

Seattle Public Utilities

| Budget Control Level                    | 2009<br>Actuals      | 2010<br>Adopted      | % Change<br>'09-'10 | 2011<br>Proposed     | % Change<br>'10-'11 | 2012 Proposed        | % Change<br>'11-'12 |
|---|----------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| <b>Expenditures by BCL</b>              |                      |                      |                     |                      |                     |                      |                     |
| <b>OPERATING</b>                        |                      |                      |                     |                      |                     |                      |                     |
| General Expense                         | \$536,788,096        | \$453,262,626        | -15.6%              | \$477,748,468        | 5.4%                | \$500,195,022        | 4.7%                |
| Administration                          | \$12,520,014         | \$9,174,054          | -26.7%              | \$12,403,014         | 35.2%               | \$12,293,398         | -0.9%               |
| Customer Service                        | \$29,810,359         | \$31,206,156         | 4.7%                | \$30,090,185         | -3.6%               | \$30,004,779         | -0.3%               |
| Other Operating                         | \$95,347,328         | \$107,692,555        | 12.9%               | \$111,450,009        | 3.5%                | \$112,237,177        | 0.7%                |
| <b>CAPITAL</b>                          |                      |                      |                     |                      |                     |                      |                     |
| Combined Sewer Overflows                | \$0                  | \$24,171,960         |                     | \$17,806,875         | -26.3%              | \$25,769,534         | 44.7%               |
| Distribution                            | \$19,760,493         | \$22,380,000         | 13.3%               | \$20,491,716         | -8.4%               | \$20,819,443         | 1.6%                |
| Flooding, Sewer Back-up, and Landslides | \$0                  | \$25,053,790         |                     | \$35,069,776         | 40.0%               | \$23,240,984         | -33.7%              |
| Habitat Conservation Program            | \$5,027,829          | \$9,626,951          | 91.5%               | \$11,122,687         | 15.5%               | \$4,236,695          | -61.9%              |
| New Facilities                          | \$3,612,157          | \$24,886,900         | 589.0%              | \$25,710,121         | 3.3%                | \$35,411,056         | 37.7%               |
| Protection of Beneficial Uses           | \$930,984            | \$4,757,062          | 411.0%              | \$2,283,081          | -52.0%              | \$6,040,474          | 164.6%              |
| Rehabilitation                          | \$0                  | \$6,484,079          |                     | \$6,471,519          | -0.2%               | \$10,526,291         | 62.7%               |
| Rehabilitation and Heavy Equipment      | \$9,809,787          | \$5,358,950          | -45.4%              | \$262,140            | -95.1%              | \$270,504            | 3.2%                |
| Sediments                               | \$3,343,681          | \$2,732,244          | -18.3%              | \$6,350,146          | 132.4%              | \$5,385,277          | -15.2%              |
| Shared Cost Projects                    | \$26,476,098         | \$37,730,379         | 42.5%               | \$28,712,545         | -23.9%              | \$37,437,287         | 30.4%               |
| Technology                              | \$7,085,323          | \$10,423,903         | 47.1%               | \$10,247,790         | -1.7%               | \$13,206,712         | 28.9%               |
| Transmission                            | \$2,505,124          | \$3,173,000          | 26.7%               | \$1,688,100          | -46.8%              | \$3,024,443          | 79.2%               |
| Water Quality & Treatment               | \$26,045,436         | \$21,657,059         | -16.8%              | \$18,329,399         | -15.4%              | \$8,115,120          | -55.7%              |
| Water Resources                         | \$7,853,605          | \$15,793,000         | 101.1%              | \$6,516,169          | -58.7%              | \$9,347,325          | 43.4%               |
| Watershed Stewardship                   | \$3,798,705          | \$1,634,978          | -57.0%              | \$1,141,554          | -30.2%              | \$896,831            | -21.4%              |
| BCLs from 2009                          | \$36,341,692         | \$0                  |                     | \$0                  |                     | \$0                  |                     |
| <b>Total</b>                            | <b>\$827,056,712</b> | <b>\$817,199,646</b> | <b>-1.2%</b>        | <b>\$823,895,295</b> | <b>0.8%</b>         | <b>\$858,458,353</b> | <b>4.2%</b>         |
| Total FTEs                              | 1449.25              | 1449.25              | 0.0%                | 1419.25              | -2.1%               | 1415.25              | -0.3%               |
| <b>Revenues</b>                         |                      |                      |                     |                      |                     |                      |                     |
| General Subfund                         | \$11,164,000         | \$1,351,000          | -87.9%              | \$1,299,000          | -3.8%               | \$1,329,000          | 2.3%                |
| Water Fund                              | \$373,398,000        | \$307,380,000        | -17.7%              | \$268,945,000        | -12.5%              | \$272,903,000        | 1.5%                |
| Drainage & Wastewater Fund              | \$295,995,000        | \$317,713,000        | 7.3%                | \$327,899,000        | 3.2%                | \$344,030,000        | 4.9%                |
| Solid Waste Fund                        | \$155,703,000        | \$193,909,000        | 52.9%               | \$187,950,000        | -3.1%               | \$202,581,000        | 7.8%                |
| <b>Total Revenues</b>                   | <b>\$836,260,000</b> | <b>\$820,353,000</b> | <b>-1.9%</b>        | <b>\$786,093,000</b> | <b>-4.2%</b>        | <b>\$820,843,000</b> | <b>4.4%</b>         |

