



# SBP Progress Report

Second Quarter, 2023

Implementing the 2021-2026  
Strategic Business Plan Update

September 11, 2023



# About SPU and the Strategic Business Plan

Seattle Public Utilities provides essential drinking water, drainage and wastewater, and solid waste services to more than 1.5 million people in the greater Seattle area. Over 1,400 SPU employees work with our community to provide affordable and equitable stewardship of our water and waste resources for future generations.

**The 2021-2026 Strategic Business Plan (SBP)** builds on our strengths, focuses our work, guides essential service delivery, and maximizes the benefit of every dollar. It reflects and responds to values consistently expressed by customers and community: affordability, sustainability, and equity.

The plan reflects guiding principles that are at the center of our work ethic: understanding and responding to customers and community, ensuring affordability and accountability, addressing risk and resilience, enhancing equity and empowerment, and delivering service and safety.

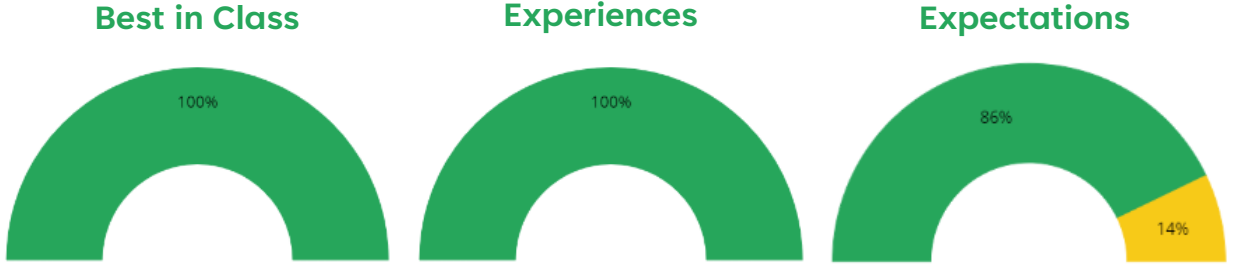


# Focus Area Progress

SPU has chosen to focus on the following areas and corresponding highlighted investments. These investments are representative examples of how SPU will advance the strategies described in the Strategic Business Plan. Investments result in tangible infrastructure, asset, asset repair, or service and require more significant investment. The charts display the performance of the total investments in each of the Strategic Business Plan focus areas and represent the percentages of investments hitting their targets. For delivering essential services the charts represent the total performance for the metrics in each of the three strategies: Strive for Best-in-Class, Provide Reliable and Rewarding experiences, and Meet or Exceed Expectations, Requirements and Commitments.

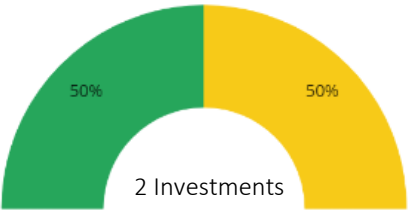
## DELIVERING EQUITABLE ESSENTIAL SERVICES

Essential service delivery represents the day-to-day services our customers and community need to live healthy lives. Our staff work year-round to deliver reliable water, drainage and wastewater, solid waste services, and Clean City services.



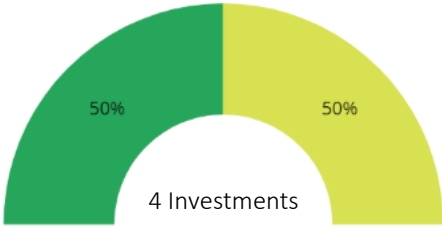
## STEWARDSHIP ENVIRONMENT AND PUBLIC HEALTH

Essential service delivery represents the day-to-day services our customers and community need to live healthy lives. Our staff work year-round to deliver reliable water, drainage and wastewater, solid waste services, and Clean City services.



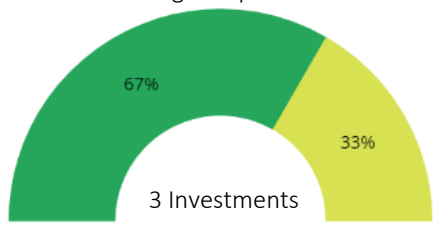
## EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES

Improving access to utility services, partnering with community organizations to increase livability and local opportunity, and cultivating and promoting a more diverse and dynamic workforce.



## STRENGTHENING OUR UTILITY'S BUSINESS PRACTICES

The utility will examine its business practices and assess ways to improve service, be more efficient, and provide value. We will also use the best available science, data, and analysis to inform utility decision-making and performance.



On Track Minor Delay At Risk Off Track

## Focus On

# DELIVERING EQUITABLE ESSENTIAL SERVICES

We are committed to supporting our community, customers, and employees in building an equitable, sustainable, and just future.

### BEST IN CLASS

**6.2%**

**Distribution System Leakage**

Annual Target: ≤10%

**0.91lbs**

**Residential Garbage\***

Annual Target: <1lb /pers/day

**1.7**

**Sewer Overflows**

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

**100%**

**Clean City Collection**

Annual Target: ≥95%

**876**

**Utility Discount Programs**

Target: Meets the Need

### RELIABLE AND REWARDING EXPERIENCES

**95%**

**Water & DWW Response**

Annual Target: ≥90%

**97%**

**Customer Call Response**

Target: ≥ 80% in 3 mins

**93%**

**Customer Satisfaction**

Target: ≥ 90%

**0.85**

**Missed Waste Pick-up**

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

**62%**

**CSO Outfalls**

Annual Target: ≥ 62%

**2.22**

**Garbage, Recycling, Organics\***

Target: < 2.5 lbs./person/day

**19%**

**WMBE Purchasing\*\***

Target: ≥23% total purchasing dollars

**Met**

**Drinking Water Quality**

Target: Regulation met

**Met**

**NPDES**

Target: Regulation met

**80%**

**Customer Effort**

Target: ≥ 80%

**27%**

**WMBE Consultants\*\***

Target: ≥ 25% total consulting dollars

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



**SECOND QUARTER HIGHLIGHTS**

### Side Sewer Assistance Program

Is your side sewer broken? Do you need help paying for repairs?

