



## Meeting of the Water System Advisory Committee (WSAC)

May 8, 2019 Meeting Notes

Seattle Municipal Tower, 700 Fifth Avenue

Room 4901

5:30 pm – 7:30 pm

WSAC Members	Present?	SPU Staff & Guests	Role
Joel Carsley	Y	Natasha Walker	CAC Program Coordinator
Steven Cole	N	Sheryl Shapiro	CAC Program Manager
Rodney Schauf	N	Melissa Levo	Water System Policy Liaison (Interim)
Kat Dej-Panah	N	Cathy Thielen	Utility Account Services Manager
Wendy Walker	On Leave	Alex Chen	Division Director, Water Planning and Program Management
Annie Saunders	N		
Christina Heinlen	Y	<b>Guests</b>	
Angella Mickowski	Y	Mary Pearsall?	

### 1. Regular Business

- WSAC Vice Chair, Joel Carsley, opened the meeting at 5:37 PM.
- Sheryl indicated emergency exits and exit procedures.
- Water LOB Updates:
  - Follow-up on Water Supply Update from April: Since the last meeting, we've had more than a months' worth of rain over a week. We are watching the snow melt over the next week or so, then watching for more rain in spring.

### 2. Annual Water Quality Report Part II

Ellen Pepin-Cato, Communications Strategic Advisor with the Community Affairs Division, could not make it to the meeting. In her stead, Melissa Levo provided a follow-up on the progress made on the Annual Drinking Water Quality Report and how WSAC input was incorporated. Melissa shared a preliminary draft of the Water Quality Report. Comments from Ellen (summarizing comments received from WSAC members in March) were as follows:

- ✓ Understanding water use
- ✓ Water conserve message was prioritized
- ✓ Info for renters (a whole new option was considered for that)
- ✓ Keeping better than bottled – kept and incorporated
- ✓ Keeping the water system chart graphic
- ✓ Including SPU contact information
- ✓ Adding a promotion for the Water System Advisory Committee
- ✓ “Beefing up” information on lead

- ✓ Addressing the topic of preparing for climate change

The next draft of the report will have many more edits. Members were asked for comments:

- **A CAC Member** said they found it visually pleasing (especially the front cover) and liked the order of the content. They liked the centerpiece focus, and the fact that more detail is available if people want it.
- **A CAC Member** said they thought it was laid out nicely, it was easy to read and comprehend. They were impressed by the comprehensiveness of this report, relative to the one-page design they had seen out of another City.
- **A CAC Member** said they really liked the Whiz Quiz and that the last few reports have sharp design.
- **A CAC Member** said that next year, it would be helpful to show WSAC members the last couple of reports at one time, which could help to discuss themes that really speak to us versus ones that don't. They said it would nice to see a few years in a row.

Staff shared that in the future, SPU will be federally required to issue two reports per year. They'll be looking for content to keep the report interesting, explore alternative methods of delivery, and ways to maximize our opportunities with the report given the requirement to produce one every six months.

Staff asked members to share their thoughts about the Advisory Committee promotion.

- **A CAC Member** said that just from just reading the promotion, they didn't get the sense that the committees would be accessible to them. While it is clear the Committees exist, the promotion does not clearly communicate that any community member could serve.
- **A CAC Member** felt that the word "volunteer" sounded formal. They felt that the section title should address/call out that the "every-day person" is eligible to serve.
- **A CAC Member** suggested the title be changed to "You're invited...!" or include "we want your knowledge and opinions."
- Staff noted that the term "customer confidence" stood out to them. They asked members if they see themselves as Utility customers or Utility consumers
  - **A CAC Member** said since our services are not "products", the term customer felt weird. They said they feel they have a right to it (Utility services; i.e. water).
  - **A CAC Member** suggested we reference "residents", or "services."

### 3. Leak Adjustment Director's Rule

Melissa Levo, Leak Adjustment Director's Rule Core Team Member, provided an overview of the work being conducted to revisit the Leak Adjustment Director's Rule. Levo began with an overview of the Leak Adjustment Director's Rule. A copy of the rule was sent to WSAC members in advance. Levo explained that the financial hardships incurred by some customers under the existing policy is one of the drivers for reviewing the rule. Levo walked members through the process for review, which will result in a presentation of final options to SPU's Policy Board. The goal of tonight's meeting was to understand WSAC members' perception of the current rule and gather any initial thoughts on options to consider. We anticipate further engagement with WSAC members to gather feedback in Q3/Q4 regarding draft,

proposed options. Levo gave a brief overview of a recent customer water leak incident, and the surrounding media coverage.

