Ordinance No. 123468

Council Bill No. 116928

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Subsection 21.28.040 B of the Seattle Municipal Code to adjust the wastewater volume rate; amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers; and adding new Section 21.28.230 to authorize the Director of Seattle Public Utilities to develop and update annually a schedule of wastewater standard charges.

CF No. 310962

Date Introduced:	
Date 1st Referred: July 26, 2010	To: Seattle Public Utilities and Neighborhoods
Date Re - Referred: Oct. 4, 2010	To: (committee) Budget
Date Re - Referred:	To: (committee)
Date of Final Passage: 11.22.10	Full Council Vote: 9-0
Date Presented to Mayor: 11.23.10	Date Approved: Dec. 2, 2010
Date Returned to City Clerk: Dec. 2, 2010	Date Published: T.O. F.T. ✓
Date Vetoed by Mayor:	Date Veto Published:
Date Passed Over Veto:	Veto Sustained:

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____ Councilmember

Committee Action:

9/28/10 Referred to Budget Committee 9 In Favor: MOB, PC

(EW)

11.10.10 Pass as amended 9-0

11.22.10 Passed 9-0

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

LAW DEPARTMENT

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

Maria Coe
SPU 2011-12 Wastewater Rates ORD.doc
November 15, 2010
Version #4

ORDINANCE 123468

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Subsection 21.28.040 B of the Seattle Municipal Code to adjust the wastewater volume rate; amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers; and adding new Section 21.28.230 to authorize the Director of Seattle Public Utilities to develop and update annually a schedule of wastewater standard charges.

WHEREAS, the wastewater volume rate was last increased on January 1, 2010, as authorized by Ordinance 123172; and

WHEREAS, Seattle Public Utilities (SPU) has identified wastewater infrastructure needs requiring capital funding, including combined sewer overflow projects at Windermere, Genesee and South Henderson, a CSO long term control plan, sewer pipe rehabilitation and flooding control and sanitary sewer capacity; and

WHEREAS, SPU has completed a rate study showing that existing wastewater volume rates will not provide sufficient revenues to pay debt service and the costs of providing wastewater services; and

WHEREAS, credits for qualified low-income customers not billed directly by SPU for water or wastewater services are based on typical residential bills, and credits for such customers need to be revised to reflect changes in the wastewater volume rate; and

WHEREAS, since 1986 SPU's water utility has exercised the option available under the authority of Section 21.04.465 of the Seattle Municipal Code to recover the costs of certain standard special services and products not covered by rates through a schedule of standard and administrative charges; and

WHEREAS, SPU provides standard wastewater special services and products and does not currently have authority to recover the costs of these services and products through a schedule of standard and administrative charges; and

WHEREAS, extending the authority of SPU to provide for the recovery of the costs of special services and products to the wastewater line of business through the adoption of standard and administrative charges would insure that costs are properly recovered; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

SMC 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:

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 one hundred sixteen and ((~~seven~~)) nine-tenths percent (116.((~~7~~))9%) 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 shall be in accordance with the following schedule:

	((~~Effective Jan. 1, 2009~~	Effective Jan. 1, 2010	Effective Jan. 1, 2011	Effective Jan. 1, 2012
Treatment Rate	~~$6.03~~	$6.03	$6.01	$6.00
System Rate	~~$2.86~~	$2.95	$3.34	$3.74
Wastewater Volume Rate	~~$8.89~~))	$8.98	$9.35	$9.74

4. MMRD Surcharge: Master metered premises with an eligible project (as defined in Seattle Municipal Code Section 21.04.280) that have received funding from Seattle Public Utilities for sewer improvements under Seattle Municipal Code Section 21.16.270 B shall pay a volume rate for sewer improvements of $3.34 per CCF.

* * *

Section 2. Subsection 21.76.040 A of the Seattle Municipal Code is amended as follows:

SMC 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, 2009~~	~~$23.12 per month~~	~~$16.01 per month~~))
January 1, 2010	$23.35 per month	$16.16 per month
January 1, 2011	$24.31 per month	$16.83 per month
January 1, 2012	$25.32 per month	$17.53 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.

