

# Seattle City Light

## Jorge Carrasco, Superintendent

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### Department Description

Seattle City Light was created by the citizens of Seattle in 1902 to provide affordable, reliable, and environmentally sound electric power to the City of Seattle and neighboring suburbs. Owned by the community it serves, City Light is a nationally recognized leader in energy efficiency, renewable resource development, and environmental stewardship.

Seattle City Light provides electric power to more than 360,000 residential, business, and industrial customers. Its service area of 131.3 square miles includes the City of Seattle, areas north of Seattle including the city of Shoreline and parts of Lake Forest Park, and areas south of Seattle including the cities of Burien, Tukwila, and SeaTac.

Seattle City Light owns about 2,000 megawatts of very low cost, environmentally responsible hydroelectric generation capacity. In an average year, Seattle City Light meets about 60% of its load with owned hydroelectric generation and obtains the remainder primarily through the Bonneville Power Administration. City Light is now the nation's seventh largest publicly owned electric utility in terms of customers served.

### Policy and Program Changes

This budget creates four new budget control levels, reflecting the Utility's Capital Improvement Programs (CIPs). The total number of budget control levels therefore increases from 10 to 14. As indicated by the appropriations table below, City Light's Adopted Budget for 2004 is \$14.0 million less than the 2004 Endorsed Budget. To implement City Light's financial recovery plan, this budget reduces 2004 Endorsed Budget appropriations for twelve of its fourteen budget control levels. Examples of reductions taken include \$1.96 million in Customer Service Operations and Maintenance (O&M) and \$2.61 million in Debt Service levels of budget control. The Adopted appropriation for the Utility's power purchase budget remains unchanged when compared to the 2004 Endorsed Budget. This budget increases the appropriations for the Utility's General Expense and Taxes Budget Control Levels to fund the Duwamish Superfund Site cleanup; pays increased cost for services provided by General Fund subfund supported departments of City government; and pays franchise fees to the City of Tukwila authorized by 2003 legislation.

### City Council Budget Changes and Provisos

Beginning in late 2003, the General Subfund began paying City Light for the costs of operating and maintaining streetlights, estimated to be approximately \$6,000,000 in 2004.

The City Council made the following changes to the 2004 Endorsed Budget:

Recognized \$45,000 in interest earnings from grant proceeds on deposit, and appropriated said proceeds to the Executive Budget Control Level to meet the Utility's environmental objectives;

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Restored \$500,000 in proposed funding reductions to the Utility's conservation programs in the Customer Service Budget Control Level; and,

Eliminated funding for an additional Power Marketer position in the Power Management Budget Control Level in the amount of \$82,000.

Collectively, the Council's modifying actions increase the City Light budget proposed by the Mayor by a net \$463,000.

In addition, City Council adopted a number of operating and capital budget provisos, as follows:

The Council has placed certain restrictions on opinion-gathering activities and has limited the use of appropriated funds for polls and surveys to \$2,500 unless authorized by ordinance. See Appendix C for full proviso text.

## O&M -

Of the appropriation for 2004 for Seattle City Light's Customer Services Budget Control Level, \$19,955,991 is appropriated solely for the Energy Management Services Division Budget Accountability Level and may be spent for no other purpose.

Of the appropriation for 2004 for City Light's Distribution O&M Budget Control Level, \$250,000 is appropriated solely as a reserve for City Light's Apprenticeship Program and may not be spent for any other purpose until authorized by a future ordinance. It is expected that Council will provide such authorization after reviewing City Light's response to the Council's Statement of Legislative Intent regarding the Apprenticeship Program.

## CIP

No more than \$56,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the South Lake Union projects (Project ID = 8308 and 8309), until authorized by a future ordinance.

No more than \$1,926,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Information Technology Infrastructure project (Project ID = 9915) until authorized by a future ordinance.

No more than \$410,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Alaskan Way Viaduct project (Project ID = 8307) until authorized by a future ordinance.

No more than \$463,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Boundary Dam projects (Project IDs = 6338, 6343, 6344, 6345, 6346, and 6347) until authorized by a future ordinance.

No more than \$516,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Power Station Demand Drive Improvements project (Project ID = 7755) until authorized by a future ordinance.

None of the money appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Gorge Powerhouse project (Project ID = 6370) until authorized by a future ordinance.

None of the money appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Ross Powerhouse project (Project ID = 6380) until authorized by a future ordinance.

No more than \$763,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent for the Consolidated Customer Service System (Project ID = 9910) until authorized by a future ordinance.

The conditions that must be met before expenditures for the above listed CIP projects are allowed are also stated in the project descriptions in the Capital Improvements Program document.

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<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Customer Services Budget Control Level	SCL400	36,452,838	36,162,862	37,038,638	35,082,248
Debt Service Budget Control Level	SCL810	124,121,175	407,265,060	133,237,504	130,632,238
Distribution - CIP Budget Control Level	SCL350	54,591,493	53,327,959	54,652,801	51,548,057
Distribution - O&M Budget Control Level	SCL300	52,688,194	50,759,048	52,206,892	51,056,892
Executive - CIP Budget Control Level	SCL150	3,122,739	1,017,771	1,345,857	820,857
Executive - O&M Budget Control Level	SCL100	16,474,382	9,563,346	9,887,536	9,197,033
Finance and Administration - CIP Budget Control Level	SCL550	10,475,076	9,721,213	9,740,931	8,477,511
Finance and Administration - O&M Budget Control Level	SCL500	29,716,380	31,941,988	32,664,252	32,042,560
General Expense Budget Control Level	SCL800	40,387,424	47,178,638	49,556,252	50,641,075
Generation - CIP Budget Control Level	SCL250	28,909,561	18,977,881	13,134,814	10,507,454
Generation - O&M Budget Control Level	SCL200	13,641,264	13,610,817	14,608,395	14,463,831
Power Management Budget Control Level	SCL600	6,859,635	6,425,143	6,597,841	6,391,693
Purchased Power Budget Control Level	SCL700	288,387,557	337,111,788	356,456,635	355,556,635
Taxes Budget Control Level	SCL820	58,572,984	57,453,808	58,534,390	59,295,532
<b>Department Total</b>		<b>764,400,702</b>	<b>1,080,517,322</b>	<b>829,662,738</b>	<b>815,713,616</b>
<b>Department Full-time Equivalents Total*</b>		<b>1,798.69</b>	<b>1,786.10</b>	<b>1,780.10</b>	<b>1,778.10</b>

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

## Resources

Other Funds	764,400,702	1,080,517,322	829,662,738	815,713,616
<b>Total</b>	<b>764,400,702</b>	<b>1,080,517,322</b>	<b>829,662,738</b>	<b>815,713,616</b>

## Selected Midyear Performance Measures

### Most Reliable:

City Light's indicator for system reliability is its System Average Interruption Duration Index (SAIDI). SAIDI provides the average outage time in minutes/year for customers. A lower number indicates better reliability.

**A national survey showed an average SAIDI of over 115. Seattle City Light's target is 50.**

System Average Interruption Duration Index (SAIDI)

2002 Year End Actuals: 56.1

2003 Midyear Actuals: 46.4

2003 Year End Projection: 50.0

### Customer Service:

City Light's key customer service performance indicator is the percentage of bills requiring adjustment. City Light's 2002 year-end goal was 3%. City Light eliminated its backlog of bills requiring adjustment resulting from the implementation of a new billing system in March, 2003.

Percentage of service connections within five days of their request

2002 Year End Actuals: 91%

2003 Midyear Actuals: 91%

2003 Year End Projection: 95%

Percentage of bills adjusted

2002 Year End Actuals: 3%

2003 Midyear Actuals: 3.7%

2003 Year End Projection: 3.0%

### Lowest Cost:

**Cost is indicated by comparing City Light's average commercial and residential rate/bills to five other regional utilities.**

Comparison of Seattle City Light's average annual residential bill to the average residential bill of five regional utilities

2002 Year End Actuals: Seattle City Light - \$571  
Five Regional Utilities - \$599

2003 Midyear Actuals: Seattle City Light - \$578  
Five Regional Utilities - \$600

2003 Year End Projection: Seattle City Light - \$578  
Five Regional Utilities - \$600

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Comparison of Seattle City Light's average annual commercial (medium general service) bill to the average bill of similar customers of five regional utilities

2002 Year End Actuals:	Seattle City Light - \$32,881
	Five Regional Utilities - \$36,088
2003 Midyear Actuals:	Seattle City Light - \$33,302
	Five Regional Utilities - \$36,158
2003 Year End Projection:	Seattle City Light - \$33,302
	Five Regional Utilities - \$36,158

**Provide its customers with the lowest-cost, most reliable and environmentally responsible electricity services in urban America.**

2002 Year End Actuals:  
2003 Midyear Actuals:  
2003 Year End Projection:

**Environmentally Responsible:**

**The percentage of load growth experienced to date that has been met through conservation and renewable energy.**

Seattle City Light commits to meet 100% of projected load growth over the period 2000 to 2011 with conservation and renewable resources. Wind turbines are an example of renewable power.

2002 Year End Actuals:	198%
2003 Midyear Actuals:	Measured Annually
2003 Year End Projection:	100%

## Customer Services Budget Control Level

### Purpose Statement

The purpose of the Customer Services Budget Control Level is to manage business relationships with Seattle City Light customers, provide accurate and timely bills for electric services, and promote conservation as a resource so that customer satisfaction is achieved, revenues owed to the utility are collected, and energy is used wisely.

### Program Summary

The 2004 Adopted Budget reflects the steps taken by the Customer Service Budget Control Level to implement the Utility's financial recovery plan. The following actions, amounting to \$1.96 million, describe the measures undertaken by this branch of the Utility in 2004 to realize the savings.

Reduce the administrative general budget for this budget control level by \$240,000 to achieve savings as a part of the Utility's financial recovery plan.

Reduce the Utility's energy conservation goal from 9 aMW to 8 aMW to realize \$1.72 million in savings. This action is a significant component of the of City Light's financial recovery plan. The reduction will not affect conservation funding from the Bonneville Power Administration, nor will it prevent City Light from achieving its goal of meeting all future load growth with conservation and renewable resources.

Abrogate 1.0 FTE Administrative Specialist II position, and incur the cost of funding an equivalent level position in the City's Personnel Department to achieve a cost neutral implementation of a centralized labor relations function in City Personnel.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Customer Services	36,452,838	36,162,862	37,038,638	35,082,248
Full-time Equivalents Total*	222.08	228.05	228.05	227.05

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Debt Service Budget Control Level

### Purpose Statement

The purpose of the Debt Service Budget Control Level is to meet principal repayment and interest obligations on funds borrowed to meet City Light's capital expenditure requirements.

### Program Summary

The 2004 Adopted Budget for Debt Service reflects the intent of Resolution No. 30611 to structure the financial benefits resulting from the refinancing of eligible outstanding debt in such a way that a disproportionate share will be available in the initial years of the remaining term of the debt to help improve City Light's near-term financial position. The net present value of the debt service savings over the length of the refinancing term is \$6.60 million.

Consistent with that intent, \$961,000 of the total \$2.61 million in reduced 2004 debt service appropriation results from restructuring debt service payments to realize near-term financial benefits. The remaining \$1.64 million in debt service cost savings in 2004 result from 2002 and 2003 refinancings.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Debt Service	124,121,175	407,265,060	133,237,504	130,632,238
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## Distribution - CIP Budget Control Level

### Purpose Statement

The purpose of the Distribution - CIP Budget Control Level is to provide for the rehabilitation and/or replacement of transmission lines, substations, distribution feeders, transformers, services, and meters. The Utility also relocates electrical facilities to facilitate transportation projects. The CIP also purchases large tools and mobile equipment used by the Utility's field crews.

### Program Summary

A significant part of the City Light financial recovery plan is pursued through the Utility's Distribution Capital Improvement Program (CIP), as it is the largest CIP in City Light's budget.

As a part of the Utility's financial recovery plan, the actions listed below realize \$3.11 million in saving in 2004:

Defer the North Relocation - Aurora Avenue Project until 2005 to realize \$1.0 million in savings;

In response to decreased requests for such services, delay purchase of materials (network transformers and protectors) by \$700,000, enough material to construct facilities to serve two to three new large service requests;

Reduce supply inventories and equipment to realize savings of \$878,000;

Defer service contracts for outside professional services work related to capital projects to realize 2004 savings of \$277,000; and

Reduce the size of the Utility's fleet and associated maintenance costs of equipment used on capital projects in the amount of \$250,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Distribution - CIP	54,591,493	53,327,959	54,652,801	51,548,057
Full-time Equivalents Total*	276.92	316.56	315.35	315.35

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Distribution - O&M Budget Control Level

### Purpose Statement

The purpose of the Distribution - O&M Budget Control Level is to deliver industry-standard, reliable electricity to customers through efficient and effective planning, design, construction, maintenance, and to operate overhead and underground electrical distribution systems, substations, and transmission systems.

### Program Summary

The budget for this Budget Control Level reflects steps taken by the Utility's Distribution branch to implement its financial recovery plan. The following actions, amounting to \$1.15 million in savings, describe the measures undertaken by this branch of the Utility in 2004:

Reduce the annual tree trimming budget by 25% and make greater use of City Light line crews to partially perform this function to realize savings of \$500,000; and

Reduce the size of the Utility's heavy equipment fleet and associated annual maintenance cost to realize savings of \$650,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Distribution - O&M	52,688,194	50,759,048	52,206,892	51,056,892
Full-time Equivalents Total*	669.21	615.04	616.25	616.25

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Executive - CIP Budget Control Level

### Purpose Statement

The purpose of the Executive - CIP Budget Control Level is to protect and restore habitat benefits as provided in the Endangered Species Act (ESA), and to mitigate environmental impacts to comply with license agreements.

### Program Summary

The Executive branch CIP reflects the Utility's effort to implement its financial recovery plan. The measures below describe steps by the Executive branch to achieve \$525,000 in savings in its CIP in 2004:

Reduce the use of consulting services to realize savings of \$215,000; and

Defer projects called for by the Skagit Mitigation and Settlement Agreement until the 2005-2006 biennium to realize \$310,000 in savings.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Executive - CIP	3,122,739	1,017,771	1,345,857	820,857
Full-time Equivalents Total*	2.98	3.81	3.81	3.81

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Executive - O&M Budget Control Level

### Purpose Statement

The purpose of the Executive Budget Control Level is to provide overall management and policy direction for the Department to ensure the effective delivery of the Utility's fundamental service of providing reliable electric power in an environmentally sound manner. This branch of City Light provides broad departmental policy direction from the Superintendent's Office and leadership in the areas of human resources, environment and safety, strategic planning, and external affairs.

### Program Summary

The Executive O&M Budget Control Level is reduced by a net of \$690,000 from the Endorsed Budget as a result of the following actions:

Reduce travel, training, use of consultants, advertising, and promotional expenses by \$605,000;

Reduce administrative expenses associated with Skagit Mitigation Settle Agreement projects by \$130,000;

Recognize \$45,000 in interest earnings of grant proceeds on deposit as revenues to the Utility, and appropriate these proceeds to this Budget Control Level to meet the Utility's environmental objectives; and

Abrogate 1.0 FTE Senior Personnel Specialist position, and incur the cost of funding an equivalent level position in the City's Personnel Department to achieve a cost neutral implementation of a centralized labor relations function in City Personnel.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Executive - O&M	16,474,382	9,563,346	9,887,536	9,197,033
Full-time Equivalents Total*	91.01	87.23	87.23	86.23

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Finance and Administration - CIP Budget Control Level

### Purpose Statement

The purpose of the Finance and Administration - CIP Budget Control Level is to rehabilitate and replace the general physical plant, including buildings and information technology infrastructure. Information Technology budgets replace servers and routers, and fund the development of large software applications.

### Program Summary

Implementation of the Utility's financial recovery plan realizes savings of \$1.26 million in 2004. This budget control level takes the following actions:

Reduce the administrative general expenses associated with capital projects of the Finance and Administration Branch by \$128,000;

Defer development of new computer applications for utility business purposes to realize \$525,000 savings in staffing requirements; and

Defer the cost of upgrading the Office 97 Computer Applications Suite and other productivity applications to realize a savings of \$610,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Finance and Administration - CIP	10,475,076	9,721,213	9,740,931	8,477,511
Full-time Equivalents Total*	18.79	23.96	25.28	25.28

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Finance and Administration - O&M Budget Control Level

### Purpose Statement

The purpose of the Finance and Administration - O&M Budget Control Level is to ensure efficient service delivery by providing leadership, support, and services in financial management, information technology, and facilities-management for the Utility.

### Program Summary

To implement the Utility's financial recovery plan and realize \$622,000 in savings in 2004, this budget control level takes the following budget actions:

Reduce the administrative expenses associated with the upgrades of the Office 97 Suite and other user productivity applications in the amount of \$76,000; and

Reduce expenditures for financial analysis and economic evaluations, overtime, travel and training, the use of consultants, and deferring a number of facility maintenance projects to realize \$546,000 in savings.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Finance and Administration - O&M	29,716,380	31,941,988	32,664,252	32,042,560
Full-time Equivalents Total*	226.85	228.54	227.22	227.22

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## General Expense Budget Control Level

### Purpose Statement

The purpose of the General Expense Budget Control Level is to budget, track, and monitor general expenses of the Utility, which include payments for insurance; employee benefits such as medical and retirement costs; intergovernmental services such as legal services provided by the City's Law Department; and services rendered by the City's General Subfund departments.

### Program Summary

Increase the 2004 budget for the General Expense Budget Control Level by \$1.09 million with the following actions:

Increase the budget by \$322,000 to meet interfund obligations to general subfund supported departments; and

Increase the budget by \$763,000 to pay for City Light's participation in a four agency coalition to clean up Duwamish Superfund sites.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
General Expense	40,387,424	47,178,638	49,556,252	50,641,075
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Generation - CIP Budget Control Level

### Purpose Statement

The purpose of the Generation - CIP Budget Control Level is to provide for the rehabilitation and replacement of the generating assets of the Utility. These assets include dams, powerhouses, switchyards, generators, turbines, and auxiliary equipment at the Skagit and Boundary Hydroelectric projects.

### Program Summary

Consistent with the Utility's financial recovery plan, this Budget Control Level reduces expenditures in 2004 by \$2.63 million through the following actions:

Reduce the administrative and general expenditures associated with the capital projects of this Budget Control Level by \$173,000; and

Defer all procurement and construction activities related to the Boundary Sluice Gate Rehabilitation and Transformer Bay Rockfall Mitigation Projects to achieve \$2.46 million in savings.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Generation - CIP	28,909,561	18,977,881	13,134,814	10,507,454
Full-time Equivalents Total*	61.30	64.95	53.71	53.71

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Generation - O&M Budget Control Level

### Purpose Statement

The purpose of the Generation - O&M Budget Control Level is to operate and maintain the City of Seattle's power generation facilities in a manner that optimizes their value, while meeting the Utility's legal, contractual, and community obligations.

### Program Summary

To achieve the objectives of the Utility's financial recovery plan, reduce the travel, training and consultant services expenditures in this Budget Control Level by \$145,000 in 2004.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Generation - O&M	13,641,264	13,610,817	14,608,395	14,463,831
Full-time Equivalents Total*	187.09	172.96	178.20	178.20

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Power Management Budget Control Level

### Purpose Statement

The purpose of the Power Management Budget Control Level is to manage Seattle City Light's Power Resource Portfolio to meet load demands at the least possible cost, manage the wholesale purchase and sale of power and transmission to maximize the Utility's financial position, negotiate and administer long-term wholesale power contracts, and develop and administer the Utility's power budget. This budget control level also leads and participates in regional and national conferences with an objective of maximizing both Seattle's and public power's influence.

### Program Summary

Implement a reserve capacity sales program to generate \$7.0 million in anticipated incremental revenues within existing resource levels. The additional revenues are a significant component of the Utility's financial recovery plan.

Reduce the use of consultant services by \$124,000 in 2004.

Eliminate funding for an additional Power Marketer position in the amount of \$82,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Power Management	6,859,635	6,425,143	6,597,841	6,391,693
Full-time Equivalents Total*	42.46	45.00	45.00	45.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Purchased Power Budget Control Level

### Purpose Statement

The purpose of the Purchased Power Budget Control Level is to acquire power in a cost-effective manner. This budget control level also provides for transmission and other costs associated with wholesale power purchases to meet the electricity needs of the Utility's customers.

