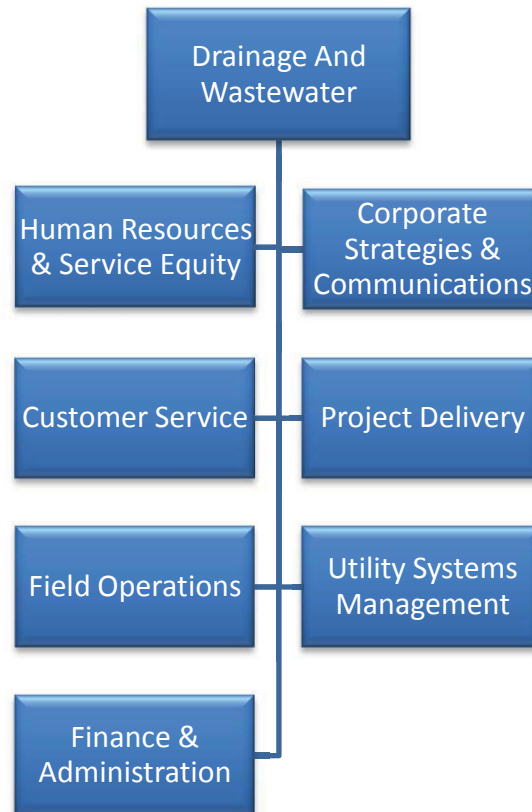


Seattle Public Utilities Drainage and Wastewater



Division Overview

The Drainage and Wastewater Utility provides wastewater and stormwater management services to residences and businesses in the city of Seattle. It is supported almost entirely by utility fee revenue. For wastewater, SPU collects charges based on metered water usage via the SPU combined utility bill. For drainage, SPU charges Seattle property owners fees based on property characteristics contributing to stormwater runoff. The drainage fee appears as a line item on King County property tax bills.

The Drainage and Wastewater Utility budget is experiencing growth driven by federal and state regulatory requirements and rate increases are needed in 2013, 2014, and 2015 to cover increasing operating and capital expenses. Cash and debt financing of new capital projects is also a major driver of the rates.

Proposed drainage and wastewater rates were modified during the City Council review process, as described further below.

Seattle Public Utilities – Drainage and Wastewater

Consent Decree with the EPA

SPU has recently negotiated a Consent Decree with the U.S. Environmental Protection Agency (EPA). The Consent Decree requires SPU to make improvements to the combined sewer system, through development and implementation of a Long Term Control Plan to address issues concerning Combined Sewer Overflows (CSOs). The Consent Decree also requires SPU to make improvements to the sanitary sewer system, through implementation of SPU's Capacity Maintenance Operations Management (CMOM) plan, a six-year road map for reducing the occurrence of sanitary sewer overflows (SSOs). Several of the changes in the Drainage and Wastewater Fund's 2013 Adopted and 2014 Endorsed budgets allow SPU to comply with these regulatory requirements.

CSOs can spill a mixture of raw sewage and stormwater into local waterways at 92 historic outfalls throughout the city of Seattle, primarily during periods of heavy rain. These spills violate water quality standards, raise public health concerns, and contaminate sediment and habitat for endangered species. Although expensive, improving the combined sewer system to prevent overflows is a regulatory requirement. State and federal law require SPU to achieve control of CSOs by 2025 through a Long Term Control Plan to be completed by 2015. Under the Consent Decree, SPU's approach to meeting this regulatory requirement will include development of an integrated plan to sequence and prioritize CSO control and other stormwater projects based on water quality impacts. This integrated plan will be submitted to EPA and the Washington State Department of Ecology as a section of the Long Term Control Plan and will provide for alternative and flexible approaches to improving water quality for SPU's entire system, while still meeting CSO requirements. The 2013 Adopted and 2014 Endorsed budgets provide funding for the development of this integrated plan.

Sanitary sewer overflows are addressed by CMOM, which focuses on eliminating unanticipated sewage releases from the City's conveyance system that occur outside of permitted CSO outfalls. The Consent Decree allows SPU to use the CMOM six-year roadmap as a basis for implementing a "performance based" approach to addressing these releases, rather than a more expensive prescriptive program. Under this more flexible and cost-effective approach, SPU will use CMOM to analyze the drainage and wastewater system, enhance its understanding of the underlying reasons for system backups, and design programs and solutions that reduce the occurrence of overflows. The 2013 Adopted and 2014 Endorsed budgets support this CMOM work by providing funding for enhanced data collection and system analysis, as well as development of standard operating procedures and a quality assurance control program for field crew performance.

Compliance with NPDES

The City's two National Pollutant Discharge Elimination System (NPDES) permits, one for stormwater and one for the combined sewer system, guide other drainage and wastewater budget adjustments. SPU is required by state law to update the City's Stormwater Code and manuals in order to maintain equivalency with the NPDES permit and the Washington State Department of Ecology's new Stormwater Manual. Due to limited staff resources and the volume of work required, additional funding is included to comply with these requirements.

