Welcome and Introductions. Attendees introduced themselves.

Review and Approval of Agenda. No questions or comments on May 13 agenda; agenda approved.

Review and Approval of Meeting 2 Summary. No questions or comments on the May 6 meeting summary; meeting summary approved.

Ethics Office Presentation: Serving on a City Panel. Wayne Barnett, the City’s Ethics Officer, provided an overview of the main City ethics rules applicable to serving on the Panel. The Panel’s role is to provide a customer perspective. Panel members cannot carve out any special treatment for their employers or themselves. When communicating with SPU staff, Panel members should be clear whether they are speaking from their role as a Panel member or as a citizen or business person. Wayne is available to answer any questions.

Follow Up on Calendaring Items.

a. Meeting Dates through September. Meeting dates have been set and appointments sent out. June 5th meeting will be re-sent, to include field trip time (starting at 11:00 AM), and changing the location to the Operations Control Center on Airport Way. June 10th appointment will also be re-sent.

b. Field Trips. All Panel members indicated they were interested in touring the Operations Control Center (OCC) and the Water Quality Lab. Panel members agreed to hold the next meeting (on June 5) at the OCC, and have tours and lunch prior to the meeting time.

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1 Only those individuals sitting at the head table or give presentations to the Panel are included on this list. A number of other staff and consultants attended the meeting.
Panel Organization: Approval of Panel Charter. Karen presented the new draft Charter to the Panel, which includes the changes the Panel made at the May 6th meeting; with these changes, *the charter was approved*.

Panel Organization: Nominations for, and election of Panel Chair and Vice Chair. Noel Miller was nominated for Chair, and nominations were closed. Noel was unanimously approved as Chair of Panel. Carl Pierce was nominated for Vice Chair, and nominations were closed. Carl was unanimously approved as Vice Chair of Panel.

Strategy for Responding to Panel Questions. Questions answered at the meetings are included in the meeting summaries. For other questions, SPU staff will keep a running list of what has been asked and the status of the response. The Panel will provide direction on the preferred response method (in writing or follow up discussion) and SPU staff will let the Panel know how quickly the response can be provided. Diane went through the list of questions to-date.

Response to Questions from Meeting 2. Kim Collier handed out follow up data on costs associated with employee injuries and a copy of a related audit report; Nancy reviewed information in a handout summarizing the age and material composition of the water distribution and transmission pipes. Other questions from Meeting 2 will be answered as part of the “Baseline” report, or in a subsequent meeting.

Question: Do you have ergonomics training? Answer: Safe way to do job is included in the curricula for certain jobs. SPU does not provide general ergonomics training for all employees.

Comment: Would like to follow up on safety data in more detail at a later date.

Comment: Karen must have lots of good ideas from SCL Panel; request to make recommendations for this Panel as it is appropriate. Response: Will do.

Presentation and Discussion: Line of Business: Drainage and Wastewater. Trish presented the overview materials for the Drainage and Wastewater line of business. Trish described the varying infrastructure throughout the City; regulatory requirements for wastewater and stormwater; rates and bills; customer accounts; rate methodology; customer service levels.

Question: Are there financial obligations to SPU of Brightwater? Answer: Yes. Seattle’s share will be around 20-25% of the costs, based on growth.

Question: What is flooding issue? Answer: Upstream from CSOs, we have flooding or sewer backups into basements or onto streets; overflowing creeks.

Question: If sewage backs up into a basement, is the City liable? Answer: Yes, if it is demonstrated that it is SPU’s liability—something wrong with the City system, as opposed to the side sewer. If the backup is caused by an extreme act of nature, then SPU not liable.

Question: How many sewer backups are the result of SPU infrastructure problems? Answer: 800-1200 sewer backup calls/year; about 50/year are fault of SPU system. 30 of these are maintenance issues; others are capacity or other issue.
Question: How do you get heavy metals out of wastewater? Answer: Some of it settles out at treatment plant, but the technology for removing metals is somewhat limited; some remain in the effluent discharged into the Sound.

Question: What will Panel weigh in on, related to Drainage and Wastewater issues? Efficiencies, identification and elimination/reduction of lower priority work? When will this be discussed? Answer: In baseline, we will describe expenses in more detail, and prioritize what’s in the baseline. Then we will prioritize new investments and develop choices for efficiencies. Throughout this process, we need to account for risk. And, we will be benchmarking against other, similar utilities to identify how we can get more efficient.

Question: To what extent is there any scope to influence wastewater treatment costs charged by King County? Answer: We have regular conversations with County on treatment contract. Currently in discussions with the County on the principles of the contract.

Question: Will benchmarking study include a look at street sweeping as a way of addressing surface water run-off issues? Answer: We will make sure this is included.

Question: Looking ahead, are there federal or state regulatory requirements that will require retrofits of wastewater system? Answer: Currently, to some degree it is voluntary – as long as we make reasonable progress, we will likely be allowed to be flexible here. But, there is potential for stiffer regulations than what we have today.

