SPU Water Rates 2027-2029

Seattle City Council

Governance & Utilities Committee

July 9, 2026

Seattle Public Utilities

City of Seattle

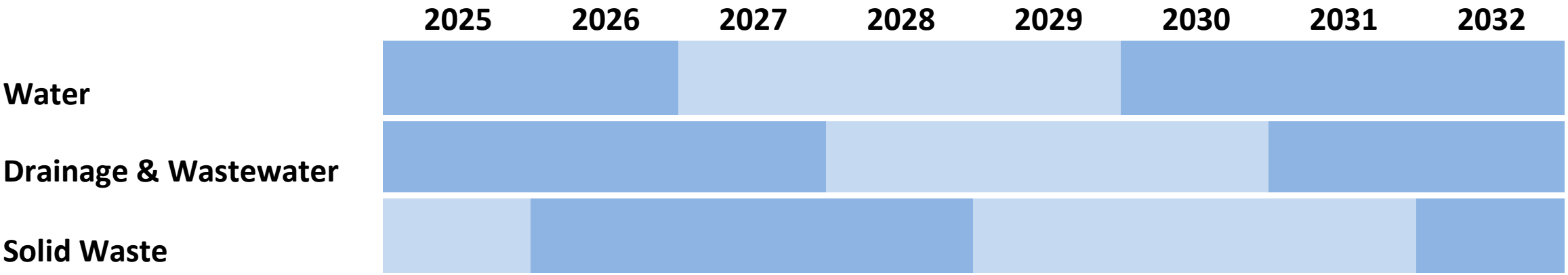
2027-2029 Water Rate Proposal

Agenda

- Background / Water System
- Rate Setting Process: Goals & New Investments
- Proposed Rate Path Assumptions
- SPU Recommendation
- Customer Bills
- Utility Discount Program

Background: SPU Rates Schedule

Rates are typically set for a three-year period:



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Water System Overview

Approx. 1,800 miles of pipeline
SPU water reaches 1.6M people

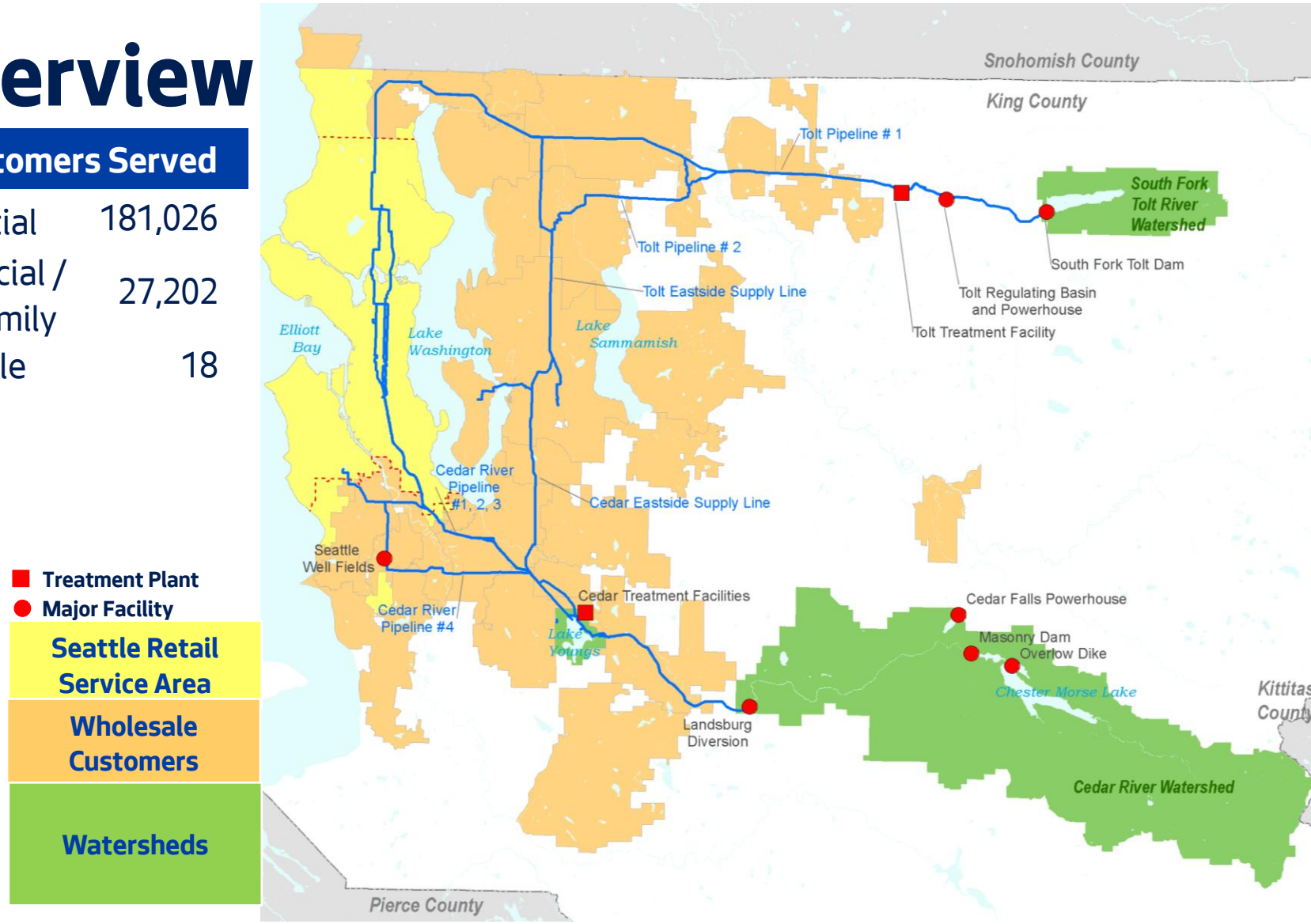
2 Watershed sources of supply:
South Fork Tolt River and
Cedar River Watershed