Identifying Efficiencies and Reallocating Staff

SPU continues to evaluate the staffing resources needed to accomplish its highest priorities, and find more efficient and effective ways to deliver services to its customers. To meet staffing needs related to regulatory requirements and to fill other critical business needs, the 2013 Adopted and 2014 Endorsed budgets transfer six positions into the Drainage and Wastewater Utility from the Water Utility and creates four new positions. To offset the new positions, the budget eliminates seven Drainage and Wastewater Utility positions from various branches. These positions provide internal support within the Drainage and Wastewater Utility and SPU does not anticipate any noticeable impact to service levels.

SPU is also cutting back on some activities that are more discretionary and lower priority. In the 2013 Adopted and 2014 Endorsed budgets, these changes include reductions to non-regulatory monitoring and performance

Seattle Public Utilities – Drainage and Wastewater

evaluation of the drainage and wastewater system, non-essential pipe cleaning, long-term strategic planning for the city’s urban watersheds, outreach and education efforts, and corporate administrative support activities.

Capital Spending

Increasing regulatory emphasis on protecting and improving water quality has resulted in the need for Seattle to make substantial long-term investments in wastewater and stormwater detention and treatment, and green stormwater infrastructure. SPU’s 2013-2018 Adopted CIP for Drainage and Wastewater, excluding Technology, is approximately \$87.3 million in 2013 and \$93.8 million 2014. Additional detail is provided in the 2013-2018 Adopted CIP.

City Council Changes to Proposed Budget

In adopting the budget, Council reduced SPU’s budget authority for paying legal claims, in order to achieve cost efficiencies in the department, and made some other small reductions in SPU’s budget. Consistent with these budget reductions, the Council made corresponding reductions to the Executive’s proposed 2013-2015 drainage and wastewater rates. The Council also acted to reflect the adopted increase in the King County wastewater treatment rate.

The Adopted budget will increase the typical monthly residential bill by 10.5% or \$2.29 for drainage, and increase by 9.1% or \$4.18 for wastewater, in 2013 relative to 2012. In 2014, typical monthly residential bills will increase by 10.3% or \$2.48 for drainage, and increase by 0.9% or \$0.43 for wastewater, relative to 2013.

Incremental Budget Changes

Seattle Public Utilities – Drainage & Wastewater Utility

	2013 Budget	FTE	2014 Budget	FTE
Total 2012 Adopted Budget	\$ 377,608,275	536.30	\$ 377,608,275	536.30
Baseline Changes				
Citywide Adjustments for Standard Cost Changes and CIP Allocation Changes	\$ 31,956,015	0.00	\$ 2,809,844	0.00
Departmental Technical Changes	-\$ 14,402	0.00	-\$ 14,402	0.00
Proposed Policy Changes				
Consent Decree – Combined Sewer Integrated Planning Cost	\$ 500,000	0.00	\$ 500,000	0.00
Consent Decree – Sanitary Sewer Data Collection and Analysis	\$ 670,000	0.00	\$ 670,000	0.00
NPDES Stormwater Code and Manual Update	\$ 250,000	0.00	\$ 50,000	0.00
Side Sewer Mapping Compliance	\$ 200,000	2.00	\$ 200,000	2.00
Stormwater Monitoring Regulatory Compliance	-\$ 285,000	0.00	\$ 178,000	0.00
Engineering and Geographic Information System Reductions	-\$ 172,404	0.00	-\$ 179,300	0.00

Seattle Public Utilities – Drainage and Wastewater

Duwamish Pipeline Cleaning Reduction	-\$100,000	0.00	-\$100,000	0.00
Urban Watershed Planning Reduction	-\$ 167,200	0.00	-\$ 167,200	0.00
Below Ground Sewer Rat Control Reduction	-\$ 100,000	0.00	-\$ 100,000	0.00
Water Quality Monitoring Reductions	-\$ 132,000	0.00	-\$ 132,000	0.00
Miscellaneous Non-Labor Reductions	-\$ 194,441	0.00	-\$ 194,441	0.00
Reduce Professional Service and Other Departmental Support Costs	-\$ 856,159	0.00	-\$ 856,159	0.00
Drainage and Wastewater Fund Position Adjustments	-\$ 226,440	1.00	-\$ 226,440	1.00
Education and Outreach Reductions	-\$ 319,000	0.00	-\$ 319,000	0.00
Common Operating Picture Initiative	\$ 18,631	0.00	\$ 18,850	0.00
Drainage and Wastewater CIP	-\$ 28,174,702	0.00	\$ 14,262,240	0.00
Technology CIP	\$ 1,549,698	0.00	\$ 61,854	0.00
Proposed Technical Changes				
Taxes Budget Adjustment	\$ 1,857,924	0.00	\$ 1,551,727	0.00
Debt Service Budget Adjustment	\$ 4,406,351	0.00	\$ 6,363,978	0.00
Technical Adjustments	\$ 1,449,311	0.00	\$ 1,456,344	0.00
King County Wastewater Treatment Contract	\$ 10,642,590	0.00	\$ 7,249,662	0.00
Council Phase Changes				
Drainage and Wastewater Cost Efficiencies	-\$ 590,000	0.00	-\$ 684,000	0.00
Total Incremental Changes	\$ 22,168,772	3.00	\$ 32,399,557	3.00
2013 Adopted - 2014 Endorsed Budget	\$399,777,047	539.30	\$ 410,007,832	539.30

