattle Public Utilities
 King County Treatment Rate
 2011 Passthrough to Drainage Rates

(a) Customer Class	(b) Treatment Rate	(c) 2011 Rates (Note 1)		(d) Total Rate	(e) Percent of 2011 Cost	(f) Projected Change in 2011 Treatment Expense	(g) Revenue Leads/Lags	(h) Net Cash Treatment Expense	(i) Multiplier	(j) Total Treatment Cost	(k) Projected Billing Units per Rate Category	(l) Adjusted Treatment Rate	(m) System Rate	(n) Adjusted Total Rate	
		(b)	(c)												
1															
2	<u>Small Residential</u>						(Note 2)								
3	Sub-Tier A Under 3000 sq. ft.	\$7.63	\$125.39	\$133.02	1.2%	\$46,316	n/a	\$46,316	118.0%	\$54,652	6,300 Parcels	\$8.67	\$125.39	\$134.06	
4	Sub-Tier B 3000-4999 sq. ft.	\$9.84	\$161.89	\$171.73	10.9%	\$411,037	n/a	\$411,037	118.0%	\$485,024	43,266 Parcels	\$11.21	\$161.89	\$173.10	
5	Sub-Tier C 5000-7999 sq. ft.	\$13.36	\$219.72	\$233.08	17.4%	\$658,211	n/a	\$658,211	118.0%	\$776,689	51,038 Parcels	\$15.22	\$219.72	\$234.94	
6	Sub-Tier D 8000-9999 sq. ft.	\$16.97	\$279.10	\$296.07	11.7%	\$443,077	n/a	\$443,077	118.0%	\$522,830	27,207 Parcels	\$19.22	\$279.10	\$298.32	
7															
8	<u>General Service/Large Residential</u>														
9	Undeveloped (0-15% impervious)														
11	Regular	\$1.12	\$18.44	\$19.56	2.4%	\$89,043	n/a	\$89,043	118.0%	\$105,071	81,927 Thousand Sq Ft	\$1.28	\$18.44	\$19.72	
10	Low Impact	\$0.70	\$11.55	\$12.25	2.6%	\$99,851	n/a	\$99,851	118.0%	\$117,824	146,775 Thousand Sq Ft	\$0.80	\$11.55	\$12.35	
12															
13	Light (16-35% impervious)														
15	Regular	\$1.68	\$27.70	\$29.38	5.3%	\$200,858	n/a	\$200,858	118.0%	\$237,013	123,402 Thousand Sq Ft	\$1.92	\$27.70	\$29.62	
14	Low Impact	\$1.33	\$21.95	\$23.28	1.1%	\$41,610	n/a	\$41,610	118.0%	\$49,100	32,264 Thousand Sq Ft	\$1.52	\$21.95	\$23.47	
16															
17	Moderate (36-65% impervious)														
19	Regular	\$2.44	\$40.11	\$42.55	11.2%	\$425,459	n/a	\$425,459	118.0%	\$502,042	180,774 Thousand Sq Ft	\$2.78	\$40.11	\$42.89	
18	Low Impact	\$1.96	\$32.20	\$34.16	0.5%	\$18,109	n/a	\$18,109	118.0%	\$21,368	9,582 Thousand Sq Ft	\$2.23	\$32.20	\$34.43	
20	Heavy (66-85% impervious)	\$3.22	\$52.91	\$56.13	11.5%	\$436,200	n/a	\$436,200	118.0%	\$514,717	140,616 Thousand Sq Ft	\$3.66	\$52.91	\$56.57	
21	Very Heavy (86-100% impervious)	\$3.80	\$62.57	\$66.37	24.1%	\$912,963	n/a	\$912,963	118.0%	\$1,077,297	249,019 Thousand Sq Ft	\$4.33	\$62.57	\$66.90	
22	Total				100.0%	\$3,782,749		\$3,782,734		\$4,463,676					

(1) Council Bill 116928 proposes new drainage rates for 2011-2012. The Seattle Public Utilities and Neighborhoods Committee (SPUN) has considered the Council Bill and has recommended revisions to the drainage rates. The full City Council will consider and adopt new 2011-2012 drainage rates in November. Columns (b), (c) and (d) reflect the 2011 drainage rates as recommended by SPUN.

