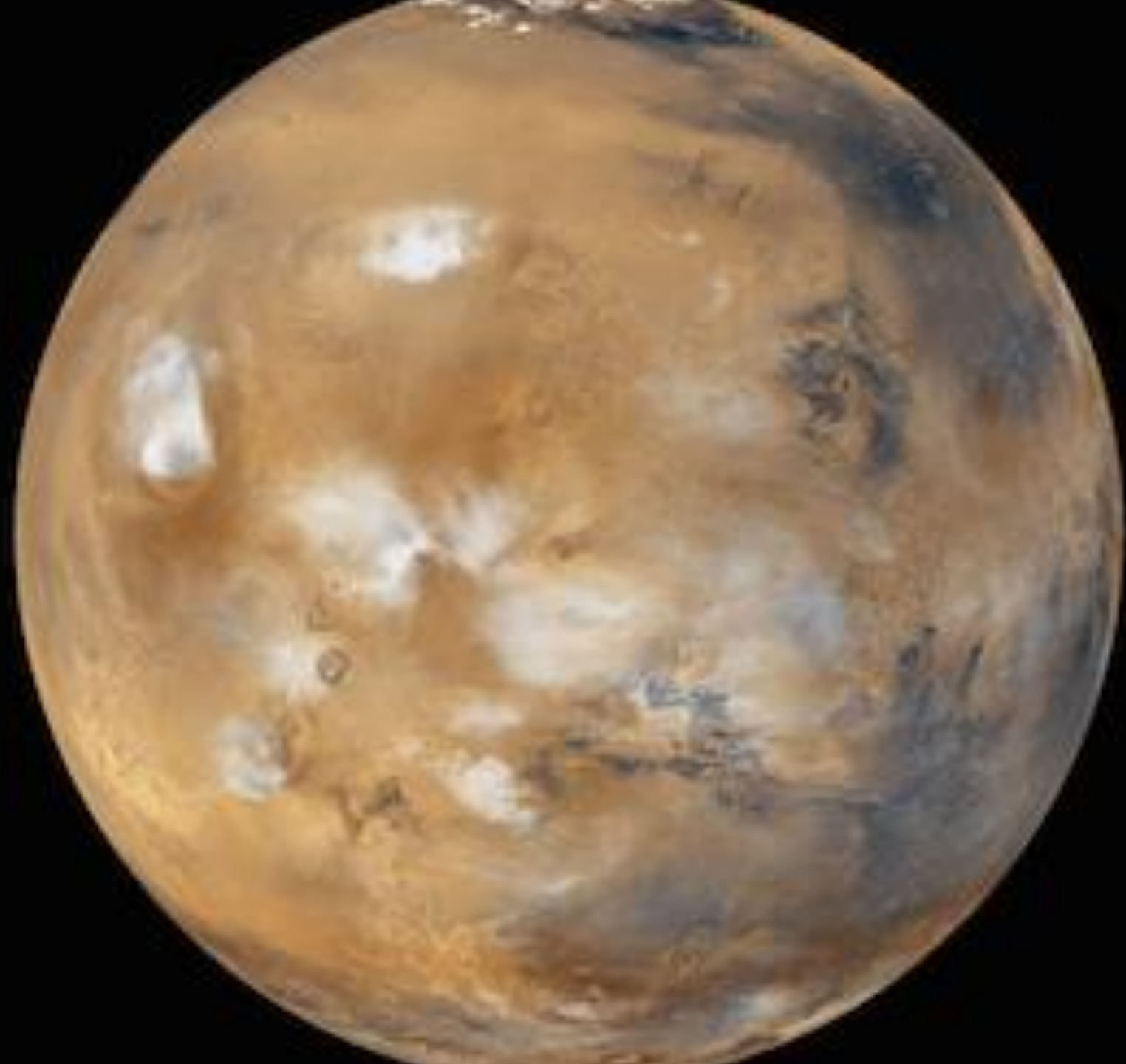


Managing Essentials:

Resources, Rates, and Regulations

Danielle Purnell
Seattle Public Utilities



SEATTLE



Water Is Essential

Thousands have lived without love, not one without water.
- W. H. Auden

Water Utilities Are Essential Service Providers

We are all bodies of water,
connected to one another
through the water web. Your
body of water is connected
to streams, rivers, lakes, tides,
waterfalls, toilets and faucets...
to present homes, childhood
homes and ancestral ones
by memory, by the water
cycle, by stories...
tell your story.



Three Pillars of Water Equity

- 1) Ensure all people have access to clean, safe, affordable water service
- 2) Maximize the community and economic benefits of water infrastructure investment
- 3) Foster community resilience in the face of a changing climate

- An Equitable Water Future, US Water Alliance 2017





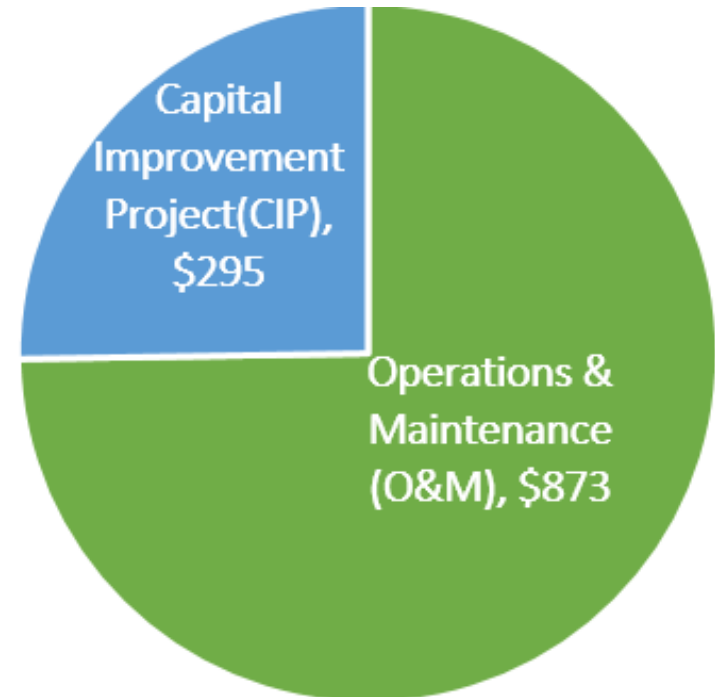
**What
we
invest
in
matters**



Natural Capital



2018 SPU Annual Budget - \$1.2B



Financial Capital



Manufactured Capital



Social Capital

Evolution in Utility Management...



