

Seattle Public Utilities

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Department Overview

Seattle Public Utilities (SPU) provides Drainage and Wastewater, Solid Waste, and Water and general cleaning services to the City of Seattle and additional contracted service areas.

The **Drainage and Wastewater Line of Business** collects and disposes or discharges storm runoff and wastewater from residences, businesses, institutions, and public properties. It also works with other government agencies and private parties to address Federal EPA-mandated sediment cleanup projects where contamination is linked to storm water or sewage.

The **Solid Waste Line of Business** collects and processes recycling, compostable, and residential and commercial waste. Assets include two transfer stations, two household hazardous waste facilities, a fleet of trucks and heavy equipment, and several closed landfills. Solid Waste also manages third-party contracts for collection of household refuse, compostable material, and recyclables. It also manages environmental sustainability programs that promote recycling, composting, and reducing waste generation.

The **Water Line of Business** provides reliable, clean, and safe water to more than 1.5 million customers in and around Seattle for consumption and other uses. This line of business directly provides water to customers in Seattle and adjacent areas and provides water wholesale to 21 suburban water utilities and interlocal associations for distribution to their customers. Assets include over 1,900 miles of pipeline, 30 pump stations, two primary water treatment plants, 11 booster chlorination facilities, three groundwater wells and over 103,000 acres in two watersheds. The Water division also engages the community in conservation efforts to reduce water consumption.

SPU also provides **general cleaning services** to the City. This includes General Fund supported work, much of it under the Clean City Program, providing services like litter abatement, hygiene and sanitation services for the unsheltered, graffiti removal, and actions to address illegal dumping and abandoned vehicles.

Each line of business manages distinct capital improvement programs and maintains independent revenue sources based on distinct residential and commercial utility rates. Together, they benefit from shared administration, operations, and coordinated programming through SPU's shared structure.

Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
Department Support				
General Fund Support	19,738,741	27,256,402	28,150,327	26,705,037
Other Funding - Operating	948,657,021	1,013,826,351	1,050,339,877	1,126,202,449
Total Operations	968,395,762	1,041,082,753	1,078,490,204	1,152,907,487
Capital Support				
Other Funding - Capital	249,147,220	377,847,975	368,265,963	427,785,127
Total Capital	249,147,220	377,847,975	368,265,963	427,785,127
Total Appropriations	1,217,542,982	1,418,930,728	1,446,756,167	1,580,692,614

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Full-Time Equivalents Total*	1,479.81	1,495.30	1,499.30	1,506.80
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** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here*

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Incremental Budget Changes

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	2024 Budget	FTE
Total 2024 Endorsed Budget	1,446,756,167	1495.30
Baseline		
Baseline Adjustments	(1,033,819)	-
Positions Approved in 2024 Endorsed Budget	-	4.00
Technical and Standard Cost Changes	73,297,441	-
Additional Technical and Standard Cost Changes	2,548,905	-
Proposed Operating		
Position Add for Facilities Asset Management	-	1.00
Staffing for Public Hygiene Program	-	3.00
Position Add for SPU Human Resources	53,994	0.50
Trees for Neighborhoods Program Expansion	350,000	-
Position Adds for Duwamish Valley Resilience Work	1,126,200	3.00
Proposed Capital		
Water Fund Capital Changes	13,001,310	-
Drainage and Wastewater Fund Capital Changes	29,397,344	-
Solid Waste Fund Capital Improvements	14,496,510	-
Shared Technology Capital Changes	2,624,000	-
Proposed Technical		
SPU Revenues	-	-
Use of Fund Balance	-	-
Council		
SPU-OED Funding Shift for Chinatown-International District Cleaning	(400,000)	-
SCERS Contribution Rate Change	(1,525,438)	-
Total Incremental Changes	\$133,936,447	11.50
Total 2024 Adopted Budget	\$1,580,692,614	1506.80

Description of Incremental Budget Changes

	<u>Baseline</u>
Baseline Adjustments	
Expenditures	\$(1,033,819)

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This item makes baseline adjustments to Seattle Public Utilities' labor budget, removing erroneous ongoing General Fund appropriations.

