



SEATTLE CITY COUNCIL

Legislative Summary

CB 118687

Record No.: CB 118687

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125050

In Control: City Clerk

File Created: 04/28/2016

Final Action: 06/10/2016

Title: AN ORDINANCE relating to Seattle Public Utilities; amending the title of Chapter 21.76 and Sections 21.76.010, 21.76.020, 21.76.030, 21.76.040, 21.76.050, and 21.76.060 of the Seattle Municipal Code to clarify eligibility rules for the Utility Discount Program to allow tenants of federally subsidized housing with utility allowances to participate in the program, to clarify the manner of providing rate credits for tenants that pay utility costs indirectly through rent, and to update and modify certain program provisions.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Herbold

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: bob.hennessey@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	05/03/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	Notes:						
1	City Clerk	05/03/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	05/10/2016	sent for review	Civil Rights, Utilities, Economic Development, and Arts Committee			

Action Text: The Council Bill (CB) was sent for review. to the Civil Rights, Utilities, Economic Development, and Arts Committee

Notes:

- | | | | | | |
|---|---|--|------------------------------------|--|------|
| 1 | Full Council | 05/23/2016 | referred | Civil Rights,
Utilities, Economic
Development, and
Arts Committee | |
| 1 | Civil Rights, Utilities,
Economic Development,
and Arts Committee | 05/24/2016 | pass | | Pass |
| | Action Text: | The Committee recommends that Full Council pass the Council Bill (CB). | | | |
| | Notes: | In Favor: 3 Chair Herbold, Vice Chair Sawant, Member O'Brien | | | |
| | | Opposed: 0 | | | |
| 1 | Full Council | 05/31/2016 | passed | | Pass |
| | Action Text: | The Council Bill (CB) was passed by the following vote and the President signed the Bill: | | | |
| | Notes: | In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember
González , Council President Harrell, Councilmember Herbold,
Councilmember Johnson, Councilmember Juarez, Councilmember
O'Brien, Councilmember Sawant | | | |
| | | Opposed: 0 | | | |
| 1 | City Clerk | 06/03/2016 | submitted for
Mayor's signature | Mayor | |
| | Action Text: | The Council Bill (CB) was submitted for Mayor's signature. to the Mayor | | | |
| | Notes: | | | | |
| 1 | Mayor | 06/10/2016 | Signed | | |
| | Action Text: | The Council Bill (CB) was Signed. | | | |
| | Notes: | | | | |
| 1 | Mayor | 06/10/2016 | returned | City Clerk | |
| | Action Text: | The Council Bill (CB) was returned. to the City Clerk | | | |
| | Notes: | | | | |
| 1 | City Clerk | 06/10/2016 | attested by City
Clerk | | |
| | Action Text: | The Ordinance (Ord) was attested by City Clerk. | | | |
| | Notes: | | | | |
-

CITY OF SEATTLE

ORDINANCE 125050

COUNCIL BILL 118687

AN ORDINANCE relating to Seattle Public Utilities; amending the title of Chapter 21.76 and Sections 21.76.010, 21.76.020, 21.76.030, 21.76.040, 21.76.050, and 21.76.060 of the Seattle Municipal Code to clarify eligibility rules for the Utility Discount Program to allow tenants of federally subsidized housing with utility allowances to participate in the program, to clarify the manner of providing rate credits for tenants that pay utility costs indirectly through rent, and to update and modify certain program provisions.