Description of Incremental Budget Changes

Baseline Changes

Citywide Adjustments for Standard Cost Changes and CIP Allocation Changes - \$31,956,015

Citywide technical adjustments made in the "Baseline Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, employment costs, and debt service. These adjustments reflect initial assumptions about these costs and inflators early in the budget process. Also included here are adjustments to reconcile Seattle Public Utility's (SPU) appropriations to the 2013-2014 allocations shown in the 2012-2017 Adopted CIP.

Departmental Technical Changes – (\$14,402)

This adjustment reduces the appropriate amount in the Drainage and Wastewater Fund to arrive at the new 2013 anticipated contract amount for support of the Neighborhood Payment Information System (NPIS). Administration of the system transferred from the Department of Neighborhoods to the Department of Finance and Administrative Services in 2012, resulting in efficiencies and reduced costs. The NPIS supports both SPU and Seattle City Light by allowing customers to remit payments at various locations throughout the city.

Seattle Public Utilities – Drainage and Wastewater

Proposed Policy Changes

Consent Decree -- Combined Sewer Integrated Planning Cost - \$500,000

This adjustment provides consultant funding related to the Combined Sewer Overflows (CSOs) provisions of SPU's Consent Decree with the U.S. Environmental Protection Agency (EPA). Under the Consent Decree, SPU will develop an integrated plan to sequence and prioritize CSO projects based on water quality impacts, reflecting that some CSO control projects provide greater water quality benefits than others. The plan also provides SPU with an opportunity to identify higher impact water quality actions and projects that are not directly related to CSOs. SPU faces a deadline of developing the integrated plan by 2016. Funding is provided for consultant services to support SPU's Integrated Planning Team in conducting technical evaluations and documenting results.

Consent Decree -- Sanitary Sewer Data Collection and Analysis - \$670,000

This adjustment provides consultant funding related to the sanitary sewer system provisions of SPU's Consent Decree with the EPA. Funding is provided for enhanced data collection and system analysis related to implementation of SPU's Capacity Maintenance Operations Management (CMOM) six-year roadmap. The funding allows SPU to better understand the underlying reasons for sanitary sewer system backups and improve system performance. These additional costs are partially offset by savings in professional services, reflecting anticipated completion of the Consent Decree negotiations in 2012.

NPDES Stormwater Code and Manual Update - \$250,000

SPU is required by state law to update the City's Stormwater Code and manuals by 2013 in order to maintain equivalency with the City's National Pollutant Discharge Elimination System (NPDES) permit, issued by the EPA, and the Washington State Department of Ecology's new Stormwater Manual. This adjustment funds consultant support needed to comply with these requirements. Failure to comply with permit requirements within specified timelines will subject the City to the risk of fines and potential third-party lawsuits.

Side Sewer Mapping Compliance - \$200,000 / 2.0 FTE

This adjustment provides staff and funding for SPU to eliminate a backlog in mapping work related to side sewer site plans. Currently, there is a backlog of 8,000 side sewer site plans not entered into the City's Geographic Information System (GIS). Failure to address the backlog would place the City out of compliance with the City's NPDES Stormwater Permit. The requested funding covers the cost of two positions to eliminate the backlog, prevent future backlogs, and provide a sustainable level of staffing for complying with side sewer mapping requirements. The positions that will perform this work are transferring into the Drainage and Wastewater Utility from the Water Utility.

Stormwater Monitoring Regulatory Compliance - (\$285,000)

This adjustment reflects savings in 2013 associated with reduced costs related to stormwater monitoring required by the City's NPDES stormwater permit. The City's permit is typically issued for a 5-year period. As a result of legislative actions, a new 1-year permit became effective August 2012, and beginning August 2013, the permit will return to its 5-year cycle. It is anticipated that during the 1-year permit only a continuation of unfinished monitoring from the current permit will be required, which will significantly decrease SPU's monitoring costs through August 2013. Costs will increase in 2014 under the City's new 5-year permit, when SPU will be required to pay an annual fee into a regional stormwater monitoring program and begin performance monitoring of the Capitol Hill Water Quality facility.

Engineering and Geographic Information System Reductions - (\$172,404)

The Engineering Records Vault, which is currently supported by the General Fund, provides City employees, citizens and the private sector, including land surveyors and engineering firms, with information regarding project

Seattle Public Utilities – Drainage and Wastewater

engineering plans, project as-built information, property lines, side sewers, and underground utility information among other items. SPU recently reviewed the users of the Vault and found that SPU and Seattle City Light (SCL) are also customers. This reduction reallocates a portion of the costs of operating the Vault to SPU and SCL based on their usage. This results in a net overall reduction to the General Fund support, but with an increased cost for the Drainage and Wastewater Fund.

