

Amendment #7 to Resolution 31760 - DRAFT

Sponsor: CM Herbold

Civil Rights, Utilities, Economic Development and Arts Committee

System Development Charges: This amendment would change the proposed 6-year rate path to reflect increased fee revenues from (a) new water tap fees and (b) water connection charges. If implemented on January 1, 2018, SPU would collect about \$2.6 million more in non-rate revenue than is assumed in the 2017 Strategic Business Plan Update. SPU must change Director's Rules to affect the proposed changes. The average annual rate should decrease about 0.1 percentage point if new fee revenues are used to offset rate revenue requirements.

* Council requests Central Staff reconcile all amendments and adjust the 6-year rate path accordingly.

** Council requests Central Staff reconcile all amendments and re-number sections to reflect the cumulative impact of all changes to the resolution.

Section . System Development Charges. To ensure that Seattle Public Utilities is recovering all costs related to new water service connections equitably and consistent with the Seattle Municipal Code, the City Council requests that Seattle Public Utilities adjust rates for water tap fees and water connection charges to reflect current costs. Updated fees for water taps and new water connections shall be implemented by Seattle Public Utilities via Director's Rule no later than January 1, 2018.

Section . 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~~5.4 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 <u>2.4</u> %	4.1 <u>3.9</u> %	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	2.9 <u>3.2</u> %	8.2 <u>8.1</u> %	9.5%	4.1%	3.7%	4.2%	5.5 <u>5.4</u> %

DRAFT