WHEREAS, since 1975, Seattle Public Utilities has offered qualified low-income residential utility customers discounted water, wastewater, drainage, and solid waste rates through the Utility Discount Program; and

WHEREAS, the 2014 Mayor's report, "Strengthening the Utility Discount Program," has a goal to improve utilization of and increase enrollment in the Utility Discount Program by qualified customers; and

WHEREAS, Seattle City Light and Seattle Public Utilities have coordinated efforts to review current federally subsidized housing utility allowance policies and programs to confirm that participation in the Utility Discount Program would assist those qualified low-income customers with paying costs of utility services provided by the City and that allowing these tenants to participate in the Utility Discount Program would meet the goals of City Light, SPU, and the Mayor; and

WHEREAS, Seattle Public Utilities also recommends updating and modifying certain provisions authorizing the Utility Discount Program to be consistent with current practices;
NOW, THEREFORE,

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

2 Section 1. The title of Chapter 21.76, last amended by Ordinance 124801, of the Seattle
3 Municipal Code is amended as follows:

4 **Chapter 21.76 (~~Low-Income Rate Credits~~) Utility Discount Program and**
5 **Emergency Assistance for Qualified Low-Income Utility Customers**

6 Section 2. Section 21.76.010 of the Seattle Municipal Code, last amended by Ordinance
7 122174, is amended as follows:

8 **21.76.010 - (~~Low-Income Rate Credit Program~~) Utility discount program for low-**
9 **income utility customers established—Purpose—Administration ((-))**

10 A. ((A program for credits to partially offset the billings for)) The City has established a
11 utility rate discount program to assist qualified low-income residential utility customers with the
12 costs of utility services provided by the City, including water, wastewater, drainage, and solid
13 waste ((, and street)) utility services ((for qualified low-income customers is established in order
14 to provide necessary support for the poor and infirm. Such reductions are intended to offset
15 recent rate increases for such utilities)) . Rate discounts are available to qualified low-income
16 residential utility customers in accordance with this chapter.

17 B. The ((Human Services)) Department is authorized and directed to administer the
18 program, ((and in such connection may promulgate)) including promulgating administrative
19 regulations from time to time in the manner provided in the Administrative Code (Seattle
20 Municipal Code Chapter 3.02) and entering into cooperative agreements to carry out the intent
21 and purpose of this chapter in consultation with the City Light and Human Services
22 Departments, where appropriate. Customer compliance with program rules is a condition for
23 initial or ongoing eligibility for the utility rate discount program.

Section 3. Section 21.76.020 of the Seattle Municipal Code, enacted by Ordinance 104472, is amended as follows:

21.76.020 - Definitions ((-))

((As used in this chapter, the words and terms “duplex dwelling,” “dwelling unit,” “multiple dwelling” and “single family dwelling” and “townhouse dwelling” shall have the meanings set forth in Article 3 of the Zoning Code (Ordinance 86300).)) Reserved.

Section 4. Section 21.76.030 of the Seattle Municipal Code, last amended by Ordinance 122903, is amended as follows:

21.76.030 - ((Low Income Rate Credit Qualification.)) Utility discount program qualification

A. ((To implement the program provided for in Section 21.76.010, water)) Water, wastewater, drainage, and solid waste ((credits shall be issued to each household that is directly served by the City’s water, drainage, wastewater or solid waste)) rate discounts are available for residential utility services provided by the City upon satisfactory proof that a member of the household is billed ((by City Light or)) directly for utility services provided by the Department and receives a bill from Seattle Public Utilities or a third party biller, ((or, if not so billed, has resided for a period of not less than ninety (90) consecutive days in a rental unit in which the amount of a Seattle Public Utilities rate increase affects the amount of rent charged)) or the household pays for utility services provided by the Department indirectly through its rent and is either billed by City Light for its electric utilities or the building owner of the household’s residence has entered an agreement under subsection 21.76.050, and:

1. Receives Supplemental Security Income pursuant to 42 USC Sections 1381 through 1383; or

2. Has income that when combined with the ~~((annual))~~ income of all household members does not exceed ~~((seventy (70)))~~ 70 percent of the Washington State median income for the number of individuals in the household as computed annually by the ~~((state))~~ State or the City ((; or)) .

