

Seattle Public Utilities

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Department Description

Seattle Public Utilities (SPU) is comprised of three major direct-service providing utilities: the Water Utility, the Drainage & Wastewater Utility, and the Solid Waste Utility. The Water Utility provides more than 1.3 million customers in King County with a reliable water supply; the Drainage & Wastewater Utility collects and disposes of sewage and stormwater; and the Solid Waste Utility collects and disposes of recycling, yard waste, and residential and commercial garbage. All three utilities strive to operate in a cost-effective, innovative and environmentally responsible manner. SPU also houses the Engineering Services line of business, which serves both City departments and outside agencies, providing efficient, customer-oriented engineering services that assist clients with replacing, improving, and expanding facilities with the least possible disruption to the community.

Proposed Policy and Program Changes

SPU's 2004 Proposed Budget continues to provide funding for services that benefit customers in a variety of ways, while achieving new efficiencies in providing those services. Investments in basic infrastructure and operations will enable SPU to continue to provide reliable and high quality water to customers, manage stormwater and wastewater properly, and safely maintain closed landfills. At the same time, the 2004 Proposed Budget includes significant reductions in the operating budget for each of SPU's lines of business, which will help to reduce the need for future rate increases but not adversely impact customer and environmental service levels. Each utility line of business is discussed briefly below.

In order to provide the investments required to maintain a high level of service while reducing the demand for future rate increases, SPU has adopted an Asset Management approach for selecting which capital projects to build. This is essentially an end-result focused approach where only projects that provide greater customer benefit (based on adopted service levels) than their respective costs are allowed to proceed. The approach provides an analytical and modeling framework to find the most economical balance between capital investments and operation and maintenance expenditures so as to minimize life-cycle costs of each of SPU's utility systems. The approach has prompted SPU to drop several capital projects whose costs were higher than their benefits.

As a result of the Asset Management initiative and SPU's efforts to deliver capital improvements at lower cost, the 2004 Proposed Water Capital Improvement Program (CIP) is more than \$7 million lower than the 2004 Endorsed Budget, but still includes funding for reservoir undergrounding and other improvements to the water system. SPU has also made significant reductions in the Water operating and maintenance budget. The Water budget is supported by a system-wide average rate increase of 10.6% in 2004, which was adopted by the City Council in August of 2002.

The Drainage & Wastewater budget provides for continued investments in flood and landslide protection, storm water quality improvements and more efficient maintenance, rehabilitation and replacement of the City's drainage and sewer systems. In developing the budget proposal, SPU cut more than \$2.7 million from its Drainage and Wastewater Fund (DWF) operating budget, and another \$3.5 million from the DWF Capital

Improvement Program (CIP). These cuts reflect SPU's ongoing efforts to make its operations more efficient and to deliver needed capital improvements at lower cost. The budget is supported by a proposed 14% system-wide average rate increase for Drainage and a 8.5% system-wide average rate increase for Wastewater.

The Solid Waste Utility is embarking on a facilities plan to outline major improvements at its transfer stations, and to explore an inter-modal facility and partnerships with neighboring jurisdictions. Funding to begin implementation of the facilities plan in 2004 and make other improvements to the Solid Waste system is expected to require a system-wide rate increase of approximately 3% in mid-2004, whereas the 2004 Endorsed Budget assumed a rate increase of 3% as of January 1, 2004. The 2004 Proposed Budget assumes this mid-year rate increase, which will be submitted to the City Council in early 2004.

Drainage & Wastewater Utility

Appropriations	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Administration Budget Control Level					
Administration Program		7,097,867	6,412,748	6,638,656	7,100,186
General and Administrative Credit		(4,824,658)	(4,368,377)	(3,667,437)	(3,332,437)
Administration Budget Control Level	N100B	2,273,209	2,044,371	2,971,219	3,767,749
Combined Sewer Overflow Budget Control Level					
	C310B	3,931,765	7,671,000	6,866,000	5,961,000
Customer Service Budget Control Level					
	N300B	5,189,516	6,147,356	6,279,644	5,430,494
Drainage Improvements Budget Control Level					
	C330B	(24,054,153)	0	0	0
Flood Control and Local Drainage Budget Control Level					
	C332B	27,687,854	12,601,000	6,335,000	6,501,000
General Expense Budget Control Level					
Debt Service		13,837,494	15,273,139	19,314,207	17,675,961
Other General Expenses		90,284,144	90,401,192	94,262,865	89,392,620
Taxes		15,800,044	17,780,490	18,871,000	17,961,581
General Expense Budget Control Level	N000B	119,921,682	123,454,821	132,448,072	125,030,162
General Wastewater Budget Control Level					
	C320B	3,400,182	4,569,000	6,169,000	2,869,000
Habitat and Sediments Budget Control Level					
	C350B	249,497	359,000	469,000	469,000
Other Drainage CIP Budget Control Level					
	C335B	3,498,086	1,699,000	2,412,000	2,185,000
Other Operating Budget Control Level					
Engineering Services		2,332,792	2,766,172	2,969,070	2,972,650
Field Operations		12,004,014	12,191,490	12,719,253	12,000,701
Resource Management		5,389,650	6,080,789	6,906,185	6,833,777
Other Operating Budget Control Level	N400B	19,726,456	21,038,451	22,594,508	21,807,128

Drainage & Wastewater Utility

Appropriations	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Protection of Beneficial Uses Budget Control Level	C333B	13,249,738	2,253,000	2,398,000	2,398,000
Public Asset Protection Budget Control Level	C334B	6,324,089	2,387,000	4,986,000	3,760,000
Sewer Rehabilitation Budget Control Level	C340B	13,392,539	9,982,000	11,204,000	9,692,000
Shared Cost Projects Budget Control Level	DWW-TBD1	0	4,145,000	2,537,000	3,320,000
Technology Budget Control Level	C510B	3,062,253	2,238,000	1,959,000	4,719,000
Drainage & Wastewater Utility Total		197,852,713	200,588,999	209,628,443	197,909,533

Engineering Services

Appropriations	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Administration Budget Control Level					
Administration Program		2,919,435	3,742,386	3,860,821	3,624,582
General and Administrative Credit		(2,790,576)	(2,899,171)	(2,982,693)	(3,286,693)
Administration Budget Control Level	N100B	128,859	843,215	878,128	337,889
General Expense Budget Control Level					
Other General Expenses		3,318	0	0	0
Taxes		3,201	0	0	0
General Expense Budget Control Level	N000B	6,519	0	0	0
Other Operating Budget Control Level	N400B	7,950,536	8,750,239	8,992,275	8,969,808
Engineering Services Total		8,085,914	9,593,454	9,870,403	9,307,697

Solid Waste Utility

	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Appropriations					
Administration Budget Control Level					
Administration Program		5,238,111	4,917,408	5,057,978	3,886,930
General and Administrative Credit		(106,142)	(534,558)	(503,705)	(503,705)
Administration Budget Control Level	N100B	5,131,969	4,382,850	4,554,273	3,383,225
Customer Service Budget Control Level	N300B	5,796,154	7,146,147	7,306,666	6,778,463
General Expense Budget Control Level					
Debt Service		5,350,001	5,709,141	6,306,113	6,306,113
Other General Expenses		62,573,864	63,064,695	64,619,996	64,480,996
Taxes		18,745,831	16,883,519	17,426,254	17,426,254
General Expense Budget Control Level	N000B	86,669,696	85,657,355	88,352,363	88,213,363
New Facilities Budget Control Level	C230B	(128,631)	1,153,000	3,504,000	5,058,000
Other Operating Budget Control Level					
Engineering Services		292,942	266,586	274,477	128,144
Field Operations		8,186,265	8,230,921	8,469,750	8,042,325
Resource Management		7,703,271	7,000,650	6,961,427	7,571,872
Other Operating Budget Control Level	N400B	16,182,478	15,498,157	15,705,654	15,742,341
Rehabilitation and Heavy Equipment Budget Control Level	C240B	2,125,339	4,414,000	6,023,000	4,746,000
Shared Cost Projects Budget Control Level	SWU-TBD1	0	221,000	170,000	170,000
Technology Budget Control Level	C510B	1,034,704	2,858,000	2,780,000	2,487,000
Solid Waste Utility Total		116,811,709	121,330,509	128,395,956	126,578,392

Water Utility

Appropriations	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Administration Budget Control Level					
Administration Program		12,488,966	11,611,359	11,963,682	10,906,859
General and Administrative Credit		(6,550,815)	(8,745,211)	(8,460,893)	(8,566,893)
Administration Budget Control Level	43000	5,938,151	2,866,148	3,502,789	2,339,966
Bonneville Agreement Budget Control Level					
Bonneville Agreement Budget Control Level	WU-TBD2	0	0	0	2,114,000
Customer Service Budget Control Level					
Customer Service Budget Control Level	N300B	7,902,710	9,166,349	9,385,734	8,985,727
Environmental Stewardship Budget Control Level					
Environmental Stewardship Budget Control Level	C130B	3,008,653	694,000	1,110,000	1,588,000
General Expense Budget Control Level					
Debt Service		49,614,261	52,968,050	59,685,300	57,785,147
Other General Expenses		5,081,777	5,583,660	5,975,954	7,528,253
Taxes		11,597,613	14,080,472	15,619,406	14,566,822
General Expense Budget Control Level	N000B	66,293,651	72,632,182	81,280,660	79,880,222
Habitat Conservation Budget Control Level					
Habitat Conservation Budget Control Level	C160B	7,689,242	8,521,000	8,890,000	11,691,000
Infrastructure Budget Control Level					
Infrastructure Budget Control Level	C110B	31,239,685	33,248,000	41,551,000	29,346,000
Other Agencies Budget Control Level					
Other Agencies Budget Control Level	C120B	3,490,737	3,852,000	2,666,000	3,542,000
Other Operating Budget Control Level					
Engineering Services		2,336,136	2,466,655	2,538,963	2,436,273
Field Operations		23,909,190	25,315,226	27,153,413	25,029,017
Resource Management		7,870,553	8,298,679	8,300,540	7,409,157
Other Operating Budget Control Level	N400B	34,115,879	36,080,560	37,992,916	34,874,447
Shared Cost Projects Budget Control Level					
Shared Cost Projects Budget Control Level	WU-TBD1	0	2,582,000	2,278,000	2,503,000

