



About SPU and the Strategic Business Plan

Seattle Public Utilities provides essential drinking water, drainage and wastewater, and solid waste services to more than 1.5 million people in the greater Seattle area. About 1,400 SPU employees work with our community to provide affordable and equitable stewardship of our water and waste resources for future generations.

The **2021-2026 Strategic Business Plan** builds on our strengths, focuses our work, guides essential service delivery, and maximizes the benefit of every dollar. It reflects and responds to values consistently expressed by customers and community: affordability, sustainability, and equity.

The plan reflects guiding principles that are at the center of our work ethic: understanding and responding to customers and community, ensuring affordability and accountability, addressing risk and resilience, enhancing equity and empowerment, and delivering service and safety.

Focus Areas

SPU has chosen to focus on the following areas and corresponding highlighted investments and initiatives. These are representative examples of how SPU will advance the strategies described in the Strategic Business Plan. Investments result in tangible infrastructure, asset, asset repair, or service and require more significant investment.

The charts below display the performance of the total investments in each of the Strategic Business Plan focus areas and represent the percentage of investments hitting their targets. For Delivering Essential Services the charts represent the total performance for the metrics in each of the three strategies: Strive for Best-in-Class, Provide Reliable and Rewarding Experiences, and Meet or Exceed Expectations, Requirements and Commitments.

Delivering Equitable Essential Services

Essential service delivery represents the day-to-day services our customers and community need to live healthy lives. Our staff work year-round to deliver reliable water, drainage and wastewater, solid waste services, and Clean City services.



Stewarding Environment and Public Health

Community well-being depends on a healthy environment fostered by good stewardship of water and waste resources. We are committed to supporting our community, customers, and employees in building an equitable, sustainable, and just future.



Empowering our Customers, Community, and Employees

Improving access to utility services, partnering with community organizations to increase livability and local opportunity, and cultivating and promoting a more diverse and dynamic workforce.



Strengthening Our Utility's Business Practices

The utility will examine its business practices and assess ways to improve service, be more efficient, and provide value. We will also use the best available science, data, and analysis to inform utility decision making and performance.



Delivering Equitable Essential Services

We are committed to supporting our community, customers, and employees in building an equitable, sustainable, and just future.

Best In Class	5.8% Distribution System Leakage Annual Target: ≤10%	11 Utility Discount Program Target: Meet the Need	.80 lbs Residential Garbage** Annual Target: <1lb/pers/day	100% Clean City Collection Target: ≥95%	2.85 Sewer Overflows Target: ≤4 per100 miles		
Reliable and Rewarding Experiences	97% Water & DWW response* Target: ≥ 90%	1.0 Missed waste pick-up Target: ≤1 per 1000 stops	96% Customer call response Target: ≥ 80% in 3 mins	92% Customer satisfaction Target: ≥ 90%			
Expectations, Requirements, and Commitments	62% CSO Outfalls Annual Target: ≥ 62%	2.27 lbs Garbage, Recycle, Organics** Target: < 2.5 lbs./person/day	79% Customer Effort Target: ≥ 80%	23% WMBE Purchasing Target: ≥ 17%	20% WMBE consultants Target: ≥ 22%	Met Drinking Water Quality Target: Regulation met	Met NPDES*** Target: Requirements met

* More details about the performance of these service areas below

**Metrics for Residential Garbage and Garbage, Recycle, Organics reporting is annual, and there is a lag in obtaining the data. Current annual metric available is from 2020.

*** National Pollution Discharge Elimination System permits requirements for Seattle's Drainage and Wastewater systems

Equitable Essential Services Highlights

Clean City: has exceeded their target, all year, for collecting reported illegal dumping and removing graffiti from public property. Clean City has also assisted in cleaning graffiti from private property in effort to support citizens who have been struggling during the pandemic.

NPDES: The requirements were met every month in 2021, except Dec. Snow and ice impacted S. Myrtle weekly street sweeping
WMBE Consultants: WMBE consultant contracts continued to struggle in 2021, however performance is steadily increasing over 2020.

Utility Discount Program: Since March 2020 there were 17,000 enrollments in UDP. The goal for 2021 was to meet the need of the citizens. This year saw an overall reduction in net new enrollments due to reduced financial impacts of COVID, and customers moving outside the service area.

Missed Waste Pickup: Despite impacts on collection service due to inclement weather events, and impacts on staffing due to COVID-19, SPU was able to meet the quarterly target for missed waste pickups for two consecutive quarter this year.

Meeting Target: ■ Monitor: ■

There are 9 initiatives and 9 investments identified in the Strategic Business Plan. The performance of each of the following 9 investments will be reported quarterly, and the performance of the initiatives will be reported annually with Q4 reporting

Stewarding Environment and Public Health Investments



Ship Canal Water Quality Project

Status: On Minor Delay

Description: The Ship Canal Water Quality Project (SCWQP) will improve regional water quality by keeping more than 75 million gallons of polluted stormwater and sewage from flowing into the Lake Washington Ship Canal, Salmon Bay, and Lake Union on average each year. The project is under a federal consent decree and must be operational by the end of 2025.

Annual Target:

- Design of the pump station, and Wallingford and Ballard conveyance projects
- Begin digging 2.7-mile long, 18-ft 10-in diameter storage tunnel using 22-foot diameter Tunnel Boring Machine (TBM)

Update for the Quarter: In the fourth quarter, The Final Design package for the Pump Station and Ballard Conveyance project continued progress well and is anticipated to finish by the Q2 2023 target. The tunneling for the storage tunnel has been progressing, but with minor delays. The delays were caused by a 14% reduction in the contractor's specialized workforce due to vaccine mandates. The overall construction project is on track so pump station work can begin in late Q1 2023. However, the current regional concrete strike may impact the overall progress of the construction work. We are evaluating the impact of these issues.



Green Stormwater Infrastructure

Status: On Track

Description: SPU will lead programs, policies, and partnerships to expand the use of green infrastructure, decreasing polluted runoff entering Seattle's waterways while providing substantial environmental and community benefits. Implementation focus areas include GSI projects in the Longfellow, Piper's, and Thornton Creek watersheds, as well as urban villages.

Annual Target:

- Leverage DWW Capital project investments to grow knowledge and delivery of expanded community benefits (environment, health, equity, empowerment, customer experience)
- Launch RainCity Partnerships, continue a right sized RainWise program, and increase partnership on private property in many areas of the city
- Manage an average volume of 440 million gallons (MG) of runoff with GSI

Update for the Quarter: In the fourth quarter, SPU was successful in meeting their quarterly target. The target was met each quarter this year. With 465 million gallons of polluted runoff currently being managed with GSI, SPU exceeded their annual goal of 440 million by Q4. This quarter, SPU continued to grow our community-centered project delivery approach by cultivating partnerships that deliver higher value for our customers, including fourteen Green Stormwater Infrastructure (GSI) capital project investments. SPU achieved significant progress expanding our delivery models with the release of the RainCity Phase 1 RFP. RainCity will test a relatively new approach to incentivizing stormwater management solutions through the use of a performance-based contract that explicitly ties payment to meeting both stormwater management outcomes and community-identified outcomes.

Stewarding Environment and Public Health Initiatives



Shape our Water: A DWW Plan for a Water Resilient Future

Description: SPU is developing an integrated system plan called 'Shape Our Water.' The plan includes a long-term vision and a short-term implementation plan and will guide investments, policies, programs, and projects that will improve the performance and resilience of our drainage and wastewater systems while optimizing social and environmental benefits for the city.

Commitments:

- Engage community, SPU staff, City departments, community-based organizations, and environmental organizations in the effort, this is ongoing
- Collaboratively develop a vision for Drainage and Wastewater (DWW) that will guide near and long-term investments by Q2 2021
- Identify and prioritize drainage and wastewater challenges and opportunities by Q2 2021
- Develop a toolbox of innovative solutions to drainage and wastewater challenges by Q4 2021
- Develop and evaluate alternatives to address drainage and wastewater challenges and select preferred alternative by Q4 2022
- Complete the Shape Our Water Integrated System Plan by 2023

Update for the 2021:

For the Shape Our Water Initiative, there has been a change to the target for the commitment to Develop and evaluate alternatives to address drainage and wastewater challenges and select preferred alternative by Q4 2022. The target has been revised to be well underway with brainstorming solutions with city family and external stakeholders by end of 2022.

This year, COVID-19 has had a significant impact on this initiative. Multiple staff have had limited capacity due to COVID related school and childcare closures. Also, Community, City staff at other departments, and other important stakeholders have other priorities, making it very challenging to secure adequate time for stakeholder engagement. Despite these challenges, the team working on this initiative is proud that they largely met the 2021 commitments. Most notably, the Community Vision for Shape Our Water is complete and posted on www.shapeourwater.org.



Climate Justice, Adaptation and Mitigation for Water and Waste

Description: SPU's climate work includes a holistic approach to action that includes reducing the greenhouse gas emissions that contribute to climate change, adapting our natural and built systems and operations to a changing climate, and investing in the leadership and ingenuity of frontline communities to accelerate a just climate transition for all Seattle residents.

Commitments:

- Engage community, SPU staff, City departments, community-based organizations, and environmental organizations in the effort, this is ongoing
- Manage water supply reservoirs using dynamic reservoir rule curves and other system improvements to adapt to a changing climate, this is ongoing
- Adaptively manage stormwater operations and make strategic investments to adapt to a changing climate, this is ongoing
- Manage solid waste collection operations to adapt to a changing climate, and drive GHG emissions reductions citywide through waste prevention and diversion
- Work with City departments and the Duwamish River Community Coalition (DRCC) to build Resilience District partnerships to inform drainage and wastewater investments in South Park and Georgetown, develop a sea-level rise adaptation strategy for the area, and prevent displacement of residents and local businesses, this is ongoing
- Develop electrification strategy for new SPU-owned buildings by Q4 2020*
- Develop electrification strategy for all existing SPU-owned buildings by Q2 2021*
- Complete a consumption based GHG inventory baseline by Q2 2022
- Complete SPU Operational GHG inventory analysis by Q2 2022
- Complete a comprehensive energy management plan for the utility by Q3 2023
- Achieve operational carbon neutrality by 2030

Update for the 2021:

The Climate Justice Adaptation and Mitigation for Water and Waste initiative added the inclusion of two new commitments for this initiative; Complete a comprehensive energy management plan for the utility by Q3 2023 and Achieve operational carbon neutrality by 2030.

The progress on the Resilience District partnership was delayed by COVID-19 related challenges with community engagement. As a result, the Community engagement is beginning in Q1 2022. This is approximately 6 months behind schedule. Similarly, Green New Deal deadlines were delayed.

Stewarding Environment and Public Health Initiatives



Waste Prevention

Description: SPU will lead **Waste Prevention** planning and programs that leverage partnerships, respond to changing recycling markets, and reduce the volume of single-use plastics. Examples of waste prevention actions residents and businesses can take include buying and using less; designing products to last longer; reducing packaging; buying used; and repairing, reusing, sharing, donating, or re-selling items so others can use them.

Commitments:

- Develop and adopt a Waste Prevention Strategic Plan and metrics, 2022
- Fund waste prevention innovation through SPU waste-free community grants, 2021 – 2023

Update for the 2021:

There was a change to the timeline for the development of the WP Strategic Plan. It has been changed to 2022-2024 due to limited staff resources in 2021, an extended contracting process to increase equity and WMBE opportunities, and contract negotiations with consultants. The project will be launching Spring 2022.