* * *

Section 3. Chapter 21.28 of the Seattle Municipal Code is amended by adding new Section 21.28.230 as follows:

SMC 21.28.230 Standard and Administrative Charges.

A. The Director shall develop and update annually a schedule of charges for standard, recurring services which are incidental to the provision of wastewater service. Such charges shall be based on a review of the prevailing actual costs for providing these services.

B. Any standard charges, including administrative charges, shall be developed and adopted pursuant to the provisions of the Administrative Code (Seattle Municipal Code Chapter 3.02).

* * *

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. 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.

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

President _____ of the City Council

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

Michael McGinn, Mayor

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

City Clerk

(Seal)

Form revised February 4, 2010

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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

Legislation Title:

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Section 21.28.040 of the Seattle Municipal Code to adjust the wastewater volume rate; amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers; and adding new Section 21.28.230 to authorize the Director of Seattle Public Utilities to develop and update annually a schedule of wastewater standard charges.

- **Summary of the Legislation:**

This ordinance would adopt 2011 and 2012 wastewater rates and adjust the low-income assistance credits for wastewater customers. It would also add a new section authorizing the Director of Seattle Public Utilities to develop and update annually wastewater standard charges.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

Wastewater rates were last raised on January 1, 2010. The costs of wastewater services are supported by rates charged to wastewater customers. These rates are set in accordance with financial policies adopted by the City Council. The Utility has completed a rate study showing that existing rates will not provide sufficient revenues to fund planned infrastructure investment and new operating programs to be implemented during 2011 and 2012 including combined sewer overflow projects at Windermere, Genesee, and South Henderson, the Long Term Control Plan, and preliminary utility relocation and replacement work at the Alaskan Way Viaduct. Rate increases in 2011 and 2012 are required to pay these additional costs.

In addition, SPU currently incurs costs associated with the planning and inspection of sewer submeters for which there is no charge. The creation of a schedule of wastewater standard charges would allow SPU to recover these one-time costs.

A complete description of the 2011-2012 rate package as initially proposed by the Executive is contained in Clerk File 310962, the 2011-2012 Drainage/Wastewater Rate Study.

- *Please check one of the following:*

____ **This legislation does not have any financial implications.** (*Stop here and delete the remainder of this document prior to saving and printing.)*

_X_ **This legislation has financial implications.** *(Please complete all relevant sections that*

COUNCIL CLERK

follow.)

Appropriations: *This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.*

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
TOTAL				

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

Notes: Appropriations consistent with the rate legislation are being considered in the 2011-2012 budget process.

Anticipated Revenue/Reimbursement: Resulting From This Legislation: *This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.*

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
Drainage and Wastewater Fund 44010	Seattle Public Utilities	Wastewater Utility Services	$0	$6,431,940
TOTAL			**$0**	$6,431,940

Notes: The 2011 revenues are the additional revenues resulting from the increase in SPU's wastewater rates.

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: *This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.*

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 <u>total</u> 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.*

Notes:

- **Do positions sunset in the future?** *(If yes, identify sunset date):*

Spending/Cash Flow: *This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.*

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:

- **What is the financial cost of not implementing the legislation?** *(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)*

  The Drainage and Wastewater Fund would not fully recover the cost of its business operations.

- **Does this legislation affect any departments besides the originating department?** • *If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of this Bill.*

  Several City departments have facilities that incur wastewater costs. These facilities' costs will increase commensurate with the rate increases proposed in this legislation. The impacts were considered in the development of the 2011-2012 Proposed Budget. 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?** *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

Not raising the rates at this time would result in the Drainage and Wastewater Fund failing to recover the cost of its operations in accordance with its financial policies. Alternatively, the Fund could meet its financial policies without raising rates by cutting the cost of its operations by the amounts shown above; however, this would result in an inability to carry out basic operations or make important investments in the system.

- **Is the legislation subject to public hearing requirements:** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.)*

  No.

- **Other Issues** (*including long-term implications of the legislation*):

  None.