(2) Revenue leads and lags are factored into the calculation of the wastewater treatment rate. These leads and lags relate to revenues billed in December and collected in January. When there is a rate increase assumes one month cash collected at prior year rate and 11 months at current year rate. Lags and leads can be quite significant for wastewater revenues which are billed on a monthly or bi-monthly basis. They do not currently have a significant impact on drainage rates as bills go out bi-annually, in April and October, and most revenues related to the current billing year are collected prior to year end. Leads and lags may become a more significant factor in drainage rate calculation if billing is moved to CCSS and bills are issued monthly or bimonthly.



ORDINANCE

1
2
3 AN ORDINANCE relating to drainage and wastewater services of Seattle Public Utilities;
4 adjusting wastewater and drainage rates to pass through increased treatment costs
5 charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle
6 Municipal Code to reflect the adjusted rates; and amending Section 21.76.040 of the
7 Seattle Municipal Code to adjust credits to low-income drainage and wastewater
8 customers.

9
10 WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the
11 treatment rate and system rate for each utility and are designed to pass through the
12 wastewater and drainage shares of the rates King County charges for its wastewater
13 treatment services as part of the treatment rate applicable to each utility; and

14
15 WHEREAS, Ordinances introduced as Council Bill Nos. 116926 and 116928 and adopted
16 November 2010, established the 2011-2012 Seattle Public Utilities' wastewater volume
17 rate and drainage rates, respectively, based on the existing King County wastewater
18 treatment charge of \$31.90; and

19
20 WHEREAS, King County adopted a new wastewater treatment rate of \$36.10 per residential
21 customer equivalent per month effective January 1, 2011, which is an increase of more
22 than 10 percent over the existing treatment rate; and

23
24 WHEREAS, Subsections 21.28.040 B.1 and 21.33.030 D.1 allow the treatment rates of each
25 utility to be adjusted by ordinance at any time in response to changes in the King County
26 wastewater rates; and

27
28 WHEREAS, the recently adopted Seattle Public Utilities' 2011 and 2012 wastewater and
29 drainage treatment rates will not provide sufficient revenues to pay the increased King
30 County treatment costs; and

31
32 WHEREAS, wastewater and drainage credits for qualified low-income customers, not billed
33 directly by SPU, are based on typical residential bills, and credits for such customers
34 need to be revised to reflect the changes in the wastewater and drainage rates; NOW,
35 THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

36
37 Section 1. Subsection 21.28.040 B.3 of the Seattle Municipal Code is amended as
38 follows:



1 **21.28.040 Wastewater volume charge.**

2 * * *

3 B. The wastewater volume rate shall be the sum of the treatment rate, the system rate and, where
 4 applicable, the MMRD surcharge, as follows:

6 * * *

7
 8 3. The monthly wastewater volume rate per CCF shall be in accordance with the following
 9 schedule:

	Effective Jan. 1, 2010	Effective Jan. 1, <u>2011</u>	Effective Jan. 1, <u>2012</u>
14 Treatment Rate	\$6.03	(\$6.01) <u>\$6.94</u>	(\$6.00) <u>\$6.94</u>
15 System Rate	\$2.95	\$3.34	\$3.74
17 Wastewater 18 Volume Rate	\$8.98	(\$9.35) <u>\$10.28</u>	(\$9.74) <u>\$10.68</u>

21 * * *

22 Section 2. Subsection 21.33.030 D.3 of the Seattle Municipal Code is amended as
 23 follows:



SMC 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:

* * *

3. The rate categories and the corresponding annual drainage rates are as follows:

Effective January 1, 2010

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
Under 3000 sq. ft.	\$4.48	\$100.42	\$104.90	per parcel
3000-4999 sq. ft.	\$6.50	\$145.96	\$152.46	per parcel
5000-6999 sq. ft.	\$8.78	\$197.31	\$206.09	per parcel
7000-9999 sq. ft.	\$11.13	\$250.22	\$261.35	per parcel
General Service/Large Residential				
Undeveloped (0-15% impervious)				
Low Impact	\$0.44	\$9.95	\$10.39	per 1000 Sq Ft
Regular	\$0.73	\$16.45	\$17.18	per 1000 Sq Ft
Light (16-35% impervious)				



Maria Coe
 SPU Wastewater Treatment Pass-Through ORD
 October 14, 2010
 Version #5b

