



## Progress Report to Council: Third Quarter, 2016

2015–2020 Strategic Business Plan Implementation

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At Seattle Public Utilities, our mission is to deliver efficient and forward-looking utility services that keep Seattle the best place to live. We pledge to meet community and environmental needs by:

- Maintaining some of the nation’s best drinking water
- Preventing sewer backups, flooding, and landslides
- Helping Seattle residents and businesses be recycling leaders, and
- Protecting local waterways and Puget Sound from sewage overflows and polluted stormwater runoff

We do this while always keeping in mind that we need to spend our customers’ money wisely.

### 2015–2020 STRATEGIC BUSINESS PLAN

Seattle Public Utilities (SPU) worked with customers and employees to develop a Strategic Business Plan (the Plan) to guide our work from 2015 through 2020. The Plan grew out of SPU’s efforts to provide greater rate predictability, while still making important investments for the future. The Plan will ensure reliable utility services to all neighborhoods and communities in our growing city.

The Strategic Business Plan was adopted by the Seattle City Council on August 11, 2014, via Resolution 31534. This resolution also directs SPU to report to Council on our progress in achieving the goals of the Plan.

### QUARTERLY PROGRESS REPORT

This is SPU’s third progress report to the City Council for 2016. In this, our second year of our six-year Plan, we have many accomplishments to report.

- **Service Level Performance:** We are meeting or exceeding most of our service levels, and we are identifying steps to take in the areas needing improvement. Pages 2–3 describe our performance in meeting service levels to our customers and regulators.
- **Financial Performance:** We remain within the 4.6 percent rate path and can demonstrate efficiency savings. As the City Council directed, this report also provides information on the number of SPU employee positions and on consultant expenditures. Pages 4–5 describe our financial performance.
- **Action Item Performance:** Action Items are the new tasks we are undertaking to improve our services and increase our efficiency. We are on track for meeting our 2016 goals for most Action Items, and we have identified two improvement areas where progress has been delayed. Pages 6–8 provide details on the status of our Action Items.

# Service Level Status Report

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The Strategic Business Plan includes all of SPU’s work. This is represented by the services we provide to our customers and the levels at which we provide these services. Table 1 on page 3 summarizes SPU’s current performance in meeting our service levels. Some highlights are provided below.

## MEETING MOST SERVICE LEVEL TARGETS

(Shaded green in Table 1.) Four examples where we are meeting or exceeding our targets are:

- **Customer billing adjustments (#3).** Our service level target is that at least 98.5 percent of customer bills do not need an adjustment. We have consistently met this target since 2015.
- **Emergency response (#4).** Our service target is to respond to water, drainage, and wastewater emergencies within one hour at least 90 percent of the time. Year-to-date, we responded within one hour 94.4 percent of the time.
- **Illegal dumping (#15).** We continue to exceed our goal for completing requests for illegal dumping clean-up within 10 days. We completed the requests within 10 days 100 percent of the time; the goal is greater than 80 percent.
- **WMBE Consulting and Purchasing Usage (#23a and b).** SPU’s year-to-date third quarter performance on WMBE consulting and purchasing exceeded its goals; WMBE consulting spending was 18.4 percent of the total spending (goal is greater than 10 percent) and WMBE purchasing was 13.1 percent (goal is greater than 12 percent). (Note: Our 2016 performance targets for these service levels were incorrect in the First and Second Quarter Reports; they were reported as greater than 8 percent for consulting and greater than 17 percent for purchasing.)

We achieved this performance by training our staff on best practices for WMBE inclusion, hosting procurement “coffee hours” to bring vendors, consultants, and SPU project managers and decision-makers together, attending outreach and networking events, and hosting an annual event focused on upcoming projects and opportunities for prime contractors, subcontractors, and WMBEs.

## AREAS TO MONITOR

(Shaded yellow in Table 1.)

- **Instream water (#7).** As reported in the Second Quarter Report, one of our five “instream flow” performance goals is not being met. In February 2016, we were unable to keep instream flow within the desired range during a prolonged and heavy rain event, also known as an atmospheric river, in the Tolt and Cedar watersheds. Dams on the Cedar and South Fork Tolt rivers have flood management capabilities but they are not flood control dams. As a result, the best management practices are to attempt to lower peak flows during severe precipitation events. This multi-day storm led to the instream water flow exceeding the “scour” threshold, although not significantly, and the duration of the scour event was short.
- **No more than four sewer overflows per 100 miles of pipe per year, on a rolling two-year average (#8).** SPU is at risk of having too many overflows in the 2015–2016 reporting period. To comply with regulations, SPU must have no more than 41 overflows in total in 2016; we have had 30 overflows, year-to-date as of September 30. If the 2015–2016 overflow target is exceeded, SPU will need to submit a corrective action plan to the Washington State Department of Ecology and the U.S. Environmental Protection Agency for approval.