We are committed to making time for equity in the planning process. Rather than run a single RFQ for consultant support for this project, we chose to put out four Consultant Roster solicitations to increase opportunities for small WMBE firms. All four primes selected are WMBE firms, and 12 of the 13 subconsultants are also WMBE firms. Choosing to take more time for contracting not only resulted in significant WMBE inclusion, but also allowed us more choice so we could select a team of consultants that brings unique and valuable perspectives, skills, and experience to the project.

In the work to measure the success of the effort to fund waste prevention innovation through SPU waste-free community grants, SPU will continue to track the following for commitment: # of grant applicants and total funding request, # of grant recipients and total award amount, # of people educated/engaged through grant projects, # of partners in grant projects, # of single-use items prevented, # and/or pounds of textile items repaired/upcycled/reused, pounds of food rescued and redistributed, pounds of lumber salvaged and reused, and # of employment opportunities created.

Stewarding Environment and Public Health Initiatives



Waste Diversion

Description: SPU **Waste Diversion** work aims to reduce the amount of food waste created and support statewide food waste reduction goal of cutting food waste by 50 percent by 2030. Our extended producer responsibility efforts engage producers in developing environmentally sound and socially responsible solutions for the end-of-life management of their products. In addition to these efforts, SPU will focus on targeting contamination, improving the quality of recyclables and the quality of composting waste diversion streams, and expanding opportunities for self-haul and construction waste salvage.

Commitments:

- Work with state and regional partners to finalize a state-wide framework for extended producer responsibility, 2022
- Increase food rescue innovation partnership work, 2021 – 2022

Update for the 2021:

A framework for extended producer responsibility was completed in 2021 and we are currently supporting legislation at the state level that was developed using that framework. Additionally, SPU partnered with PCC Community Markets and Safeway to assess grocery rescue operations at eight Seattle store locations. Findings showed the absence of standardized donation equipment and practices, insufficient employee education and communication, and absence of data leads to wasted food. However, a weeklong mini test of a standardized, reusable donation bin with employee education increased the quality of food donations and showed great potential to reduce food and packaging waste. Going forward, SPU will test a standardized bin, expanded employee education, and potentially a bin service to ensure sanitation, bin tracking, and more.

COVID-19 continues to have significant impacts on food donors (grocery stores and other food service businesses) and their food rescue partners (food banks and meal program providers). Employee and volunteer turnover, the up and down nature of retail business during COVID, and overall uncertainty has made it challenging to engage broad participation. Despite these challenges, we managed to assess operations at eight Seattle grocery store locations in 2021. We expect these challenges to continue in 2022 as we learn about leadership changes across 2021 business partners. However, there's also a strong desire by retailers to cut food waste and find effective solutions. We're moving ahead with Safeway to expand the bin prototyping and identifying incremental steps to test with other grocers who have less capacity.

SPU has learned that standardization of solid waste systems (uniform recycling, composting, and garbage collection carts, consistent signage, and reinforced messaging) lead to higher recycling and composting rates with reduced contamination. In 2022-2023, we'll apply these same principles in grocers' food donation systems to test whether they can reduce wasted food and contamination while also strengthening the value of their food donations to hunger relief organizations.



Side Sewer Assistance Pilot and Implementation

Status: On track

Description: Identify and test program approaches that are of value to customers that help reduce the costs of owning and maintaining side sewers.

Annual Target:

- Apply the Racial Equity Toolkit to program implementation by Q2
- Develop an implementation plan with strategies and tactics to pilot the program
- Develop program awareness and pilot program
- Acquire a 3rd Party Agreement or Contract (if applicable)

Update for the Quarter: In the fourth quarter, the Side Sewer Assistance Pilot ended the year successfully meeting all of their targets. Q4 saw the 3rd Party Agreement signed by all parties. The Pilot Program was back on track with program collateral materials completed. SPU was also able to initiate customer outreach and program enrollment.



SPU Support Services for the Unsheltered

Status: Minor Delay

Description: SPU is increasing support services for the unsheltered through the provision of cost-effective sanitation and disposal service solutions for Seattle's unsheltered populations including trash, sharps, (i.e., used needle collection) and recreational vehicle services.

Annual Target:

- Service 30 different unsanctioned homeless encampments
- Collect 525,000 pounds of litter from homeless encampments
- Collect 23,000 Sharps from homeless encampments
- Perform 144 RV Pocket cleans in hotspot areas around the city

Update for the Quarter: In the fourth quarter, SPU surpassed most of the identified targets for the year. They continued to service 30 different unsanctioned homeless encampments; however, RV hotspots and pockets cleans did stall. The RV program experienced an unexpected loss in personnel in Q3. The personnel issue was addressed as quickly as possible with temporary advancement of internal staff, allowing SPU to make up ground in RV pocket cleanouts in Q4. The year ended with 124 RV pocket cleans, just short of the 144 target. Additionally, in 2021 SPU collected a total of 745,892 pounds of trash from homeless encampments, exceeding the target by over 220 pounds; and a total of 41,315 sharps (needles, exceeding the target by almost 80%.

Empowering our Customers, Community, and Employees Investments



DWW Recreational Vehicle (RV) Mobile Pump Out Program

Status: On track

Description: Operate a pilot RV pump out program to address dumping of sewage and other contaminants that can enter the drainage system and travel to local waterways through drainage catch basins.

Annual Target: Service 1560 RV Wastewater Tanks in 2021 (130 per month).

Update for the Quarter: In the fourth quarter, SPU completed 392 pump outs of RV wastewater tanks. With the work completed in Q4 SPU exceeded their annual target for RV pump outs by 7% with a total of 1546 in 2021. During the year SPU made changes to the service interval timeframes from 4 weeks to 6 weeks, and then back to 4 weeks. In Q4 SPU continued to use the once every 4 week service model, as that was determined to be the most successful. Additionally, as part of this analysis and change to service delivery, the annual target was modified to 1440 for the year.



