



SBP Progress Report

First Quarter, 2023

Implementing the 2021-2026
Strategic Business Plan Update

June 12, 2023



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. Over 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 (SBP) 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.

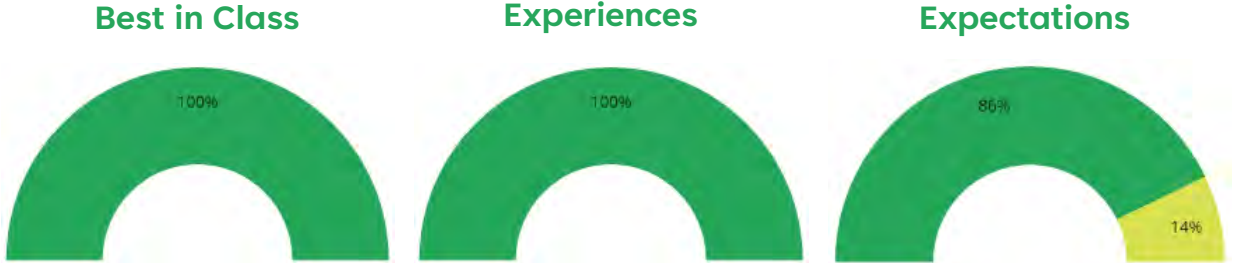


Focus Area Progress

SPU has chosen to focus on the following areas and corresponding highlighted investments. These investments 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 display the performance of the total investments in each of the Strategic Business Plan focus areas and represent the percentages 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.



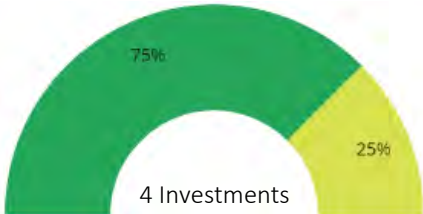
STEWARDSHIP ENVIRONMENT AND PUBLIC HEALTH

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.



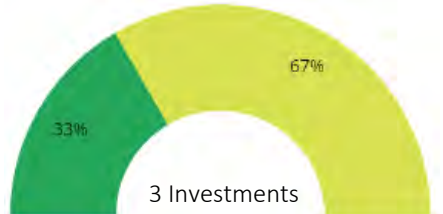
EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES

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.



On Track Minor Delay At Risk Off Track

Focus On

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

6.2%
Distribution System Leakage
Annual Target: ≤10%

0.91lbs
Residential Garbage*
Annual Target: <1lb /pers/day

1.5
Sewer Overflows
Annual Target: ≤4 per 100 miles on a 2 yr. avg.

100%
Clean City Collection
Annual Target: ≥95%

566
Utility Discount Programs
Target: Meets the Need

RELIABLE AND REWARDING EXPERIENCES

97%
Water & DWW Response
Annual Target: ≥90%

97%
Customer Call Response
Target: ≥ 80% in 3 mins

92%
Customer Satisfaction
Target: ≥ 90%

0.7
Missed Waste Pick-up
Target: ≤1 per 1000 stops based on a 52-week rolling avg.

EXPECTATIONS, REQUIREMENTS, & COMMITMENTS

62%
CSO Outfalls
Annual Target: ≥ 62%

2.22
Garbage, Recycling, Organics*
Target: < 2.5 lbs./person/day

22%
WMBE Purchasing**
Target: ≥23% total purchasing dollars

Met
Drinking Water Quality
Target: Regulation met

Met
NPDES
Target: Regulation met

79%
Customer Effort
Target: ≥ 80%

28%
WMBE Consultants**
Target: ≥ 25% total consulting dollars

■ = Meeting Target ■ = Minor Delay

*Metrics for Residential Garbage, Recycling, and Organics reporting is annual for previous year, there is a lag in obtaining the data.

** WMBE is a cumulative target that is reported as a percent throughout the year until Q4.



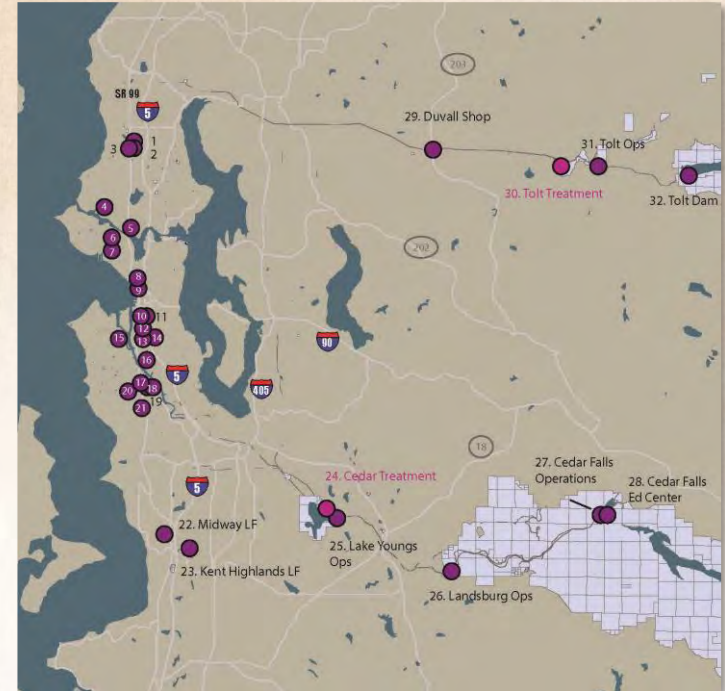
FOCUS ON: Delivering Equitable Essential Services



DWW RV Wastewater Program

Sewage stored in RV tanks can spill or leak without proper storage and disposal. SPU supports personal hygiene, water quality protection and public health improvements through the free monthly RV Wastewater Collection service.

To learn more, visit [RV Wastewater Collection – Utilities](#).



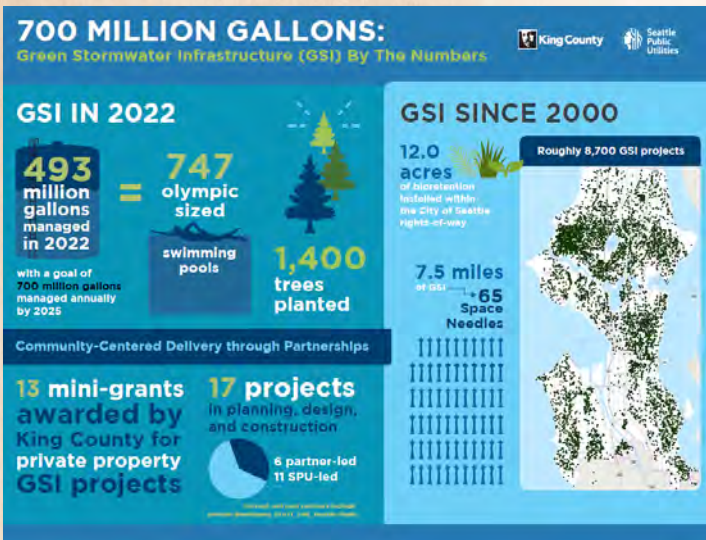
Green Stormwater Infrastructure

The GSI program is on track to meet its target, managing an average volume of [700 million gallons](#) of stormwater through GSI by 2025, supporting community-wide implementation.

The 2022 year-end accomplishments (left) showcase a few GSI projects taking place across Seattle.

Workforce Facilities

Workplace and storage facilities are essential components that empower SPU staff to fulfill our mission. SPU leadership has renewed its commitment to providing safe, quality workspaces for every employee by prioritizing necessary investments in workforce facilities and addressing gaps in their management. As a result, SPU will have an updated Workforce Facility Master Plan by the end of 2023.



Focus On

STEWARDING ENVIRONMENT AND HEALTH

SHIP CANAL WATER QUALITY PROJECT

Investment

Status: At Risk

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:

- Complete Mining of 18ft diameter Storage Tunnel
- Complete Mining of 8ft diameter tunnel under Ship Canal
- Start Construction of Wallingford Conveyance Project
- Start Construction of Ballard Pump Station/Ballard Conveyance Project
- Update Program Budget and Completion Schedule

Update:

Most planned Q1 milestones have been met, including the completed mining of an 8ft diameter tunnel and the initiation of the Wallingford construction project. The current 2023 cost forecast (actuals through February, the latest month available) is on track with the interim program budget of \$640M, and cash flow forecast. This is planned to be formally updated in Q3 2023, following the opening of construction bids for the \$125M Ballard Pump Station/Ballard Conveyance project. Some key program risks identified include obstructions during 18ft diameter tunnel mining and high bids on the Ballard Pump Station/Ballard Conveyance project. Finally, the program consent decree construction completion milestone for 12/31/25 will not be met and negotiations are underway with regulators to modify this deadline soon.



FOCUS ON: Stewarding Environment and Health

GREEN STORMWATER INFRASTRUCTURE Investment

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 Green Stormwater Infrastructure (GSI) projects in the Longfellow, Piper's, and Thornton Creek watersheds, as well as urban villages.

