



Seattle Public Utilities



2013-2014 Proposed Budget Overview

BASIC MISSION

- ▶ SPU Mission: *We provide reliable, efficient, and environmentally conscious utility services to enhance the quality of life and livability of all communities we serve.*
 - ▶ Why does any of this matter to the people of Seattle?
 - ▶ SPU provides basic services to improve the overall quality of life for Seattle citizens. Examples as to why these services are so important:
 - Solid Waste: When Waste Management drivers went on strike in 2012, half of the city (97,000 customers) went without pickup for 8 days, leaving about 9,700 tons of garbage out on the street.
 - Drainage & Wastewater: During major storms in 2004 and 2006, Madison Valley residents experienced substantial surface flooding and sewer backups, causing safety risks and major property damage. Since this time, SPU greatly reduced these risks through system improvements.
 - Drinking Water: 1.3 million people in King County depend on Seattle to provide reliable and high quality drinking water – for less than a penny a gallon.
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KEY OUTCOMES AND REMAINING CHALLENGES

- ▶ SPU measures mission performance via several metrics:
 - ▶ Service delivery & recovery (limit sewer backups; limit solid waste missed pickups; deliver good-tasting water; answer customer calls)
 - ▶ Regulatory requirements (limit CSOs; provide in-stream flows for fish and other commitments; control odor/rodents at transfer stations)
 - ▶ Financial stability (maintain bond ratings; meet financial policies)
 - ▶ **Gap 1: Combined Sewer Overflows**
 - ▶ How to overcome: Consent Decree
 - ▶ **Gap 2: Decades-old in-City transfer stations**
 - ▶ How to overcome: Construct new Transfer Stations
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ALIGNING MISSION AND BUDGET

- ▶ Resources added to address CSOs and North Transfer Station construction; cuts taken in other areas
 - ▶ Prioritization used to develop budget/rate proposals:
 - ▶ Efficiency cuts taken first; minimal impact on service levels
 - ▶ Lower-priority discretionary programs reduced next
 - ▶ Minimized reductions in higher-priority discretionary programs and core services
 - ▶ **Result:** balanced portfolio of projects, programs, activities aligned with SPU's mission
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TABLE 1 - INCREMENTAL BUDGET CHANGES FOR THE 2013-2014 BIENNIUM

SEATTLE PUBLIC UTILITIES - WATER FUND

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
WATER FUND							
2012 ADOPTED BUDGET	\$258,563,931	669.19	\$258,563,931	669.19			
CBO Adjustments for Standard Cost Changes and CIP Allocation Changes	\$12,969,878		\$16,899,170		No	Citywide technical adjustments reflect initial changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs. Also reconciles SPU's appropriations to the 2013-2014 planned allocations shown in the 2012-2017 Adopted CIP.	900
Departmental Technical Changes	\$387,826		\$167,826		No	Reflects re-aligning budgets and adding one-time costs associated with deferred maintenance, watermain condition assessment, and hatchery decommissioning.	999
BASELINE BUDGET	\$271,921,635	669.19	\$275,630,927	669.19			
PROPOSED POLICY CHANGES							
1) Geographic Information System Reductions	(42,433)		(44,130)		No	Eliminates funding for work completed on the City's Central Geographic Database.	101
2) Reduce Professional Service and Other Departmental Support Costs	(1,279,780)		(1,279,780)		No	Cuts to internal support costs throughout the Department, including professional services, administration, and equipment maintenance.	107
3) Water Fund Position Adjustments	(471,300)	(11.50)	(471,300)	(11.50)	No	Eliminates five and a half positions in the Water Utility and transfers six positions to the Drainage and Wastewater Utility to support regulatory requirements and other critical business needs.	108