1		Low Impact	\$0.82	\$18.53	\$19.35	per 1000 Sq Ft
2		Regular	\$1.09	\$24.60	\$25.69	per 1000 Sq Ft
3	Moderate	(36-65% impervious)				
4		Low Impact	\$1.29	\$28.99	\$30.28	per 1000 Sq Ft
5		Regular	\$1.59	\$35.73	\$37.32	per 1000 Sq Ft
6	Heavy	(66-85% impervious)	\$2.06	\$46.20	\$48.26	per 1000 Sq Ft
7						
8	Very Heavy	(86-100% impervious)	\$2.45	\$54.87	\$57.32	per 1000 Sq Ft

Effective January 1, 2011

13	Rate Category		Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
14						
15	Small Residential					
16			(\$7.63)		(\$133.02)	
17		Under 3000 sq. ft.	<u>\$8.67</u>	\$125.39	<u>\$134.06</u>	per parcel
18			(\$9.84)		(\$171.73)	
19		3000-4999 sq. ft.	<u>\$11.21</u>	\$161.89	<u>\$173.10</u>	per parcel
20			(\$13.36)		(\$233.08)	
21		5000-6999 sq. ft.	<u>\$15.22</u>	\$219.72	<u>\$234.94</u>	per parcel
22			(\$16.97)		(\$296.07)	
23		7000-9999 sq. ft.	<u>\$19.22</u>	\$279.10	<u>\$298.32</u>	per parcel
24	General Service/Large Residential					
25	Undeveloped	(0-15% impervious)				
26		Regular	(\$1.12)	\$18.44	(\$19.56)	per 1000 Sq Ft



Maria Coe
 SPU Wastewater Treatment Pass-Through ORD
 October 14, 2010
 Version #5b

1			<u>\$1.28</u>		<u>\$19.72</u>	
2			(\$0.70)		(\$12.25)	
3	Light	Low Impact (16-35% impervious)	<u>\$0.80</u>	\$11.55	<u>\$12.35</u>	per 1000 Sq Ft
4			(\$1.68)		(\$29.38)	
5			<u>\$1.92</u>	\$27.70	<u>\$29.62</u>	per 1000 Sq Ft
6		Regular	(\$1.33)		(\$23.28)	
7			<u>\$1.52</u>	\$21.95	<u>\$23.47</u>	per 1000 Sq Ft
8	Moderate	Low Impact (36-65% impervious)	(\$2.44)		(\$42.55)	
9			<u>\$2.78</u>	\$40.11	<u>\$42.89</u>	per 1000 Sq Ft
10		Regular	(\$1.96)		(\$34.16)	
11			<u>\$2.23</u>	\$32.20	<u>\$34.43</u>	per 1000 Sq Ft
12		Low Impact	(\$3.22)		(\$56.13)	
13	Heavy	(66-85% impervious)	<u>\$3.66</u>	\$52.91	<u>\$56.57</u>	per 1000 Sq Ft
14			(\$3.80)		(\$66.37)	
15			<u>\$4.33</u>	\$62.57	<u>\$66.90</u>	per 1000 Sq Ft
16	Very Heavy	(86-100% impervious)				

Effective January 1, 2012

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
	(\$10.10)		(\$147.99)	
Under 3000 sq. ft.	<u>\$11.44</u>	\$137.89	<u>\$149.33</u>	per parcel
3000-4999 sq. ft.	(\$13.04)	\$178.01	(\$191.05)	per parcel