Annual Targets:

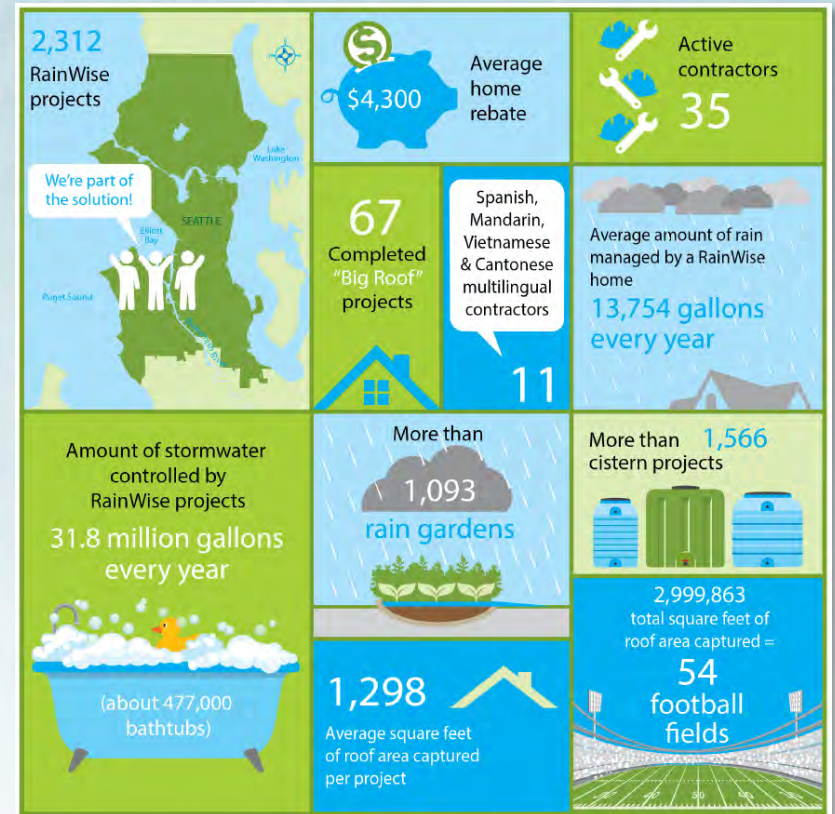
- Promote GSI installations on privately owned lands through stormwater code requirements, and voluntary incentives programs (RainCity, RainWise and the Beyond Code GSI Partnership Program)
- Leverage DWW Capital project investments to grow knowledge and delivery of expanded community co-benefits (environment, health, equity, empowerment, customer experience)
- Increase access to GSI workforce wealth-building opportunities through co-creation of SPU youth opportunity corps with Seattle Jobs Initiative
- By end of 2023 manage an average annual volume of 510 million gallons (MG) with GSI

Update:

Promoting quality GSI installations on privately owned lands is one of the priorities of this initiative. GSI constructed as part of development and redevelopment projects as required by stormwater code is one subset of this goal that has made up an increasing share of Seattle's collective progress. A summary of SPU's [stormwater code GSI work](#) was recently completed.

During Q1, GSI reviewed goals and accomplishments from the previous year. The summary (right) shares RainWise incentive accomplishments life to date.

This investment is on track to meet its target, to manage an average annual volume of 700 million gallons (MG) of stormwater with GSI by the end of 2025, as well as the interim 2023 target, supporting community-wide implementation. As of Q1's end, we are now managing 500 MG of stormwater with GSI.



Focus On

EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES

SIDE SEWER ASSISTANCE PILOT AND IMPLEMENTATION

Investment

Status: Minor Delay

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:

- Enroll eligible low-income customers into the Phase I Loan Program to receive funding for repairs
- Phase II (maintenance incentives) program development and implementation
- Contract with Community Based Organizations to perform outreach and educational work about the program

Update:

The team has filled and is onboarding the Wastewater Engagement Program Manager position, a role that has been vacant since August 2022. The Phase II (maintenance incentive) survey was successfully deployed with 100+ responses received Q1; plans for further response collection via Community Based Organizations will take place in Q2. The bulk mailer design for UDP customers is complete and a contract for printing and mailing is in process for distribution, starting in Q2.

This initiative has minor delays on a few milestones over Q1. The team has established yearly budget targets for the program and have performed a program evaluation in lieu of updating the implementation plan which has been delayed. The community connections contract is not currently available and the pursuit of direct contracts with each community-based organization and statement of work remains in progress.



FOCUS ON: Empowering Our Customer, Community, and Employees

DWW RV WASTEWATER PROGRAM

Investment

Status: On Track

Description: Increasing SPU's 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:

- Complete written Standard Operating Procedures
- Complete 1600 RV Wastewater Collections
- Create a program website
- Create a system to deliver supplies and instructions to RV occupants to repair leaking systems

Update: The RV Wastewater Program team started Q1 strong distributing 89 parts (total of all parts valued at \$1,616) to citizens for the maintenance of waste systems. This action will ultimately help prevent spills. Bottled water distribution has been implemented in partnership with St. Vincent DePaul and PARKS, leading to the distribution of 845 gallons of water. A storage location has been set up in SODO.