Workforce Facilities Investments

Status: Minor Delay

Description: Foster a more equitable workplace, work culture, and better work opportunities by investing in our employees; and continue improvements to SPU workforce facilities to improve working conditions for frontline employees at South Operations Complex, North Operations Complex, Cedar Falls Phase 2, and at the Seattle Municipal Tower (SMT).

Annual Targets:

- Update Facilities Master Plan strategy
- Begin planning and design work for North Operations Complex (NOC)
- Begin planning and design work for South Operations Complex (SOC)
- Begin planning and design work for Cedar Falls Phase 2
- Complete planning and design work for SMT reconfiguration

Update for the Quarter: Update for the Quarter: In the fourth quarter, SPU was on track to meet all the targeted goals for most Workforce Facilities Investments. The **Facilities Master Plan** project management plan and scoping was finalized.

The discussion for scope and deliverables for the **North Operations Complex** is ongoing and has continued through Q4. The **South Operations Complex** planning, and design continues to be on track to meet annual goals. In Q4 the work to install fiber optic service for improved and liable system access was completed. Additionally, Stage Gate 2 options analysis for Staff hygiene facilities was completed and waiting project approval. The project to replace the columns in the bus washing area requires a public works contract and is expected to be completed in Q2 2022.

SMT Reconfiguration ended the year on track with the construction on the Concept space 98% complete, and furnishings being installed. The rough opening for tours is targeted for early Q2 2022.

Due to staffing vacancies in Q4, progress remains slow on moving to Stage Gate 2, for **Cedar Falls Phase 2**.



Customer Affordability Programs

Description: SPU has and will continue to take concrete action to improve our suite of programs that help keep our services affordable for lower-income customers. Our work to improve customer assistance has included increasing Utility Discount Program enrollment through a self-certification pilot, expansion of the Emergency Assistance Program, proactive outreach to prevent shut offs, and multi-family building notification improvements. We will continue to build on these improvements in 2021-2023

Commitments:

- Increase enrollment in the Utility Discount Program (UDP) by 6,000 net new enrollees by the end of 2023
- Increase utilization of the Emergency Assistance Program by issuing 2,400 emergency assistance credits to eligible households by the end of 2023
- Expanded financial benefit of the new SPU leak adjustment policy to 1,500 customers

Update for 2021: In 2021 SPU Customer Affordability Programs continued to work on assisting customers who may have been financially impacted by the ongoing pandemic. In response to customer demand, the numeric enrollment goal for UDP continued to be 'to meet the need', we continued to offer the use of the fast track online enrollment form where customers were not required to provide proof income eligibility until a process of certification is initiated in six months. In 2021 due economic bounce back in the region, many of the households that were initially helped by the UDP no longer needed assistance, and the net enrollment numbers reflected the removal of these customers from UDP.

The Emergency Assistance Program assisted 2678 households. These income-eligible households received a combined total of \$2.1M in credits on their outstanding account balances. Some of these households applied for the assistance, and some automatically had credits applied if they were already receiving assistance through UDP. The total funding came from funding from the City of Seattle for EAP and additional funding came from Federal COVID relief funding for emergency rental assistance that could be applied to utility bills.

After expanding the Leak Adjustment Policy, which allowed for expanded financial benefits for customers who experienced higher than usual consumption due to leaks, SPU ended the year completing 2,041 leak adjustments to customer accounts.



Race and Social Justice (RSJ) Strategic Plan

Description: SPU's RSJ Strategic Plan outlines a comprehensive approach to support the utility's internal and external RSJ work. The plan is comprised of a series of actions that include updating the Race and Social Justice Toolkit, deepening staff engagement in RSJ work, increasing community engagement to advance RSJ policies and service equity, and strengthening relationships with underserved communities by building on current engagement strategies. Increased employee engagement in RSJ work will result in a more equitable work culture; increased community engagement will provide a deeper understanding of the needs of our customers and help inform policy.

Commitments:

- Broader engagement of staff in RSJ work, increased community partnerships, by the end of 2023
- Update and revisions of SPU's RSJ strategic plan, Q2 2021

Update for 2021:

Although there was a change in the timeline for the update and revision of SPU's RSJ Strategic Plan, SPU had many RSJ accomplishments in 2021. Some of the highlights are:

- 90% Women- & Minority-Owned Public Utilities Vendors: Attained 61% WMBE vendor utilization on purchasing transactions. While the branch did not reach its WMBE vendor utilization goal, consultant WMBE utilization increased from 29% in 2020 to 49% in 2021.
- Claims Program Dashboard Review: Updated claims distribution heat map to review and identify potential equity impacts. Simplified emergency housing response plan and procedure for partnering with FAS and improving response time on housing needs on storm-related claims.
- Develop Staff Equity Learning: June, held a branch-wide equity event on racial identity and racial identity development, focused on developing a positive racial identity through cultivation of nonjudgmental curiosity. November, held another branch-wide event focused on seeing and understanding racism, including exploring the four types of racism and raising one's race consciousness by learning ways to expand awareness of how racism works as a system.
- Drinking Water Line of Business Hiring Form: Water Line of Business and Shared Services branch developed a hiring form to add a deeper RSJ lens to the hiring process. The new process includes reviewing the hiring language with an RSJ lens, broadening hiring outreach to BIPOC professional groups and underrepresented communities, screening resumes in a way that removes biases, having diverse interview panels, and adding RSJ questions to each phase of the interviews.

SPU will continue to work on their commitment to efforts to ensure equitable delivery of programs and services. SPU's RSJ Strategic Plan is estimated to be completed by Q3 2022.