By the end of the third quarter, we made significant progress toward our annual inspection, cleaning, and rehabilitation goals, having inspected 162 miles of sewer, cleaned 437 miles of sewer, and spent more than \$11 million on sewer rehabilitation. Functioning pipes help prevent overflows. (See Items 4, 5, and 6 in Table 5.)

**Table 1. Service Level Performance Report YTD Third Quarter 2016**

	SPU Services	#	Service Levels	Data Frequency	Target	YTD Performance
Customer Experience	Effective customer service	1	Customers rank their satisfaction with SPU services at least 5 on a scale of 1-7. Last Updated in 2015. YTD shows 2015 Performance.	Every 4 Years	>5 on 1-7 scale	5.9
		2	% of customer phone calls that do not require subsequent repeat contacts.	Monthly	72%	TBD
		3	% of customer bills that do not require adjustment.	Monthly	98.5%	98.8%
		4	Respond to 90% of priority drinking water, drainage, and wastewater problems within one hour.	Monthly	90%	94.4%
		5	Increase households enrolled in the Utility Discount Program to 22,400 by year-end 2016. - 2016 increase from 2015 YE actuals of 20,799 - Total enrollees at end of 2016	Monthly	22,400	8,066 28,865
Health & Environment	Mountain fresh drinking water	6	Maintain 100% compliance with Department of Health regulations.	Monthly	100%	Yes
		7	Provide instream water for fish and meet other tribal, regional, state, and federal commitments.	Quarterly	Meet commitments	*
	Safe sewage transport to King County treatment plants; drainage that reduces flooding and pollution	8	Limit sewer overflows to no more than four annually per 100 miles of pipe, on a two-year average. - Total overflows in the current biennium - Overflows in current biennium that count toward performance threshold - Year-to-date biennial performance per 100 miles of pipe	Monthly	<114 <4	134 103 3.6
		9	Limit combined sewer overflows to one per outfall per year over a 20-year moving average. - Total overflows per total number of outfalls (86 outfalls total)	Monthly (1 mo. lag)	1.0 by 2025	2
		10	Remove 140 tons of pollutants from roads during 2016.	Quarterly	140	116
	Planning for the future	11	To support the Citywide goal of 700 million gallons of runoff managed using Green Stormwater Infrastructure by 2025, SPU has a 2016 target of managing 10 million gallons of stormwater via RainWise rain gardens and cisterns.	Quarterly	10M	9.7M
		12	Achieve goals for water conservation.	Annually	Achieve goals	Yes
	Effective recycling and composting	13	Increase solid waste recycling to 60% by December 2015 and 70% by 2022.	Annually	60% by 2015	58%
	Efficient graffiti removal	14	Clean up graffiti on SPU property and SDOT structures within targeted times at least 90% of the time (10 business days for SDOT structures; 6 business days for SPU property).	Monthly	>90%	96.2%
	Efficient illegal dumping removal	15	Complete requests for illegal dumping clean-up within 10 business days at least 80% of the time.	Quarterly	>80%	100.0%
Operational Excellence	Mountain fresh drinking water	16	Limit yearly drinking water outages of more than four hours to less than 4% of retail customers.	Monthly	<4%	2.0%
		17	Meet obligations in wholesale customer contracts for pressure, flow, and unplanned transmission system outages.	Quarterly	Meet commitments	Yes
	Drainage that reduces flooding and pollution	18	No critical services (e.g., hospitals) are inaccessible due to flooding, except during extreme storm events (events exceeding a 100-year, 24-hour design storm event).	Monthly	Critical services accessible	Yes
	Dependable solid waste pickup	19	Provide reliable solid waste pickup with only one missed pickup for each 1,000 stops.	Monthly	<1	0.4
		20	Limit late container deliveries to a maximum of two per 100 deliveries.	Monthly	<2	1.8
		21	Collect at least 95% of missed solid waste pickups within one business day following notification by customers.	Monthly	>95%	96.6%
	All services	22	Stay within the overall 4.6% rate path through 2020.	Annually	4.6%	4.6%
		23a	Meet the aspirational goals for WMBE usage in purchasing and consulting contracts. - 10% consulting	YTD	>10%	18.4%
23b		- 12% purchasing	YTD	>12%	13.1%	

■ On Target ■ Needs Discussion ■ Significant Variance From Target

\* Note: See page 2 for discussion of this service level.

