



Legislation Text

File #: Res 31760, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION relating to Seattle Public Utilities; adopting a 2018-2023 Strategic Business Plan Update for Seattle Public Utilities; and endorsing a six-year rate path to support the Strategic Business Plan Update. WHEREAS, Resolution 31534, approved by the City Council on August 11, 2014, adopted the Seattle Public

Utilities (SPU) 2015-2020 Strategic Business Plan to guide utility investments, service levels, and rate paths for the six years from 2015 to 2020; and

WHEREAS, Resolution 31534 also directed SPU to review and update the Strategic Business Plan every three years, adding three years to the Strategic Business Plan and re-evaluating the subsequent six-year rate path with the next review and update to be completed in 2017 for the period 2018 to 2023; and

WHEREAS, Resolution 31694, adopted by the City Council on August 15, 2016, established a Customer Review Panel to secure the input and engagement of SPU's customers in the formulation of the 2018-2023 Strategic Business Plan Update; and

WHEREAS, SPU reviewed and updated the Strategic Business Plan and adjusted the previously endorsed rate path to reflect customer values, provide rate predictability for utility customers, and result in best value for customer dollars; and

WHEREAS, the strategic planning update process included extensive employee engagement and public outreach, including stakeholder meetings, public meetings, non-English-speaking outreach, online surveys, and advertising; and

WHEREAS, the resulting proposed 2018-2023 Strategic Business Plan Update contains an updated six-year rate path for water, drainage, wastewater, and solid waste rates that was developed by identifying,

evaluating, and recommending reductions and priority additions to current utility expenditures; and WHEREAS, the City Council reviewed the proposed 2018-2023 Strategic Business Plan, the associated six-year rate path, the recommendation of the Customer Review Panel, and the results of the public outreach; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The City Council adopts Seattle Public Utilities' 2018-2023 Strategic Business Plan Update ("Plan Update"), a copy of which is included as Attachment A to this resolution and is incorporated by reference.

Section 2. To achieve the goals of the Plan Update, an average annual system rate increase of 5.5 percent is anticipated over the period of 2018 to 2023 across all lines of business.

Section 3. The City Council requests that absent justifiable circumstances, the Executive submit budgets for 2018 through 2023 that are in support of, and consistent with the Plan Update and do not result in rates higher than the Plan Update's rate path as amended by this resolution.

Section 4. The City Council requests that, absent justifiable circumstances, the Executive submit rates for 2018 through 2023 that support and are consistent with the Plan Update and are no higher than the Plan Update's 5.5 percent combined 2018-2023 average annual rate path as amended by this resolution and shown in the lower right corner of the table below.

Projected 6-Year Rate Path	2018	2019	2020	2021	2022	2023	2018-2023 Average
Drinking Water	3.5%	4.1%	5.2%	5.3%	4.1%	5.6%	4.6%
Wastewater	1.2%	12.2%	12.6%	3.2%	4.0%	2.7%	5.9%
Drainage	7.5%	14.2%	15.9%	6.1%	2.8%	7.1%	8.8%
Solid Waste	3.1%	3.3%	4.6%	2.8%	3.7%	2.9%	3.4%
Combined	3.2%	8.2%	9.5%	4.1%	3.7%	4.2%	5.5%

Section 5. Actual rate changes for each of Seattle Public Utilities' lines of business are subject to approval by the City Council via passage of rate ordinances.

Section 6. Seattle Public Utilities will complete an overall review and update the Strategic Business

Plan every three years, adding three years to the Strategic Business Plan and re-evaluating the subsequent six-year rate path. The next complete review and adjustment of the Strategic Business Plan Update will be finalized in 2020 and will encompass the years 2021 to 2026.

Section 7. Seattle Public Utilities will provide quarterly updates to the City Council to track progress in achieving the goals of the Plan Update, including action plan goals and efficiency savings.

Adopted by the City Council the _____ day of _____, 2017, and signed by me in open session in authentication of its adoption this _____ day of _____, 2017.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2017.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 - Seattle Public Utilities Strategic Business Plan Update 2018-2023

Exhibit 1 - Customer Review Panel Comment Letter

Exhibit 2 - Financial Forecast Overview and 2018-2023 Baseline

Exhibit 3 - Action Plans and Savings/Deferrals Summary
Exhibit 4 - Customer Outreach Report