

## Pend Oreille County Agreement

<b>Date of this Brief</b>	August 30, 2010		
<b>Supersedes</b>	None		
<b>Key Contacts</b>		<b>Phone</b>	<b>Short Title</b>
	Steve Kern	4-3243	Officer, PS&EA
<b>Council Action Required?</b>	<b>Y</b>	<b>If YES, within the next 3 months?</b>	<b>Y</b>
<b>Presenters (if applicable)</b>	Steve Kern, Officer PS&EA		

### Summary Statement

This legislation authorizes a ten year agreement with Pend Oreille County, as well as certain school districts and towns within the county for annual payments for (1) the loss of revenues and additional financial burdens associated with the City of Seattle's operation of the Boundary Hydroelectric Project on the Pend Oreille River and (2) resolution of all issues raised by the County in connection with City Light's relicensing of the Boundary Hydroelectric Project.

### Background

The Revised Code of Washington (RCW) 35.21.425 requires any city that constructs a hydroelectric generating project after March 17, 1955 in a county other than the county in which such city is located, to enter into an agreement with such county that provides for loss of revenue and other financial burdens in providing for the public peace, health, safety, welfare, and added road maintenance in such county, in addition to road construction or relocation as well as any loss of revenue and/or increases to the financial burden of any school district affected by the construction because of an increase in the number of pupils by reason of the construction or the operation of said generating facilities.

The previous ten year agreement authorized by Council (Ordinance Number 119741), expired by its own terms on December 31, 2008, and the Parties began negotiations on a new Agreement.

In early 2010, in light of extended negotiations, City Light agreed to make an interim payment to the County providing for payments to the County for the calendar year 2009 based on the 2008 payment under the 1999 Contract combined with an escalator payment.

The negotiations resulted in the attached Agreement which stipulates annual payment amounts and schedule of payments to Pend Oreille County, and includes payments made by the County on behalf of City Light to the towns of Metaline, Metaline Falls, and Ione, and the Selkirk, Cusick and Newport School Districts. The agreement also includes a resolution of all matters raised by the County in connection with City Light's Boundary Project Relicensing, requiring the County's express support of City Light's Boundary Project relicensing efforts through 2019.

**Key Issues**

**Next Steps**

Authorization of Agreement by Seattle City Council; signing of Agreement by Jorge Carrasco.



**City of Seattle**  
Office of the Mayor

September 7, 2010

Honorable Richard Conlin  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am transmitting the attached proposed Council Bill, which authorizes Seattle City Light to enter into a 10-year agreement with Pend Oreille County, and certain school districts and towns located within the County, for annual impact payments covering the loss of revenues and additional financial burdens associated with the City of Seattle's operation of the Boundary Hydroelectric Project on the Pend Oreille River. The agreement also provides for the resolution of all issues raised by the County in connection with City Light's relicensing of the Boundary Hydroelectric Project. This agreement will allow Seattle City Light to continue to provide cost-effective, renewable energy to the citizens of Seattle, while maintaining support for, and cooperation with, the County, towns and school districts in which Project operates.

The Agreement authorized by this legislation complies with Revised Code of Washington (RCW) 35.21.425 that requires any city that constructs a hydroelectric generating project in a county other than the county in which such city is located, to enter into an agreement with the County to provide for loss of revenue and other financial burdens. The Agreement stipulates annual payments to Pend Oreille County and affected local jurisdictions, through December 31, 2019. Additionally, with this Agreement, Pend Oreille County will expressly support City Light's relicensing of the Boundary Hydroelectric Project at the Federal Energy Regulatory Commission.

Thank you for your consideration of this legislation. Should you have questions, please contact Steve Kern at 684-3243.

Sincerely,

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor  
600 Fourth Avenue, 7<sup>th</sup> Floor  
PO Box 94749  
Seattle, WA 98124-4749

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



1 WHEREAS, in early 2010, in light of extended negotiations, City Light agreed to make an  
interim payment to the County providing for payments to the County for the calendar year  
2 2009 based on the 2008 payment under the 1999 Contract combined with an escalator  
payment; and

3  
4 WHEREAS, the County and City Light have reached monetary agreements for payments made  
by City Light to the County for the years 2010 through 2019, including payments made by  
5 the County on behalf of City Light to the towns of Metaline, Metaline Falls, and Ione, and  
the Selkirk, Cusick and Newport School Districts, as more fully set forth in the 2010  
6 Agreement between the City of Seattle and Pend Oreille County attached hereto as  
Attachment A;