Credit: Stokley Towles
Stormwater
2012
Photographer: John L. Little, Sr.





Built for a Drip, Not a Downpour



“Cities don’t have the luxury of climate denial and cannot wait for federal leaders to embrace science. The effect of inaction is already at our doorstep.”

*– Seattle Mayor
Jenny Durkan*

Integrated Approaches

“Look deep into nature, and then you will understand everything better.”
– Albert Einstein



Thornton Creek, Seattle

Cities, in love with clean lines, right angles and a sense of order, will train their rivers and creeks to act more grid-like.



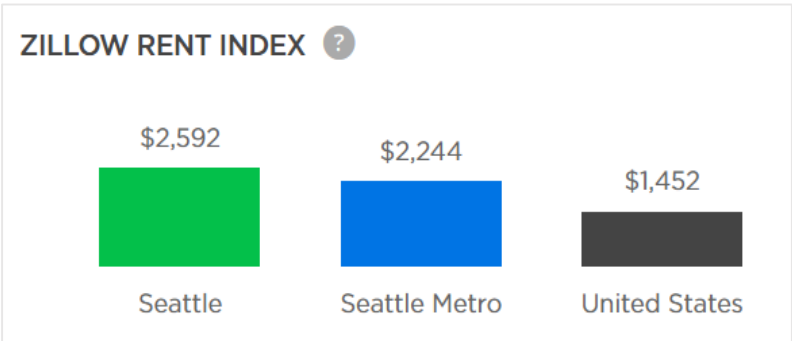
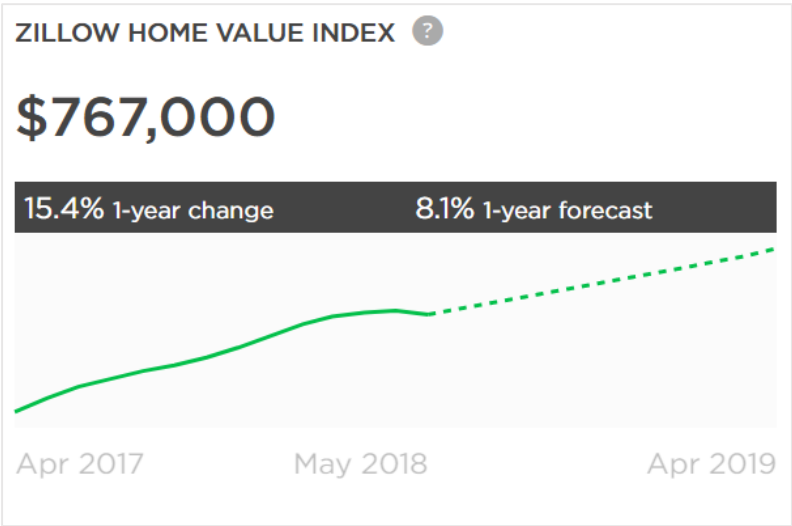


Credit: Melissa Phillip Houston Chronicle

Affordability Matters



Growing cost of living and income disparity



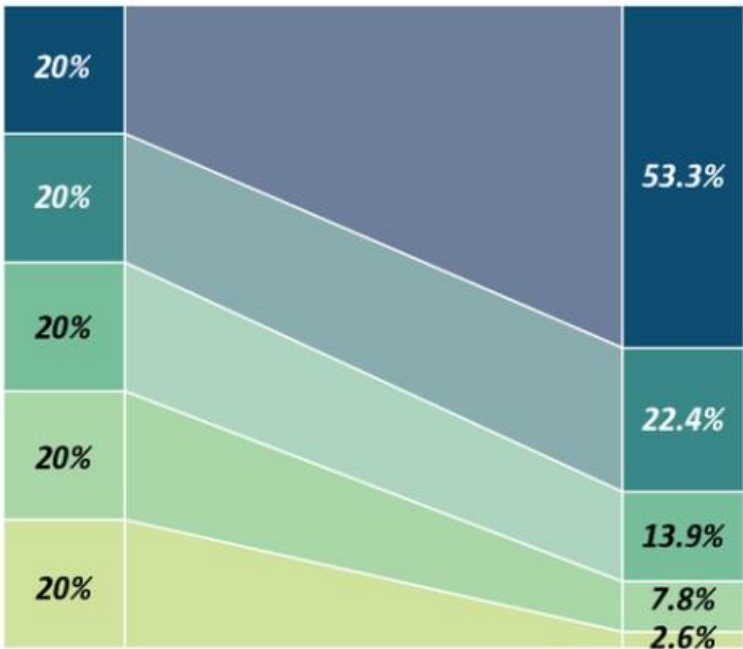
In 2016, the top 20 percent of Seattle households took home 53 percent of the total income earned by city residents, a 3% increase from 2015.