# Tracking Finance in More Detail

The 2015–2020 rate path, efficiency savings, and consultant expenditures

## RATE PATH

The Strategic Business Plan includes an endorsed average annual rate increase of 4.6 percent through 2020. Since the Plan was finalized in August 2014, the City Council adopted rate increases for each of SPU’s four lines of business. The current rates differ somewhat from the rate paths assumed in the Strategic Business Plan. However, SPU remains on target with the 4.6 percent average annual increase in the overall rate path, as shown in Table 2 below.

**Table 2. Projected Rate Paths for Each Line of Business Through 2020**

	2015	2016	2017	2018	2019	2020	Average 2015–20
Water	0.0%	1.7%	2.7%	4.5%	4.6%	5.2%	<b>3.1%</b>
Wastewater	0.8%	3.6%	4.6%	2.0%	7.7%	4.5%	<b>4.1%</b>
Drainage	9.8%	9.9%	10.0%	7.6%	11.2%	7.7%	<b>9.4%</b>
Solid Waste	5.1%	3.8%	6.0%	3.1%	3.3%	2.2%	<b>3.9%</b>
Combined	<b>2.9%</b>	<b>4.1%</b>	<b>5.3%</b>	<b>3.8%</b>	<b>6.7%</b>	<b>5.2%</b>	<b>4.6%</b>

*Notes: Solid Waste rate path represents average increase assuming new rates are effective April 1 of each year, and they are the weighted average of all services including transfer station and miscellaneous costs. As discussed July 26, 2016, at the City Council’s Civil Rights, Utilities, Economic Development and Arts committee meeting, the proposed rate increase for residential and commercial customers would result in a weighted average increase of 6.0 percent in 2017, 3.1 percent in 2018, and 3.3 percent in 2019. Drainage and Wastewater rate paths include the assumed increases in the King County sewer treatment charges.*

## EFFICIENCY AND PROGRAMMATIC SAVINGS

The Strategic Business Plan commits SPU to a set of efficiency and programmatic savings. These savings reduce baseline costs while preserving service levels and provide funding capacity for new investments. The dollars associated with the savings have already been removed from SPU’s budget and rates.

SPU’s 2016 efficiency savings target is \$2.4 million in salary savings. To date, we have achieved \$1.96 million of the target amount. We have identified a few additional efficiencies that we are currently quantifying programmatic savings totals for; we will report on these in the Fourth Quarter Report.

## STAFF POSITION COUNT AND CONSULTANT EXPENDITURES

Resolution 31534 directs SPU to track and report on the number of SPU positions and consultant expenditures. The intent of this request is to ensure SPU is not supplanting staff work with consultants.

**Position Count.** During the Strategic Business Plan’s development in 2014, SPU’s position count was 1,432. In the third quarter 2016, SPU’s position count is 1,341. This includes 22 positions added by the City Council in the 2016 budget, 107 positions transferred to Seattle IT, and one Supported Employment Program position transferred into SPU in May, 2016.

**Consultant Expenditures.** To meet our business needs, SPU frequently hires consultants for a variety of purposes. In developing consultant contracts, one standard procedure SPU staff follow is to verify there are not in-house resources available to do this work. Typically, SPU hires consultants if there is either a lack of in-house expertise, or insufficient in-house resources or production capacity.

Most SPU consultant contracts are for architectural and engineering services. This includes designers for major infrastructure projects, technical support for project controls, and specialized expertise for technical studies.

**Table 3. 2014–3rd Quarter 2016 Staff Positions**

2014 Position count	1,432
2015 Position count	1,425
Plus: New positions (2016 Adopted Budget)	22
Less: Seattle Information Technology transfers	-107
Plus: Office/Maintenance Aide transfer	1
<b>Third quarter 2016 position count</b>	<b>1,341</b>

Table 4 compares SPU’s 2014 and 2015 consultant expenditures with 2016 YTD Third Quarter consultant expenditures.

