

# **Water Fund 2016-2017 Rate Proposal**

**Presentation to Seattle Public Utilities  
and Neighborhoods Committee**

**April 28, 2015**

Seattle  
 Public  
Utilities

# Strategic Business Plan Update

## Rate proposal and current projections within SPU target of 4.6% average annual increases for SBP.

<u>SBP</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2014-20</u>
Water	0.0%	5.2%	5.2%	4.1%	4.4%	2.6%	3.6%
Wastewater	0.8%	3.9%	1.8%	2.8%	7.2%	8.1%	4.1%
Drainage	9.8%	10.1%	8.1%	7.8%	8.1%	8.0%	8.6%
Solid Waste	4.2%	3.5%	6.0%	4.0%	2.9%	2.4%	3.8%
<b>Combined</b>	<b>2.7%</b>	<b>5.0%</b>	<b>4.7%</b>	<b>4.2%</b>	<b>5.5%</b>	<b>5.2%</b>	<b>4.6%</b>

<u>Current Projection</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2014-20</u>
Water	0.0%	1.7%	2.7%	4.5%	4.6%	5.2%	3.1%
Wastewater*	0.8%	4.0%	4.6%	2.0%	7.4%	6.0%	4.1%
Drainage*	9.8%	10.3%	10.5%	7.5%	11.2%	7.7%	9.5%
Solid Waste**	5.1%	3.8%	3.0%	3.6%	5.0%	2.7%	3.9%
<b>Combined</b>	<b>2.9%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>5.0%</b>	<b>6.8%</b>	<b>4.8%</b>	<b>4.6%</b>

Note: As SPU is currently developing its 2016-2018 drainage and wastewater rate study, the latest rate increases are not final and may change before the rate proposal is submitted at the end of May.

# Change in Typical Monthly Water Bill

	<u>Typical ccf* per month</u>	<u>2015 Typical Bill</u>	<u>2016 Proposed Change</u>	<u>2017 Proposed Change</u>
Residential	5	<b>\$38.93</b>	\$0.75	\$1.45
Convenience Store	15	<b>\$95.80</b>	\$1.55	\$2.45
Small Office Building	52	<b>\$310</b>	\$5	\$7
Apartment Building (90 Units)	195	<b>\$1,172</b>	\$18	\$26
Medium Hotel	1,307	<b>\$7,379</b>	\$106	\$139
Large Industrial	3,327	<b>\$17,884</b>	\$249	\$321

\*1 ccf = 100 cubic feet = 748 gallons

# Summary of 2016-2017 Proposed Rates

- Within the SBP overall 4.6% average annual rate increase target.
- Reflect recent changes in O&M and CIP while maintaining SBP service levels.
- Reflect increases in demand forecasts and related non-rate revenue growth (wholesale and tap revenues).
- Meet or exceed all financial policies each year.