**0% interest loans, NO monthly payments**

**How do I qualify?**

- Live in a Seattle home you or your family own
- Have a broken or collapsed side sewer requiring emergency repair
- Meet income guidelines listed below

**Income Guidelines**

Household Size	Monthly Income Limit	Annual Income Limit
1	\$5,563	\$66,750
2	6,354	76,250
3	7,150	85,800
4	7,942	95,300
5	8,579	102,950
6	9,213	110,550

**SEWER PIPE RESPONSIBILITY**

Private property line

Property owner responsibility

Seattle Public Utilities responsibility

**If you own your Seattle home, you own the side sewer (or sewer pipe) all the way to the public sewer.** Your side sewer carries wastewater from your sinks, toilet, and drains to the public sewer in the street.

**Is my sewer pipe broken?**  
Visit [seattle.gov/utilities/YourSideSewer](http://seattle.gov/utilities/YourSideSewer) to read the Troubleshooting Your Sewer Problem guide

**To apply contact the Office of Housing's Home Repair Program at (206) 684-0244 or [HealthyHome@seattle.gov](mailto:HealthyHome@seattle.gov)**



**Grow Green Stormwater Infrastructure:**  
Sampling stormwater running through the Swale on Yale in South Lake Union, which treats almost 200 million gallons of stormwater runoff annually from over 400 acres of impervious area in Capitol Hill. Removing 14 tons of total suspended solids annually, the equivalent of a large dump truck load of sediment.

**Side Sewer Assistance Program:**  
SPU is developing a side sewer care incentive program for homeowners. Side sewer care can include inspection and cleaning services, usually performed by a plumber or contractor. Common side sewer issues include roots in the pipe, older pipes that crack, and fats/oil/grease that clogs pipes. We're assessing the most likely options the community will use as we shape the program. You can provide your feedback by participating in [this short survey](#).



**Ship Canal Water Quality Project:**  
MudHoney, the 18-ft diameter storage tunnel boring machine completed its mining journey underwater. The water level is about 2 feet above the machine shield. Check out how this machine traveled from Wallingford to Ballard on [Seattle Channels YouTube](#).

## Focus On

# STEWARDING ENVIRONMENT AND HEALTH

## SHIP CANAL WATER QUALITY PROJECT

Investment

Status: At Risk

**Description:** The Ship Canal Water Quality Project (SCWQP) will improve regional water quality by keeping more than 75 million gallons of polluted stormwater and sewage from flowing into the Lake Washington Ship Canal, Salmon Bay, and Lake Union on average each year. The project is under a federal consent decree and must be operational by the end of 2025.

### Annual Target:

- ✓ Complete Mining of 18ft diameter Storage Tunnel
- ✓ Complete Mining of 8ft diameter tunnel under Ship Canal
- Start Construction of Ballard Pump Station/Ballard Conveyance Project
- Start Construction of Wallingford Conveyance Project
- Update Program Budget and Completion Schedule

### Update:

Mining of the 18ft diameter storage tunnel has been completed and is aligned with the Q2 target. The Ballard Pump Station/Ballard Conveyance project received one bid, which exceeded planned reserves by approximately \$65M. After careful evaluation of the bid by the project team, SPU, and King County leadership, the decision was made to rebid the project. Re-bidding will delay the program completion by up to one year. While the delay will mean additional costs to the project, we believe that overall, there will be net cost savings by conducting a rebid, that in the end, is best for our customers.



### GROW GREEN STORMWATER INFRASTRUCTURE

#### Investment

Status: On Track

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

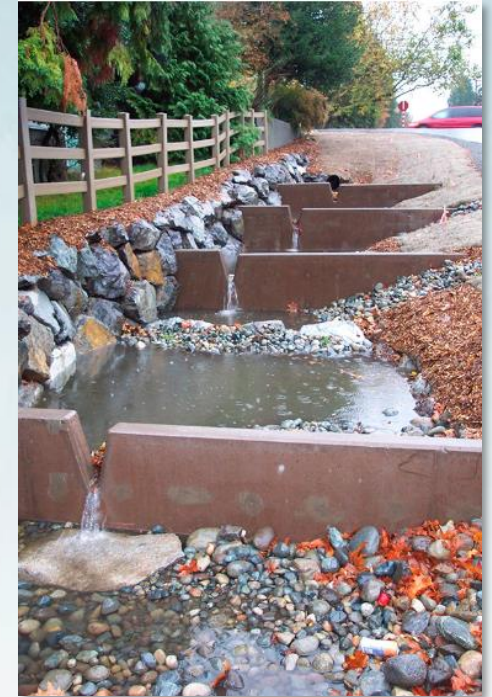
#### Annual Targets:

- Promote GSI installations on privately owned lands through stormwater code requirements, and voluntary incentives programs (RainCity, RainWise and the Beyond Code GSI Partnership Program)
- Leverage DWW Capital project investments to grow knowledge and delivery of expanded community co-benefits (environment, health, equity, empowerment, customer experience)
- Increase access to GSI workforce wealth-building opportunities through co-creation of SPU youth opportunity corps with Seattle Jobs Initiative
- By end of 2023 manage an average annual volume of 510 million gallons (MG) with GSI.

#### Update:

SPU is on track to support community-wide implementation target to manage an average annual volume of 510 million gallons (MG) with GSI by the end of 2023. Continuing work to leverage DWW capital project investments to grow knowledge and delivery of expanded community co-benefits (environment, health, equity, empowerment, customer experience). The milestones achieved include the following:

- South Thornton Natural Drainage Systems (NDS) reached a key milestone recently, awarding the construction contract to JW Fowler. Construction is expected to start in the fall. Once built, this project will manage over 13 acres of effective impervious area (EIA), a key step towards accomplishing our 2015 Integrated Plan NDS Partnering goal of treating 44 acres of EIA from the “big 3” creek basins (Thornton, Longfellow, Piper’s Creeks).
- The 17th Ave NW Stormwater Improvement project in the Crown Hill urban village hosted an in-person community engagement event to discuss the project’s alternatives. This project will manage a 30-acre basin, help solve significant flooding issues along 17th Ave NW, and reduce the likelihood of sewer backups in the area.
- Finalized MOA with Northlake Commons developer partner (3800 Latona Ave NE). The project is constructing a biofiltration swale onsite to treat nearly 2 acres of EIA from the surrounding basin before it discharges to Lake Union. The project has broken ground and will be starting swale construction in late summer.
- Finalized MOA with the Queen Mary Rowhouse developer partner (Mary Ave NW and NW 92nd St). The project will manage 17,000 square feet of EIA from public right-of-way. Construction is ongoing and will likely conclude by the end of 2023/start of 2024.