### Program Summary

The Utility's financial recovery plan calls for this budget control level to achieve \$900,000 in savings in 2004 by reducing the commitment of City Light funds to achieve greenhouse gas neutrality program goals. The Utility continues its search for promising and efficient local projects to achieve the neutrality goal.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Purchased Power	288,387,557	337,111,788	356,456,635	355,556,635
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

## Taxes Budget Control Level

### Purpose Statement

The purpose of the Taxes Budget Control Level is to calculate and pay City Light's legally-required tax payments.

### Program Summary

Increase the appropriation for the Taxes Budget Control Level to pay \$761,000 in increased franchise contract payments to the City of Tukwila resulting from legislation passed in 2003.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Taxes	58,572,984	57,453,808	58,534,390	59,295,532
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

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## 2004 Estimated Revenues for the City Light Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
431200	BPA Conservation & Renewables Credit	\$ 2,141,955	\$ 1,822,080	\$ 1,822,080	\$ 2,162,844
431200	BPA Payments for Conservation Deferred	3,332,670	13,075,000	13,300,000	8,500,000
443345	Basis Sales	2,197,346	6,656,000	6,656,000	6,656,000
443345	Other Power Related Services	502,233	5,500,000	8,000,000	5,500,000
443310	Energy Sales to Customers	562,432,218	563,634,281	574,042,118	573,924,043
443310	Energy sales to Customers - GF Street Light	-	-	-	6,000,000
443310	Seattle Green Power	-	154,000	129,000	200,000
443310	Out of System Sales	-	-	-	-
443345	Surplus Energy Sales	113,725,041	130,089,657	139,684,435	144,997,232
443380	Late Payment Fees	3,938,847	3,500,000	3,500,000	3,500,000
443250	Revenue From Damage	1,424,549	1,492,289	1,492,289	1,492,289
443250	Other O&M Revenue	3,222,584	3,375,824	3,375,824	3,420,824
443345	SCL Green Tags	-	375,000	606,250	700,000
443345	BPA Credit for South Fork Tolt	3,066,655	3,739,656	3,705,205	3,705,205
443345	Box Canyon Forced Outage Reserve	122,957	263,600	263,600	263,600
443345	Integration & Exchange of Wind Resources	8,890,874	1,966,462	2,000,478	2,000,478
443345	Article 49 Sale to PO Country	984,251	942,783	976,741	976,741
443380	Account Change Fees	496,943	544,052	558,279	507,773
443380	Reconnect Charges	167,870	302,454	310,393	209,123
443380	Water Heater & Miscellaneous Rentals	150,835	133,418	136,920	158,008
443380	Construction & Miscellaneous Charges	938,874	2,751,593	2,779,790	1,049,897
443380	Property Rentals	1,466,225	1,113,897	1,521,289	1,466,225
443380	Pole Attachments	754,519	685,813	703,815	754,519
443380	Transmission Attach. & Cell Sites	430,680	2,111,933	2,167,371	430,680
447910	Skagit Receipts	255,462	311,699	369,492	267,609
461100	Interest	10,110,004	7,081,169	7,625,327	6,437,412
461100	Sale of Property, Material & Equip.	643,289	761,055	780,081	1,500,000
461100	Miscellaneous Revenue	150,000	79,160	81,139	150,000
469990	Conservation - Customer Payments	133,113	1,460,591	1,646,295	1,646,295
482000	Contributions in Aid of Construction	10,631,017	13,786,351	14,157,794	13,344,000
462900	Maple Valley-SnoKing Lease to BPA	699,996	700,000	700,000	-
462900	SnoKing to Bothell Lease to BPA	562,500	562,500	562,500	-
462900	North Mountain Substation	155,726	259,068	266,062	167,608
462900	Transmission Sales	697,721	1,727,118	1,773,750	2,048,000
541830	Reimbursement for CCSS - O&M	-	2,991,098	3,091,929	3,091,929
541830	Reimbursement for CCSS - CIP	-	384,375	366,668	366,668
543250	Reimbursement for Postage	927,765	589,983	604,732	971,880
431010	NW Energy Efficiency Alliance - SCL Lighting Design Lab Contract	300,000	740,898	752,011	300,000
587900	Transfers from Construction Fund	28,745,983	304,852,465	29,153,081	16,846,734
	<b>Total Revenues</b>	<b>\$ 764,400,702</b>	<b>\$ 1,080,517,322</b>	<b>\$ 829,662,738</b>	<b>\$ 815,713,616</b>



## Capital Improvement Program Highlights

City Light's Capital Improvement Program (CIP) is the vehicle for upgrading and expanding the Utility's infrastructure in a way that enhances safety and preserves the environment. This infrastructure includes: a distribution system with 14 major substations and more than 2,500 miles of overhead and underground cable; a generation system comprising seven major hydroelectric plants on the Skagit, Cedar, Tolt, and Pend Oreille Rivers with a combined capacity of almost 2,000 megawatts; 650 miles of high-voltage transmission lines linking these plants to Seattle; a state-of-the-art System Control Center to coordinate these activities; and billing and metering equipment to track almost 350,000 accounts. The overriding goal of the CIP is to assure that the facilities required to serve City Light customers with low-cost, reliable power are in place when and where the power is requested. The dollar figures in the table below are loaded dollars: total project cost, which is the sum of direct project charges shown in the operating budget CIP budget control levels and total applicable intra-departmental expenses - commonly referred to as overhead costs or loadings.

The table below displays City Light's CIP categorized by budget control level. A few highlights of City Light's CIP include:

The Distribution CIP is reduced by \$4.1 million to achieve the objectives of the utility's financial recovery plan, including deferral of work on the Aurora Ave. project, and reducing supply inventories and equipment. Even with these reductions, approximately \$6.6 million is allocated for improvements in the Downtown and First Hill network areas.

The Executive CIP is reduced by \$535,000 to achieve the objectives of the utility's financial recovery plan, including the reduction in the use of consulting services and deferral of some projects. Approximately \$706,000 is allocated for work in support of the Endangered Species Act.

In 2004, the Finance and Administration CIP is reduced by \$1.2 million to achieve the objectives of the Utility's financial recovery plan, including reducing administrative expenses and deferring the upgrade of the Office 97 Suite as well as some other new applications at the utility. Even with the reductions, approximately \$4.6 million is allocated for technological improvements in customer service and billing systems.

The Generation CIP is reduced by \$2.8 million to achieve the objectives of the utility's financial recovery plan, including deferral of the Transformer Bay Rockfall Mitigation project. Approximately \$5 million is allocated to Boundary Dam Rehabilitation projects to restore major equipment, auxiliary systems, support features, and recreational facilities.

A detailed list of all programs and projects in City Light's CIP can be found in the 2004-2009 Adopted Capital Improvement Program document.

## Capital Improvement Program Outlay

<b>Allocations</b>	<b>Fund Source</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Generation	Seattle City Light Fund	35,676,000	17,996,000	15,190,000
Finance & Administration	Seattle City Light Fund	13,416,000	12,850,000	11,626,000
Executive	Seattle City Light Fund	2,488,000	1,533,000	998,000
Distribution	Seattle City Light Fund	89,904,000	92,042,000	87,967,000
<b>Total</b>		<b>141,484,000</b>	<b>124,421,000</b>	<b>115,781,000</b>



## Seattle Transportation

Grace Crunican, Director

### Contact Information

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### Department Description

The Seattle Department of Transportation (SDOT) develops, maintains, and operates a transportation system that promotes the mobility of people and goods, and enhances the quality of life, environment, and economy of Seattle.

In June 2002, SDOT was created by combining transportation planning from the former Strategic Planning Office with the former Seattle Transportation Department to bring a more comprehensive approach to transportation service delivery. A major element of SDOT's creation was the establishment of the Policy, Planning, and Major Projects division, which is charged with transportation system planning and providing increased control and influence over major projects under construction in Seattle.

In addition to the Policy, Planning, and Major Projects division, SDOT has four other major operating divisions:

- Traffic Management is responsible for the movement of non-motorized and motorized traffic throughout the city.
- Capital Projects/Roadway Structures is responsible for design and construction of major projects, as well as maintenance of bridges, overpasses, retaining walls, and other structures.
- Street Maintenance is responsible for maintaining city street surfaces.
- Neighborhood Transportation and Right-of-Way Management Services is responsible for traffic engineering and controls on non-arterial streets, street-use permits, and urban forestry.

### Proposed Policy and Program Changes

SDOT will implement a 3-year program beginning in 2004 to install up to 1650 Pay Stations to replace a majority of the single-space parking meters. The Pay Station kiosks will control multiple spaces on a blockface and offer a more convenient way to pay for parking via credit and debit cards. This program will produce long-term parking management and revenue benefits for the City.

# Transportation

In addition, a significant initiative to manage the City's right-of-way to promote mobility is under way. The Right-of-Way Management Initiative (ROWM) includes six projects: Street Use Permitting Redesign, Utility Coordination Redesign, Right-of-Way (ROW) Manual, On-line Permitting, Coordinated Capital Planning, and Citizen ROW Information Access. This is an interdepartmental effort to improve mobility in Seattle's right-of-way by reducing impacts of pavement openings and minimizing disruption of street and sidewalk closures. This effort is being funded through various City department allocations and an increase in street use fees starting in 2004. Due to a change in accounting procedure, street use fees will be recorded in the Transportation Operating Fund rather than the General Subfund. The authorization from the General Subfund will be reduced by the corresponding amount.

The State Supreme Court found Initiative 776 constitutional and did not restore an estimated \$10 million of 2003 and 2004 Vehicle License Fees (VLF) to the City for SDOT funding. VLF will no longer be a funding source available for SDOT projects.

## City Council Budget Changes and Provisos

City Council approved a number of revisions to SDOT's operating budget and Capital Improvement Plan. Council increased the budget for the Right-of-Way Management Initiative (ROWM) to reflect transfers in from Seattle Public Utilities (SPU) and the Department of Planning and Development (DPD). Funding was reduced for the Director's consultant budget.

Council reduced funding for the following Capital projects: Pedestrian/Elderly Handicapped Accessibility, Northgate Coordinated Transportation Investment Plan, Neighborhood Sidewalk Matching Fund and South Lake Union Streetcar. Funding was eliminated for Targeted Infrastructure - Greenwood and Targeted Infrastructure - Madison/Miller projects and funding was increased for the Arterial Major Maintenance Program and Mercer Corridor project.

The Council also adopted a number of operating and capital budget provisos, as follows:

The Council has placed certain restrictions on opinion-gathering activities and has limited the use of appropriated funds for polls and surveys to \$2,500 unless authorized by ordinance. See Appendix C for full proviso text.

None of the money appropriated for 2004 for SDOT may be spent to work on, or submit any applications for, grant or other private or government funding over \$100,000 for 2004 capital projects either not shown in the CIP or shown with zero dollars beyond the work necessary to make a threshold decision whether to pursue the grant without Council approval by resolution.

Of the appropriations for 2004 for SDOT, \$2,252,000 is appropriated solely to pay for: installing, operating and maintaining pay parking stations to replace existing meters (not including the purchase cost of pay parking stations or debt service on borrowed funds for such purchase); removing the meters they replace; reprogramming existing meters for any new parking rate; replacing existing mechanical meter heads with reprogrammed electronic meter head displaced by pay parking stations; and installing, operating, and maintaining pay parking devices to regulate the use of parking spaces which are now free. These funds may be used for no other purpose.

No more than \$6,000,000 appropriated for 2004 in the City budget can be spent to pay for the proposed South Lake Union Streetcar project (#TC366260).

None of the \$6,000,000 available for the South Lake Union Streetcar Project (#TC366260) in 2004 can be spent until authorized by a future ordinance, except that up to \$295,000 can be spent to pay for the project if the funds are from a federal or state grant source.

None of the \$295,000 available for the South Lake Union Streetcar Project (#TC366260) in 2004 can be spent on preliminary design and engineering.

Of the \$6,000,000 available for the South Lake Union Streetcar Project (#TC366260) in 2004, \$5,705,000 may be spent only if obtained from state and federal grants (up to \$3,000,000 from each) and if authorized by future ordinance.

Of the appropriations for 2004 for SDOT, \$200,000 in REET II revenues is appropriated solely for two potential LID projects located along 41st Avenue South and 28th Avenue NW and may be spent for no other purpose.

No more than a combined total of \$50,000 appropriated for 2004 for SDOT can be spent to pay for non-construction activities related to sidewalk projects along 41st Avenue South and 28th Avenue NW. None of the money appropriated for 2004 for SDOT can be spent to pay for construction of sidewalks along 41st Avenue South or along 28th Avenue NW until, in each case, a LID has been formed via an ordinance.

No more than \$163,000 of the money appropriated in 2004 for SDOT can be spent to pay for the Mercer Corridor TCIP (project ID 365500) until authorized by future ordinance. The Council anticipates that such authority will not be granted until the Council approves a set of alternatives to be considered in an Environmental Impact Statement (EIS). The Council and the Executive will work together to agree on standards for inclusion of alternatives in an EIS and the information necessary to support those standards.

Of the appropriations for 2004 for SDOT, \$368,000 is appropriated solely for the Northgate Coordinated Transportation Investment Plan project and may be spent for no other purpose.

No more than \$50,000 of the money appropriated for 2004 for SDOT can be spent to pay for the Northgate Coordinated Transportation Investment Plan project, until authorized by a future ordinance.

Of the appropriation for 2004 for SDOT's Management Budget Control Level, \$118,347 is appropriated solely for SDOT Director's consultant budget and may be spent for no other purpose.

None of the money appropriated for 2004 for SDOT's Management Budget Control Level can be spent to pay for the following consultants or purposes, until authorized by ordinance: Goldschmidt for Construction Management in the amount of 37,000; Phillip Heller for Customer Service in the amount of \$40,000; and Emerging Issues in the amount of \$41,347. Council anticipates that such authority will be granted only after SDOT communicates to the Council the scope of work and intended outcomes of these consultant contracts.

None of the General Subfund Revenues appropriated for 2004 for SDOT can be used for sidewalk projects related to a Local Improvement District program unless explicitly authorized by Council in a future ordinance.

# Transportation

## Operations Support and Administration

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Department Management Budget Control Level	18600	2,282,866	2,544,866	2,562,990	2,904,411
General Expenses Budget Control Level	18650	5,986,480	9,653,892	9,846,743	12,446,605
Resource Management Budget Control Level	18320	6,223,712	5,935,780	7,162,281	7,008,788
<b>Operations Support and Administration Total</b>		<b>14,493,058</b>	<b>18,134,538</b>	<b>19,572,014</b>	<b>22,359,804</b>

## Traffic and Street Use Management

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Manage Street Rights-of-Way Budget Control Level	18100	4,647,770	6,132,089	6,379,633	8,027,412
Neighborhood Traffic Services Budget Control Level	18150	959,817	825,433	935,901	833,234
Traffic Management Budget Control Level	18005	15,845,724	15,691,133	15,525,856	21,521,279
<b>Traffic and Street Use Management Total</b>		<b>21,453,311</b>	<b>22,648,655</b>	<b>22,841,390</b>	<b>30,381,925</b>

## Transportation Infrastructure

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Capital Projects Budget Control Level	18300	37,427,541	30,180,542	41,774,648	24,350,119
Street Maintenance Budget Control Level	18003	19,358,798	21,183,559	20,662,975	19,953,192
Structure Management, Maintenance, and Operation Budget Control Level	18004	5,377,966	6,095,552	5,759,238	7,994,021
Urban Forestry Budget Control Level	18311	2,381,032	2,448,016	2,467,882	2,291,499
<b>Transportation Infrastructure Total</b>		<b>64,545,337</b>	<b>59,907,669</b>	<b>70,664,743</b>	<b>54,588,831</b>

## Transportation Policy and Planning

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Policy, Planning, and Major Project Development Budget Control Level	18310	3,417,923	8,745,198	4,017,777	15,680,954
<b>Transportation Policy and Planning Total</b>		<b>3,417,923</b>	<b>8,745,198</b>	<b>4,017,777</b>	<b>15,680,954</b>
<b>Department Total</b>		<b>103,909,629</b>	<b>109,436,060</b>	<b>117,095,924</b>	<b>123,011,514</b>
<b>Department Full-time Equivalents Total*</b>		<b>609.50</b>	<b>627.50</b>	<b>628.50</b>	<b>631.50</b>

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

# Transportation

## Resources

General Subfund	37,563,470	39,915,108	41,182,716	35,776,396
Other Funds	66,346,159	69,520,952	75,913,208	87,235,118
<b>Total</b>	<b>103,909,629</b>	<b>109,436,060</b>	<b>117,095,924</b>	<b>123,011,514</b>

# Transportation

## Selected Midyear Performance Measures

**The Seattle Department of Transportation (SDOT) manages a diverse capital program that ranges from arterial street paving to major bridge replacement. Fueling the capital program is a similarly diverse range of funding sources. The Department strives to complete each project on time and on budget.**

Percent of CIP funding from external (non SDOT) sources

2002 Year End Actuals: 65.1%

2003 Midyear Actuals: 12-month measure

2003 Year End Projection: 59.7%

Amount of grant appropriations funds awarded annually

2002 Year End Actuals: \$17.9 million

2003 Midyear Actuals: 12-month measure

2003 Year End Projection: \$11 million (Limited state and federal grant programs in 2003)

**The ability to get around is a key factor influencing quality of life and the attractiveness of Seattle as a hub for business. SDOT works to enhance mobility in the city by optimizing the existing street network through maintenance of freight routes and signage, signal synchronization, better parking management, and development and operation of alternate modes such as transit, bicycle, and pedestrian facilities.**

Percent of commute trips by non-Single Occupant Vehicle (SOV) modes at Commute Trip Reduction (CTR)-affected sites

2002 Year End Actuals: 59.2%

2003 Midyear Actuals: 59%

2003 Year End Projection: Central Business District (CBD) non-SOV rate is 74%. Goal is to increase its citywide.

Percent increase in "wheels and heels" (bikes and pedestrians) measured at selected locations

2002 Year End Actuals: 2%

2003 Midyear Actuals: 12 month measure

2003 Year End Projection: 2% (static target reflects no additional resources provided for this effort in 2003)

Number of signals optimized per year

2002 Year End Actuals: 114

2003 Midyear Actuals: 41

2003 Year End Projection: 100 (staff retirement and vacancy has reduced the year-end projection)



**Maintenance of the City's transportation infrastructure is a primary charge of the Seattle Department of Transportation (SDOT). From arterial paving, to bridge painting, to landscape maintenance, the Department works to stretch resources so that our roads, bridges, and urban forest remain safe, well maintained, and dependable.**

Smoother and safer streets as measured by Pavement Condition Index rating (PCI)

2002 Year End Actuals: 60

2003 Midyear Actuals: 12 month measure

2003 Year End Projection: SDOT's Pavement Management System is currently undergoing a thorough review to ensure accuracy of data in and results provided. Target will be reset once that work is complete.

Percent of potholes filled within 48 hours of reporting

2002 Year End Actuals: 89%

2003 Midyear Actuals: 97%

2003 Year End Projection: 95%

Percent of formally landscaped areas rated "excellent" by Sector Gardeners

2002 Year End Actuals: 20%

2003 Midyear Actuals: 20%

2003 Year End Projection: 20% (Static target reflects increase in landscaped area to maintain with no increase in resources)

Number of bridges painted per year

2002 Year End Actuals: 1

2003 Midyear Actuals: 0

2003 Year End Projection: 2

# Transportation

## Operations Support and Administration

### Department Management Budget Control Level

#### Purpose Statement

The purpose of the Department Management Budget Control Level is to provide leadership and human resource services for the accomplishment of the mission and goals of the Department and the City.

#### Program Summary

Reallocate funding to increase budget by \$384,000 to cover various administrative expenses and consultant services for enhanced worker safety and improved customer service.

Increase reliance on in-house resources and reduce discretionary non-labor budget for consultant services by \$17,000. Also, decrease the Director's consultant budget by \$17,000 by eliminating the budget for the public random survey for 2004.

Transfer in 1.0 FTE Manager 3 from the Street Maintenance Budget Control Level and 1.0 FTE Strategic Advisor 3, General Government from the Policy, Planning and Major Project Development Budget Control Level due to midyear reorganization.

Citywide adjustments to inflation assumptions reduce the budget by \$9,000, for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$341,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Department Management	2,282,866	2,544,866	2,562,990	2,904,411
Full-time Equivalents Total*	21.00	24.00	24.00	26.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## General Expenses Budget Control Level

### Purpose Statement

The purpose of the General Expenses Budget Control Level is to separately account for certain business expenses that are unique to some City departments.