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		<u>\$14.78</u>		<u>\$192.79</u>	
		<u>(\$17.70)</u>		<u>(\$259.30)</u>	
	5000-6999 sq. ft.	<u>\$20.06</u>	\$241.60	<u>\$261.66</u>	per parcel
		<u>(\$22.48)</u>		<u>(\$329.37)</u>	
	7000-9999 sq. ft.	<u>\$25.34</u>	\$306.89	<u>\$332.23</u>	per parcel
General Service/Large Residential					
	Undeveloped (0-15% impervious)	<u>(\$1.49)</u>		<u>(\$21.76)</u>	
	Regular	<u>\$1.69</u>	\$20.27	<u>\$21.96</u>	per 1000 Sq Ft
		<u>(\$0.93)</u>		<u>(\$13.63)</u>	
	Light Low Impact (16-35% impervious)	<u>\$1.06</u>	\$12.70	<u>\$13.76</u>	per 1000 Sq Ft
		<u>(\$2.23)</u>		<u>(\$32.68)</u>	
	Regular	<u>\$2.53</u>	\$30.45	<u>\$32.98</u>	per 1000 Sq Ft
		<u>(\$1.77)</u>		<u>(\$25.90)</u>	
	Moderate Low Impact (36-65% impervious)	<u>\$2.01</u>	\$24.13	<u>\$26.14</u>	per 1000 Sq Ft
		<u>(\$3.23)</u>		<u>(\$47.33)</u>	
	Regular	<u>\$3.66</u>	\$44.10	<u>\$47.76</u>	per 1000 Sq Ft
		<u>(\$2.59)</u>		<u>(\$38.00)</u>	
	Low Impact	<u>\$2.94</u>	\$35.41	<u>\$38.35</u>	per 1000 Sq Ft
		<u>(\$4.26)</u>		<u>(\$62.44)</u>	
	Heavy (66-85% impervious)	<u>\$4.83</u>	\$58.18	<u>\$63.01</u>	per 1000 Sq Ft
		<u>(\$5.04)</u>		<u>(\$73.83)</u>	
	Very Heavy (86-100% impervious)	<u>\$5.70</u>	\$68.79	<u>\$74.49</u>	per 1000 Sq Ft



* * *

Section 3. Subsection 21.76.040 A of the Seattle Municipal Code is amended as follows:

21.76.040 Low Income Rate Credits.

* * *

A. Drainage, Wastewater, and Water. Persons qualified by the Human Services Department as eligible recipients of low income utility credits provided for in Section 21.76.010 (eligible recipients) shall be granted low income billing credits in the following amounts:

1. Wastewater. Eligible recipients billed directly by Seattle Public Utilities for wastewater services and residing in single-family dwellings shall receive a credit equal to 0.5 times the total current wastewater volume charge. Eligible recipients not billed directly by Seattle Public Utilities for wastewater services shall receive the following credits based on dwelling type:

Effective Date	Single-family and duplex	Multifamily dwelling
January 1, 2010	\$23.35 per month	\$16.16 per month
January 1, 2011	(\$24.31) \$26.73 per month	(\$16.83) \$18.50 per month
January 1, 2012	(\$25.32) \$27.77 per month	(\$17.53) \$19.22 per month



At the time of a change to the wastewater volume rate described in SMC 21.28.040, the Director of Seattle Public Utilities shall calculate new credits based on dwelling type for eligible recipients not billed directly by Seattle Public Utilities. The credit for Single-family and duplex customers shall be 0.5 times the wastewater volume rate multiplied by 5.2 CCF, which is typical single family residential sewer billed consumption. The credit for Multifamily dwelling customers shall be 0.5 times the wastewater volume rate multiplied by 3.6 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Eligible recipients residing inside The City of Seattle shall receive the following credits for drainage services based on dwelling type:

	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Single-family	\$8.95 per month	(\$9.71) \$9.80 per month	(\$10.80) \$10.90 per month
Duplex	4.29 per month	((4.86)) 4.90 per month	((5.40)) 5.45 per month
Multifamily	0.92 per month	((1.04)) 1.05 per month	((1.16)) 1.17 per month

* * *

Section 4. 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



1 or circumstance, then such provision or provisions shall be null and severed from the rest of this
2 ordinance with respect to the particular person or circumstance. The offending provision with
3 respect to all other persons and all other circumstances, as well as all other provisions of this
4 ordinance, shall remain valid and enforceable.

5 Section 5. This ordinance shall take effect and be in force 30 days from and after its
6 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
7 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
8

9
10 Passed by the City Council the ____ day of _____, 2010, and signed by me in
11 open session in authentication of its passage this ____ day of _____, 2010.

12
13
14 _____
15 President _____ of the City Council

16 Approved by me this ____ day of _____, 2010.

17
18 _____
19 Michael C. McGinn, Mayor

20 Filed by me this ____ day of _____, 2010.

21
22 _____
23 City Clerk

24
25 (Seal)



2011-2012 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Maria Coe/233-7905	Karen Grove/684-5805

Legislation Title: AN ORDINANCE relating to drainage and wastewater services of Seattle Public Utilities; adjusting wastewater and drainage rates to pass through increased treatment costs charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle Municipal Code to reflect the adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income drainage and wastewater customers.