All dollar numbers rounded to the nearest \$1,000

Percentages rounded to the nearest tenth percent

Seattle Public Utilities

|   | 2011                 |                 | 2012                 |                 | General Fund? | Description   | BIP #   |
|---|----------------------|-----------------|----------------------|-----------------|---------------|---|---|
|   | Funding Amount       | FTE             | Funding Amount       | FTE             |               |   |   |
| <b>Baseline Calculations</b>                    | <b>2011 Baseline</b> |                 | <b>2012 Baseline</b> |                 |               |   |   |
| 2010 Adopted                                    | \$817,199,649        |                 | \$840,429,533        |                 |               |   |   |
| Technical adjustments (i.e. NOT policy choices) | \$24,747,818         |                 | \$34,127,720         |                 | No            | Technical adjustments are primarily for inflation, the add back of furloughs, debt service, taxes, G&A credit, contract payments, administrative fees and fund shifts.                | 70-74<br>111-<br>113<br>900-<br>901                                 |
| <b>Baseline Budgets</b>                         | <b>\$841,947,467</b> | <b>1,450.25</b> | <b>\$874,557,253</b> | <b>1,450.25</b> |               |   |   |
|   | <b>2011 Changes</b>  |                 | <b>2012 Changes</b>  |                 |               |   |   |
| 1) Operational Efficiencies                     | (\$5,419,936)        | -37.0           | (\$6,871,784)        | -41.0           | No            | This cut reflects cost-cutting measures and efficiencies throughout the organization including in the Call Center, Information Technology, Human Resources and employee COLA savings. | 100/<br>102/<br>104/<br>105/<br>402/<br>409/<br>800/<br>950/<br>951 |

**Seattle Public Utilities**

|    |                         | 2011           |     | 2012           |     | General Fund? | Description  | BIP #       |
|----|-------------------------|----------------|-----|----------------|-----|---------------|--|-------------|
|    |                         | Funding Amount | FTE | Funding Amount | FTE |               |  |             |
| 2) | General Fund Reductions | (\$394,106)    |     | (\$400,595)    | 0.0 | Yes           | This cut reduces the staff resources at the engineering Records Center and means that no headway can be made in reducing the backlog of monumentation work. It also reduces City GIS services. The GF impact of all actions is \$255k. | 400/<br>401 |

**Seattle Public Utilities**

|   | 2011           |     | 2012           |     | General Fund? | Description   | BIP #                       |
|---|----------------|-----|----------------|-----|---------------|---|-----------------------------|
|   | Funding Amount | FTE | Funding Amount | FTE |               |   |                             |
| 3) Regulatory Requirements: Restoration of Previous Cuts and New Programs | \$1,322,540    | 3.0 | \$1,591,519    | 3.0 | Partial       | <p>This request would restore previous cuts to help fulfill regulatory requirements and interlocal agreements. This request also includes funding for two Fats, Oils and Grease Inspectors to provide education, outreach and enforce City Ordinances in order to significantly reduce the sewer backups and overflows in the sewer system. Additionally, this add is for a Street Sweeping program to improve water quality and reduce the pollutants discharging into the receiving waters.</p> <p>NOTE: If the Street Sweeping BIP is not approved, the GF will need to add \$511k in 2011 and 2012 for the SDOT street program.</p> | 106/<br>107/<br>109/<br>110 |