Water Utility

	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Appropriations					
Technology Budget Control Level	C510B	4,604,398	8,369,000	6,110,000	3,153,000
Water Quality Budget Control Level	C140B	46,035,214	55,118,000	15,355,000	18,484,000
Water Supply Budget Control Level	C150B	(3,093,219)	6,050,000	9,721,000	7,568,000
Water Utility Total		207,225,101	239,179,239	219,843,099	206,069,362
Department Total		529,975,437	570,692,201	567,737,901	539,864,984
Department Full-time Equivalents Total*		1,287.73	1,366.73	1,366.73	1,392.90

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

Resources

General Subfund	2,288,000	2,377,003	2,449,561	2,280,232
Other Funds	527,687,437	568,315,198	565,288,340	537,584,752
Total	529,975,437	570,692,201	567,737,901	539,864,984

Selected Midyear Performance Measures

Deliver solid waste services and programs through a combination of internal planning, municipal operations, contract services, and recycling companies operating in a competitive market

Number of single solid waste collection misses

2002 Year End Actuals: Curbside: 1.19 per 1000; Dumpster: 1.49 per 1000

2003 Midyear Actuals: Curbside: 0.81 per 1000; Dumpster: 0.71 per 1000

2003 Year End Projection: Curbside: 1.0 per 1000; Dumpster: 1.0 per 1000

Citywide recycling rate

2002 Year End Actuals: Data not yet available (2001 year-end result was 38%)

2003 Midyear Actuals: Data not yet available

2003 Year End Projection: 38%

Provide wastewater and drainage services that safeguard public health, control flooding, maintain infrastructure, and protect, conserve, and enhance our local creek, lake, and Puget Sound water resources.

Number of sewer or drainage mainline backups resulting from uncompleted scheduled maintenance

2002 Year End Actuals: 5

2003 Midyear Actuals: 5

2003 Year End Projection: 10

Provide comprehensive, efficient, one-stop customer service that anticipates and fully responds to customer expectations.

Percent of Call Center calls answered within a target time of 60 seconds

2002 Year End Actuals: 66%

2003 Midyear Actuals: 82%

2003 Year End Projection: 80%

Provide our customers with reliable water supply services that safeguard public health, maintain the City's infrastructure, and protect, conserve, and enhance the region's environmental resources.

Percent of unplanned water outages restored within 8 hours

2002 Year End Actuals: 99%

2003 Midyear Actuals: 100%

2003 Year End Projection: 95%

Percent of new water service installations in single family residences installed within 28 calendar days

2002 Year End Actuals: 83%

2003 Midyear Actuals: 91%

2003 Year End Projection: 95%

Number of acute water quality public health incidents per year

2002 Year End Actuals: 0

2003 Midyear Actuals: 0

2003 Year End Projection: 0

Implement 1% water conservation

2002 Year End Actuals: 1.20 mgd

2003 Midyear Actuals: 0.36 mgd

2003 Year End Projection: 1.50 mgd

Drainage & Wastewater Utility

Administration Budget Control Level

Purpose Statement

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 to the entire Department.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Administration Program	7,097,867	6,412,748	6,638,656	7,100,186
General and Administrative Credit	(4,824,658)	(4,368,377)	(3,667,437)	(3,332,437)
TOTAL	2,273,209	2,044,371	2,971,219	3,767,749
Full-time Equivalents Total*	41.32	45.63	45.63	52.63

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Administration: Administration Program

Purpose Statement

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. In concert with changes to budget control levels, the budget procedure for classifying the General and Administrative Credit was changed. Prior to 2003, this credit was double-budgeted; 2003 and 2004 now includes a budget offset.

Program Summary

Reduce funding by \$627,000 as part of a total reduction of \$2.8 million to the 2004 Endorsed Drainage & Wastewater O&M budget. The reduction will result in reduced consultant, contractor, temporary employee, and intern budgets primarily in the Information Technology and Strategic Policy divisions. These reductions are being taken to minimize the 2004 proposed drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Provide \$1.1 million as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Engineering Services Administration Program, Water Utility Administration Program and Solid Waste Utility Administration Program. Of those new positions, seven are shown in the FTE count for the Drainage & Wastewater Utility Administration Program to simplify position list maintenance. This staffing increase results in savings as the Department will reduce its use of contractors, and reduces the Drainage & Wastewater Utility Administration Program budget by \$11,000.

These changes result in a net increase from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$462,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Administration Program	7,097,867	6,412,748	6,638,656	7,100,186
Full-time Equivalents Total*	41.32	45.63	45.63	52.63

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

Drainage & Wastewater Utility

Administration: General and Administrative Credit

Purpose Statement

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

Program Summary

Increase funding by \$335,000 to correct the General & Administrative Credit, reflecting labor reductions in the 2004 Endorsed Budget.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
General and Administrative Credit	(4,824,658)	(4,368,377)	(3,667,437)	(3,332,437)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Combined Sewer Overflow Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Combined Sewer Overflow Budget Control Level (which is a Capital Improvement Program funded by wastewater revenues) is to design and construct facilities to control overflows from the combined drainage and wastewater system.

Program Summary

Reduce funding by \$905,000 due to decisions to delay developing scopes and objectives for some projects. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Combined Sewer Overflow (CSO) Plan Update, CSO Modeling and Assessment and CSO Plan Implementation. The program includes a new placeholder project to fund implementation of unanticipated projects, such as projects resulting from emergencies, unexpected opportunities to partner with other agencies, or regulatory requirements.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Combined Sewer Overflow	3,931,765	7,671,000	6,866,000	5,961,000
Full-time Equivalents Total*	7.71	7.71	7.71	7.71

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Customer Service Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Customer Service Budget Control Level is to provide comprehensive, efficient, one-stop service that anticipates and fully responds to customer expectations.

Program Summary

Reduce funding by \$590,000 as part of a total reduction of \$2.8 million to the 2004 Endorsed Drainage & Wastewater O&M budget. Through productivity improvements, SPU is reducing its temporary employee, intern, and overtime budgets without impacting customer service levels. In conjunction with Seattle City Light, SPU is also eliminating Call Center operations on Saturdays due to the low volumes of calls received on Saturdays. These reductions are being taken to minimize the 2004 proposed drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Reduce funding by \$259,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU's overall budget.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$849,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Customer Service	5,189,516	6,147,356	6,279,644	5,430,494
Full-time Equivalents Total*	57.63	61.60	61.60	61.60

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Drainage Improvements Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Drainage Improvements Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system to address flooding, restore urban creeks, and reduce the risk from landslides.

Program Summary

In the 2003 Adopted Budget, in order to facilitate expenditure tracking and provide improved budget control to the Executive and City Council, this program was replaced by the following DWF Capital Improvement Programs: Flood Control and Local Drainage, Other Drainage, Protection of Beneficial Uses, and Public Asset Protection. Accordingly, no funding is shown for this program for 2003 through 2004.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Drainage Improvements	(24,054,153)	0	0	0
Full-time Equivalents Total*	41.87	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Flood Control and Local Drainage Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Flood Control and Local Drainage Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system to address flooding and provide neighborhood drainage systems.

Program Summary

Increase funding for various existing projects due to revised project schedules, implementation of new project phases or partnership opportunities; add funding for new projects; and reduce funding for other projects. New projects or projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include 3rd Ave NW & NW 107 Street Natural System, Comprehensive Drainage Plan Update, High Point Drainage System, N. 125th Street & Aurora Ave North Storm Drain, Northlake Way Drainage, and Pinehurst Natural Drainage System. The program also includes a new placeholder project to fund implementation of unanticipated projects, such as projects resulting from emergencies, unexpected opportunities to partner with other agencies, or regulatory requirements.

Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Harbor Island - Storm Drain Repair, Jackson Park Detention Phase 2, Norfolk St. & Boeing Access Road Storm Improvements and Salmon Bay Drainage Improvements.

These changes result in a net increase from the 2004 Endorsed Budget to the 2004 Proposed Budget of \$166,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Flood Control and Local Drainage	27,687,854	12,601,000	6,335,000	6,501,000
Full-time Equivalents Total*	0.00	24.70	24.70	24.70

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

General Expense Budget Control Level

Purpose Statement

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.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Debt Service	13,837,494	15,273,139	19,314,207	17,675,961
Other General Expenses	90,284,144	90,401,192	94,262,865	89,392,620
Taxes	15,800,044	17,780,490	18,871,000	17,961,581
TOTAL	119,921,682	123,454,821	132,448,072	125,030,162
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

General Expense: Debt Service

Purpose Statement

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

Program Summary

Reduce funding for debt service payments by \$1.6 million due to lower than expected debt service costs. SPU is now assuming a fixed rate instead of variable rate debt issue in 2004. The expected timing of the issue is such that no debt service will be due until 2005, which accounts for the reduction in interest expense. With a variable rate issue, the department would pay interest starting in the month of the issue.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Debt Service	13,837,494	15,273,139	19,314,207	17,675,961
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

General Expense: Other General Expenses

Purpose Statement

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

Program Summary

Increase funding by \$207,000 for technical adjustments including the following: \$169,000 to correct mistakes made in applying City Council actions taken to reduce the 2004 Endorsed Budget; and \$38,000 to provide for unbudgeted obligations, including a small business development fee, SPU's share of costs for drug and alcohol testing, and Combined Utility Purchase of Services costs based on an agreement between SPU, Seattle City Light, and the Department of Neighborhoods.