7  
8 WHEREAS, this agreement will provide for certain payments to the County for the loss of  
revenue and increased cost to the County, the Selkirk, Cusick and Newport School  
9 Districts and the towns of Metaline, Metaline Falls, and Ione due to City Light's operation  
of the Boundary Project pursuant to RCW 35.21.420, .425, .426, and .427; and

10  
11 WHEREAS, the agreement also includes a resolution of all matters raised by the County in  
connection with City Light's Boundary Project Relicensing and the related Sullivan Creek  
12 Surrender, requiring the County's express support of City Light's Boundary Project  
relicensing efforts through 2019; and

13  
14 WHEREAS, the County has reached agreement with the Selkirk, Cusick and Newport School  
Districts, and the Towns of Metaline Falls, Metaline and Ione on the amounts of money  
15 each entity shall receive from the County on behalf of City Light, howsoever warranted or  
entitled; NOW, THEREFORE,

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

17 Section 1. The Superintendant of City Light, or his designee, is hereby authorized for  
18 and on behalf of The City of Seattle to execute and deliver a ten year agreement with Pend  
19 Oreille County providing for payment to Pend Oreille County and certain school districts and  
20 towns adjacent to the Boundary Project, substantially in the form of the agreement attached  
21 hereto as Attachment A (the "2010 Agreement"). The 2010 Agreement provides for annual  
22 payments for the years 2010 through 2019, inclusive, to Pend Oreille County, the Selkirk,  
23 Cusick, and Newport School Districts and the towns of Metaline, Metaline Falls, and Ione. As  
24 specified in the 2010 Agreement, certain portions of the payments are made pursuant to RCW  
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26

1 .425, .426, and .427 and are based on an agreed upon methodology that uses a component of the  
2 compensation methodology for state taxation of public utility districts, continuing the same  
3 payment methodology used in the previous agreement between City Light and Pend Oreille  
4 County. The remaining portions of the payments are for Pend Oreille County's agreement to  
5 settle all of the issues raised by Pend Oreille County in the Boundary Project Relicensing and the  
6 related Sullivan Creek Surrender and require Pend Oreille County's express support of City  
7 Light's Boundary Project relicensing efforts.  
8

9  
10 Section 2. Any act pursuant to the authority of this ordinance and prior to its effective  
11 date is hereby ratified and confirmed.

12  
13 Section 3. This ordinance shall take effect and be in force 30 days from and after its  
14 approval by the Mayor; but if not approved and returned by the Mayor within ten days after  
15 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.  
16

17  
18 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2010, and  
19 signed by me in open session in authentication of its passage this  
20 \_\_\_\_ day of \_\_\_\_\_, 2010.  
21

22  
23 \_\_\_\_\_  
24 President \_\_\_\_\_ of the City Council

25 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2010.  
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\_\_\_\_\_  
Michael McGinn, Mayor

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
City Clerk

(Seal)

Attachment A: 2010 Agreement Between the City of Seattle and Pend Oreille County

A-2010-47

**2010 AGREEMENT BETWEEN**  
**THE CITY OF SEATTLE**  
**AND**  
**PEND OREILLE COUNTY**

This 2010 Agreement ("**Agreement**"), dated this 24 day of August 2010, is entered into by and between The City of Seattle, by and through its City Light Department ("**City Light**") and Pend Oreille County ("**County**"). City Light and the County may individually be referred to as a "**Party**" in this Agreement or collectively as "**Parties**".

WHEREAS, the City operates a hydroelectric generating facility (hereinafter the "**Boundary Project**") in Pend Oreille County and the Boundary Project was constructed after March 1, 1955; and

WHEREAS, the Revised Code of Washington ("**RCW**") 35.21.425 requires any city that constructs a hydroelectric generating project after March 17, 1955 in a county other than the county in which such city is located, to enter into an agreement with such county that provides for loss of revenue and other financial burdens in providing for the public peace, health, safety, welfare, and added road maintenance in such county, in addition to road construction or relocation as well as any loss of revenues and/or increases to the financial burden of any school district affected by the construction because of an increase in the number of pupils by reason of the construction or the operation of said generating facilities; and

