



## 2021-2026 Strategic Business Plan Executive Summary

February 19, 2021 DRAFT

### Delivering the Essentials

Every day, Seattle Public Utilities delivers essential water and waste management services to 1.5 million people in the greater Seattle area. People, community, and the environment depend on us and we are honored to do this work.

The challenges we face—coronavirus, climate change, pollution, racial injustice, and economic disparity—remind us that as a community, we must care for each other and work together to shape our future.

While we deliver high-quality drinking water, drainage and wastewater, and solid waste services, we are also looking for opportunities to build on our legacy as a public utility. Maintaining our focus on innovation, leadership, and strong partnerships will help us shape our Community Centered, One Water, Zero Waste future.

The 2021-2026 Strategic Business Plan focuses our priorities, guides essential service delivery, and maximizes the benefit of every dollar. Our strategies around pollution and climate change are designed to contribute to a more just economy and sustainable future.

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.

Seattle Public Utilities employees are proud to serve our region.

#### Our Mission:

Seattle Public Utilities fosters healthy people, environment, and economy by partnering with our community to equitably manage water and waste resources for today and for future generations.

#### Our Vision:

COMMUNITY Centered, ONE Water, ZERO Waste

#### CARES Principles:

Customers and Community  
Affordability and Accountability  
Risk and Resilience  
Equity and Empowerment  
Service and Safety

## Executive Summary

### Our Focus Areas and Goals

#### Delivering equitable essential services

- **Provide high-quality services:** We're here 24/7, providing safe tap water, reducing waste and litter, managing wastewater and stormwater, and responding to all our customers.

#### Stewarding environment and health

- **Develop One Water resilience:** We protect water sources by cultivating healthy, adaptable watersheds and ecosystems and by using integrated and equitable water management strategies.
- **Advance Zero Waste circular economy:** We support and promote policies and practices that create a circular economy and reduce Seattle waste and carbon pollution as rapidly as possible.

##### Highlighted Initiatives & Investments

- Shape Our Water Drainage and Wastewater Integrated System Plan
- Ship Canal Water Quality Project
- Climate Justice, Adaptation, and Mitigation for Water and Waste
- Green Stormwater Infrastructure
- Waste Diversion
- Waste Prevention

#### Empowering our customers, community, and employees

- **Remove barriers:** We support and uplift residents and businesses by ensuring equitable services, information, and educational materials to help everyone steward our shared, precious resources.
- **Partner with community to maximize the benefits of SPU investments:** We are improving our investment strategies to help SPU contribute to economic opportunity, enhance livability, and build sustainability.
- **Invest in our employees:** We are cultivating a compassionate and dynamic work culture that prioritizes racial equity and attracts, inspires, and invests in existing and future employees—our most valuable resource.

##### Highlighted Initiatives & Investments

- Customer Affordability Programs
- Side Sewer Assistance
- SPU Support Services for the Unsheltered
- Seeds of Resilience Impact Investment Proposal
- Race and Social Justice Strategic Plan
- SPU Workforce Development
- Workforce Facilities Investments

#### Strengthening our utility's business practices

- **Enhance ratepayer affordability:** We are focused on financial sustainability and careful use of our resources to help manage costs for our ratepayers.
- **Manage assets and risk optimally:** We are investing in operations, infrastructure, and technologies that carefully manage SPU risks, resilience, and effectiveness.
- **Be an adaptive, learning organization:** We are continuously improving and deepening our culture of safety, excellence, and innovation.

##### Highlighted Initiatives & Investments

- Accountability and Affordability Strategic Plan
- Risk and Resilience Strategic Plan
- Water Seismic Resilience
- Water Asset Management and Opportunity Work
- Drainage and Wastewater Asset Management Work

The plan will guide our actions and help prioritize our investments over the next six years within a predictable rate path that allows SPU to continue to provide residents with reliable, quality service and deepen commitments to community and the environment.

**Executive Summary****Rate Path Update**

SPU has been working to reduce costs and flatten rate increases over time. The growth in the cost to provide services for the 2021-2026 period is projected to be lower than what was anticipated in previous rate paths. This is due in part to:

- Improving capital investment planning to better reflect probable investments,
- Using cash balances to smooth rate changes,
- Negotiating lower solid waste contract rates, and
- Reducing the cost of borrowing money.

At the same time, several factors are increasing costs and offsetting cost savings, including:

- Higher than expected increases in King County wastewater treatment charges,
- Funding for large capital projects required for state and federal regulatory compliance,
- Targeted funding increases to address deferred maintenance of aging capital assets, and
- Increased commitments to keep pollutants out of our water.

The following table describes the projected three-year rate path and projected three-year rate forecast for a six-year period, by line of business and combined:

Projected 2021-2026 Average Rate Increases

	Rate Path			Rate Forecast			Average
	2021	2022	2023	2024	2025	2026	
Water	0.0%	2.7%	4.7%	3.6%	4.2%	5.5%	3.4%
Wastewater	7.3%	3.1%	5.9%	0.5%	7.8%	3.6%	4.7%
Drainage	7.4%	8.6%	7.2%	3.9%	6.5%	6.7%	6.7%
Solid Waste	2.9%	2.9%	2.2%	2.3%	2.1%	2.1%	2.4%
<b>Combined</b>	<b>4.5%</b>	<b>3.9%</b>	<b>5.0%</b>	<b>2.2%</b>	<b>5.4%</b>	<b>4.2%</b>	<b>4.2%</b>

■ Approved rate legislation currently in effect

**Customer Financial Assistance**

There are several ways customers can find help with their SPU bill:

- Conservation and education programs which help people understand, and potentially reduce, their usage and bills;
- The Utility Discount Program which provides ongoing bill assistance to the lowest income families and uses customer data to target marketing, signup, and assistance to those in need;
- The Emergency Assistance Program which provides credits toward one bill per year for lower-income households or two bills per year for households with children;
- Payment plans which provide customers with flexibility in payment arrangements; and
- The Community Donation Fund which allows voluntary contributions to help those who are in need.

**Rate Impact to Customers**

The full 2021-2026 Strategic Business Plan provides tables to explain the projected rate path by showing typical monthly bills for several different types of customers. They will also be available on SPU's website.

Learn more about the 2021-2026 Strategic Business Plan:  
<https://www.seattle.gov/utilities/about/plans/strategic-business-plan>