Seattle Public Utilities

|   | 2011           |     | 2012           |     | General Fund? | Description   | BIP #                       |
|---|----------------|-----|----------------|-----|---------------|---|-----------------------------|
|   | Funding Amount | FTE | Funding Amount | FTE |               |   |                             |
| 4) Enhanced Funding Related to Grants and Policy Priorities | \$1,039,400    | 3.0 | \$1,127,700    | 3.0 | Partial       | This request is to fund policy priorities including work on interdepartmental planning and capital coordination projects, the consolidation of the City's tree outreach and planting program (GF impact is \$75k), as well as funding for two FTEs for work on high priority projects to reduce the impacts of urban flooding and sanitary sewer overflows on public safety, private property and public infrastructure. Additionally, this | 108/<br>114/<br>406/<br>506 |
| 5) Miscellaneous Investments                                | \$437,500      | 0.0 | \$180,000      | 0.0 | No            | This is a request to fund an enterprise-wide upgrade of hardware and software to the Microsoft Windows7 operating system for all SPU end-user desktops and laptops. This is also a request to fund an agreement with SDOT(O&M and CIP) for a one-time catch-up of backlogged permanent street repair openings. Work will be completed over 2010-2011.   | 300/<br>301                 |

Seattle Public Utilities

|                              | 2011                  |              | 2012                  |              | General Fund? | Description   | BIP #                                       |
|------------------------------|-----------------------|--------------|-----------------------|--------------|---------------|---|---|
|                              | Funding Amount        | FTE          | Funding Amount        | FTE          |               |   |   |
| 6) CIP Changes               | (\$15,037,570)        | 0.0          | (\$11,725,739)        | 0.0          | No            | This overall decrease is primarily due to reductions in the Water Fund due to the completion of many large projects. The Drainage and Wastewater Fund is requesting an increase to restore funding to a number of core services involving stormwater and water quality. Changes in Solid Waste Fund CIP primarily reflect the change in schedule of the South and North Recycling and Disposal Station rebuilding projects. | 500/<br>501/<br>502/<br>503/<br>504/<br>505 |
| <b>Total Proposed Change</b> | <b>(\$18,052,172)</b> | <b>-31.0</b> | <b>(\$16,098,899)</b> | <b>-35.0</b> |               |   |   |

Final Proposed  
Budgets  
- 2011 & 2012

\$823,895,295

\$858,458,353

| Project Title                                      | 2011 Appropriations (In 1000) | 2012 Appropriations (In 1000) | Total Project Cost (In 1000) | Funding Sources | Description / Explanation  |
|--|-------------------------------|-------------------------------|------------------------------|-----------------|--|
| <b>New Projects</b>                                |                               |                               |                              |                 |  |
| 1) Street Sweeping for Water Quality               | \$314                         | \$825                         | \$1,139                      | DWF             | This program provides for a cost-effective, significant reduction in the toxic pollutant load carried by stormwater runoff discharged by SPU's storm drain system to Puget Sound using new, high efficiency street sweeping technology. This program will leverage the existing Seattle Department of Transportation (SDOT) street sweeping program expertise and equipment. SDOT will be responsible for managing the sweeper fleet and staff and delivering street sweeping for water quality services, while SPU will be responsible for selecting the water quality routes, sweeping frequency, and performance standards. Assuming the street sweeping program successfully and cost-effectively reduces the toxic pollutant load in stormwater runoff, the program will continue after 2012, with impacts on SPU's operating but not capital budget. |
| 2) Landsburg Chlorination Upgrades                 | \$20                          | \$208                         | \$1,080                      | WF              | This project constructs either new sodium hypochlorite (liquid) chlorination facilities or upgraded gas chlorine facilities at the Landsburg Cedar River Diversion Facilities. The project will enhance safety and site security by replacement of/or upgrades to the aging gas chlorine facilities.   |
| <b>Projects Canceled or Deferred</b>               |                               |                               |                              |                 |  |
| 3) Operational Facility Other                      | \$0                           | \$0                           | \$0                          | DWF/WF/SWF      | This project is deferred for budgetary reasons.  |
| <b>Funding/Scope Changes for Existing Projects</b> |                               |                               |                              |                 |  |
| 4) Venema Creek Natural Drainage System            | \$1,489                       | \$2,601                       | \$5,986                      | DWF             | This project provides stormwater flow control and water quality treatment using a Natural Drainage System approach within the Venema Creek sub basin of Pipers Creek. This project was cancelled in 2009 due to financial constraints and then re-instated for 2010; schedule impacts from stopping and restarting the project have resulted in a shift in costs from 2011 to 2012.  |

