

# Seattle Public Utilities

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## Department Overview

Seattle Public Utility's (SPU) mission is to provide reliable, efficient, and environmentally conscious utility services to enhance the quality of life and livability in all communities SPU serves.

SPU is composed of three major direct-service providing utilities: the Water Utility, the Drainage and Wastewater Utility, and the Solid Waste Utility. All three utilities strive to operate in a cost-effective, innovative, and environmentally responsible manner.

The Water Utility provides more than 1.3 million people with a reliable supply of clean and safe water for drinking and other uses. The system extends from Edmonds to Des Moines and from Puget Sound to Lake Joy near Duvall. SPU retails water in Seattle and adjacent areas, and sells water wholesale to 21 suburban water utilities and two interlocal associations for distribution to their customers. The Water Utility includes 1,800 miles of pipeline, 30 pump stations, 15 treated water reservoirs, three wells, and 104,000 acres in two watersheds.

The Drainage and Wastewater Utility collects and conveys sewage and stormwater. The drainage and wastewater system includes approximately 448 miles of sanitary sewers, 968 miles of combined sewers, 460 miles of storm drains, 68 pump stations, 90 permitted combined sewer overflow outfalls, 342 storm drain outfalls, 130 stormwater quality treatment facilities, 145 flow control facilities, and 38 combined sewer overflow control detention tanks and pipes. In addition to traditional infrastructure, SPU regulates, plans, builds and maintains green stormwater infrastructure, an increasingly important option for managing stormwater. Appropriate approaches to managing sewage and stormwater that can carry pollutants into the region's lakes, rivers, and Puget Sound are vital to preserve public health and environmental quality.

The Solid Waste Utility collects and processes recycling, compostables, and residential and commercial garbage. To fulfill this responsibility the City owns two transfer stations, two household hazardous waste facilities, a fleet of trucks and heavy equipment, and two closed landfills. In addition, SPU administers contracts with private

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contractors who collect household refuse, compostables, and recyclables and deliver the material to the recycling and composting facilities and to disposal stations for its ultimate processing or disposal. The Solid Waste Capital Improvement Plan (CIP) supports the transfer stations, heavy equipment, and post-closure projects on two landfills previously used by the City.

SPU operations and capital programs are funded almost entirely by fees and charges paid by ratepayers who use SPU's solid waste, drainage, wastewater, and drinking water systems. SPU also actively seeks grants to support system maintenance and improvements, and receives reimbursements from other City departments and funds for services provided to those agencies.

Rates adopted in 2011 for the period 2012-2014 inform the 2013-2014 budgets for the Water Utility included in this document. In contrast, new solid waste and drainage and wastewater rates were developed to support the operating and capital service levels included in the 2013 Adopted and 2014 Endorsed Budget. The adopted 2013-2016 Solid Waste rate study and the adopted 2013-2015 Drainage and Wastewater rate study can be found here: <http://www.seattle.gov/util/MyServices/Rates/RateStudies/index.htm>

SPU monitors its funds using financial targets and employs these metrics to communicate about the financial health of its utilities with the Mayor and Council, Seattle residents and businesses, and the bond rating agencies. Financial performance metrics include net income; year-end cash balance; the amount of cash versus debt dedicated to the CIP; debt service coverage, which is the amount of cash available to pay annual debt service after day-to-day system expenses are paid; and, for the Drainage and Wastewater Fund, the debt to asset ratio. As a result of strong financial management and a commitment on the part of elected officials to establishing prudent rates, SPU has some of the strongest bond ratings of any utility in the country. SPU's Water and Drainage and Wastewater bonds are rated one notch below the highest rating by both S&P (AA+) and Moody's (Aa1), while Solid Waste bonds, which traditionally are viewed as more risky by ratings agencies, are just slightly lower and still categorized as High Grade High Quality bonds (AA and Aa3 from the two agencies, respectively). These high ratings help SPU sell revenue bonds to fund infrastructure investments at the lowest costs possible. This benefits the utilities and the rate payers they serve.

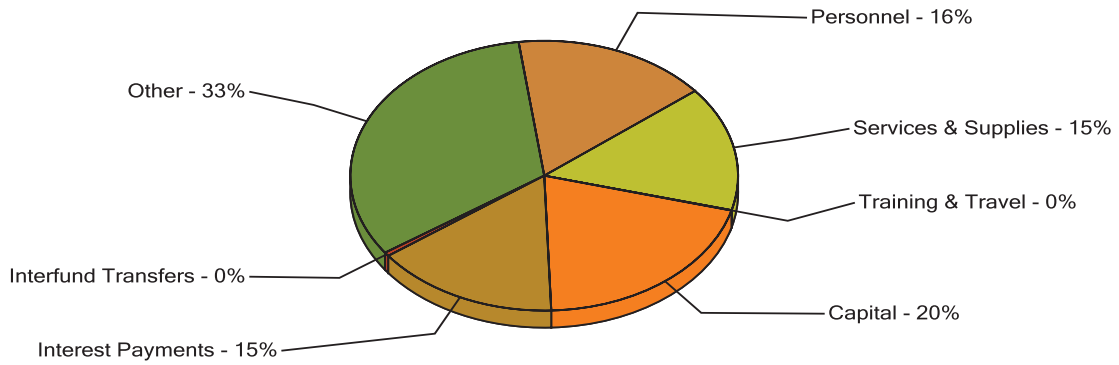
### Budget Snapshot

Department Support	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
General Fund Support	\$1,180,309	\$1,205,360	\$1,139,072	\$1,166,569
Other Funding - Operating	\$608,926,466	\$650,245,526	\$678,861,899	\$699,001,245
<b>Total Operations</b>	<b>\$610,106,775</b>	<b>\$651,450,886</b>	<b>\$680,000,961</b>	<b>\$700,167,814</b>
Other funding - Capital	\$159,944,931	\$167,786,626	\$171,868,429	\$208,219,822
<b>Total Appropriations</b>	<b>\$770,051,706</b>	<b>\$819,237,512</b>	<b>\$851,869,390</b>	<b>\$908,387,636</b>
Full-time Equivalent Total*	1,420.75	1,411.05	1,401.05	1,401.05

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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## 2013 Proposed Budget - Expenditure by Category



## 2013 Proposed Budget - Revenue by Category