Empowering our Customers, Community, and Employees Initiatives



SPU Workforce Development

Description: SPU's RSJ Strategic Plan outlines a comprehensive approach to support the utility's internal and external RSJ work. The plan is comprised of a series of actions that include updating the Race and Social Justice Toolkit, deepening staff engagement in RSJ work, increasing community engagement to advance RSJ policies and service equity, and strengthening relationships with underserved communities by building on current engagement strategies. Increased employee engagement in RSJ work will result in a more equitable work culture; increased community engagement will provide a deeper understanding of the needs of our customers and help inform policy.

Commitments:

- Internal trainings: develop resume building, mock interviews, and leadership excellence series, 2021-2022
- Recruitment: create a diverse interview panel roster, identify, and develop community partners, conventional and non-conventional to locate top diverse applicants, 2021-2022
- Mentorships: build upon existing program, establish mentor roster, and build a "shadowing" system, 2021-2022
- Performance management: enhance existing programming to include non-APEX/ SAM employees and incorporate an Individual Career Action Plan (ICAP) for interested employees, 2021-2022
- Tuition Assistance Program (TAP): expand program to include payments for employees with existing student loans, 2021
- RSJI: continued work with internal groups (Seattle Silence Breakers/ Change Team/ Environmental Justice and Service Equity) to update work products associated with maintaining equity in the workplace, 2021-2022

Update for 2021: As part of the SPU Workforce Development planning some of the commitments have changed or been removed. The timing has changed to 2021 – 2023 for the following milestones:

- Internal Trainings
- Performance Management
- Tuition Assistance Program

Timing has changed for the Tuition Assistance Program to clarify that it is a multi-year project, and it has been determined that the commitments for Internal trainings and Performance Management will require additional time to complete, as they require multiple engagements.

SPU has removed the Career Action Plan (ICAP) from the Performance Management plans. Additionally, they stopped their continued work with internal groups to update work products associated with maintaining equity in the workplace. Talent Acquisition and Training & Development Teams made significant progress with our HR commitments and are working in collaboration with Executives and RSJI teams to integrate equity throughout the process, and funds will instead be utilized to add new skills and developmental opportunities for staff. SPU ended the year without completing any feet of cathodic protection on transmission pipes due to ongoing permitting delays at King County. While the target for 2021 was not met, SPU anticipates completing double the amount of feet of cathodic protection by the end of 2022.

Strengthening Our Utility's Business Practices Investments



Water System Seismic Resilience

Status: At Risk

Description: Implement short-term measures, such as improving emergency preparedness and response planning, and adopting isolation and control strategies, that can be used to mitigate the effects of seismic damage until expensive long-term infrastructure improvements can be made.

Annual Target:

- Transmission Pipelines: Develop approach/plan for upgrading transmission pipeline system
- Upgrade Vertical Facilities – Hire consultant and commence seismic assessment/ options development for Riverton and Eastside Reservoir seismic retrofits
- Install Earthquake Resistant Pipe: Define Critical Water Mains and Update Seismic Design Standards for New Watermains
- Improve Emergency Response Planning: Complete Water System Earthquake Hazard-Specific Response Plan

Update for the Quarter: In the fourth quarter, SPU was not able to meet all of their quarterly targets. The final report for the Transmission Pipeline was completed, as planned. However, due to prioritization of other projects, there is a major delay in updating the Seismic Design Standards until the 3rd or 4th quarter of 2022, with only 50% critical water main identification completed by the end of 2021. In spite of Q4 targets not being met, there was progress made on the upgrade to Vertical Facilities, which had been delayed in Q3. A contract has been executed for the Eastside Riverton Seismic Study and the consultant has started work.



DWW Asset Management and Opportunity Work

Status: Minor Delay

Description: Increase investment in the rehabilitation of sewer pipe, pump stations, combined sewer overflow outfalls, and force mains; as well as develop a renewal program for the City's drainage system to reduce asset and facility failures.

Annual Target:

- Expand Sewer Rehabilitation work
- Add 1 pipe assessor to the Sewer Rehabilitation Program
- Expand Drainage Rehabilitation work
- Complete drainage program review
- Wastewater Pump Stations, Force Mains (FM), and CSO Outfall Rehabilitation

Update for the Quarter: In the fourth quarter, SPU crews ended 2021 by exceeding their annual goal for Sewer and Drainage Rehabilitation work. In Q4 for Sewer Rehabilitation the SPU crews completed 62 work orders bringing the total for 2021 to 343 work orders, which is 34% for their targeted goal of 120 work orders for the year. The contracted crews completed .1 miles of rehab work this quarter for a total of 5.9 miles completed this year, 1.5 miles over their annual goal. For Drainage Rehab, the SPU crews completed 17 work orders in the fourth quarter. While this is just short of the target of 17, they exceeded the overall goal for the year by completing a total of 102 work orders.

As expected, Pump 118 commissioning was completed in Q4, however the rehabilitation of FM 45 has been delayed until 2025, for design to address contaminated soils and basin capacity analysis. Soil contamination was discovered in Q3. 2021 ended without completing the hiring of an additional pipe assessor; SPU anticipates hiring 3 FTE in 2022.



Description: Take advantage of street openings, driven by transportation projects, by initiating water infrastructure projects to improve service; and replace failing infrastructure at reduced costs through shared pavement restoration, mobilization, and traffic control costs. This consists of 3 different investment projects: Water System Overall Asset Management, Hydrant and Valve Maintenance and Water Asset Transportation Opportunity Projects.