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
4) Common Operating Picture Initiative	18,630		18,849		No	Provides for the Water Fund's portion of operations and maintenance costs to implement a Common Operating Picture system.	128
5) Water Fund CIP	(6,442,327)		3,047,227		No	Revises costs relative to 2013 and 2014 planned spending shown in the 2012-2017 Adopted CIP. Additional detail is provided in Table 2.	500
6) Technology CIP	1,465,508		(89,022)		No	Adjusts Water Fund support for SPU's Technology Capital program, relative to planned spending shown in the 2012-2017 Adopted CIP.	503
PROPOSED TECHNICAL CHANGES							
27) Taxes Budget Adjustment	1,024,930		\$3,054,578		No	Increases budget authority to pay projected city and state taxes.	070
28) Debt Service Budget Adjustment	(2,433,589)		(\$25,657)		No	Reduces budget authority to pay debt service costs, reflecting bond refinancing in 2012.	070
29) Technical Adjustments	948,361		\$1,160,872		No	Includes changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; and the shift of labor costs between capital and operating budgets based on Proposed CIP.	070,125
TOTAL PROPOSED CHANGES	(7,212,000)	(11.50)	5,371,637	(11.50)			
FINAL PROPOSED BUDGET - WF	264,709,635	657.69	281,002,564	657.69			

CASH BALANCE (Rounded):

PROJECTED <u>BEGINNING</u> CASH BALANCE	\$63,885,254	\$90,343,582
PROJECTED <u>YEAR-END</u> CASH BALANCE	\$90,343,582	\$65,821,699
PROJ <u>UNRESERVED</u> CASH BALANCE	\$7,561,000	\$7,774,000

TABLE 2 - CAPITAL IMPROVEMENT PROGRAM (CIP) CHANGES

SPU - WATER FUND					2013-2018 PROPOSED CIP
PROJECT TITLE	2013 APPROPRIATIONS (In 1000)	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
NEW PROJECTS					
1) Water Infrastructure - Distribution System Modifications	\$200	\$200	\$1,200*	Water Fund	Project established to track non-developer driven projects, such as watermains extended for projects by other governmental agencies.
PROJECTS CANCELLED OR DEFERRED					
2) Kerriston Road	\$0	\$0	\$1,193	Water Fund	Project's cost-benefit analysis did not justify continuing the project.
3) Cedar River Watershed Cultural Resource Information Management System	\$0	\$0	\$18	Water Fund	SPU identified alternative approaches to accomplishing the planned objectives and cancelled the project.
FUNDING/SCOPE CHANGES FOR EXISTING PROJECTS					
4) Distribution System Improvements	\$1,140	\$3,500	\$27,432*	Water Fund	Funding reduced by \$3M in 2013 and \$1.4M in 2014 based on recent evaluation of condition of the existing infrastructure.

* These projects will have costs beyond 2018. Costs listed above are consistent with the Proposed 2013-2018 CIP budget.

PROJECT TITLE	2013 APPROPRIATIONS (In 1000)	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
5) Watermain Rehabilitation	\$2,265	\$1,832	\$32,605*	Water Fund	Increases in funding of \$2.3M in 2013 and \$1.8M in 2014 based on analysis of work needed.
6) Cathodic Protection Program	\$350	\$1,698	\$10,426*	Water Fund	Reduction of \$1.3M due to one-year project delay in 2013.
7) Reservoir Covering - Maple Leaf	\$1,250	\$950	\$40,554	Water Fund	Reduction of \$3.1M in 2013, as placeholder funding for seismic work is distributed to the West Seattle and Beacon reservoir programs.
8) Reservoir Covering - West Seattle	\$700	\$3,025	\$36,995	Water Fund	Increase of \$3M in 2014 for seismic work.
9) Morse Lake Pump Plant	\$3,304	\$4,493	\$50,683	Water Fund	Increase of \$1.3M in 2013 reflecting final design and concept, and subsequent changes to cost and schedule projections. Total project cost has increased by \$9M.
10) Heavy Equipment Purchases - WF	\$2,000	\$2,000	\$22,396	Water Fund	Reduction of \$1.1M in 2013 to reflect extension of replacement cycle for heavy equipment and efforts to downsize the SPU fleet.

* These projects will have costs beyond 2018. Costs listed above are consistent with the Proposed 2013-2018 CIP budget.