- **A CAC Member** asked what caused the leak, and how long did it take before it was found out. Staff responded that pipes age and sometimes leak, and it can be difficult to detect when the leak is underground.
- **A CAC Member** asked about the “clause” mentioned in the story. Staff responded that there is a waiver in the current Director’s rule; SPU chose to use that waiver in this situation because there was an estimated bill for the first bill period during the leak. This had delayed the customer’s ability to address the leak earlier.
- **A CAC Member** asked what the primary reasons are for estimating bills. They wondered if it was due to available staff. Staff responded that bill estimates are generally due to inaccessible water meters and not lack of available workforce. Estimates are based on consumption history.

Levo reviewed the leak qualifications for the rule, and the 2018 adjustment figures. Levo used an example residential customer case to illustrate the adjustments. Levo walked WSAC members through an SPU water bill, explaining the billing methodologies for water versus sewer, and noting that the way we bill is important in understanding decisions around the leak adjustment policy.

- **A CAC Member** asked how the variable rate for commercial is calculated. Staff responded that it is based on the water (CCF) usage. SPU uses CCF for residential as well, but the residential sewer max rate is set based on an average usage in the winter time.
- **A CAC Member** asked if commercial customers must pay a fixed capacity fee? Staff provided the following link to better understand sewer fees:  
<https://www.seattle.gov/utilities/services/rates/sewer-rates>
- **Staff** shared the history of how the bills were updated to note that “67% of sewer rates are paid to King County.”
- **A CAC Member** asked why SPU doesn’t use the AMRs (Automatic Reader Meter). Staff responded that we do not use them, one of the reasons being that SPU would still need a meter reader visiting every home to take reads from radios. The expense to install the meter reader with the radio transponder, as well as the cost of regularly replacing the battery, has not shown to be cost-effective in the long-run. The advantage of the AMR system is that the meter reader is less likely to miss the read and allows the ability to check the meter daily.

Levo handed out copies of the pamphlet that is provided to residences where leaks have been identified by the meter reader. WSAC members looked at an example bill adjustment. Levo shared that the Office of Housing home repair loan provides customers who make up to 80% of area median income no or low-interest loans to help them pay for repairs.

- **CAC Members** expressed confusion over the terminology “50% above normal usage,” and also expressed confusion on why sewer is 100% covered by water is only 50% covered. Staff responded that the excess sewer charges are 100% covered because when it is an underground leak, the water does not go into the sewer; it is not being transported by the sewer lines or

treated. There are no leaks that currently go into the sewer that would qualify for adjustment. That is a key question that we are looking at as a core team.

- **A CAC Member** asked if the pipes are installed by the City? Staff responded that no, the homeowner or developer installs any pipes on private property. SPU water inspectors do inspect new construction pipes.
- **A CAC Member** asked what kind of material is used for these pipes. Staff responded SPU infrastructure is made with 3 major kinds of water pipe materials: copper, which seems to be lasting the longest, galvanized steel, which is steel dipped with galvanized corrosion protection and tends to not leak for 50-60 years, and plastic. Staff explained that SPU started replacing galvanized with plastic and saw early failure 30-50 years, which was worse than galvanized piping, so we have since returned to using copper. On the private property side, many contractors are using Polyethene (PEX). It is cheap, flexible, and easy to install but the lifespan is unknown.

Levo reviewed the principles of change the core team looking at this rule has identified, as well as the changes they are considering.

- **A CAC Member** said they were surprised by the graph on residential indoor water use, and the statistic that 24% of use is toilets. They thought that the uptick in high efficiency toilets might have resulted in a lower number.
- **A CAC Member** asked how often SPU hears from customers that water should be free. Staff responded that it comes up now again, about water as a human right.
- **A CAC Member** asked if it would be possible to make a certain level of water use free, and anything above that is additional cost? If there is a way to prove out leaks with no negligence, that there would be a significant amount of forgiveness? Is there a better way for everyone to benefit?

#### **Exercise: Customer Scenarios**

The goal of the exercise was to discuss impacts to customers of the leak adjustment policy by examining real-life water leak scenarios and the outcomes for customers.

- **A CAC Member** said they felt like it was like a lose-lose when there's a leak/accident. Life is not fair, and these things happen.
- **When asked if there is a difference between underground and toilet leak, CAC Members responded** that no, they both are unfortunate.
- **A CAC Member** said that if the customer with the leak doesn't pay, the cost would be spread across everyone else's bills, and that's not fair either. Fair is not an applicable word. It is homeownership.
- **A CAC Member** shared that as a renter reading through some of these documents, they understand the owner is responsible for maintenance and they are wondering if the responsibility of repairing the leak could be easily passed onto someone renting or leasing a home. Staff responded that yes, that is possible.

