

Seattle Public Utilities

Strategic Business Plan

Quarterly Report

Q1 2025



Please note this is an interim design format and metrics to ensure that we are delivering reporting on time. We will be working to fully transition to a new reporting format over the next few quarters.

Focus On: Delivering, Equitable Essential Services

We deliver the essential services our customers and community rely on every day for healthy living. Our staff works year-round to deliver reliable water, drainage and wastewater, solid waste, and Clean City services. We prioritize community needs, lead with equity, remove barriers, and partner with others to ensure equitable access to these essential services.

	Target	Q1 2025
Missed Waste Collections*	<=1 miss/1000 stops Rolling 52-week avg.	1.35
Water and DWW Response	>=90% Annual Target	91%
Encampment Trash Program	Remove 1,500,000 pounds Annually	322,947 pounds removed

* Missed waste collections are due to multifamily sector growing faster than single family sector, as a result missed collections have increased. Our contractors are addressing this through training, truck procurement and maintenance based on multifamily truck needs, and additional routes.

- North “One Water” Operations Facility – At Risk
 - In 2025, SPU will assess alternative sites that meet space requirements for this new facility. If a suitable site is identified, due diligence will begin. In Q1, the site assessment process was restarted after the initial property under consideration became unavailable for purchase.
- In House Water Quality Treatment – On Track
 - To ensure continuity of service, SPU will assume operations of both facilities when current Design-Build-Operate (DBO) contracts expire in 2025 (Tolt) and 2029 (Cedar River). This transition includes hiring 21 positions in 2025 to support operations. We remain on track for Q1, with all water treatment plant positions identified, including job descriptions, required qualifications, and classifications. A Term Limited Capital Project Coordinator has been hired, and the initiation of contract and permitting is underway.
- SPU Support Services for the Unsheltered – On Track
 - The team completed 27 RV remediations in Q1, leading this project to remain on track to meet the annual goal of 96 RV remediations. Through the Vehicle Support Pilot Program, we improved RV remediation outcomes by limiting impounds to just 4 out of 149 RVs, demonstrating effective engagement and supportive strategies.
 - The RV Wastewater Program is meeting or exceeding targets for Q1. Outreach and wastewater collection services continue, along with the provision of drinking water. The program expanded its capacity with the hiring of a Program Coordinator and an Environmental Compliance Inspector Assistant, as well as the onboarding of a new waste hauling vendor. A final program report for 2024 was submitted to the Washington Department of Ecology, who supports this program. Early indicators show the program’s success in preventing pollution, with fewer sewage-related spills, thereby protecting Seattle’s water bodies.
- Duwamish Valley Resilience – On Track
 - SPU is currently on track for Q1 in defining the project scope and completing Stage Gate 1 for the South Myrtle Street Drainage & Water Quality project. A SPU Line of Business (LOB) Representative has been hired, and Project Manager for Capital Projects will be assigned shortly. Coordination with the Seattle Department of Transportation is underway to complete project milestone “Stage Gate 1”.

Focus On: Stewarding, Environment and 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.

Metric	Target	Q1 2025
Combined Sewer Overflows (CSO)	Annual Target: $\geq 62\%$ (controlled over total outfalls)	61%
Sanitary Sewer Overflows	Annual Target: ≤ 4 per 100 miles on a 2 yr. avg.	1.1

- Waste Prevention and Diversion – Minor Delay

- Furniture Reuse: Since launching furniture re-use events, the contractor has found the North Transfer Station to be a more effective location due to its proximity to the Recycling Center and favorable traffic flow. In Q1, eight events were held- two at the South Transfer Station and six at the North Transfer Station - diverting 16,640 pounds of furniture from the landfill.
- Food Waste: The program's first year relies on hiring two consultants, one full time employee, and one temporary employee. Hiring delays are affecting the timeline. The full-time position remains on track, but the temporary position requires approval before proceeding. The consultant contract to support behavior change research and program delivery is on schedule. Given anticipated underspending (due to delays in hiring and contract execution), SPU is exploring alternatives for a pilot that would still align with SBP goals for food waste reduction.