WHEREAS, on November 22, 1999, pursuant to such statutory authority, City Light and the County entered into a contract that provided for payments to the County using a compensation methodology based on the generation portion of the state law tax on generation facilities of public utility districts (the "**1999 Contract**"); and

WHEREAS, the 1999 Contract expired by its own terms on December 31, 2008, and the Parties began negotiations on a new agreement that same year; and

WHEREAS, senior executives from both Parties made multiple trips from Seattle to Pend Oreille County and from Pend Oreille County to Seattle to meet and negotiate the new agreement; and

WHEREAS, in December 2009, the County intervened in City Light's Boundary Project Relicensing matter pending at the Federal Energy Regulatory Commission ("**FERC**"), FERC Docket No. 2144-038 (the "**Boundary Project Relicensing**") and filed comments opposing the relicensing based on the inability to reach agreement with City Light pursuant to RCW 35.21.420, 425, 426, and 427; and

WHEREAS, in June 2010, the County submitted negative comments in response to FERC's scoping notice in the related Sullivan Creek Power Project license surrender, FERC Docket Nos. DI07-1-000 and P-2225 (the "**Sullivan Creek Surrender**"); and

WHEREAS, during the extended negotiating period the County lobbied the Washington state legislature for changes to RCW 35.21.420 and 425; and

WHEREAS, in early 2010, in light of the extended negotiating period, City Light agreed to make an interim payment to the County providing for payments to the County for the calendar year 2009 based on the 2008 payment under the 1999 Contract combined with an escalator (the "**Interim Payment Agreement**"); and

WHEREAS, City Light has made all payments required under the 1999 Agreement and the Interim Payment Agreement; and

WHEREAS, the County has reached agreement with the Selkirk, Cusick and Newport School Districts, and the Towns of Metaline Falls, Metaline and Lone on the amounts of money each entity shall receive from the County on behalf of City Light, howsoever warranted or entitled; and

WHEREAS, the County and City Light have reached monetary agreements for payments made by City Light to the County for the years 2010 through 2019, including payments made by the County on behalf of City Light to the Towns of Metaline, Metaline Falls and Lone, and the Selkirk, Cusick and Newport School Districts, as more fully set forth in Attachment A, and wish to memorialize such agreement in this document;

NOW, Therefore, City Light and the County agree as follows:

**Article I. Payments Pursuant to RCW 35.21.420, .425, .426 and .427**

1. This agreement shall be effective as of the date first mentioned above, and shall set forth the payments to be made from City Light to the County for the years 2010- 2019 pursuant to RCW 35.21.420, .425, .426 and .427 (hereinafter the "**Statutory Payment(s)**").

2. The Parties agree that the Statutory Payments contemplated by this contract shall be made based on the compensation methodology used in the 1999 Contract and more specifically as follows:

- i. For the 2010 year, City Light shall pay the County two equal payments of \$697,616.50, the first of which shall be made within 10 business days of the approval of an ordinance authorizing this Agreement, and the second shall be made on December 10; and
- ii. For years 2011 – 2019, City Light shall make the payments specified for each year in Attachment A in four equal installments on the following dates for each year: January 10, April 10, July 10, and October 10.

3. The County and City Light agree that the Statutory Payments made to the County include funds the County has agreed to distribute on behalf of City Light to the towns of Metaline, Metaline Falls, and Lone (the "**Towns**"), and to the Selkirk, Cusick and Newport School Districts (the "**School Districts**") (and collectively, the "**Local Governments**"), and which represent the agreement reached between the County and the Local Governments on any payments, howsoever warranted or entitled, to be made

by City Light to the Local Governments, all as detailed in Article III below. The Statutory Payments shall be made solely to the County as consideration for any and all moneys and payments, however warranted or entitled, to be made by City Light to the County, and the Local Governments. The Statutory Payments are the complete consideration for any and all claims the County and/or the Local Governments have or could have asserted for the time period through December 31, 2019 pursuant to RCW 35.21.420, .425, .426 or .427.

4. Any portion of the Statutory Payments made on behalf of or for the School Districts are not for the support of basic education and are not to be used for that purpose. These funds are intended to provide compensation to the districts as authorized and allowed under RCW 35.21.420, .425, .426 and .427.

