



PLANNING & URBAN DESIGN

SEATTLE PUBLIC UTILITIES CUSTOMER REVIEW PANEL SUMMARY

March Quarterly Meeting
March 13, 2023

SUMMARY

CUSTOMER REVIEW PANEL MEMBER ATTENDANCE:

Ebony Frazier, Bobby Coleman, Amanda Richer, Miki Sodos, Robin Schwartz, Noel Miller, Gretchen Glaub, Tiffany Sevilla, Maria McDaniel

Welcome & SPU Updates

Andres opened the meeting. Welcome by Andrew Lee, Director. Thanked everyone for attending and provided a preview of the meeting agenda, as well as thanking everyone for serving on the CRP.

Public Comment

There was no public comment.

Committee Business

December minutes – approve December meeting minutes. Noel motion; Ebony seconds. Minutes approved.

Proposed Charter Amendments – changes to Panel's charter amendments described to Panel by Andres; slides described the specific changes to the language summarized below:

- Allowing stipends – current language prevents stipends; change allows stipends for Panel members; CRP members may accept, decline, or donate the stipend
- Reducing number of co-chairs – current language requires two vice chairs; language changes that to “up to two vice chairs”
- Allowing virtual attendance at meetings – changes to allow virtual meeting attendance which was previously not allowed.

Noel motioned to adopt charter amendments, Ebony seconded. Charter amendments were passed.

Noel: As we look at panel officers, there are openings for a vice chair and eventually the chair will be open as well. At next quarterly meeting, we should have elections.

Council/Mayor Updates

- Brian Goodnight, Council Central Staff – nothing before the council right now; one item up for consideration is the 2022 solid waste plan to be voted on April 4th at committee.
- Akshay Iyengar, City Budget Office: still working on year-end financial books closure and housekeeping. Working on 2024 budget cycle and sending guidance soon. Aiming for small changes to endorsed budget.

Introduction for King County Treatment Division at 3/21 Study Session

Study session will be virtual.

Ben Marre and Maria Coe – talking about KC Wastewater treatment rate and 10-year rate projection. KC will send materials one week in advance of study session.

See slides for more information.

Brief history: Seattle and other jurisdictions are wholesale water customers of King County. We are subject to the rates that they set which are then incorporated into our costs and ultimately into Seattle customers' rates. King County provides sewage and infrastructure (since the 1950s) took over West Point treatment plant. Contract was established in 1961; in 1991 it was amended to include a capacity charge to pay for growth. Contract expires in 2036.

Major concerns: SPU teams feels that better planning is needed from King County to ensure fair rates now and in the future; an updated plan is years away; no strategic plan or customer voice is part of their process.

KC Council adopts rates every year; also includes a 10-year projection. County collects money through the agencies (their wholesale customers) buy billing them for metered water. Agencies incorporate water treatment into sewage rates.

CRP member question - Is there a planned amendment coming up to incorporate new information and projections? Are there restrictions where the funds can be used? No, paying the same rate no matter where in the County customers are located. Is there an incentive for density? Nothing is incentivized except to use less water.

Rate proposal from County staff to KC Executive for 2024 is 5.75%. Results of their increase will account for a large part of our rate increase. Changes will put a lot of pressure on our sewer rates going forward. The higher their rate goes the less flexibility we have on our rates and spending. We rely on good planning from them.

Long Term financing – their plan is to issue 35-year bonds. They have extremely high existing leverage; there are future regulatory requirements. Rate path is raising concerns about long term sustainability of KC's current rate path.

Capital Program - growing three to four times over the next year. They are projecting huge increases. Planning seems rudimentary; asset management is at pre-planning stages which seems surprising with so much growth projected. Not confident about the accomplishment rates of these programs.

Concerns/Issues CRP members may want to raise:

The KC rates make up 55% of SPU's sewer rate even though Seattle customers are not direct customers of King County's.

While this year's rate proposal is slightly lower than anticipated, there is high degree of uncertainty in the following ways; rate increase projections fluctuate wildly and we don't have a clear picture of exactly what we are paying for.

Other way's that SPU is involved in working with King County in this area: staff participates on the advisory committee and the governance study and councilmembers serve on the regional water quality committee.

Noel: we should look at the letter to KC that we sent before and after the presentation with King County we should consider a letter or white paper about our position. (This will be provided to CRP members prior to the study session).

Ebony: have we/do we talk directly to the County Councilmembers? Yes, we do work with them through CM Balducci on the Regional Water Quality board.

Foundational Briefing – SPU Corporate Functions #2

Please see PPT slides for details

Environment and Infrastructure Overview

Climate Action – Ashima Sukhdev, Ann Grodnik-Nagle

- Operations affected by climate change, but operations also effect climate change in a negative way

- Impacts are borne inequitably (unhoused, vulnerable species)
- Climate justice – build community resiliency; anti-displacement policy
- Avoid and reduce – SPU uses a lot of energy; we can reduce greenhouse gas emissions; reduce citywide emissions of global production and food; sequestration of carbon
- Restoration of nature based multi-benefit solutions

Risk & Resilience – Chris Hilton, Chad Buechler, Dan Ward

- Miki: you can't see what's happening with your credit card at the transfer station. Response: standard is very high about the safety of the credit cards.
- Looking to the world around us to determine what risks might affect SPU; many businesses look at the same risks we do – top risks are climate changes and natural disasters. Climate migration, social cohesion, cybercrime also very high.

Facilities Planning – Easton Branam – post-poned this until an April meeting due to time constraints

South Park Flooding & Responding Update

See PPT slides for details

No specific ask today regarding this work but there are likely to be financial implications due to the significant resources that were spent on the efforts.

South Park has a long history of experiencing flooding. SPU was the lead during the event and worked on emergency services throughout the crisis. 12-27-22 King Tide, storm surge, very low pressure, second historic King tide in 2022. Despite preparation, flooding was severe, and people were displaced.

People had to leave in their pajamas in the cold and wet. Trying to get people out of their homes, dry and with as many possessions as possible. Grinder pumps helped keep some sewer water from people's homes.

SPU was able to move 20 people to hotels. Citywide emergency response command structure was implemented to provide as many services as possible. Laundry, clearing and cleaning of homes and Red Cross services were provided.

Response challenges:

December event was more severe than predicted. There was a great deal of concern about the January tides. 100,000 sandbags were brought in to combat future events. Risk management, climate team, communications, IT, and many other members of SPU's staff were out there helping.

Robin added: that logistics team was super helpful. Her house received minimal damage. The level of response was up and down. The king tide was not expected. She's never seen a response like this before and she felt the area was taken care of. Although not everyone has been able to return home.

Next steps: likely take another four months for everything to be figured out. SPU has three projects in process right now.

- Pump Station is almost done. *Are there King County efforts and CIP projects to be built in this area to improve their part of the system? Yes, they are in the early stages of their budget with a small project. It is designed for the river over-topping concerns.*
- South Park roadway and drainage operational in spring
- Grinder pumps – addresses the elevation issue of the river level

Next steps for resilience building efforts for the long-term situation in South Park. Physical interventions for flood protection and infrastructure in place to prevent future events. How can our investments prevent displacement as well as improve the flood situation in the future.

- Next phase of additional infrastructure for conveyance. Looking for external funding.
- Water Quality facility built in 2030; soil remediation issues are significant

CRP Discussion & Reflection

Andres kicked off the discussion with letter that the CRP will write to Council. This CRP group is not like any other and it's important that the letter reflect your interests and voice. Your values are unique and so the process needs to be one that complements the make-up of this board.

As we dive in, there is a lot of information you have received. We want to understand what is on your mind and what information we might need to get from SPU for you to feel like you have the information you need.

What are some of the top priorities that are filtering in your mind right now?

Noel: rate drivers and increases. Why do rates go up more than inflation? Collectively, we need to understand the rates and comment on those to SPU and City Council.

Amanda: focus on inequity. Commitment to RSJ and climate change was amazing. Climate change might be once a year concern. Looking at climate risks and making sure they are centered.

Ebony: King County water rate increase is a big red flag. Interrelated with climate change and when mitigated how that affects everyone particularly the lower income folks.

Miki: Practical application of some of the ideas – wrong bills, side sewer issue but don't qualify for loan program. How are we checking the practical applications on the ground level and making sure the ideas are being applied there as well?

Ebony: how SPU does do community engagement and education with customers and businesses? Neighbors who don't have trash pick-up and that impact on the environment and their community as an example.

Andres: impact on the workforce on SPU.

Bobby: very high number of front-line staff able to retire seems concerning.

Maria: our other languages being made accessible to folks that don't speak English. As newer programs are being added, are they being used to their fullest capacity? Will be there more funds from the federal government for past due bills? How are these great things being measured? Are the programs being evaluated? Are they being improved or going forward as is? She didn't know about the side sewer program until she started working with SPU.

Robin: Anti-displacement efforts important to SPU. Job openings at SPU could be connected to local high school students.

Bobby: SHA large customer of SPU, can we discuss what we give up when the rate goes up? Even a 5% increase in rates in millions of dollars. What the impact on programming is when the rate goes up. He's been hesitant to bring that up but it's becoming increasingly important to their organization. New challenges to the community when the rates for essential services go up.

Andres: Rate conversation and also partnership conversations as well. The CRP role going forward includes:

- Technical service that this letter does for SPU
- Values tailored to the panel that can also be included
 - Why is it important to the community?
 - What do you want to see in the update?
 - How do we tailor the feedback that achieves what is needed but reflects with the CRP is most interested in

- Bobby: What is the goal of that?

Maria: SPU's website is great and provides a lot of information for rate payers about various programs and services. We can't assume everyone has internet access or has visited the site. With staffing limitations, how can outreach be ramped up?

Meeting adjourned at 5:30 PM