



# SBP Progress Report

Fourth Quarter, 2022

Implementing the 2021-2026  
Strategic Business Plan Update

March 13, 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 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.

### Best in Class



### Experiences



### Expectations



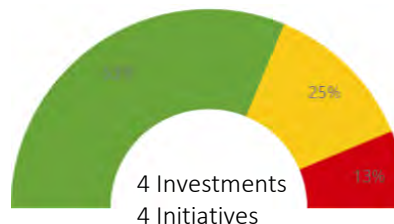
## STEWARDSHIP ENVIRONMENT AND PUBLIC HEALTH

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

**2.9**  
**Sewer  
Overflows**  
Annual Target: ≤4 per 100  
miles on a 2 yr. avg.

**100%**  
**Clean City  
Collection**  
Annual Target: ≥95%

**-94**  
**Utility Discount  
Programs**  
Target: Meets the Need

### RELIABLE AND REWARDING EXPERIENCES

**92%**  
**Water & DWW  
Response**  
Annual Target: ≥90%

**96%**  
**Customer Call  
Response**  
Target: ≥ 80% in 3 mins

**92%**  
**Customer  
Satisfaction**  
Target: ≥ 90%

**0.63**  
**Missed Waste  
Pick-up**  
Target: ≤1 per 1000 stops based  
on a 52-week rolling avg.

### EXPECTATIONS, REQUIREMENTS, & COMMITMENTS

**63%**  
**CSO Outfalls**  
Annual Target: ≥ 62%

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

**23%**  
**WMBE Purchasing**  
Target: ≥19% total  
purchasing dollars

**Met**  
**Drinking Water Quality**  
Target: Regulation met

**Met**  
**NPDES**  
Target: Regulation met

**79%**  
**Customer Effort**  
Target: ≥ 80%

**20%**  
**WMBE Consultants**  
Target: ≥ 23% total  
consulting dollars



= Meeting Target



= Minor Delay



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



Seattle  
Public  
Utilities

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## FOCUS ON: Delivering Equitable Essential Services



### Shape our Water: A DWW Plan for a Water Resilient Future

SPU is committed to involving the community in this initiative. Engagement activities were co-created with a variety of community members who shared their expertise in social and environmental justice, public health, storytelling, and sustainability. Each engagement activity brought new perspectives, voices, and richer considerations into Shape Our Water. Find out more at [shapeourwater.org](https://shapeourwater.org).



### Residential Garbage

Residential garbage is part of the Best-in-Class Metrics strategy to provide reliable and rewarding experiences. SPU's target for residential garbage is to have less than one pound per person, per day annually. As of December 2022, SPU exceeded expectation by being .09 lbs. below target.



### Utility Discount Program

UDP enrollment has been experiencing a correction through 2021 and 2022 as SPU moved from the COVID era self-certification form where customers applying for UDP could self-attest to their income qualification. SPU retired the self-certification form at the end of 2021, and HSD began the process of verifying income eligibility on the accounts that had been enrolled during COVID. Since 2021, many of the accounts enrolled during 2022 have been unenrolled due moving outside of the Seattle service area, or they no longer income qualify.



### Waste Diversion Initiative

SPU is collaborating with businesses, nonprofits, and others to improve donation practices, identify innovative policies, and reduce hunger in our community. To help both nonprofits and food businesses create systemic, lasting change, SPU is facilitating cross-sector awareness and collaborative action that ultimately reduces waste and increases the quality of rescued food. In 2022, SPU teamed up with Safeway and food banks to standardize food donation practices, guide Safeway employees, and improve communication across partners. This initiative continues to be on track.



# STEWARDED 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:

- 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

### Update:

The Q4 2022 target was achieved for the storage tunnel mining, but only about 50% of the 8 ft. dia. tunnel was completed due to delays in repairs on tunnel pipes. The 8 ft. diameter tunnel should be complete by mid-Feb. 2023. At the end of 2022 over 8,500 feet of tunnel was completed, accomplishing our yearly goal.

The annual spending target for 2022 was based on the storage tunnel being completed in 2022. This will not be achieved due to those delays, we expect 2022 spending to be about \$68.5M. The overall confidence to complete the project within the \$570M budget is low. We are evaluating cost and schedule impacts to the program from storage tunnel progress and large escalation increases since 2021 which could impact the bid price on \$125M of work that will bid in Q1 2023. Current budget estimates show that the overall project budget may need to increase between 8 to 14% and that the schedule will extend beyond the Consent Decree milestone of 12/31/2025. Further budget details will be known in late Q2 2023, when bids are received for the \$125M project. SPU is in discussions with regulators to extend the 12/31/2025 date due to circumstances out of our control, such as Covid-19 impacts, extreme weather, and the occurrence of an exceptionally large boulder during tunneling.



## FOCUS ON: Stewarding Environment and Health

### GREEN STORMWATER INFRASTRUCTURE Investment

Status: On Track

**Description:** SPU will lead programs, policies, and partnerships to expand the use of green infrastructure, decreasing polluted runoff entering Seattle's waterways while providing substantial environmental and community benefits. Implementation focus areas include 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

#### Update:

SPU is ready to implement two significant steps to better engage private- or community-owned lands in GSI partnerships to manage flooding and treat runoff from existing impervious areas.

- RainCity, a community-centered and performance-based partnership program, is in final contract negotiations and anticipated to launch in Q2 2023.
- The Beyond Code GSI Partnership Program, which will leverage opportunities predominantly from private developers to design and construct GSI that manages impervious areas above and beyond a given project's minimum stormwater code requirements, has successfully piloted three developer partnerships to date. The program is close to being formalized and anticipates an official launch in Q2 2023.

The Urban Villages Program continues testing new partnership approaches, including collaborating with Seattle City Light on improvements to the Chief Sealth Trail in New Holly, and continuing its partnership with Seattle Parks and Rec with the Lake City Floodplain project. The program also completed the Crown Hill Neighborhood Sewer and Stormwater Plan, which serves as a model for integrated, multi-benefit planning in a priority geographic area that will be refined over the next few years.

The NDS Partnering Program, which will treat 44.4 acres of effective impervious area in the Longfellow, Pipers, and Thornton Creek basins, continues progress on multiple projects. Activities include the following:

- Longfellow NDS is in active construction and should be completed by the end of Q2 2023 after some delay caused by a watermain break in the project area that is currently undergoing repair.
- South Thornton NDS completed 100% design and advertisement planned in Q1 2023. The project is in the running to receive \$11.9M in SRF loans to help cover construction costs.
- North Thornton is conducting public engagement and incorporating input into concept designs, additionally, the project is piloting design phase process efficiency improvements with SDOT.

SPU's work is on track to support community-wide implementation target to manage 700 million gallons of runoff annually with GSI by the year 2025. The 2022 goal was exceeded, with the city now managing 493 MG runoff with GSI.



## FOCUS ON: Stewarding Environment and Health

## Shape our Water: A DWW Plan for a Water Resilient Future Initiative

**Status: On Track**

**Description:** SPU is developing an integrated system plan called ‘Shape Our Water’. The plan includes a long-term vision and a short-term implementation plan and will guide investments, policies, programs, and projects that will improve the performance and resilience of our drainage and wastewater systems while optimizing social and environmental benefits for the city.