Summary of the Legislation: This ordinance would revise the 2011-2012 wastewater treatment rate from \$6.01 per CCF (hundred cubic feet) to \$6.94 per CCF, and revise the 2011-2012 drainage treatment rates. The proposed increases are due to an increase in the rate King County charges the City for treating our wastewater. The ordinance would also increase the applicable wastewater and drainage credits for low-income customers.

Background: The wastewater rate that Seattle Public Utilities (SPU) currently charges its customers is the sum of the treatment rate and the system rate and, where applicable, the Master Metered Residential Development (MMRD) surcharge. However, SPU is introducing legislation to remove the MMRD surcharge in the near future. The wastewater treatment rate is the projected cost of treatment, including cash adjustments, divided by the projected billed consumption and adjusted to account for taxes and low-income credits. The system rate is the rate required to pay all other costs of the wastewater system.

The drainage rate that Seattle Public Utilities (SPU) charges its customers is the sum of the treatment rate and the system rate. The drainage treatment rate is a portion of the projected cost of treatment divided by the projected billing units, adjusted to account for taxes and low-income credits. The system rate is the rate required to pay all other costs of the drainage system.

This proposed Bill would adjust the wastewater and drainage treatment rates to pass through rate changes adopted by King County and resulting adjustments to cash and other financial policies. In June 2010, the King County Council adopted a wastewater treatment rate of \$36.10 per residential customer equivalent per month, effective January 1, 2011, an increase from the existing rate of \$31.90. The new 2011 wastewater treatment rate established in this ordinance is based on a projected treatment cost of \$125,049,556, a multiplier of 116.9% to cover the costs of taxes and low-income rate credits, and projected billed wastewater consumption of 20,580,000 CCF. The new 2011 drainage treatment rates established in this ordinance are based on a projected treatment cost of \$3,782,749, a multiplier of 118.0% to cover the costs of taxes and low income rate assistance, and projected drainage billing units. With this treatment rate increase, the applicable wastewater and drainage credits to low-income customers are also increased.



As a result of this Proposed Bill, the typical monthly residential bill for wastewater would increase \$4.84 and the typical monthly residential drainage bill would increase 15 cents.

Council Bills 116926 and 116928, which propose new wastewater and drainage rates for 2011 and 2012, were based on the existing King County wastewater treatment rates. The Seattle Public Utilities and Neighborhoods Committee (SPUN) has considered the Council Bills and has recommended revisions to the 2011-2012 wastewater and drainage rates, which will be considered by the full City Council in November 2010. This Bill will be considered separately in November pursuant to Sections 21.28.040 B.1 and 21.33.030 D.1 of the Seattle Municipal Code, and assumes the revised rates recommended by SPUN. In the event the full City Council adopts new wastewater and drainage rates that are different than what SPUN has recommended, this Bill may need to be amended to reflect the actual rates adopted.

X This legislation has financial implications. Please complete all relevant sections that follow.

Summary of Changes to Revenue Generated Specifically From This Legislation:

	Revenue Source	2011 Proposed	2012 Proposed
	Wastewater Utility Services	\$19,139,400	\$19,176,000
	Drainage Utility Services	\$543,407	\$687,807
Total Fees and Charges Resulting From Passage of This Ordinance		\$19,682,807	\$19,863,807

Notes: The 2011 and 2012 revenues are the additional wastewater and drainage revenues resulting from the increase in SPU's treatment rates and were not assumed in the 2011-2012 Proposed Budget. In contrast, the expenses were increased in the development of the budget so no further appropriation change is required.

Anticipated Total Revenue from Entire Program, Including Changes Resulting From This Legislation:

Fund Name and Number	Revenue Source	Total 2011 Revenue	Total 2011 and 2012 Anticipated Revenue from Entire Program
Drainage and Wastewater Fund (44010)	Drainage and Wastewater Utility Services	\$277,641,584	\$568,014,193
TOTAL		\$277,641,584	\$568,014,193



What is the financial cost of not implementing this legislation? The Drainage and Wastewater Fund (DWF) would not fully recover the cost of its business operations.

Does this legislation affect any departments besides the originating department?

Several City departments have facilities that incur wastewater and drainage costs. These facilities costs will increase commensurate with the rate increases proposed in this legislation. The impacted departments include: Seattle Center, the City Budget Office, Seattle City Light, the Department of Neighborhoods, the Seattle Department of Transportation, the Seattle Fire Department, the Department of Finance and Administrative Services, the Department of Parks and Recreation, the Seattle Police Department, Seattle Public Utilities, and the Seattle Public Library.

