

SPU Water Rates 2027-2029

Seattle City Council

Governance & Utilities Committee

July 9, 2026

2027-2029 Water Rate Proposal

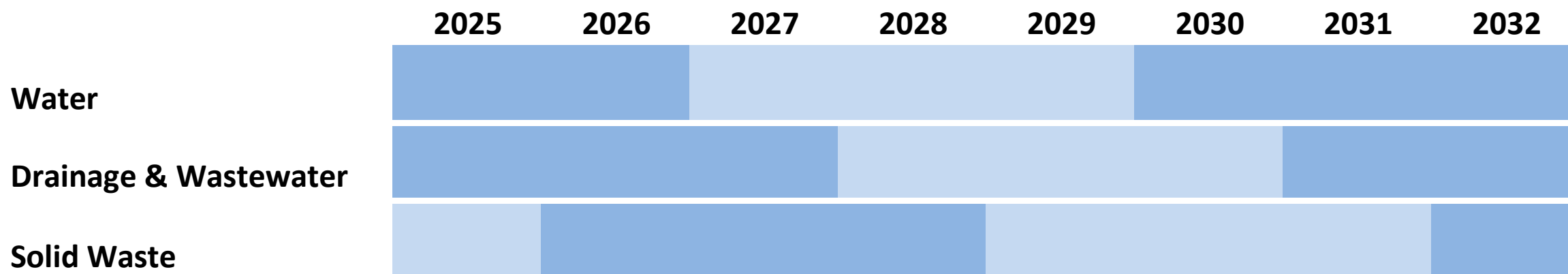
Agenda

- 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:



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

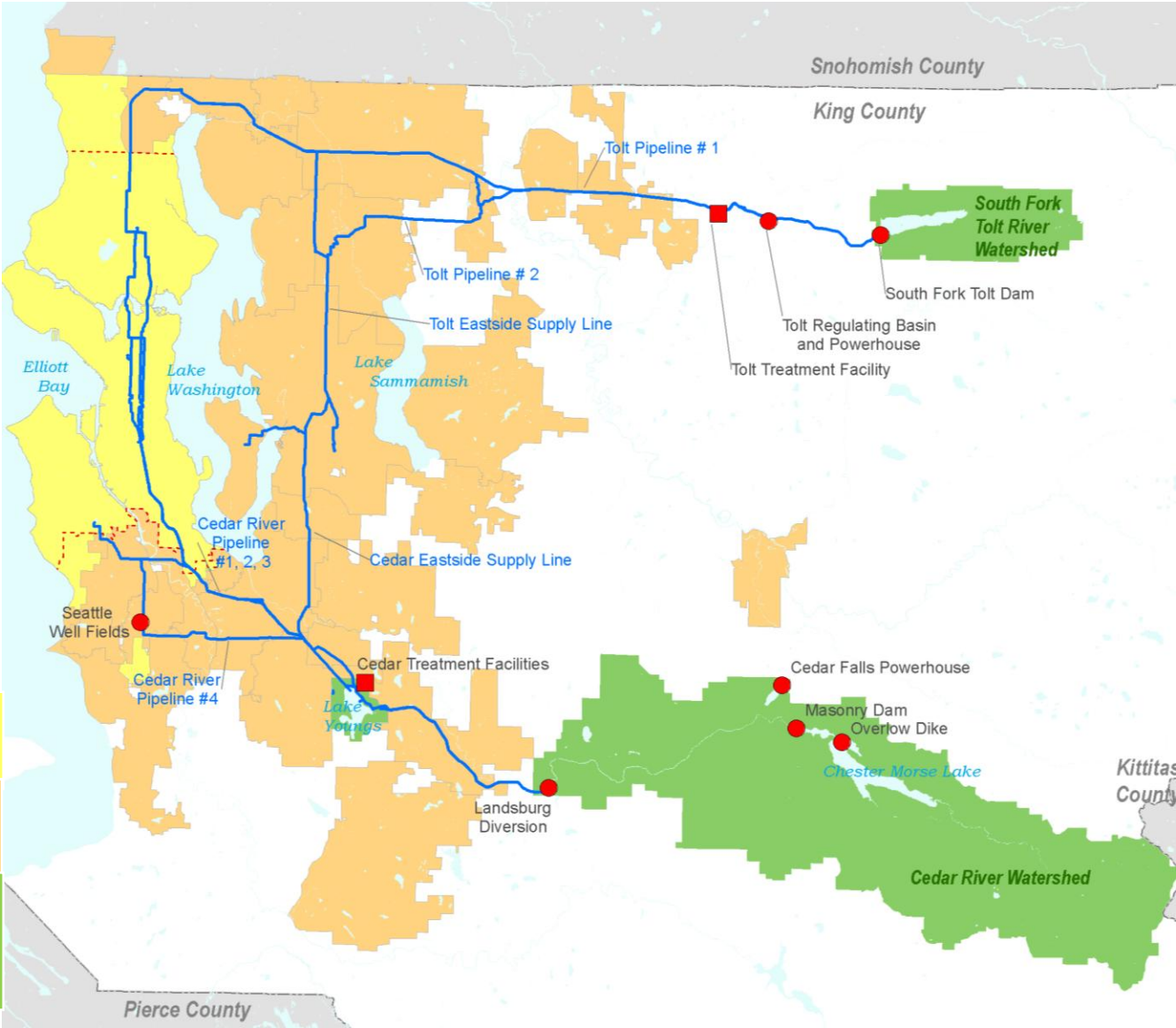
327 MG of treated storage, including:

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

2025 Customers Served

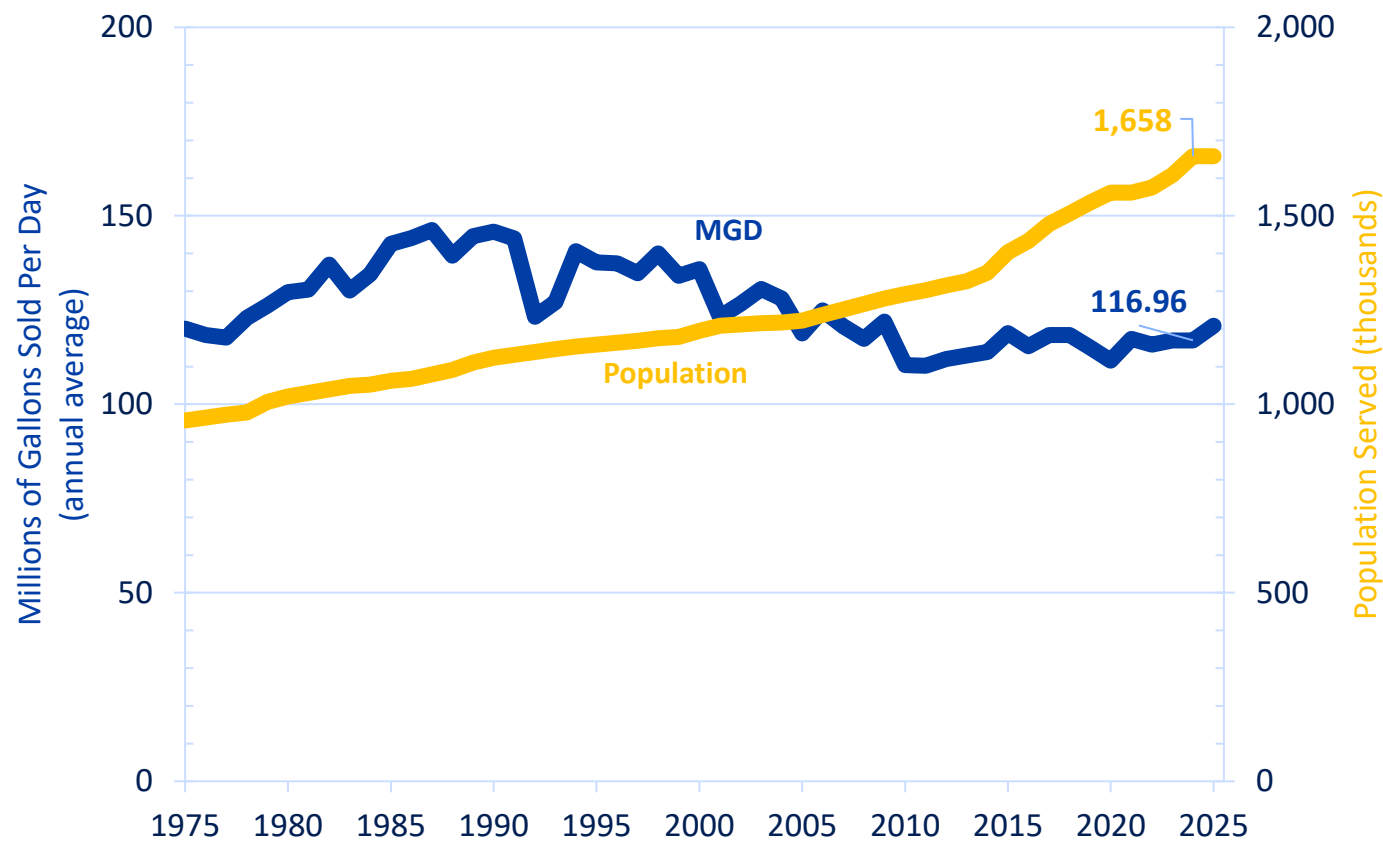
Residential	181,026
Commercial / Multi-Family	27,202
Wholesale	18