Communication around the program has been update on SPU's website under "[RV Wastewater Collection – Utilities](#)". The site includes program details, schedule, and route map.

Over the course of Q1, 328 RVs were serviced for wastewater and 1,001 RV's received outreach.



SPU SUPPORT SERVICES FOR THE UNSHELTERED

Investment

Status: On Track

Description: Increasing SPU's 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:

- Conduct 65 RV remediations
- Conduct 800 RV geographical cleans
- Service 34 Unauthorized Homeless Encampment sites at any given time through the Encampment Trash program
- Continuation of Encampment Trash program

Update: Support for the unsheltered continues to grow with an increase in annual targets and efforts to continue the Encampment Trash program (also known as Purple Bag program). The Purple Bag program expanded service to 50% more encampments in Q1 and serviced an average of 32 sites per month. Currently, the collection of needles and sharps encountered on identified Encampment Trash program sites are low compared to previous quarters. There are many contributing factors, but the root cause has yet to be determined. In Q1 this work experienced a delay updating SPU's partnership with the Hepatitis Education Project (HEP). This work is projected to be back on track by Q2.

The Q1 target of 5-8 monthly RV remediations was met as 21 total were conducted. Geographical cleans are also on track to meet targets with 206 cleans conducted this quarter.



FOCUS ON: Empowering Our Customer, Community, and Employees

WORKFORCE FACILITIES

Investment

Status: On Track

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 Target:

- Update Facilities Master Plan strategy
- Planning and design work for South Operations Complex (SOC)
- Planning and design work for Cedar Falls Phase 2
- Planning and design work for SMT reconfiguration

Planning for South Operations – The final general construction paving that ties the new to existing has been delayed due to weather. Work was completed end of April and pending the final inspection. Connecting the gate to security badge access system is underway with a fully operational vehicle gate due to be completed end of April. Plans to investigate dewatering concepts are on track with strategies to work with a neighboring business about possible sewer easement.

Cedar Falls Phase 2 – A Project Manager has been assigned to Cedar Falls Phase 2 project and a pathway forward has been verified for stage gate 2.

Facilities Master Plan – The plan is currently being worked on and underway for establishing the building blocks in Q1. A workshop took place with the project team focusing on two topics:

- Review the expectations / assumptions inherent to SPU's emergency planning, about how our workforce facilities will need to perform.
- Review the facility rating criteria that will help us identify related gaps in workforce facility capabilities and confirmed utility of using a rating system.

The draft for a facilities rating system was also been created in Q1.

The Seattle Municipal Tower Reconfiguration – The Seattle Municipal Tower reconfiguration project is on track this quarter with the architecture and engineering consultant selected for projects 2 and 3. These are designated for the design of 4 floors (47 - 50). Project 1, which is focused on the 53rd floor remodel and move-in is on track, with construction documents recently being completed.



Focus On

STRENGTHENING OUR UTILITY'S BUSINESS PRACTICES

How we are managing our business practices matters, especially at the Utility. Our customers expect their faucets to flow, toilets to flush, and garbage to be picked up. These services are delivered under increasingly complex and costly regulations and via aging infrastructure that must be resilient in the face of challenges such as earthquakes and climate change. At the same time, we must be attuned to what the community can afford. 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.



FOCUS ON: Strengthening Our Utility's Business Practices

WATER ASSET MANAGEMENT AND OPPORTUNITY WORK

Investment

Status: Minor Delay

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 three different investment projects:

- Water System Overall Asset Management
- Hydrant and Valve Maintenance
- Water Asset Transportation Opportunity Projects

Annual Targets:

- Water Asset Transportation Opportunity Projects
 - Advance water asset transportation opportunity projects through various stages of planning, design, and construction
 - Conduct opportunity and impact-driven interagency project assessments
 - Prepare scope and cost estimates for inclusion into interagency project for identified projects
- Hydrant and Valve Maintenance
 - Sustain 99.9% of hydrants in service
 - Return service to 95% of newly reported out-of-service (OOS) hydrants
 - Complete 1,600 low-priority (minor) hydrant work orders
 - Reduction of backlog for minor & major maintenance work order for hydrants and maintenance work orders for critical values
- Water System Overall Asset Management:
 - Water Tank Rehabilitation and Seismic Upgrades - Magnolia tank seismic upgrade project
 - Cathodic Protection for Pipelines Capital Improvements - Design and construction progress for three cathodic protection project packages
 - Water Main Rehabilitation Program (WMRP) - Advance packages 2-7 through various stages of planning, design and construction
 - Water Service Renewals - Complete approximately 650 water service renewals annually