Reduce funding by \$5.3 million for King County Metro sewage treatment, due to reduced sewer volume projections.

Provide \$148,000 for implementation of the Right-of-Way (ROW) Management Initiative. The initiative includes six projects: Street Use Permitting Redesign, Utility Coordination Redesign, ROW Manual, On-line Permitting, Coordinated Capital Planning and Citizen ROW Information Access. Seattle Transportation is leading the effort to implement these projects to improve mobility in Seattle's rights-of-way by reducing impacts of pavement openings and minimizing disruption of street and sidewalk closures.

Provide \$52,000 to cover new additional costs in the Department of Planning and Development associated with implementation of House Bill 2088, which requires SPU to provide a 10% drainage rate discount for any new or remodeled commercial buildings that utilize permissive rainwater harvesting systems. SPU will use these funds to reimburse the Department of Planning and Development for its administrative role in implementing the rate discount, including process development, inspection, permitting, documentation and tracking.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$4.9 million.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Other General Expenses	90,284,144	90,401,192	94,262,865	89,392,620
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

General Expense: Taxes

Purpose Statement

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

Program Summary

Reduce funding for payment of city and state taxes by \$909,000. Relative to the 2004 Endorsed Budget, the projection of wastewater demand in 2004 is being revised downward. The reduced demand is projected to result in lower wastewater revenues to SPU and, accordingly, in lower tax payments.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Taxes	15,800,044	17,780,490	18,871,000	17,961,581
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

General Wastewater Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility General Wastewater Budget Control Level (which is a Capital Improvement Program funded by wastewater revenues) is to improve the effectiveness of the City's wastewater system and provide new wastewater service to customers.

Program Summary

Reduce funding by a total of \$3.3 million, to reflect decisions to delay or delete some projects. SPU is putting the water reuse program on hold and dropping the South Park Sewer Extension project. Other projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include the Force Main/Pump Stations Plan and Improvements project and Sanitary Sewer Overflow Capacity Study/Implementation. The program includes a new placeholder project to fund implementation of unanticipated projects, such as projects resulting from emergencies, unexpected opportunities to partner with other agencies, or regulatory requirements.

In the 2004 Proposed Budget, some capital projects have been shifted from this program to a new DWF Shared Cost Projects Program. The expenditures shown below for 2003 Adopted and 2004 Endorsed in this program have been adjusted to reflect these shifts.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
General Wastewater	3,400,182	4,569,000	6,169,000	2,869,000
Full-time Equivalents Total*	8.81	8.81	8.81	8.81

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Habitat and Sediments Budget Control Level

Purpose Statement

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

Program Summary

Reduce funding for Duwamish Sediment Remediation by \$30,000, and use these funds to create a new placeholder project to fund implementation of unanticipated projects, such as projects resulting from emergencies, unexpected opportunities to partner with other agencies, or regulatory requirements.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Habitat and Sediments	249,497	359,000	469,000	469,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Other Drainage CIP Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Other Drainage CIP Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system through partnerships with other agencies, and to fund capital costs such as heavy equipment and projects that improve the efficiency of the overall drainage program.

Program Summary

Reduce funding by a total of \$227,000. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Water Reuse - Stormwater and SDOT 4% Program - Drainage. The program includes a new Geographic Information Systems (GIS) System Enhancements project. The program also includes a new placeholder project to fund implementation of unanticipated projects, such as projects resulting from emergencies, unexpected opportunities to partner with other agencies, or regulatory requirements.

In the 2004 Proposed Budget, some capital projects have been shifted from this program to a new DWF Shared Cost Projects Program. The expenditures shown below for the 2003 Adopted Budget and the 2004 Endorsed Budget in this program have been adjusted to reflect these shifts.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Other Drainage CIP	3,498,086	1,699,000	2,412,000	2,185,000
Full-time Equivalents Total*	0.00	6.71	6.71	6.71

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Other Operating Budget Control Level

Purpose Statement

The purpose of the Other Operating Budget Control Level is to fund the Drainage and Wastewater Utility's operating expenses for Engineering Services, Field Operations, and Resource Management.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Engineering Services	2,332,792	2,766,172	2,969,070	2,972,650
Field Operations	12,004,014	12,191,490	12,719,253	12,000,701
Resource Management	5,389,650	6,080,789	6,906,185	6,833,777
TOTAL	19,726,456	21,038,451	22,594,508	21,807,128
Full-time Equivalents Total*	177.34	206.84	206.84	203.84

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Other Operating: Engineering Services

Purpose Statement

The purpose of the Drainage and Wastewater Utility Engineering Services program is to provide engineering design and support services, construction inspection, and project management services to Drainage and Wastewater Fund capital improvement projects and to the managers of drainage and wastewater facilities.

Program Summary

Reduce funding by \$357,000 as part of a total reduction of \$2.8 million to the 2004 Endorsed Drainage & Wastewater O&M budget, and eliminate 2.0 FTE Civil Eng. Spec, Assistant I positions, and 1.0 FTE Civil Eng. Associate. These reductions eliminate the budget for spot drainage and landslides emergency work. The reductions are being taken to minimize the 2004 proposed drainage rate increase without negatively impacting customer and environmental service levels.

Provide \$260,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

Increase funding by \$101,000 to cover the DWF's share of Engineering Services Fund deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized by charging a 10% surcharge on direct labor for engineering services provided to SPU's external customers. SPU proposes to apply the ESF surcharge to SPU's utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF's fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

There is a net increase from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$4,000.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Engineering Services	2,332,792	2,766,172	2,969,070	2,972,650
Full-time Equivalents Total*	14.43	25.43	25.43	22.43

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Other Operating: Field Operations

Purpose Statement

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.

Program Summary

Reduce funding by \$704,000 as part of a total reduction of \$2.8 million to the 2004 Endorsed Drainage & Wastewater O&M budget. The reduction results in shifting crews from maintenance work to higher priority capital rehabilitation work and reducing equipment purchases. These reductions are being taken to minimize the 2004 proposed drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Reduce funding by \$15,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Accounting for these revisions, there is a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$719,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Field Operations	12,004,014	12,191,490	12,719,253	12,000,701
Full-time Equivalents Total*	123.16	138.66	138.66	138.66

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Other Operating: Resource Management

Purpose Statement

The purpose of the Drainage and Wastewater Utility Resource Management program is to plan and develop programs and capital improvement projects to protect public health, water quality, and habitat; control flooding; and preserve Seattle's environmental resources, including local rivers, lakes, streams, creeks, and the Puget Sound.

Program Summary

Reduce funding by \$486,000 as part of a total reduction of \$2.8 million to the 2004 Endorsed Drainage & Wastewater O&M budget. The reduction results in slightly reduced community outreach efforts pertaining to salmon education, reduced levels of support for the Department's Environmental Management System initiative, and reduced funding for stormwater and water quality program development. Despite these reductions, SPU is continuing to invest a significant amount of resources into its stormwater and water quality program. These reductions are being taken to minimize the 2004 proposed drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Increase funding by \$414,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$72,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Resource Management	5,389,650	6,080,789	6,906,185	6,833,777
Full-time Equivalents Total*	39.75	42.75	42.75	42.75

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Protection of Beneficial Uses Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Protection of Beneficial Uses Budget Control Level (which is 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 water by improving water quality and protecting or enhancing habitat.

Program Summary

Maintain the same funding level as the 2004 Endorsed Budget. However, projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Thornton Creek - Lake City Detention Phase 4, Longfellow Creek - Yancy Street Phase 3 and Taylor Creek Culverts Phase 2. New projects proposed in this program include Fecal Total Maximum Daily Load (TMDL) Feasibility Study, Monitoring System Upgrade, and South Park Water Quality Study. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Beer Sheva Habitat Improvement, Creeks CIP Monitoring & Repair Program, Creekside Erosion Control, Bitter Lake/N. 137th Stormwater and Spokane St. Bridge Salmon Habitat. The program also includes a new placeholder project to fund implementation of unanticipated projects, such as projects resulting from emergencies, unexpected opportunities to partner with other agencies, or regulatory requirements.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Protection of Beneficial Uses	13,249,738	2,253,000	2,398,000	2,398,000
Full-time Equivalents Total*	0.00	5.44	5.44	5.44

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Public Asset Protection Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Public Asset Protection Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system to reduce the risk to City infrastructure from landslides.

Program Summary

Reduce funding by a total of \$1.2 million, due to project scope and schedule changes resulting from asset management review. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Atlas Pl. SW & SW Juneau Landslide Mitigation and Perkins Lane W./W. Ruffner Street Drainage Improvement. Projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include WPA Drains Study & Repair Program and Marine View Drive Landslide Mitigation - North.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Public Asset Protection	6,324,089	2,387,000	4,986,000	3,760,000
Full-time Equivalents Total*	0.00	5.02	5.02	5.02

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Sewer Rehabilitation Budget Control Level

Purpose Statement

The purpose of the Drainage and Wastewater Utility Sewer Rehabilitation Budget Control Level (which is a Capital Improvement Program funded by wastewater revenues) is to repair and replace the City's sewer lines and pump stations.