| Project Title                                 | 2011 Appropriations (In 1000) | 2012 Appropriations (In 1000) | Total Project Cost (In 1000) | Funding Sources | Description / Explanation   |
|---|-------------------------------|-------------------------------|------------------------------|-----------------|---|
| 5) Windermere Combined Sewer Overflow Storage | \$3,244                       | \$8,937                       | \$52,363                     | DWF             | This project provides construction of off-line storage and best management practice combined sewer overflow (CSO) facilities in the Windermere area in the northeast part of Seattle. Facilities will be built to meet water quality standards for Lake Washington in accordance with state and federal regulations. The project also intends to meet requirements of the City's current CSO National Pollutant Discharge Elimination System (NPDES) permit. Decreases in 2011 and 2012 reflect the results of recent modeling and monitoring work that has shown lower control volumes than originally anticipated, resulting in the need for smaller, and therefore, less costly solutions. |
| 6) S Genesee Combined Sewer Overflow          | \$704                         | \$1,248                       | \$18,579                     | DWF             | This project provides construction of combined sewer overflow (CSO) facilities in the Genesee area in the southeast part of Seattle. Facilities will be built to meet level of service requirements for CSOs and comply with state and federal regulations. The project will meet requirements of the City's current National Pollutant Discharge Elimination System (NPDES) Wastewater Discharge Permit. Decreases in 2011 and 2012 reflect the results of recent modeling and monitoring work that has shown lower control volumes than originally anticipated, resulting in the need for smaller, and therefore, less costly solutions.  |
| 7) S Henderson Combined Sewer Overflow        | \$2,142                       |                               | \$66,712*                    | DWF             | This project provides construction of combined sewer overflow (CSO) facilities in the Henderson area in the southeast part of Seattle. Facilities will be built to meet level of service requirements for CSOs and comply with state and federal regulations. The project will meet requirements of the City's current National Pollutant Discharge Elimination System (NPDES) Wastewater Discharge Permit. Decreases in 2011 and 2012 reflect revised cost estimates as well as the results of recent modeling and monitoring work.  |
| 8) Sanitary Sewer Overflow Capacity           | \$2,040                       | \$4,162                       | \$26,379                     | DWF             | This ongoing project provides capacity improvements to the existing Seattle wastewater conveyance system. Typical improvements may include, but are not limited to, increasing the diameter of existing pipes or installing additional relief pipes to eliminate or avoid sewer backups and overflows. Increases in 2011 and 2012 will restore funding that was previously reduced due to financial constraints, and will achieve reduced backups on both residential and commercial properties.  |

| Project Title                                 | 2011 Appropriations (In 1000) | 2012 Appropriations (In 1000) | Total Project Cost (In 1000) | Funding Sources | Description / Explanation  |
|---|-------------------------------|-------------------------------|------------------------------|-----------------|--|
| 9) South Park Pump Station                    | \$8,818                       | \$5,514                       | \$23,913                     | DWF             | This project provides for the construction of a pump station and water quality facility in South Park. The pump station will allow the existing storm drain trunk to meet the level of service adopted in the 2004 Comprehensive Drainage Plan. The water quality facility will treat most stormwater flows from the basin, reducing pollutant loading to the Duwamish River. Increases in 2011 and 2012 are the result of overall project delays due to issues procuring property rights. Construction has been pushed into 2011, with final closeout now scheduled for 2013.   |
| 10) Integrated Control Monitoring Program-DWF | \$1,012                       | \$2,725                       | \$21,698*                    | DWF             | This ongoing program funds improvements to the centralized monitoring and control of the drainage and wastewater portion of the overall Supervisory Control and Data Acquisition (SCADA) system infrastructure throughout Seattle. Infrastructure affected may include, but is not limited to, pipes related to potential combined sewer overflows, rain gauges, and wastewater pump stations. Decreases in 2011 and 2012 are the result of reducing this program in order to fund higher priority projects while still meeting the overall CIP fund target.   |
| 11) Capitol Hill Water Quality Project        | \$306                         | \$2,497                       | \$6,236                      | DWF             | This project provides construction of four blocks of biofiltration swales in the South Lake Union neighborhood. As part of a regional storm water treatment facility, this project will be constructed in partnership with an adjacent land developer and includes new sidewalks and road surfaces. The project was put on hold in 2009 following completion of 30% design, due to a combination of financial constraints within the Drainage & Wastewater Fund and delays on the part of the developer due to the economic slowdown. As a result, the project was not included in the 2010 Adopted Budget. However, the developer recently notified SPU that they are ready to move forward on the project, and a request to add this project back to the 2010 Adopted Budget is pending approval in the 2nd Quarter Supplemental Ordinance |

