



SBP Progress Report

Third Quarter, 2023

Implementing the 2021-2026
Strategic Business Plan Update

December 11, 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

1.8

Sewer Overflows

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

100%

Clean City Collection

Annual Target: ≥95%

1,514

Utility Discount Programs

Target: Meets the Need

RELIABLE AND REWARDING EXPERIENCES

97%

Water & DWW Response

Annual Target: ≥90%

91%

Customer Call Response

Target: ≥ 80% in 3 mins

93%

Customer Satisfaction

Target: ≥ 90%

1

Missed Waste Pick-up

Target: ≤1 per 1000 stops based on a 52-week rolling avg.

62%

CSO Outfalls

Annual Target: ≥ 62%

2.16

Garbage, Recycling, Organics*

Target: < 2.5 lbs./person/day

24%

WMBE Purchasing**

Target: ≥23% total purchasing dollars

Met

Drinking Water Quality

Target: Regulation met

Met

NPDES

Target: Regulation met

79%

Customer Effort

Target: ≥ 80%

36%

WMBE Consultants**

Target: ≥ 25% total consulting dollars

■ = Meeting Target
 ■ = Minor Delay
 ■ = At Risk



*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.

Third Quarter Highlights

Ship Canal Water Quality Project

The project has hit some milestones including MudHoney being disassembled & removed from the East Shaft Site in July and August. This required special lifting & haul-away strategies, and very early morning haul-aways per Seattle oversize load restrictions.



Lane, the storage tunnel contractor, dug 2 adits, which are short horizontal tunnels from drop shafts to connect the tunnel. The construct of the adits is not final.



Support Services for the Unsheltered

The Vehicle Support Pilot Program aims to provide vehicle maintenance services to RV residents to promote voluntary relocation out of the work zone before RV Remediation. The program offers services such as gas, jump-starts, tire repair, and tire inflation, to support residents in leaving the work zone voluntarily. In Q3 the program serviced a total of 67 vehicles with gas, jumpstarts, and tire inflation. Out of 141 total vehicles that were onsite at the time the sites were calendared, just 16 of those vehicles were impounded from the site at the time of the RV Remediation. That means 91% of vehicles were able to self-relocate out of the work zone thanks to the Vehicle Support Program.



Critical Valve Route inspections

The Critical Valve route inspections are restarting after being deferred in 2015 due to short staffing and other priorities. Inspections are important to ensure throttling and shutdown capability and functionality for each identified valve. Crews doing the inspections are documenting findings and noting any follow-on work to maintain and improve our water infrastructure.

The valve routes have been updated and are now mapped in GIS, rather than relying on old hard copy paper route sheets which adds a dimension of efficiency we now will have more accurate record-keeping in real-time.

Operations will be starting with the first 10 out of 120 total routes in Q4 to complete the routes and touch each valve at a minimum, every 5 years.



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 Ballard Pump Station/Ballard Conveyance Project
- Start Construction of Wallingford Conveyance Project
- Update Program Budget and Completion Schedule

Update:

Q3 work focused on construction progress for the Storage Tunnel and Wallingford Conveyance Projects plus revising contract documents for the re-bid of the Ballard Pump Station/Ballard Conveyance Project. Re-bidding will delay program completion by up to a year. While the delay will mean additional cost to the project, we believe that there will be net cost savings by rebidding so in the long run, it is best for our customers.



FOCUS ON: Stewarding Environment and Health

GROW 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:

RainCity Partnerships is off and running! The new program pilots an innovative way to accelerate community-driven green infrastructure in Seattle.

This \$15M, 3-5-year funding program is the first of its kind in Washington State. It will identify, build, and commission a portfolio of commercial and multi-family-scale voluntary green infrastructure projects that improve water quality and deliver on additional community-identified goals. The program was designed with early input from Black, Indigenous, and immigrant-led community-based organizations and members of the City's Environmental Justice Committee to incentivize multi-benefit infrastructure projects in high-priority neighborhoods, with an emphasis on water system resilience/restoration, community leadership, and economic opportunity. The pilot will test a performance-based contract structure and community-based public-private partnership program model that leverages private sector management and design expertise and centers community know-how and priorities.

Currently to date, the 516 million gallons are being managed by GSI, the end-of-year 2023 goal was 510MG, putting this investment ahead of their annual goal.



