

3rd Quarter Financial Update

12/5/2018

Seattle Public Utilities



City of Seattle

Agenda

- Updates Since Last Meeting
- Rate Path Reminder
- 3rd Quarter Results & Year-End Projections
 - Water Fund
 - Drainage & Wastewater Fund
 - Solid Waste Fund



Since We Last Met...

- Adopted Budget Update
- Loan Successes for Ship Canal Water Quality Project
 - State Revolving Fund (SRF) - \$25M
 - Invited to apply for Water Infrastructure Finance and Innovation Act (WIFIA) Loan - \$190M
- Transportation Project Update
- Updated Financial Projections



Rate Path Reminder

Strategic Business Plan	2018	2019	2020	2021	2022	2023	2018-23
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%	3.4%
Combined	4.3%	5.7%	7.0%	6.8%	3.7%	3.6%	5.2%

Updated	2018	2019	2020	2021	2022	2023	2018-23
Water	2.0%	2.5%	3.7%	5.0%	4.1%	5.0%	3.7%
Wastewater	4.1%	7.5%	7.4%	7.3%	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%	4.0%	3.0%	3.8%	2.8%	3.4%
Combined	4.3%	5.3%	5.8%	5.9%	4.9%	4.3%	5.1%



Water Fund

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 - Revenue Drivers
 - Strong Summer Sales
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 - Expenditure Drivers
 - Capital Project Delays
 - Other Notes
 - Fall Rains
 - Other Revenues

	3 rd Quarter Year-to-Date			Year-End Projection		
	Proj.	Actual	Variance	Original Proj.	Revised Proj.	Variance
Operating Revenues	\$208M	\$217M	\$9M 104%	\$282M	\$285M	\$3M 101%
Operating Expenditures	\$200M	\$184M	\$16M 92%	\$249M	\$243M	\$6M 97%
Capital Expenditures	\$58M	\$36M	\$22M 62%	\$98M	\$71M	\$27M 72%
Expenditure Subtotal	\$258M	\$220M	\$38M \$87%	\$347M	\$314M	\$33M 90%



Drainage and Wastewater Fund



- Revenue Drivers
 - Declining Demand



- Expenditure Drivers
 - Capital Project Delays

	3 rd Quarter Year-to-Date			Year-End Projection		
	Proj.	Actual	Variance	Original Proj.	Revised Proj.	Variance
Operating Revenues	\$317M	\$315M	\$2M 99%	\$417M	\$411M	\$6M 99%
Operating Expenditures	\$308M	\$288M	\$20M 93%	\$408M	\$385M	\$23M 95%
Capital Expenditures	\$82M	\$53M	\$29M 64%	\$137M	\$105M	\$32M 77%
Expenditure Subtotal	\$390M	\$341M	\$49M 87%	\$545M	\$490M	\$55M 90%



Solid Waste Fund



• Revenue Drivers

- Better Commercial Demand



• Expenditure Drivers

- Operating Underspensing



• Other Notes

- Recycling Market

	3 rd Quarter Year-to-Date			Year-End Projection		
	Proj.	Actual	Variance	Original Proj.	Revised Proj.	Variance
Operating Revenues	\$158M	\$162M	\$4M 102%	\$211M	\$214M	\$3M 101%
Operating Expenditures	\$159M	\$143M	\$16M 90%	\$209M	\$201M	\$8M 96%
Capital Expenditures	\$7M	\$7M	\$0M 100%	\$10M	\$10M	\$0M 100%
Expenditure Subtotal	\$166M	\$150M	\$16M	\$219M	\$211M	\$8M



Questions?