Update:

Water Asset Transportation Opportunity Projects: The Roosevelt RapidRide J Line Water Main Replacement reached 100% design completion and the Shoreline Hidden Lake Water Main Replacement reached 60% design completion. The East Marginal Way Water Main Replacement NTP is delayed until Oct 2023. The Shoreline N 145th St & I5 Interchange Water Main also reached 100% design completion, although ad date delayed until Q3. The SDOT Perkins Lane Water Main Relocation is on hold due to SDOT project being put on hold indefinitely. A new project was initiated to replace a water main for SDOT on 3rd Ave AAC between Stewart and Virginia.

Hydrant and Valve Maintenance: Q1 yielded 20 out of service hydrants, which is 1 more than the goal of <19. Overall, we remain at 99.9% in service. In Q1, there were 71 hydrants reported as "out of service" and 119 hydrants were returned to service (over 100% return service for Q1). This result is in response to SPU catching up on backlogged workorders. SPU has completed 225 minor hydrant repairs in Q1, placing this work behind quarterly target for the year.

Water System Overall Management: The Magnolia tank 30% design is complete and is progressing towards 60% design completion. Construction is underway for the cathodic protection project packages. Water main rehab package number 4 NTP is complete. Water service renewals are currently showing 55 reactive and 4 proactive renewals being done resulting in a minor delay in annual renewals goaled. There is a significant data lag in the system that will result in more renewals reported for Q1 later in the year.

FOCUS ON: Strengthening Our Utility's Business Practices

Water System Seismic Reliance

Investment

Status: On Track

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:

- Cedar River Pipelines in Renton Seismic Upgrade – Design Phase
- Earthquake Emergency Spare Materials Acquisition
- Eastside and Riverton Reservoir Seismic Assessments – Complete Seismic Vulnerability Assessments

All milestones planned for Q1 are on track for the water system seismic reliance investment. The SPU Water Planning Division and the Project Management & Controls Division are working on final scope of work for the design to be executed by on-call consultant that was procured in Q1.

The specifications for spare transmission pipe is currently being finalized and a dialogue regarding pricing has started with a local supplier. The finance purchase requisition process is currently being executed.

The final drafts for both the Eastside and Riverton Reservoir Seismic Assessments have been completed and are under review.



Example of Schematic of Earthquake Resistant Ductile Iron Pipe (ERDIP) used for earthquake emergency.

DWW ASSET MANAGEMENT AND OPPORTUNITY WORK

Investment

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.

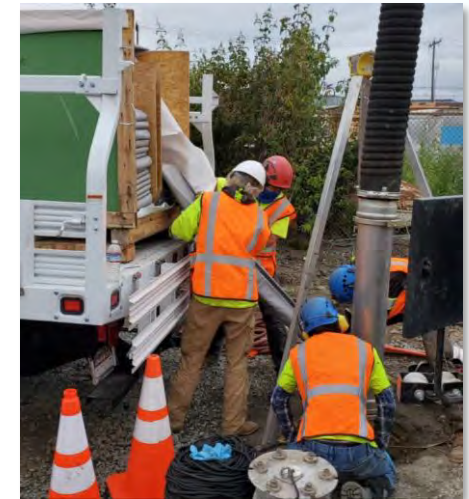
Annual Target:

- Expand Sewer Rehabilitation work
- Expand Drainage Rehabilitation work
- Wastewater Pump Stations, Force Mains (FM), and CSO Outfall Rehabilitation

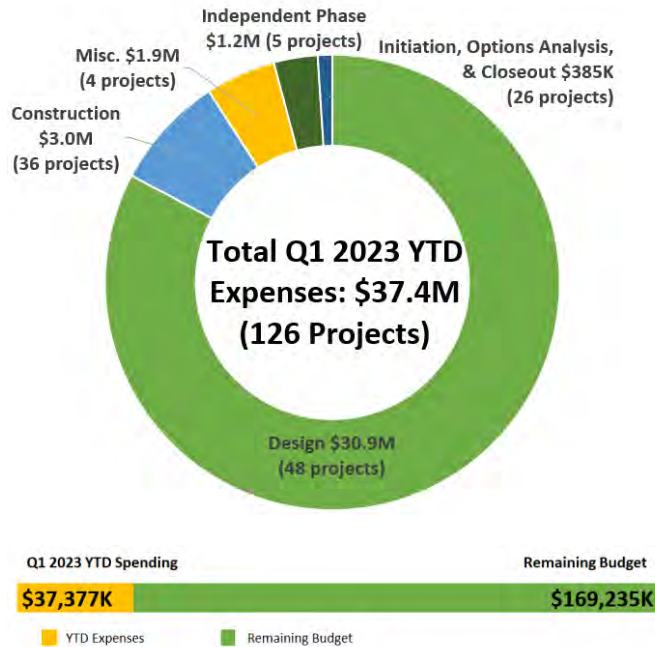
The DWW team is on track to meet their goal of expanding the sewer rehabilitation work with 0.02 miles of contracted full pipe rehabilitated and 121 sewer rehab crew work orders completed. They are also delivering wastewater pump stations, force mains (FM), and CSO outfall rehabilitation work as planned with Wastewater Pump Station 45 Force Main being replaced.