5. The County shall condition the payments made to the Local Governments under Article III below on the Local Governments' agreement to not request any other payments from City Light under RCW 35.21.420, .425, .426 and .427, and the Local Governments' agreement to refrain from participating in certain proceedings as set forth in Paragraph 11 below. In the event the Local Governments fail to adhere to this condition, City Light shall have the right to withhold the applicable Local Government(s)' allocation as set forth in Article III and Attachment A from its payments to the County until such matters are resolved consistent with this Agreement. The County agrees to cooperate and provide good faith assistance to City Light in the prompt resolution of any such disputes with the Local Government(s).

6. One year prior to the delivery of the last quarterly payment to the County authorized by paragraph 2, this contract shall be subject to renegotiation pursuant to the requirements of RCW 35.21.420, .425, .426 and .427.

## **Article II. Settlement of Certain FERC Relicensing Matters**

7. The Parties agree that for and in consideration of \$2,975,000.00 to be paid to the County by City Light (the "**Settlement Payment**"), all matters between City Light and the County (including matters involving the Local Governments) concerning the relicensing of the Boundary Project and the surrender of the license for the Sullivan Creek Project are hereby resolved pursuant to this Agreement. The County waives any right to object to FERC issuing a new license to City Light for the Boundary Project Relicensing and issuing a surrender order for the Sullivan Creek Surrender based on the terms and conditions set forth in the Offer of Settlement, filed jointly by City Light, Public Utility District No. 1 of Pend Oreille County ("**Pend Oreille PUD**") and a number of other parties in March 2010 (the "**Offer of Settlement**"), and shall fully support City Light's Boundary Project Relicensing matter and Pend Oreille PUD's Sullivan Creek Surrender matter consistent with the Offer of Settlement. The County and the Local Governments' support shall be continuous up to and until FERC issues a new license to City Light for the Boundary Project and an order of surrender to Pend Oreille PUD for the Sullivan Creek Project and the County shall continue to support the terms of any license issued by FERC to City Light for the Boundary Project through the term of such license. The County's support shall include, but is not limited to, the matters set forth in the following paragraphs.

8. Pursuant to the resolution of all matters pending between City Light and the County, the County shall submit a letter to FERC requesting to withdraw its prior

comments in City Light's Boundary Project Relicensing matter, FERC Docket No. 2144-038, and shall submit a motion to FERC requesting that it be permitted to withdraw its intervention in the proceeding. As part of its withdrawal, the County shall affirmatively state its support of FERC's issuance of a license on terms and conditions consistent with the Offer of Settlement.

9. The County shall submit a letter to FERC withdrawing its prior scoping comments in the Sullivan Creek Surrender proceeding, FERC Docket No. P-2225 and affirmatively state its support of FERC's issuing a surrender order on terms and conditions consistent with the Offer of Settlement.

10. The County will file materials addressing items 8 and 9 above within fifteen (15) business days of the execution of this Agreement by both Parties. The County will not submit anything further in the Boundary Project Relicensing or Sullivan Creek Surrender FERC dockets, or ancillary proceedings (such as Ecology's proceedings on the 401 applications and USFS's proceedings on the application for a special use authorization), except with the prior written approval of City Light and Pend Oreille PUD.

11. The County shall further condition the payments made to the Local Governments outlined under Article III below on the Local Governments' agreement to not submit anything further in the Boundary Project Relicensing or Sullivan Creek Surrender FERC dockets, or ancillary proceedings (such as Ecology's proceedings on the 401 applications and USFS's proceedings on the application for a special use authorization), except with the prior written approval of City Light and Pend Oreille PUD. In the event the Local Governments fail to adhere to this condition, City Light shall have the right to withhold the applicable Local Government(s) allocation as set forth in Article III and Attachment A from its payments to the County until such matters are resolved consistent with this Agreement. The County agrees to cooperate and provide good faith assistance to City Light in the prompt resolution of any such disputes with the Local Government(s).

12. The County waives and releases all claims it has or could have asserted in the two FERC dockets addressed in paragraphs 8 and 9, including any ancillary proceedings. Unless otherwise agreed, the waiver and release of the right to contest a new FERC license for the Boundary Project based on the terms and conditions set forth in City Light's Offer of Settlement and the County's support for the new FERC license shall continue through December 31, 2019.

13. The Settlement Payment shall be made based on the schedule set forth in Attachment A, with each yearly amount payable in four equal installments on January 10, April 10, July 10 and October 10 of years 2011 – 2019.