Seattle households

Share of 2016 income

TOP EARNING

BOTTOM EARNING



Note: Each 20% represents 63,825 households
Sources: U.S. Census Bureau

EMILY M. ENG / THE SEATTLE TIMES



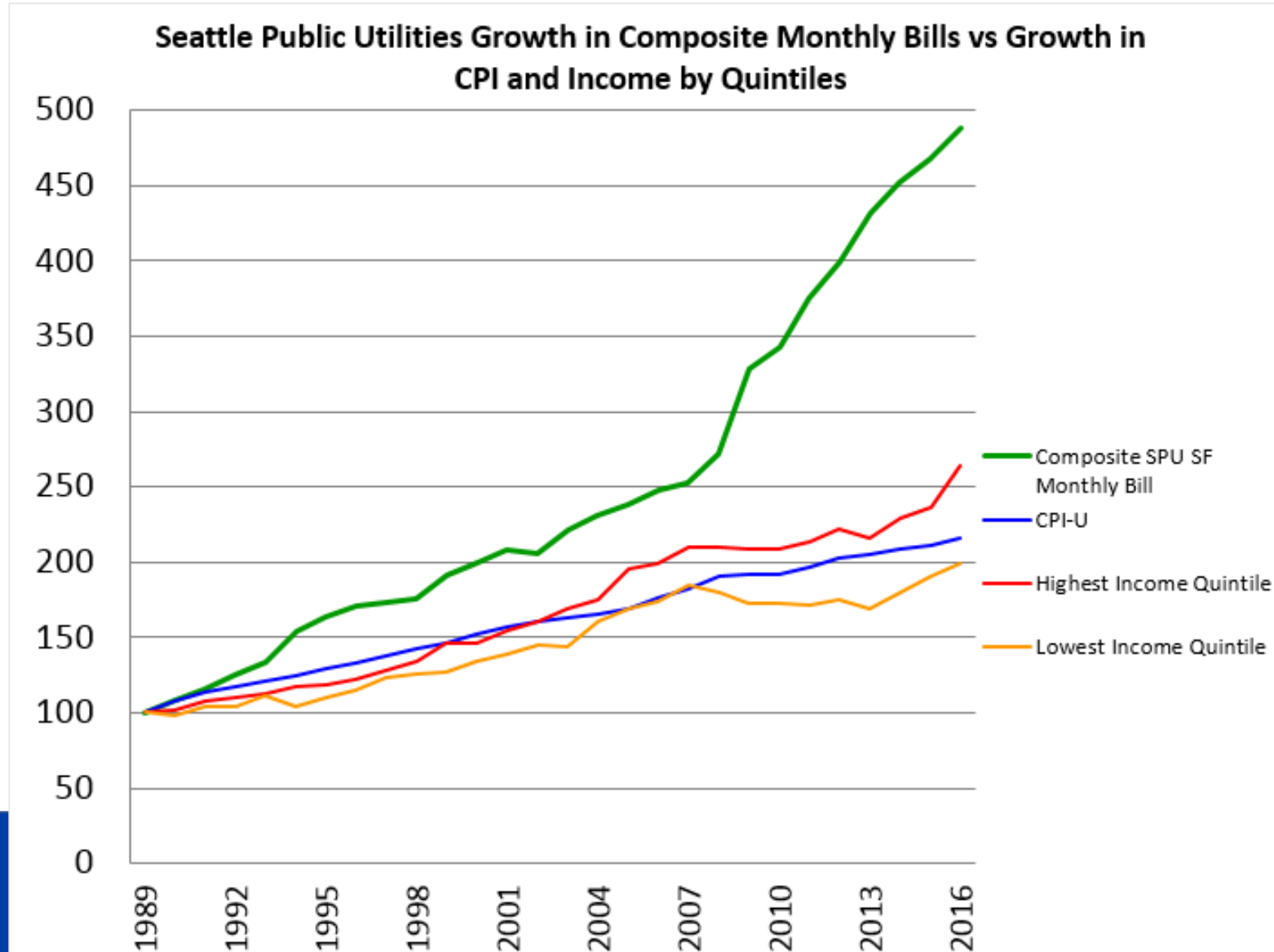
Local Incomes and Self Sufficiency

- More than **50%** of Seattle households reported annual incomes of **<\$50K** in 2016.
- A Seattle household of four needs **\$75K each year** to pay for basic living needs, according to a 2017 report.