### Program Summary

Transfer Department of Information Technology (DoIT) charges from the General Expenses Budget Control Level to the Resource Management Budget Control Level and change estimates for DoIT services for a net reduction of \$321,000. Increase budget by \$3.0 million to complete financing arrangements for the University Ave Project.

Citywide adjustments to inflation assumptions reduce the budget by \$79,000 for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$2.6 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
General Expenses	5,986,480	9,653,892	9,846,743	12,446,605
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Resource Management Budget Control Level

### Purpose Statement

The purpose of the Resource Management Budget Control Level is to provide the Department with financial and technological support, ensuring the financial integrity of the Department and the reliability of the technological infrastructure for Department business activities.

### Program Summary

Decrease budget by \$84,000 due to shifting needs based on I-776 cuts in 2003 and charges from the Department of Information Technology moving from the General Expenses Budget Control Level to the Resource Management Budget Control Level.

Reduce IT support from Right-of-Way Management Initiative by \$30,000. Reduce risk management and public disclosure budget by \$6,000 and manage internally.

Increase staff by 1.0 FTE Management Systems Analyst by converting a long-term TES to regular staff. This is a budget neutral impact.

Citywide adjustments to inflation assumptions reduce the budget by \$34,000 for a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$154,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Resource Management	6,223,712	5,935,780	7,162,281	7,008,788
Full-time Equivalents Total*	46.00	47.00	47.00	48.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

# Transportation

## Traffic and Street Use Management

### Manage Street Rights-of-Way Budget Control Level

#### Purpose Statement

The purpose of the Street Rights-of-Way Budget Control Level is to ensure that street improvements and infrastructure activities are coordinated and meet City specifications and approved plans, to ensure appropriate uses of the rights-of-way, and to enhance mobility, accessibility, and safety of the right-of-way for the public.

#### Program Summary

Reallocate funding for a net increase of \$181,000. Reduce budget by \$24,000 with anticipated vacancy savings due to normal business or leaving positions vacant.

Increase budget by \$929,000 for the Right-of-Way Management Initiative to reduce impacts of pavement openings and street and sidewalk closures in Seattle's right-of-way. This initiative is funded through charges to participating departments as well as through street use fees.

Increase budget by \$572,000 by adjusting street use fees to help fund development and implementation support of mandated and demand-driven initiatives in the areas of staff stability, technology enhancements, strategic planning, and business processes.

Transfer out 1.0 FTE Senior Civil Engineer to the Traffic Management Budget Control Level due to midyear reorganization.

Citywide adjustments to inflation assumptions reduce the budget by \$11,000 for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$1.65 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Manage Street Rights-of-Way	4,647,770	6,132,089	6,379,633	8,027,412
Full-time Equivalents Total*	49.00	50.00	50.00	49.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A. 2003 Adopted and 2004 Endorsed FTE have been adjusted for prior errors/inconsistencies.*

## Neighborhood Traffic Services Budget Control Level

### **Purpose Statement**

The purpose of the Neighborhood Traffic Services Budget Control Level is to provide responses and solutions to residents to enhance safety along residential streets and the attractiveness of neighborhoods.

### **Program Summary**

Reduce demands from other Budget Control Level Capital Improvement Programs and other miscellaneous reductions for a net decrease in the budget by \$91,000.

Reduce budget by \$10,000 with anticipated vacancy savings due to normal business or leaving positions vacant.

Transfer in 1.0 FTE Associate Civil Engineer Specialist from the Street Maintenance Budget Control Level and 1.0 FTE Senior Civil Engineer from the Capital Projects Budget Control Level due to midyear reorganization.

Citywide adjustments to inflation assumptions reduce the budget by \$2,000 for a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$103,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Neighborhood Traffic Services	959,817	825,433	935,901	833,234
Full-time Equivalents Total*	8.00	8.00	8.00	10.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

# Transportation

## Traffic Management Budget Control Level

### Purpose Statement

Traffic Management ensures the safe and efficient operation of all transportation modes in the City of Seattle. This includes managing the parking, pedestrian, and bicycle infrastructure; implementing neighborhood plans; encouragement of alternative modes of transportation; and maintenance and improvement of signals, intelligent transportation systems, and the non-electrical transportation management infrastructure.

### Program Summary

Add support in Traffic and Parking Signs and for the Seattle Monorail Project Plan Review, reallocate project funding to the Street Maintenance Budget Control Level, and reduce overtime and equipment spending for a net increase of \$212,000. Reduce budget by \$130,000 with anticipated vacancy savings due to normal business or leaving positions vacant.

As part of the permitting and design reviews for constructions of stations for Sound Transit Link Light Rail, increase budget by \$749,000, reimbursable by Sound Transit.

Reduce annual bike and pedestrian contract by \$70,000 and hold contracts ready to let for an additional year.

Increase budget by \$14,000 to provide improved service and reliability for all modes of travel along Aurora Avenue North (SR 99).

A \$200,000 reduction of General Subfund was made in 2003 of carryover funds for the New Sidewalk Program and replaced in 2004 with REET II funding for a net increase of \$200,000 in 2004.

Increase budget by \$5,072,000 to replace single-space parking meters with pay station kiosks that control multiple spaces and add 1.0 FTE Parking Meter Repair Crew Chief and 1.0 FTE Civil Engineering Specialist, Asst I.

Increase staffing by 1.0 FTE Emergency Preparedness Officer pursuant to Ordinance 121283, related to the federal Urban Areas Security Initiative. Transfer out 1.0 FTE Strategic Advisor 2, Engineering and Plans Review to the Capital Projects Budget Control Level due to midyear reorganization.

Transfer in 1.0 FTE Associate Civil Engineer from the Capital Projects Budget Control Level and 1.0 FTE Senior Civil Engineer from the Manage Street Rights-of-Way Budget Control Level due to midyear reorganization.

In 2004, SDOT will increase pedestrian safety measures with more visible signs and flashing lights at 14 crosswalks in school zones throughout the City.

Citywide adjustments to inflation assumptions reduce the budget by \$52,000 for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$6.0 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Traffic Management	15,845,724	15,691,133	15,525,856	21,521,279
Full-time Equivalents Total*	137.50	130.50	131.50	135.50

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

*2003 Adopted and 2004 Endorsed FTE have been adjusted for prior errors/inconsistencies.*

## Transportation Infrastructure

### Capital Projects Budget Control Level

#### Purpose Statement

The purpose of the Capital Projects Budget Control Level is to manage, design, and control capital improvements to the transportation infrastructure for the benefit of customers that include commerce, public transit, other public agencies, pedestrians, bicyclists, and motorists.

#### Program Summary

Increase budget by \$101,000 due to internal reallocations. SDOT has revised its funding strategy and is putting General Fund dollars into operating and maintenance and funding existing capital projects with other dollars. Reduce grant fund match by \$247,000. Due to a change in procedure, fund sources not yet determined are not budgeted in the Capital Improvement Plan resulting in a reduction of \$6.24 million. When fund sources are determined they will be appropriated through supplemental legislation.

Transfer 1.0 FTE from the Structure Management Budget Control Level and reclass the position to a Environmental Analyst, Sr for hazardous materials.

Reduce budget by \$13,000 with anticipated vacancy savings due to normal business or leaving positions vacant.

Increase budget by \$264,000 as part of the permitting and design reviews for construction of the stations for Sound Transit Link Light Rail, reimbursable by Sound Transit.

Reduce annual bike and pedestrian contract by \$70,000 and hold contracts ready to let for an additional year.

Reduce grant and contingency capital improvement project funds as well as miscellaneous, unforeseen and emergencies reserve by \$844,000.

Increase budget by \$2.59 million to provide improved service and reliability for all modes of travel along Aurora Avenue North (SR 99) with funding from a federal grant and King County.

Increase reimbursable budget by \$111,000 to assist Sound Transit in construction and construction management for the Central Link light rail project and affected City facilities.

Increase budget by \$163,000 to improve safety and mobility for vehicular and pedestrian traffic along 14th Avenue South.

Improve street sections on 5th Avenue NE, between NE 105th Street and NE Northgate Way with a budget increase of \$700,000.

Improve access and mobility for pedestrians, transit, bikes, freight, and vehicles on South Henderson Street with an increase of \$150,000.

Shift funding of \$368,000 from the Capital Projects Budget Control Level for the Northgate Coordinated Transportation Investment Plan to the Policy, Planning, and Major Projects Budget Control Level.

Reduce budget by \$334,000 due to delay in the 16th Avenue South Bridge Project.

# Transportation

Increase budget by \$4.56 million to accelerate the project at 35th Avenue NE and NE 65th Street in order to take advantage of grant dollars.

Reduce budget by \$2.66 million for reprioritization of projects to emphasize maintaining grant dollars.

Delay the schedule of the Lake Union Ship Canal project due to right-of-way issues and negotiations with the railroad over the location of the trail crossing resulting in a reduction of \$2.93 million.

Delay original schedule on Magnolia Bridge Replacement project due to the need for an Environmental Impact Statement (EIS), resulting in a \$2.73 million reduction.

Delay Mercer Corridor project schedule due to work beginning on the Alaskan Way Viaduct and Seawall EIS project with a reduction of \$11.76 million.

Increase budget by \$3.08 million in order to meet deadlines of granting agency (Transportation Improvement Board) on the Phinney, Fremont and 50th Street Improvements project.

Reduce budget by \$893,000 for a delay in the SR 519 project due to a change in scope in the Washington State Department of Transportation (WSDOT) plans.

Transfer out 1.0 FTE Associate Civil Engineer to the Traffic Management Budget Control Level, 1.0 FTE Strategic Advisor 3, Engineering and Plans Review to the Structure Management, Maintenance and Operation Budget Control Level, and 1.0 FTE Senior Civil Engineer to the Neighborhood Traffic Services Budget Control Level due to midyear reorganization.

Transfer in 1.0 FTE Strategic Advisor 2, Engineering and Plans Review from the Traffic Management Budget Control Level.

Citywide adjustments to inflation assumptions reduce the budget by \$9,000, for a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$17.42 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Capital Projects	37,427,541	30,180,542	41,774,648	24,350,119
Full-time Equivalents Total*	61.00	64.00	64.00	63.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A. 2003 Adopted and 2004 Endorsed FTE have been adjusted for prior errors/inconsistencies.*



## Street Maintenance Budget Control Level

### Purpose Statement

The Street Maintenance Budget Control Level keeps Seattle's \$4 billion investment in its roadways and sidewalks safe, clean, and in good repair. Repair and maintenance of the right-of-way promotes safety, enhances mobility, and protects the environment. Through planned maintenance, cleaning, and spot repairs of streets, alleys, pathways, and stairways, Street Maintenance improves the quality of life and business climate.

### Program Summary

Decrease the budget by \$279,000 due to anticipating less reimbursable work for street maintenance and reduction in neighborhood pedestrian improvements. The reduction will not cause significant impact on routine operations.

Reduce budget by \$193,000 with anticipated vacancy savings due to normal business or leaving positions vacant.

Increase utility cut restorations fees to recover costs of restoration work, labor, material, and equipment for a total budget increase of \$100,000.

Reduce budget by \$640,000 by having Seattle Public Utilities contract out the work of maintaining and performing collections from litter cans on city sidewalks. This will result in the reduction of 3.5 FTE Truck Driver positions. The employees have been re-assigned to other areas within SDOT.

Increase budget by \$7,000 as part of the permitting and design reviews for construction of the stations for Sound Transit Link Light Rail.

Increase budget by \$353,000 as part of the Neighborhood Street Fund/Cumulative Reserve Subfund Neighborhood Program that implements improvements and repairs identified annually by the community and selected by SDOT, the Department of Neighborhoods (DON), and the Department of Finance (DOF).

Transfer out and reclass 2.0 FTE Utilities Laborers to the Policy, Planning, and Major Project Development Budget Control Level to accommodate conversion of temporary positions to regular positions.

Transfer out 1.0 FTE Manager 3 to the Department Management Budget Control Level and 1.0 FTE Associate Civil Engineering Specialist to the Neighborhood Traffic Services Budget Control Level due to midyear reorganization.

Citywide adjustments to inflation assumptions reduce the budget by \$58,000 for a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$710,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Street Maintenance	19,358,798	21,183,559	20,662,975	19,953,192
Full-time Equivalents Total*	182.00	184.00	184.00	176.50

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

*2003 Adopted and 2004 Endorsed FTE have been adjusted for prior errors/inconsistencies.*

# Transportation

## Structure Management, Maintenance, and Operation Budget Control Level

### Purpose Statement

The purpose of the Structure Management, Maintenance, and Operation Budget Control Level is to provide safe and efficient use of the City's bridges and structures to all citizens of Seattle and adjacent regions to ensure the movement of people, goods, and services throughout the City.

### Program Summary

Due to a shift of overhead costs from General Fund to Other source funds and other miscellaneous adjustments the budget decreases by \$174,000.

Reduce budget by \$76,000 with anticipated vacancy savings due to normal business or leaving positions vacant.

Eliminate the structural painting section, reallocate 2.0 FTE positions and transfer to other Budget Control Levels. Reallocate savings to other bridge maintenance programs.

Accelerate Fremont Bridge Approaches project to accommodate schedules in grant and loan agreements with an increase in the budget by \$2.49 million.

Transfer in 1.0 FTE Strategic Advisor 3, Engineering and Plans Review from Capital Projects due to midyear reorganization.

Citywide adjustments to inflation assumptions reduce the budget by \$10,000 for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$2.23 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Structure Management, Maintenance, and Operation	5,377,966	6,095,552	5,759,238	7,994,021
Full-time Equivalents Total*	61.00	58.00	58.00	57.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A. 2003 Adopted and 2004 Endorsed FTE have been adjusted for prior errors/inconsistencies.*

## Urban Forestry Budget Control Level

### Purpose Statement

The purpose of the Urban Forestry Budget Control Level is to administer, maintain, protect, and expand the City's urban landscape in street rights-of-way for Seattle's residents and businesses so that environmental, aesthetic, and safety benefits are maximized.

### Program Summary

Reduce budget by \$67,000 due to reallocation in funding and anticipated vacancy savings due to normal business or leaving positions vacant.

Eliminate 1.0 FTE Administrative Staff Assistant position, reduce miscellaneous equipment purchase, and reduce repairs and maintenance budget for a savings of \$100,000.

Citywide adjustments to inflation assumptions reduce the budget by \$9,000 for a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$176,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Urban Forestry	2,381,032	2,448,016	2,467,882	2,291,499
Full-time Equivalents Total*	29.00	26.50	26.50	25.50

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A. 2003 Adopted and 2004 Endorsed FTE have been adjusted for prior errors/inconsistencies.*

# Transportation

## Transportation Policy and Planning

### Policy, Planning, and Major Project Development Budget Control Level

#### Purpose Statement

Provide unity in approach to planning and implementing improvements in Seattle's transportation system, tightening the connection between policy, planning, CIP development, and major project management.

#### Program Summary

Increase budget by \$72,000 due to internal department source fund reallocations of reduction of Neighborhood Matching Fund (NMF), the end of grant money and supporting work demands. Increase grant match funding by \$247,000. Due to a change in procedure, fund sources not yet determined are not budgeted in the Capital Improvement Plan resulting in a reduction of \$750,000. When fund sources are determined they will be appropriated through supplemental legislation.

Reduce budget by \$87,000 with anticipated vacancy savings due to normal business or leaving positions vacant.

Reduce neighborhood business outreach consultant services for transportation programs and projects and decrease staff by 1.0 FTE Civil Engineering Specialist with a net decrease of \$50,000.

Increase budget by \$85,000 for a consultant evaluation of the potential consolidation of on-street and off-street parking management, enforcement, and revenue collection functions.

Increase budget by \$649,000 as part of the permitting and design reviews for construction of stations for Sound Transit Link Light Rail.

Increase budget by \$241,000 for inclusion of federal Congestion Management and Air Quality grant funds for parking and transportation demand management activities.

Reduce a full-time Transportation Planner by 0.50 FTE as remaining grant funds are sufficient only to support a half-time position. There is no budget impact to this change.

Add 1.0 FTE Manager 2, General Government position and increase budget by \$108,000. This position will support management of the PEO function in the Seattle Police Department (SPD), as well as support a study of the City's parking enforcement function.

Increase budget by \$207,000 over the 2004 Endorsed Budget amount for the Seattle Monorail Project's continued program management and pre-construction services. Add 1.0 FTE Finance Analyst, Senior to be shared between the Monorail, Sound Transit and Alaskan Way Viaduct and Seawall Projects to support finance and accounting for Citywide reimbursable activities associated with these three major projects.

Add 1.0 FTE Strategic Advisor 2, General Government and \$6,000,000 in state grant funds and a federal direct earmark appropriation for the South Lake Union Streetcar project to provide local transit service.

Increase budget by \$18,000 to provide improved service and reliability for all modes of travel along Aurora Avenue North (SR 99).

Increase reimbursable budget by \$1.09 million to assist Sound Transit in construction and construction management for the Central Link light rail project and affected City facilities.

# Transportation

To determine on-street and potential off-street bus layover space locations as part of the Downtown Seattle Bus Layover Project, increase the budget by \$242,000.

In order to implement safety and mobility improvements at surface railroad crossings on South Holgate Street increase budget by \$250,000.

Shift budget from the Capital Projects Budget Control Level into the Policy, Planning, and Major Projects Budget Control Level for the Northgate Coordinated Transportation Investment Plan for an increase of \$368,000.

Increase budget by \$259,000 as part of the initiative to replace single-space parking meters with pay station kiosks that control multiple spaces.

The Right-of-Way Management Initiative (ROWM) will reduce impacts of pavement openings and street and sidewalk closures in Seattle's right-of-way resulting in a budget increase of \$46,000.

Increase budget by \$226,000 for 1.0 FTE Strategic Advisor 1, General Government on the Alaskan Way Viaduct project and to match local dollars for grant money from the Army Corp of Engineers.

Project schedule for the Downtown Seattle Transit Tunnel was accelerated by Sound Transit for an increase in the budget by \$870,000, reimbursable by Sound Transit.

Accelerate Trans-Lake Washington project schedule due to Washington State Department of Transportation (WSDOT) needs for an increase of \$300,000.

Increase budget by \$1.3 million for an interfund loan for the Mercer Corridor Project.

Transfer in 2.0 FTE Utilities Laborers from the Street Maintenance Budget Control Level and reclass to 1.0 FTE Associate Transportation Planner and 1.0 FTE Assistant Transportation Planner to accommodate conversion of temporary positions to regular positions.

Transfer out 1.0 FTE Strategic Advisor 3, General Government to the Department Management Budget Control Level.

Increase staffing by 1.0 FTE Strategic Advisor 1 and 1.0 FTE Strategic Advisor 2 pursuant to Ordinance 121321, related to the Seattle Monorail Project. These positions are intended to be abrogated within six months of completion of construction of the Green Line project.

