

Current State of the 2015-2020 SBP

Action Plan and Efficiencies Follow Up

Presentation to the Customer Review Panel

November 9, 2016



Gap Action Plan Items Updates

Focus Area	Overall Goal	Panel Question	Response
Service Equity	Actively ensure that all communities and customer groups have equal access, service delivery, and ability to use services.	How can this ever be completed?	Correct, the current goal not measurable. We will adjust this goal in early 2017.
Operational Excellence	Accelerate flooding and sewer backup prevention projects in the Broadview neighborhood.	Why is this happening so slowly? This was a big priority.	This project is on target. The Broadview Program has a multiple-pronged approach with accelerating capital project solutions in that neighborhood.
Operational Excellence	Develop and implement a condition assessment strategy and implement it for all SPU sewer pipes by 2026.	What's the total number of sewer pipes to be inspected? Will the 190 miles in 2016 enough to keep you on track?	448 miles of sanitary sewers and 968 miles of combined sewers. We are on track for the overall goal.

Gap Action Plan Item Updates

Focus Area	Overall Goal	Panel Question	Response
Operational Excellence	Implement charge to new development to pay for a share of the Utility's systems to help fund the needs resulting from growth.	What mechanisms are in place to have growth pay for growth? Why is this a lower priority?	This is an ongoing conversation; now is not the right time for implementation.
Operational Excellence	Centralize meter management within the Utility and improve replacement and repair services.	What is the targeted frequency for inspecting water meters?	Currently, wholesale meters (~200) are inspected on a yearly basis. Determining a frequency for large retail and small meters.
Operational Excellence	Improve the use of technology and data to create business knowledge to support core Utility services.	Implications of not doing this initiative due to IT centralization?	We do not expect significant impacts. SPU has a IT Strategic Plan in place (part of our action plan) and is creating service level agreements with Seattle IT for ongoing technology support.

Gap Action Plan Item Updates

Focus Area	Overall Goal	Panel Question	Response
Operational Excellence	Complete Drainage and Wastewater South Operations Relocation Options Analysis Stage Gate 2.	What is a “Stage Gate”?	The stage gate system is five check points that help SPU make informed decisions about planning, selecting and delivering capital projects and programs.
Operational Excellence	Drainage and Wastewater Mapping, Modeling and GIS.	Should the work be folded into the DWW master planning?	Refocused item to city-wide master planning; resulting in an integrated water quality master plan for the City.
Operational Excellence	Streamline the water taps process to improve customer turn-around time.	Why was a consultant needed to help redesign the process?	We hired a consultant with Lean expertise for a 5-day redesign workshop. Implementation is occurring with SPU staff.

Gap Action Plan Item Updates

Focus Area	Overall Goal	Panel Question	Response
Protect Health and Environment	Complete a strategy report on policies for decentralized options.	Do we know anything about the cost implications of these initiatives for rate payers?	Not yet. Undetermined number of customers that will go “off the grid” in the future and decrease demand for SPU services.
Protect Health and Environment	Maintain identified roadways in the Cedar River Watershed to preserve tribal access.	Why is no progress being made on this initiative this year?	We are currently partnering with the Muckleshoot Indian Tribe to create an agreement on the roads.

Efficiency Item Updates

Focus Area	Overall Goal	Question	Response
General Question	N/A	What was the basis for the target efficiencies savings level (\$2.4 million)?	The SBP assumes about \$8M in savings by 2020, mainly in labor cost savings through reallocation, reassignment and elimination of vacant positions. We assume slowly ramping up to this goal starting in 2015.
Operational Excellence	Create a Reliability Analysis function to facilitate reliability analysis and assist with maintenance and capital planning priorities. <i>-Deferred</i>	What are you doing instead of this?	We are providing this function with existing staff within the parameters of our Asset Management program.
Various	Efficiencies 1,2,4,10,14,15,21,25,26,27, 29,31	Can you explain more about why these are deferred? Why are things lower priority or not feasible?	Next slides.

Efficiency Item Updates

Item Deferred	Rationale
1. Reduce the inspection program by transitioning inspection services to the contractors.	SPU made a decision not to contract out a function we have historically performed.
2. Implement monthly billing as a part of an updated eBusiness billing application.	Monthly billing is not an efficiency, it would cost more than current bi-monthly billing.
4. Structure is in place at the corporate level that provides guidance to the LOBs on standards, methodology and policy regarding comprehensive planning.	SPU is focusing on improving planning at the LOB level first, including strategic asset management plans.
10. Work with FAS to transition the responsibility for all SPU fleet purchasing and take control of fleet management.	It's not clear that this would save SPU money. We would have more control, but it may cost us more money over time.
14. Consolidate responsibility for SPU IT services within SPU IT reducing City Department of IT (DoIT) charges and properly allocating DoIT charges.	No longer relevant with advent of IT consolidation.

Efficiency Item Updates

Item Deferred	Rationale
15. Run all new business initiatives, including O&M programs, through a Stage Gate type of process.	We are currently focused on further improving our Stage Gate system for capital projects.
21. Create a Chief Information Officer position with a Chief Knowledge Office for knowledge management and business systems analytics	No longer relevant with advent of IT Consolidation.
26. Identify positions with responsibility for making decisions critical to the business and service delivery; update org charts to show clear points of accountability and job descriptions.	We currently lack the staffing resources to do this.
27. Develop a central repository as the standard environmental management systems and regulatory data management platform for SPU.	We currently lack the staffing and technology funding resources to do this.

Efficiency Item Updates

Item Deferred	Rationale
29. Create a new classification for project managers.	This requires approval from Seattle Department of Human Resources; this remains an open item to be pursued at the city level.
31. Optimize field staff skills, knowledge and abilities with broadened employee classifications and implementation of a cross-training and cross-divisional activities to increase skills.	We continue to implement field efficiencies without modifying classifications.