**SEATTLE CITY COUNCIL / OPERATING BOARD / INDIVIDUAL UTILITIES**

**ROLES, TIMING AND NOTIFICATION PROCESSES**

**Operating Board Meeting - April 7, 2016**

**Background**: At an Operating Board meeting in early 2015, the Board made a request to better understand the role and timing of topics that occur between the Operating Board and Seattle City Council. Below are action items that occur between these entities and individual Utilities on a yearly, or every 3 or 6 year basis.

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| **\*Topic** | **Seattle Public Utilities (SPU) Role** | **Operating Board (OB)Role** | **Seattle City Council (Council) Role** | **Timing/Notification to Operating Board**  | **Timing/Notification to Seattle City Council** | **SPU/Individual Utilities Role/Notification** |
| Regional 6-year Capital Facilities Plan (CFP)  | SPU develops and implements CFP | Reviews & Comments | Authorizes CFP | * Yearly OB review - April through June
* Any OB comments are submitted to SPU by June 30th.

 *(SPU has 90 days to respond)** OB is notified of Council decision - December OB meeting
 | * SPU submits CFP to the Mayor’s office typically by July 1st
* Mayor’s Office submits to Council by September 30th
* Council votes on CFP budget by November 30th.

*(The 1st year of every CFP budget is adopted by Council and the following 5 years are endorsed)* | NA |
| Wholesale Rates\*\* | SPU develops and implements | Reviews rate proposal &provides input on the selection of the Rate Consultant | Authorizes Wholesale Rates | * Current practice – OB is given an early review of rate study every three years *(Note: these reviews are not contractually required to be performed)*
* Rate Consultant presents their review of SPU proposed rate study – *generally* at a July OB meeting
* Formal transmittal of SPU’s rate study to OB generally occurs at the September meeting.
* OB notified of Council’s vote at December OB meeting
 | * An early review is done by Council *generally* in April of year the rates are adopted
* SPU submits final rate study results to Council by September 30th
* By November 30th Council votes to approve or oppose rates \*
 | * A notice of the intent to change rates is sent to each Utility 120 days prior to the effective date.
* The Rate Consultant Report is due to each Utility 30 days prior to the submittal of the *proposed* rate adjustment to the OB.
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| New Supply Cost Recovery*(i.e., regional conservation program )* | SPU develops options for the recovery through Facility Charges or Rates and implements the process | OB authorizes the cost recovery through rates or facility charges *(currently -facility charges)* | Council authorizes the new rates or facility charges | * OB is notified the year prior to a new facility before it is added to the New Supply Cost Pool
* OB determines how the new supply cost facility will be allocated, i.e., to facility charges or rates

*\*\*\*Timing varies - e.g., In 2013, the OB adopted an every 5 year (2014-2018) review period where conservation as a new supply cost facility will continue to be paid from Facility Charges instead of rates.**However, contractually the OB has the authority to change the number of years they review how a New Supply is paid for (i.e., facility charges or rates) at any time* | * Council’s authorization period is determined by the timing set by the OB *(see column to left)*.
 | * Both Utilities and SPU pay facility charges *(based on their reported ERUs)* on a monthly basis when applicable.
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| **\*Topic** | **Seattle Public Utilities (SPU) Role** | **Operating Board (OB)Role** | **Seattle City Council (Council) Role** | **Timing/Notification to Operating Board**  | **Timing/Notification to Seattle City Council** | **SPU/Individual Utilities Role** |
| Regional Conservation Programs(aka: Saving Water Partnership) | SPU develops and implements regional conservation programs | OB sets and adopts conservation targets and measures | Council approves the Regional Conservation Program budget and the SPU Water Use Efficiency Goal *(Both the goal and the programs are set in conjunction with Seattle’s 6-year Water System Plan)*  | * The Water Use Efficiency Goal and the direction of the Regional Conservation programs are defined and established every 6 years by the OB\*\*\*\*
* The next OB review period will begin in late 2016 for the 2019-2024 goal period
* OB is notified the month following Council’s and DOH’s approval of SPU’s Water System Plan
 | * Council approves the Water System Plan to include the regional conservation program budget and the Water Use Efficiency Goal *(generally by November 30th of the affected year)*\*\*\*
* Next *tentative* approval date: November 30th, 2018.
 | * Each Utility is required to adopt the Water Use Efficiency goal for its own Utility
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| SPU Water System Plan  | SPU develops plan  | Current practice is for the OB to review the key elements as the plan is being developed  | Council approves SPU’s Water System Plan | * OB and Public comment period occurs prior to submittal to Council
* OB is notified of final Water System Plan prior to submittal to King County and DOH/Notification timing varies\*\*\*
* OB notified the month following Council and DOH approvals
 | * Every 6 years \*\*\*\*
 | * Each Utility is required to submit their own WSP’s to DOH and King County.
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\* *Note: Not all aspects of the Full, Partial or Block contracts regarding the role between the OB and City Council are listed in this matrix. Included above are only topics that occur most frequently.*

*\*\*Timing shown in table assumes new rates go into effect starting January of the following year, and cover the next three years. Note: Wholesale Rates can be set by Council at any time within five years of the completion of a cost of service study. Notification of approval (or disapproval) of rates could occur as soon as the month following month Council approval.*

*\*\*\* No set timing is contractually required - timing on notification may vary due to when decisions are made and when legislation can get before council.*

\*\*\*\**Timing may change to every 10 years depending on outcomes of DOH rule-making for Group A planning regulations under WAC 246-290.*