Program Summary

Reduce funding by a total \$1.5 million to reflect decisions to delay or delete some projects, including putting off several full-line sewer replacement projects. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Point Sewer Pipe Repairs and Sewer Full Line Replacements. Projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include "No Dig" Pipe and Maintenance Hole Rehabilitation. The program includes a new placeholder project to fund implementation of unanticipated projects, such as projects resulting from emergencies, unexpected opportunities to partner with other agencies, or regulatory requirements.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Sewer Rehabilitation	13,392,539	9,982,000	11,204,000	9,692,000
Full-time Equivalents Total*	2.87	2.87	2.87	2.87

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Shared Cost Projects Budget Control Level

Purpose Statement

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

Program Summary

Provide a total of \$3.3 million for existing projects including Alaskan Way Viaduct & Seawall, Seattle Monorail Project, Sound Transit Light Rail, Meter Replacement - Direct Service, Drainage and Wastewater Operations Control Center Upgrade and Facility Improvements. These projects have been moved into this new program from other drainage and wastewater capital programs. Expenditures are shown below as if the program had existed in the 2003 Adopted Budget and 2004 Endorsed Budget.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Shared Cost Projects	0	4,145,000	2,537,000	3,320,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Drainage & Wastewater Utility

Technology Budget Control Level

Purpose Statement

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

Program Summary

Provide \$435,000 to fund an outside vendor to collect detailed impervious surface information by tax parcel data, using photogrammetric techniques and existing orthophotos. The budget also includes funding for internal program management and the incorporation of the new data into the Geographic Information System (GIS). SPU will use the data to analyze and propose alternative drainage rate design structures as part of the 2005 Drainage and Wastewater Rate Proposal. It is estimated that an alternative rate structure based on this data could be implemented sometime between 2005 and 2007, depending on the complexity of the ultimate structure adopted and the length of interim rate cycles.

Other changes include increasing funding for (GIS) Technology Improvements, Customer Service Technology Improvements, and Engineering/CIP Technology Improvements to support engineering and project management, and reducing funding for Business Technology Improvements and Operations Technology Improvements. Within these categories, specific projects receiving funding in the 2004 Proposed Budget include \$1 million in GIS-Infrastructure Management System (IMS) Integrity; a \$804,000 upgrade to BANNER, SPU's billing system; and \$331,000 in Engineering Vault Imaging and Management.

In the 2004 Proposed Budget, some costs have been shifted from this program to a new DWF Shared Cost Projects Program; the expenditures shown below for 2003 Adopted and 2004 Endorsed in this program have been adjusted to reflect this shift.

SPU has also made various revisions to bring the 2004 Proposed Budget for this program into better alignment with the Department's internal management processes. The total difference between the 2004 Endorsed Budget and the 2004 Proposed Budget is an increase of approximately \$2.8 million.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Technology	3,062,253	2,238,000	1,959,000	4,719,000
Full-time Equivalents Total*	5.38	5.38	5.38	5.38

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Engineering Services

Administration Budget Control Level

Purpose Statement

The purpose of the Engineering Services Administration Budget Control Level is to provide core financial, human resource, and information technology services to Seattle Public Utilities, and more specifically, to the Engineering Services Fund.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Administration Program	2,919,435	3,742,386	3,860,821	3,624,582
General and Administrative Credit	(2,790,576)	(2,899,171)	(2,982,693)	(3,286,693)
TOTAL	128,859	843,215	878,128	337,889
Full-time Equivalents Total*	36.12	36.95	36.95	39.95

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Engineering Services

Administration: Administration Program

Purpose Statement

The purpose of the Engineering Services Administration program is to provide core financial, human resource, and information technology services to the entire Department.

Program Summary

Reduce funding by \$146,000 as part of a total reduction of \$222,000 to the 2004 Endorsed Engineering Services O&M budget. The reduction results in reduced consultant, contractor, and temporary employee budgets primarily in the Information Technology division. These reductions are being taken to reduce the Engineering Services Fund deficit more quickly while maintaining high customer and environmental service levels.

Reduce General Fund support for the City's Geographic Information System (GIS) by \$14,000, due to shortfalls in projected General Fund revenues. SPU will reduce mapping and technical desktop services related to disaster management, executive decision support, public access, and GIS support for small departments. Agencies and individuals requesting these services will be required to reimburse SPU for the cost of providing the service.

Reduce funding by \$73,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Drainage and Wastewater Utility Administration Program, Solid Waste Utility Administration Program, and Water Utility Administration Program. Of those new positions, three are shown in the FTE count for the Engineering Services Administration Program to simplify position list maintenance. This staffing increase results in savings as the department will reduce its use of contractors, and reduces the Engineering Services Administration Program budget by \$4,000.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$236,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Administration Program	2,919,435	3,742,386	3,860,821	3,624,582
Full-time Equivalents Total*	36.12	36.95	36.95	39.95

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

Engineering Services

Administration: General and Administrative Credit

Purpose Statement

The purpose of the Engineering Services General and Administrative Credit program is to eliminate double-budgeting related to implementation of capital projects.

Program Summary

Reduce funding by \$304,000 associated with Engineering Services Fund deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized through charging a 10% surcharge on direct labor for engineering services provided to SPU's external customers. SPU proposes to apply the ESF surcharge to SPU's utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF's fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
General and Administrative Credit	(2,790,576)	(2,899,171)	(2,982,693)	(3,286,693)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Engineering Services

General Expense Budget Control Level

Purpose Statement

The purpose of the Engineering Services General Expense Budget Control Level is to provide appropriation to pay the Engineering Services Fund's general expenses.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Other General Expenses	3,318	0	0	0
Taxes	3,201	0	0	0
TOTAL	6,519	0	0	0
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

General Expense: Other General Expenses

Purpose Statement

The purpose of the Engineering Services Other General Expenses program is to provide appropriation for payment of the Fund's share of City Central Costs (SPU's allocation of Executive and Council costs), and other general expenses.

Program Summary

There are no substantive program changes from the 2004 Endorsed Budget. This program contains no funding in 2003-2004, as the Engineering Services Fund is not expected to incur other general expenses in those years.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Other General Expenses	3,318	0	0	0
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

General Expense: Taxes

Purpose Statement

The purpose of the Engineering Services Taxes program is to provide appropriation for payment of city and state taxes.

Program Summary

There are no substantive program changes from the 2004 Endorsed Budget. This program contains no funding, as the Engineering Services Fund does not receive revenues from utility rates and so does not pay state or local utility taxes.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Taxes	3,201	0	0	0
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

Engineering Services

Engineering Services Budget Control Level

Purpose Statement

The purpose of the Engineering Services Budget Control Level in Engineering Services is to provide engineering support and construction inspection services to other City departments and non-City agencies.

Program Summary

Reduce funding by \$76,000 (including a reduction of \$17,000 in General Fund support) as part of a total reduction of \$222,000 to the 2004 Endorsed Engineering Services O&M budget. The reduction results in reduced spending on survey monumentation and minor equipment. These reductions are being taken to reduce the Engineering Services Fund deficit more quickly, while maintaining high customer and environmental service levels.

Reduce funding by \$18,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

Increase funding by \$72,000 to cover the ESF's share of Engineering Services Fund deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized through charging a 10% surcharge on direct labor for engineering services provided to SPU's external customers. SPU proposes to apply the ESF surcharge to SPU's utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF's fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$22,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Engineering Services	7,950,536	8,750,239	8,992,275	8,969,808
Full-time Equivalents Total*	80.20	79.37	79.37	79.37

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Administration Budget Control Level

Purpose Statement

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

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Administration Program	5,238,111	4,917,408	5,057,978	3,886,930
General and Administrative Credit	(106,142)	(534,558)	(503,705)	(503,705)
TOTAL	5,131,969	4,382,850	4,554,273	3,383,225
Full-time Equivalents Total*	32.89	35.64	35.64	41.64

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Administration: Administration Program

Purpose Statement

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

Program Summary

Reduce funding by \$360,000 as part of a total reduction of \$1.6 million to the 2004 Endorsed Solid Waste O&M budget. The reduction results in reduced consultant, contractor, temporary employee, and intern budgets primarily in the Information Technology and Strategic Policy divisions. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$802,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU's overall budget.

Reduce by approximately \$139,000 the transfer from the General Fund to the Solid Waste Fund of solid waste tax revenue allocated for support of the Solid Waste Administration Program, and increase funding from other Solid Waste Fund revenues by a like amount. This change is budget neutral and consistent with Ordinance 120972. The change results from a downward revision in the revenues that solid waste taxes are expected to generate in 2004 relative to the 2004 Endorsed Budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Engineering Services Administration Program, the Drainage and Wastewater Utility Administration Program, and the Water Utility Administration Program. Of those new positions, 6 are shown in the FTE count for the Solid Waste Utility Administration Program to simplify position list maintenance. This staffing increase results in savings as the department will reduce its use of contractors, and reduces the Solid Waste Utility Administration Program budget by \$9,000.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$1.2 million.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Administration Program	5,238,111	4,917,408	5,057,978	3,886,930
Full-time Equivalents Total*	32.89	35.64	35.64	41.64

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

Solid Waste Utility

Administration: General and Administrative Credit

Purpose Statement

The purpose of the Solid Waste Utility General and Administrative Credit program is to eliminate double-budgeting related to implementation of capital projects.

Program Summary

There are no substantive program changes from the 2004 Endorsed Budget.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
General and Administrative Credit	(106,142)	(534,558)	(503,705)	(503,705)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Customer Service Budget Control Level

Purpose Statement

The purpose of the Solid Waste Utility Customer Service Budget Control Level is to provide comprehensive, efficient, one-stop service that anticipates and fully responds to customer expectations.

Program Summary

Reduce funding by \$613,000 as part of a total reduction of \$1.6 million to the 2004 Endorsed Solid Waste O&M budget. Through productivity improvements, SPU is reducing its temporary employee, intern and overtime budgets without impacting customer service levels. In conjunction with Seattle City Light, SPU is also eliminating Call Center operations on Saturdays due to the low volumes of calls received on Saturdays. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Increase funding by \$25,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU's overall budget.

