



August 28, 2018

The Honorable Bruce A. Harrell
President, Seattle City Council
Seattle City Hall, 2nd Floor
Seattle, WA 98104

Dear Council President Harrell:

Pursuant to the Council-approved 2018-2023 Seattle Public Utilities Strategic Plan, the Mayor is submitting legislation setting drainage and wastewater rates consistent with but lower than those called out in the plan.

SPU’s adopted 2018-2023 Strategic Business Plan includes an endorsed 6-year average annual rate increase across all funds of 5.2%. SPU’s proposal for drainage and wastewater rates during 2019-2021 would lower the 6-year average to 5.1%, a 0.1% decrease. We accomplished this by updating assumptions and working with Mayor Durkan to reduce or delay costs without adding considerable risk to core services. These proposed reductions are intended to help make SPU’s rates as affordable as possible while balancing the competing demands of regulatory requirements and maintaining the health and safety of our employees and customers. Please see Table 1 for the proposed rates.

Table 1: Drainage and Wastewater Proposed Rate Increases

<u>Wastewater</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Strategic Business Plan	8.1%	9.9%	8.9%
DWF Rate Proposal	7.5%	7.4%	7.3%
<u>Drainage</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Strategic Business Plan	9.2%	9.7%	9.9%
DWF Rate Proposal	8.0%	8.0%	8.0%

The drainage and wastewater rate increases translate to monthly residential bill increases of \$3.00 to \$4.88 per month in each year. Please see Table 2 below for details. For customers enrolled in the Utility Discount Program (UDP) - approximately 30,000 customers in the greater Seattle area - average monthly bills would increase half that amount.

Table 2: Typical Monthly Bill Growth

	Typical Monthly Bill	Annual Increase to Typical Monthly Single-Family Bill		
	2018	2019	2020	2021
Wastewater r ¹	\$57.88	\$4.36	\$4.59	\$4.88
Drainage ²	\$40.07	\$2.99	\$3.46	\$3.75

¹Typical wastewater consumption is 4.3 CCF/month

²For a 5,000 sq. ft. plot

Mayor Durkan and Seattle Public Utilities are committed to working continuously to keep utility rates affordable for our customers.

Sincerely,



Mami Hara
General Manager/CEO, Seattle Public Utilities