# EMPOWERING OUR CUSTOMERS, 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 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** – Portfolio vision and guides complete. 10 “emergency critical facilities” have been identified for prioritizing portfolio investments. “Emergency Critical” workforce facilities must have buildings and campuses that are safe, secure, accessible, and have capacity for current, future and emergency activities. They must be able to return to service within 24 hrs. to support Seattle life safety and SPU services after a shock event, like an earthquake or a snow event. SPU’s four “Emergency Critical” facilities are currently the highest priority for investment in the next 10 years: North Operations Center, the OCC emergency backup, Haller Lake, Lake Young Ops, and the Duvall Shop/Tolt Ops. Alternatives development is under way.
- **SOC** – The gate is complete the gate should remain open during business hours until remote control devices are issued to permit over-sized vehicle access and signage is added to provide contact information for warehouse vendors. Hygiene is in the 30% design continued and will be completed in Q3 23. Dewatering: Sewer alignment work continued with expansion of site survey. LOB requested study of additional approach to dewatering which will add time to the process.
- **Cedar Falls** – The initial site visits are complete and there was no current site survey, so the consultant contract is being amended to add land survey capability. Once the site survey is complete (Q4 23), a review of the conceptual plan will begin.
- **SMT** – Remodel of 53rd floor is delayed 6 months due to pricing. Going to public bid instead of JOC contract extending the completion now Q2 24. The remodel of floors 47, 48, 49 and 50 are on target.



## SIDE SEWER ASSISTANCE PILOT AND IMPLEMENTATION

Investment

Status: Minor Delay

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

### Annual Target:

- Enroll eligible low-income customers into the Phase I Loan Program to receive funding for repairs
- Phase II (maintenance incentives) program development and implementation
- Contract with Community Based Organizations to perform outreach and educational work about the program

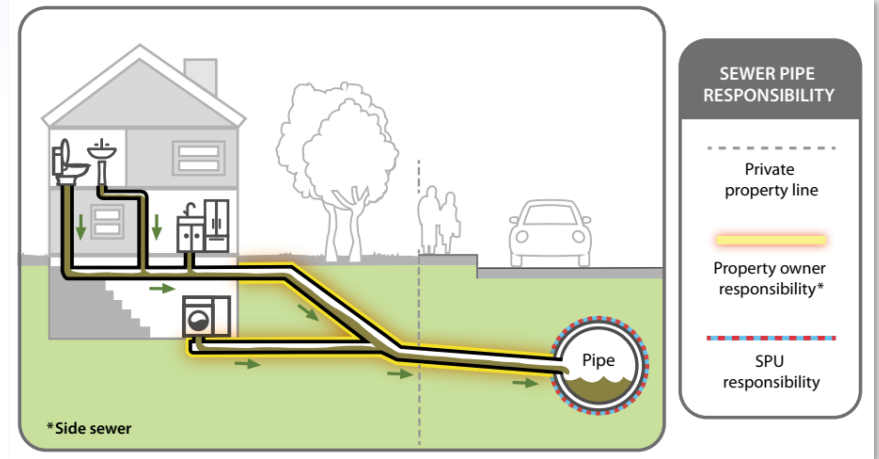
### Update:

The mailer advertising program to Utility Discount Program (UDP) enrollees is complete with a distribution rate of 1,000 customers per month that started in June. This was a joint effort with Solid Waste's Special Item Collection program.

The Side Sewer Assistance Program is now utilizing the Department of Neighborhoods Community Liaisons program to perform outreach for the program. The pilot community liaison training and outreach program launched for summer tabling events with 4 other SPU programs including: Adopt-A-Street, Adopt-A-Drain, Strategic Business Plan survey, "What to Flush", and Fats, Oils, and Grease. There are 6+ joint tabling events planned for the summer, these events include games to invite participation and table engagement.

Phase I (loans) feedback survey development is complete. An incentive for those who complete the survey in lieu of a gift card will receive a side sewer care bundle including a sink strainer, food scraper, compost can, etc. Educational materials have been developed including a new program handout with the aid of a Plain Writing consultant to simplify the program's complex and technical concepts and in-person outreach to Seattle senior centers offering "Side Sewer 101" class for seniors, where requested.

A few minor delays were incurred this quarter including delays with the direct contracts due to negotiations and forms, but overall, they are 90% complete with two community-based organizations to perform outreach. The phase II (maintenance incentives) survey is delayed due to two community-based organizations' contract negotiation delay.



## 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 written Standard Operating Procedures
- Complete 1600 RV Wastewater Collections
- Create a program website
- Create a system to deliver supplies and instructions to RV occupants to repair leaking systems

#### Update:

In Q2, SPU exceeded their quarterly goal of RV wastewater collections with a total of 449 RVs serviced. Also in Q2, the team engaged 1,196 RVs in outreach efforts.

The standard operating procedure being developed for this program has an initial draft that is 90% complete. Completed sections are ready for peer and management review.

RV waste system repair kits continue to be distributed. This past quarter, 100 parts valued at \$960 were distributed in an effort to maintain individual waste systems, preventing spills. To improve the efficacy of this program, SPU is working to develop an instructions and feedback sheet to help people succeed with repairs and to get improved data on the rate of successful repairs conducted with distributed parts. Parts include caps, valves, handles, and other fittings.

Bottled water continues to be distributed through the Drinking Water for the Unhoused pilot project in partnership with Parks, SDOT and SVDP. The memorandum of understanding is in process to add Mary's Place as a distribution point. Two invitations to bid on a contract to provide water via bulk tanker truck have not yielded a workable contract; SPU plans to begin outreach to vendors in Q3 to recruit an industry partner.