Provide \$60,000 to begin implementation of a series of programs designed to achieve 60% waste reduction and recycling. These programs include expanding the City's curbside recycling collection service to all businesses; banning disposal of recyclable paper, cardboard and yard waste in commercial garbage; banning disposal of recyclables in residential garbage; implementing public place recycling and back yard food waste composting; and implementing commercial and residential waste prevention programs.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$528,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Customer Service	5,796,154	7,146,147	7,306,666	6,778,463
Full-time Equivalents Total*	52.33	54.30	54.30	54.30

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

General Expense Budget Control Level

Purpose Statement

The purpose of the Solid Waste Utility General Expense Budget Control Level is to provide appropriation to pay the Solid Waste Utility's general expenses.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Debt Service	5,350,001	5,709,141	6,306,113	6,306,113
Other General Expenses	62,573,864	63,064,695	64,619,996	64,480,996
Taxes	18,745,831	16,883,519	17,426,254	17,426,254
TOTAL	86,669,696	85,657,355	88,352,363	88,213,363
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

General Expense: Debt Service

Purpose Statement

The purpose of the Solid Waste Utility Debt Service program is to appropriate funds for debt service on Solid Waste Utility bonds.

Program Summary

There are no substantive program changes from the 2004 Endorsed Budget.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Debt Service	5,350,001	5,709,141	6,306,113	6,306,113
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

General Expense: Other General Expenses

Purpose Statement

The purpose of the Solid Waste Utility Other General Expenses program is to provide appropriation for payments to contractors who collect the City's solid waste, the Solid Waste Fund's share of City Central Costs, claims, and other general expenses.

Program Summary

Reduce funding by \$161,000 due to avoided disposal costs from beginning implementation of a series of programs designed to achieve 60% waste reduction and recycling.

Increase funding by \$22,000 for technical adjustments to provide for unbudgeted obligations, including payment of the small business development fee, SPU's share of costs for drug and alcohol testing, and payment of Combined Utility Purchase of Services costs based on an agreement between SPU, Seattle City Light and the Department of Neighborhoods.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$139,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Other General Expenses	62,573,864	63,064,695	64,619,996	64,480,996
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

General Expense: Taxes

Purpose Statement

The purpose of the Solid Waste Utility Taxes program is to appropriate funds for payment of city and state taxes.

Program Summary

There are no substantive program changes from the 2004 Endorsed Budget.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Taxes	18,745,831	16,883,519	17,426,254	17,426,254
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

New Facilities Budget Control Level

Purpose Statement

The purpose of the Solid Waste Utility New Facilities Budget Control Level (which is a Capital Improvement Program funded by solid waste revenues) is to design and construct new facilities to enhance solid waste operations.

Program Summary

Increase funding by \$1.6 million. Relative to the 2004 Endorsed Budget, funding is added for North Recycling and Disposal Station Property Acquisition to provide space for the station office, employee facilities, parking, on-site access roads, and reuse and recycling facilities, as part of implementing the Solid Waste Facilities Master Plan. Other costs for Facilities Master Plan Implementation are reduced relative to the 2004 Endorsed Budget, but funding is included in 2004 in this project for evaluating the suitability of preferred properties, performing environmental assessments, negotiating property acquisitions, and performing some preliminary engineering of transfer station designs.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
New Facilities	(128,631)	1,153,000	3,504,000	5,058,000
Full-time Equivalents Total*	0.38	0.38	0.38	0.38

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Other Operating Budget Control Level

Purpose Statement

The purpose of the Other Operating Budget Control Level is to fund the Solid Waste Utility's operating expenses for Engineering Services, Field Operations and Resource Management.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Engineering Services	292,942	266,586	274,477	128,144
Field Operations	8,186,265	8,230,921	8,469,750	8,042,325
Resource Management	7,703,271	7,000,650	6,961,427	7,571,872
TOTAL	16,182,478	15,498,157	15,705,654	15,742,341
Full-time Equivalents Total*	121.93	126.95	126.95	126.95

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Other Operating: Engineering Services

Purpose Statement

The purpose of the Solid Waste Utility Engineering Services program is to provide engineering design and support services, construction inspection, and project management services to Solid Waste Fund capital improvement projects, and to the managers of solid waste facilities.

Program Summary

Reduce funding by \$9,000 as part of a total reduction of \$1.6 million to the 2004 Endorsed Solid Waste O&M budget. The reduction results in reduced spending on engineering support and construction management. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$152,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

Increase funding by \$15,000 to cover the Solid Waste Fund's share of Engineering Services Fund (ESF) deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized by charging a 10% surcharge on direct labor for engineering services provided to SPU's external customers. SPU proposes to apply the ESF surcharge to SPU's utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF's fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$146,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Engineering Services	292,942	266,586	274,477	128,144
Full-time Equivalents Total*	2.78	2.78	2.78	2.78

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Other Operating: Field Operations

Purpose Statement

The purpose of the Solid Waste Utility Field Operations program is to operate and maintain the City's solid waste transfer stations and hazardous materials disposal facilities, and to monitor and maintain the City's closed landfills so that the public's health is protected and opportunities are provided for reuse and recycling.

Program Summary

Reduce funding by \$353,000 as part of a total reduction of \$1.6 million to the 2004 Endorsed Solid Waste O&M budget. Through productivity improvements, SPU is significantly reducing the penalty amount that the department pays to its long-haul contractor for underweight garbage containers. SPU is also reducing its costs to operate closed landfills and overtime pay. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$74,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$427,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Field Operations	8,186,265	8,230,921	8,469,750	8,042,325
Full-time Equivalents Total*	76.72	76.72	76.72	76.72

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Other Operating: Resource Management

Purpose Statement

The purpose of the Solid Waste Utility Resource Management program is to protect the public's health and Seattle's environmental resources by planning and implementing programs that will manage the City's solid waste in an environmentally responsible manner, emphasizing prevention, reuse, and recycling.

Program Summary

Reduce funding by \$302,000 as part of a total reduction of \$1.6 million to the 2004 Endorsed Solid Waste O&M budget. The reduction results in the elimination of mailing costs for the Home Clean-Up program, and reduced spending on vehicles, the Backyard Composting program, and SPU's Environmental Management System initiative. In addition, SPU will generate savings by contracting with a private contractor instead of the Seattle Department of Transportation for litter can pick-up. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Provide \$1.1 million to begin implementation of a series of programs designed to achieve 60% waste reduction and recycling. These programs include expanding the City's curbside recycling collection service to all businesses; banning disposal of recyclable paper, cardboard and yard waste in commercial garbage; banning disposal of recyclables in residential garbage; implementing public place recycling and back yard food waste composting; and implementing commercial and residential waste prevention programs.

Reduce funding by \$204,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

These changes result in a net increase from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$610,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Resource Management	7,703,271	7,000,650	6,961,427	7,571,872
Full-time Equivalents Total*	42.43	47.45	47.45	47.45

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Rehabilitation and Heavy Equipment Budget Control Level

Purpose Statement

The purpose of the Solid Waste Utility Rehabilitation and Heavy Equipment Budget Control Level (which is a Capital Improvement Program funded by solid waste revenues) is to implement projects to repair and rehabilitate the City's solid waste transfer stations and improve management of the City's closed landfills, and replace heavy equipment used at the transfer stations.

Program Summary

Reduce funding by \$1.3 million. Relative to the 2004 Endorsed Budget, funding is reduced for Midway Landfill Post Closure Improvements, but increased for Recycling and Disposal Stations - Compactor Replacement.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Rehabilitation and Heavy Equipment	2,125,339	4,414,000	6,023,000	4,746,000
Full-time Equivalents Total*	0.48	0.48	0.48	0.48

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Shared Cost Projects Budget Control Level

Purpose Statement

The purpose of the Shared Cost Projects Budget Control Level, which is a new Solid Waste Capital Improvement Program, is to implement capital improvement projects that receive funding from multiple SPU funds.

Program Summary

Provide a total in this new program of \$170,000 for Facility Improvements. Expenditures are shown as if the new program had existed in the 2003 Adopted Budget and 2004 Endorsed Budget, to facilitate tracking of costs across years.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Shared Cost Projects	0	221,000	170,000	170,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Solid Waste Utility

Technology Budget Control Level

Purpose Statement

The purpose of the Solid Waste Utility Technology Budget Control Level (which is a Capital Improvement Program) is to make use of recent technology advances to increase the Solid Waste Utility's efficiency and productivity.

Program Summary

Reduce funding in areas including Business Technology Improvements, Customer Service Technology Improvements, and Operations Technology Improvements. The remaining funding proposed for 2004 includes payments for development of the Consolidated Customer Service System in the amount of \$900,000; an upgrade to BANNER, SPU's billing system, in the amount of \$396,000; and \$155,000 in the Customer Contact Technology project.

In the 2004 Proposed Budget, some costs have been moved from this program to the new Solid Waste Shared Cost Projects Program; the expenditures shown below for 2003 Adopted Budget and 2004 Endorsed Budget have been adjusted to reflect this shift. SPU has also made various revisions to bring the 2004 Proposed Budget for this program into better alignment with the Department's internal management processes. The total difference between the 2004 Endorsed Budget and the 2004 Proposed Budget is a reduction of \$293,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Technology	1,034,704	2,858,000	2,780,000	2,487,000
Full-time Equivalents Total*	2.97	2.97	2.97	2.97

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Administration Budget Control Level

Purpose Statement

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

Program Expenditures	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Administration Program	12,488,966	11,611,359	11,963,682	10,906,859
General and Administrative Credit	(6,550,815)	(8,745,211)	(8,460,893)	(8,566,893)
TOTAL	5,938,151	2,866,148	3,502,789	2,339,966
Full-time Equivalents Total*	76.30	80.42	80.42	95.42

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Administration: Administration Program

Purpose Statement

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

Program Summary

Reduce funding by \$809,000 as part of a total reduction of \$3.3 million to the 2004 Endorsed Water O&M budget. The reduction results in reduced funding for consultants, contractors, temporary employees, and interns primarily in the Information Technology and Strategic Policy divisions. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$226,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU's overall budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Engineering Services Administration Program, Drainage and Wastewater Utility Administration Program, and the Solid Waste Utility Administration Program. Of those new positions, 15 are shown in the FTE count for the Water Utility Administration Program to simplify position list maintenance. This staffing increase results in savings as the department will reduce its use of contractors, and reduces the Water Utility Administration Program budget by \$22,000.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$1.1 million.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Administration Program	12,488,966	11,611,359	11,963,682	10,906,859
Full-time Equivalents Total*	76.30	80.42	80.42	95.42

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Administration: General and Administrative Credit

Purpose Statement

The purpose of the Water Utility General and Administrative Credit program is to eliminate double-budgeting related to implementation of capital projects.