Queen Mary Rowhouse Bioretention

This completed project was the result of a public-private partnership between SPU and 9205 14th, LLC, a developer in the Crown Hill neighborhood. SPU provided funding for the project to exceed its stormwater code minimum requirements by constructing bioretention along NW 92nd Street to manage right-of-way runoff and reduce local flooding downstream of the development.

EMPOWERING OUR CUSTOMERS, 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

Facilities Master Plan - The preferred alternative for the *North One Water Facility* is drafted and additional master plan recommendations were previewed with the executive team. A review of the draft workforce facility hierarchy recommendations for Maximo and the SPU *GIS Facilities Data Maintenance Editor Project* business requirements document are complete.

SOC – Hygiene: The 30% design continues; the Office of Sustainability and Environment has indicated that the project will be required to meet LEED Gold standard. As a result, the consulting team is working to identify the impacts of this requirement. This added scope pushes the 30% baseline back to late Q1 2024.

Dewatering: The sewer alignment work continued with the expansion of the site survey. The CIP board has approved a plan to develop the program for the site and a site master plan that includes all future uses due to lack of sufficient space on site. This work will be completed in mid 2024 and the 30% design work will continue upon completion of the program.

Cedar Falls – Consultant site visits have begun, and the land survey fieldwork is wrapping up. Once the site survey is complete (Q4 2023) review of the conceptual plan will begin.

SMT – Project 2 is on schedule and wrapping up the schematic design. Project 1 is 53rd floor alone. This was delayed and had to go out for Public Bid as the first pricing exceeded JOC limit. Construction start is anticipated for 2Q 2024. Project 2, floors 46-50 in SMT is on track, design development is planned to start in December.



FOCUS ON: Empowering Our Customer, 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:

Two of the loan applications were converted to grant recipients. The applicants' incomes were lower than the 80% Area Median Income threshold which qualified them for the Office of Housing's grant program, which is zero cost to homeowners. Currently, in 2023, there is one customer enrolled and one in progress. These two households that were enrolled are not included in the overall goal of 10 households enrolled in 2023 because they were referred to the program via the program's outreach efforts. A continued distribution of a mailer advertising the program to UDP enrollees is complete; with a distribution rate of 1,000 customers per month. This is a joint effort with Solid Waste's Special Item Collection program. Post mailer delivery, SPU receives about six calls per week inquiring about the program. A working group has been formed and the design concept is finalized for the 2024 UDP mailer with three SPU affordability programs (Free Toilet, Special Item Collection, and SSAP). The audience for this is monthly new UDP enrollees.

Phase II inspection & maintenance continues to be deployed with community feedback survey via newsletters, Community Centers, and tabling events. Currently, there are two direct contracts in place with Community Based Organizations: Chinese Information Services Center and Horn of Africa Services (HOAS) for Q3 and Q4 outreach tasks. The purchase and delivery of the "drain care education kit" is complete for HOAS to incentivize survey participation.

The Community Liaison outreach program pilot was implemented in Q3 resulting in summer tabling events with four other SPU programs, including Adopt-A-Street, Adopt-A-Drain, SBP survey, What to Flush, and Fats, Oils, and Grease. Six (+) joint tabling events were completed in Q3.

- Piloting and testing of side sewer education games at tabling events to invite participation and table engagement.
- Creation of a side sewer demo pipe for tabling events to invite participation and table engagement.

Other outreach efforts include continued program in-person outreach to Seattle senior centers. The finalization of Phase I (loans) survey distribution plan via consultant. The survey audience is loan applicants who did not complete the process (approx. 200 households), as well as loan recipients (4 households). These survey results and analysis will be used to evaluate the Phase I program. Finally, outreach to local sewer contractors about the Phase I program is being used as a marketing opportunity.

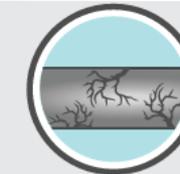
Examples of potential sewer pipe issues:



Cooking oil and grease from food preparation builds up in pipes.



Tree and shrub roots can easily grow into cracks or holes especially in older pipes.



Cracked pipes leak sewage and invite tree root damage.



Debris could include flushed trash or other non-degradable materials.

FOCUS ON: Empowering Our Customer, Community, and Employees

DWW RV WASTEWATER PROGRAM

Investment

Status: At Risk

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:

In Q3, 839 RVs received outreach, but there was a significant decline in the RV Dwelling population by approximately 15% from Q1 to Q3.