- **List attachments to the fiscal note below:** *(Please include headers with version numbers on all attachments, as well footers with the document's name (e.g., DOF Property Tax Fisc Att A)*

Maria Coe
SPU 2011-12 Wastewater Rates ORD.doc
July 19, 2010
Version #3

ORDINANCE _____

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Subsection 21.28.040 B of the Seattle Municipal Code to adjust the wastewater volume rate; amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers; and adding new Section 21.28.230 to authorize the Director of Seattle Public Utilities to develop and update annually a schedule of wastewater standard charges.

WHEREAS, the wastewater volume rate was last increased on January 1, 2010, as authorized by Ordinance 123172; and

WHEREAS, Seattle Public Utilities (SPU) has identified wastewater infrastructure needs requiring capital funding, including combined sewer overflow projects at Windermere, Genesee and South Henderson, a CSO long term control plan, sewer pipe rehabilitation and flooding control and sanitary sewer capacity; and

WHEREAS, SPU has completed a rate study showing that existing wastewater volume rates will not provide sufficient revenues to pay debt service and the costs of providing wastewater services; and

WHEREAS, credits for qualified low-income customers not billed directly by SPU for water or wastewater services are based on typical residential bills, and credits for such customers need to be revised to reflect changes in the wastewater volume rate; and

WHEREAS, since 1986 SPUs' water utility has exercised the option available under the authority of Section 21.04.465 of the Seattle Municipal Code to recover the costs of certain standard special services and products not covered by rates through a schedule of standard and administrative charges; and

WHEREAS, SPU provides standard wastewater special services and products and does not currently have authority to recover the costs of these services and products through a schedule of standard and administrative charges; and

WHEREAS, extending the authority of SPU to provide for the recovery of the costs of special services and products to the wastewater line of business through the adoption of standard and administrative charges would insure that costs are properly recovered; NOW, THEREFORE,

SEA CITY CLERK

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

SMC 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:

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 one hundred sixteen and ((~~seven~~)) nine-tenths percent (116.((~~7~~))9%) 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.

SDS CITY CLERK

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 shall be in accordance with the following schedule:

	((~~Effective Jan. 1, 2009~~	Effective Jan. 1, 2010	Effective Jan. 1, 2011	Effective Jan. 1, 2012
Treatment Rate	~~$6.03~~	$6.03	$6.01	$6.00
System Rate	~~$2.86~~	$2.95	$3.33	$3.71
Wastewater Volume Rate	~~$8.89~~))	$8.98	$9.34	$9.71

4. MMRD Surcharge: Master metered premises with an eligible project (as defined in Seattle Municipal Code Section 21.04.280) that have received funding from Seattle Public Utilities for sewer improvements under Seattle Municipal Code Section 21.16.270 B shall pay a volume rate for sewer improvements of $3.34 per CCF.

* * *

Section 2. Subsection 21.76.040 A of the Seattle Municipal Code is amended as follows:

FILED CITY CLERK

SMC 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, 2009~~	~~$23.12 per month~~	~~$16.01 per month~~))
January 1, 2010	$23.35 per month	$16.16 per month
January 1, 2011	$24.30 per month	$16.82 per month
January 1, 2012	$25.26 per month	$17.49 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.

* * *

FILED CITY CLERK

Section 3. Chapter 21.28 of the Seattle Municipal Code is amended by adding new Section 21.28.230 as follows:

SMC 21.28.230 Standard and Administrative Charges.

A. The Director shall develop and update annually a schedule of charges for standard, recurring services which are incidental to the provision of wastewater service. Such charges shall be based on a review of the prevailing actual costs for providing these services.

B. Any standard charges, including administrative charges, shall be developed and adopted pursuant to the provisions of the Administrative Code (Seattle Municipal Code Chapter 3.02).

THIS CITY CLERK

Section 4. 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.

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

_____
President _____of the City Council

Approved by me this ____ day of _____, 2010.

_____
Michael McGinn, Mayor

Filed by me this ____ day of _____, 2010.

_____
City Clerk

(Seal)

Maria Coe/MAC
SPU 2010-2011 Wastewater Rates FISC
July 19, 2010
Version #1

Form revised February 4, 2010

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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

Legislation Title:

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Section 21.28.040 of the Seattle Municipal Code to adjust the wastewater volume rate; amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers; and adding new Section 21.28.230 to authorize the Director of Seattle Public Utilities to develop and update annually a schedule of wastewater standard charges.