Program Summary

Reduce funding by \$106,000 to correct General & Administrative Credit, to reflect increases in Water Fund labor costs in the 2004 Endorsed Budget.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
General and Administrative Credit	(6,550,815)	(8,745,211)	(8,460,893)	(8,566,893)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Bonneville Agreement Budget Control Level

Purpose Statement

The purpose of the Bonneville Agreement Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to fund implementation of Ordinance 121212 related to construction of an electric power transmission line project through the Cedar River Watershed.

Program Summary

Provide a total of \$2.1 million for new projects in the Water Fund CIP, in a new BCL, associated with implementation of the City's watershed transmission line agreement with the Bonneville Power Administration under Ordinance 121212. In 2004, funds will be used for Security Measures (\$585,000), Road Decommissioning/Improvements (\$546,000), Aquatic & Riparian Restoration (\$649,000), and Upland Forest Restoration (\$334,000).

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Bonneville Agreement	0	0	0	2,114,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Customer Service Budget Control Level

Purpose Statement

The purpose of the Water Utility Customer Service Budget Control Level is to provide comprehensive, efficient, one-stop service that anticipates and fully responds to customer expectations.

Program Summary

Reduce funding by \$633,000 as part of a total reduction of \$3.3 million to the 2004 Endorsed Budget for Water operations and maintenance. Through productivity improvements, SPU is reducing its temporary employee, intern and overtime budgets without impacting customer service levels. In conjunction with Seattle City Light, the Department is also eliminating Call Center operations on Saturdays due to the low volumes of calls received on Saturdays. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Increase funding by \$233,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$400,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Customer Service	7,902,710	9,166,349	9,385,734	8,985,727
Full-time Equivalents Total*	91.55	95.55	95.55	95.55

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Environmental Stewardship Budget Control Level

Purpose Statement

The purpose of the Water Utility Environmental Stewardship Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to implement projects in response to the Endangered Species Act listing of Chinook Salmon.

Program Summary

Increase funding by \$478,000. New projects or projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Endangered Species Act - Chinook Research & Monitoring and Cedar River Watershed Education Center Exhibits.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Environmental Stewardship	3,008,653	694,000	1,110,000	1,588,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

General Expense Budget Control Level

Purpose Statement

The purpose of the Water Fund General Expense Budget Control Level is to provide appropriation to pay the Water Utility's general expenses.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Debt Service	49,614,261	52,968,050	59,685,300	57,785,147
Other General Expenses	5,081,777	5,583,660	5,975,954	7,528,253
Taxes	11,597,613	14,080,472	15,619,406	14,566,822
TOTAL	66,293,651	72,632,182	81,280,660	79,880,222
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

General Expense: Debt Service

Purpose Statement

The purpose of the Water Utility Debt Service program is to appropriate funds for debt service on Water Utility bonds.

Program Summary

Reduce funding by \$1.9 million. The Water Proposed CIP for 2004 is smaller than was endorsed in the 2003 budget process, allowing water bond issues of reduced size in 2003 and 2004. Because these bond issues are smaller, debt service on them will be smaller. In addition, as part of the 2003 bond issue, SPU refinanced its 1993 water bonds at a lower interest rate, reducing debt service costs on this portion of the Department's debt. The net impact of these changes is a reduction in the Water Fund's debt service payments.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Debt Service	49,614,261	52,968,050	59,685,300	57,785,147
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

General Expense: Other General Expenses

Purpose Statement

The purpose of the Water Utility Other General Expenses program is to appropriate funds for the Water Fund's share of City central costs, claims, and other general expenses.

Program Summary

Increase funding by \$1.2 million to hold in reserve for funding unanticipated operating expenses related to asset management work, corporate training, and other efforts including drought response, additional security, response to natural disasters and changes in regulatory requirements, and unanticipated customer service demands. These funds will provide the department with flexibility to respond to unanticipated pressures and continue to implement its asset management initiative.

Increase funding by \$168,000 for technical adjustments including the following: \$119,000 to correct mistakes made in applying City Council actions taken to reduce operating budget; and \$49,000 to provide for unbudgeted obligations, including payment of the small business development fee, SPU's share of costs for drug and alcohol testing, and payment of Combined Utility Purchase of Services costs based on an agreement between SPU, Seattle City Light and the Department of Neighborhoods.

Provide \$147,000 for implementation of the Right-of-Way (ROW) Management Initiative. The initiative includes six projects: Street Use Permitting Redesign, Utility Coordination Redesign, ROW Manual, On-line Permitting, Coordinated Capital Planning and Citizen ROW Information Access. Seattle Transportation is leading the effort to implement these projects to improve mobility in Seattle's rights-of-way by reducing impacts of pavement openings and minimizing disruption of street and sidewalk closures.

These changes result in a total increase from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$1.6 million.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Other General Expenses	5,081,777	5,583,660	5,975,954	7,528,253
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

General Expense: Taxes

Purpose Statement

The purpose of the Water Utility Taxes program is to appropriate funds for payment of City and State taxes.

Program Summary

Reduce funding by \$1.1 million. New short-term modeling suggests a closer link between employment and water demand than previously recognized. Retail water demand is being revised downward in 2004 by 5.2% compared to the 2002 water rate study forecast. This demand reduction reduces water revenues and therefore city and state B&O taxes. This reduction also reflects a downward adjustment in expected tax payments due to improved tax payment modeling.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Taxes	11,597,613	14,080,472	15,619,406	14,566,822
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Habitat Conservation Program Budget Control Level

Purpose Statement

The purpose of the Water Utility Habitat Conservation Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to manage projects directly related to the Cedar River Watershed Habitat Conservation Plan.

Program Summary

Increase funding by \$2.8 million. New projects or projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Cedar Sockeye Hatchery and Downstream Fish Habitat and Restoration. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Road Improvements/Decommissioning.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Habitat Conservation Program	7,689,242	8,521,000	8,890,000	11,691,000
Full-time Equivalents Total*	22.74	22.74	22.74	22.74

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Infrastructure Budget Control Level

Purpose Statement

The purpose of the Water Utility Infrastructure Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to repair and upgrade the City's water lines, pump stations, and other facilities.

Program Summary

Reduce funding by \$12.2 million. This reduction reflects SPU's decision as part of the asset management review process to eliminate or reduce some capital projects and defer others, while the Department further develops water system policies and service levels, asset management models, and studies to ensure that it is managing its assets in the most cost-effective manner.

Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Asset Management, Pump Station - Phinney Ridge, Seismic Upgrade - Myrtle Tanks #1 and #2, Seismic Upgrade - Queen Anne Replacement #1 and #2, Tolt Bridge Replacement - Dorothy Creek, Water Design Standards & Guidelines Program, and the Watermain Rehabilitation Program. For 2004, funding has been eliminated for Seismic Upgrade for the Beverly Park Tank and Maple Leaf Tank, Seismic Upgrade and Painting for Foy Standpipe, and the N/NE 80th Street Feeder Rehabilitation Project.

New projects or projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Cathodic Protection - Phase V, some Cedar Bridge Replacement projects, Outlet Dam Rehabilitation and Outlet Dam Warning System at Lake Youngs, Maple Leaf Gatehouse Pipe Refurbishing, Pump Station - Queen Anne, System Dewatering Program, and the Watermain Replacement Program.

In the 2004 Proposed Budget, some costs have been shifted from this program to a new Water Shared Cost Projects Program. The expenditures shown below for 2003 Adopted and 2004 Endorsed in this program have been adjusted to reflect this shift.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Infrastructure	31,239,685	33,248,000	41,551,000	29,346,000
Full-time Equivalents Total*	97.50	97.50	97.50	97.50

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Other Agencies Budget Control Level

Purpose Statement

The purpose of the Water Utility Other Agencies Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to design and construct capital improvements for other agencies, or in response to other agencies' projects, usually on a reimbursement basis.

Program Summary

Provide a total of \$3.5 million for new and existing projects. New projects or projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Cedar Eastside Supply Line Improvements - East Creek and Seattle Monorail Project - Water. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include University Way NE - The Ave and Holgate/Amtrak Water Relocation.

In 2004, the Sound Transit Light Rail - Water and Alaskan Way Viaduct & Seawall - Water projects are being moved from this program to the new Shared Cost Projects (WF) Capital Program, to facilitate tracking of project costs. The expenditures shown below for the 2003 Adopted Budget and the 2004 Endorsed Budget in this program have been adjusted to reflect these shifts.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Other Agencies	3,490,737	3,852,000	2,666,000	3,542,000
Full-time Equivalents Total*	4.74	4.74	4.74	4.74

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Other Operating Budget Control Level

Purpose Statement

The purpose of the Other Operating Budget Control Level is to fund the Water Utility's operating expenses for Engineering Services, Field Operations and Resource Management.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Program Expenditures				
Engineering Services	2,336,136	2,466,655	2,538,963	2,436,273
Field Operations	23,909,190	25,315,226	27,153,413	25,029,017
Resource Management	7,870,553	8,298,679	8,300,540	7,409,157
TOTAL	34,115,879	36,080,560	37,992,916	34,874,447
Full-time Equivalents Total*	278.04	301.40	301.40	299.57

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Other Operating: Engineering Services

Purpose Statement

The purpose of the Water Utility Engineering Services program is to provide engineering design and support services, construction inspection, and project management services to Water Fund capital improvement projects and to the managers of water facilities.