What are the possible alternatives to the legislation that could achieve the same or similar objectives? Not raising the rates at this time would result in DWF failing to recover the cost of its operations and to meet its financial policies.

Is the legislation subject to public hearing requirements? No.

Other Issues (including long-term implications of the legislation): None.

Please list attachments to the fiscal note below:

Attachment 1 – Seattle Public Utilities 2011 Wastewater/Drainage Treatment Rate



City of Seattle
Office of the Mayor

September 27, 2010

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

Dear Council President Conlin:

I am transmitting the attached proposed Council Bill and supporting analysis for consideration with the 2011 Proposed Budget. This legislation updates Seattle Public Utilities' (SPU's) wastewater and drainage treatment rates for 2011 and 2012. The changes would increase the 2011 monthly wastewater bill by \$4.84 and the monthly drainage fee by \$0.15 for the typical residential customer.

Payments to King County for wastewater treatment are the single largest component of both wastewater and total Drainage and Wastewater Fund (DWF) operating expense. The inability to fully recover this expense through the wastewater rate can seriously impact DWF financial performance. To mitigate this risk the Council approved a process to adjust the treatment rate when there is a change in the underlying cost drivers. The formula for this adjustment is defined by ordinance, allowing for the treatment rate to be adopted outside of a normal rates process. In addition, beginning in 2008, SPU's drainage rates share in the recovery of combined system costs, which include a portion of the King County treatment costs. Thus, drainage rates now also include a treatment component and a system component.

On June 14, 2010, the King County Council passed a 13.2 percent increase in the rate charged to entities that use their wastewater treatment facilities, effective January 1, 2011.

The proposed treatment rate adjustments maintain the financial health of the drainage and wastewater system by taking into account the projected changes in treatment costs. Thank you for your consideration of this legislation. Should you have questions, please contact Maria Coe at 233-7905.

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



STATE OF WASHINGTON – KING COUNTY

--SS.

264561

No.

CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123449 ORDINANCE

was published on

12/16/10

The amount of the fee charged for the foregoing publication is the sum of \$1,460.00, which amount has been paid in full.



Affidavit of Publication

Subscribed and sworn to before me on

12/16/10

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

ORDINANCE 123449

AN ORDINANCE relating to drainage and wastewater services of Seattle Public Utilities; adjusting wastewater and drainage rates to pass through increased treatment costs charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle Municipal Code to reflect the adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income drainage and wastewater customers.

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate for each utility and are designed to pass through the wastewater and drainage shares of the rates King County charges for its wastewater treatment services as part of the treatment rate applicable to each utility; and

WHEREAS, Ordinances introduced as Council Bill Nos. 116926 and 116928 and adopted November 2010, established the 2011-2012 Seattle Public Utilities' wastewater volume rate and drainage rates, respectively, based on the existing King County wastewater treatment charge of \$31.90; and

WHEREAS, King County adopted a new wastewater treatment rate of \$36.10 per residential customer equivalent per month effective January 1, 2011, which is an increase of more than 10 percent over the existing treatment rate; and

WHEREAS, Subsections 21.28.040 B.1 and 21.33.030 D.1 allow the treatment rates of each utility to be adjusted by ordinance at any time in response to changes in the King County wastewater rates; and

WHEREAS, the recently adopted Seattle Public Utilities' 2011 and 2012 wastewater and drainage treatment rates will not provide sufficient revenues to pay the increased King County treatment costs; and

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

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection 21.28.040 B.3 of the Seattle Municipal Code is amended as follows:

21.28.040 Wastewater volume charge.

B. The wastewater volume rate shall be the sum of the treatment rate, the system rate and, where applicable, the MMRD surcharge, as follows:

3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

	Effective Jan. 1, 2010	Effective Jan. 1, 2011	Effective Jan. 1, 2012
Treatment Rate	\$6.03	(\$6.01)	(\$6.00)
		\$6.94	\$6.94
System Rate	\$2.95	\$3.34	\$3.74
Wastewater	\$8.98	(\$9.35)	(\$9.74)

Section 2. Subsection 21.33.030 D.3 of the Seattle Municipal Code is amended as follows:

SMC 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 treatment rate and the system rate, as follows:

3. The rate categories and the corresponding annual drainage rates are as follows:

Effective January 1, 2010:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
Under 3000 sq. ft.	\$4.48	\$100.42	\$104.90	per parcel
3000-4999 sq. ft.	\$6.50	\$145.96	\$152.46	per parcel
5000-6999 sq. ft.	\$8.78	\$197.31	\$206.09	per parcel
7000-9999 sq. ft.	\$11.13	\$250.22	\$261.35	per parcel

General Service/Large Residential				
Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Undeveloped (0-15% impervious)				
Low Impact	\$0.44	\$9.95	\$10.39	per 1000 Sq Ft
Regular	\$0.73	\$16.45	\$17.18	per 1000 Sq Ft
Light (16-35% impervious)				
Low Impact	\$0.82	\$18.53	\$19.35	per 1000 Sq Ft
Regular	\$1.09	\$24.60	\$25.69	per 1000 Sq Ft
Moderate (36-65% impervious)				
Low Impact	\$1.29	\$28.99	\$30.28	per 1000 Sq Ft
Regular	\$1.59	\$35.73	\$37.32	per 1000 Sq Ft
Heavy (66-85% impervious)				
Regular	\$2.06	\$46.20	\$48.26	per 1000 Sq Ft
Very Heavy (86-100% impervious)				
Regular	\$2.45	\$54.87	\$57.32	per 1000 Sq Ft

Effective January 1, 2011:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
Under 3000 sq. ft.	(\$7.63) \$8.67	\$125.39	(\$133.02) \$134.06	per parcel
3000-4999 sq. ft.	(\$9.84) \$11.21	\$161.89	(\$171.73) \$173.10	per parcel
5000-6999 sq. ft.	(\$13.36) \$15.22	\$219.72	(\$233.08) \$234.94	per parcel
7000-9999 sq. ft.	(\$16.97) \$19.22	\$279.10	(\$296.07) \$298.32	per parcel

General Service/Large Residential
Undeveloped (0-15% impervious)

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Light (16-35% impervious)				
Regular	(\$1.12) \$1.28	\$18.44	(\$19.56) \$19.72	per 10
Low Impact	(\$0.70) \$0.80	\$11.55	(\$12.25) \$12.35	per 100
Moderate (36-65% impervious)				
Regular	(\$1.68) \$1.92	\$27.70	(\$29.38) \$29.62	per 100
Low Impact	(\$1.33) \$1.52	\$21.95	(\$23.28) \$23.47	per 100
Heavy (66-85% impervious)				
Regular	(\$2.44) \$2.78	\$40.11	(\$42.55) \$42.89	per 1000
Low Impact	(\$1.96) \$2.23	\$32.20	(\$34.16) \$34.43	per 1000
Very Heavy (86-100% impervious)				
Regular	(\$3.22) \$3.66	\$52.91	(\$56.13) \$56.57	per 1000
Low Impact	(\$3.80) \$4.33	\$62.57	(\$66.37) \$66.90	per 1000

Effective January 1, 2012:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
Under 3000 sq. ft.	(\$10.10)		(\$147.99)	

		(\$1.12)		(\$19.56)	
	Regular	\$1.28	\$18.44	\$19.72	per 1000 Sq Ft
		(\$0.70)		(\$12.25)	
Light	Low Impact (16-35% impervious)	\$0.80	\$11.55	\$12.35	per 1000 Sq Ft
		(\$1.68)		(\$29.38)	
	Regular	\$1.92	\$27.70	\$29.62	per 1000 Sq Ft
		(\$1.33)		(\$23.28)	
Moderate	Low Impact (36-65% impervious)	\$1.52	\$21.95	\$23.47	per 1000 Sq Ft
		(\$2.44)		(\$42.55)	
	Regular	\$2.78	\$40.11	\$42.89	per 1000 Sq Ft
		(\$1.96)		(\$34.16)	
	Low Impact	\$2.23	\$32.20	\$34.43	per 1000 Sq Ft
		(\$3.22)		(\$56.13)	
Heavy	(66-85% impervious)	\$3.66	\$52.91	\$56.57	per 1000 Sq Ft
		(\$3.80)		(\$66.37)	
Very Heavy	(86-100% impervious)	\$4.33	\$62.57	\$66.90	per 1000 Sq Ft