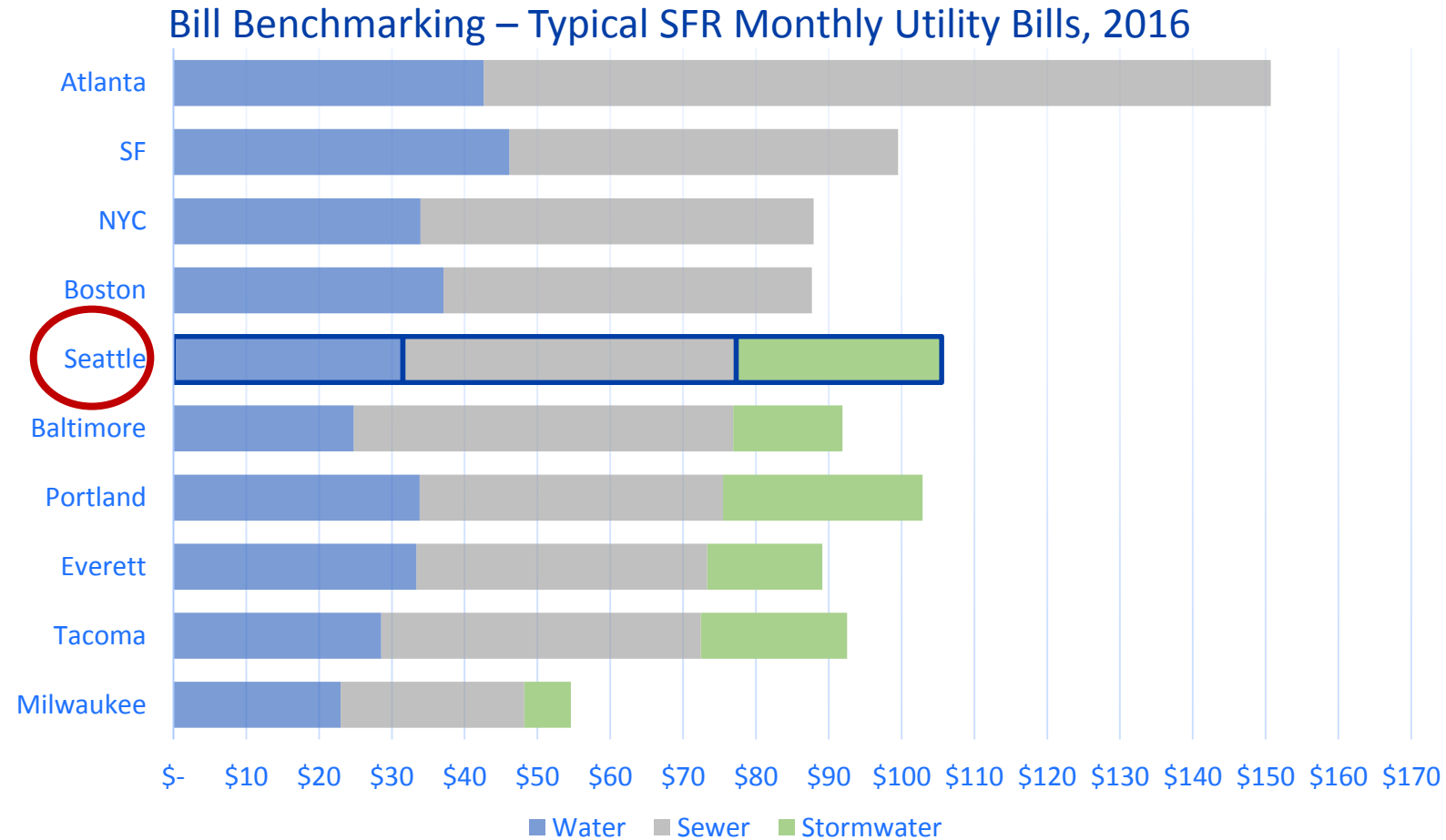


SPU Bills v. Inflation and Income (1989-2016)

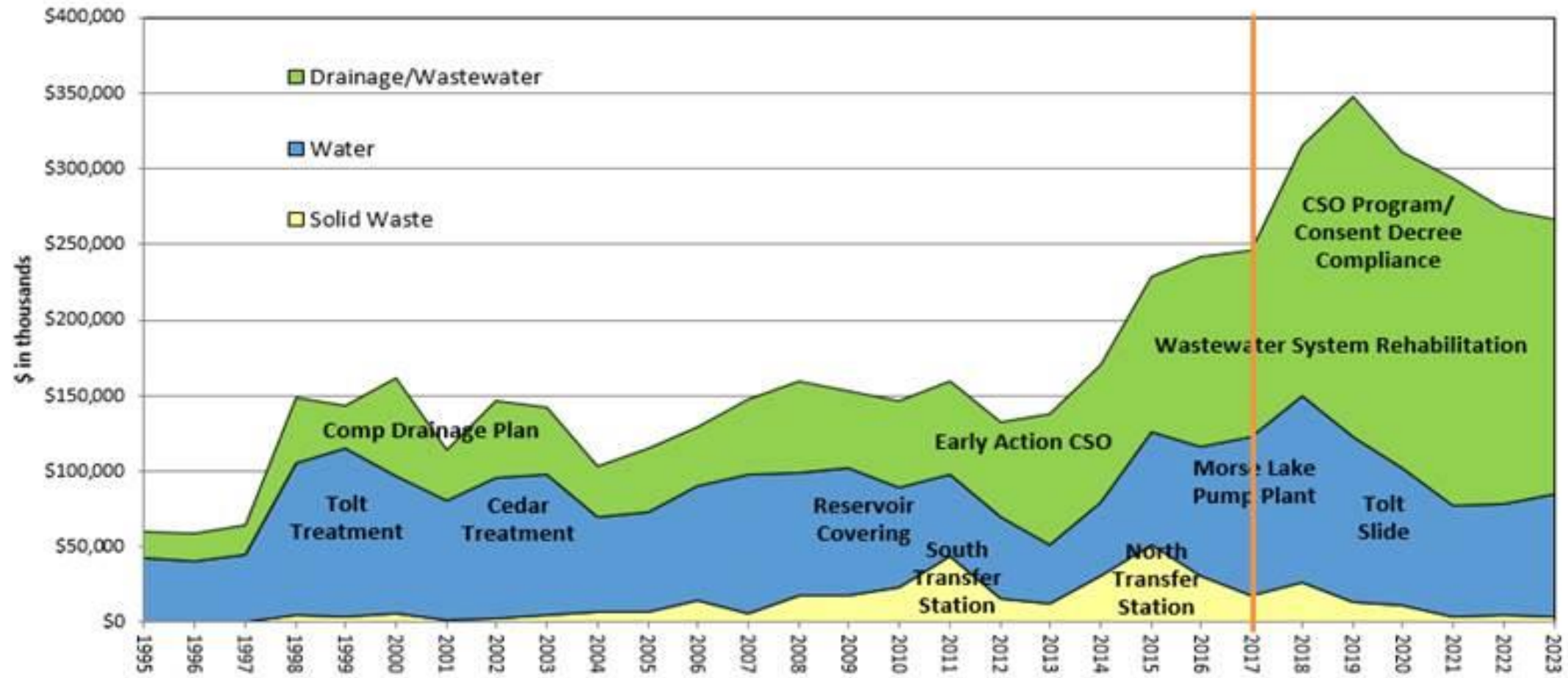
- SPU Bills
- Inflation (CPI)
- Highest Income Quintile
- Lowest Income Quintile



SPU Bill Benchmark

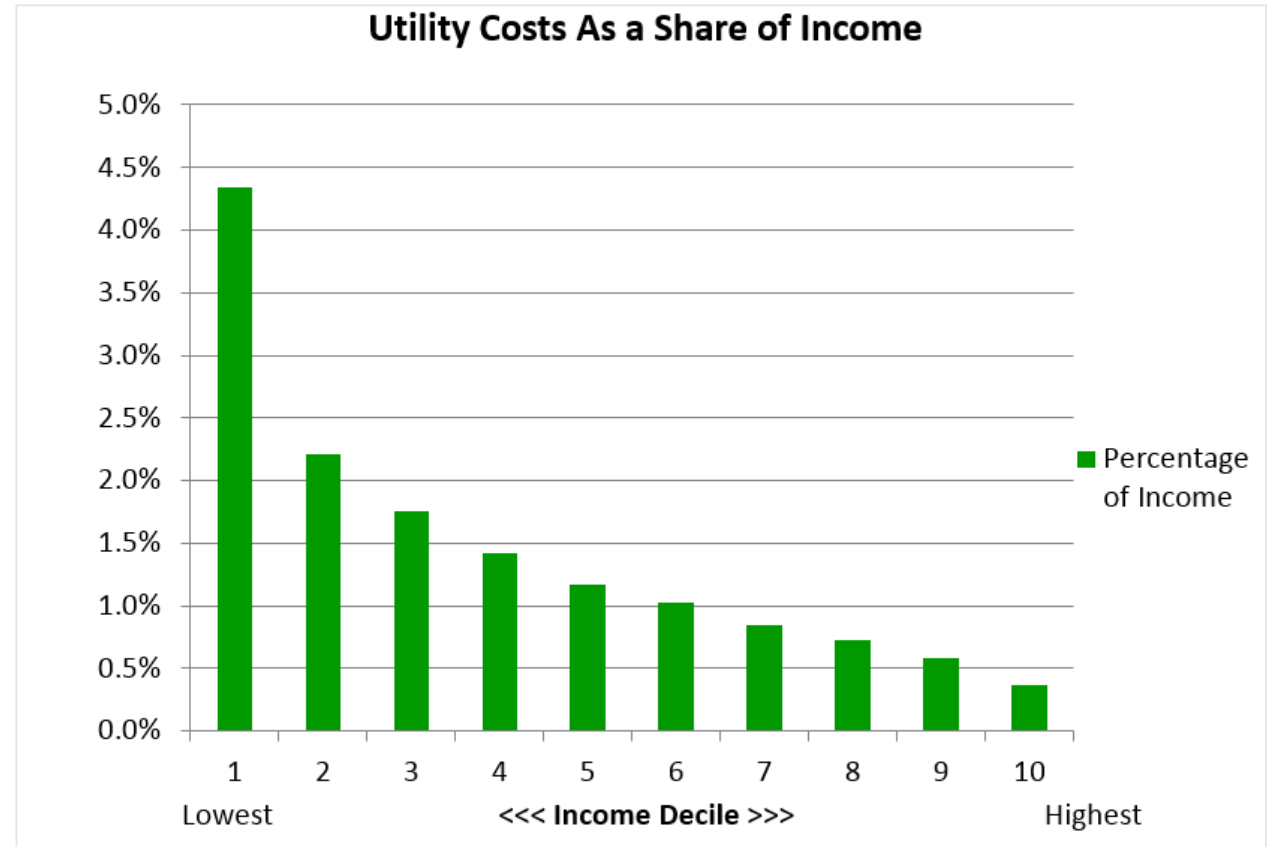


SPU – CIP Spending (1995-2023)



Utility Costs: Impact those who can least afford it

- Low-income
- Fixed-income
- Traditionally underserved communities



SPU Utility Discount Program

- Serves 33,000+ households
- Based on income eligibility
- 50% discount on utility bills
- Auto-enrollment program for affordable housing residents

CITY OF SEATTLE

Account Number
0123456789

Jon Doe
12345 Fake St
Seattle, WA 98125

Property Owner
Jon Doe
Service Address
12345 Fake St

Seattle Public Utilities Bill

Statement date: July 15, 2016

Page 2

H01607
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CD-1
997321489562

DETAILED BILLING INFORMATION

Water Service

Service From	Service Through	CCF Usage	Previous Reading	Current Reading
May 09, 2016	Jul 07, 2016	10.00	1106.00	1116.00

Meter Number: PCN-S0335761-1 Service Category: WTR1

Base service charge 27.83

Summer Residential 8.84 CCF @ \$5.20 per CCF 45.97

Summer Residential 0.14 CCF @ \$8.43 per CCF 0.90

Winter Residential 1.02 CCF @ \$5.06 per CCF 5.16

Utility Discount Program Savings 39.93 CR

Current Water Service: 39.93

Sewer Service

Service From	Service Through	CCF Usage	Previous Reading	Current Reading
May 09, 2016	Jul 07, 2016	10.00		

Residential Service 10.00 CCF @ \$12.27 per CCF 122.70

Utility Discount Program Savings 61.35 CR

Drainage Utility Credit 32.51 CR

Utility Discount Program Credit

67% of sewer revenue is paid to King County Metro for sewage treatment.

Current Sewer Service: 28.84

Solid Waste Service

Service From	Service To		
Jul 01, 2016	Aug 31, 2016	1-Garbage 12 Gal 1X Weekly	42.60
Jul 01, 2016	Aug 31, 2016	1-Recycle 90 Gal 1X Every Other Week	0.00
Jul 01, 2016	Aug 31, 2016	Utility Discount Program Savings	21.30 CR
		Utility Discount Program Credit	
		Current Solid Waste Service: 21.30	

CURRENT BILLING: 90.07

For free answers to your billing questions in your native language, call 206-684-3000.

Para obtener respuestas gratuitas en español a sus preguntas sobre facturación, llame al 206-684-3000.

Xin gọi số điện thoại 206-684-3000 để có các câu trả lời miễn phí bằng tiếng Việt cho những thắc mắc về hóa đơn của quý vị.

請致電 206-684-3000，將貴等以中文免費查詢有關賬單的問題。

Ku heli Af-Soomaalii Jawaabaha ee aalahaaga ku soo badan bilaasha, wac lambarke 206-684-3000.

Magtamo ng libreng mga sagot sa Tagalog para sa inyong mga tanong ukol sa mga singil sa 206-684-3000.

206-684-3000 번으로 전화하시면 당신의 질문에 대한 문의를 한국어로 무료로 답변해 드립니다.



Emergency Assistance Program

- Customers at risk of water service shutoff
- 50% reduction unpaid bill



Credit – Valley View Sewer District – Flush Fund

SPU Affordability + Accountability Strategy

Reasonable Rates

Keeping rates as low as possible for as long as possible.

Assistance

Ensuring customers can access utility services without risk of shutoff.

Responsible Investment

Calibrating service levels and investments with needs, risks, and maximum value for least cost.

Performance

Bringing transparency to how ratepayer money is spent and the value of those investments.

Ten Big Levers

**Budget
Building and
Management**

**Financial
Policies and
Practices**

**Revenue
Recovery**

**Alternative
Financing and
Partnerships**

**Capital Project
Planning and
Delivery**

**Contracts,
Services, Levy
Negotiations**

**Regulatory
Alignment to
Benefit**

**Process and
Staffing
Efficiency**

**Customer
Assistance
Programs**

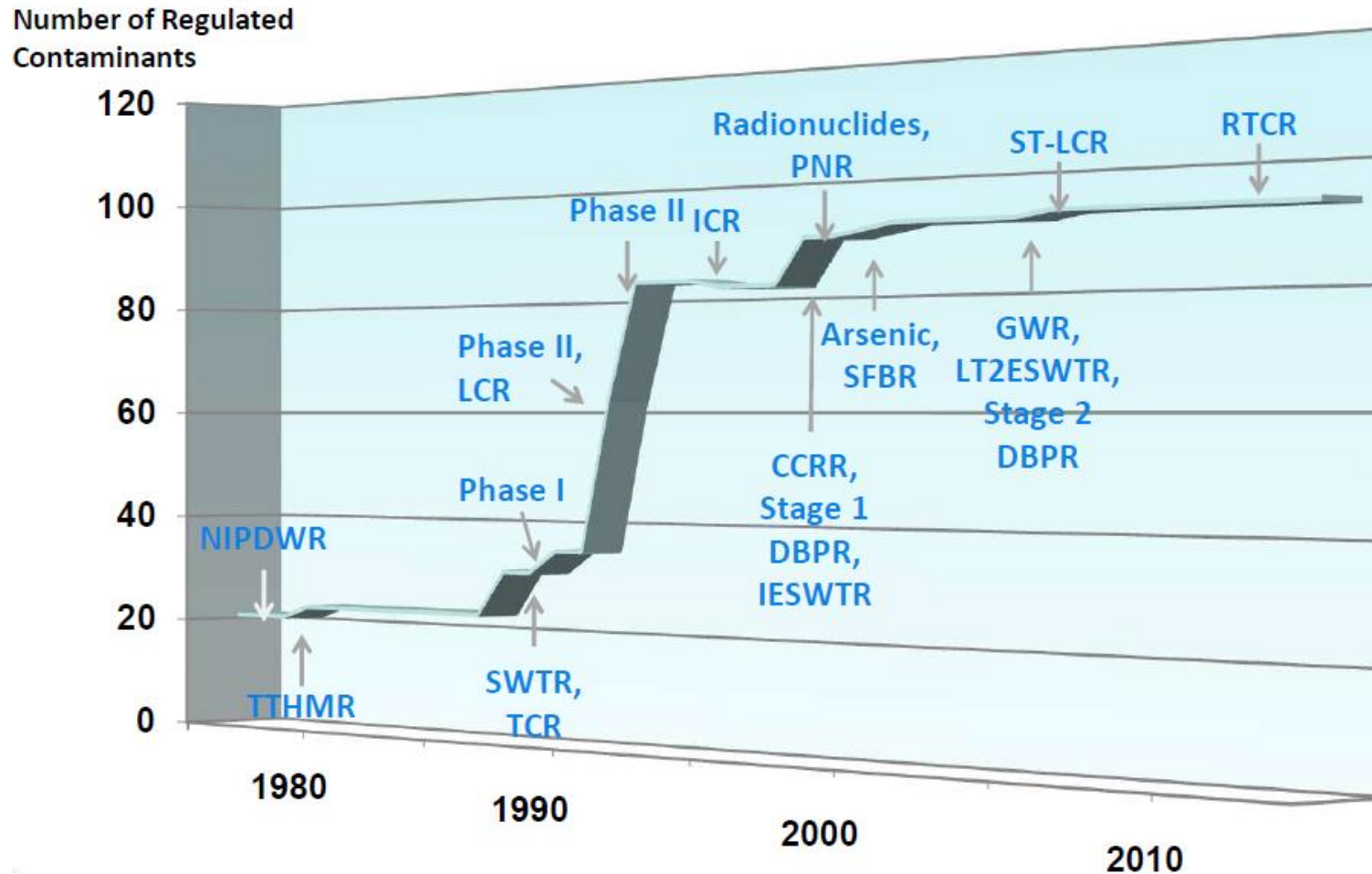
**Workforce
Development +
Opportunities**

Partnerships Are Essential



Photo credit: Robert McClure/ Crosscut

Growing Regulation



Regulatory Approaches

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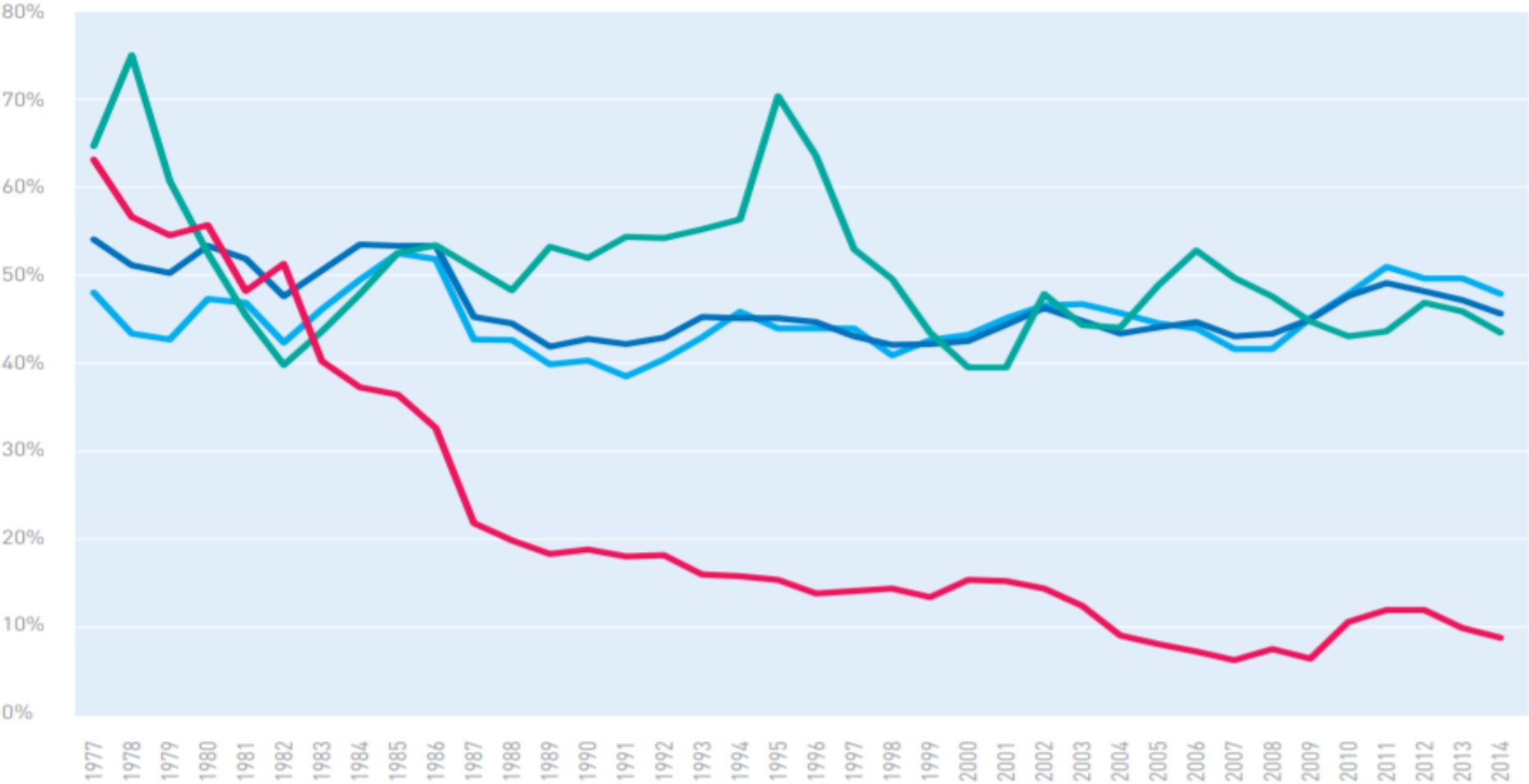
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Water Funding Has Tanked

Federal Contribution to Total Infrastructure Spending

Water Utilities Highways Aviation All Transportation Infrastructure

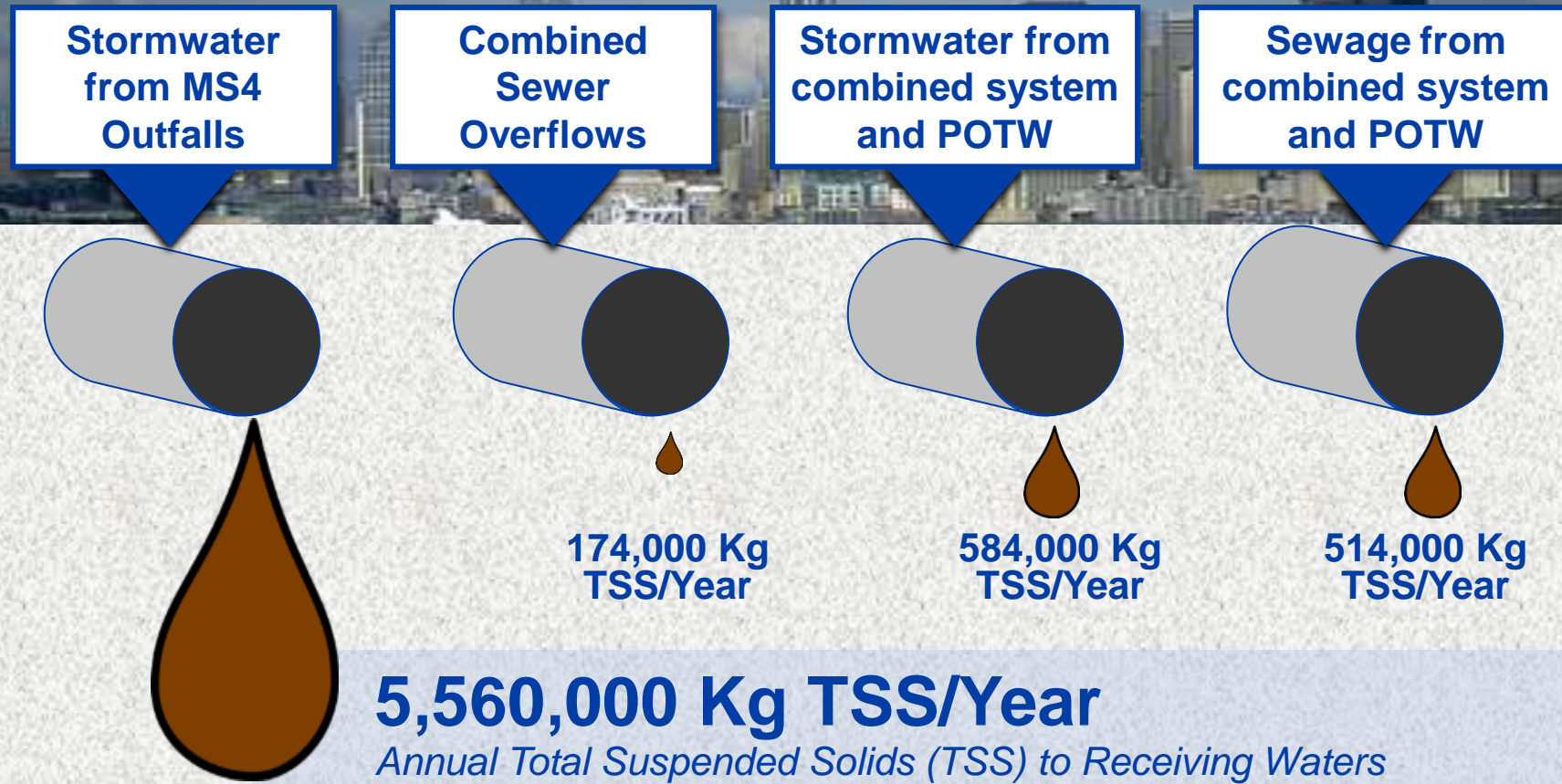




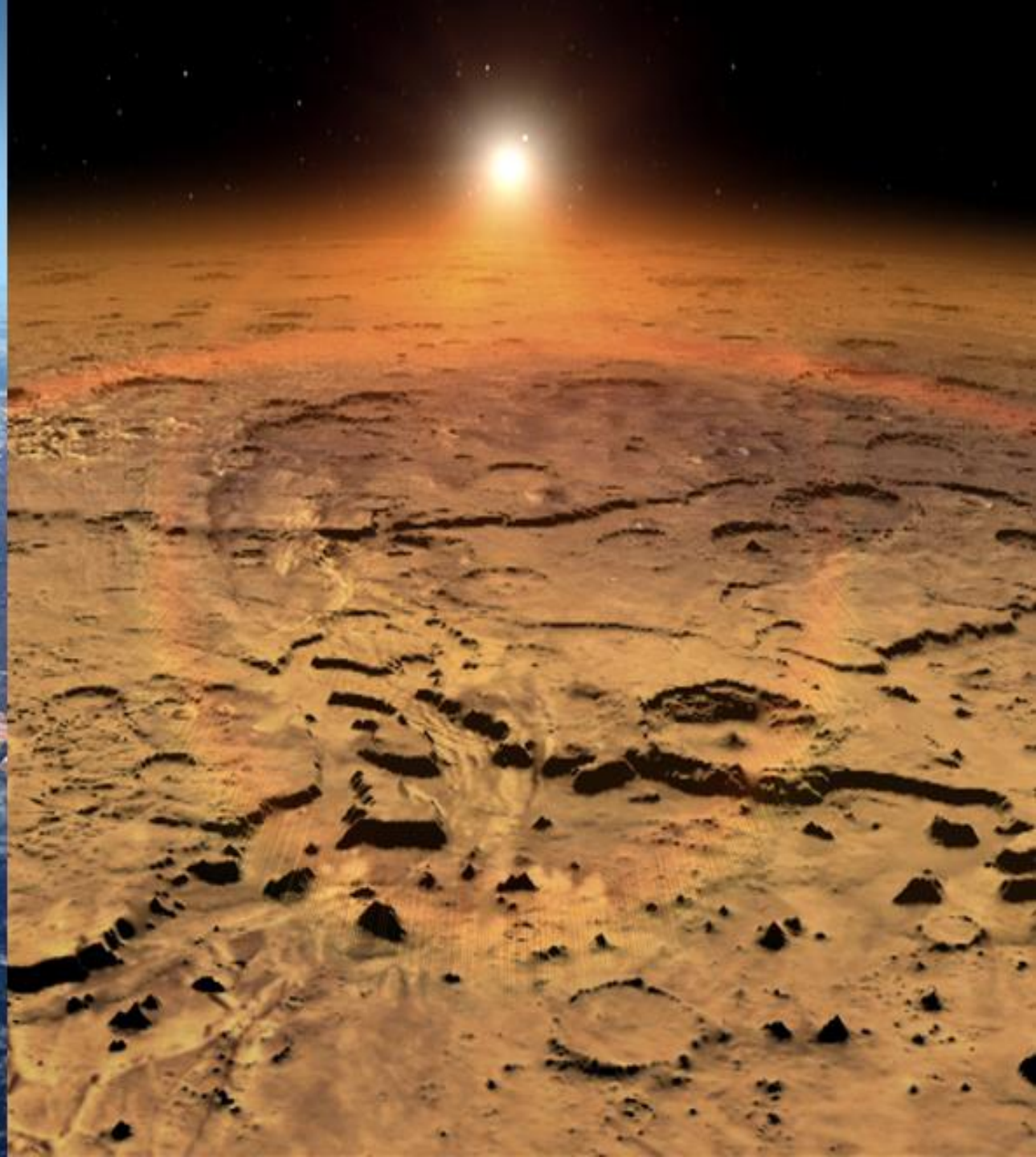
Gathering ingredients to make fresh stormwater recipe.

Photo Credit:
Stokley Towles
Stormwater
2012
Courtesy of the artist
Funding SPU 1% for Art, Seattle Arts
Culture

Stormwater is major source of pollutant loading to local water bodies



Puget Sound, Duwamish Waterway, Lake Washington, Lake Union, Ship Canal, creeks



Centering On What's Essential...