Program Summary

Reduce funding by \$139,000 as part of a total reduction of \$3.3 million to the 2004 Endorsed Budget for Water operations and maintenance, and eliminate 2.0 FTE Civil Eng. Associates. The reduction results in reduced resources for the Cathodic Protection program and reduced funding for consultants. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$81,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Increase funding by \$117,000 to cover the Water Fund's share of Engineering Services Fund (ESF) deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized by charging a 10% surcharge on direct labor for engineering services provided to SPU's external customers. SPU proposes to apply the ESF surcharge to SPU's utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF's fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

Abrogate 1.0 FTE Civil Eng. Spec, Asst I position, to offset new positions to be created in the Personnel Department as part of a proposal to centralize labor relations. Savings to SPU associated with this abrogation have been accounted for in making SPU's overall budget reductions. Centralizing labor relations at the Personnel Department is expected to help ensure implementation of consistent and coordinated labor relations processes across City departments, and improve the integration of represented and non-represented practices.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$103,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Engineering Services	2,336,136	2,466,655	2,538,963	2,436,273
Full-time Equivalents Total*	21.78	23.34	23.34	20.34

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Other Operating: Field Operations

Purpose Statement

The purpose of the Water Utility Field Operations program is to operate and maintain the infrastructure that provides the public with an adequate, reliable, and safe supply of high quality drinking water.

Program Summary

Reduce funding by \$2.3 million as part of a total reduction of \$3.3 million to the 2004 Endorsed Budget for Water operations and maintenance. The reductions are predominantly a result of productivity improvements in operations, such as restructuring the First Response Crew and the Dispatch Crew and modifying the equipment timecard system. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Provide \$87,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Provide \$38,000 to fund costs associated with a new state charge on residential water services. Currently, SPU pays an annual fee of \$10,000 to the State of Washington for a Public Water Systems Operating permit. As a result of the passage of House Bill 1338, in 2004 the State will also require an additional flat-rate fee of \$0.25 per connection on residential water services to fund water conservation initiatives at the state level. SPU currently has approximately 153,800 residential meters.

Provide \$31,000 to pay increased fees charged by Seattle Department of Transportation (SDOT) for restoration of utility cuts. For 2004, SDOT proposes to increase fees for utility restoration by 15% for standard utility cuts and 5% for time and labor jobs. SPU will absorb \$277,000 in capital costs in 2004 related to the fee increase, but is requesting an additional O&M appropriation of \$31,000.

Abrogate a 0.5 FTE Waterworks Maintenance Helper vacant position, and convert 0.5 FTE Waterworks Maintenance Helper position to a full-time position (1.0 FTE). SPU's Water Operations Division has determined that the body of work currently being performed by a half-time position is a full-time body of work and should be performed by a full-time position. This change essentially merges two half-time positions into a single full-time position, and does not alter the total FTE count for this program.

Increase by 0.17 FTE an existing 0.33 FTE Water Treatment Crew Chief (CC). This change reflects city policy and practice that regularly-appointed positions are typically at least 0.5 FTE.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$2.1 million.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Field Operations	23,909,190	25,315,226	27,153,413	25,029,017
Full-time Equivalents Total*	132.55	154.15	154.15	154.32

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Other Operating: Resource Management

Purpose Statement

The purpose of the Water Utility Resource Management program is to deliver, in a cost-effective manner, an adequate, reliable, high quality supply of drinking water; to protect and preserve Seattle's environmental resources; and to plan and develop programs and capital improvement projects that will improve water quality, habitat, flood control, and water supply.

Program Summary

Reduce funding by \$676,000 as part of a total reduction of \$3.3 million to the 2004 Endorsed Budget for Water operations and maintenance. The reduction results in slightly reduced spending on the 1% Water Conservation program, the Natural Lawn program, and Habitat Conservation Plan Adaptive Management workshops; elimination of funding for temporary employees for roadside vegetation work in the Cedar River watershed; and reduced levels of support for the Department's Environmental Management System initiative. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$215,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Add 1.0 FTE Information Technology Prof B, as the department will reduce its use of contractors. This change is budget neutral.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Proposed Budget of approximately \$891,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
Expenditures/FTE				
Resource Management	7,870,553	8,298,679	8,300,540	7,409,157
Full-time Equivalents Total*	123.71	123.91	123.91	124.91

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Shared Cost Projects Budget Control Level

Purpose Statement

The purpose of the Shared Cost Projects Budget Control Level, which is a new Water Capital Improvement Program, is to implement capital improvement projects that receive funding from multiple SPU funds.

Program Summary

Provide a total of \$2.5 million for existing projects including Alaskan Way Viaduct & Seawall, Sound Transit Light Rail, Meter Replacement - Direct Service, and Facility Improvements. These projects have been moved into this new program from other Water capital programs. Expenditures are shown as if the new program had existed in the 2003 Adopted Budget and 2004 Endorsed Budget, to facilitate tracking of costs across years.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Shared Cost Projects	0	2,582,000	2,278,000	2,503,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Technology Budget Control Level

Purpose Statement

The purpose of the Technology Budget Control Level (which is a Capital Improvement Program) is to make use of recent technology advances to increase the Water Utility's efficiency and productivity.

Program Summary

Relative to the 2004 Endorsed Budget, reduce funding for Customer Service Technology Improvements, Engineering/CIP Technology Improvements, and Geographic Information Systems (GIS) Technology Improvements, but increase funding for Business Technology Improvements. Within these categories, specific projects with funding proposed for 2004 include Core System Software Upgrades in the amount of \$281,000, Integrated Water Resource Management System (IWRMS) Enhancements in the amount of \$375,000, and Utility GIS Technology Refresh in the amount of \$131,000.

In the 2004 Proposed Budget, funding for the Supervisory Control and Data Acquisition Upgrades project has been transferred from this program to the Water Quality program. In addition, some costs have been moved from this program to the new Water Shared Cost Projects Program; the expenditures shown below for the 2003 Adopted Budget and the 2004 Endorsed Budget have been adjusted to reflect this shift. SPU has also made various revisions to bring the 2004 Proposed Budget for this program into better alignment with the Department's internal management processes. The total difference between the 2004 Endorsed Budget and the 2004 Proposed Budget is a reduction of \$3 million.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Technology	4,604,398	8,369,000	6,110,000	3,153,000
Full-time Equivalents Total*	16.00	16.00	16.00	16.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Water Quality Budget Control Level

Purpose Statement

The purpose of the Water Utility Water Quality Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to design, construct and repair water treatment facilities, and upgrade water reservoirs.

Program Summary

Increase funding by \$3.1 million, reflecting various shifts in project schedules, scopes, and estimated costs. New projects or projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Reservoir Covering projects at Maple Leaf, Myrtle, and West Seattle; Cedar Treatment Facility; and Water System Security Improvements. In 2004, the Supervisory Control and Data Acquisition Upgrades project has been transferred to this program from the Water Technology CIP; the 2004 Proposed Budget includes \$4.8 million for this project. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Cedar Falls - Railroad Hazardous Material Remediation and Reservoir Covering at Beacon, Lincoln and Volunteer.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Water Quality	46,035,214	55,118,000	15,355,000	18,484,000
Full-time Equivalents Total*	24.13	24.13	24.13	24.13

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Water Utility

Water Supply Budget Control Level

Purpose Statement

The purpose of the Water Utility Water Supply Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to repair and upgrade water transmission pipelines and promote residential and commercial water conservation.

Program Summary

Reduce funding by \$2.2 million, reflecting various shifts in project schedules, scopes, and estimated costs. Projects with reduced funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Morse Lake Pump Plant - Pipeline Number One Corrosion, Seattle Direct Service Additional Conservation, and Tolt Pipeline I - Phase III-B. Projects with increased funding in the 2004 Proposed Budget relative to the 2004 Endorsed Budget include Tolt Pipeline II - Phase IV and Phase VI-B.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Proposed
Water Supply	(3,093,219)	6,050,000	9,721,000	7,568,000
Full-time Equivalents Total*	6.50	6.50	6.50	6.50

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

2004 Estimated Revenues for the Drainage and Wastewater Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
433010	Federal Grants-Capital	\$ -	\$ -	\$ -	\$ -
477010	Interlocal Capital Contr/Grant	456,270	-	-	-
437010	Interlocal Grants-Operating	84,259	-	-	49,879
437010	Interlocal Grants	-	-	-	-
443527	Wastewater Service Rates	121,386,601	132,174,873	142,447,598	134,445,627
443631	Drainage Service Rates	22,313,062	23,721,740	27,042,784	26,912,089
443691	Side Sewer Permit Fees	373,183	459,052	472,365	373,183
443694	Drainage Permit Fees	263,135	293,218	301,721	263,135
543970	SCL Call Center Service	-	1,213,283	1,235,192	1,235,192
461110	Interest Earnings-Residual Cash	1,545,809	1,943,575	1,561,377	1,012,101
461320	Unreald Gns/Losses	-	-	-	-
469990	Other Miscellaneous Revenues	155,121	230,345	235,573	149,781
	Use of Bond Proceeds	51,207,604	45,616,549	39,899,000	36,433,126
	Total Revenues	\$197,785,044	\$205,652,636	\$213,195,610	\$200,874,113
	Decrease (Increase) in Working Capital	-	(5,063,637)	(3,567,167)	(2,964,580)
	Total Resources	\$197,785,044	\$200,588,999	\$209,628,443	\$197,909,533

Note:

The 2004 Proposed Budget is supported by a proposed 14% system-wide average rate increase for Drainage and a 8.5% system-wide average rate increase for Wastewater.