- 25 miles east of Seattle
- 100,000 total acres owned by Seattle
- Can provide combined 300 MGD
- 2 additional well fields can provide additional 8 MGD

327 MG of treated storage, including:

- 222 MG transmission system storage
- 105 MG distribution system storage

2025 Customers Served	
Residential	181,026
Commercial / Multi-Family	27,202
Wholesale	18



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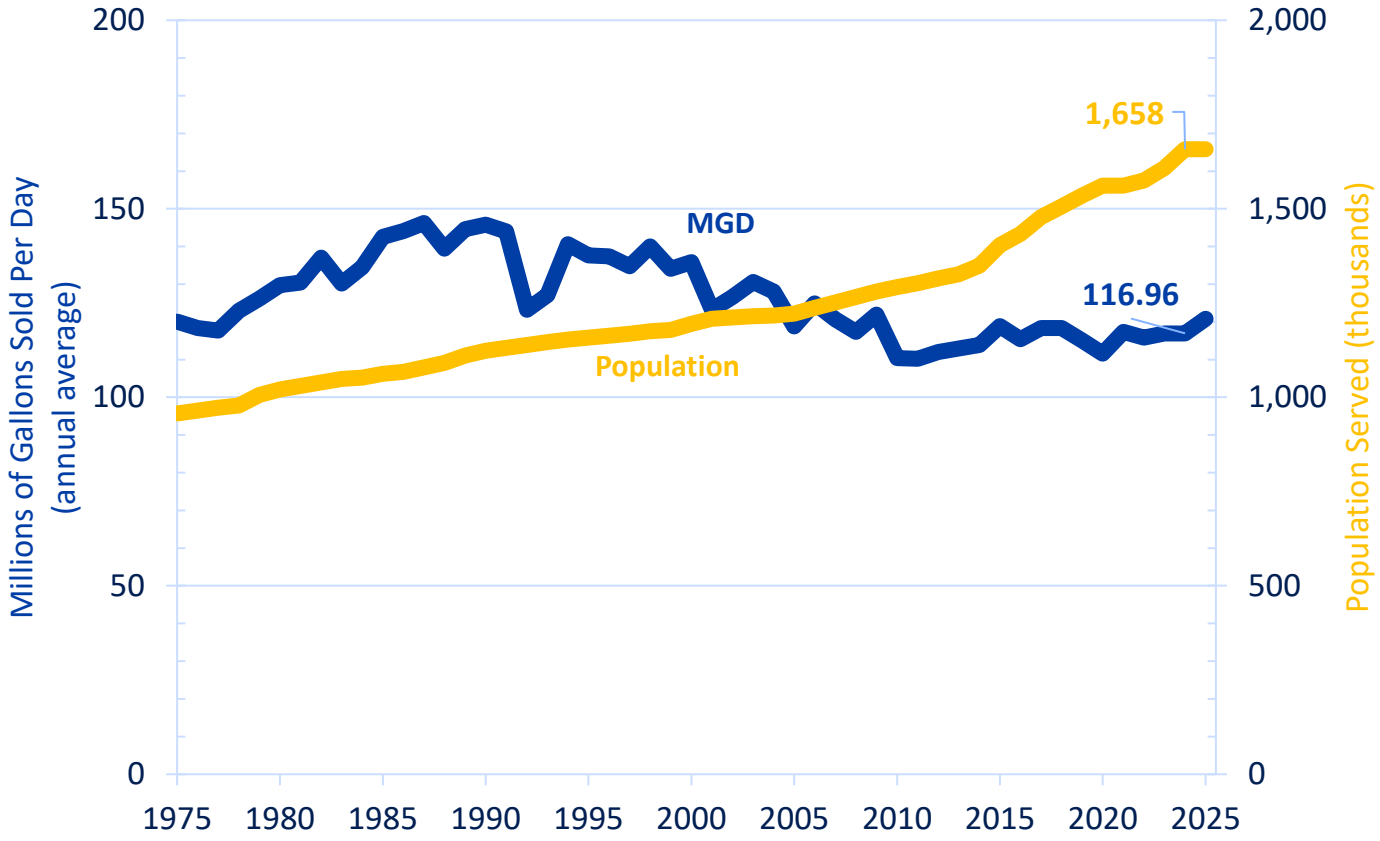
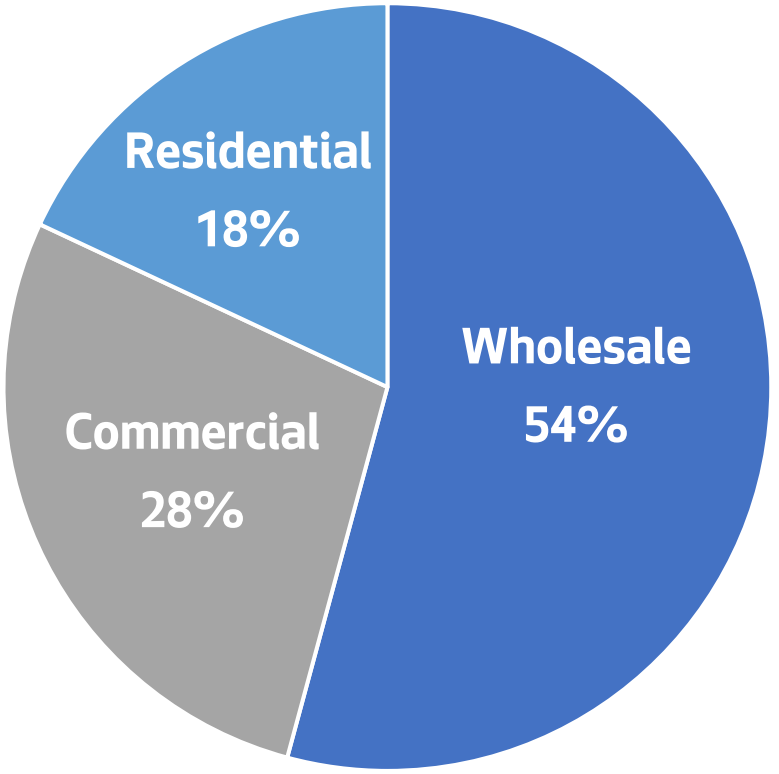
SPU Historic Water Consumption Trend