TABLE 3 - BUDGET OVERVIEW

SEATTLE PUBLIC UTILITIES - WF EXPENDITURES OVERVIEW (2013-2014 PROPOSED)					
BUDGET CONTROL LEVELS	2012 ADOPTED	2013 PROPOSED	% CHANGE '12-'13	2014 PROPOSED	% CHANGE '13-'14
WATER FUND					
Expenditures by BCL					
Administration	\$ 8,743,000	\$ 9,564,000	9.4%	\$ 10,903,000	14.0%
Customer Service	\$ 10,010,000	\$ 10,160,000	1.5%	\$ 10,369,000	2.1%
Distribution	\$ 15,194,000	\$ 19,778,000	30.2%	\$ 20,394,000	3.1%
General Expense	\$ 136,550,000	\$ 137,784,000	0.9%	\$ 143,333,000	4.0%
Habitat Conservation Program	\$ 4,913,000	\$ 2,507,000	-49.0%	\$ 2,491,000	-0.6%
Other Operating	\$ 47,754,000	\$ 48,225,000	1.0%	\$ 48,922,000	1.4%
Shared Cost Projects	\$ 14,641,000	\$ 15,795,000	7.9%	\$ 19,403,000	22.8%
Technology	\$ 5,358,000	\$ 9,174,000	71.2%	\$ 8,596,000	-6.3%
Transmission	\$ 1,343,000	\$ 1,703,000	26.8%	\$ 3,076,000	80.6%
Water Quality & Treatment	\$ 6,613,000	\$ 3,334,000	-49.6%	\$ 5,304,000	59.1%
Water Resources	\$ 5,616,000	\$ 6,683,000	19.0%	\$ 8,212,000	22.9%
Watershed Stewardship	\$ 1,828,000	\$ 3,000	-99.8%	\$ 2,000	-33.3%
Total Water Expenditures	\$ 258,564,000	\$ 264,710,000	2.4%	\$ 281,003,000	6.2%
Total FTEs	669.19	657.69	-1.7%	657.69	0.0%
Revenues					
Capital Grants/Contributions	\$ 1,854,000	\$ 1,883,000	1.6%	\$ 1,916,000	1.8%
Decrease (Increase) in Working Capital	\$ 6,791,000	\$ 10,039,000	47.8%	\$ 11,977,000	19.3%
General Fund Support	\$ -	\$ 56,000	100.0%	\$ 57,000	1.8%
Hydrants	\$ 7,052,000	\$ 7,591,000	7.6%	\$ 8,208,000	8.1%
Interfund Services	\$ 2,440,000	\$ 2,431,000	-0.4%	\$ 2,480,000	2.0%
Other Revenues	\$ 7,164,000	\$ 7,224,000	0.8%	\$ 7,839,000	8.5%
Retail Water Sales	\$ 152,537,000	\$ 159,858,000	4.8%	\$ 172,826,000	8.1%
Tap Fees	\$ 3,038,000	\$ 3,326,000	9.5%	\$ 3,617,000	8.7%
Transfer from Construction Fund	\$ 30,114,000	\$ 25,034,000	-16.9%	\$ 24,980,000	-0.2%
Wholesale Water Sales	\$ 47,574,000	\$ 47,268,000	-0.6%	\$ 47,103,000	-0.3%
Total Revenues	\$ 258,564,000	\$ 264,710,000	2.4%	\$ 281,003,000	6.2%

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

TABLE 1 - INCREMENTAL BUDGET CHANGES FOR THE 2013-2014 BIENNIUM

SEATTLE PUBLIC UTILITIES - DRAINAGE AND WASTEWATER FUND

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
DRAINAGE AND WASTEWATER FUND							
2012 ADOPTED BUDGET	\$377,608,275	536.30	\$377,608,275	536.30			
CBO Adjustments for Standard Cost Changes and CIP Allocation Changes	31,956,015		2,809,844		Partial	Citywide technical adjustments reflect initial changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs. Also reconciles SPU's appropriations to the 2013-2014 planned allocations shown in the 2012-2017 Adopted CIP.	900
Departmental Technical Changes	(14,402)		(14,402)		No	Reduces funding for Neighborhood Payment Information System (NPIS) to match 2013 anticipated costs.	999
BASELINE BUDGET	\$409,549,888	536.30	\$380,403,717	536.30			
PROPOSED POLICY CHANGES							
1) Consent Decree - Combined Sewer Integrated Planning Cost	500,000		500,000		No	Provides funding to implement the Combined Sewer Overflows (CSOs) provisions of SPU's Consent Decree with the U.S. Environmental Protection Agency (EPA).	303
2) Consent Decree - Sanitary Sewer Data Collection and Analysis	670,000		670,000		No	Provides funding to implement the sanitary sewer system provisions of SPU's Consent Decree with the EPA.	121,123
3) NPDES Stormwater Code and Manual Update	250,000		50,000		No	Provides consultant support to comply with regulatory requirements to update the City's Stormwater Code and manuals.	119
4) Side Sewer Mapping Compliance	200,000	2.00	200,000	2.00	No	Provides staff and funding for SPU to eliminate a backlog in mapping work related to side sewer site plans, using positions to be transferred into the Drainage and Wastewater Utility from the Water Utility.	118

