

Seattle Public Utilities

Strategic Business Plan

Quarterly Report

Q2 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	Q2 2025
Missed Waste Collections	≤1 miss/1000 stops Rolling 52-week avg.	1.41
Water and DWW Response	≥90% Annual Target	88%
Encampment Trash Program	Remove 1,500,000 pounds annually	471,243 pounds removed in Q2. Through Q2 we are at 51% of our annual goal.

- North “One Water” Operations Facility – **On Track**
 - The project team met with SPU leadership in August, and a new potential site has been identified for the facility. An initial test to determine space requirements was conducted, appraisals are being performed, and spending is currently on track.
- In-House Water Quality Treatment – **On Track**
 - This year the focus is on transitioning contracts and permits to SPU and hiring staff to support the in-house water quality treatment investment. SPU is on track with 11 of the 21 positions needed to support the treatment facility posted for hire and 15% of the positions hired. SPU anticipates most positions will be hired in Q3. We are also on track for contracts and permits transitioning to SPU.
- SPU Support Services for the Unsheltered – **On Track**
 - SPU is on track for providing RV wastewater collection, disposal services and outreach this quarter. The team accomplished its hiring targets; a new waste hauling vendor was selected through a competitive bid process and the Environmental Compliance Inspector Assistant position has been hired. All documents related to the Department of Ecology grant that are supporting the program have been completed. The drinking water supplies have had a few minor issues that the team is addressing, and progress has been made.
 - In Q2, SPU completed 28 RV Remediations (RVM) Year-to-date, 55 RVMs have been completed (67% of our annual goal). Only 3% of the 383 RVs at these sites were impounded, demonstrating the effectiveness of our support services, which include gas, jump-starts, and tire inflation, in helping RVs relocate and avoid impound. We’re on track to meet our annual targets while minimizing negative impacts and maintaining a customer-centered approach.
- Duwamish Valley Resilience – **On Track**
 - SPU is negotiating the project scope with the Seattle Department of Transportation (SDOT) for the South Myrtle Street Drainage & Water Quality project. The interviews, selection and a job offer for the project have been completed on time.

Focus On: Stewarding, Environment and Health

Community wellbeing 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	Q2 2025
Sanitary Sewer Overflows	Annual Target: ≤4 per 100 miles on a 2 yr. avg.	1.3 two-year moving average

- Waste Prevention and Diversion – **On Track**

- Strategic Planning: The community expressed interest during the second round of engagement in being involved in the upcoming waste prevention action plan prioritization process. To incorporate this additional engagement, SPU is adjusting the planning schedule to move Q4 milestones into Q1 2026. All other milestones are on track to be completed in 2026. For the Waste-Free Community Grants, all 2023-2025 grants are on track to be completed in 2025. For the three new 2025 textile-focused grants, the projects will extend into 2026 to allow time for successful implementation.
- Furniture Reuse: This continues to be on track in Q2, meeting the quarterly goal of 9 events; 6 at North Transfer Station and 3 at South Transfer station with a total of 13,840 lbs. collected and diverted from landfills.
- Food Waste: SPU is in the final interview stages of hiring a full-time employee to support engagement with the City's largest waste generators and has received approval from City HR to post the temporary position for hire. The Request for Quote (RFQ) for Food Waste Prevention & Diversion research, campaigns, and evaluation was advertised in Q2, with high levels of interest and engagement. There were 30+ attendees at the pre-submittal conference, and 13 proposals for the RFQ. Proposal evaluation was scheduled for late July/early August, with contract execution and initial work slated for mid Q3.



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	Q2 2025
Customer Call Response	≥80% customer calls responded within 3 minutes	82.4%
Customer Satisfaction	≥90% overall customer satisfaction score	95.66%
Employee Promotion Rates	No target defined	55%
Employee External Hiring	No target defined	45%

- AMI Planning – **On Track**
 - The Business Case Analysis (BCA) solicitation was finalized and successfully published. The timelines for BCA completion will be reevaluated and reconfirmed during contracting process with the BCA consultant. We are looking forward to evaluating the participants' submittals with the focus on expertise and experience in conducting BCA for water utility advanced metering infrastructure projects.
- Side Sewer Assistance – **On Track**
 - The Side Sewer Assistance Program has completed two side sewer loans in Q2. Program work is progressing with the Strategic Advisor (SA1) position advertised from Q2 into Q3. Program development and drafting for options analysis is on track for Q4, as well as the plan for community engagement on program options.



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	Q2 2025
External funding opportunities	No target defined	Number of applications submitted: 1 Value of requests: \$1,300,000 Award notices: 0

In July, Seattle Public Utilities received two awards totaling \$28.5 million from the Washington Department of Health's Drinking Water State Revolving Fund. The awards, which are low-interest loans, will support water main rehabilitation projects at multiple sites in north Seattle (\$15,150,000) and south Seattle (\$13,430,980), replacing pipes which are more than 70 years old, in some areas. In addition to improving the reliability of our drinking water distribution system, this type of external award generates millions of dollars in savings for SPU ratepayers.