The program is experiencing staffing shortages with the RV Programs Assistant Position being currently vacant due to an internal promotion. The RV Wastewater Program is attempting to scale back program commitments and ambitions to accommodate diminished capacity with plans to advertise the position in Q1 2024. We are prioritizing our core function of RV Wastewater Services and delaying program improvements and innovations. Delayed improvements include the finalization of program Standard Operating Procedures, additional wastewater services in support of RV Remediation and RV Relocation efforts, and improvements to our parts distribution and RV tank repair outreach support. We are maintaining our commitments under our Department of Ecology Water Quality Grant including quarterly reporting, and the development of a program Adaptive Management Plan.

Drinking Water For Unhoused Pilot Project: Bottled Water distribution with PARKS, SDOT, and SVDP continues. Memorandum of Understanding in Process to add Mary's Place, Urban League, REACH, and University Heights as distribution partners in process. Pilot testing of bulk water delivery via tanker truck on hold due to staffing shortage.

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

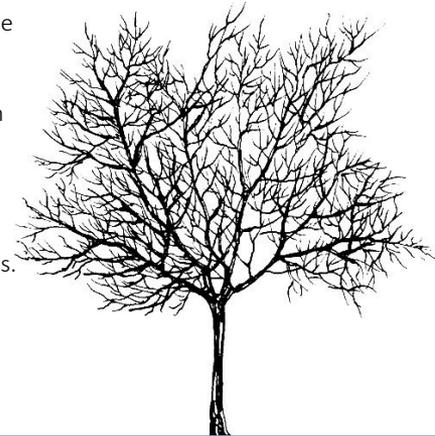
Update:

The RV remediation target is on track with five to eight RV remediations inspected and scheduled monthly

The geographical cleans target to increase the number of RV cleans to 40-60 a month is on track.

The Encampment Trash program, also known as the Purple Bag program, had an annual goal to expand service to 50% more encampments. In Q3 the program serviced an average of 31 sites per month and is on track to meet the performance targets.

SPU also planned to partner with an experienced service provider to distribute purple bags and provide outreach and education to 30% of ETP sites. In Q3 Hepatitis Education Project (Hep) continued servicing 30% of the ETP sites.



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

Update:

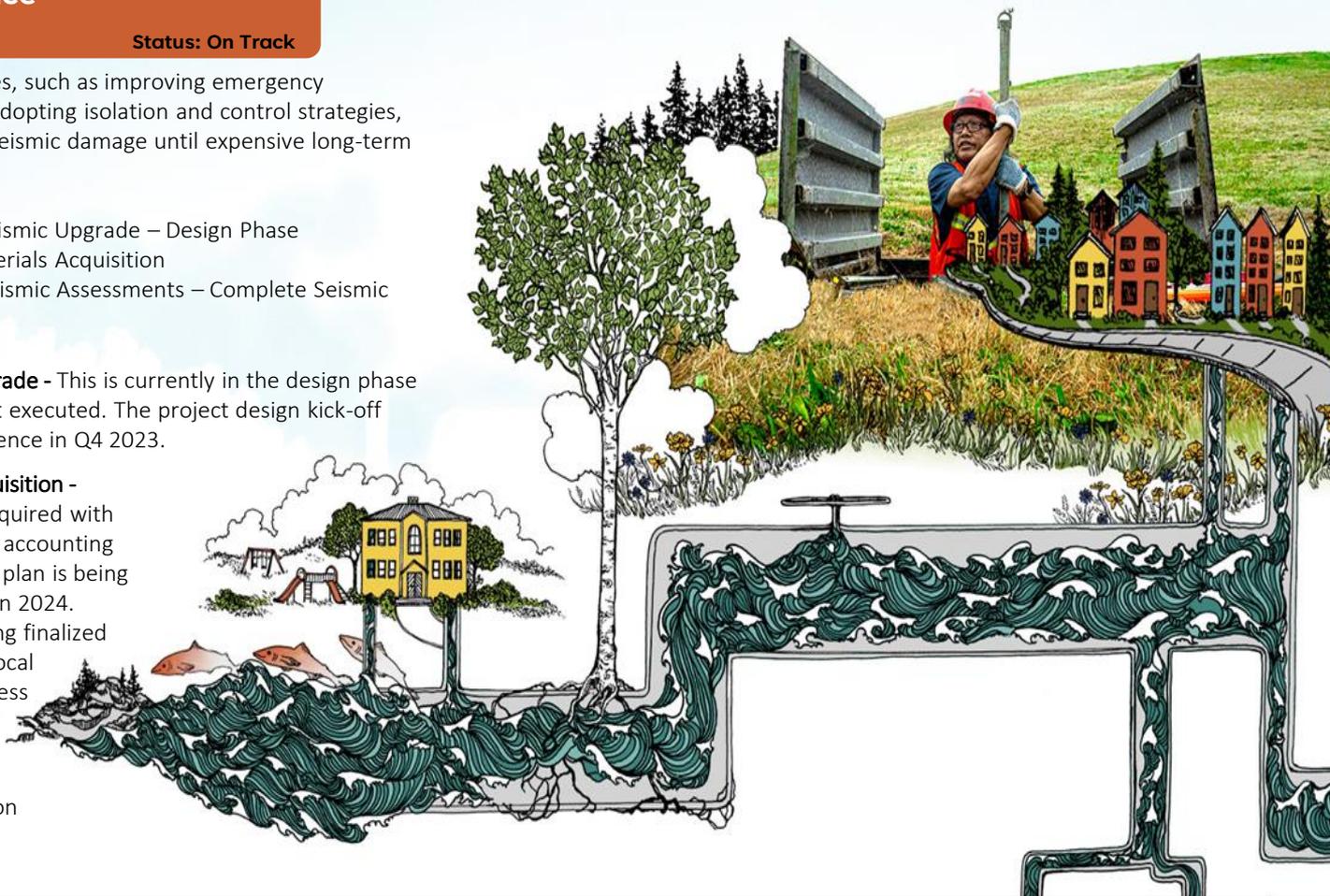
Cedar River Pipelines in Renton Seismic Upgrade - This is currently in the design phase with the consultant design services contract executed. The project design kick-off was held Oct 2023 and is planned to commence in Q4 2023.