### SPU SUPPORT SERVICES FOR THE UNSHELTERED

#### Investment

Status: On Track

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

#### Annual Target:

- Conduct 65 RV remediations
- Conduct 800 RV geographical cleans
- Service 34 Unauthorized Homeless Encampment sites at any given time through the Encampment Trash program
- Continuation of Encampment Trash program

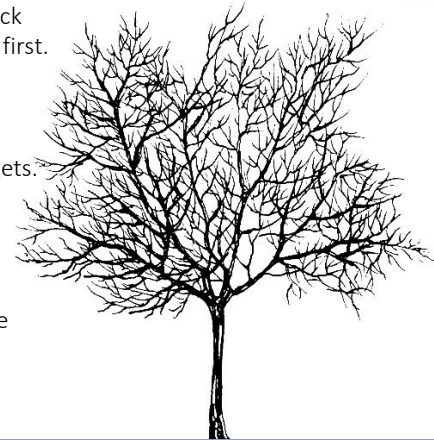
#### Update:

The *Encampment Trash Program*, also known as the *Purple Bag Program* has extended service to 50% more encampments. In Q2, the program serviced an average of 26 sites per month and is on track to meet performance targets.

In Q2, SPU finalized the contract with experienced service provider Hepatitis Education Project (HEP). This partnership is geared towards distributing purple bags and providing outreach and education to 30% of encampment track program sites. Service is scheduled to begin August first.

The RV remediation has a monthly target of inspecting and scheduling 5-8 RV remediations monthly. In Q2, 25 were completed, exceeding targets.

The Geographical Cleans Program planned to increase the number of RV geo-cleans to 40-60 monthly. This program has exceeded the goal in Q2, completing 232 geo-cleans. In 2022 the average number of cleans was 13 per month.



# STRENGTHENING OUR UTILITY'S BUSINESS PRACTICES

## Water System Seismic Reliance Investment

Status: On Track

**Description:** Implement short-term measures, such as improving emergency preparedness and response planning, and adopting isolation and control strategies, that can be used to mitigate the effects of seismic damage until expensive long-term infrastructure improvements can be made.

**Annual Target:**

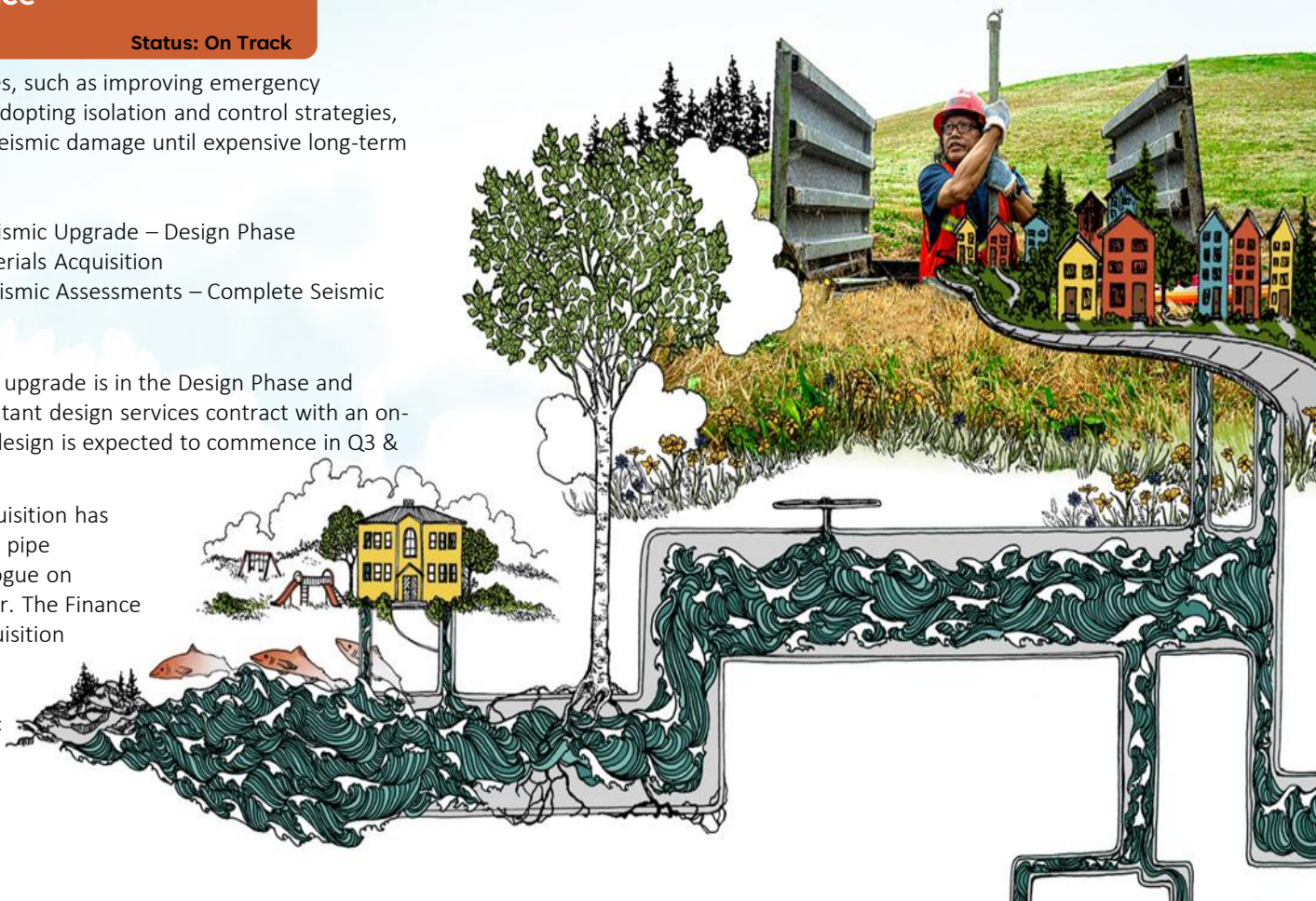
- Cedar River Pipelines in Renton Seismic Upgrade – Design Phase
- Earthquake Emergency Spare Materials Acquisition
- Eastside and Riverton Reservoir Seismic Assessments – Complete Seismic Vulnerability Assessments

**Update:**

The Cedar River pipelines in Renton seismic upgrade is in the Design Phase and continuing to progress on finalizing a consultant design services contract with an on-call consultant, procured in 1Q 23. Project design is expected to commence in Q3 & Q4 of 2023.

Earthquake emergency spare materials acquisition has had no change from Q1. Spare transmission pipe specifications are being finalized and a dialogue on pricing has started with a large local supplier. The Finance Administration Services (FAS) purchase requisition process is underway.

The Eastside and Riverton Reservoir Seismic Assessments are being processed for both Riverton & Eastside Reservoirs. They are in process of being finalized.



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

### WATER ASSET MANAGEMENT AND OPPORTUNITY WORK

#### Investment

Status: On Track

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

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

#### Annual Targets:

- Water Asset Transportation Opportunity Projects
  - Advance water asset transportation opportunity projects through various stages of planning, design, and construction
  - Conduct opportunity and impact-driven interagency project assessments
  - Prepare scope and cost estimates for inclusion into interagency project for identified projects
- Hydrant and Valve Maintenance
  - Sustain 99.9% of hydrants in service
  - Return service to 95% of newly reported out-of-service (OOS) hydrants
  - Complete 1,600 low-priority (minor) hydrant work orders
  - Reduction of backlog for minor & major maintenance work order for hydrants and maintenance work orders for critical values
- Water System Overall Asset Management:
  - Water Tank Rehabilitation and Seismic Upgrades - Magnolia tank seismic upgrade project
  - Cathodic Protection for Pipelines Capital Improvements - Design and construction progress for three cathodic protection project packages
  - Water Main Rehabilitation Program (WMRP) - Advance packages 2-7 through various stages of planning, design and construction
  - Water Service Renewals - Complete approximately 650 water service renewals annually

#### Update:

**Water Asset Transportation Opportunity Projects:** The decision to reinstate the SDOT Perkins Lane Water Main Relocation was made with construction. It is anticipated for Q3 2024. The SDOT Route 40 Water Main Replacement project initiated at the north end of the Fremont Bridge and the Water Distribution System modifications and water main abandonment project-initiated conjunction with SDOT's Fortson Square renovation.

Scope and cost assessment updates:

- Preliminary scope assessment - Water Distribution System opportunities from N 90th St to N 105th St in conjunction with SDOT Aurora Reimagined project.
- Preliminary scope and cost assessments - SDOT Denny Way AAC Water Distribution System Modifications.
- Completed - The Burien 21st Ave SW Water Main Relocation.

**Hydrant and Valve Maintenance:** SPU is sustaining their goal of 99.9% of hydrants in service with only 11 out-of-service. The team continues to catch up on the backlog of out-of-service hydrants. In Q2, minor hydrant repairs have remained at 255, the same as Q1, causing the team to fall behind their annual target.

**Water System Overall Management:** The Magnolia Tank completed 60% design and is progressing towards 90% design completion. The cathodic protection for water pipelines 2019 construction is essentially complete, with the 2021 construction on schedule. The Water Main Rehabilitation Program multisite P6 central 30% design has started. Water service renewals have 132 reactive renewals and five proactive renewals. Due to a substantial data lag, more renewals for Q2 will be reported later in the year.

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

### 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:

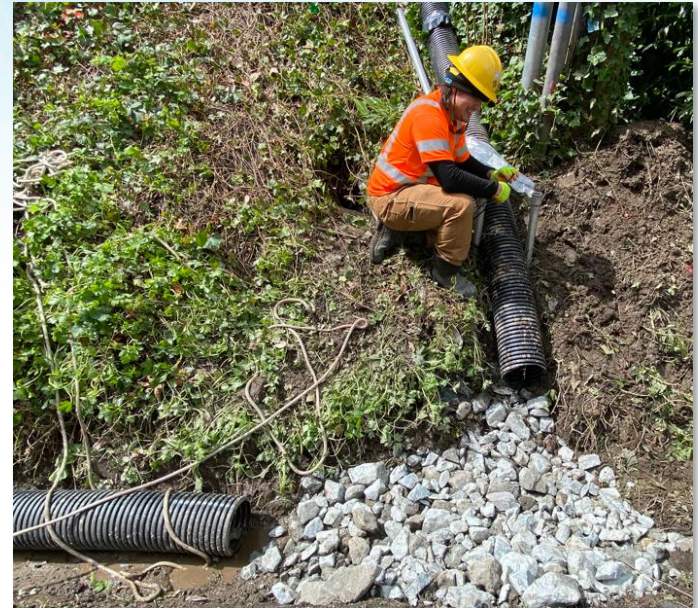
- Expand Sewer Rehabilitation work
- Expand Drainage Rehabilitation work
- Wastewater Pump Stations, Force Mains (FM), and CSO Outfall Rehabilitation

#### Update:

Expand sewer rehabilitation work is experiencing a minor delay with the expansion of the sewer rehabilitation work. In Q2, 1 mile of contracted full pipe was rehabilitated. The sewer rehab crew completed 241 work orders YTD. It is anticipated that miles of contracted work will be accomplished as construction is actively underway.

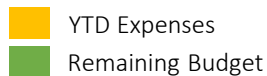
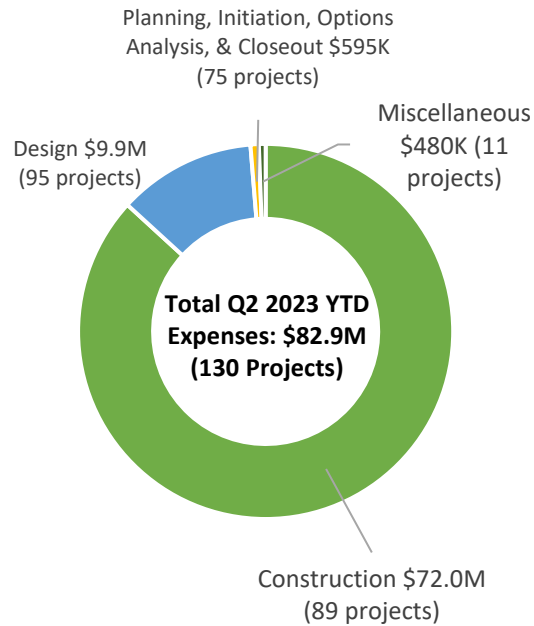
The expanded drainage rehabilitation work is on track completing 53 drainage rehab crew work orders YTD. Wastewater pump stations, force mains (FM), and CSO outfall rehabilitation are also on track. The wastewater pump station 39 FM emergency repair has been completed.

The CIP dollars spent YTD through Q2 is approximately \$19.2M, a 38% spend of the annual budget, resulting in a minor delay. It is anticipated that most spending will take place in Q3-Q4 as construction is completed this summer.



*A crew member is installing a corrugated HDPE plastic pipe to replace a failing concrete culvert at 13709 41st Ave NE. The crew was able to stabilize and support the new pipe at this location to minimize the instability of a steep hillside.*

## YTD SPENDING THROUGH Q2 2023 PDEB\* CIP SPENDING



## KEY UPDATES

### Ship Canal Water Quality Project

- **Ballard Pump Station/Ballard Conveyance:** Construction bids were opened in April with only 1 bid received for approximately \$65 million more than the amount budgeted. SPU will revise the contract documents and rebid around Q1 2024. This will cause a delay of up to a year to the overall project completion date.
- **Wallingford Conveyance:** This is in construction through 2024.
- **Storage Tunnel:** This is in construction, MudHoney, the 18-foot diameter tunnel boring machine, completed tunneling for the Storage Tunnel in June, closing several key risks for the project. Work is ongoing to complete the remaining facilities with the forecast for Storage Tunnel Physical Completion in April 2024.
- **Program Management:** On-going program mgmt. for SCWQP. The program continues to evaluate the remaining schedule and cost to complete, accounting for historical escalation costs, planned changes to the Ballard Pump Station/Ballard Conveyance contract, and large construction claims. It is expected that the program budget will need to increase 14% to 25%, depending on the successful bid for the Ballard Pump Station/Ballard Conveyance project. The current forecast to meet the Consent Decree “construction complete” date is Q3 2027. SPU is coordinating with our regulators to extend the construction complete milestone in the Consent Decree beyond 12/31/2025.

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

- **Bitter Lake Reservoir Improvements** – Project baseline approved, 30% design completed, and 60% design started in May 2023. Public outreach open house occurred in May 2023 along with two informational table sessions in June 2023. Additional informational table sessions are scheduled for National Night Out in August 2023. Coordination continues with SPR for development of the park on site after the reservoir is complete. Coordination has started with the DON regarding a possible expansion to the Bitter Lake P-Patch. Design will continue through 2025.
- **Tolt Early Warning System** – The design team began construction for Phase 1 in Q2 2022 and will complete commissioning in Q3 2023. The design team will complete Final Design for Phase 2 in Q4 2023. Permits are pending. Phase 2 Construction Contract award and NTP is anticipated in Q2 2024.
- **Water Main Rehabilitation Package #4** – Construction work that began at the SW 98th St and 51st Ave SW in Fautleroy, in April 2023 has progressed to the 2nd and 3rd sites and will last approximately two months. Construction completion at all ten work sites is anticipated for Q3 2024.

## KEY UPDATES CONTINUED

### Drainage and Wastewater Projects (DWW)

- **South Park Drainage and Roadway Partnership** - The project is currently in construction; anticipated completion is this summer.
- **South Park Pump Station** - The project is currently in construction; anticipated completion in fall 2023. The concrete strike and groundwater management risks caused delays, which pushed the activity of putting the pump station online until after the rainy season.
- **Longfellow Creek Natural Drainage Systems** - The project is currently in construction; the anticipated completion of all three sites is in late 2023. Current work includes final construction items at the 24th Street site and then mobilizing to the Kenyon Street site.

### Major Interagency Projects (MIP)

- **Alaskan Way Viaduct Replacement – South Access Project** – This South Access Phase 2 project is nearing completion by WSDOT as the final construction contract of the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP) which included the SR99 Deep Bored Tunnel. The project completes utilities, pedestrian amenities, programmed spaces, transportation facilities, and building demolition in the vicinity of the south portal of the SR99 Bored Tunnel. The work has been accelerated to accommodate the All-Star games this summer. The Contractor is currently nearing completion of all SPU asset work; all of which are donated assets under code compliance. Community outreach is ongoing and led by WSDOT in coordination with all City Departments. All significant construction of the project should be completed in 2023. In common with all such inter-departmental projects, the inclusion of SPU work into the WSDOT contract, and the ongoing inter-departmental, and interagency coordination, successfully reduce overall costs and public impacts.
- **SR 520 – Rest of the West** – Portage Bay Bridge phase is a WSDOT-led project to construct a new lid over SR 520 between 10th Ave E and Delmar Drive East, part of the much larger overall SR520 program stretching from Redmond to I-5. It also replaces the existing bridge across Portage Bay. The project provides HOV improvements, community amenities, and the completion of a pedestrian and bike trail on the new Portage Bay Bridge. The SPU portion includes the relocation of a 42-inch diameter water transmission line and the separation of City and State drainage. The project will be delivered using a Design-Build procurement method. The Request for Proposals (RFP) was issued in January 2023. The City is supporting WSDOT during the RFP advertisement by responding to questions from bidders. Proposals from the design-build teams are due in August 2023.

## UPCOMING CONSTRUCTION BIDS AND CONSULTANT RFPS

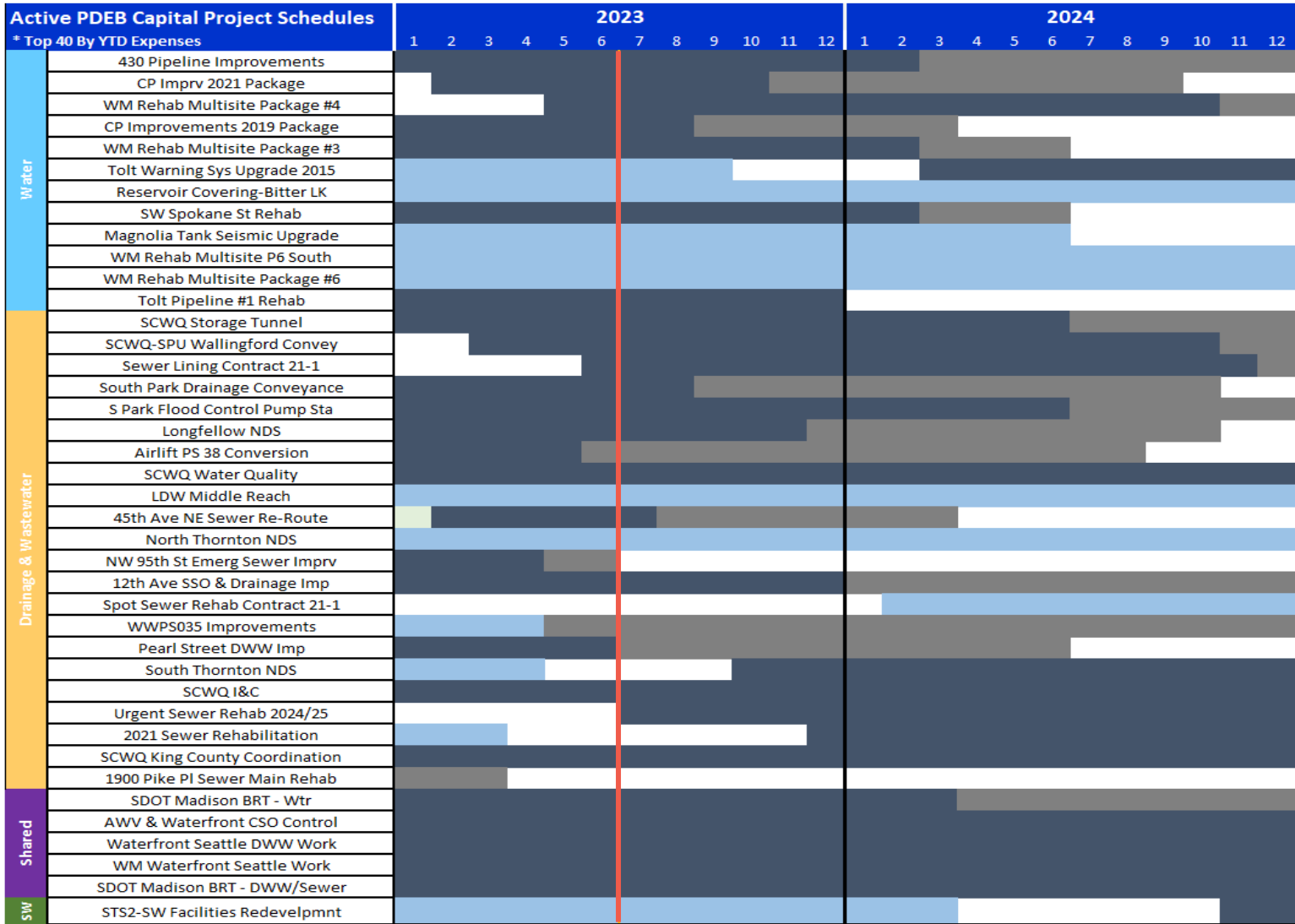
### Upcoming Construction Bids:

- South Thornton Natural Drainage Systems (DWW)
- Sewer Repairs (DWW)
- Spokane Street Pump Station Improvements
- Watermain Rehab Multisite Package #5

### Upcoming Construction:

- **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. This is a Major Integrity project that was advertised on 11/9.

# PDEB 2023 – 2024 CAPITAL PROJECT SCHEDULE



- Design
- Construction
- Closeout



# Financial Performance Reporting

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

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

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

## CIP ACCOMPLISHMENT RATE

The second quarter 2023, the CIP accomplishment rate for all funds was 65% with actual expenditures of \$117.1 million against a budgeted amount of \$180.9 million. The 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 84% of the budget with \$28.9 million in actual expenditures against a budget of \$34.6 million.
- **The Drainage and Wastewater Fund** (excluding shared and technology) accomplished 69% of the budget with \$72.9 million in actual expenditures against a budget of \$106.4 million.
- **The Solid Waste Fund** (excluding shared and technology) accomplished 64% of the budget with \$0.9 million in actual expenditures against a budget of \$1.4 million.
- **Shared CIP** accomplished 40% of the budget with \$12.2 million in expenditures against a budget of \$30.9 million.
- **Technology CIP** accomplished 27% of the Budget with \$2.0 million in actual expenditures against a budget of \$7.7 million.



## WATER FUND Q2 FINANCIAL RESULTS

(\$ in millions)

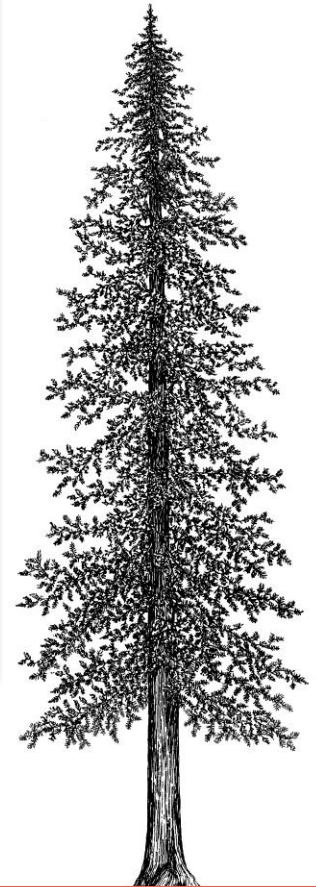
	2023 Annual				2023 Through June			
	Annual Plan to Spend	Annual Spend to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Underspend
<b>Expenditures</b>								
Operating	\$291.0	\$121.4	\$169.6	58%	\$133.6	\$121.4	\$12.2	9%
Capital	\$115.0	\$37.1	\$77.9	68%	\$56.9	\$37.1	\$19.8	35%
<b>Total Expenditures</b>	<b>\$406.0</b>	<b>\$158.5</b>	<b>\$247.5</b>	<b>61%</b>	<b>\$190.5</b>	<b>\$158.5</b>	<b>\$32.0</b>	<b>17%</b>
	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
<b>Operating Revenue</b>								
Retail Customer Rev.	\$227.7	\$98.4	\$129.3	57%	\$99.4	\$98.4	\$1.0	1%
Wholesale Customer Rev	\$59.2	\$20.6	\$38.6	65%	\$23.5	\$20.6	\$2.9	12%
Other Revenue	\$12.8	\$6.0	\$6.8	53%	\$6.4	\$6.0	\$0.4	6%
<b>Total Operating Revenue</b>	<b>\$299.7</b>	<b>\$125.0</b>	<b>\$174.7</b>	<b>58%</b>	<b>\$129.3</b>	<b>\$125.0</b>	<b>\$4.3</b>	<b>3%</b>

*Sums may not total due to rounding.*

*\* Negative numbers means over-spend in the case of expenses, and over-recovery in the case of revenue. Red numbers denote overspend or under-recovery.*

Revenues are below forecast in Q2 due to the following:

- **Billing delays:** Retail - public fire billing (\$3M) was delayed until July and without that delay, retail revenue would have been \$2M above forecast. Wholesale billing was also delayed for various reasons.
- **Water sales (wholesale and retail):** are both expected to be above forecast at year end. Other revenue will likely end up close, but slightly below, forecast. Other revenue is down from forecast, primarily because new service (taps) sales are slowing.

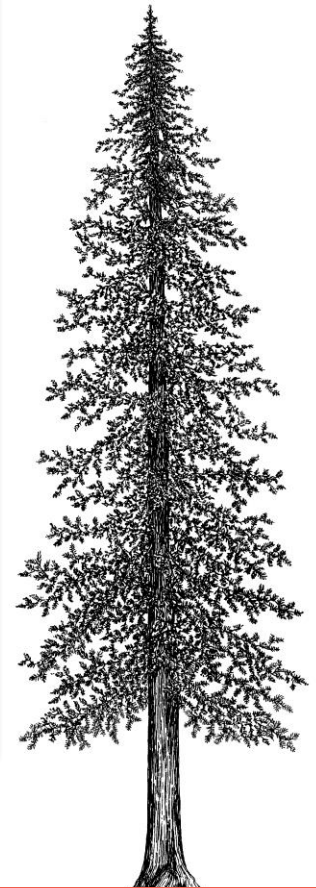


## DRAINAGE AND WASTEWATER FUND Q2 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through June			
	Annual Plan to Spend	Annual Spend to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Plannned to Spend	YTD Spent	YTD Variance	% YTD Underspend
<b>Expenditures</b>								
Operating	\$491.0	\$226.1	\$264.9	54%	\$238.2	\$226.1	\$12.1	5%
Capital	\$245.0	\$77.0	\$168.0	69%	\$119.0	\$77.0	\$42.0	35%
<b>Total Expenditures</b>	<b>\$736.0</b>	<b>\$303.1</b>	<b>\$432.9</b>	<b>59%</b>	<b>\$357.2</b>	<b>\$303.1</b>	<b>\$54.1</b>	<b>15%</b>
	Annual Planned Revenue	Annual Received to Date	Annual Remaining to Receive	% Annual Remaining to Receive	YTD Plannned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
<b>Operating Revenue</b>								
Wastewater Revenue	\$341.0	\$173.1	\$167.9	49%	\$176.0	\$171.0	\$5.0	3%
Drainage Revenue	\$196.0	\$92.8	\$103.2	53%	\$92.5	\$93.0	(\$0.5)	-1%
Other Revenue	\$9.9	\$5.4	\$4.5	45%	\$5.0	\$5.4	(\$0.4)	-9%
<b>Total Operating Revenue</b>	<b>\$546.9</b>	<b>\$271.3</b>	<b>\$275.6</b>	<b>50%</b>	<b>\$273.5</b>	<b>\$269.4</b>	<b>\$4.1</b>	<b>1%</b>

\* Negative numbers means over-spend in the case of expenses, and over-recovery in the case of revenue. Red numbers denote overspend or under-recovery.

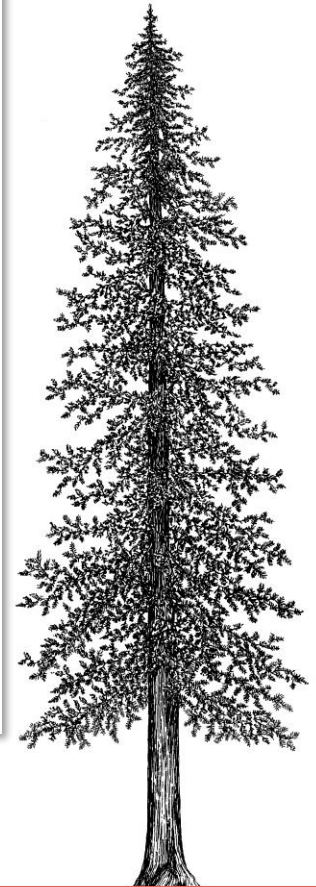


## SOLID WASTE FUND Q2 FINANCIAL RESULTS

(\$ in millions)

	2023 Annual				2023 Through June			
	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
<b>Expenditures</b>								
Operating	\$232.0	\$106.2	\$45.0	19%	\$117.7	\$106.2	\$11.4	10%
Capital	\$18.0	\$3.0	\$15.0	84%	\$5.0	\$3.0	\$2.0	41%
<b>Total Expenditures</b>	<b>\$250.0</b>	<b>\$109.2</b>	<b>\$140.8</b>	<b>56%</b>	<b>\$122.6</b>	<b>\$109.2</b>	<b>\$13.4</b>	<b>11%</b>
	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
<b>Operating Revenue</b>								
Residential Revenue	\$172.0	\$86.3	\$85.7	50%	\$84.5	\$86.3	(\$1.8)	-2%
Commercial Revenue	\$95.1	\$46.7	\$48.4	51%	\$46.9	\$46.7	\$0.2	0%
Other Revenue	\$7.2	\$3.3	\$3.9	54%	\$3.6	\$3.3	\$0.3	8%
<b>Total Operating Revenue</b>	<b>\$274.3</b>	<b>\$136.3</b>	<b>\$138.0</b>	<b>50%</b>	<b>\$135.0</b>	<b>\$136.3</b>	<b>(\$1.3)</b>	<b>(1%)</b>

\* Negative numbers means over-spend in the case of expenses, and over-recovery in the case of revenue. Red numbers denote overspend or under-recovery.





# Thank You

for reviewing SPU's Q2 2023 SBP  
Progress Report

For more information, click the links below

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