The team has experienced some minor delays on the expanded drainage rehabilitation work. Drainage rehab crew work orders have completed 19 of the 27 goaled for the year.

The CIP dollar spent YTD through Q1 is approximately \$7.1M, resulting in a minor delay. It is anticipated that a majority of the budget spend will take place in Q3, tied to construction projects slated for summer months.



YTD SPENDING THROUGH Q1 2023 PDEB* CIP SPENDING



KEY UPDATES

Ship Canal Water Quality Project

- **TEPS and Ballard Conveyance:** Construction bids were advertised in February and bids were open in April. Coordination with Seattle City Light (SCL) continues to relocate assets prior to the start of Ballard Conveyance construction. Construction Notice to Proceed (NTP) is planned for Q3 2023.
- **Wallingford Conveyance:** This work is in construction and a NTP was issued in early Feb. 2023. Stone Way Ave N is closed for approximately one year with intermittent road closures and detours on adjacent roads. Construction work on N 35th St is planned for summer 2023 with associated traffic impacts. This work is being coordinated with the Storage Tunnel contractor's work at the Wallingford Site on N 35th St.
- **Storage Tunnel:** This work is in construction and the tunnel boring machine should arrive at the Wallingford Site in June 2023, completing storage tunnel mining. The current forecast for West Shaft Site Handover (to the TEPS and Ballard Conveyance contractor) is Oct. 2023, and the forecast for Storage Tunnel Physical Completion is April 2024. A second, 8ft diameter tunnel beneath the Ship Canal was completed in Feb. 2023. Crews are now installing piping within the 8ft diameter tunnel. There is construction work at each of the five neighborhood sites.
- **Program Management:** The program is on-going and continues to evaluate the remaining schedule and cost to complete, accounting for historical escalation costs and large construction claims. It is expected that the program budget will need to increase 8% to 14%, depending on the successful bid for the TEPS and Ballard Conveyance project. The current forecast to meet the Consent Decree "construction complete" date is Q3 2026. SPU is coordinating with regulators to extend the construction complete milestone in the Consent Decree beyond 12/31/2025.

Drainage and Wastewater Projects (DWW)

- **South Park Drainage and Roadway Partnership:** The project is currently in construction; anticipated completion is this summer.
- **South Park Pump Station:** The project is currently in construction; anticipated completion in fall 2023. The concrete strike and groundwater management risks caused delays, which has pushed the activity of putting the pump station online until after the rainy season.
- **Longfellow Creek Natural Drainage Systems:** The project is currently in construction; anticipated completion of all three sites is late 2023. Current work includes final construction items at the 24th Street site and then mobilizing to the Kenyon Street site.

KEY UPDATES CONTINUED

Major Interagency Projects (MIP)

- **Alaskan Way Viaduct Replacement – South Access Project:** This South Access Phase 2 project is nearing completion by Washington State Department of Transportation (WSDOT) as the final construction contract of the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP) which included the SR99 Deep Bored Tunnel. The project completes utilities, pedestrian amenities, programmed spaces, transportation facilities and building demolition in the vicinity of the south portal of the SR99 Bored Tunnel. The work has been accelerated to accommodate the All Stars Games this summer. The Contractor is currently nearing completion of all SPU asset work; all of which are donated assets under code compliance. Community outreach is ongoing and led by WSDOT in coordination with all City Departments. All significant construction of the project should be complete in 2023. In common with all such inter-departmental projects, the inclusion of SPU work into the WSDOT contract, and the ongoing inter-departmental, and interagency coordination, successfully reduces overall costs and public impacts.
- **SR 520 – Rest of the West:** Portage Bay Bridge phase is a WSDOT-led project to construct a new lid over SR 520 between 10th Ave E and Delmar Drive East, part of the much larger overall SR520 program stretching from Redmond to I-5. It also replaces the existing bridge across Portage Bay. The project provides HOV improvements, community amenities and completion of a pedestrian and bike trail on the new Portage Bay Bridge. The SPU portion includes the relocation of a 42-inch diameter water transmission line and separation of City and State drainage. The project will be delivered using a Design -Build procurement method. The Request for Proposals (RFP) was issued in January 2023. The City is supporting WSDOT during the RFP advertisement by responding to questions from bidders. Proposals from the design-build teams are due in August 2023.

