

# Strategic Business Plan 2018-2023 Update FAQs

## **What is the Strategic Business Plan (SBP) and why is it important?**

Seattle Public Utilities' (SPU) Strategic Business Plan (SBP) is our 6-year blueprint for providing essential utility services to 1.4 million residential and business customers. These services include the highest quality drinking water, nationally recognized recycling and composting programs, and sewer and drainage systems that protect local water bodies.

SPU is required by City Council to update the SBP every three years. The 2018-2023 SBP Update will allow SPU to adjust our work and update our rates. It provides greater rate predictability while continuing to prioritize important investments for the future in our diverse and growing city. The goal of the SBP is to maintain the quality of life in Seattle and keep rates as affordable as possible. It strives to balance keeping customer bills low with providing quality services, meeting -stringent regulatory requirements, and managing risks.

## **How was the SBP created?**

SPU developed the SBP through a partnership with the Mayor's Office, City Council and a voluntary, independent Customer Review Panel (CRP). The CRP represented residential, business, low-income and community perspectives. They met every two weeks for several months to provide input and advice during the plan development process, and submitted a letter to the Mayor and City Council endorsing the final SBP proposal.

The SBP was informed by extensive input from nearly 1,000 customers and employees. In online surveys and face-to-face community meetings, customers and employees told us what they value most about their utility services and what they want to see from their utility in years to come.

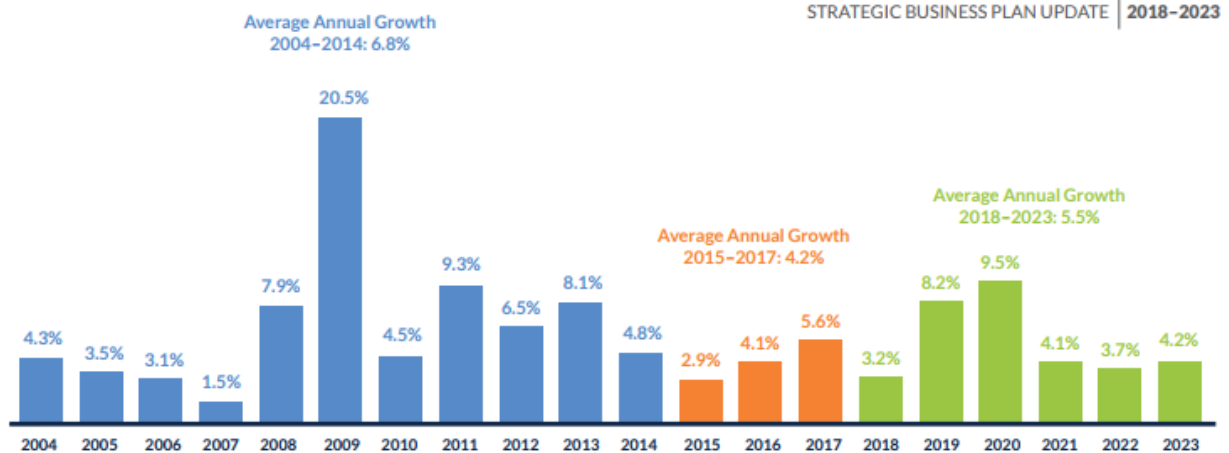
We also partnered with community-based organizations like El Centro de la Raza and Environmental Coalition of South Seattle, as well as the Seattle Department of Neighborhood's Public Outreach and Engagement Liaisons to provide safe spaces, language services and an opportunity for hard-to-reach and limited-English proficiency communities to make their voices heard.

## **Where can I find a draft of the SBP Update 2018-2023?**

You can access the [draft SBP Update online](#). Seattle City Councilmembers on the Civil Rights, Utilities, Economic Development & Arts (CRUEDA) Committee have been reviewing the SBP Update since July. The committee is scheduled to vote on the SBP Update on September 12. The meeting schedule, as well as additional documents related to the creation of the SBP Update, can be found [on the CRUEDA webpage](#).

## How will the SBP 2018-2023 Update affect my rates if adopted?

The draft SBP Update recommends average annual utility rate increases of 5.5 percent starting in 2018 and running through the year 2023. This is below the average annual 6.8 percent increase in the decade preceding the original 2015-2020 plan (see below). **This proposed utility rate increase is subject to change dependent on the Council Committee's vote.**



*The average annual growth in actual and projected rate increases since the SBP began in 2015 are significantly lower than in the previous decade.*

### 2018-2023 Combined Utility Rates Under SPU's Draft Strategic Business Plan

<b>Projected</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Average annual rate increase	3.20%	8.20%	9.50%	4.10%	3.70%	4.20%
Typical monthly residential bill	\$187	\$202	\$222	\$232	\$240	\$251

### What is causing the rates to increase?

Your utility bill pays for essential services and for all the capital projects and day-to-day management of operations that go into making sure our services are always there when you need them.

As our costs increase, so must our rates. SPU has made every effort to find ongoing cost savings, identifying \$411 million in savings for 2018-2023 that include deferring capital projects, finding lower-cost alternatives to existing projects and reducing funding for operating programs.

Despite instituting these cost savings, the cost to provide current services and investments for the 2018-2023 period and beyond is higher than the 2015-2020 period. This is partly due to events that weren't anticipated when we created the SBP in 2014, and our investments to continue to protect public health and the environment via new action plans.

- Moving up project timelines for a large sewer overflow project (the West Ship Canal Water Quality Project) to ensure we comply with federal regulations
- Losing the Port of Seattle as a drainage customer, resulting in less revenue

- Increasing investments in transportation projects citywide, requiring related SPU infrastructure work such as underground pipes

### **What choices do I have if I can't afford these rate increases?**

We understand that the cost of living in Seattle is increasing. In partnership with the Seattle Department of Human Services and Seattle City Light, SPU offers the Utility Discount Program to eligible income-qualified residential customers to receive a 50% discount on their SPU bill and a 60% discount on their Seattle City Light bill. SPU also encourages customers to reduce their costs by [reducing water use](#) and [switching to small garbage bin](#) sizes by recycling and composting more of their waste.

SPU has assisted nearly 33,000 customers with the Utility Discount Program. For more information on determining eligibility and how to register for the programs, we encourage customers to:

- Call: 206-684-0268 (translation services available)
- Email: [udp@seattle.gov](mailto:udp@seattle.gov)
- Visit: [www.seattle.gov/UDP](http://www.seattle.gov/UDP) (the website includes translation services for native Korean, Somali, Spanish, Vietnamese, and Chinese speakers)