

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

## Meeting Summary for March 22, 2017

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

### 1) Welcome and Introductions/Review and Approval of Meeting Summary

The Panel reviewed and approved the Meeting Summary from March 8, 2017.

### 2) Presentation of Reduction Options, Part II

SPU reviewed the remaining Reduction Options with the Panel not covered during the March 8 meeting.

#### *Reduction Option #1: Rodent Control*

Q: Does the current funding for rodent control cover SPU property only or Seattle? A: The current funding for this program covers the City of Seattle

Q: Is this work completed by SPU staff or through a contract? A: This work is completed through a contract with King County Public Health.

Q: What's the difference between the above ground work and the below ground work? A: Above ground rodent control is managed by Solid Waste, but paid for by general fund dollars. Below ground rodent control is completed through our contract with King County Public Health.

#### *Reduction Option #2: Pet Waste and Diaper Composting*

Q: Does the cost reduction for deferring this option represent the entire budget for the program? A: Yes.

Q: Why would SPU consider deferring this item? A: Deferring this program would allow SPU to further investigate this option, potentially identify other more cost effective options, and determine how it is integrated into the Solid Waste comprehensive plan. Deferring this program does not impact our commitment to our 70% recycling goal.

Q: How did the Solid Waste Community Advisory Committee (CAC) view this reduction option?  
A: They were neutral on this option.

It was noted that the CAC's have not had much time to review the "add" and "savings" packages, and they would like to speak to the Panel in April.

#### *Reduction Option #3: Green Seattle Partnership (GSP)*

Q: How long has SPU been contributing to this partnership? A: Since 2010.

Q: How does the partnership benefit SPU? A: It maintains a role in guiding the program through work with the Executive Council.

Q: What's the purpose of the partnership? A: The GSP promotes maintaining healthy forests in Seattle city limits. This goal is to focus on 5-10 acres per year.

#### *Reduction Option #4: Solid Waste Bill in Advance #4*

Q: How much will this save SPU? A: Unknown exactly, there will potentially be some efficiencies realized.

Q: Have you looked at developing another funding package for this, saving money over time? A: Yes, but you'd potentially have to raise rates to get the funding.

Q: Is SPU recommending this reduction? A: No, there is a high risk to this option.

Q: What's the industry best practice? A: Best practice is to bill after the service has been provided.

Q: Does SPU have a rate stabilization account? A: Water and Solid Waste have rate stabilization fund, Drainage and Wastewater does not.

#### *Reduction Option #6: Risk Reserve*

Q: What is the current state of the risk reserve? A: During the 2015-2020 time period, we had a reserve of .7% (about \$3M), we are asking to increase the reserve to 2%. This action plan would reduce the final two years from 2% to 1.5% of O&M costs.

Q: What is the best practice for risk reserves for a Utility? A: SPU carries less of a risk reserve than other Utilities, which it is able to do because it is part of the City which has a strong credit rating.

*Reduction Option #7: Solid Waste Contracts Inflation*

Q: What has the Consumer Price Index (CPI) been in the last 6 years? A: About 4.2%

Q: Is it possible to factor in fuel prices when you develop a contract. A: We currently do, it's difficult based on the volatility of the fuel market.

**3) Feedback Presentation: Customers, Employees and Community Outreach**

Karen Reed, SPU and Michael Davis introduced the presentation of Customer and Employee Feedback regarding the SPU Strategic Business Plan and the updated proposed rate path for 2018-2023. Joe LaPla and Wesley Bynham with Green Rubino Consulting presented the data from the surveys.

Q: How many businesses participated in the survey? A: About 30.

**Comment:** Business participation in the outreach does not seem sufficient.

Q: Did the chamber of commerce send the survey to its member? A: We think so.

**4) Preparation for Panel Presentation at Council Committee**

Panel Members reviewed the draft presentation that will be used by Panel Chairs to present to the City Council Committee on March 31, 2017 and provided a number of edits. Karen will make the changes to the presentation.

**Next Steps**

Meeting adjourned at 4:15.

Next meeting is April 5 from 1:30-4:30 at SMT.