Another SPU program that receives General Fund support is the City Geographic Information System (GIS) Program, which has been engaged in a four-year project to eliminate a backlog of Central Geographic Database (CGDB) data update needs. This work has been completed and this adjustment eliminates the Drainage and Wastewater funding dedicated for this backlog work. This reduction leaves the program with a data maintenance budget sufficient to maintain the current level of quality and accuracy, including responding to changes such as new subdivisions, lot line changes, and street name changes.

Duwamish Pipeline Cleaning Reduction - (\$100,000)

Pipeline cleaning is one of the three major initiatives in the overall Duwamish Source Control Program, which aims at reducing contaminated sediments flowing through stormwater pipes to the Duwamish River. With the help of regulatory agencies, SPU routinely identifies pipes that contain sediments contaminated from illegal discharges. To prevent the contamination from reaching receiving water bodies, SPU cleans the pipes and disposes of the contaminated sediment. Currently, there is no specific minimum amount of line cleaning that must be completed as a part of a regulatory requirement. This reduction leaves enough resources to perform a minimum amount of line cleaning, and SPU will continue to seek grants to support additional line cleaning.

Urban Watershed Planning Reduction - (\$167,200)

The Watershed Science and Strategy group within SPU provides scientific advisory services and expertise to inform actions which might alter or improve the quality of creeks, lakes, and other water bodies within Seattle. This adjustment reduces funding for the group to conduct long-term strategic planning of environmental improvements in the city's urban watersheds, including eliminating one internship position and reducing support for a regional salmon pre-spawning mortality study. The group will continue to provide environmental expertise to planning efforts within SPU, but it will not be able to initiate or lead strategic planning efforts or take on new work. The bulk of SPU's watershed services functions, including capital project involvement and studies, will remain unaffected.

Below Ground Sewer Rat Control Reduction - (\$100,000)

SPU contracts with Public Health – Seattle and King County (PHSKC) to provide below ground rodent control. This service has been budgeted to include 2.0 FTEs (King County employees) to inspect sewer maintenance holes, set rat bait in maintenance holes, and perform public education and outreach to reduce rodent habitat in sewer pipes. The budget also supports the cost of two vehicles, supplies, workspace and occasional staff to provide data management and GIS support. This adjustment better aligns SPU's budget to actual payments to the County, reflecting the service level currently provided by the County. The County is aware of and has agreed to this change.

Water Quality Monitoring Reductions - (\$132,000)

This adjustment reduces funding in several areas of water quality monitoring. SPU has a regulatory requirement to conduct flow monitoring in the Thornton Creek Water Quality Channel through 2012. This work is currently contracted out. This adjustment discontinues the monitoring at the end of 2012, allowing SPU to eliminate the monitoring contract and reduce related funding for consultant support. Additionally, SPU provides pollution spill kits to Seattle businesses to prevent oil, chemicals and other pollutants from spilling into the storm drainage system and going directly into waterways without treatment. SPU will reduce the program's annual budget from \$30,000 to \$20,000.

SPU also monitors and evaluates the drainage and wastewater system to better understand its performance, ensure optimal operations and configuration, and collect data to handle claims and make other investigations. Current efforts include monitoring of the Jackson Park and Meadowbrook Ponds. SPU will reduce the work

Seattle Public Utilities – Drainage and Wastewater

performed by consultants and either delay monitoring at some existing surface water or stormwater facilities, find other lower cost methods of conducting the monitoring, or shift existing staff resources to acquire the information needed. This change still leaves SPU with adequate resources to maintain current service levels, but any anticipated new monitoring activities may need to be deferred.

Miscellaneous Non-Labor Reductions - (\$194,441)

This adjustment makes reductions to various non-labor operating activities. These changes include reducing consultant services for work related to developing software for stormwater sampling, and reducing the budget for maintenance work on drainage and wastewater facilities to be consistent with recent historical spending. The adjustment also includes a reduction in the Drainage and Wastewater Utility's contingency budget, which limits SPU's ability to absorb new work or respond to unforeseen needs.

Reduce Professional Service and Other Departmental Support Costs - (\$856,159)

SPU is reducing the budgets for support costs throughout the Department, primarily through reductions in professional services, administration, and travel and training budgets. This adjustment represents the Drainage and Wastewater Fund's portion of this departmental reduction.

Drainage and Wastewater Fund Position Adjustments - (\$226,440) / 1.0 FTE

This adjustment transfers in four positions from the Water Utility to Drainage and Wastewater Utility's Field Operations and Project Delivery branches and creates four new positions in the Field Operations, Project Delivery, and Utility System Management branches in order to meet NPDES permit requirements, the recent EPA Consent Decree in addressing CSO standards, and street inspection staffing needs. To offset the new positions, this adjustment also eliminates seven positions in the Finance and Administration, Field Operations, Project Delivery, and Utility System Management branches. The position reductions include senior-level, represented and non-represented positions, and reduces capacity for water quality planning, real property services, and core support services in the Drainage and Wastewater Utility. SPU does not anticipate noticeable service impacts with this change. In addition, this adjustment converts the status of a term-limited position to permanent status, reflecting SPU's on-going need for the position's GIS duties and assignment in the division.