**Table 4. Consultant Expenditures 2014–2016 by Fund**

Funds	2014			2015			2016 Year-to-Date 9-30-2016		
	CIP	O&M	Total	CIP	O&M	Total	CIP	O&M	Total
Drainage and Wastewater	\$15,529,156	\$4,362,982	\$19,892,137	\$12,814,803	\$3,618,000	\$16,432,803	\$9,303,886	\$1,515,112	<b>\$10,818,998</b>
Solid Waste	\$3,116,067	\$1,546,830	\$4,662,898	\$2,817,482	\$1,413,035	\$4,230,518	\$2,043,084	\$675,236	<b>\$2,718,320</b>
Water	\$5,661,526	\$1,481,223	\$7,142,749	\$3,901,983	\$1,963,235	\$5,865,218	\$2,156,808	\$1,155,492	<b>\$3,312,301</b>
<b>Grand Total</b>	<b>\$24,306,749</b>	<b>\$7,391,035</b>	<b>\$31,697,784</b>	<b>\$19,534,268</b>	<b>\$6,994,271</b>	<b>\$26,528,539</b>	<b>\$13,503,778</b>	<b>\$3,345,840</b>	<b>\$16,849,618</b>

*Notes: Expenditures are based on postings in the Summit financial system. 2014 data was adjusted to remove payments for water treatment plant operations; they are not consultant expenditures. 2015 expenditures were lower than 2014 expenditures largely due to several capital projects moving into their construction phase.*

# Action Items Status Report

How are we doing on the tasks to improve services and efficiency?

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This section summarizes our progress on the Action Item commitments in the Strategic Business Plan.

In the first quarter 2016, we **added** three items to this report: master planning and policy development for the Drainage and Wastewater line of business, and performance metrics. We also **removed** six items from this report. Three items are **slowing down or deferred**: decentralized green systems, valves, and system development charges. Three other items are now part of broader City-wide efforts led by other departments: absence and disability management, employee performance management, and web presence.

SPU has overall goals as well as annual goals for each Action Item. Table 5 shows details on the overall and third quarter progress for 17 key Action Items. Below are some highlights.

**We are on track to meet most of our 2016 goals. Five examples include:**

(Shaded green in Table 5.)

- **Improvements to the City’s sewer system (#4, #5, #6).**
  - SPU is undertaking three specific sewer improvement efforts: sewer inspection, sewer cleaning, and sewer rehabilitation. All three projects have made significant progress this year, and all three will likely exceed their 2016 goals. More than just an exercise in routine maintenance, inspections help us identify pipes that are damaged or under-functioning and possibly contributing to sewer backups and sewer overflows into public areas and Seattle’s waterways. Pipe cleaning and rehabilitation help the whole system function more effectively. So far this year, we’ve inspected 162 miles of pipe, cleaned 437 miles of pipe, and spent more than \$11 million rehabilitating pipe.
  - While the 2016 progress on these projects is significant and on track to exceed our 2016 expectations, we are recalculating our progress toward the projects’ overall (multi-year) goals and will update the information in the Fourth Quarter Report. See Table 5 for more information.
- **Seismic vulnerability (#10).** We’ve made significant progress toward having a fully developed plan to protect the drinking water system from earthquake damage. Vulnerability and seismic hazard assessments of pipelines and facilities are nearly complete. The assessment report and recommendations are underway; completion is anticipated in the first quarter, 2017.
- **Emergencies and disasters (#15).** Development of SPU’s Emergency Operations Plan is progressing; it includes lessons learned from FEMA’s region-wide Cascadia Rising exercise, held in August. Intermediate and Advanced Incident Management training is underway and continues through 2017. Work on SPU’s Comprehensive Emergency Plan also continues into the second quarter, 2017.

**As mentioned in the Second Quarter Report, the following two Action Items have tentative or changing schedules:**

- **Billing meters (#11).** Our efforts to centralize water meter management functions and improve meter replacement and repair activities are behind schedule. The Action Item requires work unit reorganization, staffing resources, and business process improvements to provide a higher level of customer service. This staffing work is underway but is proceeding more slowly than anticipated. We can expect an update on labor negotiations in the fourth quarter, 2016.
- **Climate change adaptation and resiliency (#16).** SPU is reviewing historic precipitation patterns to identify trends in precipitation patterns; these trends will be used to update the observed “Intensity, Duration, Frequency” (IDF) curves. Completion of our analysis of climate impacts on water supply (e.g., the Piloting Utility Modeling Applications (PUMA) project) is now anticipated in the first quarter, 2017.