Focus on: Empowering 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.

Metric	Target	Q1 2025
Customer Call Response	>=80% Customers calls responded within 3 minutes.	74%
Customer Satisfaction	>=90% overall customer satisfaction score	96%
Employee Promotion Rates	No target defined	20 Promotions, 29%
Employee External Hiring	No target defined	48 New Hires, 71%

- AMI Planning – On Track
 - In Q1, a stakeholder group was convened to identify and review the major components of the planned Advanced Metering Infrastructure (AMI) Business Case Analysis (BCA). The objectives were to better understand how AMI implementation will impact SPU business, considerations and factors to be assessed and included in the BCA, and to formulate expected outcomes of the analysis for the future project planning. The engagement led to the development of a Statement of Work for the BCA RFP, currently under SPU contract review.
- Side Sewer Assistance – At Risk
 - The program is in the process of hiring a new position, Strategic Advisor, to help manage the program. While no new side sewer loans were issued in Q1, three are projected to close in Q2. The loan application launched via CiviForm, which is the software for centralizing applications to City programs. CiviForm aims to reduce barriers to access. Cham Refugee Communities continued outreach, with over 1,500+ Instagram views and 48 conversations with residents during events and workshops at their site.



Focus on: Strengthening Utility 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.

Metric	Target	Q1 2025
External funding opportunities*	No target defined	Number of applications submitted: 4 Value of requests: \$2.9 million Award notices: 1

*SPU typically pursues external funding opportunities at the county, state, and federal government levels. The availability and timing of these funding opportunities vary greatly from year to year and often have long timelines (i.e., 8-18 months) between time of application and time of award.

- DWW Asset Management Program – Minor Delay
 - Hiring has begun for crew chief and eight FTEs to support the in-house lining crew, planning, and procure equipment. Equipment procurement is underway, but CIP funding has been delayed until 2028. In the interim, newly hired staff will conduct CCTV assessments of drainage assets.
- Water Asset Management Seismic Program – Minor Delay
 - Although some project milestones were missed in Q1, the program remains on track to meet the annual goal of replacing two miles of water mains. With respect to the Water Main Rehab Program, minor project delays have caused project milestones to move from one quarter to the next. The Magnolia Tank construction begins this month, aligning 2025 CIP spending with projections. The Cedar River Pipeline in Renton Project is delayed due to geotechnical review needs. This will most likely put spending projections below targets for 2025. Eastside Reservoir in Bellevue remains in the planning and options analysis phase and will not significantly affect 2025 expenditures. Despite quarterly delays, the program is aligned with 2025 performance targets.
- SPU Strategic Technology Plan – Minor Delay
 - In Q1, the focus was on onboarding new team members and establishing roadmap governance. While three projects met milestones, only one of two planned projects was initiated, resulting in minor delay. SPU also improved oversight through collaboration with Seattle IT, enhancing project delivery across cost, schedule, and technical content (scope).



Project Delivery and Engineering Branch Capital Infrastructure Reporting

Metric	Q1 2025 Status
Current Active Projects	157
Project completed in Q1	9
Upcoming Project Bids	2
Accomplished of share CIP budget spent YTD	\$30.81M Q1 actuals, 10.14% accomplishment rate

