

Seattle Public Utilities Customer Review Panel – Tracking List of Questions for Staff Follow Up v. 4.4.2017

#	Date requested	Comment/Question	Status
1	9.29	Can we see more details about the customer satisfaction ratings – measures, trends over time?	10.10 Yes. We will provide electronic copies of the Residential Survey which contains this information to Panel Members. Complete.
2	9.29	Union negotiation schedule – when were contracts last negotiated, when will they next be negotiated	10.10 All SPU Collective Bargaining Agreements are effective until December 31, 2018. Complete.
3	9.29	Would like to again discuss 1-site of the street garbage collection	10.10 We have shared this idea with the SW LOB for possible inclusion into the Solid Waste Comprehensive Plan. Complete.
4	9.29	Could we see a chart showing dollar weighted impacts of the currently projected rate increases over the 6 year period?	10.10 Yes. We will provide this to Panel Members on 10.12. 10.13 Will provide an update on 10.26. Complete.
6	10.12	Can you provide feedback differences between field staff and corporate staff in the 2015 Employee Survey?	<p>10.13. Yes, will provide at the 10.26 meeting.</p> <p>10.26 After reviewing the studies, our primary answer is that we can't determine feedback differences between field staff compared to non-field or corporate staff based on the 2015 survey.</p> <p>The 2015 SBP Survey asked employees to identify themselves by branch and reflected organizational changes in which field employees had been realigned into lines of business or corporate functions rather than the former Field and Operations Maintenance Branch. Complete.</p>
7	10.12	Can you share how businesses invested the \$100 in each of the SBP focus areas at the 2016 CFG?	10.13 Yes, will provide at the 10.26 meeting. Complete.
8	10.12	What are the future capital project drivers for the water line of business?	Complete.
9	10.12	Provide additional briefing on the impacts of Move Seattle, ST-3 and the Consent Decree.	Complete on 4/5

#	Date requested	Comment/Question	Status
10	10.26	Please provide the rate cost information with the assumptions stated about what constitutes the typical household; Please show adopted costs as compared to today – changes to bills by line of business as a result of the rate changes	Will have available at the 11/9 meeting. Complete.
11	10.26	Please bring forward the metrics you are tracking that you believe are meaningful to measuring the Utility's performance.	Yes, these are the Service Levels in the quarterly updates to Council. Will share on 11/9. We will review on 11/30. Complete.
12.	10.26	What is the impact of seismic resiliency on the rate path?	We will cover Seismic Resiliency at the 11/30 meeting. Complete.
13.	10.26	How do conservation efforts feed rate pressure identified in the SWOC?	We will cover at a future meeting. 11/30 meeting. Complete.
14.	11.9	Please provide detailed information on current water connect and capacity charges.	From Judi Gladstone, Corporate Policy Director: The capacity charge is a fee paid for connecting to the regional wastewater system for new buildings. It is not paid by SPU, it is paid by the customer directly to King County. There is a water system development charge that is paid by developers when they construct a new building. There is also a water facility charge associated with our wholesale contracts, we do not pass this on to developers, we incorporate it into our rates. Complete.
15.	11.9	Please provide information about potential sunseting of permitting for green-buildings.	Seattle City Council passed Ordinance 125163 that extends the Living Building Pilot program through year 2025. The ordinance also limits the number of Pilot projects to 25. (The first four years of the Pilot program resulted in 2 projects.) Complete.
16.	11.9	What were the debt interest rate assumptions in the initial SBP and what was the Utility's actual experience in the intervening period?	SPU will review this at the 11/30 meeting. Complete.
17.	11.9	Request to share more information regarding current capital improvement projects verses Move Seattle projects.	SPU is committed to sharing more information about this in early 2017. Complete.
18.	11.9	What happened to SPU and Utility taxes in the budget?	We will cover this at the 11/30 meeting. Complete.