- Treatment Plant
- Major Facility

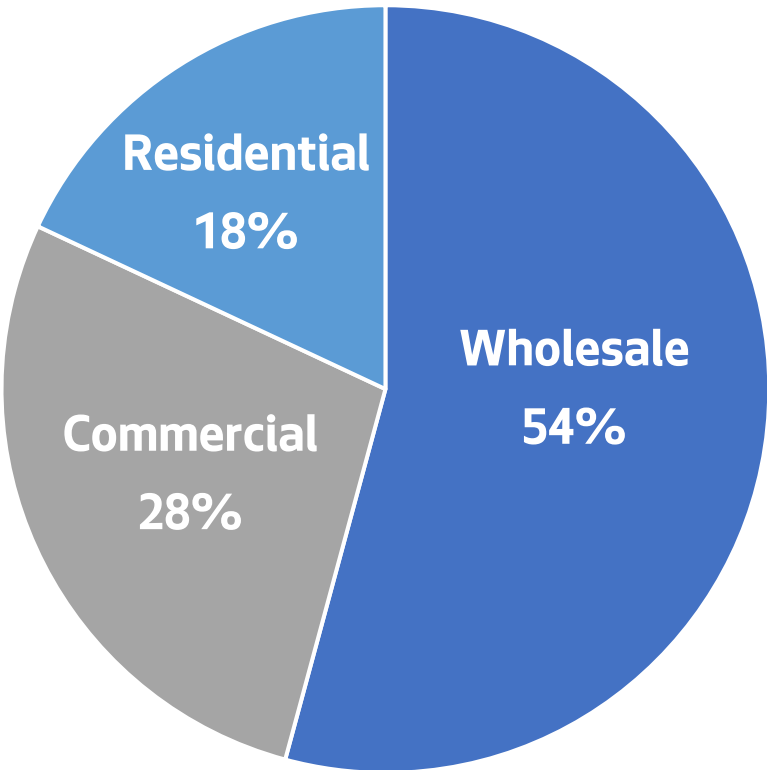


SPU Historic Water Consumption Trend

Total System Consumption and
Population Since 1975



2025 Consumption by Customer Class



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?