- **Key Updates**

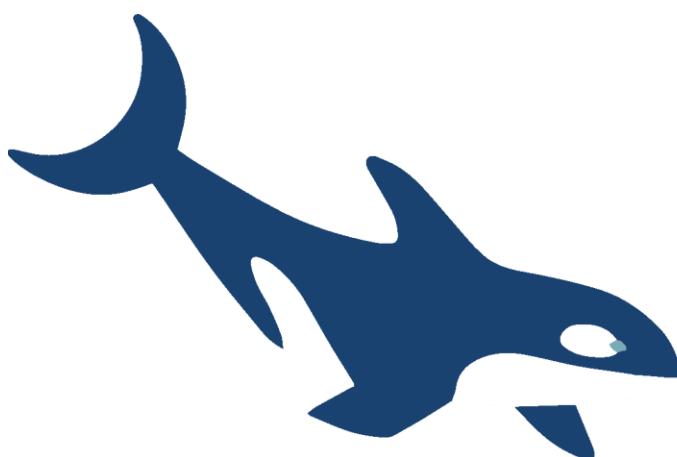
- SDOT Route 40 Improvements - Improvements on the Northgate-to- Downtown Transit-Plus Multimodal project require replacement of ~310 linear feet of watermain along Fremont Ave. Work is scheduled for Q2, 2025 with potholing to determine exact size and location of crossing utilities, including gas lines. Community outreach is being led by SDOT.
- Graham Street Infill Station - Sound Transit, in coordination with City departments, is advancing design the S Graham St Infill Station on MLK Jr Way S. The station, expected to open in 2031, will increase access to the light rail in the Rainer Valley. Potential station configurations have been shared with the city. Conceptual engineering and environmental reviews are underway. Sound Transit is leading all community outreach.

- **Implement Projects with Multiple Benefits:** South Park Water Quality Facility Project

- SPU is developing site plans for this project, which will filter stormwater before it reaches the Lower Duwamish. Environmental cleanup is underway, and the team is developing site plans and will collaborate with a planning artist and the community throughout design which is expected to begin in late 2025. Construction completion anticipated by end of 2030.

- **Engage in Community Centered Projects:** NE 92nd St Storm & Water Main Improvements

- SPU is enhancing drainage and water main infrastructure along NE 92nd Street, Northgate neighborhood. The project improves water quality in Thornton Creek and aligns with SDOT's paving initiative. SPU's work will conclude by March 2025; SDOT by the end of 2025. The new water main is active, and the storm system will be operational once paving is complete. Community engagement has been ongoing.



Financial Performance Reporting

SPU is beginning 2025 in a healthy financial position. All three funds are projected to meet or exceed their financial policy targets.

Through the first quarter, Solid Waste revenues were slightly below projections, while both Water and Wastewater revenues were above projection.

- Solid Waste revenues were \$0.8M or 1.5% lower, driven predominately by decreased residential and commercial tonnage.
- Water revenues were above projections by \$1.8M due to strong water sales.
- Wastewater and Drainage revenues were \$3.6M above projections due to stronger-than-anticipated wastewater performance.
- All Funds expect to meet or exceed financial policies by the end of the year.

Expenditures are lower than projected due to capital improvement program (CIP) spending delays, position vacancies in the utility, and professional services (contracts) underspending. The Water Fund's project delays were in Water Transmission, Water Resources, and Shared Cost projects. In the Drainage and Wastewater Fund (DWF), the Ship Canal Water Quality Project experienced delays related to the rebidding of a portion of the project, driving a large amount of the CIP underspending in the Fund. The Solid Waste Fund is currently underspending due to the re-scoping and delays related to the South Transfer Station Phase 2 Redevelopment Project. All three funds are experiencing underspending due to vacancies, with a current vacancy rate in the utility at approximately 12%.

(\$ in millions)	2025 Annual		2025 Through March		
	Annual Plan to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Underspend
Expenditures					
Operating	\$1,146.8	\$273.0	\$249.0	\$24.0	8.8%
Capital	\$412.0	\$86.3	\$49.6	\$36.7	42.5%
Total Expenditures	\$1,558.8	\$359.3	\$298.6	\$60.7	16.9%
Operating Revenue	Annual Planned Revenue	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
Customer Revenue	\$1,173.1	\$267.8	\$272.8	(\$5.0)	(1.9%)
Other Revenue	\$33.2	\$8.3	\$7.3	\$1.0	12.0%
Total Operating Revenue	\$1,206.3	\$276.1	\$280.1	(\$4.0)	(1.4%)
<i>*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.</i>					