Citywide adjustments to inflation assumptions reduce the budget by \$27,000 for a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$11.66 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Policy, Planning, and Major Project Development	3,417,923	8,745,198	4,017,777	15,680,954
Full-time Equivalents Total*	15.00	35.50	35.50	41.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A. 2003 Adopted and 2004 Endorsed FTE have been adjusted for prior errors/inconsistencies.*

# Transportation

## 2004 Estimated Revenues for the Transportation Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
422490	Other Street Use & Curb Permit	\$ 175,915	\$ 205,727	\$ 210,870	\$ 234,035
422990	Other Non-Business Licenses/PE	336,876	269,524	272,223	560,849
431010	Federal Grants	16,392,953	9,782,105	10,675,648	12,516,540
434010	State Grants	3,925,001	3,038,000	1,962,009	10,609,709
436081	Vehicle License Fees	5,098,526	-	-	-
436087	City Street Fund (Mtr Veh Fuel Tx)	8,235,171	8,585,305	8,712,648	8,368,251
436088	Arterial City Street Subfund (Mtr Veh Fuel Tx)	3,850,493	4,016,038	4,075,606	3,914,504
437010	Interlocal Grants	871,826	695,000	556,000	750,393
441930	Private Reimbursements	-	-	-	0
442490	Other Protective Inspection FE	3,934,101	6,361,874	6,520,921	10,114,452
444100	Street Maintenance & Repair CH	2,307,155	4,716,948	4,834,872	3,670,770
444900	Other Charges - Transportation	4,426,032	5,012,561	5,469,483	6,877,106
444900	Other Charges - Sound Transit	948,648	-	556,000	4,330,888
444900	Other Charges - Monorail	330,159	864,000	-	1,387,000
462500	Bldg/Other Space Rental Charge	-	64,610	66,548	123,236
481100	General Obligation Bond Proceeds	-	8,057,000	-	-
481800	Long-Term Intergovernmental Loan Proc	750,000	404,000	-	812,000
541990	If Other Gen Govtl Svc Chrgrs-MI	8,349,638	7,516,655	6,456,822	6,288,700
543210	Service to DWU (TCIP)	-	1,957,000	-	-
587001	Oper Tr IN-FR General Fund	37,537,209	39,915,108	41,182,716	35,776,396
587116	Oper TR IN-FR Cumulative Rsv S	3,543,044	3,339,000	1,400,000	5,904,640
587118	OPER TR IN-FR EMERGENCY SUBFUND	40,063	-	-	-
587316	Oper TR IN-FR Transport Bond F	5,860,197	860,000	-	4,425,000
587336	Oper TR IN-FR Open Space & TRA	121,039	696,000	-	-
587338	Oper TR IN-FR 2000 Parks Levy	76,563	2,417,000	963,000	-
587339	Oper TR IN-FR Denny Triangle	70,333	300,000	-	-
587347	OPER TR IN-FR 2002B LTGO PROJ	406,089	-	-	-
587400	Oper TR IN-FR SCL	-	-	-	150,000
587440	Oper TR IN-FR SPU	-	-	-	470,000
587157	Oper TR IN-FR DPD	-	-	-	96,000
	TCIP Unappropriated	-	1,159,000	20,465,000	-
	<b>Total Revenue</b>	<b>\$ 107,587,031</b>	<b>\$ 110,232,455</b>	<b>\$ 114,380,366</b>	<b>\$ 117,380,469</b>
	Contribution to Cash Decrease/(Increase)	-	(796,395)	2,715,558	5,631,045
	<b>Total Resources</b>	<b>\$ 107,587,031</b>	<b>\$ 109,436,060</b>	<b>\$ 117,095,924</b>	<b>\$ 123,011,514</b>

## Capital Improvement Program Highlights

The Seattle Department of Transportation (SDOT) is responsible for maintaining, upgrading, and monitoring the use of the City's system of streets, bridges, retaining walls, seawalls, bicycle and pedestrian facilities, and traffic control devices. SDOT's Capital Improvement Program (CIP) outlines the Department's plan for repairing, improving, and adding to this extensive infrastructure. The CIP is financed from a variety of revenue sources that include the City's General and Cumulative Reserve Subfunds, state gas tax revenues, grants, Public Works Trust Fund loans, partnerships with private organizations and other public agencies, and bond proceeds.

The 2004-2009 Adopted SDOT CIP includes such key projects as preliminary engineering for the replacement of the Magnolia Bridge; environmental, design, and permitting work for the replacement of the Alaskan Way Viaduct/Seawall; preliminary engineering on the approaches to the Fremont Bridge; and continued major maintenance and paving of the City's arterial and non-arterial streets.

Capital appropriations for SDOT are embedded within the line of business appropriations displayed at the start of this chapter. These appropriations are funded by a variety of revenue sources, some of which are not separately appropriated. One example of a revenue source that is appropriated is the Cumulative Reserve Subfund, commonly referred to as the CRF. While these CRF amounts are included in the line of business appropriations at the start of this chapter, they are appropriated for certain SDOT CIP projects as displayed in the first table below, titled "Capital Improvement Program Appropriation."

The second table, titled "Capital Improvement Program Outlay" shows that portion of the various SDOT appropriations that represent the Department's Capital Improvement Program (CIP) outlays. Consistent with RCW 35.32A.080, if any portion of these outlays remain unexpended or unencumbered at the close of the fiscal year, that portion shall be held available for the following year, except if abandoned by the City Council by ordinance. A detailed list of all programs and projects in SDOT's CIP can be found in the 2004-2009 Adopted Capital Improvement Program document.

## Capital Improvement Program Appropriation

<b>Budget Control Level</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>12th Ave. Development Project: TC366030</b>			
Cumulative Reserve Subfund-Unrestricted	967,000	0	0
<b>Subtotal</b>	<b>967,000</b>	<b>0</b>	<b>0</b>
<b>Airport Way over Argo Bridge Rehabilitation: TC365800</b>			
Street Vacation Compensation Subfund	0	0	25,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>25,000</b>
<b>Arterial Asphalt and Concrete Program: TC365440</b>			
Street Vacation Compensation Subfund	625,000	300,000	300,000
Cumulative Reserve Subfund-REET I	0	0	1,000
Cumulative Reserve Subfund-REET II	933,000	126,000	1,126,000
<b>Subtotal</b>	<b>1,558,000</b>	<b>426,000</b>	<b>1,427,000</b>
<b>Arterial Major Maintenance: TC365940</b>			
Cumulative Reserve Subfund-REET I	0	0	750,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>750,000</b>

# Transportation

<b>Budget Control Level</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Bridge Painting Program: TC324900</b>			
Cumulative Reserve Subfund-REET I	0	0	341,000
Cumulative Reserve Subfund-REET II	750,000	174,000	174,000
Cumulative Reserve Subfund-South Lake Union	4,000	0	0
<b>Subtotal</b>	<b>754,000</b>	<b>174,000</b>	<b>515,000</b>
<b>Fremont Bridge Approaches and Electrical Major Maintenance: TC365790</b>			
Cumulative Reserve Subfund-REET I	0	0	358,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>358,000</b>
<b>Hazard Mitigation Program - Areaways: TC365480</b>			
Cumulative Reserve Subfund-REET II	823,000	400,000	400,000
<b>Subtotal</b>	<b>823,000</b>	<b>400,000</b>	<b>400,000</b>
<b>Hazard Mitigation Program - Landslide Mitigation Projects: TC365510</b>			
Cumulative Reserve Subfund-REET II	409,000	400,000	400,000
<b>Subtotal</b>	<b>409,000</b>	<b>400,000</b>	<b>400,000</b>
<b>Magnolia Bridge Replacement Project: TC366060</b>			
Street Vacation Compensation Subfund	0	0	40,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>40,000</b>
<b>Mercer Corridor Project: TC365500</b>			
Cumulative Reserve Subfund-South Lake Union	19,000	0	0
<b>Subtotal</b>	<b>19,000</b>	<b>0</b>	<b>0</b>
<b>Neighborhood Pedestrian Improvements: TC323120</b>			
Cumulative Reserve Subfund-Unrestricted	33,000	0	0
<b>Subtotal</b>	<b>33,000</b>	<b>0</b>	<b>0</b>
<b>New Sidewalk Program: TC365900</b>			
Cumulative Reserve Subfund-REET II	0	0	200,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>200,000</b>
<b>North Queen Anne Drive Bridge - Seismic Improvements: TC366170</b>			
Cumulative Reserve Subfund-REET I	0	0	319,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>319,000</b>
<b>NSF/CRF Neighborhood Program: TC365770</b>			
Cumulative Reserve Subfund-REET II	1,157,000	0	853,000
<b>Subtotal</b>	<b>1,157,000</b>	<b>0</b>	<b>853,000</b>



# Transportation

<b>Budget Control Level</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Princeton Ave. NE Bridge Replacement: TC365240</b>			
Street Vacation Compensation Subfund	0	0	85,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>85,000</b>
<b>Retaining Wall Repair and Replacement: TC365890</b>			
Cumulative Reserve Subfund-REET I	0	0	286,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>286,000</b>
<b>Sidewalk Repair: TC365120</b>			
Cumulative Reserve Subfund-REET I	0	0	247,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>247,000</b>
<b>Total Capital Improvement Program Funds Appropriation</b>	<b>5,720,000</b>	<b>1,400,000</b>	<b>5,905,000</b>

## Capital Improvement Program Outlay

<b>Program</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Bridges and Structures	1,393,000	1,021,000	1,327,000
Capital Projects Management	61,592,000	40,054,000	23,761,000
Neighborhood Traffic Services	1,169,000	562,000	827,000
Policy, Planning and Major Projects	17,404,000	2,273,000	13,969,000
Street Maintenance	1,384,000	1,229,000	1,641,000
Traffic Management	3,172,000	1,599,000	5,817,000
<b>Total Capital Improvement Program Funds Outlay</b>	<b>86,114,000</b>	<b>46,738,000</b>	<b>47,342,000</b>



# Seattle Public Utilities

Chuck Clarke, Director

## Contact Information

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On the Web at: <http://www.cityofseattle.net/util/>

## Department Description

Seattle Public Utilities (SPU) is comprised of three major direct-service providing utilities: the Water Utility, the Drainage & Wastewater Utility, and the Solid Waste Utility. The Water Utility provides more than 1.3 million customers in King County with a reliable water supply; the Drainage & Wastewater Utility collects and disposes of sewage and stormwater; and the Solid Waste Utility collects and disposes of recycling, yard waste, and residential and commercial garbage. All three utilities strive to operate in a cost-effective, innovative and environmentally responsible manner. SPU also houses the Engineering Services line of business, which serves both City departments and outside agencies, providing efficient, customer-oriented engineering services that assist clients with replacing, improving, and expanding facilities with the least possible disruption to the community.

## Proposed Policy and Program Changes

SPU's 2004 Adopted Budget continues to provide funding for services that benefit customers in a variety of ways, while achieving new efficiencies in providing those services. Investments in basic infrastructure and operations will enable SPU to continue to provide reliable and high quality water to customers, manage stormwater and wastewater properly, and safely maintain closed landfills. At the same time, the 2004 Adopted Budget includes significant reductions in the operating budget for each of SPU's lines of business, which will help to reduce the need for future rate increases but not adversely impact customer and environmental service levels. Each utility line of business is discussed briefly below.

In order to provide the investments required to maintain a high level of service while reducing the demand for future rate increases, SPU has adopted an Asset Management approach to selecting which capital projects to build. This is essentially an end-result focused approach where only projects that provide greater customer benefit (based on adopted service levels) than their respective costs are allowed to proceed. The approach provides an analytical and modeling framework to find the most economical balance between capital investments and operation and maintenance expenditures so as to minimize life-cycle costs of each of SPU's utility systems. The approach has prompted SPU to drop several capital projects whose costs were higher than their benefits.

As a result of the Asset Management initiative and SPU's efforts to deliver capital improvements at lower cost, the 2004 Adopted Water Capital Improvement Program (CIP) is \$7 million less than the 2004 Endorsed Budget, but still includes funding for reservoir undergrounding and other improvements to the water system. SPU has also made significant reductions in the Water operating and maintenance budget. The Water budget is supported by a system-wide average rate increase of 10.6% in 2004, which was adopted by the City Council in August of 2002.

The Drainage & Wastewater budget provides for continued investments in flood and landslide protection, storm water quality improvements and more efficient maintenance, rehabilitation and replacement of the City's

drainage and sewer systems. In developing the budget proposal, SPU cut \$2.8 million from its Drainage and Wastewater Fund (DWF) operating budget, and another \$3.5 million from the DWF Capital Improvement Program (CIP). These cuts reflect SPU's ongoing efforts to make its operations more efficient and to deliver needed capital improvements at lower cost. The budget is supported by a 8.8% system-wide average rate increase for Drainage and a 6.7% system-wide average rate increase for Wastewater.

The Solid Waste Utility is embarking on a facilities plan to outline major improvements at its transfer stations, and to explore an inter-modal facility and partnerships with neighboring jurisdictions. Funding to begin implementation of the facilities plan in 2004 and make other improvements to the Solid Waste system is expected to require a system-wide rate increase of approximately 3% in mid-2004, whereas the 2004 Endorsed Budget assumed a rate increase of 3% as of January 1, 2004. The 2004 Adopted Budget assumes this mid-year rate increase, which will be submitted to the City Council in early 2004.

## City Council Budget Changes and Provisos

The Council has placed certain restrictions on opinion-gathering activities and has limited the use of appropriated funds for polls and surveys to \$2,500 unless authorized by ordinance. See Appendix C for full proviso text. The Council also adopted a number of changes and provisos specific to each of SPU's funds and SPU's Technology CIP, as described below.

In the Drainage and Wastewater Fund (DWF), the City Council reduced the drainage and wastewater rates proposed by the Executive for 2004 to an 8.8% system-wide average rate increase for Drainage and a 6.7% system-wide average rate increase for Wastewater. The Council made corresponding reductions in the drainage and wastewater rate revenue that SPU expects to receive in 2004 and in SPU's budget for taxes paid on those revenues, and increased the portion of the DWF capital and operating budget that is supported by bond proceeds and DWF available cash balances. The Council also reduced projected wastewater revenues, consistent with a reduction in the demand forecast for 2004 and other revisions in the assumptions used in projecting wastewater revenues, and provided additional funding for wastewater treatment costs, which are expected to be higher than was shown in the Proposed Budget. In the DWF CIP, Council action eliminated funding for a series of "placeholder" projects and a sediment remediation project, and redirected the funding to other specified purposes including preliminary engineering work in various programs, sediment remediation studies, landslide mitigation, and some other projects. The Council also reduced 2004 funding from the DWF for the Seattle Monorail Project, to match the spending level anticipated in agreements between the City and the Seattle Monorail Project. In addition, the Council adopted the following provisos in the DWF:

No more than \$35,000 of the money appropriated for 2004 for Seattle Public Utilities' Flood Control and Local Drainage Budget Control Level can be spent to pay for the N. 137th St. and Meridian Ave. N Storm Drain project (Project ID = C302315), until authorized by future ordinance.

None of the money appropriated for 2004 for Seattle Public Utilities' Flood Control and Local Drainage Budget Control Level can be spent to pay for the Natural Drainage System Improvements project (Project ID = C333206), until authorized by future ordinance.

No more than \$235,000 of the money appropriated for 2004 for Seattle Public Utilities' Flood Control and Local Drainage Budget Control Level can be spent to pay for the Pinehurst Natural Drainage System project (Project ID = C333202), until authorized by future ordinance.

None of the money appropriated for 2004 for Seattle Public Utilities' Protection of Beneficial Uses Budget Control Level can be spent to pay for the Thornton Creek Pond project (Project ID = C302331), until authorized by future ordinance.

No more than \$300,000 of the money appropriated for 2004 for Seattle Public Utilities' Flood Control and Local Drainage Budget Control Level can be spent to pay for the 7th Ave S and Duwamish River Drainage project (Project ID = C302318), until authorized by future ordinance.

No more than \$200,000 of the money appropriated for 2004 for Seattle Public Utilities' Flood Control and Local Drainage Budget Control Level can be spent to pay for the Thornton Creek Basin Plan project (Project ID = C343203), until authorized by future ordinance.

No more than \$1,500,000 of the funds appropriated for 2004 for Seattle Public Utilities' Habitat and Sediments Budget Control Level can be spent on the Sediment Remediation Studies project (Project ID = TBD) until authorized by future ordinance.

Of the money appropriated for 2004 for Seattle Public Utilities' Public Asset Protection Budget Control Level that is allocated in the CIP for, or is used for, Small Landslides Projects (Project ID = TBD) no more than \$150,000 of such money can be spent to pay for any individual project.

In the Solid Waste Fund, the Council adopted the following provisos:

No more than \$266,000 appropriated for 2004 for Seattle Public Utilities' Solid Waste Utility can be spent to pay for activities related to the Solid Waste Facilities Master Plan, until authorized by future ordinance.

The \$266,000 appropriated for 2004 for Seattle Public Utilities' Solid Waste Utility and available to pay for activities related to the Solid Waste Facilities Master Plan may be used solely to pay for EIS consultant selection, property assessments, conceptual design work for an EIS, a one-year option on a potential Harbor Island site, and public information costs, and may be used for no other purposes.

In the Water Fund CIP, Council action changed the funding allocations for various capital projects, deleted some projects, and added other projects. These changes, many of which were made at the request of the Executive, included reducing 2004 funding from the Water Fund for the Seattle Monorail Project, to match the spending level anticipated in agreements between the City and the Seattle Monorail Project, and moving that project to the Water Fund Shared Costs BCL; deleting the Bellevue Eastgate Meter Upgrade, Morse Lake Pump Plant - Pipeline Number One Corrosion, and Tolt Treatment Decommissioning projects from the CIP; and adding the Cedar River Watershed - Northridge Trail, Morse Lake Dead Storage Facilities, and Operations Control Center Remodel projects. The Council also adopted the following provisos in the Water Fund:

Of the appropriations for 2004 for Seattle Public Utilities' Water Fund General Expense Budget Control Level, \$1.2 million is appropriated solely for expenses that have not yet been determined and cannot be spent until authorized by a future ordinance.

None of the money appropriated for 2004 for the Seattle Public Utilities Water Fund budget can be spent to pay for burying Maple Leaf, West Seattle, Beacon South, Myrtle, or Roosevelt Reservoirs until authorized by ordinance.

None the money appropriated for 2004 for Seattle Public Utilities' Water Utility Infrastructure Budget Control Level (C110B) that is allocated in the CIP for, or is used for, the Asset Management project (Project ID = C1126) can be spent to pay for construction of a project that is not specifically identified in the 2004-2009 CIP and no more than \$250,000 of such money can be spent to pay for the engineering and design of any single project that is not specifically identified in the 2004-2009 CIP, until authorized by a future ordinance.

# SPU

In the SPU Technology CIP, the Council adopted the following provisos:

No more than \$50,000 appropriated for 2004 for Seattle Public Utilities' Capital Improvement Program can be spent to pay for the CCSS: SPU Additions project (Project ID = CNW1269) until authorized by a future ordinance.

No more than \$300,000 appropriated for 2004 for Seattle Public Utilities' Capital Improvement Program can be spent to pay for the BANNER Upgrade project (Project ID = C503002) until authorized by a future ordinance.