Water / Solid Waste Projects (W/SW)

- **Bitter Lake Reservoir Improvements:** 30% Conceptual Design presented to Design Commission in Feb. 2023. Planning artist selected in March 2023 for 1% for Art portion of project. Anticipating project baseline and starting 60% design in May 2023. Public outreach open house planned for 2Q 2023 and design will continue through 2025. Coordination continues with SPR for development of park on site after reservoir is complete.
- **Tolt Early Warning System:** Design team began Construction for Phase 1 in Q2 2022 and will complete Commissioning in Q2 2023. Design team will complete Final Design for Phase 2 in Q2 2023, permits are pending. Phase 2 Construction Contract award and NTP is anticipated in Q4 2023.
- **Water Main Rehabilitation Package #4:** Construction work began at the first site, SW 98th St and 51st Ave SW in Fautleroy, in April 2023 and will last approximately two months. Construction completion at all ten work sites is anticipated for Q3 2024.

UPCOMING CONSTRUCTION BIDS AND CONSULTANT RFPs

Upcoming Construction Bids:

- South Thornton Natural Drainage Systems (DWW)
- Full Line Sewer Replacements (DWW)
- Sewer Repairs (DWW)
- North Transfer Station Compactors Replacement - Equipment Procurement (SW)

Upcoming Construction:

East Marginal Way Heavy Haul Corridor: The north segment of this SDOT project will rebuild East Marginal Way S between downtown and S Spokane St. SPU work includes 5,000 linear feet of earthquake resistant watermain and about 2,500 linear feet of storm drain. SPU and SDOT continue to work together on addressing compliance with the federal Buy America limitations on non-domestically produced watermain. Advertised 11/9. (MIP)

PDEB 2022 – 2023 CAPITAL PROJECT SCHEDULE



Initiation 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 in order 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 to 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.

CIP ACCOMPLISHMENT RATE

The first quarter 2023 CIP accomplishment rate for all funds was 56% with actual expenditures of \$51.3 million against a budgeted amount of \$91.2 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 62% of the budget with \$11.8 million in actual expenditures against a budget of \$19.1 million.
- The Drainage and Wastewater Fund (excluding shared and technology) accomplished 61% of the budget with \$32.8 million in actual expenditures against a budget of \$53.7 million.
- The Solid Waste Fund (excluding shared and technology) accomplished 42% of the budget with \$0.2 million in actual expenditures against a budget of \$0.4 million.
- Shared CIP accomplished 37% of the budget with \$5.3 million in expenditures against a budget of \$14.2 million.
- Technology CIP accomplished 32% of the Budget with \$1.2 million in actual expenditures against a budget of \$3.8 million.

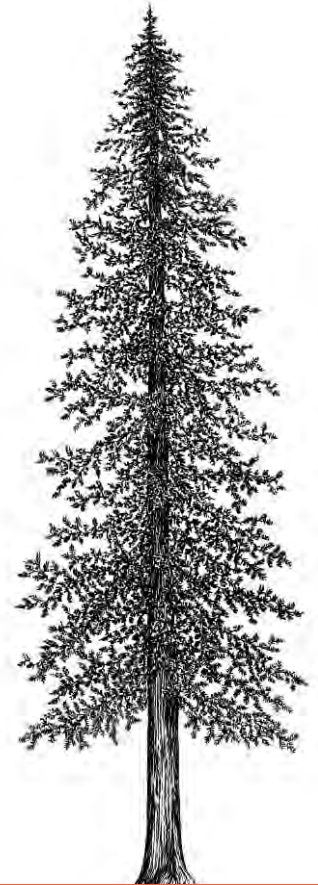


WATER FUND Q1 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through March			
	Annual Plan to Spend	Annual Spend to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Underspend
Expenditures								
Operating	\$291	\$54	\$237	81%	\$62	\$54	\$8	13%
Capital	\$115	\$15	\$100	87%	\$29	\$15	\$14	48%
Total Expenditures	\$406	\$69	\$337	83%	\$91	\$69	\$22	24%
	Annual Planned Revenue	Annual Received to Date	Annual Remaining to Receive	% Annual Remaining to Receive	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
Operating Revenue								
Retail Customer Rev.	\$228	\$46	\$182	80%	\$47	\$46	\$1	2%
Wholesale Customer Rev	\$59	\$10	\$49	83%	\$10	\$10	\$0	0%
Other Revenue	\$13	\$3	\$10	77%	\$3	\$3	\$0	0%
Total Operating Revenue	\$300	\$59	\$241	80%	\$60	\$59	\$1	2%