**Table 5. Progress on Key Action Items by Strategic Focus Area**

SPU Service	2015–2020 Overall Goal	2016 Goal & Third Quarter Progress	% 2015–2020 Work Complete On Track for 2016?	
Focus Area: Customer Experience: Making it easier to get help and find answers				
Effective customer service	<b>1. Development Services Office</b> Centralize and streamline SPU’s permit, service, and sales functions for customers undertaking property-development work.	<b>Goal:</b> Development Services Office customers understand SPU’s process and recommend improvements; they receive better customer service. <b>To date,</b> we continue updating water policy and system requirements, improving the water taps process for our customers, and ensuring we are accounting for Service Equity in our process improvements.	Yes	25–50%
	<b>2. Service Equity</b> Ensure all communities and customer groups have equitable access to—and ability to use—SPU services.	<b>Goal:</b> Establish Equity Teams in each of SPU’s branches and partner with three community organizations. <b>To date,</b> we have trained our community partners on SPU’s business and environmental stewardship, so they can take the lead in community presentations on SPU’s work.	Yes	25–50% Lower than previously reported. See Note 1.
Focus Area: Operational Excellence: Improving how we work to deliver consistent, high quality services				
Safe sewage transportation to King County treatment plants; flooding & pollution reduction	<b>3. Broadview Drainage &amp; Wastewater</b> Accelerate flooding and sewer backup prevention projects in the Broadview neighborhood.	<b>Goal:</b> Request project funding for design and construction in the highly impacted areas. <b>To date,</b> we have received the preliminary engineering report for the Dayton Avenue North project. Consultant contract development for the 12th Avenue NW project continues.	Yes	0–25%
	<b>4. Sewer Inspection</b> Implement a sewer pipe assessment and inspect all pipes by 2026. This will guide future pipe replacement and repair work.	<b>Goal:</b> Develop a condition assessment strategy and inspect 190 miles of pipe. <b>To date,</b> we have inspected 162 miles of pipe; about 85 percent of our goal for the year. The <b>"Work Complete"</b> figure is being recalculated for the sewer-related Action Items; meanwhile we are on track to meet or exceed our 2016 goal.	Yes	TBD See Note 2.
	<b>5. Sewer Rehabilitation</b> Increase the number of miles of sewer pipe restored; do restoration more efficiently.	<b>Goal:</b> Invest \$14 million in rehabilitation projects and update the sewer renewal strategy. <b>To date,</b> we have spent >\$11 million on rehabilitation projects. The <b>"Work Complete"</b> figure is being recalculated for the sewer-related Action Items; meanwhile we are on track to meet or exceed our 2016 goal.	Yes	TBD See Note 2.
	<b>6. Sewer Pipe Cleaning</b> Complete system-wide sewer pipe cleaning by 2022.	<b>Goal:</b> Clean 300 miles of pipe. <b>To date,</b> we’ve cleaned 437 miles of pipe; about 151 percent of our goal for the year. The <b>"Work Complete"</b> figure is being recalculated for the sewer-related Action Items; meanwhile we have exceeded our 2016 goal.	Yes	TBD See Note 2.
	<b>7. Drainage and Wastewater Master Plan</b> Complete citywide master plans for the drainage and wastewater systems.	<b>Goal:</b> Complete project management plans for both systems and begin developing the Wastewater Master Plan. <b>To date,</b> the project charter has been approved and the Plan is in development.	Yes	0–25%
	<b>8. South Park Drainage &amp; Wastewater</b> Plan drainage improvements and construct them as financially feasible to reduce chronic flooding in the South Park neighborhood.	<b>Goal:</b> Complete development of drainage conveyance system options. <b>To date,</b> the Design Commission is reviewing our street vacation request. Meanwhile, we are working with SDOT on conveyance topics, and the water quality testing equipment has arrived. We also are studying the possible need to purchase additional property for the project.	Yes	25–50%
	<b>9. Drainage and Wastewater Policy Development</b> Complete formal policy recommendations on critical drainage and wastewater issues.	<b>Goal:</b> Finalize policy work from 2015 and develop policies on eight additional issues by year end. <b>To date,</b> three policies have been approved (industrial discharges, groundwater seeping into the right-of-way, and ditch replacement); nine policy projects are underway, some of which will be completed by year end and some of which will be completed in 2017.	Yes	25–50% Lower than previously reported. See Note 1.