Earthquake Emergency Spare Materials Acquisition -

Determination that all materials must be acquired with operations and maintenance funds per U.S. accounting regulations. The *Distribution Pipe Materials* plan is being developed for the Roosevelt Reservoir site in 2024. Specifications for transmission pipe are being finalized and dialogue on pricing has started with a local supplier. The FAS purchase requisition process is underway.

Eastside and Riverton Reservoir Seismic Assessments -

The Final Eastside and Riverton Reservoir seismic reports are complete.



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 water main relocation projects in conjunction with the SDOT Holman Pedestrian Seismic Bridge Project and SDOT Rainier & MLK Jr Bridge Seismic Retrofit Project have been initiated. Other minor water system improvement projects including valve, hydrant, and fitting replacements were also initiated with multiple SDOT projects. SPU assessed over 17 SDOT projects for SPU Water opportunities or impact-driven improvements.

Hydrant and Valve Maintenance - SPU currently has 29 out-of-service hydrants, exceeding the goal of having fewer than 19 out-of-service by 10. Out of the 107 hydrants initially reported as out of service, 108 have been restored to service in Q3, representing a recovery rate exceeding 100% as crews work to address the backlog. SPU fell behind the Q3 target completing 217 minor hydrant repairs this quarter.

Water System Overall Management -

- Water Tank Rehabilitation and Seismic Upgrades: The Magnolia Tank 90% design review is ongoing and the project is on track for 90% design completion by year-end.
- Cathodic Protection for Water Pipelines: CP2019 package construction is complete and on track. CP2021 package construction is proceeding on track. CP2023 package design has not been started yet, hence the "minor delay" status.
- Water Main Rehabilitation Program (WMRP): All active WMRP projects progressing in various stages of design through construction. No specific milestones were achieved in Q3.
- Water Service Renewals: There were 116 reactive renewals and seven proactive renewals. More renewals are expected to be reported from Q3 later in the year due to data updates.

FOCUS ON: Strengthening Our Utility's Business Practices

DWW ASSET MANAGEMENT AND OPPORTUNITY WORK

Investment

Status: At Risk

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

Update:

The expansion of sewer rehabilitation work (miles of pipe/crew work order count) is at risk with 3.26 miles of contracted full pipe rehabilitated and 363 sewer rehab crew work orders completed YTD. SPU anticipates that contracted full pipe rehabilitation is at risk due to contractors not being able to fulfill contract terms and delays in contracting due to rebidding/delayed award periods.