### **Article III. Payments to the Local Governments**

14. Pursuant to its agreement with the Local Governments and the terms of Articles I & II, the County agrees to allocate portions of the Statutory Payments and the Settlement Payments as follows:

- i. The County agrees to make total annual payments on behalf of City Light to the towns of Metaline, Metaline Falls, and Lone as

follows: 2010 annual payments totaling \$34,000 to each town. The total amount of subsequent annual payments for years 2011 through 2019 shall increase by \$500 each year.

- ii. The County Agrees to make total annual payments on behalf of City Light to the Selkirk School District based on the following agreed upon schedule:

2010	\$120,000;
2011	\$100,000
2012	\$100,000
2013	\$950,000
2014	\$950,000
2015	\$950,000
2016-2019	\$0
- iii. The County agrees to make annual payments on behalf of City Light to the Cusick School District totaling \$26,143 each year from 2010 through 2019. This amount will not be adjusted annually.
- iv. The County agrees to make annual payments on behalf of City Light to the Newport School District totaling \$32,401 each year from 2010 through 2019. This amount will not be adjusted annually.

The County understands and agrees that the Statutory Payments and the Settlement Payments made by City Light to the County are conditioned on the County's represented agreement between the County and the Local Governments concerning the Local Governments' rights to and consideration for such payments and obligations as more fully described in Articles I & II.

#### Article IV. General

15. The County acknowledges that City Light must seek and receive ordinance authority for this Agreement from the Seattle City Council. Upon receipt of the County's executed Agreement, City Light shall use good faith, commercially reasonable efforts to expedite the approval of the authorizing ordinance by the Seattle City Council.

16. This Agreement shall be governed by the laws of the state of Washington without reference to its choice of law principles to the contrary.

17. This Agreement may be amended or modified only by a writing signed by both Parties.

18. Any failure or delay in the exercise of any right or remedy available to a Party hereunder shall not be construed as a waiver or relinquishment of such right or remedy.

19. Neither City Light nor the County shall be deemed to be the author of this Agreement. This Agreement shall be construed and interpreted as if drafted jointly by the Parties.

20. This Agreement constitutes, on and as of the date hereof, the entire agreement of the Parties with respect to the subject matter hereof and thereof and

supersedes any and all prior and contemporaneous agreements and understandings, written or oral, of the Parties regarding the subject matter hereof.

**THE CITY OF SEATTLE,**  
by and through its City Light Department

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**BOARD OF COMMISSIONERS  
PEND OREILLE COUNTY**

By: *[Signature]*  
Title: Chair, Board of County Commissioners

By: *[Signature]*  
Title: County Commissioner, Vice Chair

By: *[Signature]*  
Title: County Commissioner, member

Attachment A to the 2010 Agreement

PAYMENTS

Year	Statutory Payment	Settlement Amount	Total	Quarterly
2010	\$1,395,233	\$0	\$1,395,233	N/A
2011	\$1,438,485	\$125,000	\$1,563,485	\$390,871.25
2012	\$1,483,078	\$125,000	\$1,608,078	\$402,019.50
2013	\$1,529,054	\$875,000	\$2,404,504	\$601,013.50
2014	\$1,576,454	\$875,000	\$2,451,454	\$612,863.50
2015	\$1,625,324	\$875,000	\$2,500,324	\$625,081.00
2016	\$1,675,709	\$24,291	\$1,700,000	\$425,000.00
2017	\$1,727,656	\$23,344	\$1,751,000	\$437,750.00
2018	\$1,781,214	\$23,786	\$1,805,000	\$451,250.00
2019	\$1,836,431	\$28,579	\$1,865,010	\$466,252.50

