

Seattle Public Utilities Customer Review Panel

Monday, October 21, 2019

1 pm – 4 pm

Seattle Municipal Tower, 4901 (49th Floor)

Panel Members			
Suzie Burke	x	Noel Miller	x
Bobby Coleman	x	Thy Pham	x
Dave Layton		Rodney Schauf	x
Laura Lippman	x	Puja Shaw	
Maria McDaniel	x	Kyle Stetler	
Staff and Others Presenting or Participating			
Keri Burchard-Juarez	x	Paula Laschober	x
Kathleen Baca	x	Andrew Lee	x
Aaron Blumenthal		Natasha Papsoueva	X
Alex Chen	x	Ellen Pepin-Cato	x
Alex Clardy		Dani Purnell	x
Michael Davis		Karen Reed	X
Jeff Fowler	x	Rick Scott	
Brian Goodnight		Sheryl Shapiro	x
Kiersten Grove		Karen Sherry	x
Mami Hara	x	Jonathan Swift	X
John Holmes	x		

Underlined text indicates action items. ***Bold Italicized text*** indicates follow up items.

Meeting Summary - FINAL

Welcome: Mami Hara, General Manager/CEO of Seattle Public Utilities (SPU), welcomed those in attendance and thanked them for their time.

Standing Items:

Review of Agenda & Materials. Karen Reed, Facilitator, introduced two SPU standing reports that were in the front pocket of the binders. The first report is the weekly report SPU sends to the Mayor's Office. The second report is a weekly Water Systems Highlights report. The Panel agreed it would like to receive reports electronically on a weekly basis. ***These reports will be emailed to the Panel each week.*** The Panel declined to receive the media articles about SPU on a daily basis. Karen noted that a list of SPU acronyms also is included in the binder pockets.

Approval of Meeting Summary of October 2. One change will be made to the meeting summary from the October 2, 2019 meeting. Action items and follow-ups will also be reviewed. The meeting minutes were approved with the changed mentioned.

Panel Questions Follow Up: Battery Street Tunnel. Ross Hathaway, Project Delivery and Engineer Branch, gave a brief presentation and answered questions about the Battery Street

Tunnel decommissioning to address a concern about access to drainage and sewer facilities. The existing old sewer is under the driving lanes in the bottom of the tunnel. The maintenance hole access covers in those driving lanes and are now covered as the tunnel is being decommissioned and filled with compacted crushed concrete fill and grout. Because of this, and because the old sewer was not strong enough to withstand being deeply buried, a replacement sewer was constructed higher up within the new fill inside the tunnel. New maintenance hole access points for this new sewer have been constructed through the surface of Batter Street itself. Temporary access was maintained to the old sewer during construction of the new sewer. At a couple of locations (5th Ave and 6th Ave) the original northwest - southeast sewer crossing alignment was reestablished to the historic pre-Battery Street Tunnel configuration eliminating a need for a sewer in Battery Street in the northern portion of the tunnel.

SPU in the News: Mami reported that beginning in 2020, plastic film and plastic bags will no longer be accepted in recycling containers. SPU will not be fining customers but will focus on education to let customers know where these materials can be recycled. This change was made due to material clogging the machines. In order to unclog the machines, workers must climb on top of them and cut the material away. This is dangerous for staff and costly for the haulers as they have to shut down operations while this happens. For more information about this issue can be found on SPU's website by clicking [here](#). For help in finding a drop off location near you, go to www.plasticfilmrecycling.org

Q: What is the cost saving if staff are not having to perform this work? A: ***We will have to ask the vendors but we will let you know.*** Q: Does this impact rates? A: Yes. ***We will look into the financial implications and get back to you.***

Noel let the panel know that he saw that utility tax information on his last bill. He asked that Panel members also check their bills to make sure it is what you were expecting to see.

Mami asked the Panel members if they would be interested in receiving a copy of *Seattle at 150*. ***Please let Karen Sherry know if you would like a copy.***

Laura asked if we are familiar with Ridwell, a company that collects plastic bags and other things you can't recycle. Jeff Fowler, Interim Deputy for Solid Waste, answered we are aware of this company. ***Jeff will provide more information to the Panel.*** (Karen Sherry emailed Jeff's response to the Panel on 10/24/19).

