

## 2025-2030 Strategic Business Plan Update EXECUTIVE SUMMARY

### Our Message to You

Every day, Seattle Public Utilities (SPU) delivers essential, life-sustaining water and waste services while protecting public health and our environment to ensure healthy, thriving communities.

In light of the formidable challenges posed by climate change and environmental pollution, SPU is steadfast in its commitment to protect and steward our environmental resources, safeguard and enhance our built infrastructure, and invest in our communities—particularly in those that are highly vulnerable. As we face a changing world, we remain dedicated to delivering life-sustaining services and managing our infrastructure for you.

### Why We’re Updating Our Plan

SPU’s Strategic Business Plan (SBP) helps us focus our work. It builds on our strengths and guides our essential service delivery and comprehensive business strategy. It also provides our customers with a predictable three-year rate path and projections for the subsequent three years.

While each SBP covers six years, we update it after three years to allow for future uncertainties and adjustments. This update reinforces SPU commitments, reflects on our progress over the last three years, responds to factors influencing our work, and informs our rate path.

#### Our Mission

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

#### Our Vision

Community Centered, One Water, Zero Waste

#### Our Guiding CARES Principles

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

## Our Focus Areas and Goals

### Focus On: Delivering Equitable Essential Services

<p><b>Goals</b></p> <ul style="list-style-type: none"><li>• Provide reliable, quality services that meet requirements and commitments.</li><li>• Make equitable investments to improve services for underserved and over-burdened communities.</li></ul>	<p><b>Highlighted Initiatives and Investments</b></p> <ul style="list-style-type: none"><li>• North “One Water” Operations Facility</li><li>• In-House Water Quality Treatment</li><li>• Field Engineering Improvements Program</li><li>• SPU Support Services for the Unsheltered</li><li>• Duwamish Valley Resilience</li></ul>
<p><b>Strategies</b></p> <ul style="list-style-type: none"><li>• Provide resources and facilities and remove barriers to ensure frontline service delivery staff can be successful.</li><li>• Prioritize and support equitable access to essential services.</li></ul>	

### Focus On: Stewarding Environment and Health

<p><b>Goals</b></p> <ul style="list-style-type: none"><li>• Develop One Water resilience from our watersheds, to cities, to the Sound.</li><li>• Advance the zero waste circular economy.</li></ul>	<p><b>Highlighted Initiatives and Investments</b></p> <ul style="list-style-type: none"><li>• Shape Our Water—Citywide and Focus Area Drainage and Wastewater Planning</li><li>• Water Supply Planning for the Next 50 Years</li><li>• Cedar and Tolt Watershed Resilience</li><li>• Upstream Legislative Strategies to Reduce Pollution and Waste</li><li>• 2030 Carbon Neutrality and Sustainable Operations</li><li>• Waste Prevention and Diversion</li></ul>
<p><b>Strategies</b></p> <ul style="list-style-type: none"><li>• Invest in strategic plans, projects, and programs that advance a holistic One Water approach.</li><li>• Advance nature-based and community-centered climate adaptations and solutions.</li><li>• Reduce materials use and prevent water and carbon pollution.</li></ul>	

## Focus On: Empowering Our Customers, Community, and Employees

### Goals

- Build trusted relationships, partnerships, and allyships with our customers and communities.
- Be an anchor institution that advances equity, addresses environmental justice, and partners to leverage holistic community benefits in all that we do.
- Invest in all our employees.

### Strategies

- Provide utility assistance that makes a difference.
- Empower and support customers to make sustainable behavioral changes.
- Lead with race and social justice in delivering equitable engagement, capacity building, investment outcomes, and opportunities.
- Foster a more equitable workplace, work culture, and better work opportunities.

### Highlighted Initiatives and Investments

- Customer Affordability Programs
- Side Sewer Assistance Program
- Advanced Metering Infrastructure Planning
- Seeds of Resilience Impact Investment Fund
- Equity in Contracting
- Employee Life Cycle Initiatives

## Focus On: Strengthening Our Utility’s Business Practices

### Goals

- Enhance ratepayer affordability and utility accountability.
- Manage assets and risks optimally.
- Foster a culture of shared leadership, continuous improvement, and innovation.

### Strategies

- Deliver on high-impact affordability and accountability commitments.
- Address aging, undersized, and at-risk facilities and infrastructure to ensure continuous service delivery.
- Support a culture of continuous improvement and innovation.