**TOTAL PAYMENTS, INCLUDING LOCAL GOVERNMENTS**

Year	Total Payment	Towns of Metaline, Metaline Falls and Ione/X3	Selkirk School District	Cusick School District	Newport School District	Pend Oreille County
2010	\$1,395,233	\$34,000/\$102,000	\$120,000	\$26,143	\$32,401	\$1,114,689
2011	\$1,563,485	\$34,500/\$103,500	\$100,000	\$26,143	\$32,401	\$1,301,441
2012	\$1,608,076	\$35,000/\$105,000	\$100,000	\$26,143	\$32,401	\$1,344,534
2013	\$2,404,054	\$35,500/\$106,500	\$950,000	\$26,143	\$32,401	\$1,289,010
2014	\$2,451,454	\$36,000/\$108,000	\$950,000	\$26,143	\$32,401	\$1,335,001
2015	\$2,500,324	\$36,500/\$109,500	\$950,000	\$26,143	\$32,401	\$1,382,280
2016	\$1,700,000	\$37,000/\$111,000	\$0	\$26,143	\$32,401	\$1,530,456
2017	\$1,751,000	\$37,500/\$112,500	\$0	\$26,143	\$32,401	\$1,579,956
2018	\$1,805,000	\$38,000/\$114,000	\$0	\$26,143	\$32,401	\$1,632,456
2019	\$1,865,010	\$38,500/\$115,500	\$0	\$26,143	\$32,401	\$1,690,966

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Seattle City Light	Steve Kern/684-3243	Calvin Chow/684-4652

**Legislation Title:**

AN ORDINANCE relating to the City Light Department; authorizing a 10-year agreement with Pend Oreille County for (1) the loss of revenues and additional financial burdens associated with the City of Seattle's operation of the Boundary Hydroelectric Project on the Pend Oreille River pursuant to RCW 35.21.420, .425, .426, and .427, and (2) the County's agreement to settle all issues relating to City Light's relicensing of the Boundary Hydroelectric Project and the related Sullivan Creek Power Project license surrender.

**Summary of the Legislation:**

This legislation authorizes the superintendent of City Light, or his designee, to execute a ten year agreement with Pend Oreille County, as well as certain school districts and towns within the county for impact payments required by the Revised Code of Washington for City Light, to continue operating its Boundary Hydro Electric Generating Facility.

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

The Revised Code of Washington (RCW) 35.21.425 requires any city that constructs a hydroelectric generating project after March 17, 1955 in a county other than the county in which such city is located, to enter into an agreement with such county that provides for loss of revenue and other financial burdens in providing for the public peace, health, safety, welfare, and added road maintenance in such county, in addition to road construction or relocation as well as any loss of revenue and/or increases to the financial burden of any school district affected by the construction because of an increase in the number of pupils by reason of the construction or the operation of said generating facilities.

The previous ten year agreement authorized by Council (Ordinance Number 119741), expired by its own terms on December 31, 2008, and the Parties began negotiations on a new agreement.

The negotiations resulted in the attached Agreement which stipulates annual payment amounts and schedule of payments to Pend Oreille County and effected towns and school districts, as well as agreement that Pend Oreille County and the local governments agree to support the relicensing application and settlement agreement to the Federal Energy Regulatory Commission of the Boundary Project.

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 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
Light Fund (41000)	SCL	Taxes (SCL820)	\$0	\$144,000
<b>TOTAL</b>			<b>\$0</b>	<b>\$144,000</b>

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

Appropriations Notes: SCL will request additional appropriation authority for the “settlement amount” as part of the 2011-2012 Proposed Budget, as well as a small adjustment related to the statutory amount. The bulk of the statutory amount was anticipated in SCL’s baseline budget.

**Anticipated Revenue/Reimbursement: Resulting from this Legislation: N/A**

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
<b>TOTAL</b>				

Revenue/Reimbursement Notes:

**Total Regular Positions Created, Modified, or Abrogated through this Legislation,**

**Including FTE Impact: N/A**

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*
<b>TOTAL</b>							

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

Position Notes:

**Do positions sunset in the future? N/A**

(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
Light Fund 41000	City Light	Taxes (SCL820)	\$1,395,233	\$1,563,485
<b>TOTAL</b>			\$1,395,233	\$1,563,485

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

Spending/Cash Flow Notes: This Agreement runs through 2019, with the following payments due to the effected entities annually:

Year	Total Payments
2010	\$1,395,233
2011	\$1,563,485
2012	\$1,608,078
2013	\$2,404,054
2014	\$2,451,454
2015	\$2,500,324
2016	\$1,700,000
2017	\$1,751,000
2018	\$1,805,000
2019	\$1,865,010

**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 this Agreement is not authorized, Seattle City Light would not be able to operate the Boundary Project in compliance with State law, and would most likely have to enter in to arbitration with the impacted Parties. The outcomes of arbitration are not known.

**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 the proposed legislation.)

**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.)

None.

**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:** No.

**List attachments to the fiscal note below:** None.