Positions Approved in 2024 Endorsed Budget

Position Allocation 4.00

This item formally adds position authority for four full-time positions added in the 2024 Endorsed. These positions include: 1.0 Aquatic Resources Specialist in Water Planning and Program Management; 1.0 Cultural and Historic Resource Specialist in Watershed Management; 1.0 for Logistics Management, and 1.0 for Ship Canal Water Quality Project Operations.

Technical and Standard Cost Changes

Expenditures \$73,297,441

This item provides new appropriations for the Water Fund, Drainage and Wastewater Fund, Solid Waste Fund, and General Fund for a net increase of approximately \$73.3 million in 2024. These increases cover: revised projections for tax payments, debt service costs, and major service contract; increases for citywide indirect costs; labor and other inflationary adjustments. These changes are consistent with the adopted 2021-2026 SPU Strategic Business Plan as well as current rate ordinances and adopted Water Rates for 2024-26.

Additional Technical and Standard Cost Changes

Expenditures \$2,548,905

This item makes additional labor-related changes to the SPU budget. Actions include adjustments related to reallocated positions and adding additional appropriation to cover newly negotiated labor agreements.

Proposed Operating

Position Add for Facilities Asset Management

Expenditures -
Position Allocation 1.00

This item provides position authority to SPU for one full-time employee, a Strategic Advisor 2, for the Facilities Asset Management Program. This body of work is currently supported by temporary staffing. No new appropriation authority is required. The person hired into this position will lead implementation of SPU's Workforce Facilities Master Plan, including coordination with business groups and project managers, performance evaluation, and financial reporting.

Staffing for Public Hygiene Program

Expenditures -
Position Allocation 3.00

This item provides Seattle Public Utilities position authority for three full-time employees (FTEs) for the Public Hygiene Program, which provides shower trailers, portable toilets, and handwashing stations to serve the unhoused. No new appropriations are required. This body of work is currently performed by temporary staffing. Positions being added comprise a Senior Capital Projects Coordinator and two Maintenance Laborers. These positions will sunset at the end of 2026, in order to allow City policymakers the opportunity to evaluate ongoing needs for this body of work.

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Position Add for SPU Human Resources

Expenditures	\$53,994
Position Allocation	0.50

This item adds a position authority for a half-pocket to SPU for SPU Human Resources. Together with an existing half-pocket, this action will allow SPU to hire a full-time Assistant Management Systems Analyst. This position will serve as a training coordinator and videographer. This change will require an additional \$53,994 in operating appropriation authority, split between the Water, Drainage and Wastewater, and Solid Waste Funds.

Trees for Neighborhoods Program Expansion

Expenditures	\$350,000
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This change adds \$350,000 in General Fund appropriation authority to SPU for the Trees for Neighborhoods program. The Trees for Neighborhoods program works with residents across Seattle to plant trees around residential homes and schools. This one-time program expansion will support the growth of urban tree canopy cover, especially in high-heat neighborhoods, to improve public health, climate resilience, equity, and neighborhood cohesion across Seattle. Funding will be used to increase the number of trees planted through the Trees for Neighborhoods program by 300 to 1,300 in 2024; to explore establishment of a tree nursery for the program; and develop local workforce opportunities in arboriculture.

Position Adds for Duwamish Valley Resilience Work

Expenditures	\$1,126,200
Position Allocation	3.00

This item provides \$1,126,200 in appropriation authority to SPU in the Drainage and Wastewater Fund for three full-time Strategic Advisor 3 positions. These positions will sunset at the close of 2026. These actions are intended to address sea level rise adaptation and flood risks in Duwamish River communities like South Park. The need to accelerate planning efforts for the area was highlighted by the December 2022 King Tide flooding event.