Panel Chair Comments: Noel Miller, Panel Chair, informed the Panel of an October 14 meeting between SPU staff, Karen Reed, Panel Co-Chairs Rodney Schauf and Laura Lippman, and himself. At this meeting Noel, Rodney and Laura expressed their concerns about the schedule by which the Panel will need to review the proposed SBP and prepare its letter to the Council. Noel gave the Panel a list of concerns that were shared at that meeting. The document in the binders called Current and Future SBP – Approach to Updating and Adding Components -- incorporates several of the concerns raised at the October 14 meeting.

Building the Next Strategic Business Plan (SBP): Planned Components, Comparison to last SBP: Jonathan reviewed an updated Topics and Review Schedule. Additional meetings have been added beginning in January 2020.

Jonathan reviewed the table (Current and Future SBP – Approach to Updating and Adding Components) mentioned by Noel in his earlier comments. The new table shows what SPU plans to include in the updated SBP.

Mami assured the panel that SPU is starting off with the premise that it is committed to maintaining the rate path at 5% and the utility will continue to work toward bringing the rate path down rather than undoing the work we have already done.

Noel is concerned that even with an accelerated schedule, the Panel may still not be able to meet the current SBP delivery deadline. Noel feels the Panel will have a better sense of meeting the deadline after they hear more about outreach. In order for the Panel to do their job they need to hear feedback from the customer base.

One-Water/Zero Waste – a future thinking lens on the Strategic Business Plan. Mami presented to the Panel on the concept of One Water/Zero Waste. She began the presentation with a diagram showing how the concepts discussed to date fit together. The top of the charts represents the overall goal of sustainability. One Resource/One Water/Zero Waste are industry terms used to describe sustainability.

The second layer shows the elements that will be used to achieve these goals. Economy, Environment and Equity (triple-bottom line) are the three buckets the environmental field has used for many years. This layer also shows how the current SBP focus areas (operational excellence, etc.) and the new headings SPU is using in the development of the new plan (accountability and affordability, etc.) align with the industry buckets.

The third layer describes the approach. This is where community centered fits in. Customer are only one part of our community. We need to think about the broader community as well.

Q: Who are the other customers, besides ratepayers? A: Everybody in Seattle. Regulators are also important stakeholder.

The exercise we will do today will help SPU figure out how we can be livable and be as sustainable as possible.

Water is one area where we have seen more events due to climate change. We have experienced not enough water and we have seen too much water in the wrong places --often underserved or lower income areas.

SPUs systems were built for a different climate with less intense precipitation. Because the systems were not designed to handle significant events (downpours, rising tides, surging seas), when it is too full it can back up and out through businesses and homes.

SPU has regulatory drivers around water that are costly and drive a lot of our work. The three specific drivers where we spend most of our money are sewer backups and overflows, CSO (combined system overflow) control and water quality. But we also have many other expanded drivers, for example climate change, seismic risk, growth and sea level rise, that should influence how we manage our water.

Many utilities are struggling with the concept that all water (rain/stormwater, groundwater, wastewater, recycled water and drinking water) is one water. The philosophy is to overcome this struggle to figure it out. To explain the one water concept further, Mami provided the following sentences from the US Water Alliance:

“No matter who we are, where we live, or what we do, water connects all of us. When we embrace that belief that water in all its forms has value....the full water life cycle can be optimized to build strong economies, vibrant communities and healthy environments.”

“All around the country we are seeing silo-busting examples of integrated and inclusive approaches to water resource management. These approaches exemplify the view that all water has values and should be managed in a sustainable, inclusive, integrated way. We call this perspective One Water.”

Every place has different issues, wealth, and need around affordability. SPU needs to craft its own One Water path.

Mami described a few examples of an integrated approach to water.

- Portland’s Lloyd Center. This is a regional project that deals with both wastewater and stormwater management.
- Copenhagen Cloudburst Management Plan. A few years ago, one weather event caused \$1 billion in damage. Rather than just repair the existing systems, they were changed so that more water could be accepted. Parks and streets were designed to service multiple functions to make the city more resilient.
- Philadelphia’s PowerCorpsPHL. This green stormwater infrastructure project requires specialized maintenance. The city used this as a workforce development opportunity to provide permanent, stable jobs in the utility and with private partners.

Zero waste is about making things last and making them as sustainable as possible. Because production creates the most pollution, thinking about ways to use less is critical. Until we come up with better ideas, we have to stay on track with our regulators.

Karen Reed then presented a slide illustrating how Equity and Empowerment, Risk and Resiliency and Accountability and Affordability align with current SBP focus areas, a different way of presenting how these things all fit together.

Comment: Sometimes gardens are planted in medians and water is used, but no one is using the produce. We need to educate the public about water uses and mis-uses.