Education and Outreach Reductions - (\$319,000)

SPU conducts numerous programs aimed at increasing public awareness and knowledge about critical water quality health issues, flood prevention, and the stormwater-related impacts of landscape maintenance and construction practices. In an effort to generate savings, SPU decreases outreach for programs, including Savvy Gardener education and RainWise outreach. SPU also decreases budgets for various water quality education programs, including eliminating the Adopt-a-Drain/Fall Clean program; reducing efforts to minimize the water quality impacts of automotive maintenance, pet waste, and car washing; and reducing funding for K-12 Education, Salmon Homecoming, and storm drain stenciling. Finally, SPU eliminates the wastewater portion of outreach related to leak prevention. SPU will continue various outreach and education programs but at reduced levels.

Common Operating Picture Initiative - \$18,631

This funding provides for the Drainage and Wastewater Fund's portion of expected costs to operate and maintain the Common Operating Picture system being developed by the Seattle Police Department (SPD). The system will be used by SPU, Seattle City Light, Seattle Department of Transportation, Seattle Fire Department, and SPD to coordinate incident response and public safety related events. It will provide the City of Seattle with a real-time tool to manage events such as winter storms, critical emergencies, as well as a variety of major events like Seafair. The system is to be used in daily operations as well as during a major incident response. SPD has the lead role regarding system administration and operational coordination.

Seattle Public Utilities – Drainage and Wastewater

Drainage and Wastewater CIP - (\$28,174,702)

This adjustment revises 2013 funding for the six-year Drainage and Wastewater Fund capital program, relative to the 2013 planned spending shown in the 2012-2017 Adopted CIP. Specifically, compared to the 2012-2017 Adopted CIP, costs for CSO projects are \$9.4 million lower in 2013 and \$19.7 million higher in 2014, due primarily to project schedule changes. In the Flooding, Sewer Backup and Landslides Capital Budget, decreases totaling approximately \$9.6 million in 2013 and \$2 million in 2014 compared to the 2012-2017 Adopted CIP Budget are driven primarily by reductions in the Localized Flood Control Program, the Broadview Long Term Plan, and the Culvert Replacement Program. Additional detail is provided in the 2013-2018 Adopted CIP.

Technology CIP - \$1,549,698

This adjustment increases 2013 funding for the Drainage and Wastewater Fund's portion of the six-year Technology Capital program, relative to the 2013 planned spending shown in the 2012-2017 Adopted CIP. Additional detail is provided in the 2013-2018 Adopted CIP.

Proposed Technical Changes

Taxes Budget Adjustment - \$1,857,924

This technical adjustment provides increased budget authority to pay for forecasted tax costs. The increase better aligns anticipated tax costs based on revised revenue projections consistent with the current drainage and wastewater rate proposal.

Debt Service Budget Adjustment - \$4,406,351

This technical adjustment provides increased budget authority to pay debt service costs. The increase primarily reflects paying debt service on a debt issuance by the Drainage and Wastewater Fund of \$87 million in mid-2012.

Technical Adjustments - \$1,149,311

Technical adjustments in the 2013 Adopted and 2014 Endorsed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Drainage and Wastewater Utility's programs and services. Adjustments include changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; changes to fees charged by SPU's vendor for processing on-line payments; and the shift of labor dollars from the CIP to the O&M budget based on the latest CIP planning.

King County Wastewater Treatment Contract - \$10,642,590

This adjustment reflects an increase in the forecasted cost to SPU in 2013 of the King County Wastewater Treatment Contract. Payments to King County for wastewater treatment are the single largest component of total Drainage and Wastewater Fund operating expense. This change is driven in large part by King County's approval in June 2012 of a 10.2% increase in the 2013 treatment rate.

Seattle Public Utilities – Drainage and Wastewater

City Council Changes

Drainage and Wastewater Cost Efficiencies – (\$590,000)

This adjustment reduces SPU’s budget for legal claims. The adjustment also includes a small reduction in payments made to King County for placing drainage bills on property tax statements, and a reduction in SPU’s City and State tax payments associated with these changes.

City Council Provisos

The City Council adopted the following budget proviso:

- *Of the appropriation in the 2013 budget for the Seattle Public Utilities’ (SPU’s) Other Operating BCL, \$100,000 is appropriated solely to pay for consulting services to identify cost efficiencies at SPU in support of a strategic plan that sets long-term rate growth policy, and may be spent for no other purpose.*