~~((3. — Notwithstanding household income, requires medical life support equipment which utilizes mechanical or artificial means to sustain, restore or supplant a vital function, and which uses a disproportionate amount of water or generates a disproportionate amount of solid waste, provided that the rate assistance issued on the basis of this qualification shall be limited to water and wastewater service where a significant proportion of the water use is for medical purposes or limited to solid waste service where a significant proportion of the solid waste is generated from medical purposes.))~~

B. Applicants shall ~~((verify such))~~ provide the information ((; and shall provide such other data as is deemed appropriate)) upon forms and in the manner ~~((determined))~~ required by the ~~((Human Services Department))~~ program rules to certify their eligibility for low-income rate discounts. Customer eligibility for the program may also be established from eligibility information provided by low-income service providers receiving federal, state, or local funding and subject to annual compliance monitoring by the granting authority, if the providers have entered into agreements with the City regarding the provision and use of the eligibility information. Such agreements do not limit the City's right to request additional information from the customer or to verify the customer's eligibility information.

Section 5. Section 21.76.040, last amended by Ordinance 124801, is amended as follows:

21.76.040 - ~~((Low-income rate credits))~~ Rate discounts

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))~~ Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. ~~((Eligible recipients))~~ Certified customers billed directly ~~((by))~~ for Seattle Public Utilities ~~((for))~~ wastewater services ~~((and residing in single-family dwellings shall))~~ will receive a rate discount equal to 0.5 times the total current wastewater volume charge. ~~((Eligible recipients not billed directly by Seattle Public Utilities for wastewater services))~~ Certified customers who pay for wastewater services indirectly through rent shall

Effective ((Date)) <u>date</u>	Single-family and duplex <u>dwellings</u>	Multifamily <u>dwellings</u>
((January 1, 2015))	(((\$25.46 per month))	(((\$17.76 per month))
January 1, 2016	\$26.38 per month	\$18.41 per month
January 1, 2017	\$26.40 per month	\$18.42 per month
January 1, 2018	\$26.72 per month	\$18.65 per month

receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits ~~((based on dwelling type))~~ for ~~((eligible recipients))~~ certified customers ~~((not billed directly by Seattle Public Utilities))~~ who pay for wastewater services indirectly through rent. The rate credit for ~~((Single-family))~~ single-family and duplex customers shall be 0.5 times the wastewater volume ~~((rate))~~ charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption.

The rate credit for ~~((Multifamily))~~ multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers residing inside The City of Seattle shall receive the

	((Effective January 1, 2016))	Effective January 1, 2016	Effective January 1, 2017	Effective January 1, 2018
Single-family	(((\$14.60 per month))	\$16.25 per month	\$17.71 per month	\$19.13 per month
Duplex	(((\$7.30 per month))	\$8.13 per month	\$8.85 per month	\$9.57 per month
Multifamily	(((\$1.56 per month))	\$1.74 per month	\$1.89 per month	\$2.05 per month

following rate credits for drainage services based on dwelling type:

3. Water. ~~((Eligible recipients))~~ Certified customers billed directly ~~((by))~~ for Seattle Public Utilities ~~((for))~~ water ~~((delivery))~~ services ~~((and residing in single-family dwellings))~~ shall receive a ~~((credit))~~ rate discount equal to 0.5 times the total current ~~((billing))~~ commodity and base service charges. ~~((Eligible recipients not billed directly by Seattle Public Utilities for water delivery))~~ Certified customers who pay for water services indirectly through their rent ~~((and residing in single-family or duplex dwellings))~~ shall receive the following rate credits based on

<u>Effective Date</u>	<u>Single-family and duplex dwellings</u>	<u>Multifamily dwellings</u>
((Effective January 1, 2014))	(((\$19.46 per month))	
((Effective)) January 1, 2016	\$19.84 per month	<u>\$12.38 per month</u>
((Effective)) January 1, 2017	\$20.56 per month	<u>\$12.38 per month</u>

dwellling type and consistent with Section 21.76.050:

~~((Eligible recipients not billed directly by Seattle Public Utilities for water delivery and residing in multifamily dwellings shall receive the following credits:))~~