- **A CAC Member** said they did not feel the scenarios were unreasonable, and that they follow the law.
- **A CAC Member** felt that the difference between underground and leaking appliance is that one can be more easily proactive in prevention: a customer can replace their toilet, and its negligent of me to let that leak happen. However, an underground leak is harder to detect.
- **A CAC Member** said that some people may know their appliance is leaking, but don't realize the impact. SPU should provide information to the customer for how to do the right thing.
- **A CAC Member** felt that including appliances could be a slippery slope.
- **A CAC Member** addressed that there is a lot of equity issues associated with this rule; for example, language barriers and not understanding what a leak is could prevent customers from acting. In a previous CAC meeting, CAC members discussed why customers don't always submit claims. They struggled in reading these leak customer stories, because those customers living paycheck to paycheck can't pay any more each month, even with a payment plan. They felt that there are a lot of good reasons why real time meters aren't financially feasible, but that customers need more immediate notification to begin looking at addressing the issues. Fixing it in 10 days versus 30 days could result in a lot of savings. It could also allow lower income customers to begin saving for the repair.
- **A CAC Member** asked if SPU ever sees leaks like this more than once. Staff responded that it happens. Sometimes they might have a long line and fix only one section of the line but discover a leak again. This is not common.
- **A Staff member** asked if it would be possible to inventory the age of houses in the City and address those homes preventatively in the water conservation group. Staff responded that it is in SPU's plans to ramp up education on toilet leaks, and find ways to target older toilets. Staff added that with side sewers, often inspections of newly purchased homes includes CTV inspections of side sewers. But it is hard to inspect a drinking water pipe, which is ¾" in diameter and under pressure all the time. There is not a correlation between date of house and type of water pipe.

**Staff asked Committee members a question the Core Team is grappling with: What is an appropriate amount to ask them to pay beyond their normal cost? What amount seems like it is just too much? Unaffordable? Is it a percentage?**

- CAC members struggled to produce a number or percent. One CAC member discussed how banks use algorithms to predict spending behavior and determine fraudulent charges. The bank takes the risk on. SPU should consider a way to calculate, based on data, what that amount is.
- **A CAC Member** felt that anything more than three-months' worth is too much.
- **A CAC Member** said they felt that maybe it is worth the cost to install automatic reader meter. Some of the utilities, such as City Light, are going to advanced, expensive auto detection metering system. Bellevue is doing it now too. The better notification for leaks, which will result in shorter leaks, may offset the additional money going out the door for the installation/maintenance.
- **A CAC Member** wondered if SPU could drop off educational materials at all homes to increase customer awareness around their responsibility with monitoring for leaks.

- **A CAC Member** asked if SPU feels that the cost of water is as high as it should be to provide the services that we think we need. They wanted to know if the cost is subsidized. Staff responded that the rates are based on cost of service; what it costs SPU to treat and operate our infrastructure and it is not subsidized in any direct way. We examine water rates every three years. **The CAC Member** said that they asked this question because they hear about SPU not being able to update infrastructure due to costs, and it makes them wonder if SPU is not charging enough for services. Staff responded that rates cover the services we are providing, but to provide that higher level of work we would need to pass on a much higher cost. We're covering our cost now, but the infrastructure is aging, and we now must factor that in.
- A staff member added that we need to consider inter-generational equity, i.e. who is paying for those upgrades now versus in the future.

We will include follow-up questions in the survey that goes out tomorrow for any additional feedback.

#### **4. Debrief 4/24 All-CAC meeting on Risk and Resiliency and Exercise on Equity considerations**

We did not have time to discuss.

#### **5. Potential Water Quality Lab Field Trip**

Staff are coordinating a field trip to SPU's Water Quality Lab, but it is only available on weekdays. We will be sending out a survey to gauge availability and interest in doing that.

#### **6. Community Insights, Around the Table**

- **A CAC Member** shared that in June, the American Water Resource Association is hosting a weeklong conference in Reno.
- Staff provided an update on "UrineTown", a collaboration between 5<sup>th</sup> Avenue Theatre and ACT Theatre about the privatization of water. A WSAC member connected SPU 5th Ave. staff to explore possible partnership in their pre- and post-show talks. SPU partnered for the show to provide interactive displays in the pre- and post-show. They were live streamed, so Sheryl will send the link.

**Adjourned 7:37 PM**