Customer Perspectives – Retrospective and Plan: Dani Purnell, Director of Corporate Policy, briefed the Panel on customer research and SPU's outreach approach that will be used in developing the next SBP.

SPU has received feedback from the community requesting that we not go out and ask the same questions and rather show that we are listening to the input that has already been provided.

In developing the new SBP, SPU will use the following principles in conducting outreach.

1. Starting with what we know and what we and others have already asked.
2. Demonstrating listening and connection to action/follow-up.
3. Filling in critical knowledge gaps in a thoughtful, value-added way with attention to equity.

SPU will be looking at work done by King County and Forterra as well as some of our own survey work, to analyze what has already been done, and catalogue what information has already been collected.

After the 2018-2023 SBP update, SPU heard that we need to do more small business outreach. This time around we are going to try and fill that gap.

There are seven major elements to the SBP Research and Outreach Plan:

1. Customer Review Panel Engagement. The Panel is the starting point as it represents SPU's customers.
2. "Voice of the Customer" (VOC) Inventories. This will involve three sets of customers – residential, businesses and employees. VOC gaps areas may be identified during this process.
3. SPU Refresh of Identify and Messaging. A future work session for SPU staff is planned for December to review and refresh our current vision, mission, values and goals. After this internal work is complete it will be presented to the Panel.
4. SBP Community Outreach. It is still very important for SPU to be in the community and connect with our customers. Last time we held meetings and asked the community to come to us. This time we will be going out to the community where they already have a presence (farmers markets, fairs, community centers) and asking 5 key questions (not yet determined). This should be completed by March 2020.
5. Draft SBP Plan Comment Period. This will be an online survey of the community and employees asking the 5 key questions. Completion scheduled for May 2020.
6. Public Hearing Notification – online and mailer. Completed Fall 2020.
7. Elected Official Review. Mayor in June 2020. Council in Fall 2020.

To fill a key knowledge gap in our VOC inventories, SPU will conduct 25 business sector interviews in November. Questions to be asked include:

- What's most important to you about services SPU provides?
- What are Seattle's biggest water and waste challenges?
- What are ways we can work together/partner to address challenges?

SPU is currently designing the SBP Community Outreach strategy. This strategy includes asking 5 key questions, which will be brought to the Panel. Outreach will take place between January and June 2020. The outreach phase will include:

- Going to places where people already are.
- Use Department of Neighborhoods (DON) community liaisons, community groups.
- Focus on general and targeted communities with attention to customer voice and service satisfaction gaps.
- Invite responses on-line and post where/when SPU will be

Q: When did the council review the SBP last time? A: It was in the fall of the year after the proposed SBP was delivered. The city's Central Budget Office uses the SBP as a frame for the presenting the budget to the Council for its approval.

Q: There are lots of focus groups and outreach. Would a piloting stage be useful? A: That is part of our gap identification work using the VOC inventories. To fill gaps we will do smaller scale research first and then determine what the best next steps are vs. just broad scale outreach.

Q: Why are we asking the same people the questions? We need to get the people we have not been able to get to, for instance all the new customers moving to the City. A: The new Citywide satisfaction survey captures new customers. One gap may be understanding the values of the new customers are they different than the current community or more of the same?

SPU Staff Comment. Regarding the non-English speaking community, SPU has developed a good relationship within this community. We continue to go back in order to get more in-depth feedback. However, we do want to go beyond those relationships.

Comment: It seems that a certain segment of the population does not respond to surveys or attend meetings. It's good that you are going out looking for those people.

Q: Are you collecting demographic data and aligning with regional statistics? A: Yes, for large scale survey work.

Q: Are you providing compensation for input and time? A: Yes, for focus group work.

Panel Comment: I would like to see the Citizen Advisory Committees involved in outreach. Also, we need to see how the outreach schedule is integrated with the Panel schedule.

Karen Reed requested the discussion of the "5 outreach questions" and the results of the existing surveys should be added to the Panel schedule. **Staff will follow up.**

Panel Comment: I would like to get survey results early (March) rather than late in case there are new issues to address.

Panel Comment: Panel members should go to community outreach events if they are available.

After a short break, Karen Reed introduced the SPU Situational Assessment Exercise. Panel members and SPU staff divided into 3 groups to answer 3 questions and then reported back to with about their answers. Group responses are captured in the tables below:

Group 1: Suzie Burke, Laura Lippman, Bobby Coleman and Andrew Lee

Group 2: Rodney Schauf, Thy Pham, Mami Hara, Paula Laschober and Alex Chen

Group 3: Maria McDaniel, Noel Miller, Keri Burchard Juarez and Jeff Fowler

Question 1: In the next 6 years, what external or internal trends or situations can you identify that you think are reasonably plausible and could impact SPU (positively or negatively) and its ability to provide quality services?