((Effective January 1, 2014))	(((\$12.38 per month))
((Effective January 1, 2016))	(((\$12.38 per month))
((Effective January 1, 2017))	(((\$12.38 per month))

B. Solid Waste. ~~((Persons qualified by the Director of the Human Services Department as eligible recipients of Low Income Rate Assistance (LIRA)))~~ Certified customers billed directly for Seattle Public Utilities solid waste services shall ((be granted low income billing credits or rates as follows)) receive a rate discount equal to 0.5 times the total current residential garbage can or detachable container and compostable waste collection charges. Certified customers who pay for solid waste services indirectly through their rent shall receive the following rate credits based on type of collection service and consistent with Section 21.76.050:

~~1. Eligible recipients who are billed directly by Seattle Public Utilities for garbage container, as defined in SMC Section 21.36.014, services, or compostable waste services, shall receive a credit equal to one-half (0.5) times the current billing.~~

~~2. Eligible recipients with twice weekly garbage container, as defined in SMC Section 21.36.014, service shall be charged one-half (0.5) times the rate calculated in subsection B of SMC Section 21.40.050.~~

~~3. Eligible recipients not billed directly by Seattle Public Utilities for solid waste services and receiving garbage container, as defined in SMC Section 21.36.014, compostable waste, as defined in SMC Section 21.36.012, or detachable container, as defined in SMC Section 21.36.012, service shall receive the following credits:))~~

	((Effective through March 31, 2015))	((Effective April 1, 2015))	Effective April 1, 2016
Garbage can customers	(((\$15.55 per month))	(((\$16.45 per month))	\$17.00 per month
Detachable container customers	(((\$12.70 per month))	(((\$13.45 per month))	\$13.90 per month

Yardwaste customers	(((\$4.95 per month))	(((\$5.25 per month))	\$5.45 per month
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~~((C. — Qualified persons receiving drainage, wastewater, water, or solid waste credits through their City Light bills or through vouchers will receive credits for the full period covered by the City Light bill or voucher. The credit amount given will be based solely on the credit levels in effect at the time the City Light bill or voucher is issued.))~~

Section 6. Section 21.76.050 of the Seattle Municipal Code, last amended by Ordinance 120220, is amended as follows:

21.76.050 - Method of receiving ~~((credit.))~~ rate credits

~~((Qualified persons receiving))~~ Certified customers eligible for rate credits for drainage, wastewater, water, or solid waste services that they pay for indirectly through rent shall receive the applicable rate credits ((in the amounts prescribed for)) in Section 21.76.040 ((or in equivalent amounts should the billing period be other than monthly; provided, that no qualified person shall receive or accept utility credits to more than one (1) utility bill for the same billing period. The credits shall be made as follows)) in the manner determined by the Director of Seattle Public Utilities, which may include, but is not limited to:

A. ~~((For qualified persons who receive a wastewater, water, or solid waste bill directly, the proper credit amount shall be made on the bill as a reduction to the amount which would otherwise be payable.~~

B. ~~For qualified persons who do not receive a drainage, wastewater, water, or solid waste bill directly, but who may pay such utility charges indirectly as part of their rental payment, the proper credit shall be made in the manner determined by the Director of Seattle Public Utilities, which may include, but is not limited to:~~

1 1-)) A (~~(reduction in the amount otherwise payable)~~) credit on the electricity
2 service bills of those (~~((qualified persons))~~) Certified customers who (~~((do not receive drainage,~~
3 ~~wastewater, water, solid waste bills but who do))~~) receive an electricity services bill directly from
4 Seattle City Light;

5 (~~(2. The issuance of credit vouchers in the names of qualified persons,~~
6 ~~provided that the credit vouchers shall not be redeemable for cash and shall be honored by the~~
7 ~~City only when applied to the account through which utility services received by the qualified~~
8 ~~person are paid;~~

