

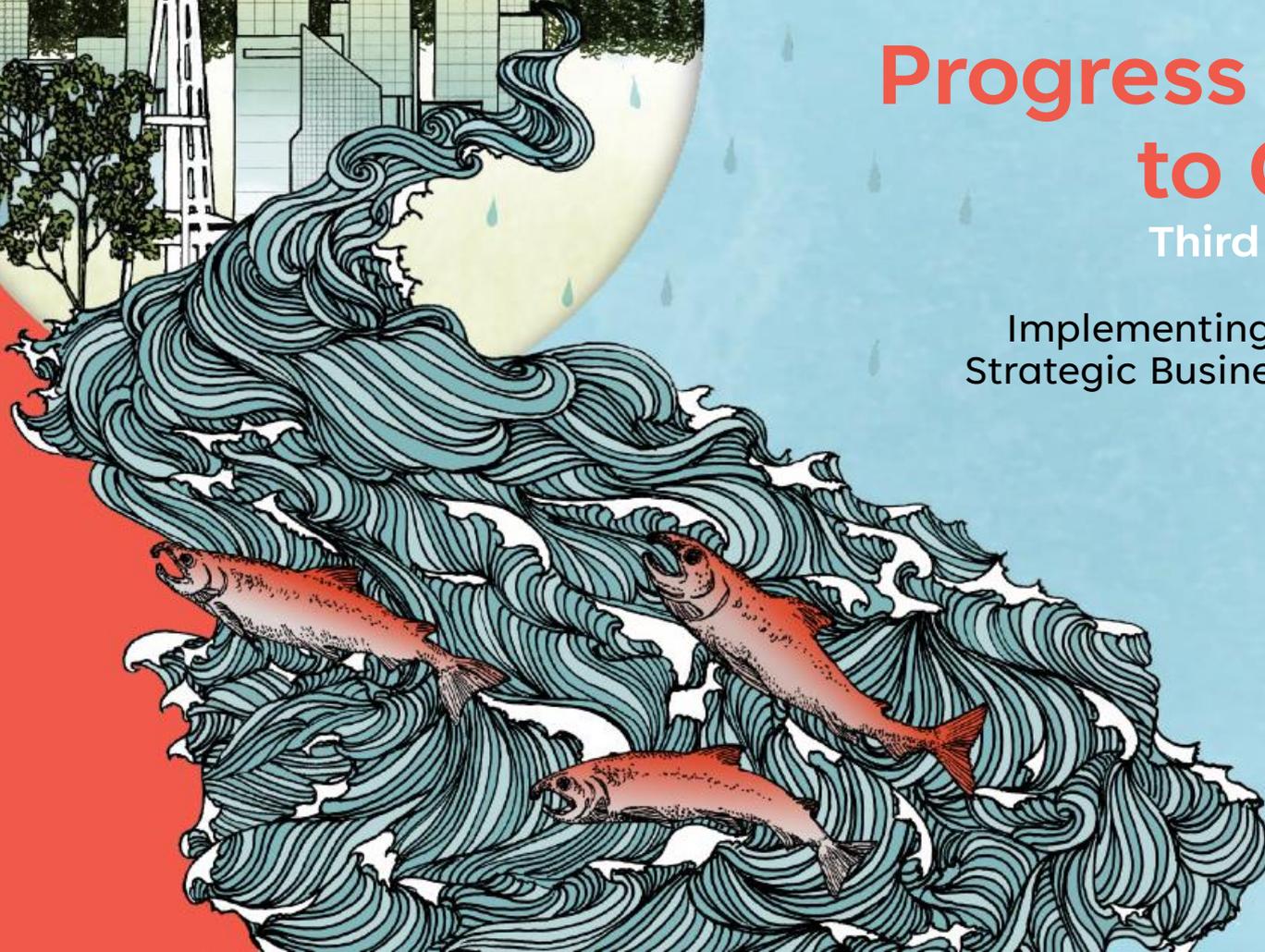


Progress Report to Council

Third Quarter, 2022

Implementing the 2021-2026
Strategic Business Plan Update

December 12, 2022



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 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 below 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.