Trend	Internal/External	Impact: + or -
Homelessness	External	Negative
Changes in City leadership	Internal	Both
Increased density/building heights	External	Both (opportunity to work with more partners but greater system strain)
Wildfire and air quality threats	External	Negative
Aging infrastructure	Internal	Negative
Increasing customer expectations re: service and affordability (see Amazon, etc.)	External	Negative
Workforce needs (Silver Tsunami)	Internal	Negative
Changing technology & related workforce expectations	External	Both (requires long-term planning)
Recession & impact to ability to pay; ability to potentially attract tradespeople	External	Both
More apartment buildings		Both
Very large drainage tunnel		Positive
Council changes		Both
Demographic shift (more millennials)		Both

More congestions (ops impact)		
2020 elections		
Continued affordability		
Drought		
Recycling/SW challenges		
Aging workforce (trades)		
Opportunities for public/private partnership		
Aging infrastructure		
New people/population growth		
New nutrient regulations		
Ability to sell recyclables		
Population growth (strain on current resources, more revenue, who bears the cost)		Both
Earthquake		
Alignment between finance and capital spending		
More intense rainfall/weather		
Producer responsibilities		
Cyber threats		
Labor supply		

Question 2: In the next 10-50 years, what external or internal trends or situations can you identify that you think are reasonably plausible and could impact SPU (positively or negatively) over time and its ability to provide quality services?

Trend	External/internal	+ or -
Climate impacts	External	Negative

<ul style="list-style-type: none"> ○ More precipitation ○ Possible decline in snow ○ Wildfire ○ Heat 		
Earthquake	External	Negative
Wildfire preservation		Negative
Technology Change <ul style="list-style-type: none"> ○ Internet of things ○ Robots ○ Monitoring & real time management ○ Pipe relining 		
Self-driving vehicles (efficient ops & commuters)		positive
Cleaner emissions from vehicles		Positive
Remote working (less office space)		Positive
Different sustainable stormwater (GSI)/wastewater (distribution management) technologies (impacts drinking water demand) i.e. closed circular integrated systems		Positive
Lower animals for food production		Positive
Extended life expectancies and changes to habitation patterns (very uncertain future)		Negative
What is SPU's asset trend? Gaining or losing ground?		
Seismic event		Negative
Less snow/climate change/sea level rise		Negative
Aging infrastructure/more infrastructure		
Tech/AI/IoT		
Emphasis on decentralized infrastructure		
New solid waste handling techniques		
Equity as an outcome		
Climate Change (sea level, water availability)		Negative

Aging infrastructure		Negative
Earthquake		Negative
Automation (vehicles)		Both
Cyber Threats		Negative
Technology advances in construction, ops, & maintenance		Positive
Privatization		Negative
Taxes/fees to incentivize recycling		Negative
Carbon tax		Negative
Climate refugees		Negative

Question 3: Thinking about SPU today, what does it do well, and where is it challenged/there is room for improvement?

SPU Doing Well	Room for Improvement
Service provision Clean Drinking Water Response Times	Regulatory context – aim to make more complementary with sustainability goals
Communications and Transparency	CIP processes On-time On-budget Prioritization
Development of incentives/disincentive to support policy directions	Affordability
Connecting with best practices	Meeting scale of communications required
Asset Management	Asset Management
Deferred Maintenance	Deferred Maintenance
	Metrics
	Equity
Good water	High rates

Solving at least 1 drainage challenge	Utility tax
Embedded environmental ethic	Vulnerable to cyber attacks
True costs are realized	More efficiency
Focus on efficiency	Homelessness
Assertive/cutting edge	Stormwater/wastewater
Workforce/succession	Workforce/succession
5% commitment (rate path)	Plastics
Transportation coordination	Air quality (ops)
	Pet waste
	Diapers
	5% commitment (4%)
	Transportation coordination
	Tech adoption
Reliable services	Staff turnover – adjusting to this
Quality (drinking water)	Lack of entry level positions
Leader in recycling, reducing	Tech strategy/long-term
Utility discount program	High rates
6-year SBP	Electronic billing eliminates inserts
CRP and CACs	
Outreach	

After review of each groups lists, the meeting adjourned at 4 pm.