■ On Target  
 ■ Needs Discussion  
 ■ Significant Variance From Target

SPU Service	2015–2020 Overall Accomplishment	2016 Goal & Third Quarter Progress	% 2015-2020 Work Complete	
			On Track for 2016	
Mountain-fresh drinking water	<b>10. Seismic Vulnerability</b> Develop a plan to protect the drinking water system from earthquake damage.	<b>Goal:</b> Substantially complete the study and develop recommendations for capital and operational implementation. <b>To date,</b> we have completed the seismic vulnerability assessment of most of SPU’s water system facilities and transmission pipeline; seismic hazard assessment is nearly complete. The seismic vulnerability assessment and draft mitigation recommendations are in progress. We expect to complete the study in 1Q 2017.	Yes	25–50% Lower than previously reported. See Note 1.
Effective customer service	<b>11. Billing Meters</b> Centralize SPU’s water meter management functions and improve replacement and repair services.	<b>Goal:</b> Centralize meter management and increase the amount of testing of large retail meters. <b>To date,</b> we are addressing opportunities that will increase efficiencies and provide a higher level of customer service. We expect an update on labor negotiations in 4Q 2016.	No	0–25%
All	<b>12. Revenue Recovery</b> Establish clear and predictable charges for customers requesting a range of services, such as meter testing, new water tap installation, and turning water service on or off.	<b>Goal:</b> Revise pricing methods and charges for developer and water-related services. <b>To date,</b> we have assessed and revised our pricing methodologies and charges for multiple developer services and other water-related services.	Yes	50–75%
	<b>13. Performance Metrics</b> Establish an SPU-wide performance metrics tracking system to help us assess how well we meet our service delivery goals and to help us continuously improve business processes.	<b>Goal:</b> Build the framework and dashboards based on three representative metrics from each division that provide insight into SPU’s business and opportunities for improvement. <b>To date,</b> in September we convened a “Community of Practice” meeting for team members developing metrics with division staff to aid in the development of division dashboards. Work continues on the Metric Framework.	Yes	25–50%
	<b>14. Service Equity Toolkit</b> Ensure all communities and customer groups have equal access, service delivery, and ability to use SPU’s services.	<b>Goal:</b> Apply the Racial Equity Toolkit to four Utility activities. <b>To date,</b> we continue to apply the Racial Equity Toolkit to the Strategic Business Plan update, the Community Benefits Pilot, the Talent Management Action Plan, Natural Drainage Systems, and other SPU activities.	Yes	0–25% Lower than previously reported. See Note 1.
Ready for emergencies	<b>15. Emergencies &amp; Disasters</b> Create and implement a comprehensive plan for maintaining and restoring essential services during an emergency.	<b>Goal:</b> Complete a draft outline of the plan and begin gathering data. <b>To date,</b> the Emergency Operations Plan is progressing and includes lessons learned from FEMA’s region-wide Cascadia Rising exercise, held in August. Work on the Comprehensive Emergency Plan continues into 2Q 2017.	Yes	50–75%
Focus Area: Health and Environment: Better projecting your health and our environment				
Planning for the future	<b>16. Climate Change Adaptation &amp; Resiliency</b> Make SPU business-ready to anticipate and effectively respond to climate change.	<b>Goal:</b> Complete climate modeling analyses and historic precipitation studies; issue a Request for Proposals for developing drainage and wastewater adaptation strategy. <b>To date,</b> a new sub-consultant is being hired to finish work on the observed IDF curves; and we are scheduling a webinar to discuss how to generate “climate perturbed” IDFs. The Request for Qualifications for the DWW adaptation work is nearly finished.	No	0–25%
	<b>17. Energy Management &amp; Carbon Neutrality</b> Implement a strategy to reduce or offset greenhouse gases produced by SPU’s business practices.	<b>Goal:</b> Complete the 2014 and 2015 greenhouse gas (GHG) inventories and the carbon neutrality portfolio. <b>To date,</b> progress on the “neutrality portfolio” continues; this includes development of strategy and implementation of investments to reduce carbon emissions.	No	0–25%

■ On Target ■ Needs Discussion ■ Significant Variance From Target

Note 1: Figures for the “% 2015–2020 Work Complete” measure have been lowered for four Action Items (#2, #9, #10, #14); previous figures erroneously reported progress against the 2016 goals rather than the 2015–2020 goals.

Note 2: While the 2016 progress on the sewer projects (#4, #5, #6) is significant and on track to exceed our 2016 goals, we are recalculating our progress toward the projects’ overall (multi-year) goals and will update the information in the Fourth Quarter Report.