

SPU Strategic Business Plan Customer Review Panel- **DRAFT**

Meeting Summary for April 19, 2017

Panel Members		Staff and Others		Staff and Others	
Suzie Burke	✓	Mami Hara	x	Karen Sherry	✓
Dave Layton	✓	Melina Thung	✓	Cameron Findlay	✓
Bobby Coleman	✓	Susan Sanchez	x	Miles Mayhew	✓
Laura Lippman	✓	Sherri Crawford	✓	Karen Reed, SPU	✓
Noel Miller	✓	Henry Chen	✓	Michael Davis	✓
Rodney Schauf	✓	Rick Scott	✓	Aaron Blumenthal	✓
Puja Shaw	X	Ken Snipes	✓	Peter Lindsay	✓
Kyle Stetler	✓	Madeline Goddard	✓	Karen Reed, Facilitator	✓
Jessa Timmer	✓	Brian Medford	✓	Alex Clardy	✓

1) Welcome/Debrief Meeting with Mayor on 4/18

Noel Miller, Laura Lippman and Sherri Crawford, SPU reviewed the meeting with the Mayor on April 18 when they updated the executive office on the proposed rate path and rate path options.

Highlights included:

- The Mayor was interested in the state of SPU facilities
- A brief discussion of utility taxes
- The Mayor did not identify a specific rate path that he preferred. He indicated support at the 5.4 - 5.6 rate path range.
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2) New Action Item: Green Stormwater Infrastructure

Dani Purnell, SPU reviewed a new proposed action item for Green Stormwater Infrastructure for the SBP Update. Discussion highlights included:

- The purpose of this action item is to add green stormwater infrastructure into the urban villages within the City that are poised for significant growth.
- SPU does not currently have a cost associated with this action plan, we will return with a standard business case summary on May 3.
- Q: Who will own ongoing maintenance of this infrastructure? The utility? A: SPU has contracts for the maintenance of this infrastructure. We'll cover this in more detail when we present the business case on May 3.

3) Panel Discussion: Proposed Action Plans

The Panel discussed the proposed action plans to identify their recommendations.

The conversation initiated with soliciting comments from Panel Members, *Peter Lindsay and Aaron Blumenthal* about what they define as a successful SPU strategic plan:

- Most affordable possible rate path
- Predictable rate path
- Meeting quality of service
- Delineating costs of regulatory requirements
- Clearly expressing where costs exceed costs of meeting regulatory requirements
- Additions to baseline should have measurable outcomes
- Track outcomes
- All priorities are supported by both SPU leaders and line staff
- Cost efficient
- Public health is maintained
- Non-core mission issues are less important
- Increased emphasis on transforming the workforce
- Ensure project delivery coordination with SDOT on Move Seattle
- Equity in delivery of customer service, equity between classes of rate customers
- Affordability
- Transparency of costs
- Tracking of performance
- Address infrastructure needs
- Efficiencies are fleshed out
- Rate stability
- Generational equity
- Increases are well thought out and justifiable\
- Articulates the value of additions proposed and implications of proposed cuts
- *Follow the resolution principles/maintain & promote the larger City goals of transparency, predictability, equity and sustainability*
- *Relates to past plans*

The table below summarizes the Panel's discussion/recommendation on proposed action plans

April 19 Panel Discussion and Direction Proposed Action Plans

#	Title	Panel consensus	Rationale
1	Expand the Apprenticeship Program	Support	It is difficult to find qualified staff
2b	Opportunity Transportation Projects: Water	Support	The water infrastructure is most at risk in the road projects. Projects will promote seismic stability. Utility should carefully track actual SDOT schedule and not “over-fund” these projects ahead of time.
3	Expand Maintenance of the Water Distribution System	Support	Extends life of infrastructure
5	Increase Sewer Repairs	Support	Highly efficient use of public dollars to maintain infrastructure
7	Sewer Rehabilitation	Support	Extends life of infrastructure
8	Pump station, force main and CSO outfall capital program	Support	Focuses on infrastructure at highest risk of failure and on ensuring code compliance
10a2	Facilities North Operations Center (NOC) Phase 1 (land acquisition, warehouse, equipment storage. Phase 2 & 3 is a building--\$26M est.)	Support	Improves resiliency, supports workforce and efficient use of staff time. Utility controls timing—consider possibility to shift timing for rate smoothing.
10b	Facilities South Operations Center	Support	Improves resiliency, increases efficient use of staff time
10c	Facilities – Cedar Falls Phase 2	Support reduced cost alternative	Staff indicate scheduling is better if the project is deferred by one year.
10d1	Facilities – SMT Phase 1	No action	Requesting more information from the Facilities Study – segment out project components
11	Expand Security Monitoring	Support reduced cost alternative	
12	Green Fleet Initiative	No action	Requesting more information. Is this a baseline item since this may be part of a non-discretionary regulatory requirement -- Mayoral policy initiative with many other US cities?
13	Improve Technology Services	Support reduced cost alternative	
2.a	Opportunity Transportation Projects:DWW	Do not fund	Staff described these as lower risk items. Sewer investments are being addressed under Item 2. Trenchless technology improvements may make it possible to reduce cost of these projects over time.
6	Sanitary Sewer Capacity	Do not fund	This is a companion to Potential Reductions Item 9—the Panel would not cut Item 9.
10a3	Facilities North Operations Center (NOC) Phase 2 (Planning & design, co-locating staff)	No action	Requesting more information

4) Presentation: Overview of Savings and Efficiencies

Melina Thung reviewed SPU's proposed methodology for identifying and tracking savings and efficiencies for the 2018-2023 Plan Update. Discussion highlights include:

Q: Why weren't you able to eliminate as many positions as you thought you could in the 2015-2020 Plan? A: Many of the vacancies were critical positions we couldn't abrogate.

Q: Will SPU FTE be lower than 3 years ago? A: No, we will come back to you with more information.

Q: Can we see the original efficiency recommendations (the 44 efficiencies). A: Yes, we will provide this information.

Q: Why is the SPU approach to efficiencies different than Seattle City Light? A: We'll highlight why we've chosen a different approach at the May 17 meeting.

A: Can you provide a list of items in the \$340M savings SPU identified? A: Yes, we will provide that information.

5) Adjourn

Meeting adjourned at 4:30pm. Next meeting is May 3.