9 3-)) B. (~~(The issuance of)~~) A credit on the combined drainage, wastewater, water, and
10 solid waste utility ((credits)) bill in the name of (~~((each))~~) a not-for-profit corporation or other
11 housing provider that owns a residential building, requests such credits, and meets the following
12 criteria:

13 (~~((a-))~~) 1. (~~((Income eligible households, as defined in SMC Section~~
14 ~~21.76.050C,))~~) Certified customers are among the residents of the residential building (~~((for which~~
15 ~~the voucher is sought))~~) under a written lease;

16 (~~((b-))~~) 2. (~~((Residents))~~) Certified customers are not directly billed for (~~((any~~
17 ~~City))~~) drainage, wastewater, water, or solid waste utility services, but (~~((pay for such service))~~)
18 such utility services are included in their rent;

19 (~~((c-))~~) 3. The residential building for which the rate credit is sought receives
20 and is billed for ((retail service)) drainage, wastewater, water, or solid waste utility services from
21 Seattle Public Utilities;

22 (~~((d-))~~) 4. The building owner (~~((agrees to reduce))~~) enters into a written
23 agreement with the City with appropriate terms and conditions to ensure that the owner reduces

1 the rent payment due under the written lease from each ~~((income-eligible household))~~ certified
2 customer residing in ~~((such))~~ the building in an amount equal to the ~~((combined))~~ applicable
3 utility credits ~~((of such-eligible household))~~ under Section 21.76.040; ~~((e. The building owner))~~
4 annually reports the actual rent reductions during the previous year; and certifies that it shall
5 continue to make the rent reductions ((described in subsection B3d of this section)) during the
6 next year. Building owner compliance with this agreement is a condition for receiving any
7 credits on the utility services bill.

8 ~~((C. — Combined utility credits shall not be redeemable for cash, and shall be honored by~~
9 ~~the City only when applied to the City utility account through which the building owner pays for~~
10 ~~utility services provided to income-eligible households. No combined utility credit shall be~~
11 ~~issued unless the building owner agrees to report the information requested when and in the form~~
12 ~~requested by the Human Services Department (HSD) and otherwise to meet all requirements set~~
13 ~~forth by HSD for the certification of the combined utility credit program. In the event that a~~
14 ~~building owner ceases to meet the requirements set forth herein, the Director of HSD shall advise~~
15 ~~City Light and/or Seattle Public Utilities to cease to provide combined utility credits to such~~
16 ~~building owner.~~

17 D. — An “income-eligible household” means any person or related persons who: (1)
18 lease a dwelling unit in a residential building in The City of Seattle that is owned by a not-for-
19 profit corporation and (2) who meet the income qualifications under SMC Section 21.76.030A1
20 through A4. The unit may have its own bathroom and/or cooking facility or share bathrooms
21 and/or cooking facilities with other units. Based on the requirements contained in SMC Chapter
22 21.76 and those developed by the Director of HSD, participating building owners will determine,
23 on an annual basis, the eligibility of households for rent reduction.

1 E. ~~For purposes of this Section 21.76.050, "combined utility credit" means the~~
2 ~~reduction in the amount otherwise payable for water, drainage and wastewater or solid waste~~
3 ~~services on behalf of income eligible households.))~~

4 Section 7. Section 21.76.065, last amended by Ordinance 123361, is amended as follows:

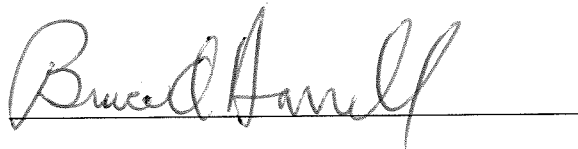
5 **21.76.060 - Authority of Director of Finance and Administrative Services ((-))**

6 A. The Director of Finance and Administrative Services is authorized to ~~((apportion~~
7 ~~the total amount of utility credits made to bills as provided for in Sections 21.76.010, 21.76.040~~
8 ~~and 21.76.050.~~

9 B. ~~To~~) reimburse the Light Fund for ~~((utility))~~ rate credits made to ~~((lighting))~~ City
10 Light bills ((as provided for in)) under Section 21.76.050 ~~((, the Director of Finance and~~
11 ~~Administrative Services is authorized to)) and~~ make the necessary transfers from the Water,
12 Drainage and Wastewater, and Solid Waste ~~((Fund))~~ Funds, respectively, in accordance with the
13 applicable rate credit amounts in Section 21.76.040.

