

Seattle Public Utilities

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Department Overview

Seattle Public Utilities (SPU) provides reliable, efficient and environmentally conscious utility services to enhance the quality of life and livability in all communities SPU serves. SPU operates three distinct utilities: Drainage and Wastewater, Solid Waste, and Water. The three utilities each have unique revenue sources and capital improvement projects but share many operations and administration activities within SPU and the City.

Drainage and Wastewater: The Drainage and Wastewater Utility collects and disposes or discharges storm runoff and wastewater from residences, businesses, institutions, and public properties within the City. In addition to handling sewage and storm water runoff, Drainage and Wastewater 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, such as Gas Works Park and the Lower Duwamish Waterway. Drainage and Wastewater systems include approximately 448 miles of separated sanitary sewers, 968 miles of combined sewers, 481 miles of storm drains, 67 pump stations, 82 permitted combined sewer overflow points, 591 storm drain outfalls, 578 water quality structures, 295 drainage flow control facilities, and 38 combined sewer overflow control detention tanks and pipes.

Solid Waste: The Solid Waste Utility collects and processes recycling, compostable, and residential and commercial garbage to promote public health and safety, quality of life, and environmental stewardship. The City owns and operates two transfer stations, two household hazardous waste facilities, a fleet of trucks and heavy equipment, and several closed landfills. The Solid Waste Capital Improvement Plan (CIP) supports the transfer stations, heavy equipment, and post-closure projects on landfills previously used by the City. In addition, SPU contracts with private companies who collect household refuse, compostable material, and recyclables. The companies deliver the material to recycling and composting facilities and to transfer stations for its ultimate processing or disposal. In concert with its waste handling and disposal activities, Solid Waste engages its customers in environmental sustainability programs that promote recycling, composting, and reducing waste generation. Solid Waste also works to keep Seattle clean by targeting illegal dumping and automobile abandonment, graffiti removal, and providing public litter cans and recycling bins across Seattle.

Water: The Water Utility provides reliable, clean, and safe water to more than 1.5 million customers in and around Seattle for consumption and other uses. The water delivery system extends from Edmonds to Des Moines and from Puget Sound to Lake Joy near Duvall. SPU delivers water directly to its customers in Seattle and adjacent areas and provides wholesale water to 21 suburban water utilities and interlocal associations for distribution to their customers. The Water Utility includes 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 Utility builds, operates, and maintains the City's water infrastructure to ensure system reliability, to conserve and enhance the region's environmental resources, and to protect public health and safety. SPU engages the community in conservation efforts to reduce water consumption.

SPU monitors its funds using Council-adopted financial performance metrics developed in advisement with external financial advisors. These metrics include net income, cash balances, cash contributions to CIP, debt service coverage (a measure of revenue available to fulfill annual debt service obligations), and, for the Drainage and Wastewater Fund, debt to asset ratio. Based on these metrics, among other factors, rating agencies have assigned all three of the funds with strong, investment grade bond ratings in line with peer west coast utilities, noting specifically elected officials' commitment to sound financial management and a history of adopting prudent rates. Water bonds are rated AA+ and Aaa, Drainage and Wastewater bonds are rated AA+ and Aa1, and Solid Waste bonds are rated AA+ and Aa3 by S&P and Moody's, respectively. Strong ratings help to minimize borrowing costs and, in turn, customers' bills into the long-term.

Seattle Public Utilities

Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Proposed
Department Support				
General Fund Support	19,738,741	27,256,402	28,150,327	27,134,195
Other Funding - Operating	948,657,021	1,013,826,351	1,050,339,877	1,127,698,729
Total Operations	968,395,762	1,041,082,753	1,078,490,204	1,154,832,924
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	1,582,618,052
Full-Time Equivalents Total*	1,472.80	1,495.30	1,499.30	1,506.80

* 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

Seattle Public Utilities

Incremental Budget Changes

Seattle Public Utilities

	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 Revenue Budgets	-	-
Use of Fund Balance	-	-
Total Incremental Changes	\$135,861,885	11.50
Total 2024 Proposed Budget	\$1,582,618,052	1506.80

Description of Incremental Budget Changes

Baseline

Baseline Adjustments

Expenditures \$(1,033,819)

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

Seattle Public Utilities

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 proposed 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.

Position Add for SPU Human Resources

Expenditures \$53,994
Position Allocation 0.50

Seattle Public Utilities

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

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 would be made available to increase the number of trees planted through the Trees for Neighborhoods program by 300 to 1,300 in 2024; to establish 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

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 Proposed 2024-2029 Capital Improvement Plan.

Drainage and Wastewater Fund Capital Changes

Expenditures \$29,397,344

This item adds \$29,397,344 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 Proposed 2024-2029 Capital Improvement Plan.

Seattle Public Utilities

Solid Waste Fund Capital Improvements

Expenditures \$14,496,510

This item adds \$14,496,510 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 Proposed 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 Proposed 2024-2029 Capital Improvement Plan (CIP).

Proposed Technical

SPU Revenue Budgets

Revenues \$(5,339,615)

This item budgets projected 2024 revenues for SPU.

Use of Fund Balance

Revenues \$125,493,252

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

Seattle Public Utilities

2023-24 Proposed Mid-Biennial Budget Adjustment - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Proposed Changes	Grand Total
General Expense	00100 - General Fund	2,135,809	155,191	2,291,000
	43000 - Water Fund	153,291,760	-1,484,848	151,806,913
	44010 - Drainage and Wastewater Fund	346,357,707	13,927,303	360,285,009
	45010 - Solid Waste Fund	182,542,031	64,812,269	247,354,300
General Expense Total		684,327,307	77,409,915	761,737,222
Leadership and Administration	43000 - Water Fund	66,029,827	1,779,165	67,808,992
	44010 - Drainage and Wastewater Fund	83,685,922	-7,742,390	75,943,532
	45010 - Solid Waste Fund	17,394,128	2,172,945	19,567,073
Leadership and Administration Total		167,109,877	-3,790,280	163,319,597
Utility Service and Operations	00100 - General Fund	26,014,518	-1,171,323	24,843,195
	14000 - Coronavirus Local Fiscal Recovery Fund	0	0	0
	43000 - Water Fund	76,257,445	3,991,055	80,248,500
	44010 - Drainage and Wastewater Fund	82,955,646	748,925	83,704,572
	45010 - Solid Waste Fund	41,825,410	-845,572	40,979,838
Utility Service and Operations Total		227,053,019	2,723,086	229,776,105
Grand Total		1,078,490,204	76,342,720	1,154,832,924