## Drainage & Wastewater Utility

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Administration Budget Control Level</b>					
Administration Program		7,097,867	6,412,748	6,638,656	7,100,186
General and Administrative Credit		(4,824,658)	(4,368,377)	(3,667,437)	(3,332,437)
<b>Administration Budget Control Level</b>	<b>N100B</b>	<b>2,273,209</b>	<b>2,044,371</b>	<b>2,971,219</b>	<b>3,767,749</b>
<b>Combined Sewer Overflow Budget Control Level</b>	<b>C310B</b>	<b>3,931,765</b>	<b>7,671,000</b>	<b>6,866,000</b>	<b>5,961,000</b>
<b>Customer Service Budget Control Level</b>	<b>N300B</b>	<b>5,189,516</b>	<b>6,147,356</b>	<b>6,279,644</b>	<b>5,430,494</b>
<b>Drainage Improvements Budget Control Level</b>	<b>C330B</b>	<b>(24,054,153)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Flood Control and Local Drainage Budget Control Level</b>	<b>C332B</b>	<b>27,687,854</b>	<b>12,601,000</b>	<b>6,335,000</b>	<b>6,501,000</b>
<b>General Expense Budget Control Level</b>					
Debt Service		13,837,494	15,273,139	19,314,207	17,675,961
Other General Expenses		90,284,144	90,401,192	94,262,865	89,864,620
Taxes		15,800,044	17,780,490	18,871,000	17,463,257
<b>General Expense Budget Control Level</b>	<b>N000B</b>	<b>119,921,682</b>	<b>123,454,821</b>	<b>132,448,072</b>	<b>125,003,838</b>
<b>General Wastewater Budget Control Level</b>	<b>C320B</b>	<b>3,400,182</b>	<b>4,569,000</b>	<b>6,169,000</b>	<b>2,869,000</b>
<b>Habitat and Sediments Budget Control Level</b>	<b>C350B</b>	<b>249,497</b>	<b>359,000</b>	<b>469,000</b>	<b>1,690,000</b>
<b>Other Drainage CIP Budget Control Level</b>	<b>C335B</b>	<b>3,498,086</b>	<b>1,699,000</b>	<b>2,412,000</b>	<b>1,964,000</b>
<b>Other Operating Budget Control Level</b>					
Engineering Services		2,332,792	2,766,172	2,969,070	2,972,650
Field Operations		12,004,014	12,191,490	12,719,253	12,000,701
Resource Management		5,389,650	6,080,789	6,906,185	6,833,777
<b>Other Operating Budget Control Level</b>	<b>N400B</b>	<b>19,726,456</b>	<b>21,038,451</b>	<b>22,594,508</b>	<b>21,807,128</b>
<b>Protection of Beneficial Uses Budget Control Level</b>	<b>C333B</b>	<b>13,249,738</b>	<b>2,253,000</b>	<b>2,398,000</b>	<b>1,798,000</b>
<b>Public Asset Protection Budget Control Level</b>	<b>C334B</b>	<b>6,324,089</b>	<b>2,387,000</b>	<b>4,986,000</b>	<b>3,760,000</b>

## Drainage & Wastewater Utility

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Sewer Rehabilitation Budget Control Level	C340B	13,392,539	9,982,000	11,204,000	9,292,000
Shared Cost Projects Budget Control Level	DWW-TBD1	0	4,145,000	2,537,000	3,222,000
Technology Budget Control Level	C510B	3,062,253	2,238,000	1,959,000	4,719,000
<b>Drainage &amp; Wastewater Utility Total</b>		<b>197,852,713</b>	<b>200,588,999</b>	<b>209,628,443</b>	<b>197,785,209</b>

## Engineering Services

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Administration Budget Control Level</b>					
Administration Program		2,919,435	3,742,386	3,860,821	3,624,582
General and Administrative Credit		(2,790,576)	(2,899,171)	(2,982,693)	(3,286,693)
<b>Administration Budget Control Level</b>	<b>N100B</b>	<b>128,859</b>	<b>843,215</b>	<b>878,128</b>	<b>337,889</b>
<b>General Expense Budget Control Level</b>					
Other General Expenses		3,318	0	0	0
Taxes		3,201	0	0	0
<b>General Expense Budget Control Level</b>	<b>N000B</b>	<b>6,519</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Operating Budget Control Level</b>	<b>N400B</b>	<b>7,950,536</b>	<b>8,750,239</b>	<b>8,992,275</b>	<b>8,969,808</b>
<b>Engineering Services Total</b>		<b>8,085,914</b>	<b>9,593,454</b>	<b>9,870,403</b>	<b>9,307,697</b>



## Solid Waste Utility

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Administration Budget Control Level</b>					
Administration Program		5,238,111	4,917,408	5,057,978	3,886,930
General and Administrative Credit		(106,142)	(534,558)	(503,705)	(503,705)
<b>Administration Budget Control Level</b>	<b>N100B</b>	<b>5,131,969</b>	<b>4,382,850</b>	<b>4,554,273</b>	<b>3,383,225</b>
<b>Customer Service Budget Control Level</b>	<b>N300B</b>	<b>5,796,154</b>	<b>7,146,147</b>	<b>7,306,666</b>	<b>6,778,463</b>
<b>General Expense Budget Control Level</b>					
Debt Service		5,350,001	5,709,141	6,306,113	6,306,113
Other General Expenses		62,573,864	63,064,695	64,619,996	64,480,996
Taxes		18,745,831	16,883,519	17,426,254	17,426,254
<b>General Expense Budget Control Level</b>	<b>N000B</b>	<b>86,669,696</b>	<b>85,657,355</b>	<b>88,352,363</b>	<b>88,213,363</b>
<b>New Facilities Budget Control Level</b>	<b>C230B</b>	<b>(128,631)</b>	<b>1,153,000</b>	<b>3,504,000</b>	<b>5,058,000</b>
<b>Other Operating Budget Control Level</b>					
Engineering Services		292,942	266,586	274,477	128,144
Field Operations		8,186,265	8,230,921	8,469,750	8,042,325
Resource Management		7,703,271	7,000,650	6,961,427	7,571,872
<b>Other Operating Budget Control Level</b>	<b>N400B</b>	<b>16,182,478</b>	<b>15,498,157</b>	<b>15,705,654</b>	<b>15,742,341</b>
<b>Rehabilitation and Heavy Equipment Budget Control Level</b>	<b>C240B</b>	<b>2,125,339</b>	<b>4,414,000</b>	<b>6,023,000</b>	<b>4,746,000</b>
<b>Shared Cost Projects Budget Control Level</b>	<b>SWU-TBD1</b>	<b>0</b>	<b>221,000</b>	<b>170,000</b>	<b>170,000</b>
<b>Technology Budget Control Level</b>	<b>C510B</b>	<b>1,034,704</b>	<b>2,858,000</b>	<b>2,780,000</b>	<b>2,487,000</b>
<b>Solid Waste Utility Total</b>		<b>116,811,709</b>	<b>121,330,509</b>	<b>128,395,956</b>	<b>126,578,392</b>

## Water Utility

<b>Appropriations</b>	<b>Summit Code</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Administration Budget Control Level</b>					
Administration Program		12,488,966	11,611,359	11,963,682	10,906,859
General and Administrative Credit		(6,550,815)	(8,745,211)	(8,460,893)	(8,566,893)
<b>Administration Budget Control Level</b>	<b>43000</b>	<b>5,938,151</b>	<b>2,866,148</b>	<b>3,502,789</b>	<b>2,339,966</b>
<b>Bonneville Agreement Budget Control Level</b>	<b>WU-TBD2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,114,000</b>
<b>Customer Service Budget Control Level</b>	<b>N300B</b>	<b>7,902,710</b>	<b>9,166,349</b>	<b>9,385,734</b>	<b>8,985,727</b>
<b>Environmental Stewardship Budget Control Level</b>	<b>C130B</b>	<b>3,008,653</b>	<b>694,000</b>	<b>1,110,000</b>	<b>1,463,000</b>
<b>General Expense Budget Control Level</b>					
Debt Service		49,614,261	52,968,050	59,685,300	57,785,147
Other General Expenses		5,081,777	5,583,660	5,975,954	7,528,253
Taxes		11,597,613	14,080,472	15,619,406	14,566,822
<b>General Expense Budget Control Level</b>	<b>N000B</b>	<b>66,293,651</b>	<b>72,632,182</b>	<b>81,280,660</b>	<b>79,880,222</b>
<b>Habitat Conservation Budget Control Level</b>	<b>C160B</b>	<b>7,689,242</b>	<b>8,521,000</b>	<b>8,890,000</b>	<b>11,691,000</b>
<b>Infrastructure Budget Control Level</b>	<b>C110B</b>	<b>31,239,685</b>	<b>33,248,000</b>	<b>41,551,000</b>	<b>29,236,000</b>
<b>Other Agencies Budget Control Level</b>	<b>C120B</b>	<b>3,490,737</b>	<b>3,852,000</b>	<b>2,666,000</b>	<b>3,215,000</b>
<b>Other Operating Budget Control Level</b>					
Engineering Services		2,336,136	2,466,655	2,538,963	2,436,273
Field Operations		23,909,190	25,315,226	27,153,413	25,029,017
Resource Management		7,870,553	8,298,679	8,300,540	7,409,157
<b>Other Operating Budget Control Level</b>	<b>N400B</b>	<b>34,115,879</b>	<b>36,080,560</b>	<b>37,992,916</b>	<b>34,874,447</b>
<b>Shared Cost Projects Budget Control Level</b>	<b>WU-TBD1</b>	<b>0</b>	<b>2,582,000</b>	<b>2,278,000</b>	<b>2,733,000</b>
<b>Technology Budget Control Level</b>	<b>C510B</b>	<b>4,604,398</b>	<b>8,369,000</b>	<b>6,110,000</b>	<b>3,153,000</b>
<b>Water Quality Budget Control Level</b>	<b>C140B</b>	<b>46,035,214</b>	<b>55,118,000</b>	<b>15,355,000</b>	<b>18,617,000</b>

## Water Utility

	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Appropriations</b>					
Water Supply Budget Control Level	C150B	(3,093,219)	6,050,000	9,721,000	7,668,000
<b>Water Utility Total</b>		<b>207,225,101</b>	<b>239,179,239</b>	<b>219,843,099</b>	<b>205,970,362</b>
<b>Department Total</b>		<b>529,975,437</b>	<b>570,692,201</b>	<b>567,737,901</b>	<b>539,641,660</b>
<b>Department Full-time Equivalents Total*</b>		<b>1,287.73</b>	<b>1,366.73</b>	<b>1,366.73</b>	<b>1,392.90</b>

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

### Resources

General Subfund	2,288,000	2,377,003	2,449,561	2,280,232
Other Funds	527,687,437	568,315,198	565,288,340	537,361,428
<b>Total</b>	<b>529,975,437</b>	<b>570,692,201</b>	<b>567,737,901</b>	<b>539,641,660</b>

### Selected Midyear Performance Measures

**Deliver solid waste services and programs through a combination of internal planning, municipal operations, contract services, and recycling companies operating in a competitive market**

Number of single solid waste collection misses

2002 Year End Actuals: Curbside: 1.19 per 1000; Dumpster: 1.49 per 1000

2003 Midyear Actuals: Curbside: 0.81 per 1000; Dumpster: 0.71 per 1000

2003 Year End Projection: Curbside: 1.0 per 1000; Dumpster: 1.0 per 1000

Citywide recycling rate

2002 Year End Actuals: Data not yet available (2001 year-end result was 38%)

2003 Midyear Actuals: Data not yet available

2003 Year End Projection: 38%

**Provide wastewater and drainage services that safeguard public health, control flooding, maintain infrastructure, and protect, conserve, and enhance our local creek, lake, and Puget Sound water resources.**

Number of sewer or drainage mainline backups resulting from uncompleted scheduled maintenance

2002 Year End Actuals: 5

2003 Midyear Actuals: 5

2003 Year End Projection: 10

**Provide comprehensive, efficient, one-stop customer service that anticipates and fully responds to customer expectations.**

Percent of Call Center calls answered within a target time of 60 seconds

2002 Year End Actuals: 66%

2003 Midyear Actuals: 82%

2003 Year End Projection: 80%

**Provide our customers with reliable water supply services that safeguard public health, maintain the City's infrastructure, and protect, conserve, and enhance the region's environmental resources.**

Percent of unplanned water outages restored within 8 hours

2002 Year End Actuals: 99%

2003 Midyear Actuals: 100%

2003 Year End Projection: 95%

Percent of new water service installations in single family residences installed within 28 calendar days

2002 Year End Actuals: 83%

2003 Midyear Actuals: 91%

2003 Year End Projection: 95%

Number of acute water quality public health incidents per year

2002 Year End Actuals: 0

2003 Midyear Actuals: 0

2003 Year End Projection: 0

Implement 1% water conservation

2002 Year End Actuals: 1.20 mgd

2003 Midyear Actuals: 0.36 mgd

2003 Year End Projection: 1.50 mgd

## Drainage & Wastewater Utility

### Administration Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities, and more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services to the entire Department.

<b>Program Expenditures</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Administration Program	7,097,867	6,412,748	6,638,656	7,100,186
General and Administrative Credit	(4,824,658)	(4,368,377)	(3,667,437)	(3,332,437)
<b>TOTAL</b>	<b>2,273,209</b>	<b>2,044,371</b>	<b>2,971,219</b>	<b>3,767,749</b>
Full-time Equivalents Total*	41.32	45.63	45.63	52.63

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Administration: Administration Program

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Administration program is to provide overall management and policy direction for Seattle Public Utilities, and more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services to the entire Department. In concert with changes to budget control levels, the budget procedure for classifying the General and Administrative Credit was changed. Prior to 2003, this credit was double-budgeted; 2003 and 2004 now includes a budget offset.

#### Program Summary

Reduce funding by \$627,000 for consultant, contractor, temporary employee, and intern budgets primarily in the Information Technology and Strategic Policy divisions. These reductions are being taken to minimize the 2004 proposed drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Provide \$1.1 million as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director’s Office, most of the Finance and Administration Branch, and City Central Costs (SPU’s allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years and SPU’s auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business, but does not increase or decrease SPU’s overall budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Engineering Services Administration Program, Water Utility Administration Program and Solid Waste Utility Administration Program. Of those new positions, seven are shown in the FTE count for the Drainage & Wastewater Utility Administration Program to simplify position list maintenance. This staffing increase results in savings as the Department will reduce its use of contractors, and reduces the Drainage & Wastewater Utility Administration Program budget by \$11,000.

These changes result in a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$462,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Administration Program	7,097,867	6,412,748	6,638,656	7,100,186
Full-time Equivalent Total*	41.32	45.63	45.63	52.63

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Administration: General and Administrative Credit

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility General and Administrative Credit program is to eliminate double-budgeting related to implementation of capital projects.

#### Program Summary

Increase funding by \$335,000 to correct the General & Administrative Credit, reflecting labor reductions in the 2004 Endorsed Budget.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
General and Administrative Credit	(4,824,658)	(4,368,377)	(3,667,437)	(3,332,437)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Combined Sewer Overflow Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Combined Sewer Overflow Budget Control Level (which is a Capital Improvement Program funded by wastewater revenues) is to design and construct facilities to control overflows from the combined drainage and wastewater system.

#### Program Summary

Reduce funding by \$905,000 due to decisions to delay developing scopes and objectives for some projects. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Combined Sewer Overflow (CSO) Plan Update, CSO Modeling and Assessment and CSO Plan Implementation.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2004</b>
<b>Expenditures/FTE</b>	<b>Actual</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Combined Sewer Overflow	3,931,765	7,671,000	6,866,000	5,961,000
Full-time Equivalents Total*	7.71	7.71	7.71	7.71

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## **Drainage & Wastewater Utility**

### **Customer Service Budget Control Level**

#### **Purpose Statement**

The purpose of the Drainage and Wastewater Utility Customer Service Budget Control Level is to provide comprehensive, efficient, one-stop service that anticipates and fully responds to customer expectations.

#### **Program Summary**

Reduce funding by \$590,000. Through productivity improvements, SPU is reducing its temporary employee, intern, and overtime budgets without impacting customer service levels. In conjunction with Seattle City Light, SPU is also eliminating Call Center operations on Saturdays due to the low volumes of calls received on Saturdays. These reductions are being taken to minimize the 2004 adopted drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Reduce funding by \$259,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director’s Office, most of the Finance and Administration Branch, and City Central Costs (SPU’s allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU’s auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU’s overall budget.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$849,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Customer Service	5,189,516	6,147,356	6,279,644	5,430,494
Full-time Equivalents Total*	57.63	61.60	61.60	61.60

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Drainage Improvements Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Drainage Improvements Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system to address flooding, restore urban creeks, and reduce the risk from landslides.

#### Program Summary

In the 2003 Adopted Budget, in order to facilitate expenditure tracking and provide improved budget control to the Executive and City Council, this program was replaced by the following DWF Capital Improvement Programs: Flood Control and Local Drainage, Other Drainage, Protection of Beneficial Uses, and Public Asset Protection. Accordingly, no funding is shown for this program for 2003 through 2004.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Drainage Improvements	(24,054,153)	0	0	0
Full-time Equivalents Total*	41.87	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Flood Control and Local Drainage Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Flood Control and Local Drainage Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City’s drainage system to address flooding and provide neighborhood drainage systems.

#### Program Summary

Increase funding for various existing projects due to revised project schedules, implementation of new project phases or partnership opportunities; add funding for new projects; and reduce funding for other projects. New projects or projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include 3rd Ave NW & NW 107 Street Natural System, Comprehensive Drainage Plan Update, High Point Drainage System, N. 125th Street & Aurora Ave North Storm Drain, Northlake Way Drainage, and Pinehurst Natural Drainage System. The program also includes a new capital planning project to fund preliminary assessment of emerging demands that may develop during the year, such as flooding problems or emergency repairs of failed infrastructure.

Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Harbor Island - Storm Drain Repair, Jackson Park Detention Phase 2, Norfolk St. & Boeing Access Road Storm Improvements and Salmon Bay Drainage Improvements.

These changes result in a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of \$166,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Flood Control and Local Drainage	27,687,854	12,601,000	6,335,000	6,501,000
Full-time Equivalent Total*	0.00	24.70	24.70	24.70

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### General Expense Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility General Expense Budget Control Level is to appropriate funds to pay the Drainage and Wastewater Utility's general expenses.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Program Expenditures</b>				
Debt Service	13,837,494	15,273,139	19,314,207	17,675,961
Other General Expenses	90,284,144	90,401,192	94,262,865	89,864,620
Taxes	15,800,044	17,780,490	18,871,000	17,463,257
<b>TOTAL</b>	<b>119,921,682</b>	<b>123,454,821</b>	<b>132,448,072</b>	<b>125,003,838</b>
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

### General Expense: Debt Service

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Debt Service program is to provide appropriation for debt service on Drainage and Wastewater Utility bonds.

#### Program Summary

Reduce funding for debt service payments by \$1.6 million due to lower than expected debt service costs. SPU is now assuming a fixed rate instead of variable rate debt issue in 2004. The expected timing of the issue is such that no debt service will be due until 2005, which accounts for the reduction in interest expense. With a variable rate issue, the department would pay interest starting in the month of the issue.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Debt Service	13,837,494	15,273,139	19,314,207	17,675,961
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

## **Drainage & Wastewater Utility**

### **General Expense: Other General Expenses**

#### **Purpose Statement**

The purpose of the Drainage and Wastewater Utility Other General Expenses program is to appropriate funds for payment of King County Metro's sewage treatment, the Drainage and Wastewater Fund's share of City Central Costs, claims, and other general expenses.

#### **Program Summary**

Increase funding by \$207,000 for technical adjustments including the following: \$169,000 to correct mistakes made in applying City Council actions taken to reduce the 2004 Endorsed Budget; and \$38,000 to provide for unbudgeted obligations, including a small business development fee, SPU's share of costs for drug and alcohol testing, and Combined Utility Purchase of Services costs based on an agreement between SPU, Seattle City Light, and the Department of Neighborhoods.

Reduce funding by \$4.8 million for King County Metro sewage treatment, due to reduced sewer volume projections.

Provide \$148,000 for implementation of the Right-of-Way (ROW) Management Initiative. The initiative includes six projects: Street Use Permitting Redesign, Utility Coordination Redesign, ROW Manual, On-line Permitting, Coordinated Capital Planning and Citizen ROW Information Access. Seattle Transportation is leading the effort to implement these projects to improve mobility in Seattle's rights-of-way by reducing impacts of pavement openings and minimizing disruption of street and sidewalk closures.

Provide \$52,000 to cover new additional costs in the Department of Planning and Development associated with implementation of House Bill 2088, which requires SPU to provide a 10% drainage rate discount for any new or remodeled commercial buildings that utilize permissive rainwater harvesting systems. SPU will use these funds to reimburse the Department of Planning and Development for its administrative role in implementing the rate discount, including process development, inspection, permitting, documentation and tracking.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$4.4 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Other General Expenses	90,284,144	90,401,192	94,262,865	89,864,620
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### General Expense: Taxes

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Taxes program is to provide appropriation for payment of city and state taxes.

#### Program Summary

Reduce funding for payment of city and state taxes by \$1.4 million. Relative to the 2004 Endorsed Budget, the projection of wastewater demand in 2004 is being revised downward. In addition, 2004 adopted rates for drainage and wastewater are lower than the rates that were assumed in the 2004 Endorsed Budget. The lower drainage and wastewater rates, along with the reduced wastewater demand, are projected to result in lower drainage and wastewater revenues to SPU and, accordingly, lower tax payments.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Taxes	15,800,044	17,780,490	18,871,000	17,463,257
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### General Wastewater Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility General Wastewater Budget Control Level (which is a Capital Improvement Program funded by wastewater revenues) is to improve the effectiveness of the City's wastewater system and provide new wastewater service to customers.

#### Program Summary

Reduce funding by a total of \$3.3 million, to reflect decisions to delay or delete some projects. SPU is dropping the South Park Sewer Extension project. Other projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include the Force Main/Pump Stations Plan and Improvements project, Sanitary Sewer Overflow Capacity Study/Implementation, and Water Reuse - Stormwater. The program includes a new Small Sewer Improvements project.

In the 2004 Adopted Budget, some capital projects have been shifted from this program to a new DWF Shared Cost Projects Program. The 2003 Adopted and 2004 Endorsed expenditures shown below have been adjusted to reflect these shifts.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
General Wastewater	3,400,182	4,569,000	6,169,000	2,869,000
Full-time Equivalents Total*	8.81	8.81	8.81	8.81

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Habitat and Sediments Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Habitat and Sediments Budget Control Level (which is a Capital Improvement Program funded by drainage and wastewater revenues) is to restore and rehabilitate natural resources in or along Seattle's waterways.