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
5) Stormwater Monitoring Regulatory Compliance	(285,000)		178,000		No	Reflects reduced costs in 2013 for stormwater monitoring. Costs will increase in 2014 under the City's new NPDES permit.	115
6) Engineering and Geographic Information System Reductions	(172,404)		(179,300)		Partial	Eliminates funding for work completed on the City's Central Geographic Database, and reallocates costs of operating SPU's Engineering Records Vault.	100,101
7) Duwamish Pipeline Cleaning Reduction	(100,000)		(100,000)		No	Reduces funding for cleaning stormwater pipes flowing to the Duwamish River and disposing of contaminated sediments.	109
8) Urban Watershed Planning Reduction	(167,200)		(167,200)		No	Reduces funding for long-term strategic planning of environmental improvements in the city's urban watersheds.	110
9) Below Ground Sewer Rat Control Reduction	(100,000)		(100,000)		No	Aligns budget to actual payments to King County Public Health to provide below ground rat control.	111
10) Water Quality Monitoring Reductions	(132,000)		(132,000)		No	Discontinues flow monitoring in the Thornton Creek Water Quality Channel at the end of 2012, as regulatory requirements have been met.	113,114
11) Miscellaneous Non-Labor Reductions	(194,441)		(194,441)		No	Reductions to various non-labor operating activities, including consultant services, maintenance, and contingency budgets.	117
12) Reduce Professional Service and Other Departmental Support Costs	(856,159)		(856,159)		No	Cuts to internal support costs throughout the Department, including professional services, administration, and equipment maintenance.	107
13) Drainage and Wastewater Fund Position Adjustments	(226,440)	1.00	(226,440)	1.00	No	Adds eight positions in order to meet regulatory requirements and critical staffing needs, and eliminates seven positions. Some costs associated with the added positions are captured under the CIP adjustment.	108

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
14) Education and Outreach Reductions	(319,000)		(319,000)		No	Decreases funding for Savvy Gardener education, RainWise outreach, and other water quality education programs and outreach.	116
15) Common Operating Picture Initiative	18,631		18,850		No	Provides for the Drainage and Wastewater Fund's portion of expected costs to operate and maintain the Common Operating Picture system being developed by the Seattle Police Department.	128
16) Drainage and Wastewater CIP	(28,174,702)		14,262,240		No	Revises costs relative to 2013 and 2014 planned spending shown in the 2012-2017 Adopted CIP. Additional detail is provided in Table 2.	501
17) Technology CIP	1,549,698		61,854		No	Adjusts Drainage and Wastewater Fund support for SPU's Technology Capital program, relative to the planned spending shown in the 2012-2017 Adopted CIP.	503
PROPOSED TECHNICAL CHANGES							
18) Taxes Budget Adjustment	1,857,924		1,551,727		No	Increases budget authority to pay projected city and state taxes.	071
19) Debt Service Budget Adjustment	4,406,351		6,363,978		No	Increases budget authority to pay debt service costs, reflecting issuance of new debt.	071
20) Technical Adjustments	1,449,311		1,456,344		Partial	Includes changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; and the shift of labor costs between capital and operating budgets based on Proposed CIP.	071,125
21) King County Wastewater Treatment Contract	10,642,590		7,249,662		No	Additional authority to pay King County wastewater treatment costs, driven by increase in the County's	071
TOTAL PROPOSED CHANGES	(\$9,182,841)	3.00	\$30,288,115	3.00			
FINAL PROPOSED BUDGET - DWF	\$400,367,047	539.30	\$410,691,832	539.30			

CASH BALANCE:

PROJECTED BEGINNING CASH BALANCE	\$113,964,812	\$44,419,484	
PROJECTED YEAR-END CASH BALANCE	\$44,419,484	\$53,770,093	
PROJ UNRESERVED CASH BALANCE	\$16,249,176	\$11,304,753	

