



Seattle Public Utilities

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2019-2020 Proposed Budget Overview

9/26/18

1. Primary Services & Performance Measurement

SPU provides water, solid waste, drainage, wastewater clean city services

I. Customer Experience	2018 Goal	Status as of June	Proj. 2018 Performance	2019 Goal
Utility Discount Program	34,000 by 2018 year end	33,540	Monitor	34,000 by year end
Priority Problem Response Time	90% response within an hour	94%	On track	90% response within an hour

2. Operations Excellence	2018 Goal	Status as of June	Proj. 2018 Performance	2019 Goal
Solid Waste Pickup	<=1 missed pick-up per 1,000 stops	0.82	On track	<=1 missed pick-up per 1,000 stops
Timely Container deliveries	<=2 late deliveries per 100 deliveries	0.9	On track	<=2 late deliveries per 100 deliveries

1. Primary Services & Performance Measurement (continued)

3. Health and Environment	2018 Goal	Status as of June	Proj. 2018 Performance	2019 Goal
Water Conservation	Use <105 million gallons/day	96.6	On track	Use <105 million gallons/day
Combined Sewer Overflows	<=1 CSO per outfall by 2025	3.1	Monitor	<=1 CSO per outfall by 2025
Green Stormwater Infrastructure	11.3M gallons managed	12.9	On track	11.3M gallons managed
Recycling	70% of solid waste recycled	57%	Monitor	70% of solid waste recycled
Road Pollutants Removal	>=140 tons removed in 2018	65	On track	>=140 tons removed in 2018
Sewer Overflows	<114 overflows	48	On track	<114 overflows
Department of Health Compliance	Compliant with all regulations	Yes	On track	Compliant with all regulations
Graffiti Removal	>=90% removed within 10 business days	97%	On track	>=90% removed within 10 business days

2. Strategic Priorities for 2019

Advance equity and inclusion, while delivering essential services, building resiliency, and maximizing benefits of investment.

- ▶ Enhance Customer Experience
 - ▶ Stabilize decreased call wait times
 - ▶ Create more efficient and easy ways for customers to interact with SPU
 - ▶ Requires additional investments in staffing and infrastructure
- ▶ Implement an Affordability and Accountability Framework
 - ▶ Create operational efficiencies
 - ▶ Explore short and long term options to reduce customer bills
 - ▶ Create an organizational culture of accountability in order to drive decisions that decrease rate increases and enhance corporate performance

2. Strategic Priorities for 2019 (continued)

- ▶ Meet regulatory requirements on time and at lowest cost
 - ▶ Implement capital investments such as the CSO program on time and within budget
 - ▶ Partner with regulators to meet goals at the lowest cost for customers
- ▶ Organization and workforce development
 - ▶ Equitable professional development and employee retention
 - ▶ Increased productivity and job satisfaction
 - ▶ Investment in employees that ensures continued improvement of SPU services

3. Budget Summary 2016 – 2020

	2016 Actual (\$000s)	2017 Actual (\$000s)	2018 Adopted (\$000s)	2019 Proposed (\$000s)	2020 Proposed (\$000s)
Appropriation (GF)	\$8,132	\$9,734	\$9,007	\$10,170	\$10,623
Change		\$1,602	(\$727)	\$1,162	\$453
Year to Year (in \$, %)		20%	-7%	12.9%	4.5%
Appropriation (Other)	\$971,379	\$940,708	\$1,158,661	\$1,253,826	\$1,385,565
Change		-\$30,671	\$217,953	\$95,165	\$131,739
Year to Year (\$, %)		-3%	23.0%	8.2%	10.5%
Employment (FTEs)	1,460.1	1,359.1	1,398.6	1,414.55	1,421.55
Change		(101)	39.5	16.00	7.00
Year to Year (Count, %)		(6.9%)	2.9%	1.1%	0.5%

4. Legislative & Policy Framework

Year	Change	Reference	Effects
Ongoing	Strategic Business Plan	Resolution 31760	This commits SPU to a predictable rate path and to planning investments with community input. A major effort in the recent plan is implementing an accountability and affordability framework to deliver services at a lower cost.
2013	Combine Sewer Overflows Consent Decree	Plan to Protect Seattle's Waterways Ordinance 124766	This commitment is driving most of the costs in SPU's capital program and rate increases. SPU must complete most major investments by 2025, and all investments by 2030.
Pending	Duwamish River Clean Up Consent Decree	Under negotiation	SPU is currently negotiating necessary clean up with the Environmental Protection Agency. Allocation of costs among responsible parties is also underway. SPU has included projected costs, but these are subject to change once both negotiations are final.

5. Major Proposed Budget Changes

Description	2018 Adopted (\$000s)	2019 Proposed (\$000s)	Change in \$ (\$000s)	% Increase (Decrease)
Clean City program maintain homelessness levels of service and adding operational capacity.	706	1,101	495	70.0%
Various Reductions in O&M including various services, delays in hiring and abrogating pockets.	80,731	75,595	(5,136)	(6.3%)
Capital Projects: Growth year over year is predominately related to planned growth and projects moving into construction.	294,816	360,230	65,414	22.2%
O&M Growth: This growth was planned as part of the SBP and driven mostly by the following: <ul style="list-style-type: none"> Taxes and debt service \$17M Inflation – 2% average \$17M 	791,416	827,070	35,654	4.5%