



Progress Report to Council: First Quarter, 2017

2015-2020 Strategic Business Plan Implementation

At Seattle Public Utilities, our mission is to deliver efficient and forward-looking utility services that keep Seattle the best place to live. To keep our pledge to meet community and environmental needs, we:

- maintain and deliver some of the nation's best drinking water,
- prevent sewer backups, flooding, and landslides,
- help Seattle residents and businesses be recycling leaders, and
- protect local waterways and Puget Sound from sewage overflows and polluted storm water runoff.

We do these things while always keeping in mind that we need to spend our customers' money wisely.

The 2015-2020 Strategic Business Plan

Seattle Public Utilities (SPU) worked with customers and employees to develop a Strategic Business Plan (the Plan) to guide our work from 2015 through 2020. The Plan grew out of our efforts to provide greater rate predictability while also making important investments for the future.

The Strategic Business Plan was adopted by the Seattle City Council on August 11, 2014, via Resolution 31534. This First Quarter Report responds to the Resolution's direction to provide periodic updates on our progress.

Quarterly Highlights

1. We are currently updating the Strategic Business Plan and will submit the proposed update to the City Council on May 30. Major elements of the update process include:
 - a nine-member Customer Review Panel, City Council and Mayor's Office staff providing feedback throughout the process,
 - customer and employee outreach on rate path options, and
 - a proposed rate path reflecting new investments and savings.
2. SPU is now investing significant staff resources in neighborhood litter abatement, removing trash from unsanctioned homeless encampments and debris fields, piloting a "sharps" (syringes and needles) disposal program, and activating the City's Emergency Operations Center (EOC). This work is not supported by Solid Waste rates, but rather general tax revenues.

Meeting Service Levels

The Strategic Business Plan includes all of SPU's work and the services we provide to our customers. Table 1 summarizes SPU's current performance in meeting 20 service levels. Some highlights are provided below.

- **Instream flow (#5).** Despite record-setting winter precipitation, SPU Water Resources successfully managed stream flows in the Cedar River and South Fork Tolt River below the threshold for scour damage to salmon spawning nests (redds). Subsequent to the rainy period, the U.S. Geological Survey recalibrated a key stream gauge in the Cedar River near Renton and adjusted the collected data upward slightly above the scour threshold. SPU Aquatic Resources staff believe the impact to the fisheries was minor. The event will be discussed at the Instream Flow Commission meeting in June.

- **Solid Waste Pickups (#18), and WMBE Consulting (#20).** Performance on both of these services slightly lags the targets this quarter. We are monitoring this and anticipate a rebound to our former above-the-target performance.

Table 1. Service Level Performance - YTD First Quarter 2017

#	Levels of Service and Performance	Reporting Frequency	Target	Performance
Focus Area: Customer Experience - Making it easier to get help and find answers				
1	Customers rank their satisfaction with SPU services is at least 5 on a scale of 1-7. (Last measured in 2015.)	Every 4 Years	≥5	5.9
2	% of priority drinking water, drainage, and wastewater problems responded to within one hour.	Monthly	≥90%	92%
3	# of households enrolled in the Utility Discount Program. - Increase from January 1 - 2018 year end goal: 34,000	Monthly	34,000	2,271 32,414
Focus Area: Health and Environment - Better protecting your health and our environment				
4	% compliance with Department of Health regulations.	Monthly	100%	Yes
5	Meet tribal, regional, state and federal commitments for instream water for fish.	Quarterly	Meet commitments	No
6	Limit sanitary sewer overflows to no more than 4 annually per 100 miles of pipe, on a two-year average. - # of sewer overflows in the current biennium. - # of sewer overflows that count towards the Consent Decree threshold. - # of sewer overflows in the current biennium per 100 miles of sewer pipe.	Monthly	<114 <4	68 53 1.9
7	Limit combined sewer overflows to 1 per outfall per year over a 20-year moving average. - # of sewer overflows per total number of outfalls (85 outfalls total).	Monthly 1 month lag	≤1.0 by 2025	1.39
8	# tons of pollutants removed from roads during 2017 (cumulative).	Quarterly	≥140/year	48
9	# gallons of runoff water managed using Green Stormwater Infrastructure (in millions of gallons)(cumulative).	Quarterly	11.3M gallons by year-end	10.7
10	Achieve Water Conservation Partnership regional water conservation goal.	Annual (April)	<105 MGD	Yes
11	% of refuse being recycled or composted.	Annual (July)	≥70% by 2022	58%
12	% of graffiti removed within 10 business day for SDOT structures and 6 business days for SPU property.	Monthly	≥90%	97%
13	% of illegal dumping cleaned-up within 10 business days.	Quarterly	≥80%	100%
Focus Area: Operational Excellence - Improving how we work to deliver consistent, high quality services				
14	Meet obligations in wholesale customer contracts for pressure, flow, and unplanned transmission system outages.	Quarterly	Meet commitments	Yes
15	No critical services (e.g., hospitals) are inaccessible due to flooding, except during extreme storm events (events exceeding a 100-year, 24-hour design storm event).	Monthly	All critical services accessible	Yes
16	Provide reliable solid waste pickup with only one missed pickup for each 1,000 stops.	Monthly	≤1	0.5
17	Limit late container deliveries to a maximum of two per 100 deliveries.	Monthly	≤2	1.1
18	Collect at least 95% of missed solid waste pickups within one business day following notification by customers.	Monthly	≥95%	92%
19	Stay within the overall 4.6% Endorsed rate path through 2020.	Quarterly	≤4.6%	Yes
20	% of purchases and consulting contracts with WMBE firms.	YTD YTD	Purchasing ≥12% Consulting ≥12%	18.6% 11.2%
Not measured monthly On track Monitor				

Action Items – Improving Services

This section summarizes our progress on the Action Item commitments in the 2015-2020 Strategic Business Plan. We have overall goals as well as annual goals for each Action Item. Table 2 shows details on the overall goals and the 2017 first quarter progress for 14 key Action Items.