Question: Having each new building provide a holding tank for stormwater seems inefficient. What about putting in more regional flow controls instead, and have new development contribute to regional system? Answer: We will come back with an answer on this.

Question: Is exact manner in which we will meet our regulatory requirements delineated? Answer: There is some flexibility.

Question: Talking about “regulators” – who are they? Answer: Wastewater’s primary regulatory is the state Dept. of Ecology, who is accountable to federal EPA.

**Presentation and Discussion: Line of Business: Solid Waste.** Tim Croll presented the solid waste overview: Lots of solid waste services are contracted out; lots of the work is done by the customer (source separation; putting containers out on the curb; etc); less regulated than other lines of business. Discussed solid waste processes for recycling, organics, garbage; rates; investments; etc.

Question: where is the recycling processing facility? 3rd and Lander in SoDo. Private company; not run by the City.

Question: Any agreement with the landfill operator on methane generated at that location? Answer: Yes, SCL has the right of first refusal for energy from methane on landfill. Several cities landfill their garbage at this same location.
Question: Does SCL have to compensate SPU for the rights to purchase the electricity generated from the methane? Answer: No; SPU received other contractual concessions, and asked that SCL get the rights to the electricity generated.

Question: Explain the rail contract? Answer: Rail transport of solid waste from the city to the landfill is provided by a subcontractor to the landfill owner; the City doesn’t have the contract with the rail carrier.

Question: Do we have information on financial performance by waste stream type? Answer: No; we look at the health of fund as a whole. However, recycling is a money maker; solid waste is more expensive; organics are in the mid-range of cost in comparison. So to the degree that the city recycles more, net costs to operate the utility should decrease.

Question: Revenue from residential is about half; tonnage is about a third – why? Answer: More expensive per ton to pick up residential containers as opposed to larger commercial dumpsters.

Question: Will Panel weigh in on service levels? Answer: Contracts include these service levels, and are set through at least 2019. But, when contracts renegotiated, could ask for bids at differing service levels to see change to costs.

Question: Does it matter if recycling is dirty? Answer: Needs to be reasonably clean. People do pretty well. All sorts of separators at the processing facilities. When we went to mixed collection, contamination rate went up 3-4%. What can’t be recycled, comes back to us and gets landfilled. Drivers are first line of defense – if it’s contaminated, they will tag it.

Comment: Would like field trip to a recycling processing facility.

Question: Is North Transfer Station more expensive than South? No – will get a more detailed breakout of south vs north costs.

Question: Where did the service level requirements in the solid waste hauler contracts come from? Answer: these were generated by SPU for the most part. We’ve done some willingness-to-pay studies, but these have focused on every-other-week pickup of garbage. General sense is that these service level requirements have generated very little incremental costs to SPU.

Question: On Clean Cities graffiti, what properties is SPU responsible for cleaning? Answer: SPU cleans up SPU property and some SDOT property; other departments (Parks, e.g.) handle their own property. Graffiti on private property is the responsibility of the property owner.

Question: What are possible bans on disposable materials? Answer: We could ban disposal of food waste and contaminated paper. Now, it is illegal to put yardwaste in the garbage and cardboard in the garbage, but it is not illegal to put food waste in the garbage.

Question: Is there any penalty for a business vis-à-vis littering by its customers? Answer: Expectation is that businesses provide litter cans; no penalty to the business for customer littering.
Question: Have we tried putting dumpsters on commercial blocks? Answer: Would expect this would increase illegal dumping.

Question: In sources and uses, why the difference between sources & uses? Answer: Will need to get back on this.

Question: How do Seattle’s recycling goals compare to others? Answer: Ours are among the highest in nation. Others calculate recycling levels differently than does SPU, for example, including landfilled “daily cover material” made from recyclables are part of their recycling totals. We will get more specific information on this.

Question: can Benchmarking also look at service levels? Answer: Yes.

Question: Non-contract costs – can we benchmark these? Answer: Yes. Will drill into contact center, transfer stations, etc.

Question: Talking about aging workforce and OJT injuries – is solid waste experience similar? Answer: less of an issue; but do have truck drivers and these have similar issues.

Next meeting (Meeting 4, June 5):
- Follow up on questions
- Overview of Corporate Functions
- 2012 Focus group & employee survey results
- Customer 2020
- Presentation of SPU “SWOC”

Follow up Items for Staff:

1. Follow up Questions:
   a. What are the pros and cons of mitigating stormwater runoff via more regional flow controls, as opposed to requiring new development to mitigate for increased flows on the property?
   b. What are the comparative costs of the North Transfer Station construction and the South Transfer Station construction?
   c. In the sources and uses chart for solid waste, why is there a different in total revenues and total expenses?
   d. How do Seattle’s recycling goals compare to other jurisdictions?

2. Other Follow up Items:
   a. Would like street sweeping included in benchmarking
   b. Would like service levels included in benchmarking
   c. Would like solid waste non-contract costs included in benchmarking
   d. Would like to have the option of a field trip to a recycling plant

3. Focus Areas: Would like more safety data discussion at a later date.

The meeting was adjourned at 4:30.