### Commitments:

- Engage community, SPU staff, City departments, community-based organizations, and environmental organizations in the effort.
- Collaboratively develop a vision for Drainage and Wastewater (DWW) that will guide near and long-term investments by Q2 2021.
- Identify solutions to address drainage and wastewater challenges by 2023.
- Complete the Shape Our Water Plan in 2024.

**Update for 2022:**

This initiative is on track, though a couple of adjustments to the milestones were made. In 2022 the team was delayed by staff transitions which created vacancies that have taken time to refill and onboard.

In 2022 the initiative's team has engaged multiple organizations in this effort and has received a Public Communication and Outreach Award from the Water Environment Federation (WEF). They have increased the public's access to information about the project by translating the Shape Out Water Community Vision into Seattle's top-tier languages and creating a [Shape Our Water reports webpage](#) where the public can download technical documents from the analysis stage of the plan.

The team has completed an assessment of key driving forces, influences, or factors that could impact SPU's drainage and wastewater infrastructure, services, staff, and Seattle's communities over the next 50 years. Phase 1 of the DWW Solutions Toolbox, which provides relevant, high-level information about tools, financing methods, and implementation strategies that help address drainage, wastewater, and receiving water challenges has been completed. The equity, in-reach, and external engagement strategies for the upcoming phase of the project have also been developed.



*Notes taken by graphic facilitator during a Shape Our Water intergenerational focus group.*



## FOCUS ON: Stewarding Environment and Health

### Climate Justice, Adaptation and Mitigation for Water and Waste Initiative

Status: On Track

**Description:** SPU's climate work includes a holistic approach to action that includes reducing the greenhouse gas emissions that contribute to climate change, adapting our natural and built systems and operations to a changing climate, and investing in the leadership and ingenuity of frontline communities to accelerate a just climate transition for all Seattle residents.

#### Commitments:

- Engage community, SPU staff, City departments, community-based organizations, and environmental organizations in the effort
- Support lines of business in their efforts to adapt to and mitigate climate change
- Partner with climate science and peer utility communities to further the application of best available science in adaptation planning, investment, and operations
- Work with City departments and the Duwamish River Community Coalition (DRCC) to build Resilience District partnerships to inform drainage and wastewater investments in South Park and Georgetown, develop a sea-level rise adaptation strategy for the area, and prevent displacement of residents and local businesses Complete a consumption based GHG inventory baseline and share findings by Q1 2023
- Complete a baseline SPU Operational GHG inventory analysis by Q1 2023
- Develop annual SPU Operational GHG inventory analysis
- Complete a baseline SPU Supply Chain inventory analysis by Q1 2023
- Complete a climate mitigation roadmap for the utility by Q3 2023
- Achieve goals of the Sustainable Energy Management Program:
  - Operational carbon neutrality by 2030
  - Energy efficient & aware utility
  - Invest in renewable energy where appropriate

#### Update for 2022:

SPU is on track for accomplishing this initiative. In 2022 community engagement was accomplished through developing SPU's climate community and telling our story, the released of the [Climate Action Summary](#), with updated [Climate Webpages](#), and quarterly community of practice meetings being held.

Additionally progress on GHG inventories and energy efficiency work has been made, with imminent release of SPU's baseline 2019/2020 operational GHG inventory, supply chain inventory, and Seattle's Consumption Based Emissions Inventory. Energy efficiency audits were completed on the North and South Transfer Stations with recommendations soon to be implemented, and assessments ongoing for the drinking water treatment plants and drinking water pump stations

Progress on Duwamish Valley Resilience District includes the collaborative team of OSE, OPCD, and SPU successfully contracted with five consultant teams to carry out the various aspects of the Resilience District: SLR infrastructure, organizational development, financing strategy, community engagement, racial equity. Community engagement and co-production of deliverables will take place in 2023.

Progress has also been made on several projects focused on actionable climate science:

- Frontline staff survey: SPU partnered with the University of Minnesota's Climate Action Partnership to survey and interview frontline staff at SPU about their perceptions of rain in Seattle and SPU's preparedness for climate impacts.
- SLR risk area mapping: SPU worked to incorporate sea level rise projections into the City's FEMA floodplain maps.
- Wildfire risk management strategy: SPU further refined its wildfire risk management strategy in the wake of the Loch Katrine and Bolt Creek Fires that burned within miles of the South Fork Tolt Reservoir. More work is planned on the risk management strategy in 2023.

## FOCUS ON: Stewarding Environment and Health

### Waste Prevention Initiative

Status: Minor Delay

**Description:** Waste prevention addresses the root cause of waste to reduce its impact. Consumption accounts for a large proportion (42 percent) of U.S. greenhouse gas emissions. Waste prevention works by directly targeting consumption and consumer behavior. SPU will lead waste prevention planning and programs that leverage partnerships, respond to changing recycling markets, and reduce the volume of single-use plastics. Examples of waste prevention actions residents and businesses can take include buying and using less; designing products to last longer; reducing packaging; buying used; and repairing, reusing, sharing, donating, or re-selling items so others can use them.

#### Commitments:

- Fund waste prevention innovation through SPU waste-free community grants.
- Develop and adopt a Waste Prevention Strategic Plan and metrics by end of 2023.

#### Update for 2022:

As noted in the 2021 report, the Waste Prevention Strategic Plan project schedule changed to 2022-2024. We completed contracts with four consultant teams in early 2022 and launched the project in April. Since then, our focus has been on creating alignment across the project and developing plans and tools to support best practices and opportunities research, customer research, stakeholder engagement, and evaluation and measurement research. Best practices and opportunities research began in 2022 and the remaining research and engagement efforts will launch in Spring 2023. We continue to prioritize equity in all aspects of the planning process.

The initial planning stage is taking slightly longer than anticipated due to the approach of working with multiple consultant teams. While this approach was successful in increasing WMBE inclusion, it does require more work to create alignment across the project. The consultant team responsible for leading alignment efforts on equity and research resigned from the project in Fall 2022. To minimize project impacts, we used a Direct Select to hire a new consultant team to support the completion of the research and engagement plans and tools. We will still need to run a new Roster Solicitation process in 2023 to hire a consultant to provide long-term equity and research analysis support for the project. Overall, we anticipate the project schedule will need to be pushed out by up to three months due to these challenges.

Twelve Waste-Free Communities Matching Grant projects carried over into 2022. Five projects were completed, one was canceled due to insufficient capacity, and six projects are continuing into 2023. We updated the grant program guidelines and application documents for the new grant cycle launching in January 2023, including translating the documents into eight languages.



*The Giving Room Launch Event*



## FOCUS ON: Stewarding Environment and Health

### Waste Diversion Initiative

Status: On Track

**Description:** SPU waste diversion work aims to reduce the amount of food waste created and support statewide food waste reduction goal of cutting food waste by 50 percent by 2030. Our extended producer responsibility efforts engage producers in developing environmentally sound and socially responsible solutions for the end-of-life management of their products. In addition to these efforts, SPU will focus on targeting contamination, improving the quality of recyclables and the quality of composting waste diversion streams, and expanding opportunities for self-haul and construction waste salvage.

#### Commitments:

- Increase food rescue innovation partnership work by:
  - Recruiting food business to act with SPU
  - Establishing baseline data
  - Sharing recommendations to reduce food waste based on 2021's findings.
- Work with state and regional partners to finalize a state-wide framework for extended producer responsibility (EPR) by the end of 2022.

#### Update for 2022:

SPU partnered with Safeway/Albertsons to test how the grocery retailer could cut food waste, improve donations of their unsold food, and support hunger relief organizations. Food is the single largest material going into the garbage from Seattle businesses at almost 25%. This year's pilot showed that by using a standardized donation bin, guiding employees on donation protocols, and strengthening communications with their food bank partners, the quality and quantity of donated food goes up while food waste goes down. When businesses donate their unsold food, they're not only keeping edible food out of the garbage and compost they're helping community efforts to reduce food insecurity. Safeway is in the process of developing standardized donation training to be used across all Seattle division stores. Later, they'll introduce a Safeway-branded food donation bin to reinforce donation practices and efficiencies. SPU is now developing plans to replicate this work with medium and smaller grocery retailers.

In 2022, SPU supported legislation related to increasing recycling and reducing packaging waste that was introduced at the state level. Although the legislation was not adopted during the 2022 session, SPU continues to work with legislators and other stakeholders to refine the proposal, which is expected to be reintroduced for consideration in 2023.



*Donation bins are sturdy, durable and weather resistant*



*Food Rescue Bin Pilot – Ballard Location*

## Focus On

# EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES

## SIDE SEWER ASSISTANCE PILOT AND IMPLEMENTATION

### Investment

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

There is a continued outreach to encourage program enrollment for phase I. The Community Connections organization is continuing communication to the public through door-to-door outreach in root hot spot neighborhoods and through information distributed at the public library, local grocery store and educational events.

During Q4, this program had two new loan repair applicants in process and are expected to be completed by Q1 2023. Customers and applicates who did not complete the loan process will be sent a survey that is planned for Q1 2023. The results will assist with Phase II (incentives) options development and research.





## FOCUS ON: Empowering Our Customer, Community, and Employees

### DWW RV WASTEWATER PROGRAM

#### *Investment*

Status: On Track

**Description:** Increasing SPU's support services for the unsheltered through the provision of cost-effective sanitation and disposal service solutions for Seattle's unsheltered populations including trash, sharps, (i.e., used needle collection) and recreational vehicle services

#### **Annual Target:**

- Complete 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

**Update:** The fourth quarter wastewater collection goal fell short at 388 RV wastewater collections, but the annual goal was exceeded with 1,674 cumulative collections. Service has been expanded to provide to include pump out of RVs on Mondays for remediation readiness. This encourages and helps make ready RVs to move prior to remediation day. Equipment such as end caps and valves have been distributed to clients with leaking systems to contain sewage.

The "Not at Home" pilot has been successful so far, this is beneficial for clients who need services but are at work and have scheduling difficulties. The pilot has been implemented using text message approvals the day of the pump out.

Additionally, internal sharing with customer service request information has helped the team scout areas more efficiently to ensure locations for route mapping, equipment management and allow supply processes to remain efficient. Grievances that are submitted by the public are sorted to only include RV data so that it can be easily recognized. Post service, the team has an online form that allows them to collect field data, standard operating procedures for the program have not been developed yet but the team has a plan in place and communicated to stakeholders to complete these in 2023.

### 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 18 RV remediations
- Conduct 93 RV geographical cleans
- Service 28 Unauthorized Homeless Encampment sites at any given time through the Encampment Trash program

**Update:** SPU continues to provide services to the unsheltered through RV remediations, geographical cleans and services to unauthorized homeless encampment sites. The RV remediation program reports continue to be shared with the Mayor's office and they are looking for other opportunities to maximize efforts. Weekly and monthly metrics continue to be provided; metrics include site inspection data in addition to pre/post-clean RV remediation data. In Q4 all metrics exceeded their targets.

To expand trash and debris collection services at unauthorized homeless encampments, SPU has partnered with multiple organizations across the city. This included SDOT, our vendors, the RV Pump Out Team, Parking enforcement, as well as REACH, an organization that specializes in connecting with people experiencing homelessness. Working with multiple organizations across the city allows for the identification of new sites, expansion of trash/ debris collection at sites that have RVs of 1+ and continuing to conduct site inspections.

An in-house GIS tool is being built to assist in tracking sites so that areas less frequently visited are visible to ensure equity. This database will also allow SPU to manage data better and easily share information.

## FOCUS ON: Empowering Our Customer, Community, and Employees

### WORKFORCE FACILITIES

#### Investment

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

#### Planning for South Operations –

- The Vehicle Gate project incurred a slight delay related to securing an excavation contractor, the issue was resolved in Q4, and the project is moving forward. Construction is approximately 70% complete with gates expected to be operational by the end of Feb 2023.
- The Structural Damage project is delayed while options to bundle this work with other SOC projects are explored. If unsuccessful, it will be pursued as a separate project with contracting efforts in Q2 & Q3 of 2023 with possible construction in Q4 2023.
- The SOC Hygiene project, which will remodel a portion of the first floor to provide crew support spaces such as decontamination, showers, and lockers continued working on 30% design. This involved meetings with stakeholders to understand their space needs and confirming existing conditions at the building.
- The SOC Site Work project, which involves creating a new dewatering facility, wash rack, materials storage bins, and sanitary sewer service for the SOC passed Stage Gate 2 in October 2022. The consultant agreement for the 30% design package has been reviewed and will be executed in Q1 2023.

**Cedar Falls Phase 2** – This project is facing a minor delay. Some changes have occurred in the team; some Subject Matter Experts are no longer available, and a new SPU Project Manager has been assigned. 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 Q1 2023.

**The Seattle Municipal Tower Reconfiguration** – This project is on track; The consultants are preparing construction documents and the bids are anticipated to go out by end of Q1 2023. A touch down reservation system for the concept space on SMT's 48th floor is complete. Staff will be able to reserve spaces in this location by Spring 2023.

**Facilities Master Plan** – Strategic planning continued, with an emphasis on consolidating and evaluating previous planning recommendations with SPU leadership. By December 2023, a 20-year investment strategy will be produced for the workforce facility portfolio, including a 6-year, phased capital spending plan.



SPU 48<sup>th</sup> floor Concept Space



## FOCUS ON: Empowering Our Customer, Community, and Employees

### Customer Affordability Program

#### Initiative

Status: On Track

**Description:** SPU has and will continue to take concrete action to improve our suite of programs that help keep our services affordable for lower-income customers. Our work to improve customer assistance has included increasing Utility Discount Program enrollment through a self-certification pilot, expansion of the Emergency Assistance Program, proactive outreach to prevent shut offs, and multi-family building notification improvements. We will continue to build on these improvements in 2021-23.

#### Commitments:

- Increase utilization of the Emergency Assistance Program by issuing 2,400 emergency assistance credits to eligible households by the end of 2023.
- Increase enrollment in the Utility Discount Program

#### Update for 2022:

By Q4 2022, SPU exceeded the goal of issuing 2,400 emergency assistance credits to eligible households by the end of 2023. In Q3, a new online application management system was launched allowing for a simpler, faster process for customers seeking assistance with their utility bills. With the new system:

- Customers can apply for UDP, SPU EAP and SCL EBA in one online application, upload supporting documentation, and login to check the status of their applications.
- SPU EAP programs now have an online application as an option, which was not available before.
- Staff can manage applications and the process more efficiently, while easily sharing information across multiple utility bill assistance programs.

In addition to providing financial assistance to customers through SPU EAP, we were able to provide customers with financial assistance through the LIHWAP Federal subsidy pilot. In this pilot, the State of WA received approximately \$20M dollars to assist low-income utility customers in danger of being disconnected. The program is managed and administered by community-based organizations and partners, who work with SPU to identify qualifying accounts, and pledge funds to cover the balance for income eligible customers. Additionally, SPU received funds through the WA State Arrears grant to assist low-income customers with paying off any outstanding COVID era debt. SPU was able to apply approximately \$3.6M dollars to income eligible customer accounts that had past due balances created during COVID (Mar 2020 - Dec 31, 2021).

SPU also began planning for a multi-program evaluation in 2023, the purpose of which being to determine how to improve programs to better meet customer needs. This will be achieved utilizing consultant assistance to review current program models, policies, procedures, and process in addition to advising program changes and gathering feedback via customer outreach.

#### 2022 KPIs :

- **35,382** UDP enrolled accounts at the end of Q4 2022
- **-203 Total** (net) UDP enrollment for 2022
- COVID Arrears (WA State Grant): **\$3,605,220.44** applied to **3,761** accounts
- Emergency Assistance Program: **\$714,314.35** applied to **1,076** accounts
- LIHWAP: **\$162,810.00**, pledged and applied to **143** accounts
- Community Donation Program: **\$5,852.61** raised in 2022

## FOCUS ON: Empowering Our Customer, Community, and Employees

### Race and Social Justice (RSJ) Strategic Plan

#### Initiative

Status: Minor Delay

**Description:** SPU's RSJ Strategic Plan outlines a comprehensive approach to support the utility's internal and external RSJ work. Increased employee engagement in RSJ work will result in a more equitable work culture; increased community engagement will provide a deeper understanding of the needs of our customers and help inform policy.

#### Commitments:

- Broader engagement of staff in RSJ work, increased community partnerships by the end of 2023.
- Update and revisions of SPU's RSJ strategic plan by Q2 2021.

#### Update for 2022:

There is still a need to develop greater alignment to a shared overarching plan and strategic trajectory for SPU's racial equity work. There are lots of critical initiatives advancing equity throughout the organization. SPU commitment and passion for this work is clear, however employee time and workload priorities are increasingly an issue across the organization. This will require some strategic thought about how to prioritize and streamline equity work while, importantly, ensuring enhanced impact.

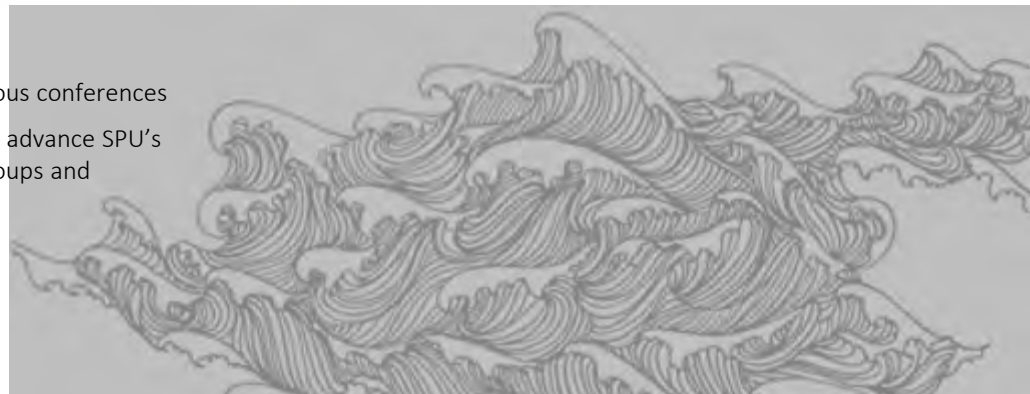
2022 noted progress regarding race and social justice progress within SPU. The Water Environment Federation Board of Trustees visited SPU to learn about our RSJ efforts. We also continued to provide RSJ training and facilitated discussions to select SPU employee teams, divisions, branches, and consultation to other utilities on developing DE&I initiatives. Major accomplishments included:

- A renewal and soft launch of the SPU Racial Equity Toolkit.
- Achievement of WMBE Consulting (23.67%) and Purchasing Goals (21.77%) in 2022.
- Launch of the People, Culture, Community Branch Equity Team.
- Expansion of the Finance and Administrative Services Branch Equity Team to include select staff from the General Manager's Office.
- Continued operation of all other existing Branch Equity Teams.
- Successful administration of the BET Member Participant Survey.
- Completion of four Racial Equity Toolkits.
- Multiple requests to present our SPU RSJ Framework and Examples at various conferences

Equity Bridge facilitates collective, utility wide action by SPU staff who want to advance SPU's culture. It is a forum where representatives from SPU's RSJ-focused teams, groups and organizational units work as a team to amplify, align and coordinate work.

Equity Bridge's member-selected workplan includes:

- Developing an Equity Dashboard.
- Sharing work plans from across SPU.
- Developing an Environmental Justice statement.
- Advancing equitable hiring and training.





## FOCUS ON: Empowering Our Customer, Community, and Employees

### SPU Workforce Development

#### Initiative

Status: Off Track

**Description:** Workforce planning is an interconnected set of solutions to meet employment needs. It can include changes to culture, changes to employee engagement, and improvements to employee skills and knowledge that will help to positively influence SPU's future success. This is important to "rebuild, retain, and recruit" the SPU workforce. Data shows that our workforce is changing and the way to stay ahead of this change is to proactively prepare, creating space for employees to stay within the SPU/ City of Seattle by growing and developing using internal programs. Equally important is using an equity and Race and Social Justice (RSJ) lens to ensure any development plan will align with the City of Seattle's Race and Social Justice Initiative (RSJI) expectations and to provide an equity component to all aspects of the SPU development planning.

#### Commitments:

- Internal trainings: develop resume building, mock interviews, and leadership excellence series 2021- 2022.
- Recruitment: create a diverse interview panel roster, identify, and develop community partners, conventional and non-conventional to locate top diverse applicants 2021 -2022.
- Mentorships: build upon existing program, establish mentor roster, and build a "shadowing" system 2021-2023.
- Performance management: enhance existing programming to include non-APEX/ SAM employees and incorporate an Individual Career Action Plan (ICAP) for interested employees 2021-2022.
- Succession planning: roll out for leaders as preparation for successors to E-Team level 2021 Tuition Assistance Program (TAP): expand program to include payments for employees with existing student loans by end of 2021.
- RSJI: continued work with internal groups (Seattle Silence Breakers/ Change Team/ Environmental Justice and Service Equity) to update work products associated with maintaining equity in the workplace 2021-2022

#### Update for 2022:

The SPU workforce development initiative is off track and has been put on hold over the past year with plans to continue in 2023. Human Resources struggled with staffing for this initiative because of Covid priorities. The focus on this initiative will begin again in 2023, starting with filling the position that will be responsible for this initiative and completing a refresh on timelines and commitments promised.



## FOCUS ON: Empowering Our Customer, Community, and Employees

### Seeds of Resilience Impact Investment Proposal *Initiative*

Status: On Track

**Description:** SPU's Seeds of Resilience program is a pilot program that explores viable approaches for designing, funding, managing, and evaluating projects that foster community-centered, One Water and Zero Waste entrepreneurship in the local private sector economy. Funded projects will have a strong nexus with SPU's business needs and will build water resiliency, the circular economy, and local job and business opportunities with an emphasis on supporting frontline community members.

#### Commitments:

- Develop a proposal and enabling ordinance for Mayor's Office and City Council approval - 2021
- If approved, launch pilot investment program - 2022

**2022 Update:** 2022 was the first year of the Seeds of Resilience program and was a year of learning and developing a clearer, more concrete vision for how to implement the program and achieve the program's objectives. In 2022, multiple Seeds of Resilience projects were identified and designed to meet all project criteria. The criteria are that each project must:

- Have a strong business case for SPU.
- Provide an environmental benefit tied to waste or water management.
- Grow the local green economy.

Some projects were funded in 2022, including the purchase of new water refill stations and engaging a contractor to train new FOG (Fats, Oils, and Grease) service providers for restaurants. For other projects identified in 2022, we are currently in the process of setting up contracting and procurement mechanisms to make the funding accessible to the external project partners that are involved, with project implementation to begin in 2023. These include engaging a contractor to perform market research on demand for water cisterns and incentivizing deconstruction contractors to provide workforce training to frontline community members. We are also exploring a new project idea to train frontline community members to collect plant and tree seeds in the watershed and to create a new seed bank cooperative to store and propagate the seeds, to improve our resilience in the event of a destructive wildfire.





## Focus On

# *STRENGTHENING OUR UTILITY'S BUSINESS PRACTICES*

How we are managing our business practices matters, especially at the Utility. Our customers expect their faucets to flow, toilets to flush, and garbage to be picked up. These services are delivered under increasingly complex and costly regulations and via aging infrastructure that must be resilient in the face of challenges such as earthquakes and climate change. At the same time, we must be attuned to what the community can afford. The utility will examine its business practices and assess ways to improve service, be more efficient, and provide value. We will also use the best available science, data, and analysis to inform utility decision-making and performance.



## FOCUS ON: Strengthening Our Utility's Business Practices

### WATER ASSET MANAGEMENT AND OPPORTUNITY WORK

#### Investment

Status: Minor Delay

**Description:** Take advantage of street openings, driven by transportation projects, by initiating water infrastructure projects to improve service; and replace failing infrastructure at reduced costs through shared pavement restoration, mobilization, and traffic control costs. This consists of three different investment projects:

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

#### Annual Targets:

- Water Asset Transportation Opportunity Projects
  - Advance water asset transportation opportunity projects through various stages of planning, design, and construction
  - Conduct opportunity and impact-driven interagency project assessments
  - Prepare scope and cost estimates for inclusion into interagency project for identified projects
- Hydrant and Valve Maintenance
  - Sustain 99.9% of hydrants in service
  - Return service to 95% of newly reported out-of-service (OOS) hydrants
  - Complete 1,600 low-priority (minor) hydrant work orders
  - Complete 82 critical valve work orders within Q3 & Q4
- Water System Overall Asset Management:
  - Advance watermain 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:** The design is in progress for Shoreline 145th Corridor, Shoreline 145th/I-5 Interchange, East Marginal Way, Hidden Lake Watermain Replacement, 15th Ave NE & N 105th St Valve Install, and Rapid Ride J Line projects. Projects in construction included the Madison Bus Rapid Transit project and projects in initiation include Shoreline 175th Corridor.

#### Hydrant and Valve Maintenance:

- SPU is sustaining their goal with 99.9% of hydrants in service.
- Supply chain is causing a lack of access to materials creating a backlog of out of service hydrants that are being worked on and during the last month, an abnormally high number of hydrants have gone out of service due to weather and traffic.
- 78.6% of hydrants that were reported out of service have been returned to service
- The goal to complete 400 Minor hydrant repairs per quarter was missed in Q4 with only 321 repairs done, although the yearly overall goal was exceeded by 545 minor repairs.
- No critical valves have been inspected in 2022 (Operations is planning to hire additional staff to complete valve work orders later this year).

#### Water System Overall Management:

- In Q4, all 6 watermain packages are on track or ahead of schedule except for watermain package 5, which is currently three months behind schedule. Watermain package 3 has commenced, and watermain package 6 design phase has begun.
- 102 Water service renewals were completed; 91 of them were reactive and 11 were proactive.
- The water tank rehabilitation and seismic upgrades to the Magnolia Tank project exceed the 2022 deliverable expectation with the 30% design being completed.
- The 2019 Cathodic Protection 2019 package is at 80% completion and the 2021 package still undergoing submittal review and materials procurement. Construction for this is expected to start in Q1 2023. Routine operations and maintenance and testing of existing CP systems have proceeded as planned.



## FOCUS ON: Strengthening Our Utility's Business Practices

### Water System Seismic Reliance

#### Investment

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



Closing out Q4 2022, a couple projects fell behind the yearly schedule. The Cedar River Pipelines in Renton had a minor delay as work continued for the Stage Gate 2 (SG2) form in Q3. SG2 was completed and approved by the Asset Management Committee. The Eastside and Riverton Reservoirs also had a minor delay but is now back on track. The final draft report was received in January 2023 and is expected to complete in Q1 2023. The Transmission Pipeline Seismic Upgrade plan is complete and on time according to annual schedule.

### DWW ASSET MANAGEMENT AND OPPORTUNITY WORK

#### Investment

Status: Minor Delay

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

#### Annual Target:

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



Placing UV Equipment

A few minor delays were experienced from Q4 through the end of the year. The team working on the expansion of sewer rehabilitation work completed 41 sewer rehab crew work orders and completed 281 work orders year to date, this milestone missed the yearly target of 328 work orders. The drainage rehabilitation expansion work in Q4 yielded 0.6 miles of pipe, making the year end 4.1 miles of total contracted work, exceeding the yearly goal of 3.9 miles. The drainage rehab work being completed for Q4, this includes 14 crew work orders and 86 crew work orders for 2022. This missed the milestone of 110 work orders being completed by crews. The total CIP dollars spent year to date through Q4 is approximately \$37.7 million which is about 84% of the 2022 target and lastly, the 2 CSO outfalls cleanings and project initiations have been delayed until 2023 due to a complicated permitting process.

## FOCUS ON: Strengthening Our Utility's Business Practices

### Accountability and Affordability Business Practices

#### Initiative

Status: Minor Delay

**Description:** Improving rate affordability and accountability to our customers is paramount. While SPU is making progress in managing rates, the affordability of drinking water, wastewater, and stormwater is a challenge in Seattle and for utilities nationwide. As we confront increasing costs of living in housing and other sectors and the increase in economic inequality among our residents, the affordability of SPU's services becomes even more critical. Our strategy outlines a holistic approach to deliver essential utility services, keep rate increases lower, focus corporate culture on continuous improvement, and make investments that deliver multiple benefits to the community.

#### Commitments:

- Implementation of actions across six practice areas by the end of 2023.

#### Update for 2022:

In 2022, SPU continued to make headway in accomplishing commitments in its Accountability and Affordability strategic plan and managing rate affordability overall. SPU has been able to maintain a rate path lower than the 4.2% proposed and adopted in the SBP; recent annual increases have averaged 3.9%-4.0%. Accomplishments in 2022 include:

- Receiving and distributing federal grant dollars for customers with COVID arrearages.
- Improving the budget process.
- Continuing to regularly report on rate forecast, Operations and Maintenance, and CIP performance.
- Promise Pay has assigned an ITD project manager and Stage Gate 1 is going to AMC in March. Promise Pay is a payment processing platform that offers flexible payment plans and outreach tools to make it easier for customers to enroll and stay current on their bills, to avoid disconnections and late fees.
- Completing the Shutoff Prevention Pilot.
- Launched "The Big Idea"; an opportunity for employees to submit ideas to create a more efficient environment. Winners chosen and awards distributed.

Loss of key staff has led to some delays to action plans. In some cases, the delays have been minor, with marginal impacts on hitting key milestones. In other cases, this has led to more significant delays by a few quarters. New staff are being hired as quickly as possible to minimize additional delays. For 2023, the Accountability and Affordability team has developed a framework to improve tracking of commitment progress and provide more flexibility within focus areas.





FOCUS ON: Strengthening Our Utility’s Business Practices

Risk and Resilience Strategic Plan

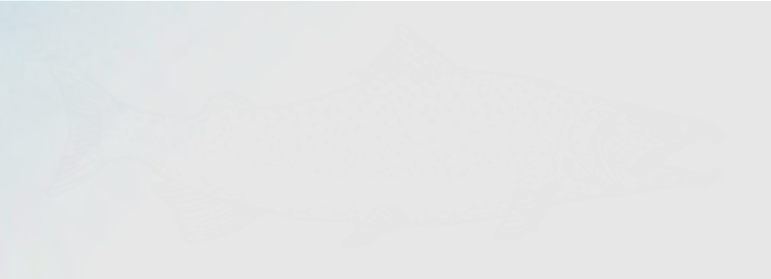
Initiative

Status: On Track

**Description:** This strategy focuses on working with business units to assess risk and resilience; identify opportunities and reduce negative impacts; and develop tools to support maximum benefit to SPU in areas such as equity, finance, legal, security, and asset management. How to approach risk, how to make decisions involving uncertainty, and how to address, adapt to, and recover from factors that might disrupt our ability to provide critical utility services will be a key emphasis. The work will also center around building partnerships within and outside SPU, mapping interdependencies.

**Commitments:**

- Create and support use of risk and resilience tools to help decision-making, maximize opportunities, and reduce negative risk.
- Work with each SPU line of business and branch to complete ongoing risk assessments, map interdependencies, and develop action plans to increase resilience to identified and future hazards.
- Develop and continuously update (at least quarterly) a risk register highlighting major crosscutting risks across SPU.

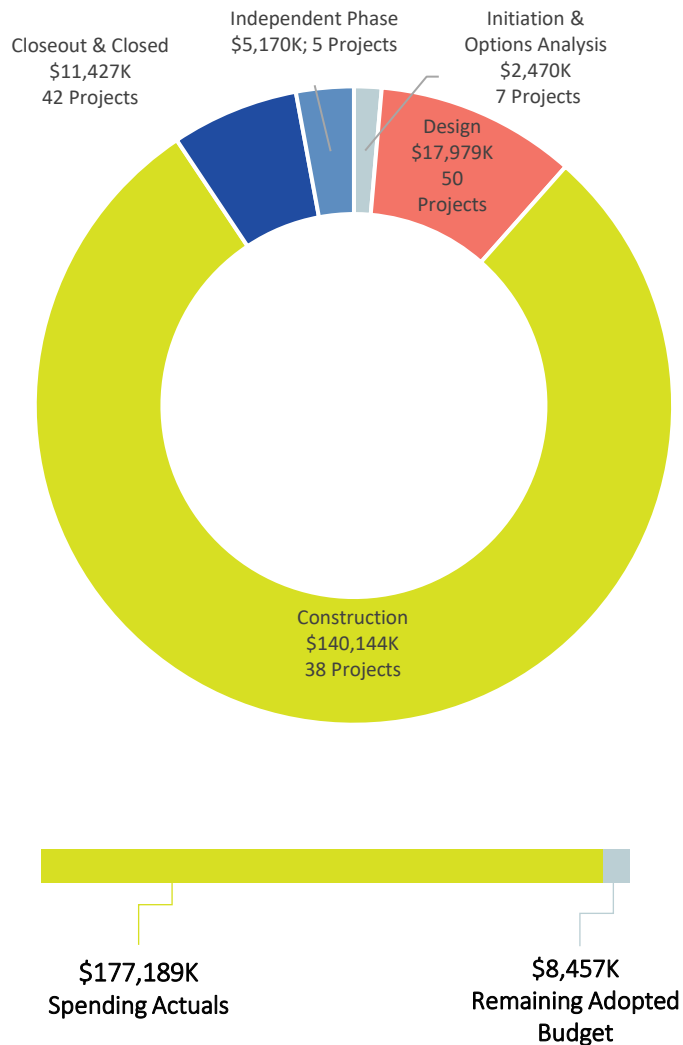


**Update for 2022:**

SPU has achieved significant milestones supporting the Risk and Resilience Strategy in 2022. Staffing was an issue for comprehensive oversight in 2021 and 2022. However, a lead was hired in late Q4 2022 and has been onboarded.

- **Wildfire Risk:** Substantial progress on the Wildfire Risk Analysis and related wildfire planning initiatives in partnership with the University of Idaho, US Forest Service, Seattle City Light, consultants, and other institutions. In 2022 that progress included; initiating development of a Post-Wildfire Mitigation Plan, forming a work group to deepen understanding of how different fire scenarios may affect water quality and Seattle’s drinking water supply and developing partnerships to gather information and learn about water quality impacts from the 2022 Bolt Creek and Loch Katrine fires.
- **Seismic Risk:** The Water Line of Business began implementing short-term measures that will mitigate damage effects and 50 to 100 year long term plan that will greatly reduce the amount of damage following a seismic event. This action was based on seismic assessments completed in 2018 and 2021. The Drainage and Wastewater Line of Business finalized a Seismic Risk Assessment that identifies and prioritizes seismic risks in SPU’s drainage mainlines, wastewater mainlines, and wastewater facilities.
- **Flooding Risk:** SPU partnered with Seattle Department of Construction and Inspections to create a mapping tool that shows how coastal properties landward of the existing FEMA 100-year floodplain may be affected by sea level rise. The Duwamish Valley Resilience District project is beginning community engagement. SPU has hired a consultant team underway, providing expertise in sea level rise adaptation infrastructure, financing and funding, organizational development, community engagement, and racial equity.
- **Mitigation:** SPU completed a major revision the Continuity of Operations Plan (COOP) in 2022. The COOP helps SPU to maintain, restore, and sustain mission essential functions during and after emergencies.

## YTD SPENDING THROUGH Q4 2022 PDEB\* CIP SPENDING



## KEY UPDATES

### Ship Canal Water Quality Project

- **TEPS and Ballard Conveyance** – The design is complete, and the project is waiting to advertise for construction bids. The project team has been conducting outreach to prospective bidders. The schedule to advertise for bids has delayed to February 2023 based on the schedule for Storage Tunnel construction. Construction Notice to Proceed (NTP) is planned for Q3 2023.
- **Wallingford Conveyance** - A contract has been executed with a construction contractor. Notice to Proceed will be in late January 2023. The project team has been conducting extensive community outreach ahead of the start of construction due to significant traffic impacts.
- **Storage Tunnel** - Currently in construction, the Tunnel boring machine (TBM) should arrive at the Fremont Site in January 2023. 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 October 2023 & April 2024, respectively. The TBM has completed over 50% of total drive distance for the storage tunnel. A second, 8-ft diameter tunnel beneath the Ship Canal is over 50% complete and tunnel mining should complete early 2023.
- **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. It is expected that the program budget will need to increase 8% to 14%, depending on the successful bid for the TEPS and Ballard Conveyance project. SPU is coordinating with our regulators to extend the construction complete milestone in the Consent Decree beyond 12/31/2025.

### Drainage and Wastewater Projects (DWW)

- **South Park Pump Station** -The project is currently in construction; anticipated completion in mid-2023. The concrete strike and groundwater management risks caused delays, which has pushed the activity of putting the pump station online until after the rainy season.
- **South Park Drainage and Roadway Partnership** - The project is currently in construction; anticipated completion is mid-2023. Currently, this work is centered on the reconstruction of S Holden Street between 2nd Ave S and 5th Ave S and will include planting trees and shrubs in the newly created landscaping areas.



## KEY UPDATES CONTINUED

**Longfellow Natural Drainage Systems-** The project is currently in construction; anticipated completion is late 2023. Current work includes construction of the 24th Street site (earthwork, roadway, facilities, planting).

### Major Interagency Projects (MIP)

- **Sound Transit Lynnwood Link-** SPU continued engagement in this Sound Transit project to extend light rail from Northgate to Lynnwood, enforcing drainage code provisions south of N 145th St., and watermain work that extends into the direct service area of the City of Shoreline. Negotiations for an O&M agreement related to drainage facilities were completed and agreement execution anticipated in Q1 2023. A 30-inch watermain connection at N 185th St will be completed in Q1 2023, leaving only watermain work in N 145th St, scheduled for Q3 2023.
- **SDOT E Marginal Way Heavy Haul Corridor-** This SDOT project to rebuild E Marginal Way, primarily between Atlantic St and Spokane St to carry port-related heavy truck traffic includes approximately 5,000 linear feet of watermain replacement using earthquake-resistant materials, and 2,500 linear feet of storm drainage improvements. The project was advertised in Q4 2022 and Notice to Proceed (NTP) with construction is scheduled for May 2023.

### Water / Solid Waste Projects (W/SW)

- **Bitter Lake Reservoir Improvements-** Design started in Q2 2022 . Consultant submitted 30% design package in Q4 2022 . Design Commission presentation scheduled for February 2023. Design will continue through 2025. Coordinating with SPR for development of park on site after reservoir is complete.
- **STS2 Solid Waste Facilities-** Design consultant completed submitting 30% design in Q4 2021 . We have selected the consultant and we are in the process of negotiating the consultant contract. Consultant has signed the contract and we are waiting for SPU to sign and finalize the consultant contract.
- **Tolt Early Warning System-** Design team began Construction for Phase 1 in Q2 2022 and will complete Commissioning in Q1 2023. Design team will complete Final Design for Phase 2 in Q1 2023, permits are pending. Phase 2 Construction Contract award and NTP is anticipated in Q2 2023.

## UPCOMING CONSTRUCTION BIDS AND CONSULTANT RFPS

### Upcoming Construction Bids:

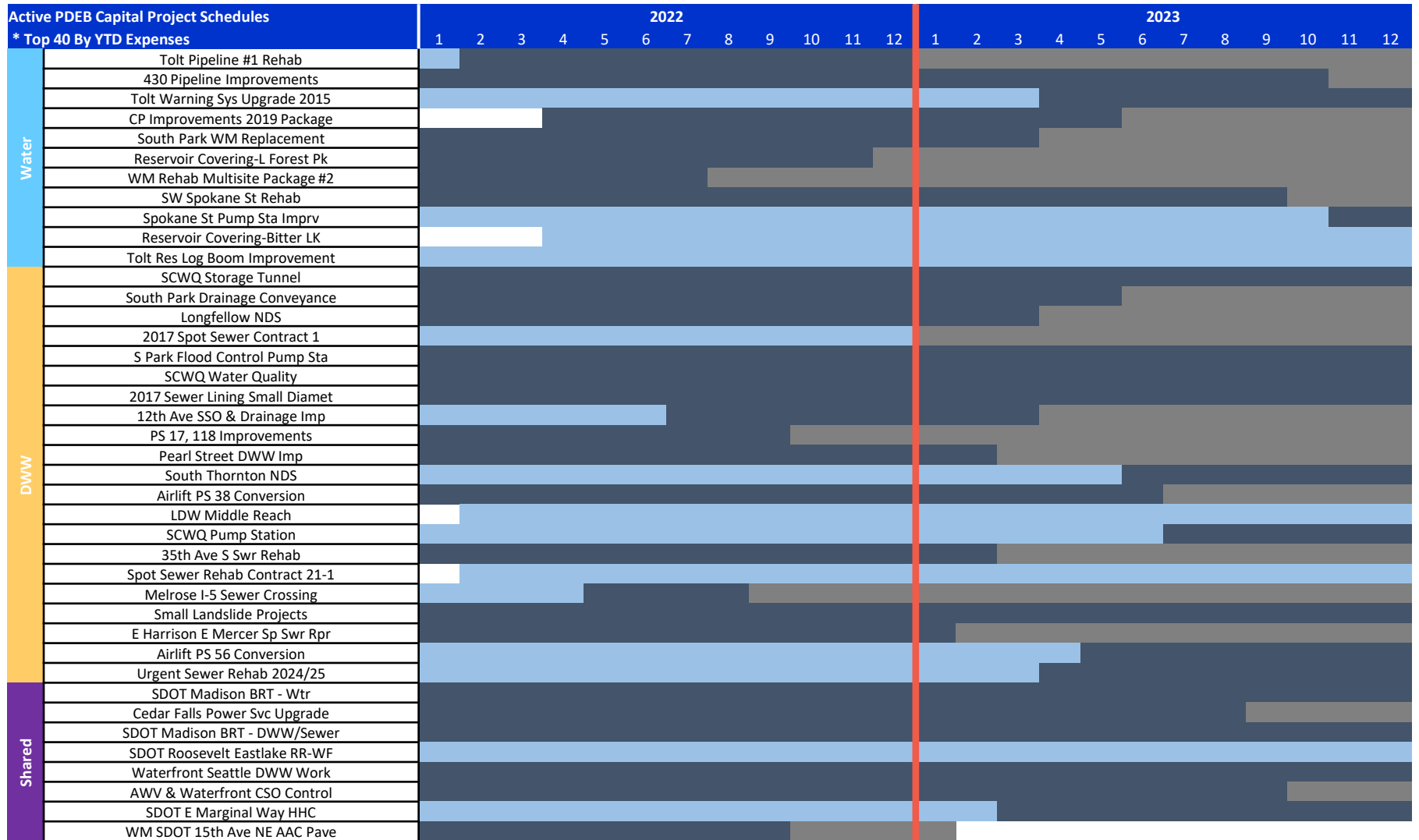
- South Thornton Natural Drainage Systems (DWW)
- Spot Sewer Repairs (DWW)
- Sewer Lining Contracts (DWW)
- Watermain Rehab Package #5 – 1Q 2023 (W/SW)

### 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





# Financial Performance Reporting

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

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

Over the next few years, SPU will work to supplement its financial performance reporting with a more robust affordability metric evaluation to guide policy work related to financial capability assessments for federal regulatory and consent decree requirements, federal funding advocacy initiatives, customer assistance programs, and utility rate setting. Current affordability metrics track customer delinquency, utility discount program enrollment, as well as emergency assistance program and payment plans usage. This is supplemented by Citywide statistics related to income, cost of living, income disparity, poverty indicators, and household self-sufficiency standards.



## CIP ACCOMPLISHMENT RATE

The fourth quarter 2022 CIP accomplishment rate for all funds was 77% with actual expenditures of \$249.3 million against a budgeted amount of \$322.7 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 75% of the budget with \$50.4 million in actual expenditures against a budget of \$67.6 million.
- The Drainage and Wastewater Fund (excluding shared and technology) accomplished 81% of the budget with \$156.9 million in actual expenditures against a budget of \$194.3 million.
- The Solid Waste Fund (excluding shared and technology) accomplished 15% of the budget with \$1.3 million in actual expenditures against a budget of \$8.6 million.
- Shared CIP accomplished 77% of the budget with \$32.4 million in expenditures against a budget of \$42.2 million.
- Technology CIP accomplished 83% of the Budget with \$8.3 million in actual expenditures against a budget of \$10.1 million.





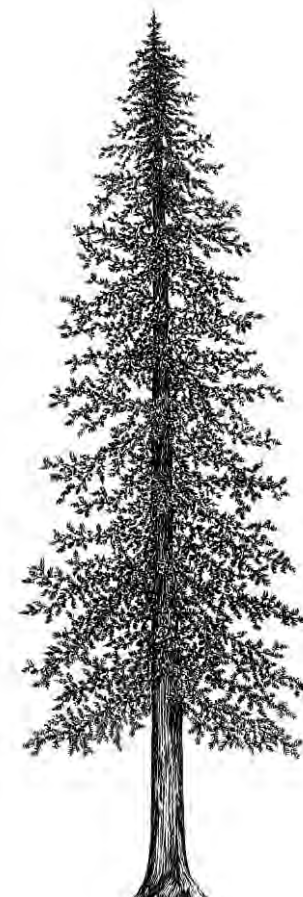
## WATER FUND Q4 FINANCIAL RESULTS

(\$ in millions)

	2022 Annual			
	Annual Plan to Spend	Annual Spend to Date	Annual Variance	% Annual Variance
<b>Expenditures</b>				
Operating	\$285	\$283	\$2	1%
Capital	\$94	\$74	\$20	21%
<b>Total Expenditures</b>	<b>\$379</b>	<b>\$357</b>	<b>\$22</b>	<b>6%</b>

	Annual Planned Revenue	Annual Received to Date	Annual Variance	% Annual Variance
<b>Operating Revenue</b>				
Retail Customer Rev.	\$219	\$222	-\$3	-1%
Wholesale Customer Rev.	\$55	\$56	-\$1	-2%
Other Revenue	\$13	\$13	\$0	1%
<b>Total Operating Revenue</b>	<b>\$287</b>	<b>\$291</b>	<b>-\$4</b>	<b>-1%</b>

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



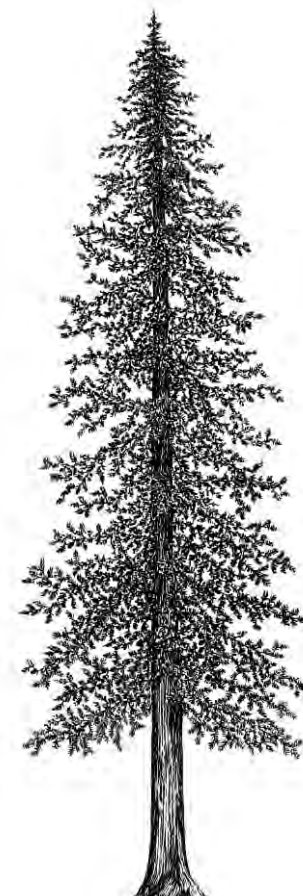
## DRAINAGE AND WASTEWATER FUND Q4 FINANCIAL RESULTS

(\$ in millions)

	2022 Annual			
	Annual Plan to Spend	Annual Spend to Date	Annual Variance	% Annual Variance
<b>Expenditures</b>				
Operating	\$461	\$448	\$13	3%
Capital	\$214	\$168	\$46	22%
<b>Total Expenditures</b>	<b>\$675</b>	<b>\$616</b>	<b>\$59</b>	<b>9%</b>

	Annual Planned Revenue	Annual Received to Date	Annual Variance	% Annual Variance
<b>Operating Revenue</b>				
Wastewater Revenue	\$333	\$338	(\$5)	-1%
Drainage Revenue	\$177	\$175	\$2	1%
Other Revenue	\$6	\$6	\$0	0%
<b>Total Operating Revenue</b>	<b>\$516</b>	<b>\$519</b>	<b>(\$3)</b>	<b>-1%</b>

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





## SOLID WASTE FUND Q4 FINANCIAL RESULTS

(\$ in millions)

	2022 Annual			
	Annual Plan to Spend	Annual Spend to Date	Annual Variance	% Annual Variance

### Expenditures

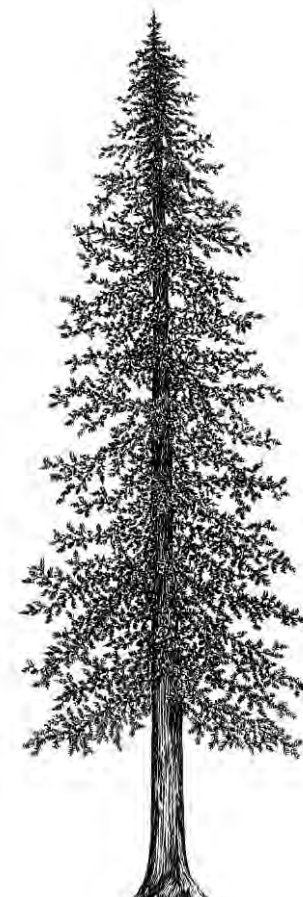
Operating	\$225	\$217	\$8	4%
Capital	\$15	\$7	\$8	51%
<b>Total Expenditures</b>	<b>\$240</b>	<b>\$224</b>	<b>\$16</b>	<b>7%</b>

	Annual Planned Revenue	Annual Received to Date	Annual Variance	% Annual Variance
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### Operating Revenue

Residential Revenue	\$162	\$161	\$1	1%
Commercial Revenue	\$67	\$68	(\$1)	-2%
Other Revenue	\$26	\$27	(\$1)	-5%
<b>Total Operating Revenue</b>	<b>\$254</b>	<b>\$256</b>	<b>(\$2)</b>	<b>-1%</b>

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



A stylized illustration on the left side of the slide. It features a circular frame containing a city skyline with the Space Needle, green mountains, and a sunset sky. Below this, large, stylized blue and white waves flow across the bottom, with three pinkish-orange salmon swimming in them. The background of the slide is a solid light blue.

# Thank You

for reviewing SPU's Q4 2022 SBP  
Progress Report

For more information, click the links below

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