



Seattle  
Public  
Utilities



# Progress Report to Council

Second Quarter, 2022

Implementing the 2021-2026  
Strategic Business Plan Update

Executive Summary

Sept 12, 2022

# ESSENTIAL SERVICES DASHBOARD

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.

## DELIVERING EQUITABLE ESSENTIAL SERVICES



In 2022 the goal for program enrollment is to 'meet' the need of the customer as we begin the return to business as usual. The negative net enrollment number reflects the continued work to be done by HSD to confirm with customers that they still need or are eligible to receive utility discounts. Many of the customers who originally enrolled since March 2020 no longer income qualify, need the assistance, or live in the service territory.

### BEST IN CLASS

|                                                              |                |
|--------------------------------------------------------------|----------------|
| <b>Distribution System Leakage</b><br>Annual Target: ≤10%    | <b>5.9%</b>    |
| <b>Utility Discount Programs</b><br>Target: Meet the Need    | <b>-738</b>    |
| <b>Residential Garbage**</b><br>Annual Target: <1lb/pers/day | <b>.86 lbs</b> |
| <b>Clean City Collection</b><br>Annual Target: ≥95%          | <b>100%</b>    |
| <b>Sewer Overflows</b><br>Target: ≤4 per 100 miles           | <b>1.79</b>    |
|                                                              |                |
|                                                              |                |

### RELIABLE & REWARDING EXPERIENCES

|                                                          |            |
|----------------------------------------------------------|------------|
| <b>Water &amp; DWW response*</b><br>Target: ≥ 90%        | <b>97%</b> |
| <b>Customer call response</b><br>Target: ≥ 80% in 3 mins | <b>88%</b> |
| <b>Customer satisfaction</b><br>Target: ≥ 90%            | <b>93%</b> |
| <b>Missed waste pick-up</b><br>Target: ≤1 per 1000 stops | <b>0.8</b> |
|                                                          |            |
|                                                          |            |
|                                                          |            |

### EXPECTATIONS, REQUIREMENTS & COMMITMENTS

|                                                                      |                 |
|----------------------------------------------------------------------|-----------------|
| <b>CSO Outfalls</b><br>Annual Target: ≥ 62%                          | <b>63%</b>      |
| <b>Garbage, Recycle, Organics**</b><br>Target: < 2.5 lbs./person/day | <b>2.27 lbs</b> |
| <b>Customer Effort</b><br>Target: ≥ 80%                              | <b>77%</b>      |
| <b>WMBE Purchasing</b><br>Target: ≥ 17%                              | <b>26%</b>      |
| <b>WMBE consultants</b><br>Target: ≥ 22%                             | <b>14%</b>      |
| <b>Drinking Water Quality</b><br>Target: Regulation met              | <b>MET</b>      |
| <b>NPDES***</b><br>Target: Requirements met                          | <b>MET</b>      |

\* More details about the performance of these service areas below. \*\*Metrics for Residential Garbage and Garbage, Recycle, Organics reporting is annual, and there is a lag in obtaining the data. Current annual metric available is from Oct 2021. \*\*\* National Pollution Discharge Elimination System permits requirements for Seattle's Drainage and Wastewater systems.



# STATUS OF INVESTMENTS

## BY CATEGORY

There are 9 initiatives and 9 investments identified in the Strategic Business Plan. The performance of each of the following 9 investments will be reported quarterly, and the performance of the initiatives will be reported annually with Q4 reporting.



| STEWARDED ENVIRONMENT & HEALTH   | STATUS      |
|----------------------------------|-------------|
| Ship Canal Water Quality Project | Minor Delay |
| Green Stormwater Infrastructure  | On Track    |

| EMPOWERING OUR CUSTOMERS, COMMUNITY, AND EMPLOYEES    | STATUS      |
|-------------------------------------------------------|-------------|
| Side Sewer Assistance Pilot and Implementation        | On Track    |
| DWW Recreational Vehicle (RV) Mobile Pump Out Program | Minor Delay |
| SPU Support Services for the Unsheltered              | On Track    |
| Workforce Facilities Investments                      | On Track    |

| STRENGTHENING OUR UTILITY'S BUSINESS PRACTICES & INVESTMENTS | STATUS   |
|--------------------------------------------------------------|----------|
| Water Asset Management and Opportunity Work                  | On Track |
| Water System Seismic Resilience                              | On Track |
| DWW Asset Management and Opportunity Work                    | On Track |



## YTD Q22022 PDEB\* CIP SPENDING

\*Project Delivery and Engineering Branch

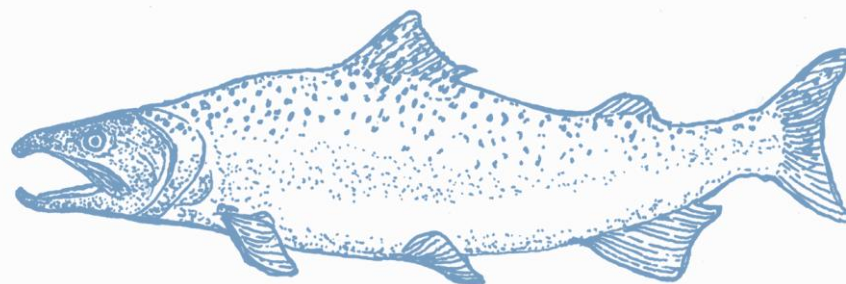


This data is for a subset of projects from the full CIP which are managed by PDEB. The “Remaining Budget” is calculated from spending projections made in January 2022.

