

2011 - 2012 Seattle City Council Green Sheet

Approved

Tab	Action	Option	Version
6	1	A	3

Budget Action Title: Amend and pass as amended C.B. 116928 -- the 2011-2012 wastewater rate ordinance, and rescind green sheet 6-1-A-2.

Councilmembers: Conlin; Harrell; O'Brien

Staff Analyst: Meg Moorehead

Council Bill or Resolution: C.B. 116928, gray tab 40

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/22/2010	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

Budget Action description:

This green sheet would amend and recommend passage as amended of C.B. 116928 (tab 40 in gray budget legislation notebook and attached in mark-up format), the 2011-2012 wastewater rate ordinance. This green sheet also rescinds green sheet 6-1-A-2 and includes technical corrections in the attached version 4 of C.B. 116928.

The Seattle Public Utilities (SPU)-proposed rate ordinance was re-referred to the Budget Committee together with Seattle Public Utilities and Neighborhoods (SPUN) Committee recommendations for changes in the rates and associated budget expenditures. The attached version 3 of the legislation incorporates SPUN Committee recommendations. SPUN-recommended expenditure changes affect Drainage and Wastewater Fund activities that are supported by both drainage rates and wastewater rates. Instead of splitting the expenditure reductions between this green sheet and the drainage rate green sheet, the entire reduction (including the associated utility tax reduction) is shown on the drainage rate green sheet 5-1-A.

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

** Note: This action rescinds 6-1-A-2*

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	<u>Effective Jan. 1, 2011</u>	<u>Effective Jan. 1, 2012</u>
Treatment Rate	\$6.03	\$6.03	<u>\$6.01</u>	<u>\$6.00</u>
System Rate	\$2.86	\$2.95	<u>\$3.34</u>	<u>\$3.74</u>
Wastewater Volume Rate	\$8.89))	\$8.98	<u>\$9.35</u>	<u>\$9.74</u>

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	<u>\$24.31 per month</u>	<u>\$16.83 per month</u>
January 1, 2012	<u>\$25.32 per month</u>	<u>\$17.53 per month</u>

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 ____ 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)