These positions will enable SPU to lead Citywide flood response, infrastructure, and climate adaptation work in the region. These efforts will build on SPU's existing and planned drainage and sewer investments in the area. The positions added through this action will lead Capital Improvement Plan implementation for newly identified and currently planned investments, coordinate funding strategy with outside entities and potential funders, and collaborate with the Duwamish Valley Interdepartmental Team (IDT). These positions will also work directly with the Office of Sustainability and Environment (OSE) and the Office of Planning and Community Development (OPCD).

Proposed Capital

Water Fund Capital Changes

Expenditures	\$13,001,310
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This item adds \$13,001,310 in capital budget authority to SPU for the Water Fund Core and Shared Capital Improvement Plan (CIP). The primary focus is on asset management for distribution and transmission pipes, water system impacts associated with the various Seattle and regional transportation projects, and upgrades to water system facilities such as hydrants and dam safety improvements. For more, please see the Adopted 2024-2029 Capital Improvement Plan.

Drainage and Wastewater Fund Capital Changes

Expenditures	\$29,397,344
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This item adds \$29,397,344.00 in capital budget authority to SPU for the Drainage and Wastewater Fund Core and Shared Capital Improvement Plan (CIP). These changes reflect updated project scopes and timelines on projects related to Seattle's drainage and sewer systems. For more, please see the Adopted 2024-2029 Capital Improvement Plan.

Solid Waste Fund Capital Improvements

Expenditures \$14,496,510

This item adds \$14,496,510 in capital budget authority to SPU for the Solid Waste Fund Core and Shared Capital Improvement Plan (CIP). Increases are driven by planned options analyses for proposed transfer station maintenance projects, such as rebuilding the South Transfer tipping floor, installing new compactors at North Transfer and system improvements to meet regulatory requirements at both stations. Delays have also shifted work associated with the South Park Landfill project from 2023 to 2024. For more, please see the Adopted 2024-2029 Capital Improvement Plan.

Shared Technology Capital Changes

Expenditures \$2,624,000

This item increases appropriation authority for SPU by \$2,624,000 across the Water, Solid Waste, and Drainage and Wastewater Funds for shared technology capital improvements. Key projects include Customer Contact and Billing projects, as well as various internal enterprise technology solutions for SPU. For more, please see Adopted 2024-2029 Capital Improvement Plan (CIP).

Proposed Technical

SPU Revenues

Revenues \$(5,339,615)

This item adjusts 2024 revenues to align with updated projections for 2024.

Use of Fund Balance

Revenues \$123,996,972

This technical item accounts for the use of fund balance in balancing revenues against expenditures.

Council

SPU-OED Funding Shift for Chinatown-International District Cleaning

Expenditures \$(400,000)

This item reduces General Fund appropriations in SPU by \$400,000. This reduces funding for SPU Clean City programming. In its place, this action adds \$400,000 in General Fund to the Office of Economic Development (OED) for expanded cleaning services in the Chinatown-International District (CID). This provides funding for an additional year of cleaning services first covered by OED under a proviso in the 2023 mid-year supplemental budget ordinance.

For more, please see OED's Budget Book section.

SCERS Contribution Rate Change

Expenditures \$(1,525,438)

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The City's employee retirement system, the Seattle City Employees Retirement System (SCERS), of which most non-uniformed City employees are members, is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings.

The employer portion of the SCERS contribution is funded through the annual budget process as a percentage of salaries based on several factors including reports from the contracted actuary and the City's long-range financial forecasts. The Mayor's 2024 Proposed Mid-Biennial Budget included an employer contribution rate of 16.22%, which was determined prior to the actuary's recommendation but provided for long-term "smoothing" given the City's long-term financial challenges.

This item reduces the employer contribution rate from the proposed rate of 16.22% to the SCERS minimum actuarial required rate of 15.17%, which was determined to provide sufficient funding to the retirement system to achieve 100% funded status by 2042.