Seattle Public Utilities – Drainage and Wastewater

Expenditure Overview

Appropriations	Summit Code	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Drainage & Wastewater Utility					
Administration Budget Control					
Administration		12,698,544	14,759,318	14,893,122	15,176,069
General and Administrative Credit		-8,011,338	-9,165,778	-9,757,265	-8,927,697
Total	N100B-DW	4,687,206	5,593,540	5,135,857	6,248,372
Combined Sewer Overflows Budget Control Level	C360B	15,327,538	26,887,630	43,834,341	49,201,662
Customer Service Budget Control Level	N300B-DW	6,201,848	7,425,526	7,350,019	7,506,712
Flooding, Sewer Back-up, and Landslides Budget Control Level	C380B	15,418,696	24,186,341	16,710,198	17,201,000
General Expense Budget Control					
Debt Service		38,297,394	41,832,081	43,026,929	45,195,400
Other General Expenses		138,518,474	139,567,179	153,690,645	153,592,672
Taxes		36,031,075	38,235,239	40,771,868	41,226,670
Total	N000B-DW	212,846,944	219,634,499	237,489,442	240,054,742
Other Operating Budget Control					
Field Operations		19,017,473	19,550,762	21,219,706	21,714,559
Pre-Capital Planning & Development		2,125,920	1,551,378	2,246,416	2,281,249
Project Delivery		8,687,893	11,093,977	10,749,154	10,734,544
Utility Systems Management		16,570,705	18,921,042	19,455,810	20,095,072
Total	N400B-DW	46,401,991	51,117,159	53,671,086	54,825,424
Protection of Beneficial Uses Budget Control Level	C333B	3,379,234	4,799,701	5,108,000	5,141,941
Rehabilitation Budget Control Level	C370B	8,878,087	12,622,929	9,190,498	8,770,000
Sediments Budget Control Level	C350B	7,606,066	5,594,648	1,678,965	2,050,342
Shared Cost Projects Budget Control Level	C410B-DW	7,995,177	14,930,876	10,728,360	11,394,835
Technology Budget Control Level	C510B-DW	3,228,713	4,815,426	8,880,280	7,612,800
Division Total		331,971,500	377,608,275	399,777,047	410,007,832
Division Full-time Equivalents Total*		539.50	536.30	539.30	539.30

* 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.

Seattle Public Utilities – Drainage and Wastewater

Revenue Overview

2013 Estimated Revenues

Summit Code	Source	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
408000	Capital Grants and Contributions (excluding donated assets)	7,475,683	4,524,622	1,100,000	1,100,000
	Total Capital Grants/Contributions	7,475,683	4,524,622	1,100,000	1,100,000
443610	Drainage Utility Services	67,580,463	75,128,643	80,429,931	88,863,348
	Total Drainage Rates	67,580,463	75,128,643	80,429,931	88,863,348
443691	Side Sewer Permit Fees	1,030,318	905,125	1,030,318	1,030,318
443694	Drainage Permit Fees	247,935	214,280	247,935	247,935
	Total Fees	1,278,253	1,119,405	1,278,253	1,278,253
543210	GF - Various GIS & Eng Svcs (N4303 & N2418)	0	1,205,361	1,139,072	1,166,569
705000	General Subfund -- Transfer In - - Restore Our Waters	0	0	0	0
705000	GF Reimbursement of Abandoned Vehicles	53,459	0	0	0
	Total General Subfund Support	53,459	1,205,361	1,139,072	1,166,569
437010	Call Center Reimbursement from SCL	1,671,433	1,688,806	1,607,894	1,640,454
443210	GIS CGDB Corporate Support (N2408 and N2418)	1,589,558	1,171,233	1,110,763	1,138,048
543210	GIS Maps & Publications (N2409 and 2419)	9,882	157,619	157,619	157,619
543210	Parks & Other City Depts. (N4405)	72,546	511,053	511,053	511,053
543210	SCL for ReLeaf	0	80,000	132,600	135,653
543210	SCL Fund (N4403)	719,379	339,176	339,176	339,176
543210	SDOT Fund (N4404)	2,456,841	3,570,771	1,934,697	1,962,192
	Total Interfund Services	6,519,639	7,518,659	5,793,802	5,884,195
461110	Build America Bond Interest Income	1,885,646	1,886,000	1,885,646	1,885,646
469990	Other Operating Revenues	85,985	53,349	90,775	93,952
479010	Operating Grants	2,309,750	315,042	841,000	841,000
705000	Technical Adjustments	0	0	0	0
	Total Other Revenues	4,281,381	2,254,391	2,817,420	2,820,598
469990	Transfer from Construction Fund	44,321,166	69,859,976	67,559,000	62,727,000
	Total Transfer from Construction Fund	44,321,166	69,859,976	67,559,000	62,727,000
443510	Wastewater Utility Services	206,643,906	211,886,469	225,819,657	220,092,604

Seattle Public Utilities – Drainage and Wastewater

Total Wastewater Rates		206,643,906	211,886,469	225,819,657	220,092,604
Total Revenues		338,153,950	373,497,525	385,937,137	383,925,946
379100	Decrease (Increase) in Working Capital	-6,182,257	4,110,750	13,839,910	26,081,886
Total Decrease (Increase) in Working Capital		-6,182,257	4,110,750	13,839,910	26,081,886
Total Resources		331,971,693	377,608,275	399,777,047	410,007,832