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

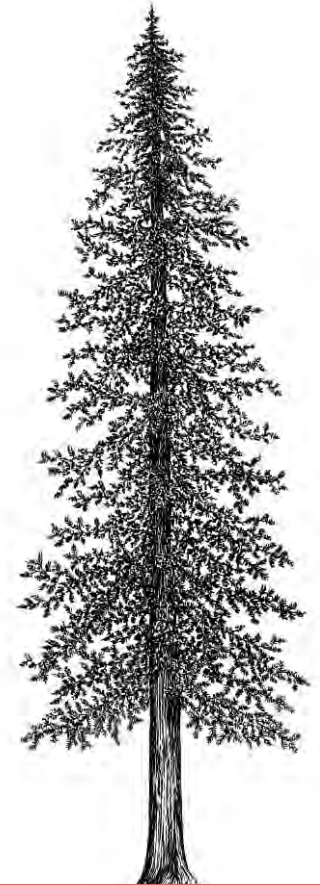


DRAINAGE AND WASTEWATER FUND Q1 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through March			
	Annual Plan to Spend	Annual Spend to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Underspend
Expenditures								
Operating	\$491	\$105	\$386	79%	\$115	\$105	\$10	9%
Capital	\$245	\$35	\$210	86%	\$60	\$35	\$25	42%
Total Expenditures	\$736	\$140	\$596	81%	\$175	\$140	\$35	20%
	Annual Planned Revenue	Annual Received to Date	Annual Remaining to Receive	% Annual Remaining to Receive	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
Operating Revenue								
Wastewater Revenue	\$341	\$82	\$259	76%	\$85	\$82	\$3	4%
Drainage Revenue	\$196	\$47	\$149	76%	\$49	\$47	\$2	4%
Other Revenue	\$10	\$1	\$9	95%	\$3	\$1	\$2	80%
Total Operating Revenue	\$547	\$130	\$417	76%	\$137	\$130	\$7	5%

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

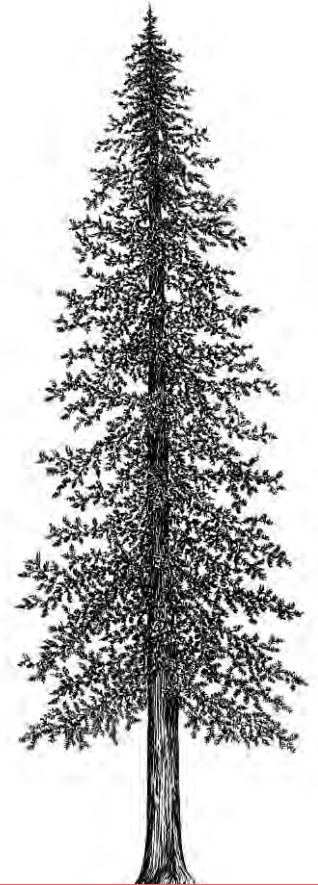


SOLID WASTE FUND Q1 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through March			
	Annual Plan to Spend	Annual Spend to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Planned Revenue	YTD Spent	YTD Variance	% YTD Underspend
Expenditures								
Operating	\$232	\$45	\$45	19%	\$56	\$45	\$11	20%
Capital	\$18	\$1	\$17	94%	\$2	\$1	\$1	50%
Total Expenditures	\$250	\$46	\$204	82%	\$58	\$46	\$12	21%
	Annual Planned Revenue	Annual Received to Date	Annual Remaining to Receive	% Annual Remaining to Receive	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
Operating Revenue								
Residential Revenue	\$172	\$40	\$132	77%	\$43	\$40	\$3	6%
Commercial Revenue	\$95	\$23	\$72	76%	\$24	\$23	\$1	5%
Other Revenue	\$7	\$1	\$6	85%	\$1.2	\$1.1	\$0.1	8%
Total Operating Revenue	\$274	\$64	\$210	77%	\$68	\$64	\$4	6%

* Negative numbers means over-spend in the case of expenses, and over-recovery in the case of revenue. Red numbers denote overspend or under-recovery.





Thank You

for reviewing SPU's Q1 2023 SBP
Progress Report

For more information, click the links below

- [SPU's 2021-2026 Strategic Business Plan](#)
- [SPU CARES Principles](#)
- [SPU'S SBP Q4 2022 Report](#)
- [SPU'S SBP Q3, 2022 Report](#)
- [SPU's SBP Q2, 2022 Report](#)
- [SPU's SBP Q1, 2022 Report](#)