TABLE 2 - CAPITAL IMPROVEMENT PROGRAM (CIP) CHANGES

SPU - DRAINAGE AND WASTEWATER FUND **2013-2018 PROPOSED CIP**

PROJECT TITLE	2013 APPROPRIATIONS (In 1000)	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
NEW PROJECTS					
1) Knickerbocker Floodplain Improvement	\$1,540	\$78	\$1,868	Drainage and Wastewater Fund	Project makes floodplain improvements on Thornton Creek to reduce flooding and improve habitat and water quality.
2) Future CSO Projects	\$0	\$0	\$33,823 *	Drainage and Wastewater Fund	Program is a placeholder for future combined sewer overflow (CSO) reduction projects that will be identified through the CSO Long-Term Control Plan.
PROJECTS CANCELLED OR DEFERRED					
3) Other Major Transportation Projects	\$0	\$0	\$1	Drainage and Wastewater Fund	Project on hold until WSDOT identifies additional funding for the SR-520 project.
FUNDING/SCOPE CHANGES FOR EXISTING PROJECTS					
4) Venema Creek Natural Drainage System	\$500	\$1,000	\$7,275	Drainage and Wastewater Fund	Reduction of \$2.6M in 2013 reflects project delays due to geotechnical issues.
5) Taylor Creek Culvert Replacement	\$450	\$3,000	\$5,308	Drainage and Wastewater Fund	Reduction of \$100k in project costs for 2013, but an increase of \$1.8M in 2014 to purchase properties along the lower creek and for added restoration costs.

* These projects will have costs beyond 2018. Costs listed above are consistent with the Proposed 2013-2018 CIP budget.

PROJECT TITLE	2013 APPROPRIATIONS (In 1000)	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
6) Long Term Control Plan	\$4,517	\$2,908	\$41,177	Drainage and Wastewater Fund	Funding decreased \$4M across 2013-2014 due to the completion of a programmatic Environmental Impact Statement (EIS) and elimination of program management work.
7) Windermere CSO Storage	\$17,178	\$18,042	\$62,408	Drainage and Wastewater Fund	Reduction of \$6.7M in 2013 due to permitting delays, and increase in 2014 of \$17.5M. Total project costs have increased by \$9.9M.
8) S Henderson Combined Sewer Overflow Storage	\$6,196	\$6,791	\$81,907	Drainage and Wastewater Fund	Budget increases in 2013 by \$1.9M and in 2014 by \$2.1M to address acceleration of project to meet regulatory deadlines in 2015. Total project costs have decreased \$6M.
9) Green Stormwater Infrastructure Program	\$4,799	\$6,409	\$34,818*	Drainage and Wastewater Fund	Increase in project of \$1M in 2013 and \$1.4M in 2014 to support efforts to meet CSO Consent Decree requirements.
10) Combined Sewer Overflow Facility Retrofit	\$3,024	\$3,516	\$23,411	Drainage and Wastewater Fund	Reduction of \$1.7M in 2013 and \$2.5M in 2014 reflects a recent SPU CIP prioritization process that cut the DWF project portfolio to only the most critical projects during the proposed 3-year rate period.
11) Pump Station and Force Main Improvements	\$1,560	\$1,300	\$21,005*	Drainage and Wastewater Fund	Reductions of \$1.3M in 2013 and \$1.1M in 2014 are driven by recent CIP prioritization process.

* These projects will have costs beyond 2018. Costs listed above are consistent with the Proposed 2013-2018 CIP budget.

PROJECT TITLE	2013 APPROPRIATIONS (In 1000)	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
12) Point Sewer Pipe Rehabilitation	\$3,900	\$3,900	\$72,418*	Drainage and Wastewater Fund	Reductions of \$2.8M in 2013 and \$2.9M in 2014 are driven by recent CIP prioritization process.
13) Localized Flood Control Program	\$2,600	\$1,860	\$36,105*	Drainage and Wastewater Fund	Reductions of \$1.6M in 2013 and \$4.2M in 2014 are the result of recent CIP prioritization process, which pushed some flood control projects out to 2017.
14) Sanitary Sewer Overflow Capacity	\$1,935	\$8,250	\$33,325*	Drainage and Wastewater Fund	Program increased \$6M in 2014 to prioritize critical combined sewer improvements located in a low-income area of South Park.
15) South Park Pump Station	\$4,500	\$3,800	\$22,693	Drainage and Wastewater Fund	Reduction of \$1.5M in 2013 and increase \$2.8M in 2014, reflecting delays in project schedule.
16) Alaskan Way Viaduct & Seawall Replacement Program - DWF	\$3,107	\$5,291	\$39,596	Drainage and Wastewater Fund	Costs decrease \$7.4M for the 2013-2018 CIP period to reflect better definition of scope for the AWV project. This project relocates, replaces, and protects drainage and wastewater infrastructure affected by the replacement of the Alaskan Way Viaduct and Seawall.