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

5.9%

Distribution System Leakage
Annual Target: ≤10%

.91lbs

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

Pending

Utility Discount Programs**
Target: Meets the Need

100%

Clean City Collection
Annual Target: ≥95%

2.6

Sewer Overflows
Annual Target: ≤4 per 100 miles



*Metrics for Residential Garbage, Recycling, and Organics reporting is annual, there is a lag in obtaining the data. Current annual metric is available from Oct 2022.
** See page 6

FOCUS ON: Delivering Equitable Essential Services

RELIABLE AND REWARDING EXPERIENCES

97%

Water & DWW Response

Annual Target: ≥90%

96%

Customer Call Response

Target: ≥ 80% in 3 mins

93%

Customer Satisfaction

Target: ≥ 90%

0.8

Missed Waste Pick-up*

Target: ≤1 per 1000 stops

EXPECTATIONS, REQUIREMENTS, & COMMITMENTS

63%

CSO Outfalls
Annual Target: ≥ 62%

2.27 lbs.

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

80%

Customer Effort
Target: ≥ 80%

20%

WMBE Purchasing
Target: ≥17%

34%

WMBE Consultants
Target: ≥ 22%

Met

Drinking Water Quality
Target: Regulation met

Met

NPDES***
Target: Regulation met

 = Meeting Target  = Monitor

* Number represents a 52-week rolling average

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

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



FOCUS ON: Delivering Equitable Essential Services



Water & Drainage and Wastewater – Responding to water and drainage & wastewater issues are an element of delivering a reliable and rewarding experience to our customers. In Q3 SPU exceeded their target with a 97% response rate.



Distribution System Leakage: Distribution System Leakage is part of the Essential Service Metrics strategy to provide reliable and rewarding experiences. SPU’s target for system leakage is to have less than or equal to a 10% loss annually, ensuring responsible environmental conservation and access to reliable essential services. In the third quarter, SPU exceeded the target with an average of 5.9%.



Utility Discount Program: During Q3 2022, the Utility Discount Program launched an upgraded version of the online UDP application and management system. The system upgrade created an easier online user experience for customers applying to enroll in UDP, and efficiencies for internal staff allowing them to speed up the application processing time. To avoid delays with the rollout to customers, the system went live with some backend development still needed, including the necessary updates for accurate data reporting, which is why there is no enrollment number to report for Q3. The system development should be complete for Q4 reporting.



Customer Effort: During Q3, the Contact Center at SPU met their goal related to customer effort with responses from customers reflecting 80% stating that they strongly agreed that SPU made it easy for them to handle their issue. Customer effort is an Essential Service Metrics strategy to meet or exceed expectations, requirements, and commitments. This data is collected from the SPU Contact Center post-call survey results. This survey is available to customers contacting SPU regarding account services.

Focus On

STEWARDING ENVIRONMENT AND HEALTH

SHIP CANAL WATER QUALITY PROJECT 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:

- Final Design package for the pump station and Ballard conveyance project
- Complete 8 ft. dia. tunnel
- Dig 2.7 mile long, 18 ft. 10 in. diameter storage tunnel

The projected completion date for the tunneling process is approximately ten months later than the original target date. This delay is caused by Covid impacts, an ambitious pre-tunneling estimation from the contractor, weather and an exceptionally large boulder (i.e., the MegaBoulder) that was encountered during tunneling in April 2022. This delay will likely cause a project completion delay beyond the Consent Decree milestone of 12/31/2025. SPU is in discussions with regulators to extend the project completion given the unforeseen circumstances.

The annual spending target for 2022 will not be achieved due to delays in tunneling. We expect that 2022 spending will be about \$70M. It will continue to be heavily influenced by mining of the storage tunnel. The overall project confidence to complete the project within the \$570M budget has been significantly reduced in the last quarter. We have started a comprehensive project update to re-evaluate all project costs and schedules, this is estimated to be finished in June/July 2023 when we open bids for the last construction project. Factors impacting the budget include large global escalation increases, which are likely to add \$30M to the estimated cost of the remaining construction project, the occurrence of another significant underground risk, and Covid impacts.



FOCUS ON: Stewarding Environment and Health

GREEN STORMWATER INFRASTRUCTURE

Status: On Track

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

Annual Target:

- Leverage DWW Capital project investments to grow knowledge and delivery of expanded community benefits (environment, health, equity, empowerment, customer experience)
- Support projects led by external partners to add GSI beyond stormwater management requirements
- Manage an average volume of 490 million gallons (MG) of runoff with GSI

As part of the Capital Improvement Projects, the Natural Drainage System (NDS) partnering program will deliver treatment of 44.4 acres of effective impervious area in the Longfellow, Pipers, and Thornton Creek basins. In the third quarter, NDS shared design progress with the community for South Thornton NDS (90% design), sent out a community survey in North Thornton NDS (site selection/ 10% design), received over 500 responses, and initiated construction of Longfellow NDS.