Annual Targets:

- Water Asset Transportation Opportunity Projects
 - Project assessment to determine opportunity
 - If project is identified, prepare scope and cost estimates for inclusion into SDOT project
- Hydrant and Valve Maintenance
 - Sustain 99.9 percent of hydrants in service
 - 95% of newly reported out of service (OOS) hydrants returned to service on a quarterly basis
 - 1600 low priority (minor) hydrant work orders completed
 - Hire 2 additional staff in Q2
 - 82 critical valve work orders completed in Q3 & Q4
- Water System Overall Asset Management:
 - Complete 1 mile per year of planned water main replacement
 - Complete 650 replacements per year of water service line replacements (renewals)
 - Complete planning and evaluation for rehabilitation for 2 water tanks
 - Complete 2,500 feet per year of new cathodic protection on transmission pipes

Update for the Quarter:

- **Water Asset Transportation Opportunity Projects:** In the fourth quarter, SPU continued scope development for SDOT Bridge Seismic Retrofit (BSR) Project at 15th Ave NE/NE 105th St. and anticipates design to start on the project in Q1 2023. New projects in Q4 include 2 water main impact mitigation projects, a Kenyon sidewalk project with SDOT, and a King County Force Main project at Interbay. This quarter SPU continuous reviews for opportunity and impact-driven interagency projects, including with SDOT, WSDOT, and King County.
- **Hydrant and Valve Maintenance:** In the fourth quarter, SPU continued to maintain the goal of sustaining 99.9% of hydrants in service; they were able to successfully hit this target each quarter in 2021. In Q4, 34 hydrants were reported as out of service, and 43 were returned to service. The additional hydrants returned to service this quarter resulted in a return to service rate of 126%, the target for Q4 was 95%. SPU completed 564 minor hydrant work orders in Q4, exceeding their target by 41%. SPU was not able to complete any critical valve inspections in 2021, due to difficulties in recruiting for additional FTEs. However, all other goals were exceeded for the year.
- **Water System Overall Management:** In the fourth quarter, there were 125 reactive service renewals and 8 proactive service renewals. This was fewer than anticipated for the quarterly milestone. This year, SPU was not able to meet their annual target of 650 proactive and reactive service renewals, there were reduced renewal opportunities provided by pavement restoration in conjunction with the other projects or commercial development street restoration. Q4 Water Main Multi-Site Projects #2, 3, 4, 5 and 6 continue to move forward, though the impacts of COVID-19 have caused some delays. Water Main Multi-Site Project #7 is a few months behind schedule but is on track to be completed in Q1 2022. The Water LOB Planning and Management approved the condition assessment reports for the Magnolia and Trenton tanks which had assessments completed in the previous quarter. SPU ended the year without completing any feet of cathodic protection on transmission pipes due to ongoing permitting delays at King County. The target for 2021 was not met. SPU anticipates completing double the amount of feet of cathodic protection by the end of 2022.



Accountability and Affordability Strategy Plan

Description: While SPU is making progress in managing rates, the affordability of drinking water, wastewater, and stormwater is a challenge in Seattle and for utilities nationwide. As we confront increasing costs of living in housing and other sectors and the increase in economic inequality among our residents, the affordability of SPU's services becomes even more critical. Our strategy outlines a holistic approach to deliver essential utility services, keep rate increases lower, focus corporate culture on continuous improvement, and make investments that deliver multiple benefits to the community.

Commitments:

- Implementation of actions across six practice areas, end of 2023
- Update and revisions of actions by practice area, Q1 2021, Q1 2022, and Q1 2023

Update for 2021:

In 2021, SPU continued to make headway in accomplishing commitments its A+A strategic plan and in managing rate affordability overall. Overall, SPU's adopted SBP rate path lowered proposed average rate increases by 20% from 5.2% to 4.2%. Actions in 2021 included:

- Improved budget monitoring and reporting
- A Simplify Work pilot that saved over 500 hours of time in 5 different areas.
- Additional COVID customer financial support (increased EAP assistance, disbursement of Federal Rental assistance dollars)
- Improved capital project accomplishments reporting
- New partnership grant from Robert Wood Johnson Foundation to continue resilience district efforts in the Duwamish Valley
- Launching the Big Idea work improvement challenge as part of a continuous improvement effort across the department

This effort has made forward progress despite COVID-19 collaboration challenges and loss of lead staff. In early 2022, SPU will release a 2019-2021 accomplishments report and a 2022-2023 work plan. A new staff lead has also been assigned.



Risk and Resilience Strategic Plan

Description: This strategy focuses on working with business units to assess risk and resilience; identify opportunities and reduce negative impacts; and develop tools to support maximum benefit to SPU in areas such as equity, finance, legal, security, and asset management. How to approach risk, how to make decisions involving uncertainty, and how to address, adapt to, and recover from factors that might disrupt our ability to provide critical utility services will be a key emphasis. The work will also center around building partnerships within and outside SPU, mapping interdependencies, and developing action items supporting increased resilience.

Commitments:

- Create and support use of risk and resilience tools to help decision-making, maximize opportunities, and reduce negative risk, Q4 2021
- Work with each SPU line of business and branch to complete ongoing risk assessments, map interdependencies, and develop action plans to increase resilience to identified and future hazards, Q4 2021 and ongoing
- Develop and continuously update (at least quarterly) a risk register highlighting major crosscutting risks across SPU, this is ongoing

Update for 2021:

With the Risk and Resilience Initiative, there has been changes made to the timelines for two of the commitments:

- Create and support use of risk and resilience tools to help decision-making, maximize opportunities, and reduce negative risk
- Work with each SPU line of business and branch to complete ongoing risk assessments, map interdependencies, and develop action plans to increase resilience to identified and future hazards

