

Seattle Public Utilities Customer Review Panel Report on Themes and Interests from Initial Interviews with Panel Members

Document dated 4.24.13 Prepared by: Karen Reed, Panel Facilitator

This report summarizes without attribution the main themes and interests gathered in introductory meetings between individual members of the Seattle Public Utilities (SPU) Customer Review Panel and the Panel's facilitator. The meetings were held in March and April 2013. The Panel members' appointments were confirmed by the City Council on April 22, 2013. The goal of this report is to give the group a general sense of the scope of interests and ideas of Panel members and to help SPU better respond to those interests and ideas.

Overall, the Panel members come to this project from a true "customer" perspective -- with diverse general interests, and not as "public utility experts."

Interests in Serving on Panel

The Panel members come from diverse backgrounds. Six of the nine members are residents of Seattle. A majority of the Panel members expressed that their primary interest in serving on the Panel comes from the simple fact that they are residents of Seattle, rather than from having an expertise or strong interest in public utilities. Several noted an interest in helping out the community where they live or work. One panel member has a professional background in public utilities (solid waste) and formerly served on the regional Solid Waste Advisory Committee. Two other members currently serve on the SPU Drainage and Wastewater Advisory Committee. Several members have professional backgrounds in finance, business and/or economics.

Impressions of SPU

Most Panel members do not feel they have a working knowledge about SPU's lines of business. Several members have interacted with SPU on specific issues related their work. Several have never interacted with the Department at all, except as a ratepayer. Most Panel members have generally positive impressions of SPU. Comments included:

"They do a good job thinking about their customers."

"They've been responsive to my interests."

"Hard-working, long-tenured staff, dedicated."

"They want to lead in their field, so rates are higher, but they are good environmental stewards."

"Not really a known quantity to me."

"Talented, highly educated employees."

"Very impressed with the recycling program. They are pioneering."

"It was very good working with them."

Hopes for What the Panel Will Accomplish

When asked what they hope the Panel will accomplish, nearly all members expressed a goal of **achieving greater transparency as to SPU's operations**. Most often mentioned in connection with this goal were: rate transparency and predictability, transparency in operational issues, and transparency in priorities and decision-making.

Several panel members expressed a general interest in **assessing and improving SPU's efficiency**.

Other ideas mentioned were: better process for prioritizing investments; addressing aging infrastructure; helping the public understand the complexity of the operation and the underlying reasons for rate increases; improving rate structures; ensuring accountability in implementing the strategic business plan.

Strategic Business Plan Goals and Process

In the meetings with the facilitator, Panel members had an opportunity to quickly review Council Resolution 31429 (directing SPU to undertake a strategic business plan and establishing the Panel), and a diagram of the strategic planning process and the Panel's relationship to other stakeholders. Most expressed support for the planning process as outlined. Only a couple members have heard of the City Light Strategic Plan; two had reviewed it and thought it was a good plan.

Procedural requests: Several Panel members noted that they hope their role in the process will be about **helping to inform "real decisions,"** not simply providing input on decisions that have already been made.

Other Process items:

- Panel members generally support the idea of having Panel co-chairs to represent the group when speaking to Council and help interface with staff between meetings.
- Some noted that they would not want Panel deliberations dominated by the co-chairs.
- Some noted that consensus was unlikely on all issues.
- Other individual comments/requests:
 - Would like ability to participate by teleconference if necessary.
 - Given the tight timelines, we need to focus on our mission; keep a parking lot for extraneous issues.
 - Roberts Rules of Order is a helpful back-up for process.

Specific Issues of Interest

Panel members have a range of interests they hope to explore in this process.

Because many are unfamiliar with the utilities operations, one theme was a request to **start information sharing at a high level**, presenting the basic outlines of SPU's operation: size of budgets, rates, FTEs, where revenues come from, how revenues are spent, organizational structure, employee and labor

issues, customer feedback. A few panel members noted that starting the learning process with a utility bill might be helpful.

Several members mentioned an interest in better understanding the **organizational structure** of the utility.

Other issues, ideas and questions mentioned by individual Panel members included:

General oversight / management issues:

- Revisit old assumptions to be sure management processes and rate structures still make sense
- Improve organizational structure and cohesion
- Show the inter-relationships between items
- Benefits and costs of proposed actions – and alternatives—should be presented
- How will the utility be accountable for accomplishing the goals of the strategic business plan?

Rate and Cost issues:

- Desire to understand the business model and cost drivers
- Want to understand better how billing and rates work
- Concern about rates—particularly for low income and middle class residents (mentioned by several panel members)
- Are there subsidies in the rate structure now—if so, are they appropriate? Are businesses paying their fair share? Are residents?
- Show us the books so we can see the budget details
- Show us how you expect budgets to change in the future
- What are expected costs (operations, resources) going forward?
- Support the idea of detailed templates describing proposed investments/action plans
- Would like to better understand the market for recyclables
- The rate structure should be about more than promoting conservation

Capital planning / Asset Management issues:

- Strengthening capital planning processes
- Focus on capital facilities, asset maintenance
- Understanding aging infrastructure –and the costs likely to replace/repair it
- What processes are in place to improve efficiency/effectiveness in capital projects delivery?
- Are there different approaches to manage stormwater than a building-by-building approach?
- Long-term what is the plan for solid waste disposal?

Service Level Issues:

- CSO overflows—where are the bottlenecks and what is being done?
- Recycling levels: are some neighborhoods better than others? Do we know why? Can we do something about it?
- Alternatives to the “one less truck” idea?