- **Summary of the Legislation:**

This ordinance would adopt 2011 and 2012 wastewater rates and adjust the low-income assistance credits for wastewater customers. It would also add a new section authorizing the Director of Seattle Public Utilities to develop and update annually wastewater standard charges.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

Wastewater rates were last raised on January 1, 2010. The costs of wastewater services are supported by rates charged to wastewater customers. These rates are set in accordance with financial policies adopted by the City Council. The Utility has completed a rate study showing that existing rates will not provide sufficient revenues to fund planned infrastructure investment and new operating programs to be implemented during 2011 and 2012 including combined sewer overflow projects at Windermere, Genesee, and South Henderson, the Long Term Control Plan, and preliminary utility relocation and replacement work at the Alaskan Way Viaduct. Rate increases in 2011 and 2012 are required to pay these additional costs.

In addition, SPU currently incurs costs associated with the planning and inspection of sewer submeters for which there is no charge. The creation of a schedule of wastewater standard charges would allow SPU to recover these one-time costs.

A complete description of the 2011-2012 rate package is contained in the 2011-2012 Drainage/Wastewater Rate Study, which is attached to this fiscal note.

- *Please check one of the following:*

____ **This legislation does not have any financial implications.** *(Stop here and delete the remainder of this document prior to saving and printing.)*

_X_ **This legislation has financial implications.** *(Please complete all relevant sections that*

SPS CITY CLERK

follow.)

Appropriations: *This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.*

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
TOTAL				

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

Notes: Appropriations consistent with the rate legislation are being considered in the 2011-2012 Proposed Budget.

Anticipated Revenue/Reimbursement: Resulting From This Legislation: *This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.*

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
Drainage and Wastewater Fund 44010	Seattle Public Utilities	Wastewater Utility Services	$0	$6,226,285
TOTAL			**$0**	$6,226,285

Notes: The 2011 revenues are the additional revenues resulting from the increase in SPU's wastewater rates.

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: *This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.*

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 <u>total</u> 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.*

SEA CITY CLERK

Notes:

- **Do positions sunset in the future?** *(If yes, identify sunset date):*

Spending/Cash Flow: *This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.*

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:

- **What is the financial cost of not implementing the legislation?** *(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)*

  The Drainage and Wastewater Fund would not fully recover the cost of its business operations.

- **Does this legislation affect any departments besides the originating department?** • *If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of this Bill.*

  Several City departments have facilities that incur wastewater costs. These facilities' costs will increase commensurate with the rate increases proposed in this legislation. The impacts will be included in the 2011-2012 Proposed Budget. 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?** *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

SEA CITY CLERK

Not raising the rates at this time would result in the Drainage and Wastewater Fund failing to recover the cost of its operations in accordance with its financial policies. Alternatively, the Fund could meet its financial policies without raising rates by cutting the cost of its operations by the amounts shown above; however, this would result in an inability to carry out basic operations or make important investments in the system.

- **Is the legislation subject to public hearing requirements:** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.)*

  No.

- **Other Issues** (*including long-term implications of the legislation*):

  None.

- **List attachments to the fiscal note below:** *(Please include headers with version numbers on all attachments, as well footers with the document's name (e.g., DOF Property Tax Fisc Att A)*

DHS CITY CLERK

Maria Coe
SPU 2011-12 Wastewater Rates ORD.doc
10/26/10
Version #3

ORDINANCE _____

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Section 21.28.040 of the Seattle Municipal Code to adjust the wastewater volume rate; amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers; and adding new Section 21.28.230 to authorize the Director of Seattle Public Utilities to develop and update annually a schedule of wastewater standard charges;.