- Drainage and Wastewater Asset Management Program – **Minor Delay**
 - This investment requires a crew chief and an initial team of full-time employees. Some hiring has been delayed but is still anticipated to meet the Q4 timeline. System Maintenance has been leading recruitment, and the team of Subject Matter Expert (SME) are in the process of reviewing resumes. The new crew chief hiring is on track and is expected to be appointed in Q3. The equipment procurement process has begun and is on track for the quarter.
- Water Asset Management Seismic Program – **Minor Delay**
 - Although some project milestones missed their targets in Q2, 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. Water service renewal accomplishments remain on track for annual targets with 177 water service renewals, including 132 reactive (demand-driven) and 45 proactive (opportunity-driven) renewals. Seismic work is progressing despite facing some minor delays. The Magnolia tank construction contract notice to proceed (NTP) was issued in June and construction is proceeding. The Cedar River pipeline seismic upgrade in Renton is resolving remaining geotechnical design uncertainties so that the 30% design can proceed by end of summer. The Eastside Reservoir is tracking to complete options analysis and confirm scope for commencement of preparation for the Stage Gate 2 documents by Q4. Additionally, hiring is completed for the vacant water seismic program coordinator position.
- SPU Strategic Technology Plan – **On Track**
 - SPU has made important advances in our ability to manage the technology investment portfolio. We initiated the SPU Technology Board, and we delivered the latest conference room technology to 33 rooms at 13 SPU work locations. We have initiated 100% of the projects as planned this quarter, exceeding our quarterly target of 90%. Our goal to deliver 75% of major milestones for in-flight projects has been achieved for all projects. Our CIP spending is experiencing a minor delay, but operational spending is on track.

Project Delivery and Engineering Branch Capital Infrastructure Reporting

Metric	Q2 2025 Status
Current Active Projects	157
Projects completed in Q2	4
Upcoming Project Bids	2
Accomplished of share CIP budget spent YTD	\$53.13M Q2 actuals, 32.50% accomplishment rate compared to the Adopted Budget

Key Updates

- **WSDOT SR 520 Portage Bay Bridge (PBB):** The SR 520 Portage Bay Bridge project is a continuation of WSDOT's SR 520 program. This is a \$1.4 billion project that will build a lid over SR520 at E Roanoke St and 10th Ave E and build a new bridge across Portage Bay. The work includes a park area on top of the new lid and HOV improvements to the SR 520 corridor. Part of the project will entail relocating SPU utilities, including a 42-inch water transmission line. Community outreach is being led by the lead agency, WSDOT. Construction of utilities is anticipated to start in summer 2025 and the project is currently in design.
- **Complex Spot Sewer Repairs Project:** This 7-year, \$38 million project will design, permit, and construct 84 complex sewer repairs across 58 locations throughout Seattle. Sewer repairs were identified by the SPU Pipe Assessment Team. This project protects environmental and public health while addressing challenges like private property coordination, complex design, and permitting. Design and permitting are targeted for completion by 2027, with full project completion anticipated by August 2031. Community outreach includes initial and ongoing project mailers, a project hotline, email, and websites to keep residents and businesses informed throughout the project lifecycle.
- **Implement Projects with Multiple Benefits:** Taylor Creek Restoration Project
 - This project provides multiple environmental and community benefits. It is aimed at reducing localized flooding, restoring the natural drainage system of Taylor Creek, and improving fish habitat by removing barriers. Additionally, it will create new public open spaces at the shoreline in South Seattle, improve pedestrian safety on Rainier Ave S, and install several pieces of public art. This summer, SPU is kicking off the design for sediment management in Dead Horse Canyon. The project design is planned for completion in 2027, and construction is set to be completed in early 2031.
- **Engage in Community-Centered Projects:** California Culvert Replacement Project
 - SPU is starting the formal design phase for the California Culvert Replacement project in Q3 2025. The culvert along Fauntleroy Creek under California Ave SW is currently in poor condition, at high risk of failure and has been prioritized for replacement. The culvert is 380 feet and spans public and private land. Given the complexity of the culvert replacement, SPU has been working with the Fauntleroy Church and the community to replace the entire culvert with a fish passable structure, removing the final constructed fish barrier on the creek. This project will also include a 1% for Art component.

Financial Performance Reporting

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

Through second quarter, revenues were slightly below projections for all three funds.

- Water revenues were \$2.8M or 2.1% lower, driven predominately by delayed public fire billing of \$2.4M.
- Wastewater volumes are trending upwards in June; however, year-to-date revenues are \$1M, or 0.3%, below projections.

Solid waste revenues are \$0.6M or 0.4% below projections, due to lower than projected residential and commercial revenue. Water Fund O&M is overspending due to a bond defeasance of \$22M. A bond defeasance is a method of setting aside cash to repay bonds, thus reducing interest payments. This will be addressed in the Year-End Supplemental Budget Ordinance. The Water Fund's CIP project delays were in Water Transmission, Water Resources, and Shared Cost projects. Expenditures in the Drainage and Wastewater and Solid Waste Fund are lower than projected due to the CIP project spending delays, current vacancies in the Utility, and professional services (contracts) underspending. 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.

(\$ in millions)	2025 Annual		2025 Through June		
	Annual Plan to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Underspend
Expenditures					
Operating	\$1,146.8	\$554.9	\$552.0	\$2.9	0.5%
Capital	\$412.0	\$173.8	\$131.5	\$42.3	24.3%
Total Expenditures	\$1,558.8	\$728.7	\$683.5	\$45.2	6.2%
Operating Revenue	Annual Planned Revenue	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
	\$1,173.1	\$565.1	\$561.2	\$3.9	0.7%
Customer Revenue	\$33.2	\$16.6	\$16.0	\$0.5	3.3%
Total Operating Revenue	\$1,206.3	\$581.7	\$577.3	\$4.4	0.8%

**Sums may not be total due to rounding. Red indicates over-spend or under-recovery.*