#	Date requested	Comment/Question	Status
19.	11.30	Can we get a short briefing on mitigation strategies related to climate change?	We can provide this at a future meeting. Complete.
20.	12.14	Will Panel members have the opportunity to provide feedback on how SPU advertises the community outreach meetings?	Yes, we will provide draft copies to the Panel for review and feedback at a future meeting. Complete.
21.	12.14	Will SPU present a detailed overview of the Consent Decree (timeline, content, etc)?	Yes, we will provide this at a future meeting. Complete.
22.	12.14	Can you show the 2018-2023 projected spending for pipe rehab?	Yes, we will provide this at a future meeting. Complete
23.	12.14	Can you provide a map of all the CSOs in the City?	Yes, we will send the link to this map. Complete.
24.	1.25	What assumptions are you making on UDP enrollment in the plan?	In the current rate runs, we assumed city-wide enrollment of 28,000 by 2018. New projections could set enrollment expectations at 32,000. However, these are still under review. SPU will bring back firmer assumptions at a later date. The rate projections will need to be updated to accommodate this increase.
25.	1.25	What is the cash flow impact on going with the tunnel versus storage tanks? What is the total amount of the Ship Canal project?	Complete.
26.	1.25	Why couldn't SPU reduce any expenditures when the Port of Seattle terminated its drainage contract?	The Port of Seattle was a customer of the City and did not have a contract. The Port was a unique customer in that under state law, they were legally able to form their own utility. There were no City expenditures to reduce. SPU's responsibilities managing the City-wide drainage system did not change when the Port formed a utility. We are still responsible implementing the drainage code, including enforcement and discharges into receiving waters. SPU has the same amount of infrastructure to maintain. The Port, like other private customers, was and still is responsible for maintaining drainage infrastructure on their property. They just no longer pay fees to the City.

#	Date requested	Comment/Question	Status
27.	1.25	Recast the Rate Driver: Infrastructure Investments chart to show solid waste on bottom and Drainage/Wastewater on top.	See chart
28.	1.25	What is your projection for the future in terms of capital? Are we looking at continuing very large investment needs?	Will be presented April 5.
29.	1.25	What is the total capital deficit by line of business and how much are we addressing in the next 6-year plan? Is the backlog growing or shrinking under the proposed plan?	Will be presented April 5.
30.	1.25	Can we hear more about the facilities master plan results/recommendations?	Will answer the in the Action Plan presentation. Complete.
31.	1.25	What percentage of the baseline increase is attributable to the increase in solid waste utility taxes? Show in the pie chart. What would the baseline rate path be if solid waste taxes had not gone up?	Tax increase impacts the % increase in solid waste rates in 2017 by 2.5% Repealing the tax increase in 2018 would result in a decrease the solid waste rate path by 0.5% and the overall baseline by 0.11%.
32.	1.25	What part of the "Infrastructure related to transportation/\$184M in the baseline is attributable to Move Seattle versus other transportation projects.	Move Seattle is \$152M of the \$184M baseline transportation projects.
33.	1.25	How much was added to the plan to fund the consent decree within the planning period?	Complete.
35.	1.25	Is the risk profile on the water and sewer pipe systems changed because of the plan?	Will be presented in April
36.	1.25	Can you backload the placeholder for stormwater regulatory compliance? What impact would that have?	Will be presented in March.
37.	1.25	Can you add percentages to the Option B & C (yellow and red) table to show rate impact?	Complete.
39.	1.31	What rate impact would there be if the tunnel project were funded with 40 year bonds instead of 30 year bonds?	Issuing 40-year debt for the tunnel would equate to less than 0.5% on the drainage rate and 0.1% on the wastewater rate in 2019. <u>Concerns</u> <ul style="list-style-type: none"> • Market beyond 30 years is not robust. <ul style="list-style-type: none"> • Difficult to plan for when approaching market.

#	Date requested	Comment/Question	Status
			<ul style="list-style-type: none"> • May have to pay to get investors interested. • Trade off of 10 more years of debt service(\$56.5M) outweighs benefits. <ul style="list-style-type: none"> • Increases debt burden as we are not amortizing debt as quickly. • Mismatch with assets to debt because principal isn't paid off as quickly.
40.	1.31	What part of the rate increase spikiness is attributed to the Ship Canal?	Presented as a part of the rate path reveal. Complete.
41.	1.31	What rate smoothing could be achieved by increasing drainage and sewer rates in 2018?	Presented as a part of the rate path reveal. Complete.
42.	1.31	What is the risk to the utility from a potential loss of federal funds?	The Utility receives very little federal funding so there is unlikely to be a direct impact to us. SDOT and other transportation agencies do receive federal funds so any changes to their budget could impact the capital work SPU does. We are working closely with SDOT to monitor the situation.
43.	1.31	Are other partners at risk of losing federal funds that might take some work off the Utility? Is loss of federal funds expected to slow down transportation projects that the utility is planning to have to address?	See #21.
44.	1.31	Can we see more detail on the baseline – it has gone up a lot more than any of the proposed cut options.	Presentation on 2/22.
45.	1.31	Can we see the impact on a typical commercial customer?	See chart provided on 2.22
46.	1.31	Add FTE count to the Action Plans document (KR suggestion-- perhaps rate impact as well, since Dave asked for that on the Option B&C table...seems like this will be next)	Complete. On Action Plans
47.	1.31	Consider changing the descriptor of Option C from Higher Risk since some of the reductions do not seem very risky.	Will be presented in March. Complete.
48.	2.22	Are the offsets in the O&M fixed?	Some are fixed, some are not