Effective January 1, 2012:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
	(\$10.10)		(\$147.99)	
Under 3000 sq. ft.	\$11.44	\$137.89	\$149.33	per parcel
	(\$13.04)		(\$191.05)	
3000-4999 sq. ft.	\$14.78	\$178.01	\$192.79	per parcel
	(\$17.70)		(\$259.30)	
5000-6999 sq. ft.	\$20.06	\$241.60	\$261.66	per parcel
	(\$22.48)		(\$329.37)	
7000-9999 sq. ft.	\$25.34	\$306.89	\$332.23	per parcel
General Service/Large Residential				
Undeveloped (0-15% impervious)				

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
Under 3000 sq. ft.	\$4.48	\$100.42	\$104.90	per parcel
3000-4999 sq. ft.	\$6.50	\$145.96	\$152.46	per parcel
5000-6999 sq. ft.	\$8.78	\$197.31	\$206.09	per parcel
7000-9999 sq. ft.	\$11.13	\$250.22	\$261.35	per parcel
General Service/Large Residential				
Undeveloped (0-15% impervious)				
Low Impact	\$0.44	\$9.95	\$10.39	per 1000 Sq
Regular	\$0.73	\$16.45	\$17.18	per 1000 Sq
Light (16-35% impervious)				
Low Impact	\$0.82	\$18.53	\$19.35	per 1000 Sq
Regular	\$1.09	\$24.60	\$25.69	per 1000 Sq
Moderate (36-65% impervious)				
Low Impact	\$1.29	\$28.99	\$30.28	per 1000 Sq
Regular	\$1.59	\$35.73	\$37.32	per 1000 Sq
Heavy (66-85% impervious)	\$2.06	\$46.20	\$48.26	per 1000 Sq
Very Heavy (86-100% impervious)	\$2.45	\$54.87	\$57.32	per 1000 Sq

Effective January 1, 2011:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
	(\$7.63)		(\$133.02)	
Under 3000 sq. ft.	\$8.67	\$125.39	\$134.06	per parcel
	(\$9.84)		(\$171.79)	
3000-4999 sq. ft.	\$11.21	\$161.89	\$173.10	per parcel
	(\$13.36)		(\$233.08)	
5000-6999 sq. ft.	\$15.22	\$219.72	\$234.94	per parcel
	(\$16.97)		(\$296.07)	
7000-9999 sq. ft.	\$19.22	\$279.10	\$298.32	per parcel
General Service/Large Residential				
Undeveloped (0-15% impervious)				

		(\$1.49)		(\$21.76)	
	Regular	<u>\$1.69</u>	\$20.27	<u>\$21.96</u>	per 1000 Sq Ft
		(\$0.93)		(\$13.63)	
Light	Low Impact (16-35% impervious)	<u>\$1.06</u>	\$12.70	<u>\$13.76</u>	per 1000 Sq Ft
		(\$2.23)		(\$32.68)	
	Regular	<u>\$2.53</u>	\$30.45	<u>\$32.98</u>	per 1000 Sq Ft
		(\$1.77)		(\$25.90)	
Moderate	Low Impact (36-65% impervious)	<u>\$2.01</u>	\$24.13	<u>\$26.14</u>	per 1000 Sq Ft
		(\$3.23)		(\$47.33)	
	Regular	<u>\$3.66</u>	\$44.10	<u>\$47.76</u>	per 1000 Sq Ft
	Low Impact	(\$2.59)	\$35.41	(\$38.00)	per 1000 Sq Ft
		<u>\$2.94</u>		<u>\$38.35</u>	
		(\$4.26)		(\$62.44)	
ry	(66-85% impervious)	<u>\$4.83</u>	\$58.18	<u>\$63.01</u>	per 1000 Sq Ft
		(\$5.04)		(\$73.83)	
Very Heavy	(86-100% impervious)	<u>\$5.70</u>	\$68.79	<u>\$74.49</u>	per 1000 Sq Ft

* * *

Section 3. Subsection 21.76.040 A of the Seattle Municipal Code is amended as follows:

21.76.040 Low Income Rate Credits.

* * *

A. Drainage, Wastewater, and Water. Persons qualified by the Human Services Department as eligible recipients of low income utility credits provided for in Section 21.76.010 (eligible recipients) shall be granted low income billing credits in the following amounts:

1. Wastewater. Eligible recipients billed directly by Seattle Public Utilities for wastewater services and residing in single-family dwellings shall receive a credit equal to 0.5 times the total current wastewater volume charge. Eligible recipients not billed directly by Seattle Public