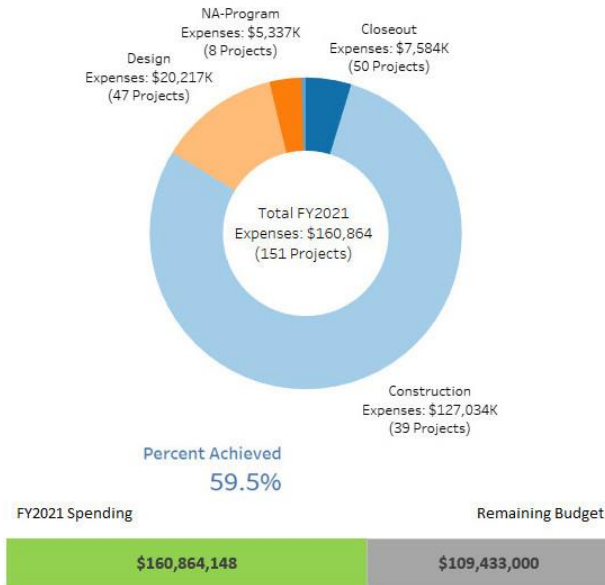
These commitments have been updated to reflect that the work will not be completed in 2021, rather it's an ongoing effort. Overall SPU has made major accomplishments supporting this strategy in 2021 in some of the following ways:

- The ongoing Wildfire Risk Analysis aims to increase understanding of wildfire risk to critical operations for SPU and SCL, understand and recommend mitigation actions to reduce risk, and recommend further area of study to better assess and mitigate risk.
- Climate Actions Partnering with OEM, Public Health, and King County to carry out near-term response and long-term extreme heat mitigation planning.
- Partnering with SDCI to develop sea level rise (SLR) risk area policy for private property within the SLR inundation zone.
- Building community momentum and communications for the Duwamish Valley Resilience District, funded by the Robert Wood Johnson Foundation.
- In partnership with SPU, OPCD applied for FEMA BRIC funding to further SLR adaptation infrastructure planning in the Duwamish Valley beyond the current philanthropic grant-funded effort.
- Seismic Improvements Continued work on drinking water system critical infrastructure vulnerability and assessment
- Continued regional Water Supply Forum discussions about seismic resilience funding needs.

Staffing has been an issue for comprehensive oversight in 2021. However, we are in a hiring process and hope to have a lead in place by Q2 2022. SPU also needs to ensure that we are highlighting and uplifting the work happening in other branches (versus overlapping, duplicating work) and helping support them by monitoring trends and identifying and resource any crucial gaps.



YTD Q4 2021 PDEB CIP Spending



Key Updates

C416010/C416015 - Madison Bus Rapid Transit Project: Construction began in Q4. SPU is updating standard DWW facilities and replacing watermain along Madison St.

C413013/C416005 - SR 520 - Montlake Phase: WSDOT project is under construction. WSDOT's contractor replaced the 12" watermain in the Montlake Way crossing of SR520 and completed construction of a pressure-reducing valve station adjacent to the 54" watermain.

C315502/C315506 - SCWQP Tunnel Effluent Pump Station & Ballard Conveyance: Plan to advertise in Fall 2022. NTP planned for Q2 2023.

C315503 - SCWQP Storage Tunnel: In construction. Added contract time due to severe weather in 2021. TBM has completed 8% of total drive distance.

C315507 - SCWQP Wallingford Conveyance: Plan to advertise in May 2022.

C113007 - Lake Forest Park Reservoir Covering: Currently in construction. liners were installed on both cells and the cover was completed for the east cell placing only the east cell back in service.

C114074 - 430 Pipeline Improvements: Contract awarded. Construction delayed due to concrete strike.

C416030/C600196 - Delridge Way MMC: SDOT project is in closeout.

C115120 - Tolt Early Warning System: Design team completed 90% design for Phase 1 in Q4 2021. Design team will complete 90% design for Phase 2 in Q1 2022.

C312051 - Pearl Street DWW Improvements: The project is in the final stages of construction and plans to be completed by summer 2022.

C308011 - South Park Pump Station: project is currently in construction; anticipated completion October 2022.

C314057 - South Park Roadway and Drainage Improvements: Partnership project with SDOT is currently in construction with an anticipated completion in 2023.

C316056 - Longfellow Natural Drainage Systems: Project will be starting construction in April 2022 with anticipated completion in early 2023.

C600275 - 15th Ave NE AAC Paving: SDOT project is in closeout construction. SPU scope included replacement of approx. 200 linear feet of 3" substandard galvanized watermain with 8" ductile iron.

Upcoming Construction Bids

- **C117001** - CP Improvements 2021 Package
- **C600299** - Watermain Rehab Package
- **C600491** - Melrose I-5 Sewer Crossing
- **C312060** - 12th Ave Drainage Improvements
- **C600098** - 45th Ave NE Sewer Re-Route

Upcoming Consultant RFPs

- **C316078** - Fauntleroy Creek 45th Ave SW Culvert Replacement

PDEB 2021 – 2022 Capital Project Schedule

PDEB Capital Project Schedules		2021												2022											
- Top 40 by FY 2021 Expenses		1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Water	C113007 - Reservoir Covering-L Forest Pk	█																							
	C116064 - WM Rehab Package #2																								
	C117016 - Tolt Valve 15 Leak Repair	█	█	█																					
	C115120 - Tolt Dam Warning System																								
	C115112 - Spokane St Pump Station Improvement																								
	C600454 - WM Rehab Multisite Package #5																								
	C600299 - WM Rehab Package #4																								
	C315503 - SCWQ Storage (Tunnel)																								
	C308011 - S Park Flood Control Pump Sta																								
	C312051 - Pearl Street DWW Imp																								
DWW	C314057 - South Park Drainage Conveyance	█	█	█	█	█																			
	C314056 - Ship Canal WQ Project	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C317017 - 2017 Sewer Lining Small Diameter	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C317016 - 2017 Spot Sewer 1	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C317034 - 5th Ave S Full Line Replacement																								
	C399315 - Taylor Creek Culvert Replacement	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C315502 - SCWQ- Pump Station	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C317008 - East Montlake PS and FM Upgrade																								
	C317006 - Washington Park SW Tank Gate Retrofit																								
	C317019 - 2017 Sewer Lining Large Diameter																								
Shared	C316083 - NDS Thornton	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
	C315506 - SCWQ Ballard Conveyance	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
	C600693 - 35th Ave S Emergency Swr Rehab																								
	C600555 - 2021 Spot Sewer Rehabilitation Project																								
	C312060 - 12th Ave SSO & Drainage Imp																								
	C316056 - NDS Longfellow	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C315071 - PS 22 Retrofit FM Replacement																								
	C600219 - PS 62, 63, 71, Improvements	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C600686 - Sewer Lining Contract 21-1	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C410018 - AWW & Waterfront CSO Control																								
SW	C600196 - SDOT Delridge Way MMC-Wtr																								
	C600275 - SWM SDOT 15th Ave NE AAC Pave																								
	C413048 - Waterfront Seattle WM Work																								
	C316078 - Fauntleroy Crk Culverts Replacement	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C600752 - 2225 30th Ave W Spot Rehab	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C416030 - SDOT Delridge Multimodal-DWW																								
	C413013 - SR 520 Corridor Project-WF																								
	C317032 - 40th Ave Full Line Replacement																								
	C316081 - Kenyon and MLK Spot Replace	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
	C212041 - STS2 - Solid Waste Facilities																								