Section 8. This ordinance shall take effect August 1, 2016.

Passed by the City Council the 31st day of MAY, 2016,
and signed by me in open session in authentication of its passage this 31st day of
MAY, 2016.



President _____ of the City Council

Approved by me this 10th day of JUNE, 2016.



Edward B. Murray, Mayor

Filed by me this 10th day of JUNE, 2016.



Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Public Utilities	Tracey Rowland/3-3839	G. Saroja Reddy/5-1232

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; amending the title of Chapter 21.76 and Sections 21.76.010, 21.76.020, 21.76.030, 21.76.040, 21.76.050, and 21.76.060 of the Seattle Municipal Code to clarify eligibility rules for the Utility Discount Program to allow tenants of federally subsidized housing with utility allowances to participate in the program, to clarify the manner of providing rate credits for tenants that pay utility costs indirectly through rent, and to update and modify certain program provisions.

Summary and background of the Legislation: In early 2014, Mayor Murray assembled an Interdepartmental team involving Seattle Public Utilities, Seattle City Light and the Human Services Department. The mayor tasked the team with developing strategies for doubling enrollment in the Utility Discount Program (UDP) by the end of 2018. Under current law, customers in subsidized housing operated by the Seattle Housing Authority (SHA) or the King County Housing Authority (KCH) are expressly ineligible to receive City Light rate discounts pursuant to SMC.21.49.040. While there is no explicit exception in the Seattle Municipal Code related to SPU rate discounts, other language in the code has been interpreted to apply the same exception.

As a result, many potential income-eligible participants are denied the benefit of the UDP and can find themselves facing disconnection and seeking assistance through other programs such as the Low Income Heating Assistance Program, Emergency Low Income Assistance Program and Project Share. In fact these customers make up over 50% of those who are awarded help. This can be costly, stressful and over burdensome for a customer struggling with their utility bill.

This long-standing exclusion appears to stem from a concern that the financial benefit of the discount would essentially accrue to the public housing landlords if the public housing authorities do not reduce their rents commensurate with the utility rate savings. The Interdepartmental team and SHA reviewed federal and SHA policies and confirmed tenants of SHA programs would benefit from the UDP discount and their rents would not rise to offset the UDP benefit to customers.

Even though many of the housing programs offered by SHA and KCH have income guidelines more stringent than those of the UDP, inhabiting federally-subsidized housing with utility allowances is the second largest reason why applicants are found ineligible for the UDP. Projections indicate that in 2016 approximately 10,300 SHA households would be eligible to receive the benefit of the current discount rates for SPU utility services. SPU's projected revenues account for 1,600 of these customers. This fiscal note identifies the revenue impacts for

the 8,700 increment.

In addition, the Department is authorized and directed to administer the program, including promulgating administrative regulations and entering into cooperative agreements, in consultation with the City Light and Human Services Departments, where appropriate.

2. CAPITAL IMPROVEMENT PROGRAM

☐ This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

☒ This legislation has direct financial implications.