* These projects will have costs beyond 2018. Costs listed above are consistent with the Proposed 2013-2018 CIP budget.

TABLE 3 - BUDGET OVERVIEW

SEATTLE PUBLIC UTILITIES - DWF EXPENDITURES OVERVIEW (2013-2014 PROPOSED)					
BUDGET CONTROL LEVELS	2012 ADOPTED	2013 PROPOSED	% CHANGE '12-'13	2014 PROPOSED	% CHANGE '13-'14
DRAINAGE AND WASTEWATER					
Expenditures by BCL					
Administration	\$ 5,594,000	\$ 5,136,000	-8.2%	\$ 6,248,000	21.7%
Combined Sewer Overflows	\$ 26,888,000	\$ 43,834,000	63.0%	\$ 49,202,000	12.2%
Customer Service	\$ 7,426,000	\$ 7,350,000	-1.0%	\$ 7,507,000	2.1%
Flooding, Sewer Back-up, and Landslides	\$ 24,186,000	\$ 16,710,000	-30.9%	\$ 17,201,000	2.9%
General Expense	\$ 219,634,000	\$ 238,080,000	8.4%	\$ 240,739,000	1.1%
Other Operating	\$ 51,117,000	\$ 53,671,000	5.0%	\$ 54,825,000	2.2%
Protection of Beneficial Uses	\$ 4,800,000	\$ 5,108,000	6.4%	\$ 5,142,000	0.7%
Rehabilitation	\$ 12,623,000	\$ 9,191,000	-27.2%	\$ 8,770,000	-4.6%
Sediments	\$ 5,595,000	\$ 1,679,000	-70.0%	\$ 2,050,000	22.1%
Shared Cost Projects	\$ 14,931,000	\$ 10,728,000	-28.1%	\$ 11,395,000	6.2%
Technology	\$ 4,815,000	\$ 8,880,000	84.4%	\$ 7,613,000	-14.3%
Total DWF Expenditures	\$ 377,608,000	\$ 400,367,000	6.0%	\$ 410,692,000	2.6%
Total FTEs	536.30	539.30	0.6%	539.30	0.0%
Revenues					
Capital Grants/Contributions	\$ 4,525,000	\$ 1,850,000	-59.1%	\$ 1,850,000	0.0%
Decrease (Increase) in Working Capital	\$ 4,111,000	\$ 17,137,000	316.9%	\$ 19,148,000	11.7%
Drainage Rates	\$ 75,129,000	\$ 80,644,000	7.3%	\$ 88,704,000	10.0%
Fees	\$ 1,119,000	\$ 1,278,000	14.2%	\$ 1,278,000	0.0%
General Fund Support	\$ 1,205,000	\$ 1,105,000	-8.3%	\$ 1,129,000	2.2%
Interfund Services	\$ 7,519,000	\$ 5,828,000	-22.5%	\$ 5,915,000	1.5%
Other Revenues	\$ 2,254,000	\$ 2,817,000	25.0%	\$ 2,821,000	0.1%
Transfer from Construction Fund	\$ 69,860,000	\$ 61,349,000	-12.2%	\$ 63,478,000	3.5%
Wastewater Rates	\$ 211,886,000	\$ 228,359,000	7.8%	\$ 226,369,000	-0.9%
Total Revenues	\$ 377,608,000	\$ 400,367,000	6.0%	\$ 410,692,000	2.6%