## CIP ACCOMPLISHMENT RATE

The second quarter 2022 CIP accomplishment rate for all funds was 53% with actual expenditures of \$79.2 million against a budgeted amount of \$150.2 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 60% of the Q2 budget with \$14.8 million in actual expenditures against a budget of \$24.5 million.
- The Drainage and Wastewater Fund (excluding shared and technology) accomplished 53% of the Q2 budget with \$51.1 million in actual expenditures against a budget of \$96.7 million.
- The Solid Waste Fund (excluding shared and technology) accomplished 49% of the Q2 budget with \$545 thousand in actual expenditures against a budget of \$1.1 million.
- Shared CIP accomplished 42% of the Q2 budget with \$9.6 million in expenditures against a budget of \$22.9 million.
- Technology CIP accomplished 64% of the Q2 Budget with \$3.2 million in actual expenditures against a budget of \$5.0 million.



# FINANCIAL REVIEW BY FUND

## WATER FUND Q2 2022

(\$ in millions)

|                                | 2022 Annual            |                         |                             |                               | 2022 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                      | \$285                  | \$114                   | \$171                       | 60%                           | \$135                | \$114        | \$21         | 16%                          |
| Capital                        | \$94                   | \$22                    | \$72                        | 77%                           | \$39                 | \$22         | \$17         | 44%                          |
| <b>Total Expenditures</b>      | <b>\$379</b>           | <b>\$136</b>            | <b>\$243</b>                | <b>64%</b>                    | <b>\$174</b>         | <b>\$136</b> | <b>\$38</b>  | <b>22%</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.           | \$219                  | \$90                    | \$129                       | 59%                           | \$95                 | \$90         | \$5          | 5%                           |
| Wholesale Customer Rev.        | \$55                   | \$20                    | \$35                        | 64%                           | \$22                 | \$20         | \$2          | 9%                           |
| Other Revenue                  | \$13                   | \$8                     | \$5                         | 38%                           | \$7                  | \$8          | (\$1)        | (14%)                        |
| <b>Total Operating Revenue</b> | <b>\$287</b>           | <b>\$118</b>            | <b>\$169</b>                | <b>59%</b>                    | <b>\$124</b>         | <b>\$118</b> | <b>\$6</b>   | <b>5%</b>                    |

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

## DRAINAGE AND WASTEWATER FUND Q2 2022

(\$ in millions)

|                                | 2022 Annual            |                         |                             |                               | 2022 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                      | \$461                  | \$202                   | \$259                       | 56%                           | \$220                | \$202        | \$18         | 8%                           |
| Capital                        | \$214                  | \$55                    | \$159                       | 74%                           | \$107                | \$55         | \$52         | 49%                          |
| <b>Total Expenditures</b>      | <b>\$675</b>           | <b>\$257</b>            | <b>\$418</b>                | <b>62%</b>                    | <b>\$327</b>         | <b>\$257</b> | <b>\$70</b>  | <b>21%</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>       |                        |                         |                             |                               |                      |              |              |                              |
| Wastewater Revenue             | \$348                  | \$158                   | \$190                       | 55%                           | \$174                | \$158        | \$16         | 9%                           |
| Drainage Revenue               | \$177                  | \$88                    | \$89                        | 50%                           | \$89                 | \$88         | \$1          | 1%                           |
| Other Revenue                  | \$6                    | \$3                     | \$3                         | 50%                           | \$3                  | \$3          | \$0          | 0%                           |
| <b>Total Operating Revenue</b> | <b>\$531</b>           | <b>\$249</b>            | <b>\$282</b>                | <b>53%</b>                    | <b>\$266</b>         | <b>\$249</b> | <b>\$17</b>  | <b>6%</b>                    |

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

## SOLID WASTE FUND Q2 2022 FINANCIAL RESULTS

(\$ in millions)

|                                | 2022 Annual            |                         |                             |                               | 2022 Through June   |              |              |                              |
|--------------------------------|------------------------|-------------------------|-----------------------------|-------------------------------|---------------------|--------------|--------------|------------------------------|
|                                | Annual Plan to Spend   | Annual Spend to Date    | Annual Remaining to Spend   | % Annual Remaining to Spend   | YTD Planned Revenue | YTD Spent    | YTD Variance | % YTD Underspend             |
| <b>Expenditures</b>            |                        |                         |                             |                               |                     |              |              |                              |
| Operating                      | \$225                  | \$100                   | \$125                       | 56%                           | \$114               | \$100        | \$14         | 12%                          |
| Capital                        | \$15                   | \$2                     | \$13                        | 87%                           | \$4                 | \$2          | \$2          | 50%                          |
| <b>Total Expenditures</b>      | <b>\$240</b>           | <b>\$102</b>            | <b>\$138</b>                | <b>58%</b>                    | <b>\$118</b>        | <b>\$102</b> | <b>\$16</b>  | <b>14%</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            | \$153                  | \$39                    | \$114                       | 75%                           | \$80                | \$79         | \$1          | 1%                           |
| Commercial Revenue             | \$64                   | \$16                    | \$48                        | 75%                           | \$32                | \$34         | (\$2)        | (5%)                         |
| Other Revenue                  | \$23                   | \$6                     | \$17                        | 74%                           | \$13                | \$13         | (\$1)        | (6%)                         |
| <b>Total Operating Revenue</b> | <b>\$240</b>           | <b>\$61</b>             | <b>\$179</b>                | <b>75%</b>                    | <b>\$125</b>        | <b>\$126</b> | <b>(\$1)</b> | <b>(1%)</b>                  |

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