The expanded drainage rehabilitation work (crew work order count and facility projects) is on track with 99 drainage rehab crew work orders completed YTD.

Wastewater Pump Stations, Force Mains (FM), and CSO Outfall Rehabilitation work is on track with Wastewater Pump Station 39 Force Main Emergency Repair completed and preliminary closeout initiated. A minor delay of four CSO outfall cleanings is delayed to Q4 2023.

The CIP dollar spent YTD through Q3 is approximately \$32.7M. The status is at risk as this is approximately 64% spent of the annual budget.



YTD SPENDING THROUGH Q3 2023 PDEB* CIP SPENDING



■ YTD Expenses
■ Remaining Budget

KEY UPDATES

Ship Canal Water Quality Project:

Tunneling work continues in Ballard, East Ballard, Fremont, Queen Anne, and Wallingford causing road closures. SPU continues to do community outreach to make the process more manageable for the community. This includes installing additional traffic detour signs after neighborhood feedback.

Ballard Pump Station/Ballard Conveyance - The SCWQP Team conducted a novel “Contractor Outreach” process to solicit input from the Contracting Community regarding risks and suggested improvements to the construction documents. The result was a decision to keep the Pump Station and Ballard Conveyance projects as a joint construction contract. The team is revising the contract documents and is on schedule to advertise for contractor bids in early 2024.

Wallingford Conveyance – This will be in construction through 2024. The SCWQP Team is working with the community to reduce construction impacts.

Storage Tunnel – This is in construction. Following the completion of tunneling, work continues to complete the facilities along the tunnel alignment. The forecast for Storage Tunnel Physical Completion is June 2024.

Program Management – Program Management is ongoing for SCWQP. The program continues to evaluate the remaining schedule and cost to complete, accounting for historical escalation costs, planned changes to the Ballard Pump Station/Ballard Conveyance contract, and large construction claims. It is expected that the program budget will need to increase 14% to 25%, depending on the successful bid for the Ballard Pump Station/Ballard Conveyance project. The current forecast to meet the Consent Decree “construction complete” date is Q3 2027. SPU is in discussions with our regulators to extend the construction complete milestone in the Consent Decree beyond 12/31/2025.

Water Projects:

Cathodic Protection Program 2021 - The project is in the construction phase. This project will extend the life of over 6500-LF of large diameter steel water transmission pipelines. Small amounts of external power will be applied to the underground pipelines, a technology known as "cathodic protection," slowing or stopping further corrosion. Cathodic protection projects have a relatively small impact on the community in terms of size and cost, while significantly extending the lifetime of critical water infrastructure. There is one site in the City of Renton and Seattle's Montlake neighborhood, and two sites each in Seattle's Capitol Hill and Beacon Hill neighborhoods. Initial community outreach notifications were distributed in September 2022. The project entered the Construction Phase and issued a Notice-to-Proceed January 2023, and will enter service by year-end.

KEY UPDATES CONTINUED

Solid Waste Projects (SW):

South Transfer Station Phase II - This project is in the design phase. The project includes capping the old landfill in the South Park neighborhood as required by our Department of Ecology consent decree. Proposed improvements, reviewed and approved by the community, include sidewalks, ADA ramps, trees, and other plantings. More community outreach will occur in Q2 2024 when design is further along. Design will be completed by Q4 2024, with construction expected to start in early 2025.

Drainage and Wastewater Projects (DWW)

Thornton Creek - This project treats storm water that drains to Thornton Creek by installing natural drainage systems along multiple blocks in the basin. The project will also address some localized flooding issues. The contractor for construction has been authorized to start in Q4 2023. Community outreach is a continuous effort during construction. Last month, the project team presented to the Victory High Community Council, and the team is hosting several in-person drop-in sessions to prepare residents for construction and answer questions. The project's contractor will mobilize soon to begin construction and the project is planned to complete construction in early 2025.

Pump Station 4 Replacement Project - This project is located within the Rainer Beach Urban Village where high-density redevelopment is planned to begin as early as next year. This project will increase the capacity of the pump station to meet projected future sewer demand of the proposed redevelopment. The project recently began the Options Analysis phase which will continue through 2024. This quarter, the project will begin hydraulic modeling to approximate the future flows to the pump station. The project is planned to begin design in 2025

Major Interagency Projects (MIP)

South Access Phase 2 (Alaskan Way Viaduct / Seawall Replacement Program) - This WSDOT-led project is the final construction contract for the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP) which included the SR99 Deep Bored Tunnel. This project includes multiple City department assets and completes utilities, pedestrian amenities, programmed spaces, transportation facilities, and building demolition in the vicinity of the south portal of the SR99 Bored Tunnel. We are now in final inspection of the donated SPU assets. Community outreach is ongoing and led by WSDOT in coordination with City Departments. All significant construction of the project is expected to be completed in 2023.