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2016	2017	2016	2017
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2016	2017	2016	2017
	-\$251,000	-\$607,000	-\$1,948,000	-\$4,708,000
Positions affected:	No. of Positions		Total FTE Change	
	2016	2017	2016	2017
Other departments affected:	Seattle Public Utilities			

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

☒ This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2016 Revenue	2017 Estimated Revenue	Utility Tax Rate
Water Fund (43000)	SPU	Retail Rate Revenue	-\$571,000	-\$1,378,000	15.54%
DWW Fund (44010)	SPU	Retail Rate Revenue	-\$949,000	-\$2,304,000	11.5% Drainage, 12% Wastewater
Solid Waste Fund (45010)	SPU	Retail Rate Revenue	-\$428,000	-\$1,026,000	11.5%
TOTAL			-\$1,948,000	-\$4,708,000	

Revenue/Reimbursement Notes:

SPU estimates Water Fund revenue reductions of \$571,000 in 2016 and \$1.378 million in 2017. Water Utility rates are set through 2017. Based on a Water Utility Tax Rate of 15.54%, this will yield revenue reductions to the General Fund of \$89,000 in 2016 and \$214,000 in 2017.

Drainage and Wastewater Fund revenue reductions of \$949,000 are estimated for this year and \$2.304 million for 2017. Drainage and Wastewater utility rates are set through 2018. Based on Utility Tax Rates of 11.5% for Drainage and 12.0% for Sewer, this will yield revenue reductions to the General Fund of \$113,000 in 2016 and \$275,000 in 2017.

SPU estimates Solid Waste Fund revenue reductions of \$428,000 in 2016 and \$1.026 million in 2017. Solid Waste utility rates are set through 2016, and the upcoming 2017-2019 Solid Waste Rate Study will fully contemplate all UDP expansion. Based on a Solid Waste Utility tax rate of 11.5%, this will yield revenue reductions to the General Fund of \$49,000 in 2016 and \$118,000 in 2017.

In total, revenue reductions to all funds are estimated at of \$1.948 million in 2016 and \$4.708 million in 2017. This would yield total subsequent revenue reductions to the General Fund of \$251,000 in 2016 and \$607,000 in 2017.

Until rates are adjusted, there is concern the fiscal effect of increasing enrollments of UDP may result in possible risk of ability to meeting financial plan targets. The utility will take steps to monitor and manage this risk in a manner consistent with current practices including continuing to implement efficiencies in operating and capital projects budgets.

Note that the next upcoming rate setting periods for each utility are as follows: 2018-2020 for Water, 2019-2021 for Drainage & Wastewater, and 2017-2019 for Solid Waste.

All above figures reflect an August 1, 2016 enrollment date for up to an additional 10,300 UDP customers that would be eligible for enrollment based on this legislation, however some growth in UDP enrollments had already been budgeted for 2016, so the revenue impacts are based on an estimate of 8,700 additional UDP enrollments over what has already been budgeted; these additional customers would receive 5 months of UDP credits in 2016, as well as a full 12 months of UDP credits in 2017.

3.c. Positions

_____ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

Until rates are adjusted, there is concern that the fiscal effect of increasing enrollments of UDP may result in possible risk of ability to meeting financial plan targets. The Utility will take steps to monitor and manage this risk in a manner consistent with current practices including continuing to implement efficiencies in operating and capital projects budgets.

Note that the next upcoming rate setting periods for each utility are as follows: 2018-2020 for Water, 2019-2021 for Drainage & Wastewater, and 2017-2019 for Solid Waste.

- b) **Is there financial cost or other impacts of not implementing the legislation?**

No

- c) **Does this legislation affect any departments besides the originating department?**

Yes. The Human Services Department will assist in the auditing of the auto-enrollment and Seattle City Light who is introducing separate legislation.

- d) **Is a public hearing required for this legislation?**

No

- e) **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No

- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

- g) **Does this legislation affect a piece of property?**

No

- h) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

Yes. This expansion of the UDP will directly benefit vulnerable and historically disadvantaged low-income individuals. Those who have faced a variety of barriers to participation can now be auto-enrolled into the program.

- i) **If this legislation includes a new initiative or a major programmatic expansion:
What are the long-term and measurable goals of the program? Please describe how
this legislation would help achieve the program's desired goals.**

This effort will allow us to reach the Mayor's "Strengthening the UDP" goal of enrolling 28,000 customers in the UDP 18 months ahead of schedule.

- j) **Other Issues:**

List attachments/exhibits below: