



# SBP Progress Report

First Quarter, 2024

Implementing the 2021-2026  
Strategic Business Plan Update

May 13<sup>th</sup>, 2024





# 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.

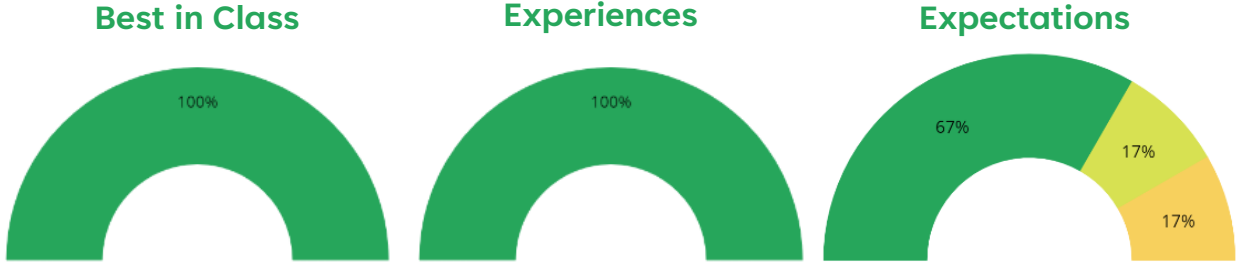


# Focus Area Progress

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.



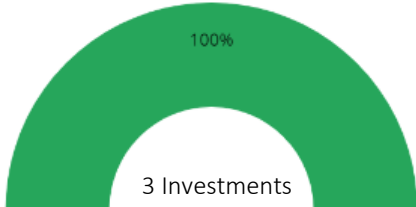
## EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES

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



## FIRST QUARTER HIGHLIGHTS

### Support Services for the Unsheltered

The RV GeoCleans program has expanded to include what SPU has identified as "deep cleaning" which focuses on larger site cleans and includes several hours of dedicated time working with campers on-site to remove debris and bulky items around RVs. Additionally, the program is also providing accessibility cleaning routes that focus on identifying and addressing obstructions on sidewalks, planting strips, and pedestrian pathways caused by personal belongings and miscellaneous items. In Q1 2024, this new project allowed SPU to remove an additional 30K pounds of trash and debris from rights of way across the city.



### Grow Green Stormwater Infrastructure

SPU is constructing natural drainage systems (NDS) at three sites in the Longfellow Creek basin. Natural Drainage Systems are built in the roadway shoulder (the space between the street edge and the property line) and are filled with deep-rooted plants and spongy soils that temporarily hold and clean polluted stormwater from streets and sidewalks before the stormwater enters local waterways.

[Find out more about this project here.](#)



DWW Asset Management and Opportunity Work Cured-in-Place Pipe (CIPP) is a pipe lining technology the Drainage and Wastewater (DWW) Rehab program uses to rehabilitate city sewer mainlines. This trenchless technology doesn't require excavation and allows for minimally impactful construction. This technique allows SPU to install a pipe liner inside existing pipes that are beginning to degrade. This allows SPU to renew structural integrity with little to no excavation of surrounding streets. Typically, it takes one day to install a CIPP liner along one residential block and results in limited impacts on the community during this period.

The photo (left) is from SPU's recent Sewer Lining Contract (21-3 Contract) where SPU has multiple sites and is currently under construction.





## 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

**1.2**

**Sewer Overflows**

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

**100%**

**Clean City Collection**

Annual Target: ≥95%

**761**

**Utility Discount Programs**

Target: Meets the Need

### RELIABLE AND REWARDING EXPERIENCES

**92%**

**Water & DWW Response**

Annual Target: ≥90%

**88%**

**Customer Call Response**

Target: ≥ 80% in 3 mins

**92%**

**Customer Satisfaction**

Target: ≥ 90%

**0.7**

**Missed Waste Pick-up**

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

**60%**

**CSO Outfalls**

Annual Target: ≥ 62%

**2.16**

**Garbage, Recycling, Organics\***

Target: < 2.5 lbs./person/day

**18%**

**WMBE Purchasing\*\***

Target: ≥23% total purchasing dollars

**Met**

**Drinking Water Quality**

Target: Regulation met

**Met**

**NPDES**

Target: Regulation met

**77%**

**Customer Effort**

Target: ≥ 80%

**28%**

**WMBE Consultants\*\***

Target: ≥ 27% total consulting dollars

= On Track
  = Minor Delay
  = At Risk



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

\*\* WMBE is a cumulative target that is reported as a percent throughout the year until Q4.

# 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 Storage Tunnel Construction
- Complete Wallingford Conveyance Construction
- Start Construction for TEPS/Ballard Conveyance
- Submit TEPS/Ballard Conveyance Conformed Plans & Specifications & CQAP to Regulators
- Update Program Budget and Completion Schedule
- Annual accomplishment rate:  $\geq 85\%$

### Quarterly Update:

Program Consent Decree's milestone of completing construction by 12/31/25 will not be met. Negotiations are underway with regulators to modify this deadline soon. Current 2024 cost forecast (actuals through Feb, the latest month available) is on track. Construction bids were opened for the re-bid of the Ballard Pump Station/Ballard Conveyance project. The apparent low bid is approximately \$26M lower than the single bid received in 2023. The bid is being evaluated and the team will present to City Council in the summer of 2024 to reset the program budget. Construction of the Storage Tunnel and Wallingford Conveyance projects are on schedule to complete in 2024.





### GROW GREEN STORMWATER INFASTRUCTURE

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 2024 manage an average annual volume of 725 million gallons (MG) with GSI



#### Quarterly Update:

In Q1 2024, 710 MG of runoff was managed by Green Stormwater Infrastructure (GSI).

The Seattle Opportunity Work Corps program was launched in Q1 2024. This new workforce development program provides hands-on training in the maintenance of Seattle Public Utilities' Green Stormwater Infrastructure sites, soft skills support, and exposure to utility operations. In partnership with the Seattle Jobs Initiative and the Machinists Institute, SPU is hiring its first crew for a 6-month opportunity beginning summer 2024. SPU is currently seeking crew members who live in the City of Seattle, are BIPOC, and are 18-25 years old. This work is funded for \$1M through federal appropriation funds requested by Congresswoman Pramila Jayapal.

[Find out more about the Green Stormwater Infrastructure Careers - Seattle Jobs Initiative here.](#)

# EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES

## WORKFORCE FACILITIES

### Investment

Status: On Track

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

#### Annual Target:

- 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

#### Quarterly Update:

**Facilities Master Plan:** The final master plan was submitted in late February.

**SOC Hygiene:** The 30% design phase continues and the consulting team is working to identify the impacts of the LEED Gold requirement. SPU is working with the Office of Sustainability and Environment (OSE) to understand the available options.

**SOC Dewatering:** The CIP Board has approved a plan to develop the program for the site and a site master plan. This would include all future uses due to the lack of sufficient space on site. The first draft of the program will be reviewed in late May 2024. The 30% design work will continue upon completion of the program and confirmation that all components fit on the site.

**Cedar Falls:** The revised site plan has been created and reviewed with end-users for operational function and safety. This plan will be presented to the CIP Board in May 2024.

**SMT Reconfiguration:** Both the 53rd-floor move-in and construction for the 46th and 48th-floor remodel are on track.





## FOCUS ON: Empowering Our Customer, 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.

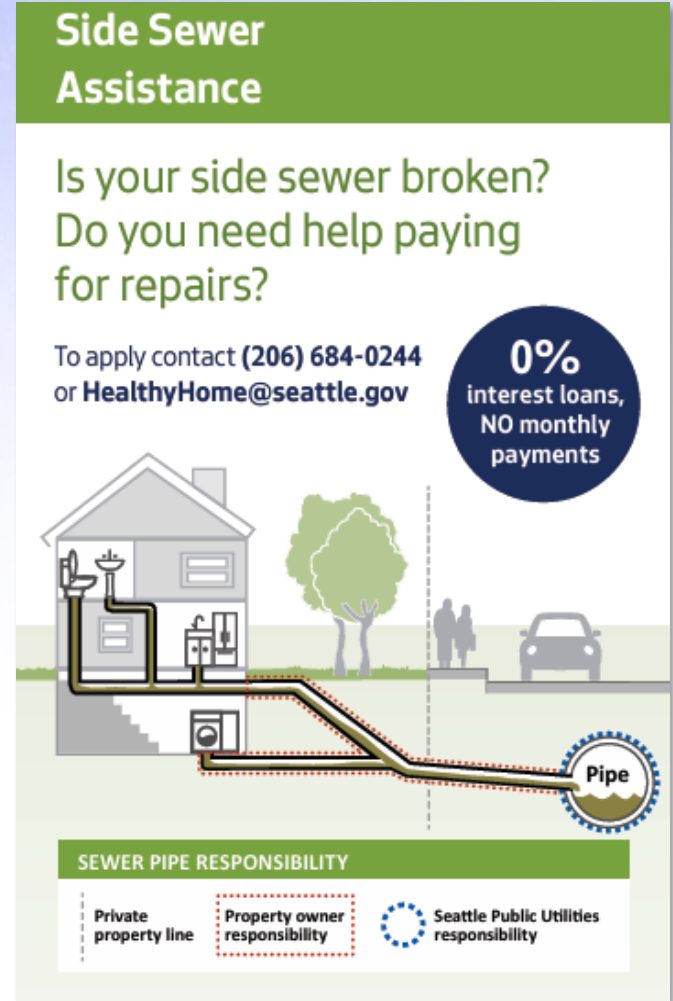
#### Annual Target:

- Phase 1: Program evaluation for Loan program
  - 120 requests/inquiries for program application
- Phase 2: Launch Maintenance program
  - 50 enrollees annually (Q3 – Q4 after program launch)

#### Quarterly Update:

The Side Sewer Assistance program has completed its 2024 program budget and continues community outreach work via three community-based organizations and consultant contracts. In Phase 1 (sewer repair), four sewer repair loans are currently in progress. Phase 1 program evaluation is on track, with the customer and applicant feedback survey project underway via consultant. SPU has completed design work for a mailer advertising SPU affordability programs to new UDP enrollees and has issued a contract for printing and mailing. Distribution of the mailer will begin in Q2 2024. SPU has completed Side Sewer 101 presentations to local senior centers.

In Phase 2 (sewer maintenance), SPU has completed option analysis and finalized the proposed program model. The program launch is estimated for Q3/Q4 2024 with a soft launch via community-based organizations and local senior centers. SPU continues to meet with the CiviForm team to develop business processes for online application availability on the Affordable Seattle portal. SPU is in discussions with a Phase 2 service provider on capacity, service restrictions, and upcoming official contract negotiations.



**Side Sewer Assistance**

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

To apply contact **(206) 684-0244**  
or **HealthyHome@seattle.gov**

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

**SEWER PIPE RESPONSIBILITY**

- Private property line
- Property owner responsibility
- Seattle Public Utilities responsibility

**Pipe**

The flyer features a cross-section diagram of a house and its sewer system. A solid line represents the sewer pipe within the property, while a dashed line indicates the boundary between the property and the public sewer main. A blue circular callout highlights the 0% interest loan offer. A legend at the bottom clarifies the responsibility for different sections of the pipe.

## 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:

- Maintain within 90% of the 3-month rolling average of previous wastewater collection rates.
- RV Scouting & Outreach: Maintain a current inventory of RV population and location and ensure that at least 90% of the RV population has received an offer of Wastewater service monthly.

#### Quarterly Update:

The RV Wastewater Program continues to provide routine monthly wastewater collection services. Currently, program staff are reevaluating their metrics for the program to align with meeting community needs rather than historical averages, the target for Q1 collection rates was 87%.

SPU has completed training all Stormwater Environmental Compliance Inspectors (ECI) to serve shifts on RV Wastewater collection operations and shifted to a team model of duty coverage. The team continues to experience staff shortages and turnover. A new out-of-class ECI inspector is scheduled to be onboarded in May. The continued staff turnover has affected our ability to codify our procedures in a robust manual but has not limited our time in the field, performing outreach to target communities, or continuing to innovate or evolve our procedures. SPU has worked to deepen our partnership with SVDP and PHSKC to facilitate the disbursement of anti-overdose medication. SPU has also created new procedures to track and communicate to ORC, Spill Response, and Parking Enforcement for the deployment of our temporary RV wastewater holding tank to help clients store waste until a collection service can be scheduled.

[Learn more via this video featured on SPU's YouTube channel.](#)

### 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:

- Encampment Trash Program (ETP, formerly the purple bag program): Maintain purple bag program to service 28 sites per month.
- Encampment Trash Program: Partner with experienced service providers to distribute purple bags and provide outreach and education to 40% of ETP sites.
- RV Remediation: Inspect and schedule 5-8 RV remediations monthly.
- Geographical Cleans (GeoCleans): Maintain number of RV GeoCleans at 40-60 a month.

#### Quarterly Update:

The Encampment Trash Program (ETP) serviced an average of 27 sites per month in Q1 2024, falling just shy of the goal to maintain 28 sites per month. SPU has achieved the target of outreach and education to 40% of ETP sites by partnering with experienced service providers to distribute purple bags. In Q1, SPU onboarded the service provider, People's Harm Reduction Alliance (PHRA) to support encampment cleanup efforts in the north end of the city. Services in the south end of the city are provided by Hepatitis A Project (Hep).

SPU averaged 8 RV Remediations per month in Q1 2024 and is on track to continue to achieve the monthly target of 5-8 RV Remediations.

In Q1 2024, 223 RV GeoCleans were completed averaging 74 per month. SPU anticipated providing 175 per quarter to achieve the annual target of 700 RV GeoCleans. As of now, this work is on track to exceed its annual goal.



# 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

**Quarterly Update:**

The design phase for the Cedar River Pipeline in Renton is being retrofitted for a reduced scope of work due to lower risks of liquefaction to pipelines east of the historic Black River area. This was determined after Geotech data was finalized. This will essentially remove half of the prior planned scope of work. The seismic materials procurement is proceeding to plan.

The earthquake emergency spare materials acquisition completed its first planning recommendation memo and drafted specs for materials procurement.

The Eastside and Riverton Reservoir Seismic Assessments' consultant contract, InfraTerra amendment, that supports SPU's options analysis and Stage Gate 2 development, is in progress and expected to be in place by mid-May 2024.



### 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
  - Conduct all opportunity and impact-driven interagency project assessments.
  - For identified projects, prepare all scope and cost estimates for inclusion into interagency projects.
- Hydrant and Valve Maintenance
  - Sustain 99.9% of hydrants in service
  - Return service to 95% of newly reported out-of-service (OOS) hydrant
  - 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
  - Cathodic Protection (CP) for Pipelines Capital Improvements Deliverable
  - Water Main Rehabilitation Program (WMRP)
  - Water Service Renewals

#### Quarterly Update:

- **Water Asset Transportation Opportunity Projects** – All targets have been met for Q1 2024. The Roosevelt RapidRide J Line Water Main Replacement has been advertised for construction and the Shoreline N 145th St Corridor and the I-5 Interchange Water Main Replacement received a notice to proceed. SDOT Route 40 Water Main Replacement construction contract has been executed. The SDOT Perkins Ln Water Main Replacement reached 100% design completion. SPU water infrastructure improvement potential has been assessed for all incoming interagency ROW projects.
- **Hydrant and Valve Maintenance** – Most of the targets have been met for Q1 2024. SPU has 31 out-of-service hydrants, higher than the goal (less than 19 hydrants out-of-service at a time). In Q1 2024, 62 hydrants were newly reported as being out-of-service, while crews were able to return 75 hydrants to service, thus exceeding the target for the quarter while also addressing some of the backlog. During Q1 2024, SPU completed 618 minor hydrant repairs, exceeding the target for the quarter.
- **Water System Overall Asset Management** - All targets are being met for Q1 2024. The Magnolia Tank seismic upgrade and rehabilitation project is progressing towards 100% design completion. The commissioning of new systems installed under the Cathodic Protection 2019 package continues and the construction work on the CP 2021 package continues. Commissioning of some completed systems from the 2021 package has started. For the Water Main Rehabilitation program, WMRP #4 reached Notice to Proceed. All other active WMRP projects are progressing within various stages of design and construction. Water Service Renewals had 140 reactive renewals, 13 proactive renewals\*.

*\*Note that there is a substantial data lag which will result in more renewals reported for Q1 later in the year.*



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

### DWW ASSET MANAGEMENT AND OPPORTUNITY WORK

*Investment*

Status: On Track

**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 (miles of pipe/crew work order count)
- Expand Drainage Rehabilitation work (crew work order count and facility projects)
- Wastewater Pump Stations, Force Mains (FM), and CSO Outfall Rehabilitation

#### Quarterly Update:

DWW Asset Management and Opportunity Work reached all Q1 2024 targets. Sewer rehabilitation work is on track and has rehabilitated 4.67 miles of full pipe and completed 77 sewer rehab crew work orders.

The expanded drainage rehabilitation work is also on target completing 49 drainage rehab crew work orders and 382 CCTV inspections. Drainage facility projects are anticipated to be completed in Q3 2024.

Wastewater pump stations, force mains, and CSO outfall rehabilitation are on track with one force main installed and one pump station started in Q1 2024. The CSO outfall inspection and cleaning are anticipated to be completed in Q3 2024 during the permitted fish window.

Thus far in 2024, the CIP dollar spent YTD through Q1 2024 is approximately \$14M and is on track.



*The photo is from SPU's recent Sewer Lining Contract, where Cured-in-Place Pipe (CIPP) lining is being installed.*

# Project Delivery and Engineering Branch Capital Infrastructure Reporting

Seattle Public Utilities Project Delivery and Engineering Branch (PDEB) delivers capital infrastructure projects and programs to all SPU lines of business making up 27% of the SPU rate.

## Q1 Key Updates

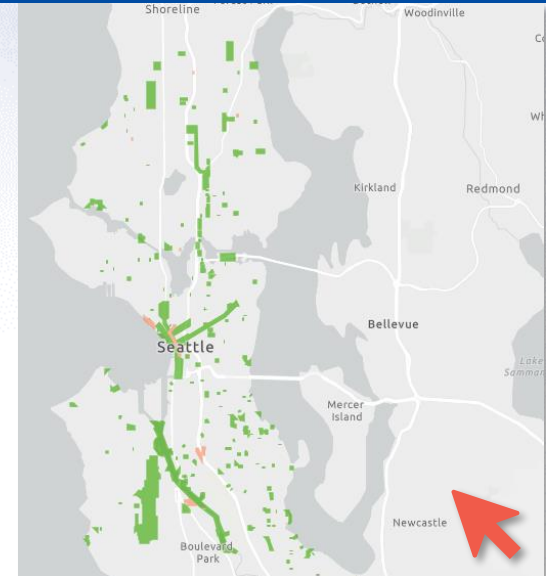
**MIPS: SDOT Rapid Ride J Line** - SDOT has incorporated the construction of almost 8,300 linear feet (lf) of watermain (both conventional and earthquake resistant) into the construction and improvement of their RapidRide bus line project from Belltown to the U-District. The water work along Eastlake Avenue and NE 43rd will improve resilience and extend the service life of SPU Assets. Construction is planned to start this summer. SDOT will lead the overall communication outreach strategy and SPU will coordinate communications for disruptions in water service associated with the work. Like most One-City inter-departmental projects, the inclusion of SPU work into the SDOT contract and ongoing inter-departmental coordination will help reduce overall public costs and public impact. The project has been advertised and is currently in the award process.

**MIPS: SR 520 Program** - The SR 520 program, led by WSDOT, consists of a series of three projects to improve the SR 520 and I-5 corridor between Lake Washington and the Mercer St off-ramp. The Montlake phase will build a lid over SR 520 in the vicinity of Montlake Blvd and is currently under construction. The lid will provide open space and HOV improvements. SPU's portion includes the replacement of a section of a 54" diameter water transmission line, smaller water line relocations, and the separation of state drainage from city drainage. The SPU water main work is nearing completion with the connection of the distribution water main on Montlake Blvd. The project will be mostly complete by summer 2024 with the I-5 phase slated for completion by the end of 2024.

**DWW: Holden Natural Drainage System Project** - This Natural Drainage System Project will retrofit one block of Holden Street in West Seattle to capture and treat stormwater runoff. It will improve stormwater quality in Longfellow Creek and increase landscape diversity by building a Natural Drainage System, improve pedestrian safety by building ADA ramps, and improve the roadway by formalizing street elements to better match City Street classification. The project has passed the mid-design milestone and is progressing to final design in Q1 2024. Outreach for the project is ongoing and the third community outreach event for the design phase is planned for April 2024. The project construction is planned for the end of Q3 2024 and will continue through 2025.

## Current Projects Map

### Seattle Public Utilities: Capital Improvement Projects



Curious to see what projects are happening in your area?  
Click on the map to visit our interactive project map.

## Q1 Quick Stats

- 152 Current Active PDEB Projects
- 13 PDEB Projects completed Q4 2023
- 3 Project Bids - PDEB
- \$29.90M, 8.61% accomplishment rate of shared CIP budget spent YTD



## Implement Projects with Multiple Benefits

### Bitter Lake Reservoir Improvements

SPU is replacing the existing 21-million-gallon drinking water reservoir in the Bitter Lake neighborhood with the goal of preserving water service and quality for years to come.

SPU was present at seven community events and shared information through mailers, yard signs posted around Bitter Lake Reservoir Park, email updates, the project website, social media, and emails to local organizations.

Five multi-lingual DON Community Liaisons helped amplify messaging and outreach along with materials in Oromo, Amharic, Spanish, Traditional Chinese, and English.



SPU is leading the design of the new reservoir, in coordination with Seattle Parks and Recreation, the Office of Arts & Culture, and the Department of Neighborhoods. Recent outreach included an online open house and survey.



Construction on the reservoir is tentatively scheduled to begin in 2026, with park construction to follow once the new reservoir is built.

## Engage in Community Centered Projects

### South Transfer Station Phase 2

The project includes covering the old landfill in the South Park neighborhood as required by our Department of Ecology consent decree.



Proposed improvements, reviewed and approved by the community, include sidewalks, ADA ramps, trees, and other plantings. Examples of the plant pallet are below.



LAVANDULA ANGUSTIFOLIA / ENGLISH LAVENDER 1.5' HT X 2' W



SALIX PURPUREA 'CANYON BLUE' / DWARF BLUE ARCTIC WILLOW 4' HT X 3' W

The project team held multiple community engagements on this project and worked with the Department of Neighborhoods (DON) to do further outreach. More community outreach will occur in 2024 when design is more complete.

# 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

In Q1 2024, the CIP accomplishment rate for all funds was 45% with actual expenditures of \$44.9 million against a budgeted amount of \$100.3 million. Accomplishment was mixed by fund. Please note that the shared budget and technology budget are paid for using all funds at the Utility. budget of \$3.3 million.

- The Water Fund (excluding shared and technology) accomplished 51% of the budget with \$9.9 million in actual expenditures against a budget of \$19.5 million. Water revenue for Q1 2024 is below planned projections due to a delay in hydrant billing and is expected to catch up in Q2 2024.
- The Drainage and Wastewater Fund (excluding shared and technology) accomplished 50% of the budget with \$29.3 million in actual expenditures against a budget of \$58.2 million. DWW revenue for Q1 2024 is below planned projections due to lower consumption but is expected to catch up in Q2 2024. To put this and water's shortfall into perspective, it is Q1 and this is a variance of less than 1% of the total anticipated revenues for the year, which is quite minimal.
- The Solid Waste Fund (excluding shared and technology) accomplished 14% of the budget with \$0.5 million in actual expenditures against a budget of \$3.2 million. The YTD overspend is higher than projected due to a budgetary timing issues as SPU had planned and budgeted to defease bond payments to take place later in the year but happened earlier than expected. The variance will even out as the year progresses.
- Shared CIP accomplished 24% of the budget with \$3.8 million in expenditures against a budget of \$16.2 million.
- Technology CIP accomplished 43% of the Budget with \$1.4 million in actual expenditures against a budget of \$3.3 million.



## WATER FUND Q1 FINANCIAL RESULTS

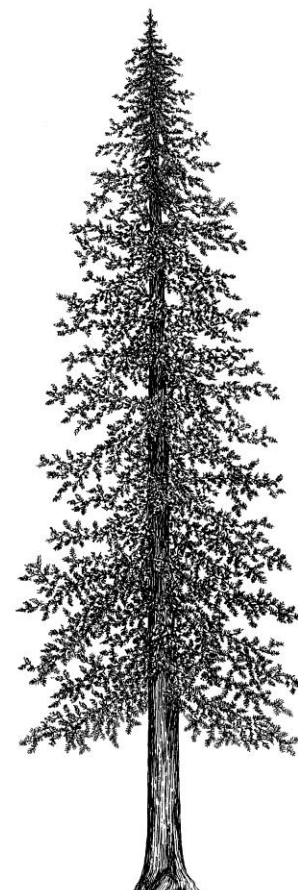
(\$ in millions)

	2024 Annual	2024 Through March			
	Annual Plan to Spend	YTD Planned to Spend	YTD Spent	\$ Variance Under/(Over)	% Variance Under/(Over)
<b>Expenditures</b>					
Operating	\$299.3	\$58.9	\$55.3	\$3.6	6.1%
Capital	\$139.2	\$31.7	\$12.3	\$19.4	61.2%
<b>Total Expenditures</b>	<b>\$438.5</b>	<b>\$90.6</b>	<b>\$67.6</b>	<b>\$23.0</b>	<b>25.4%</b>

	Annual Planned Revenue	YTD Planned Revenue	YTD Received	\$ Variance Under/(Over)	% Variance Under/(Over)
<b>Operating Revenue</b>					
Retail Customer Rev.	\$232.0	\$47.6	\$45.2	\$2.4	5.0%
Wholesale Customer Rev	\$64.9	\$9.6	\$9.8	(\$0.2)	(2.1%)
Other Revenue	\$13.9	\$3.5	\$2.6	\$0.9	25.7%
<b>Total Operating Revenue</b>	<b>\$310.8</b>	<b>\$60.7</b>	<b>\$57.6</b>	<b>\$3.1</b>	<b>5.1%</b>

Sums may not total due to rounding.

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





## DRAINAGE AND WASTEWATER FUND Q1 FINANCIAL RESULTS

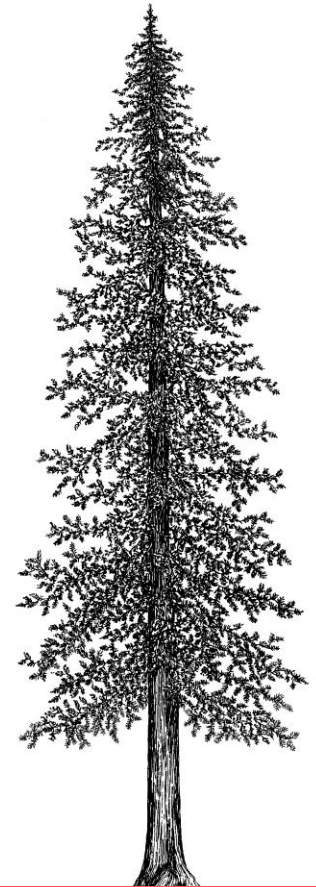
(\$ in millions)

	2024 Annual	2024 Through March			
	Annual Plan to Spend	YTD Planned to Spend	YTD Spent	\$ Variance Under/(Over)	% Variance Under/(Over)
<b>Expenditures</b>					
Operating	\$529.1	\$122.5	\$129.6	(\$7.1)	(5.8%)
Capital	\$204.3	\$64.3	\$31.7	\$32.6	50.7%
<b>Total Expenditures</b>	<b>\$733.4</b>	<b>\$186.8</b>	<b>\$161.3</b>	<b>\$25.5</b>	<b>13.7%</b>

	Annual Planned Revenue	YTD Planned Revenue	YTD Received	\$ Variance Under/(Over)	% Variance Under/(Over)
<b>Operating Revenue</b>					
Rate Revenue less UDP	\$567.9	\$141.9	\$134.7	\$7.2	5.1%
Industrial Surcharge	\$3.8	\$0.9	\$0.9	\$0.0	0.0%
Other Revenue	\$7.0	\$1.8	\$1.7	\$0.1	5.6%
<b>Total Operating Revenue</b>	<b>\$578.7</b>	<b>\$144.6</b>	<b>\$137.3</b>	<b>\$7.3</b>	<b>5.0%</b>

Sums may not total due to rounding.

\* Negative numbers mean 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 Q1 FINANCIAL RESULTS

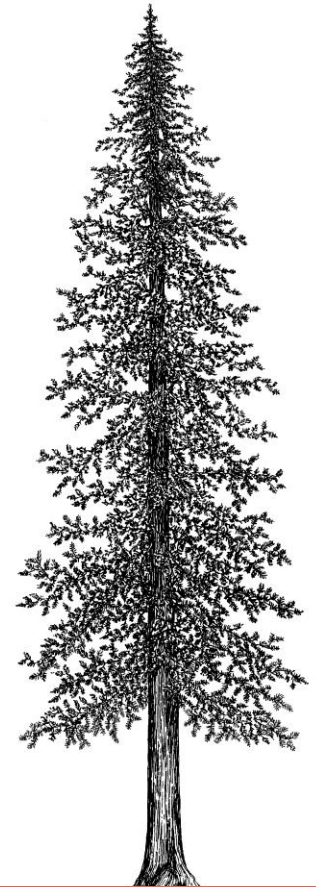
(\$ in millions)

	2024 Annual	2024 Through March			
	Annual Plan to Spend	YTD Planned to Spend	YTD Spent	\$ Variance Under/(Over)	% Variance Under/(Over)
<b>Expenditures</b>					
Operating	\$307.6	\$58.8	\$109.1	(\$50.3)	(85.5%)
Capital	\$31.1	\$4.3	\$1.0	\$3.3	76.7%
<b>Total Expenditures</b>	<b>\$338.7</b>	<b>\$63.1</b>	<b>\$110.1</b>	<b>(\$47.0)</b>	<b>(74.5%)</b>

	Annual Planned Revenue	YTD Planned Revenue	YTD Received	\$ Variance Under/(Over)	% Variance Under/(Over)
<b>Operating Revenue</b>					
Residential Revenue	\$169.0	\$39.8	\$41.1	(\$1.3)	(3.3%)
Commercial Revenue	\$73.4	\$17.9	\$18.2	(\$0.3)	(1.7%)
Transfer Station Revenue	\$21.3	\$4.9	\$5.3	(\$0.4)	(8.2%)
Other Revenue	\$7.2	\$1.8	\$1.8	\$0.0	0.0%
<b>Total Operating Revenue</b>	<b>\$270.9</b>	<b>\$64.4</b>	<b>\$66.4</b>	<b>(\$2.0)</b>	<b>(3.1%)</b>

Sums may not total due to rounding.

\*Negative numbers mean 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 Q1 2024 SBP Progress Report

For more information, click the links below

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