2004 Estimated Revenues for the Engineering Services Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
441500	Maps and Publication Sales	\$ 180,921	\$ 299,928	\$ 308,448	\$ 308,448
541850	GIS - CGDB Corporate Support	511,236	995,821	1,079,574	1,079,574
543210	GIS-CGDB Corporate Support-General Fund Share	557,002	528,000	542,000	528,294
543210	Various Engineering Services-General Fund Share	550,000	480,000	492,000	474,970
541490	Administrative Fees	-	-	-	-
543210	Transportation Fund	4,662,965	5,765,227	5,477,273	5,477,273
543210	City Light Fund	1,296,223	911,426	1,047,340	1,047,340
543210	Parks and other City Departments	330,005	575,445	633,414	633,414
543210	Surcharge for Deficit Reduction	-	-	-	232,450
	Total Revenues	\$ 8,088,352	\$ 9,555,847	\$ 9,580,049	\$ 9,781,763
	Decrease (Increase) in Working Capital	-	37,607	290,354	(474,066)
	Total Resources	\$ 8,088,352	\$ 9,593,454	\$ 9,870,403	\$ 9,307,697

2004 Estimated Revenues for the Solid Waste Utility Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
416456	Landfill Closure Tax	\$ 1,087,054	\$ 728,389	\$ 751,401	\$ 223,932
416457	Transfer Tax - In City	519,204	827,137	851,932	483,453
416458	Transfer Tax - Out of City	1,624,694	1,501,897	1,546,554	1,648,312
434010	State Grants - Operating	353,795	400,000	400,000	400,000
443450	Taxable Revenue	396	-	-	-
443710	Commercial Services	36,727,341	37,338,042	38,095,897	38,097,667
443710	Residential Billings (CCSS)	53,520,995	53,189,121	56,056,502	55,769,341
443741	Transfer Station Disposal Charges	10,350,210	9,926,595	10,291,094	9,903,115
443745	Commercial Disposal Charges	622,274	537,313	556,200	1,209,560
443875	HHW Regional Fund Reimbursements	2,205,340	1,900,000	1,900,000	2,241,273
443990	Other Operating Revenues	-	-	-	92,489
461100	Interest Earnings	63,436	236,318	345,151	219,821
516456	Landfill Closure Tax	3,901,768	3,887,126	4,044,338	3,763,771
516457	Transfer Tax - In City	2,622,377	2,636,346	2,739,924	2,567,345
587001	General Subfund - Operating Transfer In	1,113,633	1,094,990	1,134,971	996,378
587001	General Subfund - Transfer In - Graffiti	267,591	274,013	280,590	280,590
543710	City Light for Customer Service	-	1,294,375	1,343,888	1,235,192
459900	Other Non-Operating Revenue	51,151	-	-	20,755
	Use of Bond Proceeds	-	7,985,700	11,130,300	11,214,980
	Total Revenues	\$115,031,258	\$123,757,362	\$131,468,742	\$130,367,974
	Decrease (Increase) in Working Capital	-	(2,426,853)	(3,072,786)	(3,789,582)
	Total Resources	\$115,031,258	\$121,330,509	\$128,395,956	\$126,578,392

Note:

The 2004 Proposed Budget for Solid Waste assumes a system-wide rate increase of approximately 3% in mid-2004, which will be submitted to the City Council in early 2004.

2004 Estimated Revenues for the Water Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
461110	Investment Interest	\$ 872,549	\$ 1,298,902	\$ 2,171,633	\$ 1,308,861
461900	Other Interest	18,982	-	-	-
543970	Call Center Services - City Light	-	1,250,050	1,272,622	1,272,622
543970	Inventory Purchases - SDOT	310,427	291,200	299,062	299,062
485110	Sale of Property	-	-	-	-
485120	Timber Sales	-	225,000	-	-
443410	Retail Water Sales	80,848,137	92,727,205	101,719,699	96,835,860
443420	Wholesale Water Sales	35,034,875	36,985,000	42,526,000	42,526,000
443450	Facilities Charges	752,742	325,000	325,000	325,000
443480	Misc. Water Service Charges	1,378,503	1,163,197	1,163,197	1,163,197
443470	Demand Charge Revenue	-	-	-	-
462500	Rentals--Non-City	219,708	150,000	150,000	200,000
443250	Services for Others	-	-	-	-
443979	Other Operating Revenues	139	80,000	80,000	80,000
459930	NSF Check Charges	29,735	30,000	30,000	30,000
482000	Payments from Bonneville Power Administration	-	-	-	3,000,000
482000	Contributions in Aid of Construction	6,167,043	4,699,246	4,745,206	4,745,206
224300	Use of Bond Proceeds	-	104,081,474	71,846,459	58,685,221
469100	Salvage	-	10,000	10,000	10,000
437010	Interlocal Grants	46,195	-	-	-
469990	Other Miscellaneous Revenue	167,929	600,000	600,000	600,000
Total Revenues		\$125,846,964	\$243,916,273	\$226,938,878	\$211,081,029
Decrease (Increase) in Working Capital		-	(4,737,034)	(7,095,779)	(5,011,667)
Total Resources		\$125,846,964	\$239,179,239	\$219,843,099	\$206,069,362

Note:

The 2004 Proposed Budget for Water is supported by a system-wide average rate increase of 10.6% in 2004, which was adopted by the City Council in August of 2002.

Capital Improvement Program Overview

Drainage & Wastewater

Seattle Public Utilities (SPU) is responsible for maintaining and developing the City's sewer and drainage collection system. The 2004-2009 Proposed Drainage and Wastewater CIP, which is supported by drainage and wastewater fees, includes funding for SPU to continue to repair and replace failed sewers and rehabilitate sewage pump stations, work with other agencies to address contamination of sediments in the Duwamish River, and complete the Comprehensive Drainage Plan. In areas without full street improvements, such as in the Pipers Creek watershed, SPU is beginning to install "Natural System" drainage projects to reduce runoff and improve water quality. Located along road edges in residential areas, these projects consist of vegetated swales and wetlands that slow the street runoff, promote infiltration into soils, and filter out sediments that would otherwise be washed into creeks and lakes. A detailed list of all programs and projects in Drainage and Wastewater's CIP can be found in the separate Capital Improvement Program budget document.

Allocations	2003 Revised	2004 Endorsed	2004 Proposed
Combined Sewer Overflow	7,671,000	6,866,000	5,961,000
Flood Control and Local Drainage	12,303,000	6,335,000	6,501,000
General Wastewater	4,417,000	7,432,000	2,869,000
Habitat and Sediments	359,000	469,000	469,000
Other Drainage	1,699,000	3,306,000	2,185,000
Protection of Beneficial Uses	2,414,000	2,398,000	2,398,000
Public Asset Protection	2,293,000	4,986,000	3,760,000
Sewer Rehabilitation	9,982,000	11,204,000	9,692,000
Shared Cost Projects (DWF)	3,661,000	0	3,320,000
Technology	2,476,000	2,339,000	4,719,000
Total SPU Drainage and Wastewater Fund	47,275,000	45,335,000	41,874,000

Solid Waste

The City-owned infrastructure to provide for the collection and disposal of solid waste consists of two recycling and disposal stations, two household hazardous waste facilities, and a fleet of trucks and heavy equipment. SPU manages and develops this infrastructure, and also manages post-closure projects and operations on two landfills previously used by the City. The 2004-2009 Proposed Solid Waste CIP, which is supported by solid waste fees, includes funding to develop and implement a Solid Waste CIP Facilities Master Plan, to guide the construction of facilities that will provide the citizens of Seattle with sufficient recycling and solid waste services for the next 30 years. The CIP also includes funds for replacement of the trash compactors at the recycling and disposal stations, and for post-closure capital improvements at the Midway Landfill. A detailed list of all programs and projects in Solid Waste's CIP can be found in the separate Capital Improvement Program budget document.

Allocations	2003 Revised	2004 Endorsed	2004 Proposed
New Facilities	1,200,000	3,504,000	5,058,000
Rehabilitation and Heavy Equipment	3,087,000	6,023,000	4,746,000
Shared Cost Projects (SWF)	163,000	0	170,000
Technology	3,184,000	2,950,000	2,487,000
Total SPU Solid Waste Fund	7,634,000	12,477,000	12,461,000

Water

The City owns and SPU operates a water system that serves a population of approximately 1.3 million people. The 2004-2009 Proposed Water CIP, which is funded by water fee revenues, provides funding to complete the Cedar Treatment Facility, which will improve drinking water quality and taste and ensure continued compliance with federal and state water quality requirements. To comply with water quality regulations and create open space, the City's remaining seven open drinking-water reservoirs will be buried underground. Three of these reservoir projects—Lincoln, Volunteer, and Beacon—are currently underway. The remaining four reservoirs at Maple Leaf, Myrtle, Roosevelt, and West Seattle are being undergrounded following the completion of studies that examine funding options and construction contracting options, including design/build. The CIP also includes funds for implementation of the Cedar River Watershed Habitat Conservation Plan (HCP), implementation of projects to respond to the listing of Chinook salmon under the Endangered Species Act, and rehabilitation and replacement of water system infrastructure. A detailed list of all programs and projects in Water's CIP can be found in the separate Capital Improvement Program budget document.

Allocations	2003 Revised	2004 Endorsed	2004 Proposed
Bonneville Agreement	0	0	2,114,000
Environmental Stewardship	1,053,000	1,110,000	1,588,000
Habitat Conservation Program	9,235,000	8,890,000	11,691,000
Infrastructure	24,390,000	42,364,000	29,346,000
Other Agencies	2,301,000	3,681,000	3,542,000
Shared Cost Projects (WF)	1,541,000	0	2,503,000
Technology	5,769,000	6,560,000	3,153,000
Water Quality	55,870,000	15,355,000	18,484,000
Water Supply	5,026,000	9,721,000	7,568,000
Total SPU Water Fund	105,185,000	87,681,000	79,989,000