#	Date requested	Comment/Question	Status
49.	2.22	When you refer to fleet in the O&M, are you referring to the SPU fleet or FAS fleet?	SPU fleet.
50.	2.22	Where do the fees for Water Taps go?	To the general fund of the Utility.
51.	2.22	What is the annual growth rate of the O&M	We will get back to you on this.
52.	2.22	How will the West Point treatment plan break down impact rates?	We believe King County's insurance policy will cover the costs of repair.
53.	2.22	What happened to the 2015-2020 Action Plans?	They are now in the baseline.
54.	2.22	Q: Can SPU tell us how they would prioritize the 2018-2023 Action Plans.	Yes, we will get back to you, (April 5)
54.	2.22	<p>Questions for Action Plan #1: Expand the Water and Drainage and Wastewater Apprenticeship Program.</p> <p>Q: Why is there a need to add money to the current Apprenticeship program? A: To formalize the program and provide additional training to create a pipeline of qualified candidates to meet the needs of the LOBs today and in the future.</p> <p>Q: Is the Apprenticeship program's training in addition to the training provided by the local unions? A: It's supplementary training to that provided by the local unions.</p>	

#	Date requested	Comment/Question	Status
		<p>Q: The cash flow over the six years is uneven, why the bumps in years one, three and five? A: The “bumps” in the cash flow indicate cost associated with the recruitment of a new apprentice class.</p> <p>Q: How many people participate in the program? A: Twelve to fifteen participants for each LOB; total of 24-30 every two years.</p> <p>Q: Please provide the cost of the initiative in terms of the effective tuition per employees for the two-year training period. A: About \$52K</p>	
55.	2.22	<p>Questions for Action Plan #2: Transportation Projects</p> <p>Q: Please provide a list of the specific projects proposed to be funded and why you chose them. What is the level of certainty with respect to each project? A: Part of the Infrastructure in 2023 Presentation on 4/5.</p> <p>Q: Please provide confirmation that SDOT will be fully paying for the drainage collection improvements (as opposed to conveyance). A: We will work on this.</p> <p>Q: What is the opportunity costs of not doing these projects? What is the expected net present value of doing the projects rather than not doing them?</p>	

#	Date requested	Comment/Question	Status
		<p>A: We will provide this information on April 5. It can depend, inflation costs are unknown for projects.</p> <p>Q: I thought steel pipes were brittle and would break in an earthquake. A: Steel pipes will bend and perform well in an earthquake.</p> <p>Q: For the opportunity projects, you've identified how far into the horizon would you have to replace/repair the asset if you didn't take the current opportunity? A: For both Water and Drainage and Wastewater the horizon for repairing/replacing the asset is 5-10 years.</p>	
56.	2.22	<p>Questions for Action Plan #3: Expand Maintenance of the Water Distribution System</p> <p>Q: Would the addition of two two-person teams be enough to service all 19,000 hydrants? A: Over time, the addition of the two two-person teams would bring down the backlog of hydrants needed inspected, eventually catching us up to the inspection cycle.</p> <p>Q: Is hydrant work is a general government purpose? A: Yes, the inspection of the hydrant is done by Fire, SPU completes the maintenance. The general fund pays for the inspection, not the repair.</p>	
57.	2.22	<p>Questions for Action Plan #4: Expand Water Modeling</p> <p>Q: Why isn't this request in the baseline?</p>	

#	Date requested	Comment/Question	Status
		<p>A: There is currently one position in the baseline, another is needed to meet demand factors for this work.</p> <p>Q: How can SPU ensure that if a position is added it will be dedicated to water modeling work?</p> <p>A: We will work to ensure the resource is focused on water modeling work.</p>	
58.		<p>Questions for Action Plan #5: Increased Sewer Repair</p> <p>Q: Doesn't this project save you money? If so, how much based on what assumptions?</p> <p>A: Yes, we believe our crews would have an increased productivity of 50% and could also reduce contracting costs.</p> <p>Q: What percentage of pipes will still be 'in extremis' at the end of this project/end of planning period:</p> <p>A: About 25% of pipes inspected fall into the high risk category.</p> <p>Q: How does pipe lining impact the lifespan of a pipe?</p> <p>A: Generally, it increases the lifespan by 50%.</p> <p>Q: Of the 160 pipe repairs, how many could have been resolved using the pipe lining method?</p> <p>A: Unknown, most of the 160 repairs were structural failures.</p> <p>Q: Does the pipe lining technique work for side sewers?</p> <p>A: Yes.</p> <p>Q: What is the current backlog for pipes that need repair?</p>	