Total System Consumption and Population Since 1975



2025 Consumption by Customer Class



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Rate Setting—Our Goals and Principles

- Keep rates low to make SPU's water and waste services as **affordable & accessible** as possible
- **Collect sufficient revenue to maintain and strengthen the community's investments** in our infrastructure, our systems, and our people
- Keep rates as **smooth and predictable** as possible and avoid rate spikes
- Support and expand our **Utility Assistance Programs**
- Invest in the projects and programs that prioritize **asset preservation and modernization** and increase the utility's **resiliency and efficiency** into the future

New Investments Since Approved SBP (2024)

Investments

- Operations & Maintenance (O&M) program
  - Tolt Water Treatment Costs
  - Annual Hydrant Inspections, transferring work from SFD
- Capital (CIP) program
  - Tolt Land Purchase
  - Advanced Metering Infrastructure (AMI) costs included, starting in 2028
  - Bitter Lake Reservoir Improvements
  - Watermain Rehabilitation
- Increased eligibility in Utility Discount Program
  - Expands eligible population by almost 1/3
  - Adds 1.0% to 2027 rate increase, approx. $0.50 per month for residential customers

Proposed Rate Path

SBP	2025	2026	2027	2028	2029	2030	Average
Water	2.0%	2.0%	6.3%	3.3%	6.5%	3.8%	**4.0%**

Proposal	2025	2026	2027	2028	2029	2030	Average
Water	2.0%	2.0%	4.3%	4.3%	4.3%	3.7%	**3.4%**
Wastewater	5.0%	6.1%	7.9%	8.1%	8.7%	9.0%	**7.5%**
Drainage	4.4%	5.1%	4.9%	3.5%	3.2%	2.2%	**3.9%**
Solid Waste	2.4%	3.1%	3.1%	3.1%	3.0%	2.4%	**2.9%**
Combined	**3.6%**	**4.3%**	**5.4%**	**5.2%**	**5.3%**	**5.0%**	**4.8%**

SPU Rates Recommendation

The 2027-2029 Water Rate Proposal includes:

- 6-year Average Water Rate: **3.4%** (*down from 4.0%)*
- Water Rates (3-yr rate period): 4.3% (2027), 4.3% (2028), 4.3% (2029)
- Combined SPU 6-Year Average Rate: 4.8% (*no change*)

2027 – 2029 Customer Bill Examples of Proposed Water Rates

	2026	2027	Increase	2028	Increase	2029	Increase
Single Family	$50.71	$53.53	$2.82	$56.39	$2.86	$59.26	$2.87
UDP Single Family	$25.36	$26.77	$1.41	$28.20	$1.43	$29.63	$1.44
Convenience Store	$125.10	$128.10	$3.00	$132.75	$4.65	$138.30	$5.55
Apartment Bldg (90 unit)	$1,478	$1,515	$37	$1,566	$51	$1,628	$62

Questions/Comments?