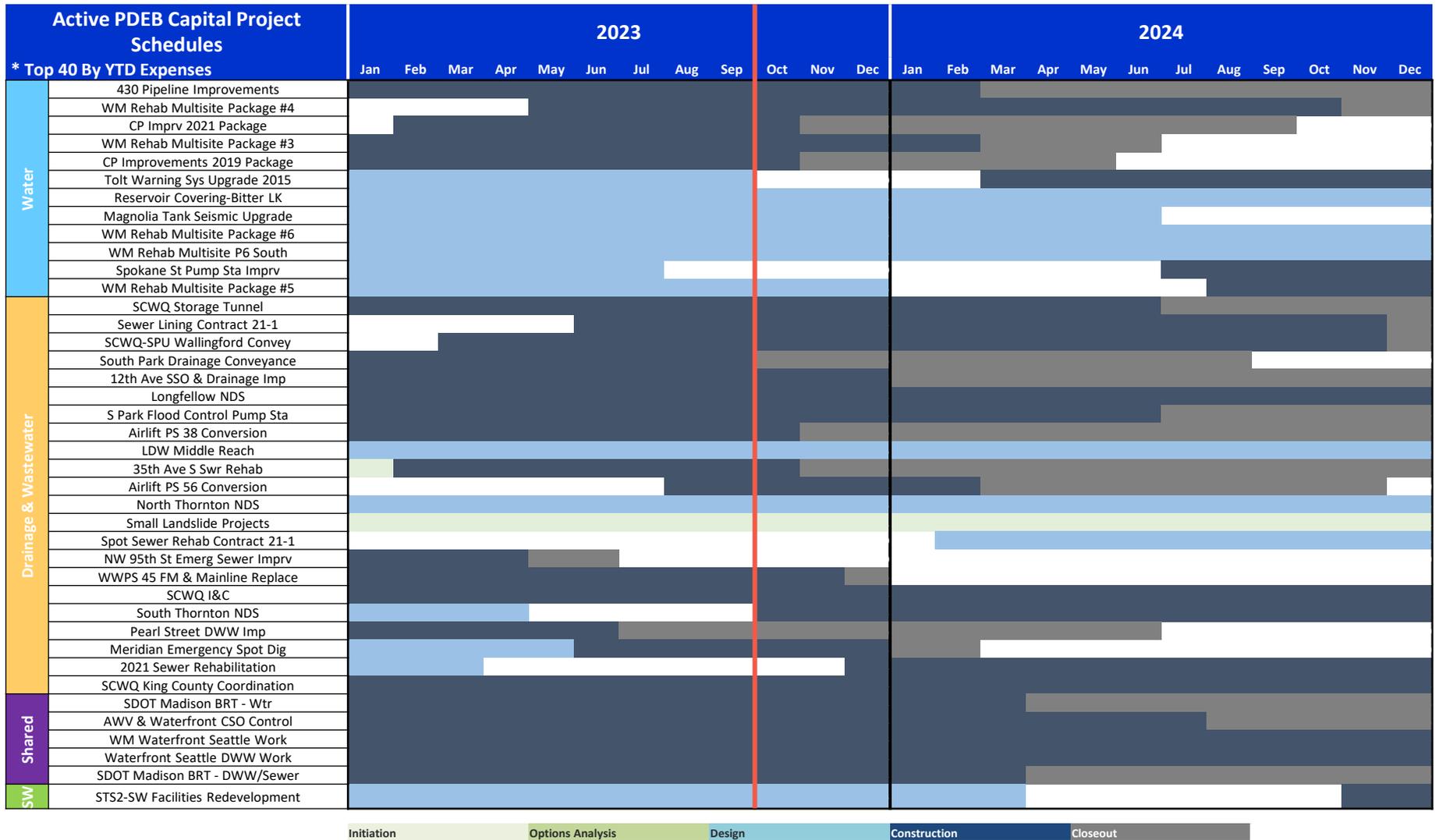
SR 520 Program - The SR 520 program is WSDOT-led and consists of a series of three projects that construct improvements to the SR 520 and I-5 corridor between Lake Washington and the Mercer St off-ramp. The Montlake phase is under construction and will construct a lid over SR 520 in the vicinity of Montlake Blvd. The lid will provide open space and HOV improvements. SPU's portion includes the replacement of a section of a 54" diameter water transmission line, other smaller water line relocations, and separation of State drainage from City drainage. With the discovery of poor soils during paving work on Montlake Boulevard south of SR520, WSDOT will be replacing an additional 500 linear feet of 12" waterman to the vicinity of E. Roanoke St. Completion of this work is anticipated for 1st quarter 2024. The storm drainage is also scheduled to be completed by later this winter. All community outreach is being led by WSDOT.