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2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Combined Sewer Overflows	44010 - Drainage and Wastewater Fund	94,588,146	17,178,962	111,767,108
Combined Sewer Overflows Total		94,588,146	17,178,962	111,767,108
Distribution	43000 - Water Fund	51,239,400	-7,179,326	44,060,074
Distribution Total		51,239,400	-7,179,326	44,060,074
Flooding, Sewer Backup & Landslide	44010 - Drainage and Wastewater Fund	12,657,299	-454,497	12,202,802
Flooding, Sewer Backup & Landslide Total		12,657,299	-454,497	12,202,802
General Expense	00100 - General Fund	2,135,809	155,191	2,291,000
	43000 - Water Fund	153,291,760	-1,487,804	151,803,956
	44010 - Drainage and Wastewater Fund	346,357,707	13,927,303	360,285,009
	45010 - Solid Waste Fund	182,542,031	64,811,083	247,353,115
General Expense Total		684,327,307	77,405,772	761,733,080
Habitat Conservation Program	43000 - Water Fund	998,778	2,687,445	3,686,223
Habitat Conservation Program Total		998,778	2,687,445	3,686,223
Leadership and Administration	43000 - Water Fund	66,029,827	1,538,987	67,568,815
	44010 - Drainage and Wastewater Fund	83,685,922	-8,000,246	75,685,676
	45010 - Solid Waste Fund	17,394,128	2,093,006	19,487,134
Leadership and Administration Total		167,109,877	-4,368,252	162,741,625
New Facilities	45010 - Solid Waste Fund	8,777,476	15,384,494	24,161,970
New Facilities Total		8,777,476	15,384,494	24,161,970
Protection of Beneficial Uses	44010 - Drainage and Wastewater Fund	30,404,947	6,278,431	36,683,378
Protection of Beneficial Uses Total		30,404,947	6,278,431	36,683,378
Rehabilitation	44010 - Drainage and Wastewater Fund	50,337,738	10,911,996	61,249,734
Rehabilitation Total		50,337,738	10,911,996	61,249,734
Rehabilitation & Heavy Equipment	45010 - Solid Waste Fund	1,800,000	460,000	2,260,000
Rehabilitation & Heavy Equipment Total		1,800,000	460,000	2,260,000
Sediments	44010 - Drainage and Wastewater Fund	11,115,291	-381,289	10,734,002
Sediments Total		11,115,291	-381,289	10,734,002
Shared Cost Projects	43000 - Water Fund	47,882,713	-3,289,540	44,593,173
	44010 - Drainage and Wastewater Fund	23,534,923	-4,136,259	19,398,664
	45010 - Solid Waste Fund	3,597,235	-1,347,984	2,249,251
Shared Cost Projects Total		75,014,871	-8,773,783	66,241,088
Technology	43000 - Water Fund	4,221,000	1,102,080	5,323,080
	44010 - Drainage and Wastewater Fund	4,821,500	628,320	5,449,820
	45010 - Solid Waste Fund	1,507,500	893,600	2,401,100
Technology Total		10,550,000	2,624,000	13,174,000
Transmission	43000 - Water Fund	13,625,338	-103,066	13,522,272
Transmission Total		13,625,338	-103,066	13,522,272

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Utility Service and Operations	00100 - General Fund	26,014,518	-1,600,481	24,414,037
	14000 - Coronavirus Local Fiscal Recovery Fund	0	0	0
	43000 - Water Fund	76,257,445	3,608,567	79,866,012
	44010 - Drainage and Wastewater Fund	82,955,646	363,224	83,318,870
	45010 - Solid Waste Fund	41,825,410	-991,547	40,833,863
Utility Service and Operations Total		227,053,019	1,379,763	228,432,782
Water Quality & Treatment	43000 - Water Fund	1,974,993	4,475,296	6,450,289
Water Quality & Treatment Total		1,974,993	4,475,296	6,450,289
Water Resources	43000 - Water Fund	4,856,686	11,849,502	16,706,188
Water Resources Total		4,856,686	11,849,502	16,706,188
Watershed Stewardship	43000 - Water Fund	325,000	4,560,999	4,885,999
Watershed Stewardship Total		325,000	4,560,999	4,885,999
Grand Total		1,446,756,167	133,936,447	1,580,692,614