#### Program Summary

Increase funding by \$1.22 million. Funding that was allocated in the 2004 Endorsed Budget for the Duwamish Sediment Remediation Project has been folded into a new Sediment Remediation Studies Project. This new project provides funding for preliminary studies and analysis for cleanup of contaminated sediment sites in which the City is a participant. The funding is used to develop studies and analyses required by regulatory agencies for determining the boundaries and clean-up requirements for specific action sites. Relative to the 2004 Endorsed Budget, this program also includes a new Diagonal Storm Drain Sediment Remediation Project to remove sediment from a large storm drain that discharges to the Duwamish River.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Habitat and Sediments	249,497	359,000	469,000	1,690,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## Drainage & Wastewater Utility

### Other Drainage CIP Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Other Drainage CIP Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system through partnerships with other agencies, and to fund capital costs such as heavy equipment and projects that improve the efficiency of the overall drainage program.

#### Program Summary

Reduce funding by a total of \$448,000. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Water Reuse - Stormwater and SDOT 4% Program - Drainage. The program includes a new Geographic Information Systems (GIS) System Enhancements project.

In the 2004 Adopted Budget, some capital projects have been shifted from this program to a new DWF Shared Cost Projects Program. The expenditures shown below for the 2003 Adopted Budget and the 2004 Endorsed Budget in this program have been adjusted to reflect these shifts.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Other Drainage CIP	3,498,086	1,699,000	2,412,000	1,964,000
Full-time Equivalents Total*	0.00	6.71	6.71	6.71

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Other Operating Budget Control Level

#### Purpose Statement

The purpose of the Other Operating Budget Control Level is to fund the Drainage and Wastewater Utility's operating expenses for Engineering Services, Field Operations, and Resource Management.

<b>Program Expenditures</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Engineering Services	2,332,792	2,766,172	2,969,070	2,972,650
Field Operations	12,004,014	12,191,490	12,719,253	12,000,701
Resource Management	5,389,650	6,080,789	6,906,185	6,833,777
<b>TOTAL</b>	<b>19,726,456</b>	<b>21,038,451</b>	<b>22,594,508</b>	<b>21,807,128</b>
Full-time Equivalents Total*	177.34	206.84	206.84	203.84

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## **Drainage & Wastewater Utility**

### **Other Operating: Engineering Services**

#### **Purpose Statement**

The purpose of the Drainage and Wastewater Utility Engineering Services program is to provide engineering design and support services, construction inspection, and project management services to Drainage and Wastewater Fund capital improvement projects and to the managers of drainage and wastewater facilities.

#### **Program Summary**

Reduce funding by \$357,000, and eliminate 2.0 FTE Civil Eng. Spec, Assistant I positions, and 1.0 FTE Civil Eng. Associate. These reductions eliminate the budget for spot drainage and landslides emergency work. The reductions are being taken to minimize the 2004 adopted drainage rate increase without negatively impacting customer and environmental service levels.

Provide \$260,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director’s Office, most of the Finance and Administration Branch, and City Central Costs (SPU’s allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU’s auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU’s overall budget.

Increase funding by \$101,000 to cover the DWF's share of Engineering Services Fund deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized by charging a 10% surcharge on direct labor for engineering services provided to SPU’s external customers. SPU proposes to apply the ESF surcharge to SPU’s utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF’s fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

There is a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$4,000.

	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Expenditures/FTE</b>				
Engineering Services	2,332,792	2,766,172	2,969,070	2,972,650
Full-time Equivalents Total*	14.43	25.43	25.43	22.43

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Other Operating: Field Operations

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Field Operations program is to operate and maintain drainage and wastewater infrastructure that protects the public's health and protects and improves the environment.

#### Program Summary

Reduce funding by \$704,000, resulting in crew shifts from maintenance work to higher priority capital rehabilitation work and reduced equipment purchases. These reductions are being taken to minimize the 2004 adopted drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Reduce funding by \$15,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Accounting for these revisions, there is a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$719,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Field Operations	12,004,014	12,191,490	12,719,253	12,000,701
Full-time Equivalents Total*	123.16	138.66	138.66	138.66

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## **Drainage & Wastewater Utility**

### **Other Operating: Resource Management**

#### **Purpose Statement**

The purpose of the Drainage and Wastewater Utility Resource Management program is to plan and develop programs and capital improvement projects to protect public health, water quality, and habitat; control flooding; and preserve Seattle's environmental resources, including local rivers, lakes, streams, creeks, and the Puget Sound.

#### **Program Summary**

Reduce funding by \$486,000 resulting in slightly reduced community outreach efforts pertaining to salmon education, reduced levels of support for the Department's Environmental Management System initiative, and reduced funding for stormwater and water quality program development. Despite these reductions, SPU is continuing to invest a significant amount of resources into its stormwater and water quality program. These reductions are being taken to minimize the 2004 adopted drainage and wastewater rate increases without negatively impacting customer and environmental service levels.

Increase funding by \$414,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$72,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Resource Management	5,389,650	6,080,789	6,906,185	6,833,777
Full-time Equivalents Total*	39.75	42.75	42.75	42.75

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Protection of Beneficial Uses Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Protection of Beneficial Uses Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system to reduce the harmful effects of stormwater runoff on creeks and receiving water by improving water quality and protecting or enhancing habitat.

#### Program Summary

Reduce funding by \$600,000. Projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Thornton Creek - Lake City Detention Phase 4, Longfellow Creek - Yancy Street Phase 3 and Taylor Creek Culverts Phase 2. New projects proposed in this program include Fecal Total Maximum Daily Load (TMDL) Feasibility Study, Monitoring System Upgrade, and South Park Water Quality Study. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Beer Sheva Habitat Improvement, Creeks CIP Monitoring & Repair Program, Creekside Erosion Control, Bitter Lake/N. 137th Stormwater and Spokane St. Bridge Salmon Habitat. The program also includes a new capital planning project to fund preliminary assessment of emerging demands that may develop during the year, such as water quality problems, emergency repairs of failed habitat projects, or new demands that may come about as a result of enforcement orders by regulatory agencies.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Protection of Beneficial Uses	13,249,738	2,253,000	2,398,000	1,798,000
Full-time Equivalent Total*	0.00	5.44	5.44	5.44

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Public Asset Protection Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Public Asset Protection Budget Control Level (which is a Capital Improvement Program funded by drainage revenues) is to make improvements to the City's drainage system to reduce the risk to City infrastructure from landslides.

#### Program Summary

Reduce funding by a total of \$1.23 million, due to project scope and schedule changes resulting from asset management review. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Atlas Pl. SW & SW Juneau Landslide Mitigation and Perkins Lane W./W. Ruffner Street Drainage Improvement. Projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include WPA Drains Study & Repair Program and Marine View Drive Landslide Mitigation - North. The program includes a project to provide for spot improvements in landslide prone areas throughout Seattle, and funding to provide preliminary engineering and initial design of a landslide mitigation project in the area of Golden Gardens Drive and View Avenue. The program also includes a new capital planning project to fund preliminary assessment of emerging demands that may develop during the year, such as new landslide problems that had not previously been identified.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Public Asset Protection	6,324,089	2,387,000	4,986,000	3,760,000
Full-time Equivalents Total*	0.00	5.02	5.02	5.02

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Sewer Rehabilitation Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Sewer Rehabilitation Budget Control Level (which is a Capital Improvement Program funded by wastewater revenues) is to repair and replace the City's sewer lines and pump stations.

#### Program Summary

Reduce funding by a total \$1.91 million to reflect decisions to delay or delete some projects, including putting off several full-line sewer replacement projects. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Point Sewer Pipe Repairs and Sewer Full Line Replacements. Projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include "No Dig" Pipe and Maintenance Hole Rehabilitation.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Sewer Rehabilitation	13,392,539	9,982,000	11,204,000	9,292,000
Full-time Equivalents Total*	2.87	2.87	2.87	2.87

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## Drainage & Wastewater Utility

### Shared Cost Projects Budget Control Level

#### Purpose Statement

The purpose of the Shared Cost Projects Budget Control Level, which is a new Drainage and Wastewater Capital Improvement Program, is to implement capital improvement projects that receive funding from multiple SPU funds.

#### Program Summary

Provide a total of \$3.22 million for existing projects including Alaskan Way Viaduct & Seawall, Seattle Monorail Project, Sound Transit Light Rail, Meter Replacement - Direct Service, Drainage and Wastewater Operations Control Center Upgrade and Facility Improvements. These projects have been moved into this new program from other drainage and wastewater capital programs. Expenditures are shown below as if the program had existed in the 2003 Adopted Budget and 2004 Endorsed Budget.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Shared Cost Projects	0	4,145,000	2,537,000	3,222,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Drainage & Wastewater Utility

### Technology Budget Control Level

#### Purpose Statement

The purpose of the Drainage and Wastewater Utility Technology Budget Control Level (which is a Capital Improvement Program) is to make use of recent technology advances to increase the Drainage and Wastewater Utility's efficiency and productivity.

#### Program Summary

Provide \$435,000 to fund an outside vendor to collect detailed impervious surface information by tax parcel data, using photogrammetric techniques and existing orthophotos. The budget also includes funding for internal program management and the incorporation of the new data into the Geographic Information System (GIS). SPU will use the data to analyze and propose alternative drainage rate design structures as part of the 2005 Drainage and Wastewater Rate Proposal. It is estimated that an alternative rate structure based on this data could be implemented sometime between 2005 and 2007, depending on the complexity of the ultimate structure adopted and the length of interim rate cycles.

Other changes include increasing funding for (GIS) Technology Improvements, Customer Service Technology Improvements, and Engineering/CIP Technology Improvements to support engineering and project management, and reducing funding for Business Technology Improvements and Operations Technology Improvements. Within these categories, specific projects receiving funding in the 2004 Adopted Budget include \$1 million in GIS-Infrastructure Management System (IMS) Integrity; a \$804,000 upgrade to BANNER, SPU's billing system; and \$331,000 in Engineering Vault Imaging and Management.

In the 2004 Adopted Budget, some costs have been shifted from this program to a new DWF Shared Cost Projects Program; the expenditures shown below for 2003 Adopted and 2004 Endorsed in this program have been adjusted to reflect this shift.

SPU has also made various revisions to bring the 2004 Adopted Budget for this program into better alignment with the Department's internal management processes. The total difference between the 2004 Endorsed Budget and the 2004 Adopted Budget is an increase of approximately \$2.76 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Technology	3,062,253	2,238,000	1,959,000	4,719,000
Full-time Equivalents Total*	5.38	5.38	5.38	5.38

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Engineering Services

### Administration Budget Control Level

#### Purpose Statement

The purpose of the Engineering Services Administration Budget Control Level is to provide core financial, human resource, and information technology services to Seattle Public Utilities, and more specifically, to the Engineering Services Fund.

<b>Program Expenditures</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Administration Program	2,919,435	3,742,386	3,860,821	3,624,582
General and Administrative Credit	(2,790,576)	(2,899,171)	(2,982,693)	(3,286,693)
<b>TOTAL</b>	<b>128,859</b>	<b>843,215</b>	<b>878,128</b>	<b>337,889</b>
Full-time Equivalents Total*	36.12	36.95	36.95	39.95

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Engineering Services

### Administration: Administration Program

#### Purpose Statement

The purpose of the Engineering Services Administration program is to provide core financial, human resource, and information technology services to the entire Department.

#### Program Summary

Reduce funding by \$146,000 for consultant, contractor, and temporary employee budgets primarily in the Information Technology division. These reductions are being taken to reduce the Engineering Services Fund deficit more quickly while maintaining high customer and environmental service levels.

Reduce General Fund support for the City's Geographic Information System (GIS) by \$14,000, due to shortfalls in projected General Fund revenues. SPU will reduce mapping and technical desktop services related to disaster management, executive decision support, public access, and GIS support for small departments. Agencies and individuals requesting these services will be required to reimburse SPU for the cost of providing the service.

Reduce funding by \$73,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Drainage and Wastewater Utility Administration Program, Solid Waste Utility Administration Program, and Water Utility Administration Program. Of those new positions, three are shown in the FTE count for the Engineering Services Administration Program to simplify position list maintenance. This staffing increase results in savings as the department will reduce its use of contractors, and reduces the Engineering Services Administration Program budget by \$4,000.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$236,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Administration Program	2,919,435	3,742,386	3,860,821	3,624,582
Full-time Equivalent Total*	36.12	36.95	36.95	39.95

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Engineering Services

### Administration: General and Administrative Credit

#### Purpose Statement

The purpose of the Engineering Services General and Administrative Credit program is to eliminate double-budgeting related to implementation of capital projects.

#### Program Summary

Reduce funding by \$304,000 associated with Engineering Services Fund (ESF) deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized through charging a 10% surcharge on direct labor for engineering services provided to SPU’s external customers. SPU proposes to apply the ESF surcharge to SPU’s utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF’s fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
General and Administrative Credit	(2,790,576)	(2,899,171)	(2,982,693)	(3,286,693)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Engineering Services

### General Expense Budget Control Level

#### Purpose Statement

The purpose of the Engineering Services General Expense Budget Control Level is to provide appropriation to pay the Engineering Services Fund's general expenses.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Program Expenditures</b>				
Other General Expenses	3,318	0	0	0
Taxes	3,201	0	0	0
<b>TOTAL</b>	<b>6,519</b>	<b>0</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

### General Expense: Other General Expenses

#### Purpose Statement

The purpose of the Engineering Services Other General Expenses program is to provide appropriation for payment of the Fund's share of City Central Costs (SPU's allocation of Executive and Council costs), and other general expenses.

#### Program Summary

There are no substantive program changes from the 2004 Endorsed Budget. This program contains no funding in 2003-2004, as the Engineering Services Fund is not expected to incur other general expenses in those years.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Other General Expenses	3,318	0	0	0
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

### General Expense: Taxes

#### Purpose Statement

The purpose of the Engineering Services Taxes program is to provide appropriation for payment of city and state taxes.

#### Program Summary

There are no substantive program changes from the 2004 Endorsed Budget. This program contains no funding, as the Engineering Services Fund does not receive revenues from utility rates and so does not pay state or local utility taxes.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Taxes	3,201	0	0	0
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

## Engineering Services

### Engineering Services Budget Control Level

#### Purpose Statement

The purpose of the Engineering Services Budget Control Level in Engineering Services is to provide engineering support and construction inspection services to other City departments and non-City agencies.

#### Program Summary

Reduce funding by \$76,000 (including a reduction of \$17,000 in General Fund support) for survey monumentation and minor equipment. These reductions are being taken to reduce the Engineering Services Fund deficit more quickly, while maintaining high customer and environmental service levels.

Reduce funding by \$18,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director’s Office, most of the Finance and Administration Branch, and City Central Costs (SPU’s allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU’s auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU’s overall budget.

Increase funding by \$72,000 to cover the ESF's share of Engineering Services Fund deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized through charging a 10% surcharge on direct labor for engineering services provided to SPU’s external customers. SPU proposes to apply the ESF surcharge to SPU’s utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF’s fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$22,000.

	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Expenditures/FTE</b>				
Engineering Services	7,950,536	8,750,239	8,992,275	8,969,808
Full-time Equivalents Total*	80.20	79.37	79.37	79.37

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Administration Budget Control Level

#### Purpose Statement

The purpose of the Solid Waste Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities, and more specifically, for the Solid Waste Utility, and to provide core financial, human resource, and information technology services to the entire Department.

<b>Program Expenditures</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Administration Program	5,238,111	4,917,408	5,057,978	3,886,930
General and Administrative Credit	(106,142)	(534,558)	(503,705)	(503,705)
<b>TOTAL</b>	<b>5,131,969</b>	<b>4,382,850</b>	<b>4,554,273</b>	<b>3,383,225</b>
Full-time Equivalents Total*	32.89	35.64	35.64	41.64

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## Solid Waste Utility

### Administration: Administration Program

#### Purpose Statement

The purpose of the Solid Waste Utility Administration program is to provide overall management and policy direction for Seattle Public Utilities, and more specifically, for the Solid Waste Utility, and to provide core financial, human resource, and information technology services to the entire Department.

#### Program Summary

Reduce funding by \$360,000 for consultant, contractor, temporary employee, and intern budgets primarily in the Information Technology and Strategic Policy divisions. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$802,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director’s Office, most of the Finance and Administration Branch, and City Central Costs (SPU’s allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU’s auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU’s overall budget.

Reduce by approximately \$139,000 the transfer from the General Fund to the Solid Waste Fund of solid waste tax revenue allocated for support of the Solid Waste Administration Program, and increase funding from other Solid Waste Fund revenues by a like amount. This change is budget neutral and consistent with Ordinance 120972. The change results from a downward revision in the revenues that solid waste taxes are expected to generate in 2004 relative to the 2004 Endorsed Budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Engineering Services Administration Program, the Drainage and Wastewater Utility Administration Program, and the Water Utility Administration Program. Of those new positions, 6 are shown in the FTE count for the Solid Waste Utility Administration Program to simplify position list maintenance. This staffing increase results in savings as the department will reduce its use of contractors, and reduces the Solid Waste Utility Administration Program budget by \$9,000.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$1.17 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Administration Program	5,238,111	4,917,408	5,057,978	3,886,930
Full-time Equivalents Total*	32.89	35.64	35.64	41.64

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Administration: General and Administrative Credit

#### Purpose Statement

The purpose of the Solid Waste Utility General and Administrative Credit program is to eliminate double-budgeting related to implementation of capital projects.

#### Program Summary

There are no substantive program changes from the 2004 Endorsed Budget.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
General and Administrative Credit	(106,142)	(534,558)	(503,705)	(503,705)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Customer Service Budget Control Level

#### Purpose Statement

The purpose of the Solid Waste Utility Customer Service Budget Control Level is to provide comprehensive, efficient, one-stop service that anticipates and fully responds to customer expectations.

#### Program Summary

Reduce funding by \$613,000. Through productivity improvements, SPU is reducing its temporary employee, intern and overtime budgets without impacting customer service levels. In conjunction with Seattle City Light, SPU is also eliminating Call Center operations on Saturdays due to the low volumes of calls received on Saturdays. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Increase funding by \$25,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director’s Office, most of the Finance and Administration Branch, and City Central Costs (SPU’s allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU’s auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU’s overall budget.

Provide \$60,000 to begin implementation of a series of programs designed to achieve 60% waste reduction and recycling. These programs include expanding the City’s curbside recycling collection service to all businesses; banning disposal of recyclable paper, cardboard and yard waste in commercial garbage; banning disposal of recyclables in residential garbage; implementing public place recycling and back yard food waste composting; and implementing commercial and residential waste prevention programs.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$528,000.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2004</b>
<b>Expenditures/FTE</b>	<b>Actual</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Customer Service	5,796,154	7,146,147	7,306,666	6,778,463
Full-time Equivalents Total*	52.33	54.30	54.30	54.30

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### General Expense Budget Control Level

#### Purpose Statement

The purpose of the Solid Waste Utility General Expense Budget Control Level is to provide appropriation to pay the Solid Waste Utility's general expenses.

	2002	2003	2004	2004
Program Expenditures	Actual	Adopted	Endorsed	Adopted
Debt Service	5,350,001	5,709,141	6,306,113	6,306,113
Other General Expenses	62,573,864	63,064,695	64,619,996	64,480,996
Taxes	18,745,831	16,883,519	17,426,254	17,426,254
<b>TOTAL</b>	<b>86,669,696</b>	<b>85,657,355</b>	<b>88,352,363</b>	<b>88,213,363</b>
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

### General Expense: Debt Service

#### Purpose Statement

The purpose of the Solid Waste Utility Debt Service program is to appropriate funds for debt service on Solid Waste Utility bonds.

#### Program Summary

There are no substantive program changes from the 2004 Endorsed Budget.

	2002	2003	2004	2004
Expenditures/FTE	Actual	Adopted	Endorsed	Adopted
Debt Service	5,350,001	5,709,141	6,306,113	6,306,113
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

## Solid Waste Utility

### General Expense: Other General Expenses

#### Purpose Statement

The purpose of the Solid Waste Utility Other General Expenses program is to provide appropriation for payments to contractors who collect the City's solid waste, the Solid Waste Fund's share of City Central Costs, claims, and other general expenses.

#### Program Summary

Reduce funding by \$161,000 due to avoided disposal costs from beginning implementation of a series of programs designed to achieve 60% waste reduction and recycling.

Increase funding by \$22,000 for technical adjustments to provide for unbudgeted obligations, including payment of the small business development fee, SPU's share of costs for drug and alcohol testing, and payment of Combined Utility Purchase of Services costs based on an agreement between SPU, Seattle City Light and the Department of Neighborhoods.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$139,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Other General Expenses	62,573,864	53,064,695	64,619,996	64,480,996
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

### General Expense: Taxes

#### Purpose Statement

The purpose of the Solid Waste Utility Taxes program is to appropriate funds for payment of city and state taxes.