Options Analysis Design Construction Closeout





Financial Performance Reporting

Financial performance reporting tracks the Utility's planned budget and consumption and revenue forecasts alongside operating and capital program expenditures, accomplishments, and received revenue for each utility fund – water, drainage and wastewater, and solid waste.

The SPU Finance Division and Accounting Division compare actual performance against the budget on a monthly and quarterly basis and update the Utility's financial projections accordingly to guarantee that the Utility stays within the approved and legislated budget. SPU also considers the accomplishment performance when developing longer-term financial projections that are included in the Strategic Business Plan and subsequent rate studies.

Over the next few years, SPU will work to supplement its financial performance reporting with a more robust affordability metric evaluation. This will guide policy work related to financial capability assessments for federal regulatory and consent decree requirements, federal funding advocacy initiatives, customer assistance programs, and utility rate setting. Current affordability metrics track customer delinquency, utility discount program enrollment, as well as emergency assistance program and payment plans usage. This is supplemented by Citywide statistics related to income, cost of living, income disparity, poverty indicators, and household self-sufficiency standards.

YTD Q3 2021 CIP Accomplishment Rate

The year-end 2021 CIP accomplishment rate for all funds was 59% with actual expenditures of \$248 million against a budgeted amount of \$420 million. Accomplishment was mixed by fund. Please note that the shared budget and technology budget are paid for using all funds at the Utility.

- The Water Fund (excluding shared and technology) accomplished 57% of the year-end budget with \$44.4 million in actual expenditures against a budget of \$78.2 million.
- The Drainage and Wastewater Fund (excluding shared and technology) accomplished 63% of the year-end budget with \$151.1 million in actual expenditures against a budget of \$240.3 million.
- The Solid Waste Fund (excluding shared and technology) accomplished 65% of the year-end budget with \$13.4 million in actual expenditures against a budget of \$20.5 million.
- Shared CIP accomplished 35% of the year-end budget with \$24.3 million in expenditures against a budget of \$69.3 million.
- Technology CIP accomplished 121% of the year-end Budget with \$14.7 million in actual expenditures against a budget of \$12.2 million. This budgetary overspending was covered by budget carried forward from prior year underspending.

Water Fund Q4 2021 Financial Results

(\$ in millions)

	2021 Annual			
	Annual Plan to Spend	Annual Spent	Year-end Variance	% Spent
Expenditures				
Operating**	\$273	\$327	(\$54)	120%
Capital	\$117	\$65	\$53	55%
Total Expenditures	\$390	\$391	(\$1)	100%

	Annual Planned Revenue	Annual Received	Year-end Variance	% Received
	Operating Revenue			
Retail Customer Rev.	\$208	\$213	(\$5)	103%
Wholesale Customer Rev.	\$56	\$57	(\$1)	103%
Other Revenue	\$12	\$33	(\$21)	271%
Total Operating Revenues	\$276	\$303	(\$27)	110%

*Negative number means over-spend in the case of expenses, and over-recovery in the case of revenue.

**O&M YTD overspent due to bond defeasance of \$51M, which was addressed in the 3Q supplemental.

Drainage and Wastewater Fund Q4 2021 Financial Results

(\$ in millions)

	2021 Annual			
	Annual Plan to Spend	Annual Spent	Year-end Variance	% Spent
Expenditures				
Operating	\$465	\$464	\$1	100%
Capital	\$278	\$167	\$111	60%
Total	\$743	\$631	\$112	85%

	Annual Planned Revenue	Annual Received	Year-end Variance	% Received
	Operating Revenue			
Wastewater Revenue	\$315	\$333	(\$18)	106%
Drainage Revenue	\$165	\$165	\$0	100%
Other Revenue	\$6	\$8	(\$2)	125%
Total	\$486	\$506	(\$20)	104%

*Negative number means over-spend in the case of expenses, and over-recovery in the case of revenue.

**O&M YTD overspent due to bond defeasance of \$51M, which was addressed in the 3Q supplemental.

Solid Waste Fund Q4 2021 Financial Results

(\$ in millions)

	2021 Annual			
	Annual Plan to Spend	Annual Spent	Year-end Variance	% Spent
Expenditures				
Operating	\$217	\$206	\$11	95%
Capital	\$25	\$16	\$9	64%
Total	\$242	\$222	\$20	92%

	Annual Planned Revenue	Annual Received	Year-end Variance	% Received
	Operating Revenue			
Residential	\$145	\$151	(\$6)	104%
Commercial	\$58	\$62	(\$4)	107%
Other Revenue	\$18	\$25	(\$7)	139%
Total	\$221	\$238	(\$17)	108%

*Negative number means over-spend in the case of expenses, and over-recovery in the case of revenue.