WHEREAS, the wastewater volume rate was last increased on January 1, 2010, as authorized by Ordinance 123172; and

WHEREAS, Seattle Public Utilities (SPU) has identified wastewater infrastructure needs requiring capital funding, including combined sewer overflow projects at Windermere, Genesee and South Henderson, a CSO long term control plan, sewer pipe rehabilitation and flooding control and sanitary sewer capacity; and

WHEREAS, SPU has completed a rate study showing that existing wastewater volume rates will not provide sufficient revenues to pay debt service and the costs of providing wastewater services; and

WHEREAS, credits for qualified low-income customers not billed directly by SPU for water or wastewater services are based on typical residential bills, and credits for such customers need to be revised to reflect changes in the wastewater volume rate; and

WHEREAS, since 1986 SPUs' water utility has exercised the option available under the authority of section 21.04.465 of the Seattle Municipal Code to recover the costs of certain standard special services and products not covered by rates through a schedule of standard and administrative charges; and

WHEREAS, SPU provides standard wastewater special services and products and does not currently have authority to recover the costs of these services and products through a schedule of standard and administrative charges; and

WHEREAS, extending the authority of SPU to provide for the recovery of the costs of special services and products to the wastewater line of business through the adoption of standard and administrative charges would insure that costs are properly recovered; NOW, THEREFORE,

THIS VERSION IS NOT ADOPTED

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection 21.28.040 B 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:

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 one hundred sixteen and ((~~seven~~)) nine-tenths percent (116.((~~7~~))9%) 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.

THIS VERSION NOT ADOPTED

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 shall be in accordance with the following schedule:

	((~~Effective Jan. 1, 2009~~	Effective Jan. 1, 2010	Effective Jan. 1, 2011	Effective Jan. 1, 2012
Treatment Rate	~~$6.03~~	$6.03	$6.01	$6.00
System Rate	~~$2.86~~	$2.95	$3.34	$3.74
Wastewater Volume Rate	~~$8.89~~))	$8.98	$9.35	$9.74

4. MMRD Surcharge: Master metered premises with an eligible project (as defined in Seattle Municipal Code Section 21.04.280) that have received funding from Seattle Public Utilities for sewer improvements under Seattle Municipal Code Section 21.16.270 B shall pay a volume rate for sewer improvements of $3.34 per CCF.

* * *

Section 2. Subsection 21.76.040 A of the Seattle Municipal Code is amended as follows:

21.76.040 Utility low income rate assistance.

Filed in the City Clerk's Office

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, 2009~~	~~$23.12 per month~~	~~$16.01 per month~~))
January 1, 2010	$23.35 per month	$16.16 per month
January 1, 2011	$24.31 per month	$16.83 per month
January 1, 2012	$25.32 per month	$17.53 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.

* * *

Filed in the Seattle City Council

Section 3. Chapter 21.28 of the Seattle Municipal Code is amended by adding new Section 21.28.230 as follows:

SMC 21.28.230 – Standard and Administrative Charges

A. The Director shall develop and update annually a schedule of standard charges for recurring special services which are incidental to the billing of wastewater service. Such charges shall be based on a review of the prevailing actual costs for providing these services.

B. Any standard charges, including administrative charges, shall be developed and adopted pursuant to the provisions of the Administrative Code (Seattle Municipal Code Chapter 3.02).

* * *

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. 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.

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

THIS VERSION IS NOT ADOPTED

_____
President _____of the City Council

Approved by me this ____ day of _____, 2010.

_____
Michael McGinn, Mayor

Filed by me this ____ day of _____, 2010.

_____
City Clerk

(Seal)

City of Seattle
Office of the Mayor

July 20, 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 rate study that establish Seattle Public Utilities' (SPU's) wastewater rates for 2011 and 2012. These rate changes, which are necessary to cover SPU's cost of operations, would increase the typical monthly residential wastewater bill by $1.87 in 2011 and $1.92 in 2012. To partially offset the impact of the rate increase, this legislation revises credits for qualifying low-income customers.

The proposed rate adjustments would benefit Seattle residents through continued improvements to the City's wastewater system, allowing the Drainage and Wastewater Fund to maintain strong financial performance and improving equity among ratepayers. A companion Bill that is being transmitted concurrently with this one establishes drainage rates.

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

2010 CITY CLERK

STATE OF WASHINGTON – KING COUNTY

--ss.