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

TABLE 1 - INCREMENTAL BUDGET CHANGES FOR THE 2013-2014 BIENNIUM

SEATTLE PUBLIC UTILITIES - SOLID WASTE FUND

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
SOLID WASTE FUND							
2012 ADOPTED BUDGET	\$183,065,307	205.56	\$183,065,307	205.56			
CBO Adjustments for Standard Cost Changes and CIP Allocation Changes	\$3,398,846		\$42,188,440		No	Citywide technical adjustments reflect initial changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs. Also reconciles SPU's appropriations to the 2013-2014 planned allocations shown in the 2012-2017 Adopted CIP.	900
Departmental Technical Changes	(\$155,609)		(\$155,609)		No	Removes one-time costs associated with the "One-Less Truck" initiative and re-aligns cost associated with the Neighborhood Payment Information System.	999
BASELINE BUDGET	\$186,308,543	205.56	\$225,098,137	205.56			
PROPOSED POLICY CHANGES							
1) South Transfer Station Operating Costs	828,999	1.00	917,000	1.00	No	Provides funding for maintenance, utility costs, and a new position to support operation of the new South Transfer Station.	104
2) North Transfer Station Diversion	0		414,120		No	Funding for SPU to pay collection contractors to use the City's South Transfer Station while the North Transfer Station is closed for construction.	300
3) Solid Waste Fund Position Adjustments	(363,700)	(3.00)	(363,700)	(3.00)	No	Eliminates three positions in the Solid Waste Utility, and reduces efforts on sustainability activities.	108
4) Historical Landfill Temporary Savings	(76,000)		(73,000)		No	Temporarily decreases ground water monitoring, consistent with regulatory requirements.	301
5) Private Garbage Transfer Reduction	(250,000)		(250,000)		No	Reflects the estimated net savings to SPU of accepting nighttime garbage at the new South Transfer Station rather than having customers take materials to Waste Management.	126

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
6) Maintenance and Disposal Cost Savings	(830,000)		(830,000)		No	Reduces maintenance and disposal costs at SPU's two transfer stations.	106
7) Waste Reduction and Recycling Program Reductions	(441,499)		(441,499)		No	Reductions in non-labor expenditures in waste reduction and recycling outreach and education programs.	103
8) Geographic Information System Reductions	(10,164)		(10,570)		No	Eliminates funding for work completed on the City's Central Geographic Database.	101
9) State of Washington Contract Savings	(91,000)		(91,000)		No	Brings SPU's costs to contract with the Washington State Department of Corrections for litter pick-up into line with historical spending and revised contract terms.	105
10) Reduce Professional Service and Other Departmental Support Costs	(597,470)		(597,471)		No	Cuts to internal support costs throughout the Department, including professional services, administration, and equipment maintenance.	107
11) Rat Control Program Enhancement	73,000		73,000		No	Funding for Public Health – Seattle King County to restore service levels for above ground rat control and implement program improvements.	102
12) Common Operating Picture Initiative	18,630		18,849		No	Provides for the Solid Waste Fund's portion of operating and maintenance costs to implement a Common Operating Picture system.	128
13) Solid Waste Fund CIP	(2,605,629)		(13,339,283)		No	Revises costs relative to 2013 and 2014 planned spending shown in the 2012-2017 Adopted CIP. Additional detail is provided on Table 2.	502
14) Technology CIP	1,277,836		(233,930)		No	Adjusts Solid Waste Fund support for SPU's Technology Capital program, relative to the planned spending shown in the 2012-2017 Adopted CIP.	503
PROPOSED TECHNICAL CHANGES							

	2013		2014		GF?	DESCRIPTION	BIP #
	FUNDING AMOUNT	FTE	FUNDING AMOUNT	FTE			
15) Solid Waste Collection Contract Costs	195,989		(2,477,499)		No	2013 increase covers expected annual inflationary adjustment to contract payments to private haulers. Funding is decreased in 2014, because no inflation is assumed at this time.	072
16) Taxes Budget Adjustment	573,096		819,837		No	Increases budget authority to pay projected city and state taxes.	072
17) Debt Service Budget Adjustment	1,246,102		3,453,042		No	Increases budget authority to pay debt service costs, reflecting issuance of new debt.	072
18) Technical Adjustments	(413,025)		(495,793)		No	Includes changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; and the shift of labor costs between capital and operating budgets based on Proposed CIP.	072,125
TOTAL PROPOSED CHANGES	(1,464,835)	(2.00)	(13,507,897.00)	(2.00)			
FINAL PROPOSED BUDGET - SWF	184,843,708	203.56	\$211,590,240	203.56			