Incentives continued to develop in Q3. The Voluntary and Beyond Code GSI Partnership Program is finalizing partnership MOAs for 3 projects. Once constructed, these developer-led partnership projects will treat 1.4 acres of impervious area (Northlake Station) and provide flow control for .62 acres of impervious area (Queen Mary Rowhouse and JazzHouse) beyond code requirements. SPU is also exploring a beyond code partnership with Seattle Parks and Recreation as part of the Kubota Garden parking lot redesign, which would treat right-of-way runoff along the edge of the park to protect the string of ponds within the park and Mapes Creek further downstream and align with SDOT sidewalk construct along the park frontage (55th Ave S) for improved pedestrian safety.



How a typical NDS planting installation changes over time

Focus On

EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES

SIDE SEWER ASSISTANCE PILOT AND IMPLEMENTATION

Status: On Track

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

Annual Target:

- Enroll eligible low-income customers in the Phase I Loan Program to receive funding for repairs
- Phase II (Incentives) program development and implementation

In the third quarter, the Side Sewer Assistance Pilot continued to stay on track. In contribution to phase II, the team has conducted interviews with other nationwide sewer maintenance incentive programs to gather feedback and lessons learned. A survey instrument was also developed for community feedback on incentives and is set to deploy in Q4.

A continued outreach to encourage program enrollment is ongoing as part of phase one with sewer vendors being a successful referral resource for the program. Additionally, there is outreach through the Community Connections organization by way of door-to-door visits in root hot spot neighborhoods, public library and grocery store tabling sessions, booths at *Back to School Bash*, and the *Duwamish River Festival*. Print information has been a means of communication through advertisements via SPU Buck Slip, SPU *At Your Service* and *Seattle Dept of Neighborhoods* newsletter.



FOCUS ON: Empowering Our Customer, Community, and Employees

DWW RV WASTEWATER PROGRAM

Status: Minor Delay

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 1600 RV Wastewater Collections
- Create and maintain maps for RV Wastewater collection routes
- Add a 2021 addendum to 2020 Pilot program report
- Pilot a ‘Not at Home’ improvement to service provision model
- Hire and train a 0.5 FTE to support the program
- Create standard operating procedures governing the program

The third quarter wastewater collection goal was not met, there have been 1,271 cumulative collections and 344 net collections. This is primarily due to Covid-19 related staffing shortages which prevented services in July for one week. Moving forward, the team has successfully hired a new temporary employee *RV Programs Assistant* and completed the onboarding process. This job is dedicated to the RV Wastewater Program and the RV Remediation Program. This role is accountable for field work supporting RV wastewater collections, RV remediation cleanups, updating RV resident parking locations for route mapping and managing the equipment and supply processes.

Additionally, the program has also begun to create reports and fulfill other obligations related to the funding grant from the Department of Ecology. This includes program goals related to a report recording 2021 activities, piloting a “not at home” service model, and working on our standard operating procedures which are scheduled for Q4.

SPU SUPPORT SERVICES FOR THE UNSHELTERED

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 60 RV remediations
- Conduct 90 RV geographical cleans
- Service 25 Unauthorized Homeless Encampment sites at any given time through the Encampment Trash program

SPU continued to surpass targets during the third quarter. At the end of Q3, SPU conducted 22 RV remediations, serviced 25 Unauthorized Homeless Encampment sites, and conducted 22 RV geographical cleans. The program’s metrics were completed on time fulfilling the program’s commitment on all fronts.

The program is onboarding new staff and have a confirmed vendor capacity to expand geographical cleans and purple bag collection.



WORKFORCE FACILITIES INVESTMENTS

Status: Minor Delay

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

Annual Target:

- Update Facilities Master Plan strategy
- Planning work for North Operations Complex (NOC)
- 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 – This strategy plan is still being worked on by the SPU team. Over the next 12 months, alternatives for the complete portfolio will be developed and a preferred direction selected. By December 2023, a 20-year investment strategy will be produced for the entire portfolio with a 6-year, phased capital spending plan.

Planning for South Operations – Several projects are underway at SOC. The hygiene locker project consultant contract has been executed and the 30% design phase is underway. The vehicle gate for SOC will be completed by end of the year. The structural column damage repair project has a minor delay with contracting expected Q2 2023.

Cedar Falls Phase 2 – This project is facing a minor delay. Stage Gate 2 for Cedar Falls is being drafted and this will incorporate cost estimates from the consultants as well as Facilities & Administrative Services (FAS). The team is preparing to present Stage Gate 2 in Quarter 4 of this year.

The Seattle Municipal Tower Reconfiguration – This project is on track, the executive team has approved and is in the sequencing phase of the *Workplace Reimagined* project, which focused on reducing Seattle Public Utilities' usable square footage in the Seattle Municipal Tower. The programming phase is complete, and the team has been assembled to design all SPU SMT floors.



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 & Investments

WATER ASSET MANAGEMENT AND OPPORTUNITY WORK

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
 - Complete 82 critical valve work orders within Q3 & Q4
- Water System Overall Asset Management:
 - Advance water main packages 2-7 through various stages of planning, design, and construction
 - Complete approximately 650 water service line replacements per year
 - Execute design services contract and start design phase Water Tank Rehabilitation and Seismic Upgrades
 - Perform annual maintenance and testing of existing Cathodic Protection systems

Water Asset Transportation Opportunity Projects: In the third quarter, design progressed for Shoreline 145th Corridor, Shoreline 145th/I-5 Interchange, East Marginal Way, and Rapid Ride J Line projects. Projects in construction included the Madison Bus Rapid Transit project. And new projects included the Shoreline 175th Corridor and Shoreline Hidden Lake Watermain Replacement projects.

Hydrant and Valve Maintenance:

- SPU continued to meet targets in the third quarter regarding sustaining hydrants in service and for minor hydrant repairs.
- SPU didn't meet the goal of returning service to 95% of newly reported out-of-service hydrants due to supply chain issues resulting in 57 (83.8%) out of 68 hydrants returned to service. SPU didn't meet the goal of critical valve inspection due to staffing limitations. This work will continue with additional staff hiring later in 2022.

Water System Overall Management:

- In the third quarter, construction began on WM package 3. Design is complete for WM package 4, construction will be commencing shortly. Design is progress on packages 5 & 6.
- SPU's goal of completing 650 water service line replacements won't be met for 2022. Currently 240 have been completed, projecting 332 to be completed in 2022. These replacements are demand-driven or provided by opportunities for proactive replacements via interagency pavement restoration. SPU has had a less than normal amount of water service leaks in 2022, providing fewer opportunities for proactive replacements. This goal will be re-evaluated for 2023 to take into consideration the substantial reduction in SDOT opportunity projects.
- The Magnolia seismic upgrade and rehabilitation design services contract has been executed with consultant Gray & Osborne and design is underway. The Water Main Rehab program is on track in 2022.
- The 2021 Cathodic Protection Package was awarded and is now undergoing submittal review and preparation for construction (expected to start Q4 2022).

WATER SYSTEM SEISMIC RESILIENCE

Status: Minor Delay

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:

- Complete Options Analysis for Cedar River Pipelines in Renton Seismic Upgrade
- Complete Upgrade Options Identification and Seismic Vulnerability Assessments for Eastside and Riverton Reservoir Seismic Assessments
- Complete Transmission Pipeline Seismic Upgrade Plan

The Cedar River Pipelines in Renton had a minor delay as work continued for the Stage Gate 2 (SG2) form in the third quarter. SG2 is expected to be completed in late November/early December. AMC approval will be sought in January 2023.

The Transmission Pipeline Seismic Upgrade plan experienced a minor delay. The draft comments were received but have not yet been incorporated. Expected completion is estimated for July 2023.

The Eastside and Riverton Reservoirs had a minor delay. The preliminary seismic assessment TMs were delivered. Upgrade options will be presented to SPU in November 2022. The consultant has committed to delivering the drafted report by the end of 2022 and final report by the end of January 2023.



Earthquake resistant pipe installation in Pioneer Square

FOCUS ON: Strengthening Our Utility's Business Practices & Investments

DWW ASSET MANAGEMENT AND OPPORTUNITY WORK

Status: Minor Delay

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

Annual Target:

- Expand Sewer Rehabilitation work
- Add 2 pipe assessors and one Drainage Program Manager
- Expand Drainage Rehabilitation work
- Wastewater Pump Stations, Force Mains (FM), and CSO Outfall Rehabilitation

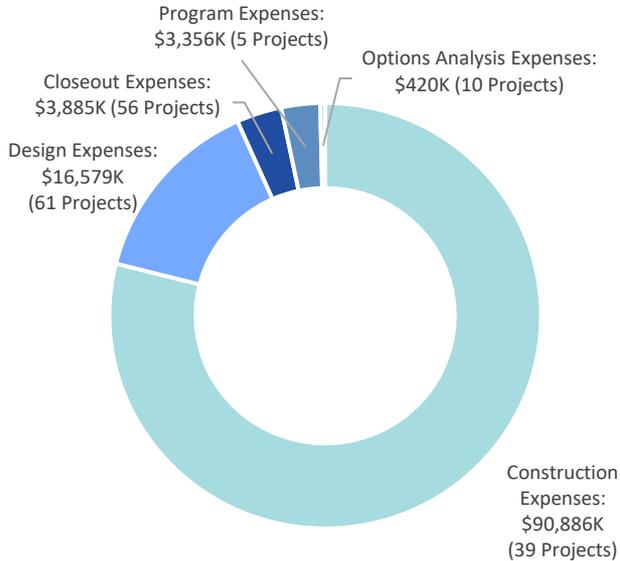
SPU continues to meet most of their quarterly goals. In the third quarter there were 79 sewer rehab crew work orders completed including 3.5 miles of contracted work, bringing the total for the year to 240 completed work orders. The 2 pipe assessors and Drainage Program managers have been filled and this goal is complete for the year. In addition to this, 26 drainage rehab crew work orders were completed, bringing the annual total of completed crew work orders to 72 thus far in 2022.

There is a delay in the planned 2 CSO outfall projects for Q3 and will be delayed to 2023, this is due to complexity of the permitting process. The wastewater pump station and force main 35 design initiated in Q1, and PS 17 was completed in Q2.



YTD SPENDING THROUGH Q3 2022 PDEB* CIP SPENDING

*Delivery and Engineering Branch



Quarter 3 2022 Spending

\$115,126K

Remaining Budget

\$70,542K

KEY UPDATES

Ship Canal Water Quality Project

- **TEPS and Ballard Conveyance** - The design is complete and waiting to advertise for construction bids. Ecology review of 100% design is complete and is currently in FAS review cycle, which is a step required to advertise for bids. The schedule to advertise for bids is delayed to February 2023 based on schedule for Storage Tunnel construction. Construction Notice to Proceed (NTP) is planned for Q3 2023.
- **Wallingford Conveyance** - The project opened construction bids in June and is currently working towards executing a construction contract with the low bidder. A Notice To Proceed will be out on January 3, 2023.
- **Storage Tunnel:** This is currently in construction with the Tunnel Boring Machine (TBM) enroute to the Fremont Site. Tunnel mining is progressing slower than planned due to several factors including inclement weather, the City's Covid vaccine mandate, contractor productivity issues, and the occurrence of an exceptionally large boulder encountered during tunneling. The current forecast for milestone dates for West Shaft Site Handover and Physical Completion are 10/20/2023 & 4/10/2024, respectively. The TBM has completed about 45% of total drive distance for the storage tunnel.
- **Program Management:** Program Management for the Ship Canal water quality project is ongoing. The program is in the process of evaluating the remaining schedule and cost to complete, accounting for historical escalation costs and large construction claims.

Drainage and Wastewater Projects (DWW)

- **Pearl Street DWW Improvements** - The project is in the "facility commissioning" phase and is scheduled for completion by the end of 2022. Due to the concrete strike, there have been some delays.
- **South Park Pump Station** - The project is currently in construction and anticipated completion early 2023. Due to a concrete strike and groundwater management risks, there have been some delays.
- **Sewer Lining Contract** – The first, of four advertising this year is in the bidding and awarding process.

KEY UPDATES CONTINUED

Major Interagency Projects (MIP)

- **Madison Bus Rapid Transit** – SDOT project continued construction through Q3 2022. SPU’s role includes updating standard drainage and wastewater facilities and replacement of the watermain along MADISON Street to improve the longevity of the water supply line. Despite a concrete strike, the contractor pivoted to rearranging watermain work to continue progress on this project. SPU’s work is ahead of schedule and has slowed down as the contractor shifts focus on SDOT work.
- **SR520 Portage Bay Bridge Phase** - The WSDOT project that is planned to replace the existing Portage Bay Bridge and build a landscape lid at Roanoke, will be releasing Request for Proposals (RFP) in winter 2022/23, with the award scheduled for summer 2023. In Q3, SPU staff worked closely with WSDOT and other City departments in development of design criteria for a 42” watermain replacement and other work, and continued negotiation of agreements for the SPU work necessitated by the transportation project.

Water / Solid Waste Projects (W/SW)

- **Lake Forest Park Reservoir Covering** - The contractor remobilized in May to complete the west cell cover and the new floating cover is now complete with the reservoir back in service. Substantial Completion was issued on 9/19/22.
- **STS2 Solid Waste Facilities** – The design consultant completed submitting the 30% design in the fourth quarter of 2021. A consultant has been selected and the process of negotiating the consultant contract is in process. A new design contract is anticipated to be in-place by the fourth quarter of 2022.
- **Tolt Early Warning System** – The design team began construction for Phase 1 in Q2 2022 and will complete commissioning in Q4 2022. The final design for Phase 2 is planned to be completed in Q1 2023, permits are currently pending. Phase 2 construction contract award and NTP is anticipated for Q2 2023.

UPCOMING CONSTRUCTION BIDS AND CONSULTANT RFPS

Upcoming Construction Bids:

- South Thornton Natural Drainage Systems (DWW)
- Watermain Rehab Package #5 – 1Q 2023 (W/SW)

Upcoming Construction:

- **Watermain Rehab Package #4** – Q1 2023 NTP is anticipated (W/SW)
- **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 2021 – 2022 CAPITAL PROJECT SCHEDULE

Initiation Construction Closeout

| Active PDEB Capital Project Schedules | | 2022 | | | | | | | | | | | | 2023 | | | | | | | | | | | | |
|---------------------------------------|--------------------------------|-------------------------------|---|---|---|---|---|---|---|---|----|----|----|------|---|---|---|---|---|---|---|---|----|----|----|--|
| * Top 40 By YTD Expenses | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| Water | 430 Pipeline Improvements | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Tolt Warning Sys Upgrade 2015 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | South Park WM Replacement | | | | | | | | | | | | | | | | | | | | | | | | | |
| | CP Improvements 2019 Package | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Reservoir Covering-L Forest Pk | | | | | | | | | | | | | | | | | | | | | | | | | |
| | WM Rehab Multisite Package #2 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | WM Rehab Multisite Package #3 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SW Spokane St Rehab | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Spokane St Pump Sta Imprv | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Reservoir Covering-Bitter LK | | | | | | | | | | | | | | | | | | | | | | | | | |
| DWW | SCWQ Storage Tunnel | | | | | | | | | | | | | | | | | | | | | | | | | |
| | South Park Drainage Conveyance | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S Park Flood Control Pump Sta | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Longfellow NDS | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2017 Sewer Lining Small Diamet | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SCWQ Water Quality | | | | | | | | | | | | | | | | | | | | | | | | | |
| | PS 17, 118 Improvements | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Pearl Street DWW Imp | | | | | | | | | | | | | | | | | | | | | | | | | |
| | LDW Middle Reach | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SCWQ Pump Station | | | | | | | | | | | | | | | | | | | | | | | | | |
| | South Thornton NDS | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 12th Ave SSO & Drainage Imp | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Lower Taylor Creek Restoration | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Melrose I-5 Sewer Crossing | | | | | | | | | | | | | | | | | | | | | | | | | |
| | E Harrison E Mercer Sp Swr Rpr | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Airlift PS 38 Conversion | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Sewer Lining Contract 21-2 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | WA Park Stormwater Gate Retro | | | | | | | | | | | | | | | | | | | | | | | | | |
| | PS 62, 63, 71 Improvements | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SCWQ-SPU Ballard Convey | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Sewer Lining Contract 21-4 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Spot Sewer Rehab Contract 21-1 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 35th Ave S Swr Rehab | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Urgent Sewer Rehab 2024/25 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Shared | SDOT Madison BRT - Wtr | | | | | | | | | | | | | | | | | | | | | | | | |
| | | SDOT Madison BRT - DWW/Sewer | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Cedar Falls Power Svc Upgrade | | | | | | | | | | | | | | | | | | | | | | | | |
| | | SDOT E Marginal Way HHC | | | | | | | | | | | | | | | | | | | | | | | | |
| | | AWV & Waterfront CSO Control | | | | | | | | | | | | | | | | | | | | | | | | |
| | Waterfront Seattle DWW Work | | | | | | | | | | | | | | | | | | | | | | | | | |

Financial Performance Reporting

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

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

Over the next few years, SPU will work to supplement its financial performance reporting with a more robust affordability metric evaluation. This will guide policy work related to financial capability assessments for federal regulatory and consent decree requirements, federal funding advocacy initiatives, customer assistance programs, and utility rate setting. Current affordability metrics track customer delinquency, utility discount program enrollment, as well as emergency assistance program and payment 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

In the third quarter of 2022, CIP's accomplishment rate for all funds was 73% with actual expenditures of \$164.8 million against a budgeted amount of \$225.6 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 88% of the Q3 budget with \$34.2 million in actual expenditures against a budget of \$38.9 million.
- The Drainage and Wastewater Fund (excluding shared and technology) accomplished 66% of the Q3 budget with \$97.1 million in actual expenditures against a budget of \$146.5 million.
- The Solid Waste Fund (excluding shared and technology) accomplished 54% of the Q3 budget with \$918 thousand in actual expenditures against a budget of \$1.7 million.
- Shared CIP accomplished 88% of the Q3 budget with \$27.1 million in expenditures against a budget of \$30.9 million.
- Technology CIP accomplished 74% of the Q3 Budget with \$5.6 million in actual expenditures against a budget of \$7.5 million.



WATER FUND Q3 FINANCIAL RESULTS

(\$ in millions)

| | 2022 Annual | | | | 2022 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 | \$285 | \$227 | \$58 | 20% | \$225 | \$227 | (\$2) | -1% |
| Capital | \$94 | \$54 | \$40 | 43% | \$58 | \$54 | \$4 | 7% |
| Total Expenditures | \$379 | \$281 | \$98 | 26% | \$283 | \$281 | \$2 | 1% |
| | 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. | \$219 | \$164 | \$55 | 25% | \$167 | \$164 | \$3 | 2% |
| Wholesale Customer Rev. | \$55 | \$42 | \$13 | 24% | \$45 | \$42 | \$3 | 7% |
| Other Revenue | \$13 | \$12 | \$1 | 8% | \$10 | \$12 | (\$2) | (20%) |
| Total Operating Revenue | \$287 | \$218 | \$69 | 24% | \$222 | \$218 | \$4 | 2% |

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

DRAINAGE AND WASTEWATER FUND Q3 FINANCIAL RESULTS

(\$ in millions)

| | 2022 Annual | | | | 2022 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 | \$461 | \$336 | \$125 | 27% | \$347 | \$336 | \$11 | 3% |
| Capital | \$214 | \$107 | \$107 | 50% | \$161 | \$107 | \$54 | 34% |
| Total Expenditures | \$675 | \$443 | \$232 | 34% | \$508 | \$443 | \$65 | 13% |
| | 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 | \$348 | \$247 | \$101 | 29% | \$261 | \$247 | \$14 | 5% |
| Drainage Revenue | \$177 | \$132 | \$45 | 25% | \$133 | \$132 | \$1 | 1% |
| Other Revenue | \$6 | \$3 | \$3 | 50% | \$6 | \$3 | \$3 | 50% |
| Total Operating Revenue | \$531 | \$382 | \$149 | 28% | \$400 | \$382 | \$18 | 4% |

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

SOLID WASTE FUND Q3 FINANCIAL RESULTS

(\$ in millions)

| | 2022 Annual | | | | 2022 Through September | | | |
|--------------------------------|------------------------|-------------------------|-----------------------------|-------------------------------|------------------------|--------------|--------------|------------------------------|
| | 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 | \$225 | \$155 | \$70 | 31% | \$170 | \$155 | \$15 | 9% |
| Capital | \$15 | \$4 | \$11 | 73% | \$6 | \$4 | \$2 | 33% |
| Total Expenditures | \$240 | \$159 | \$81 | 34% | \$176 | \$159 | \$17 | 10% |
| | 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 | \$153 | \$120 | \$33 | 22% | \$120 | \$120 | \$0 | 0% |
| Commercial Revenue | \$64 | \$52 | \$12 | 19% | \$50 | \$52 | (\$2) | (4%) |
| Other Revenue | \$23 | \$22 | \$1 | 4% | \$20 | \$22 | (\$2) | (10%) |
| Total Operating Revenue | \$240 | \$194 | \$46 | 19% | \$190 | \$194 | (\$4) | (2%) |

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



Thank You

for reviewing SPU's Q3 2022
Progress Report to Council

For more information, click the links below

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