Seattle Public Utilities – Drainage and Wastewater

Appropriations By Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Drainage and Wastewater Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities and, more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Administration	12,698,544	14,759,318	14,893,122	15,176,069
General and Administrative Credit	-8,011,338	-9,165,778	-9,757,265	-8,927,697
Total	4,687,206	5,593,540	5,135,857	6,248,372
Full-time Equivalents Total*	59.75	59.75	58.75	58.75

** 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.*

The following information summarizes the programs in Administration Budget Control Level:

Administration Program

The purpose of the Drainage and Wastewater Utility Administration Program is to provide overall management and policy direction for Seattle Public Utilities and, more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services to the entire Department.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Administration	12,698,544	14,759,318	14,893,122	15,176,069
Full-time Equivalents Total	59.75	59.75	58.75	58.75

General and Administrative Credit Program

The purpose of the Drainage and Wastewater Utility General and Administrative Credit Program is to eliminate double-budgeting related to implementation of capital projects and equipment depreciation.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
General and Administrative Credit	-8,011,338	-9,165,778	-9,757,265	-8,927,697

Seattle Public Utilities – Drainage and Wastewater

Combined Sewer Overflows Budget Control Level

The purpose of the Drainage and Wastewater Utility Combined Sewer Overflow (CSO) Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan and construct large infrastructure systems, smaller retrofits, and green infrastructure for CSO control.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Combined Sewer Overflows	15,327,538	26,887,630	43,834,341	49,201,662
Total	15,327,538	26,887,630	43,834,341	49,201,662
Full-time Equivalents Total*	30.00	30.00	30.00	30.00

* 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.

Customer Service Budget Control Level

The purpose of the Drainage and Wastewater Utility Customer Service Budget Control Level is to provide customer service in the direct delivery of essential programs and services that anticipate and respond to customer expectations.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Customer Service	6,201,848	7,425,526	7,350,019	7,506,712
Total	6,201,848	7,425,526	7,350,019	7,506,712
Full-time Equivalents Total*	58.50	56.50	56.50	56.50

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Flooding, Sewer Back-up, and Landslides Budget Control Level

The purpose of the Drainage and Wastewater Utility Flooding, Sewer Back-up, and Landslides Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan, design and construct systems aimed at preventing or alleviating flooding and sewer backups in the City of Seattle, protecting public health, safety, and property. This program also protects SPU drainage and wastewater infrastructure from landslides, and makes drainage improvements where surface water generated from City rights-of-way contributes to landslides.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Flooding, Sewer Back-up, and Landslides	15,418,696	24,186,341	16,710,198	17,201,000
Total	15,418,696	24,186,341	16,710,198	17,201,000
Full-time Equivalents Total*	25.00	25.00	25.00	25.00

* 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.

Seattle Public Utilities – Drainage and Wastewater

General Expense Budget Control Level

The purpose of the Drainage and Wastewater Utility General Expense Budget Control Level is to appropriate funds to pay the Drainage and Wastewater Utility's general expenses.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Debt Service	38,297,394	41,832,081	43,026,929	45,195,400
Other General Expenses	138,518,474	139,567,179	153,690,645	153,592,672
Taxes	36,031,075	38,235,239	40,771,868	41,266,670
Total	212,846,944	219,634,499	237,489,442	240,054,742
Full-time Equivalents Total*	0.50	0.50	0.50	0.50

** 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.*

The following information summarizes the programs in General Expense Budget Control Level:

Debt Service Program

The purpose of the Drainage and Wastewater Utility Debt Service Program is to provide appropriation for debt service on Drainage and Wastewater Utility bonds.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Debt Service	38,297,394	41,832,081	43,026,929	45,195,400

Other General Expenses Program

The purpose of the Drainage and Wastewater Utility Other General Expenses Program is to appropriate funds for payment to King County Metro for sewage treatment, and the Drainage and Wastewater Fund's share of City central costs, claims, and other general expenses.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Other General Expenses	138,518,474	139,567,179	153,690,645	153,592,672
Full-time Equivalents Total	0.50	0.50	0.50	0.50

Taxes Program

The purpose of the Drainage and Wastewater Utility Taxes Program is to provide appropriation for payment of city and state taxes.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Taxes	36,031,075	38,235,239	40,771,868	41,266,670

Seattle Public Utilities – Drainage and Wastewater

Other Operating Budget Control Level

The purpose of the Other Operating Budget Control Level is to fund the Drainage and Wastewater Utility's operating expenses for Field Operations, Pre-Capital Planning & Development, Project Delivery, and Utility Systems Management programs.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Field Operations	19,007,928	19,550,762	21,219,706	21,714,559
Pre-Capital Planning & Development	2,125,920	1,551,378	2,246,416	2,281,249
Project Delivery	8,687,893	11,093,977	10,749,154	10,734,544
Utility Systems Management	16,570,705	18,921,042	19,455,810	20,095,072
Total	46,392,445	51,117,159	53,671,086	54,825,424
Full-time Equivalents Total*	261.75	260.55	264.55	264.55

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The following information summarizes the programs in Other Operating Budget Control Level:

Field Operations Program

The purpose of the Drainage and Wastewater Utility Field Operations Program is to operate and maintain drainage and wastewater infrastructure that protects the public's health, and protects and improves the environment.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Field Operations	19,007,928	19,550,762	21,219,706	21,714,559
Full-time Equivalents Total	105.25	105.25	107.25	107.25

Pre-Capital Planning & Development Program

The purpose of the Drainage and Wastewater Utility Pre-Capital Planning & Development Program is to support business case development, project plans, and options analysis for the drainage and wastewater system. This program will capture all costs associated with a project that need to be expensed during its life-cycle, including any post-construction monitoring and landscape maintenance.

Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Pre-Capital Planning & Development	2,125,920	1,551,378	2,246,416	2,281,249

Project Delivery Program

The purpose of the Drainage and Wastewater Utility Project Delivery Program is to provide engineering design and support services, construction inspection, and project management services to Drainage and Wastewater Utility's capital improvement projects and to the managers of drainage and wastewater facilities.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Project Delivery	8,687,893	11,093,977	10,749,154	10,734,544
Full-time Equivalents Total	67.00	67.00	67.00	67.00

Seattle Public Utilities – Drainage and Wastewater

Utility Systems Management Program

The purpose of the Drainage and Wastewater Utility's Utility Systems Management Program is to ensure that each SPU utility system and associated assets are properly planned, developed, operated, and maintained and that asset management principles and practices are applied to achieve established customer and environmental service levels at the lowest life-cycle cost.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Utility Systems Management	16,570,705	18,921,042	19,455,810	20,095,072
Full-time Equivalents Total	89.50	88.30	90.30	90.30

Protection of Beneficial Uses Budget Control Level

The purpose of the Drainage and Wastewater Utility Protection of Beneficial Uses Budget Control Level, a Capital Improvement Program funded by drainage revenues, is to make improvements to the City's drainage system to reduce the harmful effects of stormwater runoff on creeks and receiving waters by improving water quality and protecting or enhancing habitat.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Protection of Beneficial Uses	3,379,234	4,799,701	5,108,000	5,141,941
Total	3,379,234	4,799,701	5,108,000	5,141,941
Full-time Equivalents Total*	15.00	15.00	15.00	15.00

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Rehabilitation Budget Control Level

The purpose of the Drainage and Wastewater Utility Rehabilitation Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to rehabilitate or replace existing drainage and wastewater assets in kind, to maintain the current functionality of the system.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Rehabilitation	8,875,087	12,622,929	9,190,498	8,770,000
Total	8,875,087	12,622,929	9,190,498	8,770,000
Full-time Equivalents Total*	30.00	30.00	30.00	30.00

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Seattle Public Utilities – Drainage and Wastewater

Sediments Budget Control Level

The purpose of the Drainage and Wastewater Utility Sediments Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to restore and rehabilitate natural resources in or along Seattle's waterways.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Sediments	7,606,066	5,594,648	1,678,965	2,050,342
Total	7,606,066	5,594,648	1,678,965	2,050,342
Full-time Equivalents Total*	7.00	7.00	7.00	7.00

* 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.

Shared Cost Projects Budget Control Level

The purpose of the Drainage and Wastewater Utility Shared Cost Projects Budget Control Level, a Drainage and Wastewater Capital Improvement Program, is to implement the Drainage and Wastewater Utility's share of capital improvement projects that receive funding from multiple SPU funds benefiting the Utility.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Shared Cost Projects	7,995,177	14,930,876	10,728,360	11,394,835
Total	7,995,177	14,930,876	10,728,360	11,394,835
Full-time Equivalents Total*	39.00	39.00	39.00	39.00

* 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.

Technology Budget Control Level

The purpose of the Drainage and Wastewater Utility Technology Budget Control Level, a Capital Improvement Program, is to make use of recent technology advances to increase the Drainage and Wastewater Utility's efficiency and productivity.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Technology	3,228,713	4,815,426	8,880,280	7,612,800
Total	3,228,713	4,815,426	8,880,280	7,612,800
Full-time Equivalents Total*	13.00	13.00	13.00	13.00

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Seattle Public Utilities – Drainage and Wastewater

Drainage & Wastewater Fund Table (44010)

	2011 Actuals	2012 Adopted	2012 Revised	2013 Adopted	2014 Endorsed
Operating Cash at End of Previous Year	29,482,839	21,285,158	29,482,839	29,034,679	21,081,886
Plus: Actual and Estimated Revenue	338,153,950	373,497,525	355,617,677	385,937,137	383,925,946
Less: Actual and Budgeted Expenditures	331,971,693	377,608,275	377,608,275	399,777,047	410,007,832
CIP Accomplishment Assumptions	0	(9,383,755)	(9,383,755)	(14,419,596)	(10,137,258)
Accounting and Technical Adjustments	(6,182,257)	(15,858,163)	12,158,684	(8,532,480)	6,132,156
Ending Operating Cash	29,482,839	10,700,000	29,034,679	21,081,886	11,269,414