

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

- a. Legislation Title:** A RESOLUTION relating to Seattle Public Utilities; adopting a 2018-2023 Strategic Business Plan Update for Seattle Public Utilities and endorsing a six-year rate path required to support the Strategic Business Plan Update.
- b. Summary and background of the Legislation:** This legislation adopts a six-year Strategic Business Plan Update (Plan Update) for Seattle Public Utilities (SPU), endorses an average annual rate increase of 5.5% across all lines of business from 2018-2023 required to support the Strategic Business Plan.

In 2012, the Council passed a Statement of Legislative Intent directing Seattle Public Utilities to develop a six-year Strategic Business Plan (the Plan). A subsequent resolution (Resolution 31429) clarified the primary goal of the Plan, which is to set a transparent and integrated direction for all of SPU's business lines that reflects customer values, provides rate predictability for utility customers, and results in best value for customer dollars. This resolution also established a nine-member Customer Review Panel to provide input to the Plan Update during its development, and provide to the Mayor and City Council comments on the Plan Update concurrent with delivery of the final proposed Plan to Council.

The Strategic Business Plan provides a forum for discussion between the utility, elected officials, and customer stakeholders and provides more transparency and accountability for decision-making within the utility.

Per Resolution 31429, the 2018-2023 Strategic Business Plan Update is the first update for the 2015-2020 Strategic Business Plan and contains an updated six-year endorsed rate path for water, drainage, wastewater and solid waste rates.

There are no revenues or reimbursements as a direct result of this legislation, nor does it directly impact spending or cash flow. Revenues, spending, and cash flow related to the Plan Update will be submitted with the 2018 budget legislation and subsequent rate study legislation.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? ___ Yes X No
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
Yes, adoption of the Strategic Business Plan implies a trajectory of rate increases averaging 5.5% per year across all lines of business over the 2018-2023 period, and requests the Executive to prepare the 2018 Proposed Operations Budget, 2018-2023 Capital Budget, and upcoming rate studies in support of, and consistent with, the rate path in the Strategic Business Plan.
- c. Is there financial cost or other impacts of *not* implementing the legislation?
N/A

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
This legislation does not directly affect any other department. Certain projects proposed in the Plan are performed jointly with other departments including SDOT and SCL, but coordination is established and ongoing.
- b. Is a public hearing required for this legislation?
No
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
No
- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No
- e. Does this legislation affect a piece of property?
No.
- f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?
No, however, during the development of the Plan Update, SPU conducted extensive public outreach, including stakeholder meetings, public meetings, non-English speaking outreach and an online survey to reach out to historically disadvantaged ensuring the Plan Update is consistent with the principles of Seattle's Race and Social Justice Initiative.

- g. If this legislation includes a new initiative or a major programmatic expansion:
What are the specific long-term and measurable goal(s) of the program? How will
this legislation help achieve the program's desired goal(s).**

The Plan Update will include metrics for action plans that are submitted with the 2018
budget legislation.

- h. Other Issues:**

List attachments/exhibits below: