

# SPU Early Outlook Review

Customer Review Panel  
November 5, 2019



# Strategic Business Plan Update

<b>Strategic Business Plan</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2018-23</b>
Water	2.0%	2.5%	3.7%	5.0%	4.1%	5.0%	3.7%
Wastewater	4.1%	8.1%	9.9%	8.9%	1.3%	2.6%	5.8%
Drainage	10.7%	9.2%	9.7%	9.9%	7.9%	4.7%	8.7%
Solid Waste	3.1%	3.3%	4.0%	3.0%	3.8%	2.8%	3.5%
<b>Combined</b>	<b>4.3%</b>	<b>5.7%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>3.7%</b>	<b>3.6%</b>	<b>5.2%</b>
<b>Updated</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2018-23</b>
Water	2.0%	2.5%	3.7%	5.0%	4.1%	5.0%	3.7%
Wastewater	4.1%	7.4%	7.4%	7.4%	4.5%	2.4%	5.5%
Drainage	10.7%	8.0%	8.0%	8.0%	8.0%	9.0%	8.6%
Solid Waste*	3.1%	3.3%	3.2%	2.9%	2.9%	3.1%	3.1%
<b>Combined</b>	<b>4.3%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.9%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>5.0%</b>

\*Solid Waste rates for 2020-2022 are proposed. Rates are expected to pass with the budget in November.

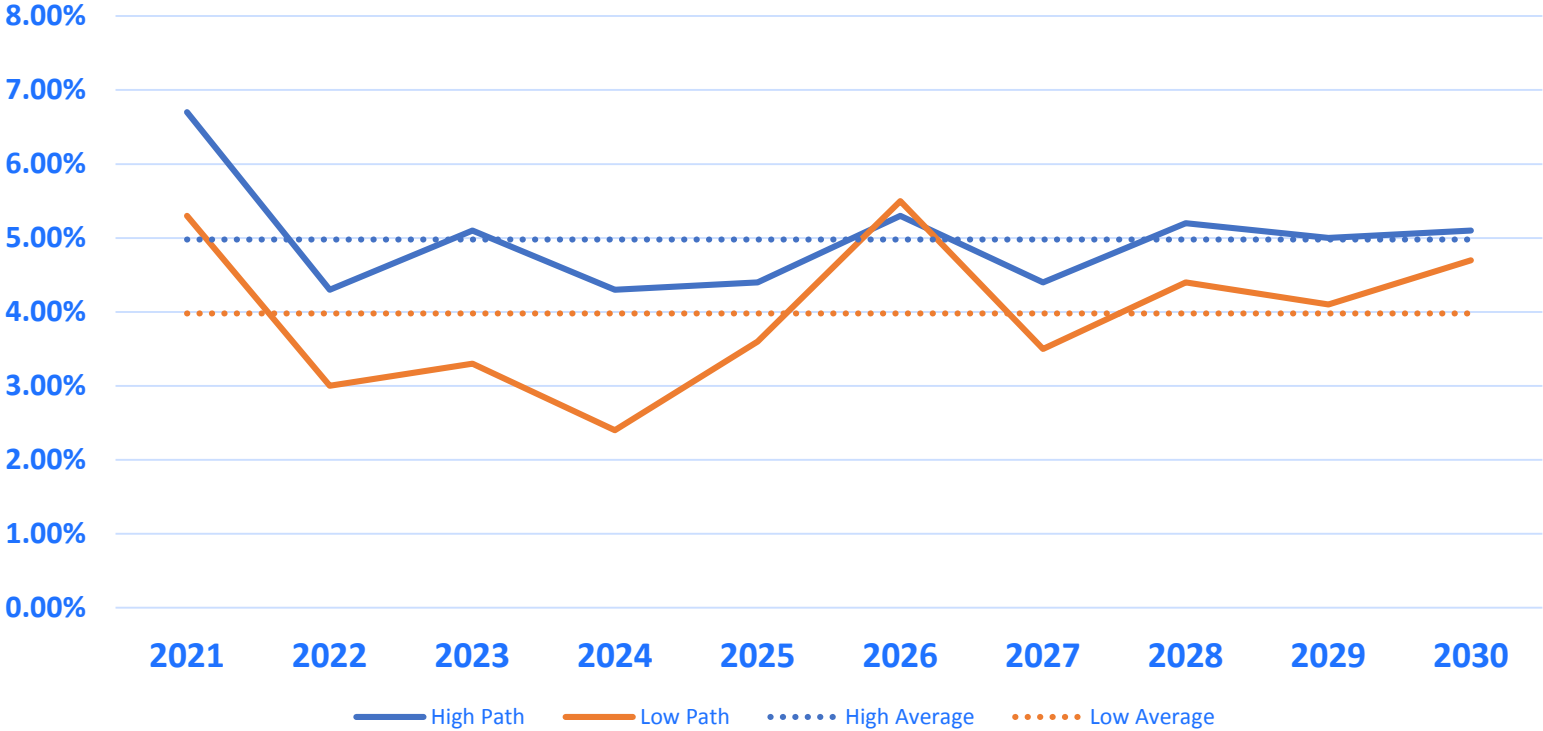


# Major Rates Assumptions for Early Outlook

- Water Fund
  - Slight demand reduction (retail)
  - Low tap revenue growth
  - Updated Wholesale revenue
- Drainage & Wastewater Fund
  - Slight demand reduction
  - Treatment costs +3-3.5%/year
- Solid Waste Fund
  - Contract cost +4%/year
  - No bond issues
- All Funds
  - Bond interest rates lower
  - UDP = 3% of retail rate revenue
  - No changes to regulatory environment (e.g. taxes)

# Early Outlook

10-Year Rate Paths



# To Be Determined

- Changes to Financial Policies
- Updated Asset Management Plans
- Changes in City Central Costs
  - Example: Upgraded HR Payroll System

# Going Forward