#	Date requested	Comment/Question	Status
		A: About 1,200.	
59.	2.22	<p>Questions for Action Plan #6: Sanitary Sewer Capacity</p> <p>Q: What amount of the cause for sewer capacity issues is due to growth/development? Due to age of pipes? Other causes? A: It's a combination of aging infrastructure, growth and climate change impacts.</p> <p>Q: Can SPU look at system development charges? A: We will review this at a future meeting. <i>April 19</i></p>	
60.	3.8	<p>Action Plan Sewer Rehabilitation #7: Sewer Rehabilitation</p> <p>Q: Panel would like more information how Action Item #5 and #7 come together and influence each other. A: We will come back with this information (April 5).</p> <p>Q: Why isn't this part of the baseline? A: We will come back with this information on April 5</p>	
61.	3.8	<p>Action Plan #8: Pump Station, Force Main and CSO Outfall Capital Program</p> <p>Q: How many pump stations does SPU have? A: SPU owns 68 pump stations. This Action Plan would fund about 20 of the 68 for repair.</p>	

#	Date requested	Comment/Question	Status
		<p>Q: What is in baseline now for pump station maintenance? How much will be accomplished from baseline dollars? A: About \$34.6M</p> <p>The baseline includes only the most essential pump station improvements. These include replacements, valve replacements, electrical replacements, ventilation upgrades, and safety upgrades.</p> <p>Q: How many of the SPU pump stations need work? A: All of them.</p>	
62.	3.8	<p>Action Plan#9: Enhance Side Sewer Enforcement</p> <p>Q: Do you have a trend line for side sewer issues? A: There are approximately 100-150 per year.</p> <p>Q: Are there fines or fees associated with side sewer issues? A: Yes, there is a suspended fee; SPU has never issued a fee for these, we use a voluntary compliance agreement.</p> <p>Q: Are you tracking the cost associated for the repair? A: No, not at this time. We are looking at different options to make it more affordable to repair a side sewer.</p> <p>Q: Does this action plan add 1 FTE in lieu of the two .5 FTEs current performing work? A: Yes.</p>	
63.	3.8		

#	Date requested	Comment/Question	Status
		<p>Action Plan#10: Facilities</p> <p>Q: What is the return on investment for the proposed Seattle Municipal Tower (SMT) space reconfiguration? A: This project saves money by year 7; we can provide info to show long term savings.</p> <p>Q: Can you separate the costs for the North end, South end and office space reconfiguration projects? A: Yes, we will provide that information on April 5.</p> <p>Q: Is there an opportunity to look at the cash flow, particularly 2018-2019 and try to eliminate the peaks? A: Yes, we are looking at this.</p> <p>Q: Is the ergonomic office configuration being provided for everyone or only those employees needing special configurations? A: Everyone. Even an employee's height can require a work space modification.</p>	
	3.8	<p>Action Plan #11: Expand Security Monitoring</p> <p>Q: What is the cost share for this action item to wholesale customers? A: About 60%-40% wholesale vs. retail.</p> <p>Q: Is the new FTE proposed here overseeing contractors? A: No, the FTE is actively monitoring.</p> <p>Q: How does this security plan compare to other cities of this size?</p>	

#	Date requested	Comment/Question	Status
		<p>A: We will provide a benchmark attachment.</p> <p>A: How will you measure the risk being mitigated?</p> <p>A: We'll create metrics to measure the success of this Action Plan</p>	
65.	3.8	<p>Action Plan #12: Green Fleet</p> <p>Q: Are we meeting the carbon neutrality goals?</p> <p>A: There is not a carbon neutrality goal under the current administration. It's an informal target.</p> <p>Q: Is this in addition to the capital replacement program?</p> <p>A: Yes.</p> <p>Q: Has the telematics part of this plan gone through the unions?</p> <p>A: Yes, although there is a current AVL system, this is something we need to continue to talk about with the unions.</p>	
66.	3.8	<p>Action Plan #13: Improve Technology Services</p> <p>Q: With IT consolidation, did SPU send all the IT related dollars to centralized IT?</p> <p>A: Consolidation wasn't about saving money, it was about creating standardization.</p> <p>Q: Are there current positions that can repurposed for this action plan?</p> <p>A: We would have to repurpose positions which is a challenge from a personnel perspective.</p>	