CASH BALANCE

PROJECTED BEGINNING CASH BALANCE	\$19,218,313	\$62,595,587	
PROJECTED YEAR-END CASH BALANCE	\$62,595,587	\$31,488,075	
PROJ UNRESERVED CASH BALANCE	\$20,923,866	\$21,688,350	

TABLE 2 - CAPITAL IMPROVEMENT PROGRAM (CIP) CHANGES

SPU - SOLID WASTE FUND				2013-2018 PROPOSED CIP	
PROJECT TITLE	2013 APPROPRIATIONS (In 1000)	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
NEW PROJECTS					
1) N/A					
PROJECTS CANCELLED OR DEFERRED					
2) N/A					
FUNDING/SCOPE CHANGES FOR EXISTING PROJECTS					
3) South Park Development	\$540	\$700	\$26,982	Solid Waste Fund	Reduction of \$11.6M in 2014 due to a shift in the construction schedule. Total project cost has been reduced by \$1.6M.
4) North Transfer Station Rebuild	\$7,049	\$29,477	\$75,953	Solid Waste Fund	Reduction of \$951k in 2013 and \$2.7M in 2014 reflects more detailed cost and schedule estimates. Total project cost has increased by \$3.3M.

TABLE 3 - BUDGET OVERVIEW

SEATTLE PUBLIC UTILITIES - SWF EXPENDITURES OVERVIEW (2013-2014 PROPOSED)					
BUDGET CONTROL LEVELS	2012 ADOPTED	2013 PROPOSED	% CHANGE '12-'13	2014 PROPOSED	% CHANGE '13-'14
SOLID WASTE FUND					
Expenditures by BCL					
Administration	\$ 5,180,000	\$ 4,536,000	-12.4%	\$ 5,023,000	10.7%
Customer Service	\$ 13,310,000	\$ 12,969,000	-2.6%	\$ 13,146,000	1.4%
General Expense	\$ 129,668,000	\$ 133,937,000	3.3%	\$ 136,963,000	2.3%
New Facilities	\$ 13,845,000	\$ 8,888,000	-35.8%	\$ 32,077,000	260.9%
Other Operating	\$ 16,464,000	\$ 16,642,000	1.1%	\$ 17,088,000	2.7%
Rehabilitation and Heavy Equipment	\$ 397,000	\$ 81,000	-79.6%	\$ 45,000	-44.4%
Shared Cost Projects	\$ 2,536,000	\$ 2,179,000	-14.1%	\$ 2,356,000	8.1%
Technology	\$ 1,665,000	\$ 5,612,000	237.1%	\$ 4,892,000	-12.8%
Total SWF Expenditures	\$ 183,065,000	\$ 184,844,000	1.0%	\$ 211,590,000	14.5%
Total FTEs	205.56	203.56	-1.0%	203.56	0.0%
Revenues					
Commercial Rates	\$ 46,933,000	\$ 49,377,000	5.2%	\$ 50,091,000	1.4%
Decrease (Increase) in Working Capital	\$ (1,958,000)	\$ (3,200,000)	63.4%	\$ (1,357,000)	-57.6%
Interfund Services	\$ 1,671,000	\$ 1,608,000	-3.8%	\$ 1,640,000	2.0%
Other Revenues	\$ 2,891,000	\$ 3,947,000	36.5%	\$ 3,990,000	1.1%
Recycling & Disposal Stations	\$ 11,944,000	\$ 10,888,000	-8.8%	\$ 10,454,000	-4.0%
Recycling Processing Revenues	\$ 2,000,000	\$ 2,540,000	27.0%	\$ 2,540,000	0.0%
Residential Rates	\$ 97,734,000	\$ 103,958,000	6.4%	\$ 106,649,000	2.6%
Tonnage Tax	\$ 4,670,000	\$ 4,984,000	6.7%	\$ 5,489,000	10.1%
Transfer from Construction Fund	\$ 16,946,000	\$ 10,686,000	-36.9%	\$ 32,038,000	199.8%
Yellow Pages Fees	\$ 234,000	\$ 56,000	-76.1%	\$ 56,000	0.0%
Total Revenues	\$ 183,065,000	\$ 184,844,000	1.0%	\$ 211,590,000	14.5%

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