Table 2. Progress on Key Action Items (by Strategic Focus Area)

2015-2020 Action Item Goal	2017 Deliverable & First Quarter Progress	On track for 2017?
Focus Area: Customer Experience - Making it easier to get help and find answers		
1. Service Equity Provide tools, training and resources to staff to ensure equitable utility services are delivered to all communities and customer groups.	2017 Deliverables: Train about 50 staff from 10 of our community partners so they can provide culturally appropriate training to their communities on recycling and composting. To date , we plan to start community partnerships training in the third quarter 2017.	Yes
Focus Area: Health and Environment - Better projecting your health and our environment		
2. Climate Change Adaptation and Resiliency Ensure climate change is robustly integrated in the Drainage and Wastewater and the Water systems plans.	2017 Deliverables: *Incorporate results from climate change scenario analysis into the 2019 Water System Plan; develop adaptation strategies. *Update observed precipitation data; develop a process for incorporating climate projections for precipitation into infrastructure planning. *Build and cultivate professional networks to keep abreast of developing issues related to climate change. To date , work is ongoing on water system planning and updating precipitation data.	Yes
3. Energy Management and Carbon Neutrality Develop a program to enable SPU to progress toward becoming a carbon neutral utility.	2017 Deliverables: Implement a system for gathering and tracking energy use data; develop and verify SPU's 2016 Greenhouse Gas (GHG) Inventory; develop a policy framework for achieving carbon neutrality. To date , we are working to gather 2016's energy use data as well develop a more automated way to gather SPU's energy use data in the future. This data is needed for the 2016 GHG Inventory.	Yes
Focus Area: Operational Excellence - Improving how we work to deliver consistent, high quality services		
4. Broadview Drainage and Wastewater Accelerate flooding and sewer backup prevention projects in the Broadview neighborhood.	2017 Deliverables: Secure project funding and proceed with design for the Dayton Sewer Improvement and 12th Avenue Drainage projects. To date , we continue to work on a business case and a contract amendment for design work on the 12th Ave NW Drainage Improvement project.	Yes
5. Sewer Inspection Complete inspection of all sewer pipes in our system by 2026.	2017 Deliverables: Complete a sewer inspection strategy document and implementation plan; inspect 240 miles of pipe. To date , we have inspected 60 miles of pipe and are on schedule to complete the Condition Assessment Strategy project this year.	Yes
6. Sewer Rehabilitation Increase the rate of sewer pipe rehabilitation.	2017 Deliverables: Invest \$16.5 million in rehabilitation projects. To date , we have invested \$5 million.	Yes
7. Sewer Pipe Cleaning Complete system-wide cleaning by 2022.	2017 Deliverables: Clean 450 miles of pipe. To date , we have cleaned 88 miles of pipe.	Yes
8. South Park Drainage and Wastewater Develop and implement drainage improvements in the 7 th Ave South basin in South Park, to reduce flooding (pump station and conveyance improvements) and clean runoff (water quality facility) before it discharges to the Duwamish Waterway.	2017 Deliverables: Study the drainage conveyance options and develop a project management plan to implement the best option. To date , the street vacation for the pump station has been delayed. Meanwhile, we completed the analysis on conveyance options and plan development is underway. Also, we are analyzing results of the water quality facility pilot test.	Yes
9. Seismic Vulnerability Develop a plan to protect the drinking water system from earthquakes.	2017 Deliverables: Complete the seismic study with recommendations for capital as well as operational and maintenance improvements. To date , we have completed the hazards, facilities and pipelines assessment memos. The entire study is expected to be completed in the third quarter.	No

2015-2020 Action Item Goal	2017 Deliverable & First Quarter Progress	On track for 2017?
10. Valves Improve maintenance and operation of the approximately 60,000 valves in the drinking water system.	2017 Deliverables: Conduct a pipe flushing pilot that includes water valve maintenance; verify valve locations on GPS. To date, we are working to identify staff resources to address preventive inspections of critical valves.	No
11. Billing Meters Centralize SPU's water meter management functions and improve replacement and repair services.	2017 Deliverables: Determine if the current testing schedule can be maintained. To date, testing of our wholesale water meters is being optimized, and we are working to optimize testing schedules for large retail meters.	No
12. Performance Metrics Implement a SPU-wide performance measurement system that includes service levels, measures and indicators to regularly track and assess how well we are meeting our service levels and to continuously improve.	2017 Deliverables: Secure leadership approval for SPU-wide and Branch metric prioritization and selection for dashboard development. To date, we completed the Drainage and Wastewater Line of Business Performance Metric Roadshow and scheduled one for the Solid Waste line of business.	Yes
13. Facilities Management Implement Phase I of the Facilities Master Plan to address aging, deficient building conditions and inadequate space for field crews and administrative staff.	2017 Deliverables: Begin construction of Cedar Falls Phase I, the Ballard Office Building, the Haller Lake DWW Building C, and Landsburg Operations Center tenant improvements. Begin design of DWW South Operation Center, and Cedar Falls Phase II. Begin planning for the North Dewatering Facility, and the Beacon Hill Office Building. To date, for the DWW South Operations Center, we've completed 60% schematic design.	Yes
14. Emergencies and Disasters Create a comprehensive emergency plan for maintaining and restoring essential services in emergencies.	2017 Deliverables: Draft the Comprehensive Emergency Management Plan (CEMP) by third quarter 2017. Implement the supporting training plan through 2017. Deliver Incident Command classes quarterly. To date, the CEMP outline is developed, and training and practice exercises continue to reinforce new skills.	Yes