#### Program Summary

There are no substantive program changes from the 2004 Endorsed Budget.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Taxes	18,745,831	16,883,519	17,426,254	17,426,254
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### New Facilities Budget Control Level

#### Purpose Statement

The purpose of the Solid Waste Utility New Facilities Budget Control Level (which is a Capital Improvement Program funded by solid waste revenues) is to design and construct new facilities to enhance solid waste operations.

#### Program Summary

Increase funding by \$1.6 million. Relative to the 2004 Endorsed Budget, funding is added for North Recycling and Disposal Station Property Acquisition to provide space for the station office, employee facilities, parking, on-site access roads, and reuse and recycling facilities, as part of implementing the Solid Waste Facilities Master Plan. Other costs for Facilities Master Plan Implementation are reduced relative to the 2004 Endorsed Budget, but funding is included in 2004 in this project for evaluating the suitability of preferred properties, performing environmental assessments, negotiating property acquisitions, and performing some preliminary engineering of transfer station designs.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
New Facilities	(128,631)	1,153,000	3,504,000	5,058,000
Full-time Equivalents Total*	0.38	0.38	0.38	0.38

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Other Operating Budget Control Level

#### Purpose Statement

The purpose of the Other Operating Budget Control Level is to fund the Solid Waste Utility's operating expenses for Engineering Services, Field Operations and Resource Management.

<b>Program Expenditures</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Engineering Services	292,942	266,586	274,477	128,144
Field Operations	8,186,265	8,230,921	8,469,750	8,042,325
Resource Management	7,703,271	7,000,650	6,961,427	7,571,872
<b>TOTAL</b>	<b>16,182,478</b>	<b>15,498,157</b>	<b>15,705,654</b>	<b>15,742,341</b>
Full-time Equivalents Total*	121.93	126.95	126.95	126.95

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Other Operating: Engineering Services

#### Purpose Statement

The purpose of the Solid Waste Utility Engineering Services program is to provide engineering design and support services, construction inspection, and project management services to Solid Waste Fund capital improvement projects, and to the managers of solid waste facilities.

#### Program Summary

Reduce funding by \$9,000 for engineering support and construction management. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$152,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

Increase funding by \$15,000 to cover the Solid Waste Fund's share of Engineering Services Fund (ESF) deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized by charging a 10% surcharge on direct labor for engineering services provided to SPU's external customers. SPU proposes to apply the ESF surcharge to SPU's utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF's fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$146,000.

	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Expenditures/FTE</b>				
Engineering Services	292,942	266,586	274,477	128,144
Full-time Equivalents Total*	2.78	2.78	2.78	2.78

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## Solid Waste Utility

### Other Operating: Field Operations

#### Purpose Statement

The purpose of the Solid Waste Utility Field Operations program is to operate and maintain the City's solid waste transfer stations and hazardous materials disposal facilities, and to monitor and maintain the City's closed landfills so that the public's health is protected and opportunities are provided for reuse and recycling.

#### Program Summary

Reduce funding by \$353,000. Through productivity improvements, SPU is significantly reducing the penalty amount that the Department pays to its long-haul contractor for underweight garbage containers. SPU is also reducing its costs to operate closed landfills and overtime pay. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$74,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$427,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Field Operations	8,186,265	8,230,921	8,469,750	8,042,325
Full-time Equivalents Total*	76.72	76.72	76.72	76.72

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Other Operating: Resource Management

#### Purpose Statement

The purpose of the Solid Waste Utility Resource Management program is to protect the public's health and Seattle's environmental resources by planning and implementing programs that will manage the City's solid waste in an environmentally responsible manner, emphasizing prevention, reuse, and recycling.

#### Program Summary

Reduce funding by \$302,000 through the elimination of mailing costs for the Home Clean-Up program, and reduced spending on vehicles, the Backyard Composting program, and SPU's Environmental Management System initiative. In addition, SPU will generate savings by contracting with a private contractor instead of the Seattle Department of Transportation for litter can pick-up. These reductions are being taken to minimize future rate increases while maintaining high customer and environmental service levels.

Provide \$1.1 million to begin implementation of a series of programs designed to achieve 60% waste reduction and recycling. These programs include expanding the City's curbside recycling collection service to all businesses; banning disposal of recyclable paper, cardboard and yard waste in commercial garbage; banning disposal of recyclables in residential garbage; implementing public place recycling and back yard food waste composting; and implementing commercial and residential waste prevention programs.

Reduce funding by \$204,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business but does not increase or decrease SPU's overall budget.

These changes result in a net increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$610,000.

	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Expenditures/FTE</b>				
Resource Management	7,703,271	7,000,650	6,961,427	7,571,872
Full-time Equivalents Total*	42.43	47.45	47.45	47.45

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Rehabilitation and Heavy Equipment Budget Control Level

#### Purpose Statement

The purpose of the Solid Waste Utility Rehabilitation and Heavy Equipment Budget Control Level (which is a Capital Improvement Program funded by solid waste revenues) is to implement projects to repair and rehabilitate the City's solid waste transfer stations and improve management of the City's closed landfills, and replace heavy equipment used at the transfer stations.

#### Program Summary

Reduce funding by \$1.3 million. Relative to the 2004 Endorsed Budget, funding is reduced for Midway Landfill Post Closure Improvements, but increased for Recycling and Disposal Stations - Compactor Replacement.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Rehabilitation and Heavy Equipment	2,125,339	4,414,000	6,023,000	4,746,000
Full-time Equivalents Total*	0.48	0.48	0.48	0.48

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Solid Waste Utility

### Shared Cost Projects Budget Control Level

#### Purpose Statement

The purpose of the Shared Cost Projects Budget Control Level, which is a new Solid Waste Capital Improvement Program, is to implement capital improvement projects that receive funding from multiple SPU funds.

#### Program Summary

Provide a total in this new program of \$170,000 for Facility Improvements. Expenditures are shown as if the new program had existed in the 2003 Adopted Budget and 2004 Endorsed Budget, to facilitate tracking of costs across years.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Shared Cost Projects	0	221,000	170,000	170,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## **Solid Waste Utility**

### **Technology Budget Control Level**

#### **Purpose Statement**

The purpose of the Solid Waste Utility Technology Budget Control Level (which is a Capital Improvement Program) is to make use of recent technology advances to increase the Solid Waste Utility's efficiency and productivity.

#### **Program Summary**

Reduce funding in areas including Business Technology Improvements, Customer Service Technology Improvements, and Operations Technology Improvements. The remaining funding for 2004 includes payments for development of the Consolidated Customer Service System in the amount of \$900,000; an upgrade to BANNER, SPU's billing system, in the amount of \$396,000; and \$155,000 in the Customer Contact Technology project.

In the 2004 Adopted Budget, some costs have been moved from this program to the new Solid Waste Shared Cost Projects Program; the expenditures shown below for 2003 Adopted Budget and 2004 Endorsed Budget have been adjusted to reflect this shift. SPU has also made various revisions to bring the 2004 Adopted Budget for this program into better alignment with the Department's internal management processes. The total difference between the 2004 Endorsed Budget and the 2004 Adopted Budget is a reduction of \$293,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Technology	1,034,704	2,858,000	2,780,000	2,487,000
Full-time Equivalents Total*	2.97	2.97	2.97	2.97

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Administration Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities, and more specifically, for the Water Utility, and to provide core financial, human resource, and information technology services to the entire Department.

<b>Program Expenditures</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Administration Program	12,488,966	11,611,359	11,963,682	10,906,859
General and Administrative Credit	(6,550,815)	(8,745,211)	(8,460,893)	(8,566,893)
<b>TOTAL</b>	<b>5,938,151</b>	<b>2,866,148</b>	<b>3,502,789</b>	<b>2,339,966</b>
Full-time Equivalents Total*	76.30	80.42	80.42	95.42

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Administration: Administration Program

#### Purpose Statement

The purpose of the Water Utility Administration program is to provide overall management and policy direction for Seattle Public Utilities, and more specifically, for the Water Utility, and to provide core financial, human resource, and information technology services to the entire Department.

#### Program Summary

Reduce funding by \$809,000 for consultants, contractors, temporary employees, and interns primarily in the Information Technology and Strategic Policy divisions. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$226,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director’s Office, most of the Finance and Administration Branch, and City Central Costs (SPU’s allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU’s auditor has directed SPU to do so. This change moves costs between SPU funds, more accurately reflects the cost of each line of business, but does not increase or decrease SPU’s overall budget.

Add a total of 31 new positions of various classifications (including 30 in information technology and one in human resources) that are shared with the Engineering Services Administration Program, Drainage and Wastewater Utility Administration Program, and the Solid Waste Utility Administration Program. Of those new positions, 15 are shown in the FTE count for the Water Utility Administration Program to simplify position list maintenance. This staffing increase results in savings as the department will reduce its use of contractors, and reduces the Water Utility Administration Program budget by \$22,000.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$1.06 million.

	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
<b>Expenditures/FTE</b>				
Administration Program	12,488,966	11,611,359	11,963,682	10,906,859
Full-time Equivalents Total*	76.30	80.42	80.42	95.42

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Administration: General and Administrative Credit

#### Purpose Statement

The purpose of the Water Utility General and Administrative Credit program is to eliminate double-budgeting related to implementation of capital projects.

#### Program Summary

Reduce funding by \$106,000 to correct General & Administrative Credit, to reflect increases in Water Fund labor costs in the 2004 Endorsed Budget.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
General and Administrative Credit	(6,550,815)	(8,745,211)	(8,460,893)	(8,566,893)
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## Water Utility

### Bonneville Agreement Budget Control Level

#### Purpose Statement

The purpose of the Bonneville Agreement Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to fund implementation of Ordinance 121212 related to construction of an electric power transmission line project through the Cedar River Watershed.

#### Program Summary

Provide a total of \$2.1 million for new projects in the Water Fund CIP, in a new BCL, associated with implementation of the City's watershed transmission line agreement with the Bonneville Power Administration under Ordinance 121212. In 2004, funds will be used for Security Measures in the amount of \$585,000; Road Decommissioning/Improvements in the amount of \$546,000; Aquatic & Riparian Restoration in the amount of \$649,000; and Upland Forest Restoration in the amount of \$334,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Bonneville Agreement	0	0	0	2,114,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Customer Service Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Customer Service Budget Control Level is to provide comprehensive, efficient, one-stop service that anticipates and fully responds to customer expectations.

#### Program Summary

Reduce funding by \$633,000. Through productivity improvements, SPU is reducing its temporary employee, intern and overtime budgets without impacting customer service levels. In conjunction with Seattle City Light, the Department is also eliminating Call Center operations on Saturdays due to the low volumes of calls received on Saturdays. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Increase funding by \$233,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$400,000.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2004</b>
<b>Expenditures/FTE</b>	<b>Actual</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Customer Service	7,902,710	9,166,349	9,385,734	8,985,727
Full-time Equivalents Total*	91.55	95.55	95.55	95.55

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Environmental Stewardship Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Environmental Stewardship Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to implement projects in response to the Endangered Species Act listing of Chinook Salmon.

#### Program Summary

Increase funding by \$353,000. New projects or projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Endangered Species Act - Chinook Research & Monitoring, Cedar River Watershed Education Center Exhibits, and Cedar River Watershed - Northridge Trail.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2004</b>
<b>Expenditures/FTE</b>	<b>Actual</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Environmental Stewardship	3,008,653	694,000	1,110,000	1,463,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### General Expense Budget Control Level

#### Purpose Statement

The purpose of the Water Fund General Expense Budget Control Level is to provide appropriation to pay the Water Utility's general expenses.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Program Expenditures</b>				
Debt Service	49,614,261	52,968,050	59,685,300	57,785,147
Other General Expenses	5,081,777	5,583,660	5,975,954	7,528,253
Taxes	11,597,613	14,080,472	15,619,406	14,566,822
<b>TOTAL</b>	<b>66,293,651</b>	<b>72,632,182</b>	<b>81,280,660</b>	<b>79,880,222</b>
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

### General Expense: Debt Service

#### Purpose Statement

The purpose of the Water Utility Debt Service program is to appropriate funds for debt service on Water Utility bonds.

#### Program Summary

Reduce funding by \$1.9 million. The Water Adopted CIP for 2004 is smaller than was endorsed in the 2003 budget process, allowing water bond issues of reduced size in 2003 and 2004. Because these bond issues are smaller, debt service on them will be smaller. In addition, as part of the 2003 bond issue, SPU refinanced its 1993 water bonds at a lower interest rate, reducing debt service costs on this portion of the Department's debt. The net impact of these changes is a reduction in the Water Fund's debt service payments.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Debt Service	49,614,261	52,968,050	59,685,300	57,785,147
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

## Water Utility

### General Expense: Other General Expenses

#### Purpose Statement

The purpose of the Water Utility Other General Expenses program is to appropriate funds for the Water Fund's share of City central costs, claims, and other general expenses.

#### Program Summary

Increase funding by \$168,000 for technical adjustments including the following: \$119,000 to correct mistakes made in applying City Council actions taken to reduce operating budget; and \$49,000 to provide for unbudgeted obligations, including payment of the small business development fee, SPU's share of costs for drug and alcohol testing, and payment of Combined Utility Purchase of Services costs based on an agreement between SPU, Seattle City Light and the Department of Neighborhoods.

Provide \$147,000 for implementation of the Right-of-Way (ROW) Management Initiative. The initiative includes six projects: Street Use Permitting Redesign, Utility Coordination Redesign, ROW Manual, On-line Permitting, Coordinated Capital Planning and Citizen ROW Information Access. Seattle Transportation is leading the effort to implement these projects to improve mobility in Seattle's rights-of-way by reducing impacts of pavement openings and minimizing disruption of street and sidewalk closures.

These changes result in a total increase from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$1.55 million.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Other General Expenses	5,081,777	5,583,660	5,975,954	7,528,253
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

### General Expense: Taxes

#### Purpose Statement

The purpose of the Water Utility Taxes program is to appropriate funds for payment of City and State taxes.

#### Program Summary

Reduce funding by \$1.1 million. New short-term modeling suggests a closer link between employment and water demand than previously recognized. Retail water demand is being revised downward in 2004 by 5.2% compared to the 2002 water rate study forecast. This demand reduction reduces water revenues and therefore city and state B&O taxes. This reduction also reflects a downward adjustment in expected tax payments due to improved tax payment modeling.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Taxes	11,597,613	14,080,472	15,619,406	14,566,822
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

## Water Utility

### Habitat Conservation Program Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Habitat Conservation Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to manage projects directly related to the Cedar River Watershed Habitat Conservation Plan.

#### Program Summary

Increase funding by \$2.8 million. New projects or projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Cedar Sockeye Hatchery and Downstream Fish Habitat and Restoration. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Road Improvements/Decommissioning.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Habitat Conservation Program	7,689,242	8,521,000	8,890,000	11,691,000
Full-time Equivalents Total*	22.74	22.74	22.74	22.74

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Infrastructure Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Infrastructure Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to repair and upgrade the City's water lines, pump stations, and other facilities.

#### Program Summary

Reduce funding by \$12.32 million. This reduction reflects SPU's decision as part of the asset management review process to eliminate or reduce some capital projects and defer others, while the Department further develops water system policies and service levels, asset management models, and studies to ensure that it is managing its assets in the most cost-effective manner.

Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Asset Management, Pump Station - Phinney Ridge, Seismic Upgrade - Myrtle Tanks #1 and #2, Seismic Upgrade - Queen Anne Replacement #1 and #2, Tolt Bridge Replacement - Dorothy Creek, Water Design Standards & Guidelines Program, and the Watermain Rehabilitation Program. For 2004, funding has been eliminated for Seismic Upgrade for the Beverly Park Tank and Maple Leaf Tank, Seismic Upgrade and Painting for Foy Standpipe, and the N/NE 80th Street Feeder Rehabilitation Project.

New projects or projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Cathodic Protection - Phase V, some Cedar Bridge Replacement projects, Outlet Dam Rehabilitation and Outlet Dam Warning System at Lake Youngs, Maple Leaf Gatehouse Pipe Refurbishing, Pump Station - Queen Anne, System Dewatering Program, the Watermain Replacement Program, and Operations Control Center Remodel.

In the 2004 Adopted Budget, some costs have been shifted from this program to a new Water Shared Cost Projects Program. The expenditures shown below for 2003 Adopted and 2004 Endorsed in this program have been adjusted to reflect this shift.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Infrastructure	31,239,685	33,248,000	41,551,000	29,236,000
Full-time Equivalents Total*	97.50	97.50	97.50	97.50

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Other Agencies Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Other Agencies Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to design and construct capital improvements for other agencies, or in response to other agencies' projects, usually on a reimbursement basis.

#### Program Summary

Provide a total of \$3.2 million for new and existing projects. New projects or projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Cedar Eastside Supply Line Improvements - East Creek. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include University Way NE - The Ave and Holgate/Amtrak Water Relocation.

In 2004, the Sound Transit Light Rail - Water and Alaskan Way Viaduct & Seawall - Water projects are being moved from this program to the new Shared Cost Projects (WF) Capital Program, to facilitate tracking of project costs. The expenditures shown below for the 2003 Adopted Budget and the 2004 Endorsed Budget in this program have been adjusted to reflect these shifts.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Other Agencies	3,490,737	3,852,000	2,666,000	3,215,000
Full-time Equivalents Total*	4.74	4.74	4.74	4.74

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



## Water Utility

### Other Operating Budget Control Level

#### Purpose Statement

The purpose of the Other Operating Budget Control Level is to fund the Water Utility's operating expenses for Engineering Services, Field Operations and Resource Management.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2004</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Endorsed</b>	<b>Adopted</b>
Engineering Services	2,336,136	2,466,655	2,538,963	2,436,273
Field Operations	23,909,190	25,315,226	27,153,413	25,029,017
Resource Management	7,870,553	8,298,679	8,300,540	7,409,157
<b>TOTAL</b>	<b>34,115,879</b>	<b>36,080,560</b>	<b>37,992,916</b>	<b>34,874,447</b>
Full-time Equivalents Total*	278.04	301.40	301.40	299.57

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Other Operating: Engineering Services

#### Purpose Statement

The purpose of the Water Utility Engineering Services program is to provide engineering design and support services, construction inspection, and project management services to Water Fund capital improvement projects and to the managers of water facilities.

#### Program Summary

Reduce funding by \$139,000 for Water operations and maintenance, and eliminate 2.0 FTE Civil Eng. Associates. The reduction results in reduced resources for the Cathodic Protection program and reduced funding for consultants. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$81,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Increase funding by \$117,000 to cover the Water Fund's share of Engineering Services Fund (ESF) deficit amortization costs. The ESF carries a deficit of approximately \$6 million, which has been amortized by charging a 10% surcharge on direct labor for engineering services provided to SPU's external customers. SPU proposes to apply the ESF surcharge to SPU's utility funds, as well as to external customers. This change in methodology will result in a more equitable recovery of ESF's fund deficit, and also ensure that the ESF surcharge recovery will remain relatively stable over time. This is a more appropriate method of sharing costs for work performed by the ESF on behalf of the other funds.

Abrogate 1.0 FTE Civil Eng. Spec, Asst I position, to offset new positions to be created in the Personnel Department as part of a proposal to centralize labor relations. Savings to SPU associated with this abrogation have been accounted for in making SPU's overall budget reductions. Centralizing labor relations at the Personnel Department is expected to help ensure implementation of consistent and coordinated labor relations processes across City departments, and improve the integration of represented and non-represented practices.

These changes result in a net reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$103,000.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Engineering Services	2,336,136	2,466,655	2,538,963	2,436,273
Full-time Equivalents Total*	21.78	23.34	23.34	20.34

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Other Operating: Field Operations

#### Purpose Statement

The purpose of the Water Utility Field Operations program is to operate and maintain the infrastructure that provides the public with an adequate, reliable, and safe supply of high quality drinking water.

#### Program Summary

Reduce funding by \$2.3 million as a result of productivity improvements in operations, such as restructuring the First Response Crew and the Dispatch Crew and modifying the equipment timecard system. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Provide \$87,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Provide \$38,000 to fund costs associated with a new state charge on residential water services. Currently, SPU pays an annual fee of \$10,000 to the State of Washington for a Public Water Systems Operating permit. As a result of the passage of House Bill 1338, in 2004 the State also requires an additional flat-rate fee of \$0.25 per connection on residential water services to fund water conservation initiatives at the state level. SPU currently has approximately 153,800 residential meters.