#	Date requested	Comment/Question	Status
		<p>Q: Will consolidated IT services offer strategic planning support to department? A: We are in negotiation with central IT on this issue.</p>	
67.	3.22	<p><i>Reduction Option #1: Rodent Control</i></p> <p>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.</p> <p>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.</p> <p>Q: What's the difference between the about 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 though our contract with King County Public Health.</p>	
68.	3.22	<p><i>Reduction Option #2: Pet Waste and Diaper Composting</i></p> <p>Q: Does the cost reduction for deferring this option represent the entire budget for the program? A: Yes.</p> <p>Q: Why would SPU consider deferring this item?</p>	

#	Date requested	Comment/Question	Status
		<p>A: Deferring this program would allow SPU to further investigate this option 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.</p> <p>Q: How did the Solid Waste Community Advisory Committee (CAC) view this reduction option? A: They were neutral on this option.</p>	
69.	3.22	<p><i>Reduction Option #3: Green Seattle Partnership (GSP)</i></p> <p>Q: How long has SPU been contributing to this partnership? A: Since 2010.</p> <p>Q: How does the partnership benefit SPU? A: It maintains a role in guiding the program through work with the Executive Council.</p> <p>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.</p>	
70.	3.22	<p><i>Reduction Option #4: Solid Waste Bill in Advance</i></p> <p>Q: How much will this save SPU?</p>	

#	Date requested	Comment/Question	Status
		<p>A: Unknown exactly, there will potentially be some efficiencies realized.</p> <p>Q: Have you looked at developing another funding package for this?</p> <p>A: Yes, but you'd potentially have to raise rates to get those additional \$.</p> <p>Q: Is SPU recommending this reduction?</p> <p>A: No, there is a high risk to this option.</p> <p>Q: What's the industry best practice?</p> <p>A: Best practice is to bill after the service has been provided.</p> <p>Q: Does SPU have a rate stabilization account?</p> <p>A: Water and Solid Waste have rate stabilization fund, Drainage and Wastewater does not.</p>	
71.	3.8	<p>Reduction Option #5: Sewer Cleaning</p> <p>Q: In 2015 plan, this was an action item, but not implemented. Is this important or not important? A: There was an action in 2015, but it did not include the staffing needed to complete the action plan.</p> <p>Q If this is implemented, how will you continue to do this past 2019? A: We would complete with 8 regular staff instead of 12.</p>	
72.	3.8	<p>Reduction Option #6: Risk Reserve</p> <p>Q: What is the current state of the risk reserve?</p>	

#	Date requested	Comment/Question	Status
		<p>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.</p> <p>Q: What is the best practice for risk reserves for a Utility? A: SPU carries less of a risk reserve than other Utilities.</p>	
73.		<p>Reduction Option #7: Solid Waste Contracts Inflation</p> <p>Q: What has the Consumer Price Index (CPI) been in the last 6 years? A: About 4.2%</p> <p>Q: Is it possible to factor in fuel process when you develop a contract. A: We currently do, it's difficult based on the volatility of the fuel market.</p>	
74.	3.22	<p>Reduction Option #8 Culvert Program</p> <p>Q: This reduction represents a 25% cut, is that correct? A: Yes.</p>	
75.	3.22	<p>Reduction Option #9 Sanitary Sewer Capacity</p> <p>Q: Is it possible to take reductions in 2022 and 2023 and revisit later? Consider keeping 2018-2020 dollars for planning and design. A: Yes, this is a viable option.</p> <p>Q: Are 2018-2020 dollars related to design and not construction?</p>	

#	Date requested	Comment/Question	Status
		<p>A: Yes.</p> <p>Q: Are these discrete projects in the hopper? Or are these hypothetical cuts? Could you scale it back?</p> <p>A: they are known projects where we are currently having problems.</p>	
76.	3.22	<p>Reduction Option #11 Transportation Opportunity Projects</p> <p>Q: Are these CIP projects bonded?</p> <p>A: Yes.</p> <p>Q: What is the annual rate impact?</p> <p>A: We'll be coming back with this information.</p> <p>Q: How many projects in the DWW projects will not get done if this option is selected?</p> <p>A: Between 6 or 8.</p> <p>Q: What is the expected failure rate if you don't complete the opportunity projects?</p> <p>A: It depends on the asset</p>	