UPCOMING CONSTRUCTION BIDS AND CONSULTANT RFPS

Upcoming Construction Bids:

- Tolt Reservoir Log Boom Improvement
- WM Rehab Multisite Package #5
- STS2-SW Facilities Redevelopment
- SCWQ Pump Station
- SCWQ-SPU Ballard Convey
- NE 137th Culvert Trash-rack Imp
- SDOT Roosevelt/Eastlake BRT
- SDOT Roosevelt Eastlake RR-WF

PDEB 2023 – 2024 CAPITAL PROJECT SCHEDULE



Initiation 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 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 plan 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 third quarter 2023 CIP accomplishment rate for all funds was 67% with actual expenditures of \$179.7 million against a budgeted amount of \$266.9 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 92% of the budget with \$45.2 million in actual expenditures against a budget of \$49.4 million.
- **The Drainage and Wastewater Fund** (excluding shared and technology) accomplished 69% of the budget with \$110.8 million in actual expenditures against a budget of \$159.4 million.
- **The Solid Waste Fund** (excluding shared and technology) accomplished 79% of the budget with \$1.7 million in actual expenditures against a budget of \$2.2 million.
- **Shared CIP** accomplished 42% of the budget with \$18.6 million in expenditures against a budget of \$44.4 million.
- **Technology CIP** accomplished 30% of the Budget with \$3.4 million in actual expenditures against a budget of \$11.5 million.

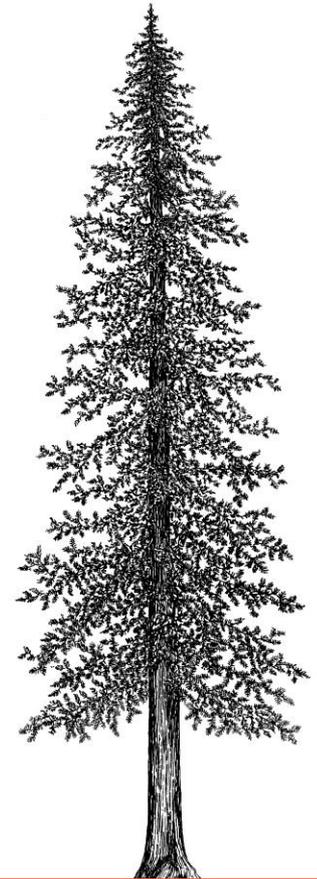


WATER FUND Q3 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through September			
	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	\$291.0	\$215.0	\$76.0	26.1%	\$229.0	\$215.0	\$14.0	6.1%
Capital	\$115.0	\$57.1	\$57.9	50.3%	\$81.0	\$57.1	\$23.9	29.5%
Total Expenditures	\$406.0	\$272.1	\$133.9	33.0%	\$310.0	\$272.1	\$37.9	12.2%
	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.	\$227.7	\$173.0	\$54.7	24.0%	\$173.0	\$173.0	\$0.0	0.0%
Wholesale Customer Rev.	\$59.2	\$46.3	\$12.9	21.8%	\$48.0	\$46.3	\$1.7	3.5%
Other Revenue	\$12.8	\$9.0	\$3.8	29.7%	\$10.0	\$9.0	\$1.0	10.0%
Total Operating Revenue	\$299.7	\$228.3	\$71.4	23.8%	\$231.0	\$228.3	\$2.7	1.2%

Sums may not total due to rounding.
 * 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.

