

EXECUTIVE SUMMARY

Seattle Public Utilities provides efficient and forward-looking utility services that keep Seattle the best place to live.

The Strategic Business Plan (SBP) supports our core work of providing high-quality utility services and protecting public health and the environment for our customers. Created with input from our employees and customers, it is designed to provide predictable rates while ensuring long-term sustainability and excellent service. To keep rates as low as possible, SPU continues to find ways to be more cost effective.

The SBP advances our approach as a community-centered utility by:

- Achieving excellence in core service delivery
- Increasing affordability and accountability
- Improving investment value
- Enhancing public health and environment
- Ensuring equity and inclusion
- Expanding impact through strong partnerships

2015-2017 SBP ACCOMPLISHMENTS

We have achieved many of the SBP's goals:

- **New investments.** We are on track or have completed nearly all of our action plans. These plans improve systems or services where they are most needed.
- **Savings and efficiencies.** We saved \$1.96 million by finding ways to work smarter and more efficiently.
- **Rates.** Despite unanticipated costs and revenue pressures, we held the average annual rate increase to 4.2%.
- **Community partnerships.** We partnered with our customers to achieve a nation-leading 58% recycling rate and assisted 33,000 qualifying, low-income customers with a 50% discount on utility bills. We also increased outreach with traditionally hard-to-reach Seattle communities and have established ongoing community partnerships to proactively address their needs and ensure equity and inclusion.

LOOKING FORWARD: 2018-2023 SBP UPDATE

To set rates for 2018-2023, we determined the current cost of operations, found areas to cut costs, and identified new investments needed to maintain or improve systems.

After identifying \$164 million in savings and \$229 million in new investments, the average annual rate increase for the SBP Update period will be 5.2%. Nearly half of the increase is inflation with the rest driven by higher costs for regulatory compliance, operations, capital financing, taxes, and major contracts.

Under the SBP Update we will focus on investments to:

- Reduce sewer back-ups and overflows into homes and private property to comply with regulatory requirements and protect public health and safety.
- Maintain and enhance drinking water infrastructure reliability to minimize service interruptions.
- Develop green stormwater infrastructure projects and continue to transition to electric vehicles to promote environmental sustainability.
- Improve work space conditions for field crews and expand the apprenticeship program to support employees in delivering essential utility services.

In addition to these adjustments, we will use the SBP Update to guide our ongoing commitment to affordability, equity and resiliency. We are committed to our continued transformation as a truly community-centered utility.

We look forward to what we'll accomplish in partnership with our customers and the communities in which they live.

Our central purpose in this plan is to balance long-term sustainability and excellent service with affordability.