Provide \$31,000 to pay increased fees charged by Seattle Department of Transportation (SDOT) for restoration of utility cuts. For 2004, SDOT increases fees for utility restoration by 15% for standard utility cuts and 5% for time and labor jobs. SPU absorbs \$277,000 in capital costs in 2004 related to the fee increase, but the budget includes an additional O&M appropriation of \$31,000.

Abrogate a 0.5 FTE Waterworks Maintenance Helper vacant position, and convert 0.5 FTE Waterworks Maintenance Helper position to a full-time position (1.0 FTE). SPU's Water Operations Division has determined that the body of work currently being performed by a half-time position is a full-time body of work and should be performed by a full-time position. This change essentially merges two half-time positions into a single full-time position, and does not alter the total FTE count for this program.

Increase by 0.17 FTE an existing 0.33 FTE Water Treatment Crew Chief (CC). This change reflects city policy and practice that regularly-appointed positions are typically at least 0.5 FTE.

These changes result in a net reduction from the 2004 Endorsed Budget to the Adopted Budget of approximately \$2.1 million.

	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
<b>Expenditures/FTE</b>				
Field Operations	23,909,190	25,315,226	27,153,413	25,029,017
Full-time Equivalents Total*	132.55	154.15	154.15	154.32

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Other Operating: Resource Management

#### Purpose Statement

The purpose of the Water Utility Resource Management program is to deliver, in a cost-effective manner, an adequate, reliable, high quality supply of drinking water; to protect and preserve Seattle's environmental resources; and to plan and develop programs and capital improvement projects that will improve water quality, habitat, flood control, and water supply.

#### Program Summary

Reduce funding by \$676,000, resulting in slightly reduced spending on the 1% Water Conservation program, the Natural Lawn program, and Habitat Conservation Plan Adaptive Management workshops; elimination of funding for temporary employees for roadside vegetation work in the Cedar River watershed; and reduced levels of support for the Department's Environmental Management System initiative. These reductions are being taken to minimize future water rate increases while maintaining high customer and environmental service levels.

Reduce funding by \$215,000 as part of updating the allocation between SPU lines of business of certain shared management costs, such as costs for the Director's Office, most of the Finance and Administration Branch, and City Central Costs (SPU's allocation of central Executive and Council costs). SPU has not updated the allocation of these costs in several years, and SPU's auditor has directed SPU to do so. This change moves costs between SPU funds, to more accurately reflect the cost of each line of business, but does not increase or decrease SPU's overall budget.

Add 1.0 FTE Information Technology Prof B, as the department will reduce its use of contractors. This change is budget neutral.

These changes result in a total reduction from the 2004 Endorsed Budget to the 2004 Adopted Budget of approximately \$891,000.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Resource Management	7,870,553	8,298,679	8,300,540	7,409,157
Full-time Equivalents Total*	123.71	123.91	123.91	124.91

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Shared Cost Projects Budget Control Level

#### Purpose Statement

The purpose of the Shared Cost Projects Budget Control Level, which is a new Water Capital Improvement Program, is to implement capital improvement projects that receive funding from multiple SPU funds.

#### Program Summary

Provide a total of \$2.7 million for projects including Alaskan Way Viaduct & Seawall, Sound Transit Light Rail, Seattle Monorail Project - Water, Meter Replacement - Direct Service, and Facility Improvements. These projects have been moved into this new program from other Water capital programs. Expenditures are shown as if the new program had existed in the 2003 Adopted Budget and 2004 Endorsed Budget, to facilitate tracking of costs across years.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Shared Cost Projects	0	2,582,000	2,278,000	2,733,000
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Technology Budget Control Level

#### Purpose Statement

The purpose of the Technology Budget Control Level (which is a Capital Improvement Program) is to make use of recent technology advances to increase the Water Utility's efficiency and productivity.

#### Program Summary

Relative to the 2004 Endorsed Budget, reduce funding for Customer Service Technology Improvements, Engineering/CIP Technology Improvements, and Geographic Information Systems (GIS) Technology Improvements, but increase funding for Business Technology Improvements. Within these categories, specific projects with funding proposed for 2004 include Core System Software Upgrades in the amount of \$281,000, Integrated Water Resource Management System (IWRMS) Enhancements in the amount of \$375,000, and Utility GIS Technology Refresh in the amount of \$131,000.

In the 2004 Adopted Budget, funding for the Supervisory Control and Data Acquisition Upgrades project has been transferred from this program to the Water Quality program. In addition, some costs have been moved from this program to the new Water Shared Cost Projects Program; the expenditures shown below for the 2003 Adopted Budget and the 2004 Endorsed Budget have been adjusted to reflect this shift. SPU has also made various revisions to bring the 2004 Adopted Budget for this program into better alignment with the Department's internal management processes. The total difference between the 2004 Endorsed Budget and the 2004 Adopted Budget is a reduction of \$2.96 million.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Technology	4,604,398	8,369,000	6,110,000	3,153,000
Full-time Equivalents Total*	16.00	16.00	16.00	16.00

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Water Quality Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Water Quality Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to design, construct and repair water treatment facilities, and upgrade water reservoirs.

#### Program Summary

Increase funding by \$3.26 million, reflecting various shifts in project schedules, scopes, and estimated costs. New projects or projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Reservoir Covering projects at Maple Leaf, Myrtle, and West Seattle; Cedar Treatment Facility; and Water System Security Improvements. In 2004, the Supervisory Control and Data Acquisition Upgrades project has been transferred to this program from the Water Technology CIP; the 2004 Adopted Budget includes \$4.8 million for this project. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Cedar Falls - Railroad Hazardous Material Remediation and Reservoir Covering at Beacon, Lincoln and Volunteer.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Water Quality	46,035,214	55,118,000	15,355,000	18,617,000
Full-time Equivalents Total*	24.13	24.13	24.13	24.13

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

## Water Utility

### Water Supply Budget Control Level

#### Purpose Statement

The purpose of the Water Utility Water Supply Budget Control Level (which is a Capital Improvement Program funded by water revenues) is to repair and upgrade water transmission pipelines and promote residential and commercial water conservation.

#### Program Summary

Reduce funding by \$2.05 million, reflecting various shifts in project schedules, scopes, and estimated costs. Projects with reduced funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Seattle Direct Service Additional Conservation and Tolt Pipeline I - Phase III-B. The Morse Lake Pump Plant - Pipeline Number One Corrosion Project is eliminated, pending the outcome of a new Morse Lake Dead Storage Facilities Project which will recommend the most cost-effective system for delivering water from Cedar dead storage during drought emergencies. Projects with increased funding in the 2004 Adopted Budget relative to the 2004 Endorsed Budget include Tolt Pipeline II - Phase IV and Phase VI-B.

<b>Expenditures/FTE</b>	<b>2002 Actual</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Water Supply	(3,093,219)	6,050,000	9,721,000	7,668,000
Full-time Equivalents Total*	6.50	6.50	6.50	6.50

*\*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*



### 2004 Estimated Revenues for the Drainage and Wastewater Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
433010	Federal Grants-Capital	\$ -	\$ -	\$ -	\$ -
477010	Interlocal Capital Contr/Grant	456,270	-	-	-
437010	Interlocal Grants-Operating	84,259	-	-	49,879
437010	Interlocal Grants	-	-	-	-
443527	Wastewater Service Rates	121,386,601	132,174,873	142,447,598	131,109,198
443631	Drainage Service Rates	22,313,062	23,721,740	27,042,784	25,684,520
443691	Side Sewer Permit Fees	373,183	459,052	472,365	373,183
443694	Drainage Permit Fees	263,135	293,218	301,721	263,135
543970	SCL Call Center Service	-	1,213,283	1,235,192	1,235,192
461110	Interest Earnings-Residual Cash	1,545,809	1,943,575	1,561,377	1,097,008
461320	Unreal Gns/Losses	-	-	-	-
469990	Other Miscellaneous Revenues	155,121	230,345	235,573	149,781
	Use of Bond Proceeds	51,207,604	45,616,549	39,899,000	37,040,100
	<b>Total Revenues</b>	<b>\$ 197,785,044</b>	<b>\$ 205,652,636</b>	<b>\$ 213,195,610</b>	<b>\$ 197,001,996</b>
	Decrease (Increase) in Working Capital	-	(5,063,637)	(3,567,167)	783,213
	<b>Total Resources</b>	<b>\$ 197,785,044</b>	<b>\$ 200,588,999</b>	<b>\$ 209,628,443</b>	<b>\$ 197,785,209</b>

Note:

The 2004 Adopted Budget is supported by an 8.8% system-wide average rate increase for Drainage and a 6.7% system-wide average rate increase for Wastewater.

### 2004 Estimated Revenues for the Engineering Services Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
441500	Maps and Publication Sales	\$ 180,921	\$ 299,928	\$ 308,448	\$ 308,448
541850	GIS - CGDB Corporate Support	511,236	995,821	1,079,574	1,079,574
543210	GIS-CGDB Corporate Support-General Fund	557,002	528,000	542,000	528,294
543210	Various Engineering Services-General Fund	550,000	480,000	492,000	474,970
541490	Administrative Fees	-	-	-	-
543210	Transportation Fund	4,662,965	5,765,227	5,477,273	5,477,273
543210	City Light Fund	1,296,223	911,426	1,047,340	1,047,340
543210	Parks and other City Departments	330,005	575,445	633,414	633,414
543210	Surcharge for Deficit Reduction	-	-	-	232,450
	<b>Total Revenues</b>	<b>\$ 8,088,352</b>	<b>\$ 9,555,847</b>	<b>\$ 9,580,049</b>	<b>\$ 9,781,763</b>
	Decrease (Increase) in Working Capital	-	37,607	290,354	(474,066)
	<b>Total Resources</b>	<b>\$ 8,088,352</b>	<b>\$ 9,593,454</b>	<b>\$ 9,870,403</b>	<b>\$ 9,307,697</b>

## 2004 Estimated Revenues for the Solid Waste Utility Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
416456	Landfill Closure Tax	\$ 1,087,054	\$ 728,389	\$ 751,401	\$ 223,932
416457	Transfer Tax - In City	519,204	827,137	851,932	483,453
416458	Transfer Tax - Out of City	1,624,694	1,501,897	1,546,554	1,648,312
434010	State Grants - Operating	353,795	400,000	400,000	400,000
443450	Taxable Revenue	396	-	-	-
443710	Commercial Services	36,727,341	37,338,042	38,095,897	38,097,667
443710	Residential Billings (CCSS)	53,520,995	53,189,121	56,056,502	55,769,341
443741	Transfer Station Disposal Charges	10,350,210	9,926,595	10,291,094	9,903,115
443745	Commercial Disposal Charges	622,274	537,313	556,200	1,209,560
443875	HHW Regional Fund Reimbursements	2,205,340	1,900,000	1,900,000	2,241,273
443990	Other Operating Revenues	-	-	-	92,489
461100	Interest Earnings	63,436	236,318	345,151	219,821
516456	Landfill Closure Tax	3,901,768	3,887,126	4,044,338	3,763,771
516457	Transfer Tax - In City	2,622,377	2,636,346	2,739,924	2,567,345
587001	General Subfund - Operating Transfer In	1,113,633	1,094,990	1,134,971	996,378
587001	General Subfund - Transfer In - Graffiti	267,591	274,013	280,590	280,590
543710	City Light for Customer Service	-	1,294,375	1,343,888	1,235,192
459900	Other Non-Operating Revenue	51,151	-	-	20,755
	Use of Bond Proceeds	-	7,985,700	11,130,300	11,214,980
	<b>Total Revenues</b>	<b>\$ 115,031,258</b>	<b>\$ 123,757,362</b>	<b>\$ 131,468,742</b>	<b>\$ 130,367,974</b>
	Decrease (Increase) in Working Capital	-	(2,426,853)	(3,072,786)	(3,789,582)
	<b>Total Resources</b>	<b>\$ 115,031,258</b>	<b>\$ 121,330,509</b>	<b>\$ 128,395,956</b>	<b>\$ 126,578,392</b>

Note:

The 2004 Adopted Budget for Solid Waste assumes a system-wide rate increase of approximately 3% in mid-2004, which will be submitted to the City Council in early 2004.

## 2004 Estimated Revenues for the Water Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
461110	Investment Interest	\$ 872,549	\$ 1,298,902	\$ 2,171,633	\$ 1,308,861
461900	Other Interest	18,982	-	-	-
543970	Call Center Services - City Light	-	1,250,050	1,272,622	1,272,622
543970	Inventory Purchases - SDOT	310,427	291,200	299,062	299,062
485110	Sale of Property	-	-	-	-
485120	Timber Sales	-	225,000	-	-
443410	Retail Water Sales	80,848,137	92,727,205	101,719,699	96,835,860
443420	Wholesale Water Sales	35,034,875	36,985,000	42,526,000	42,526,000
443450	Facilities Charges	752,742	325,000	325,000	325,000
443480	Misc. Water Service Charges	1,378,503	1,163,197	1,163,197	1,163,197
443470	Demand Charge Revenue	-	-	-	-
462500	Rentals--Non-City	219,708	150,000	150,000	200,000
443250	Services for Others	-	-	-	-
443979	Other Operating Revenues	139	80,000	80,000	80,000
459930	NSF Check Charges	29,735	30,000	30,000	30,000
482000	Payments from Bonneville Power Administrat	-	-	-	3,000,000
482000	Contributions in Aid of Construction	6,167,043	4,699,246	4,745,206	4,648,206
224300	Use of Bond Proceeds	-	104,081,474	71,846,459	58,685,221
469100	Salvage	-	10,000	10,000	10,000
437010	Interlocal Grants	46,195	-	-	-
469990	Other Miscellaneous Revenue	167,929	600,000	600,000	600,000
SPU-W TBD	Revenue Stabilization Subfund	-	-	-	(2,500,000)
	<b>Total Revenues</b>	<b>\$ 125,846,964</b>	<b>\$ 243,916,273</b>	<b>\$ 226,938,878</b>	<b>\$ 208,484,029</b>
	Decrease (Increase) in Working Capital	-	(4,737,034)	(7,095,779)	(2,513,667)
	<b>Total Resources</b>	<b>\$ 125,846,964</b>	<b>\$ 239,179,239</b>	<b>\$ 219,843,099</b>	<b>\$ 205,970,362</b>

Note:

The 2004 Adopted Budget for Water is supported by a system-wide average rate increase of 10.6% in 2004, which was adopted by the City Council in August of 2002.

## Capital Improvement Program Overview

### Drainage & Wastewater

Seattle Public Utilities (SPU) is responsible for maintaining and developing the City's sewer and drainage collection system. The 2004-2009 Adopted Drainage and Wastewater CIP, which is supported by drainage and wastewater fees, includes funding for SPU to continue to repair and replace failed sewers and rehabilitate sewage pump stations, work with other agencies to address contamination of sediments in the Duwamish River, and complete the Comprehensive Drainage Plan. In areas without full street improvements, such as in the Pipers Creek watershed, SPU is beginning to install "Natural System" drainage projects to reduce runoff and improve water quality. Located along road edges in residential areas, these projects consist of vegetated swales and wetlands that slow the street runoff, promote infiltration into soils, and filter out sediments that would otherwise be washed into creeks and lakes.

For 2004, the City Council adopted a number of budget provisos related to Drainage and Wastewater CIP projects. The Council also eliminated funding for a series of "placeholder" projects, and redirected the funding to other specific purposes, including preliminary engineering work in various programs and some other newly identified projects. A detailed list of all programs and projects in Drainage and Wastewater's CIP can be found in the 2004-2009 Adopted Capital Improvement Program document.

<b>Allocations</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Combined Sewer Overflow	7,671,000	6,866,000	5,872,000
Flood Control and Local Drainage	12,303,000	6,335,000	6,501,000
General Wastewater	4,417,000	7,432,000	2,869,000
Habitat and Sediments	0	469,000	1,690,000
Other Drainage	1,699,000	3,306,000	1,964,000
Protection of Beneficial Uses	2,414,000	2,398,000	1,798,000
Public Asset Protection	2,006,000	4,986,000	3,760,000
Sewer Rehabilitation	9,982,000	11,204,000	9,292,000
Shared Cost Projects (DWF)	3,661,000	0	3,222,000
Technology	2,476,000	2,339,000	4,719,000
<b>Total SPU Drainage and Wastewater Fund</b>	<b>46,629,000</b>	<b>45,335,000</b>	<b>41,687,000</b>

### Solid Waste

The City-owned infrastructure to provide for the collection and disposal of solid waste consists of two recycling and disposal stations, two household hazardous waste facilities, and a fleet of trucks and heavy equipment. SPU manages and develops this infrastructure, and also manages post-closure projects and operations on two landfills previously used by the City. The 2004-2009 Adopted Solid Waste CIP, which is supported by solid waste fees, includes funding to develop and implement a Solid Waste CIP Facilities Master Plan, to guide the construction of facilities that will provide the citizens of Seattle with sufficient recycling and solid waste services for the next 30 years. The CIP also includes funds for replacement of the trash compactors at the recycling and disposal stations, and for post-closure capital improvements at the Midway Landfill.

In the 2004 budget process, Council adopted provisos specifying that no more than \$266,000 appropriated for 2004 for SPU's Solid Waste Utility can be spent to pay for activities related to the Solid Waste Facilities Master Plan, until authorized by future ordinance, and that this \$266,000 may be used solely to pay for Environmental Impact Statement (EIS) consultant selection, property assessments, conceptual design work for an EIS, a one-year option on a potential Harbor Island site, and public information costs. A detailed list of all programs and projects in Solid Waste's CIP can be found in the 2004-2009 Adopted Capital Improvement Program document.

<b>Allocations</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
New Facilities	1,200,000	3,504,000	5,058,000
Rehabilitation and Heavy Equipment	3,087,000	6,023,000	4,746,000
Shared Cost Projects (SWF)	163,000	0	170,000
Technology	3,184,000	2,950,000	2,487,000
<b>Total SPU Solid Waste Fund</b>	<b>7,634,000</b>	<b>12,477,000</b>	<b>12,461,000</b>

**Water**

The City owns and SPU operates a water system that serves a population of approximately 1.3 million people. The 2004-2009 Adopted Water CIP, which is funded by water fee revenues, provides funding to complete the Cedar Treatment Facility, which will improve drinking water quality and taste and ensure continued compliance with federal and state water quality requirements. To comply with water quality regulations and create open space, the City's remaining seven open drinking-water reservoirs will be buried underground. Three of these reservoir projects—Lincoln, Volunteer, and Beacon—are currently underway. The remaining four reservoirs at Maple Leaf, Myrtle, Roosevelt, and West Seattle are being undergrounded following the completion of studies that examine funding options and construction contracting options, including design/build. The CIP also includes funds for implementation of the Cedar River Watershed Habitat Conservation Plan (HCP), implementation of projects to respond to the listing of Chinook salmon under the Endangered Species Act, and rehabilitation and replacement of water system infrastructure.

During the 2004 budget process, the City Council adopted a proviso specifying that none of the money appropriated for 2004 for the Water Fund budget can be spent to pay for burying Maple Leaf, West Seattle, Beacon South, Myrtle, or Roosevelt Reservoirs until authorized by ordinance. The Council also adopted a proviso specifying that none the money appropriated for 2004 for the Water Utility Infrastructure BCL that is allocated in the CIP for, or is used for, the Asset Management project can be spent to pay for construction of a project that is not specifically identified in the 2004-2009 CIP and no more than \$250,000 of such money can be spent to pay for the engineering and design of any single project that is not specifically identified in the 2004-2009 CIP, until authorized by a future ordinance. A detailed list of all programs and projects in Water's CIP can be found in the 2004-2009 Adopted Capital Improvement Program document.

# SPU

<b>Allocations</b>	<b>2003 Revised</b>	<b>2004 Endorsed</b>	<b>2004 Adopted</b>
Bonneville Agreement	0	0	2,114,000
Environmental Stewardship	972,000	1,110,000	1,463,000
Habitat Conservation Program	9,235,000	8,890,000	11,691,000
Infrastructure	24,855,000	42,364,000	29,236,000
Other Agencies	2,228,000	3,681,000	3,215,000
Shared Cost Projects (WF)	1,614,000	0	2,733,000
Technology	5,769,000	6,560,000	3,153,000
Water Quality	55,870,000	15,355,000	18,617,000
Water Supply	5,079,000	9,721,000	7,668,000
<b>Total SPU Water Fund</b>	<b>105,622,000</b>	<b>87,681,000</b>	<b>79,890,000</b>