264502 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:123468 ORDINANCE

was published on

12/16/10

The amount of the fee charged for the foregoing publication is the sum of $ 286.65, which amount has been paid in full.

JENNIFER A. PATZER
NOTARY PUBLIC
COMMISSION EXPIRES
OCT. 24, 2011
STATE OF WASHINGTON

Subscribed and sworn to before me on

12/16/10

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

ORDINANCE 123468

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Subsection 21.28.040 B of the Seattle Municipal Code to adjust the wastewater volume rate; amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers; and adding new Section 21.28.230 to authorize the Director of Seattle Public Utilities to develop and update annually a schedule of wastewater standard charges.

WHEREAS, the wastewater volume rate was last increased on January 1, 2010, as authorized by Ordinance 123172; and

WHEREAS, Seattle Public Utilities (SPU) has identified wastewater infrastructure needs requiring capital funding, including combined sewer overflow projects at Windermere, Genesee and South Henderson, a CSO long term control plan, sewer pipe rehabilitation and flooding control and sanitary sewer capacity; and

WHEREAS, SPU has completed a rate study showing that existing wastewater volume rates will not provide sufficient revenues to pay debt service and the costs of providing wastewater services; and

WHEREAS, credits for qualified low-income customers not billed directly by SPU for water or wastewater services are based on typical residential bills, and credits for such customers need to be revised to reflect changes in the wastewater volume rate; and

WHEREAS, since 1986 SPU's water utility has exercised the option available under the authority of Section 21.04.465 of the Seattle Municipal Code to recover the costs of certain standard special services and products not covered by rates through a schedule of standard and administrative charges; and

WHEREAS, SPU provides standard wastewater special services and products and does not currently have authority to recover the costs of these services and products through a schedule of standard and administrative charges; and

WHEREAS, extending the authority of SPU to provide for the recovery of the costs of special services and products to the wastewater line of business through the adoption of standard and administrative charges would insure that costs are properly recovered; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

SMC 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:

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 one hundred sixteen and ((~~seven~~)) nine-tenths percent (116.((~~7~~))9%) 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 shall be in accordance with the following schedule:

((~~Effective Jan. 1, 2009~~ -- Effective Jan. 1, 2010 -- Effective Jan. 1, 2011 -- Effective Jan. 1, 2012

Treatment Rate -- ~~$6.03~~ -- $6.03 -- $6.01 -- $6.00

System Rate -- ~~$2.86~~ -- $2.95 -- $3.34 -- $3.74

Wastewater Volume Rate -- ~~$8.89~~)) -- $8.98 -- $9.35 -- $9.74

4. MMRD Surcharge: Master metered premises with an eligible project (as defined in Seattle Municipal Code Section 21.04.280) that have received funding from Seattle Public Utilities for sewer improvements under Seattle Municipal Code Section 21.16.270 B shall pay a volume rate for sewer improvements of $3.34 per CCF.

* * *

Section 2. Subsection 21.76.040 A of the Seattle Municipal Code is amended as follows:

SMC 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, 2009 -- $23.12 per month -- $16.01 per month~~))

January 1, 2010 -- $23.35 per month -- $16.16 per month

January 1, 2011 -- $24.31 per month -- $16.83 per month

January 1, 2012 -- $25.32 per month -- $17.53 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.

* * *

Section 3. Chapter 21.28 of the Seattle Municipal Code is amended by adding new Section 21.28.230 as follows:

SMC 21.28.230 Standard and Administrative Charges.

A. The Director shall develop and update annually a schedule of charges for standard, recurring services which are incidental to the provision of wastewater service. Such charges shall be based on a review of the prevailing actual costs for providing these services.

B. Any standard charges, including administrative charges, shall be developed and adopted pursuant to the provisions of the Administrative Code (Seattle Municipal Code Chapter 3.02).

* * *

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. 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.

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

Richard Conlin

President of the City Council

Approved by me this 2nd day of December, 2010.

Michael McGinn, Mayor

Filed by me this 2nd day of December, 2010.

(Seal) Monica Martinez-Simmons

City Clerk

Publication ordered by the City Clerk

Date of publication in the Seattle Daily Journal of Commerce, December 16, 2010.

12/16(264502)