| Project Title   | 2011 Appropriations (In 1000) | 2012 Appropriations (In 1000) | Total Project Cost (In 1000) | Funding Sources | Description / Explanation   |
|---|-------------------------------|-------------------------------|------------------------------|-----------------|---|
| 12) Sediment Remediation-DWF                              | \$6,350                       | \$5,385                       | \$38,727*                    | DWF             | This ongoing program provides for City of Seattle participation in cleanup of contaminated sediment sites at multiple locations across the city for which the City's drainage and wastewater utilities may have some liability. Typical phases of such projects include preliminary studies and analyses, preliminary engineering for actual cleanup efforts, and liability allocation negotiations. The decrease in 2012 reflects the latest schedule and cost estimates for this program, as well as a new cost sharing agreement with SCL that results in reduced costs for SPU. |
| 13) Alaskan Way Viaduct & Seawall Replacement Program-DWF | \$4,100                       | \$6,703                       | \$52,943*                    | DWF             | This program relocates, replaces, and protects drainage and wastewater infrastructure affected by the replacement of the Alaskan Way Viaduct and Seawall. The Washington State Department of Transportation (WSDOT) is the lead for the SR-99 replacement, while the City of Seattle is the lead on development of the waterfront public space, implementation of the new surface Alaskan Way, and design and construction of the seawall. The decrease in 2011 and the increase in 2012 reflect the latest schedule and cost estimates for the overall project.                    |
| 14) Reservoir Covering - Volunteer                        | \$0                           | \$0                           | \$3,061                      | WF              | This project is on hold and under consideration for decommissioning. A decision on the decommissioning will be made when other reservoirs are back on line and an assessment of the system can be made.   |
| 15) Cedar Fluoridation Relocation                         | \$408                         | \$2,601                       | \$3,414                      | WF              | This project decreased in 2011 and increased in 2012 due to timing shifts and a more detailed consultant engineering estimate. The estimate reflected in the 2011 Endorsed Budget was developed before many project specifics were decided.   |
| 16) Morse Lake Pump Plant                                 | \$1,326                       | \$4,578                       | \$80,579                     | WF              | This project was zeroed out in the Endorsed Budget and has been put back into the Proposed Budget. The specific project option is being determined by SPU's Asset Management Process. The current estimates are based on one of the options under review. These estimates will change based on the option selected.   |
| 17) Water Infrastructure-Service Renewal                  | \$7,854                       | \$3,849                       | \$114,160**                  | WF              | Increases in this ongoing program in 2011 were made because of an expected push to complete proactive service renewal replacements and because SDOT paving backlog changes are also expected to hit in that year. This program decreases in 2012 as the focus of the program shifts to reactive, leak-based replacements.   |

| Project Title                      | 2011 Appropriations (In 1000) | 2012 Appropriations (In 1000) | Total Project Cost (In 1000) | Funding Sources | Description / Explanation   |
|------------------------------------|-------------------------------|-------------------------------|------------------------------|-----------------|---|
| 18) Water Infrastructure- New Taps | \$7,650                       | \$7,803                       | \$134,851**                  | WF              | This ongoing program decreased in both 2011 and 2012 to reflect the downturn in the economy and continued slowdown in real estate development, which has resulted in a decrease in the demand for new taps.   |
| 19) South Transfer Station Rebuild | \$22,644                      | \$24,970                      | \$111,675                    | SWF             | This project decreased in 2011 and increased in 2012 due to a project delay. The design/build procurement process took longer than anticipated, creating the delay.   |
| 20) North Transfer Station Rebuild | \$1,479                       | \$9,462                       | \$60,702                     | SWF             | Allocation for this project decreased in 2011 and increased in 2012 due to a delay in the project to allow community involvement. SPU has been working to build community support for the replacement of the Station and the design/build procurement process will not start until 2011 after the community input process on station replacement alternatives has been completed. |

\* These projects will have costs beyond 2016, however the costs listed above are consistent with the proposed 2011-2016 CIP.

\*\* These are on-going programs and total project costs listed above include life to date expenditures.