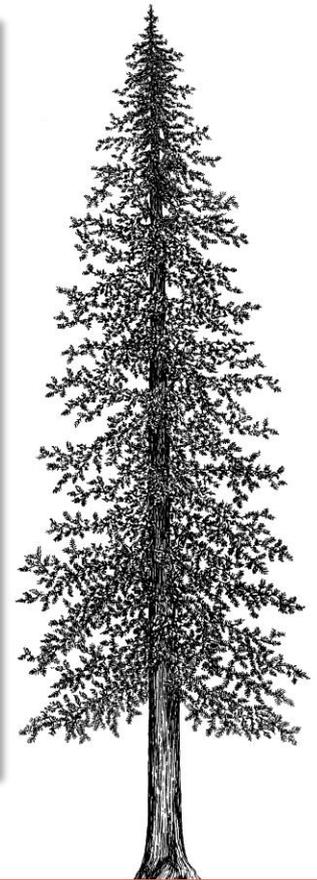


DRAINAGE AND WASTEWATER FUND Q3 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through September			
	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	\$491.0	\$356.0	\$135.0	27.5%	\$371.0	\$356.0	\$15.0	4.0%
Capital	\$245.0	\$117.0	\$128.0	52.2%	\$178.0	\$117.0	\$61.0	34.3%
Total Expenditures	\$736.0	\$473.0	\$263.0	35.7%	\$549.0	\$473.0	\$76.0	13.8%
	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	\$344.5	\$264.6	\$79.9	23.2%	\$265.9	\$264.6	\$1.3	0.5%
Drainage Revenue	\$196.0	\$139.2	\$56.8	29.0%	\$138.9	\$139.2	\$0.0	0.0%
Other Revenue	\$6.5	\$4.8	\$1.7	25.5%	\$4.5	\$4.8	(\$0.3)	(7.4%)
Total Operating Revenue	\$547.0	\$408.7	\$138.3	25.3%	\$409.3	\$408.7	\$0.6	0.2%

* 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.

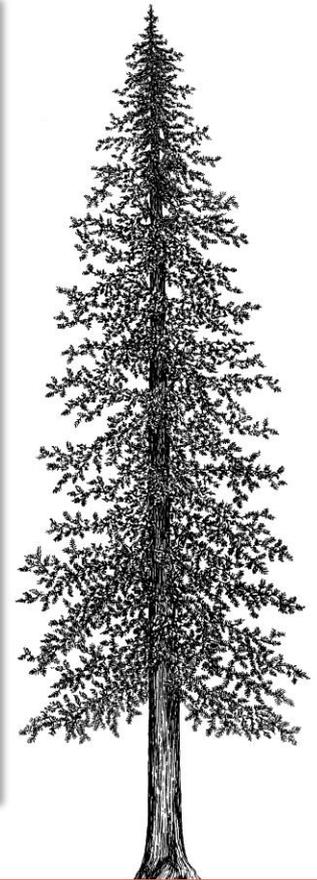


SOLID WASTE FUND Q3 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through September			
	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	\$232.0	\$165.0	\$45.0	19.4%	\$175.0	\$165.0	\$10.0	5.7%
Capital	\$18.0	\$5.0	\$13.0	72.2%	\$7.0	\$5.0	\$2.0	28.6%
Total Expenditures	\$250.0	\$170.0	\$80.0	32.0%	\$182.0	\$170.0	\$12.0	6.6%
	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	\$172.0	\$128.0	\$44.0	25.6%	\$126.0	\$128.0	(\$2.0)	(1.6%)
Commercial Revenue	\$75.1	\$55.0	\$20.1	26.8%	\$56.0	\$55.0	\$1.0	1.8%
Transfer Station Revenue	\$20.0	\$15.8	\$4.2	21.0%	\$15.5	\$15.8	(\$0.3)	(1.9%)
Other Revenue	\$7.2	\$6.1	\$1.1	15.3%	\$5.4	\$6.1	(\$0.7)	(13.0%)
Total Operating Revenue	\$274.3	\$204.9	\$69.4	25.3%	\$202.9	\$204.9	(\$2.0)	(1.0%)

* 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 Q3 2023 SBP Progress Report

For more information, click the links below

- [SPU's 2021-2026 Strategic Business Plan](#)
- [SPU CARES Principles](#)
- [SPU'S SBP Q2 2023 Report](#)
- [SPU'S SBP Q1 2023 Report](#)
- [SPU'S SBP Q4 2022 Report](#)
- [SPU'S SBP Q3 2022 Report](#)