### Highlighted Initiatives and Investments

- Alternative Funding and Financing
- Drainage and Wastewater Asset Management Program
- Water Asset Management and Seismic Program
- Strategic Technology Plan

## Rate Path

As a responsible steward of ratepayer dollars, SPU diligently works to reduce costs, increase productivity and efficiency, invest in assets that have multiple benefits, and remove barriers to service access. This includes leveraging alternative sources of funding and financing, identifying efficiencies in capital project delivery, and managing infrastructure assets in a way that balances short- and long-term risk with cost and public benefit.

### Factors Impacting Rates

SPU develops rates by evaluating operating costs, capital investment needs, long-term risks, debt repayment, service demands, financial policies, and anticipated revenue associated with service delivery.

We limit the increase in the cost of services by:

- replacing aged infrastructure to avoid costly failures,
- implementing continuous improvement and innovation initiatives to reduce waste,
- automating processes and introducing new technology to increase efficiencies,
- improving capital infrastructure planning to better reflect probable investments,
- using cash balances to smooth rate changes,
- negotiating lower contract rates, and
- reducing the cost of borrowing money.

However, several factors can increase costs and offsetting savings. These include inflation, regulatory compliance, aging infrastructure, increased interest rates, and increasing contractual obligations.

### Three-year Rate Path and Projection

SPU’s six-year rate path is updated every three years. The projected average annual rate increase for 2025-2030 is 4.7 percent, up from 4.2 percent in 2021-2026.

*Table 1: 2025-2030 Average Rate Increases*

	<u>Rate Path</u>			<u>Rate Forecast</u>			<b>Average</b>
	2025	2026	2027	2028	2029	2030	
Water	2.0%	2.0%	6.3%	3.3%	6.5%	3.8%	<b>4.0%</b>
Wastewater	5.0%	5.0%	5.0%	6.2%	7.0%	5.1%	<b>5.5%</b>
Drainage	5.0%	5.0%	5.1%	6.6%	6.3%	7.2%	<b>5.9%</b>
Solid Waste	2.5%	3.1%	3.4%	3.4%	3.8%	2.5%	<b>3.1%</b>
<b>Combined</b>	<b>3.7%</b>	<b>3.9%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>6.0%</b>	<b>4.6%</b>	<b>4.7%</b>

The rise in the average annual rate increase is based on several factors:

- Higher than expected increases in King County wastewater treatment charges to Seattle;
- Increasing operational expenses due to inflation; and
- Increasing capital expenses related to state and federal regulatory compliance, aging infrastructure, and increased interest rates.

## Bill Impact

SPU recognizes the impact of rate increases on our customers and communities. We take affordability seriously and work hard to minimize the impact by keeping increases as low as possible, ensuring rates are predictable, and providing financial assistance for those who need it.

Table 2 shows typical monthly costs for a single family home customer (SPU bills are bi-monthly).

	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Water	\$50	\$51	\$54	\$56	\$60	\$62
Sewer	\$83	\$87	\$92	\$97	\$104	\$109
Drainage*	\$63	\$66	\$69	\$74	\$78	\$84
Solid Waste	\$60	\$62	\$64	\$66	\$68	\$70
<b>Combined</b>	<b>\$256</b>	<b>\$266</b>	<b>\$279</b>	<b>\$293</b>	<b>\$310</b>	<b>\$325</b>
<b>Monthly Change</b>	<b>\$11</b>	<b>\$10</b>	<b>\$13</b>	<b>\$14</b>	<b>\$17</b>	<b>\$15</b>

\* Drainage charges are billed to customers on their King County property tax statements.

## Customer Financial Assistance

Our customers should have access to essential services regardless of their financial situation. This is why our affordability and accountability commitments are so important. Through this work, we aim to keep rate increases as low as possible and reduce potential hardship for our customers. We also offer bill assistance and programs to help customers save money, including:

- **Conservation and education programs** that help customers understand how their usage affects their bills and identify ways to potentially reduce them;
- The **Utility Discount Program**, which provides ongoing bill assistance to income-qualified customers;
- The **Emergency Assistance Program**, which provides credits to reduce past-due balances for income-qualified customers facing financial hardship;
- **Payment plans** that provide customers with flexibility in payments timed to fit their needs; and
- SPU’s **Community Donation Fund**, which allows for voluntary contributions to help those in need.

[Learn More](#)

The full 2025-2030 Strategic Business Plan Update can be found at <https://www.seattle.gov/utilities/about/plans/strategic-business-plan>.