



July CRP Meeting

North Transfer Station & Webex
July 27, 2023



Tour of North Transfer Station until 3:35



A panoramic view of the Seattle waterfront. In the foreground, the blue water of the harbor is visible. A large white Ferris wheel stands on a pier. Behind it, a row of colorful buildings, including a prominent blue and yellow building labeled 'PIER 56' and 'ELIOTT'S', sits along the waterfront. The background is filled with a dense city skyline of various skyscrapers under a clear blue sky.

Welcome

Andrew Lee

CEO and General Manger, SPU

Public Comment

Andrés Mantilla, BDS Planning



Seattle
Public
Utilities

Committee Business

Water Tax Repeal Letter

Upcoming SBP Outreach Events

Andrés Mantilla, BDS Planning



Seattle
Public
Utilities

Upcoming SBP Outreach Events

Date	Event	Neighborhood
8/5	Duwamish River Festival	South Park
8/5	Lake City Summer Festival & Parade	Lake City
8/10	Rainier Vista Neighborhood House Summer Health Fairs	Rainier Vista
8/10	South Lake Union Block Party	South Lake Union
8/19	New Holly Neighborhood House Summer Health Fair	New Holly
8/19	Big Day of Play	SE Seattle
8/24	High Point Neighborhood House Summer Health Fairs	High Point
8/25	Yesler Neighborhood House Summer Health Fair	Yesler Terrace
8/26	CID Block Party	CID
8/26	Rainier Beach Back2School Bash	Rainier Beach
9/30	Sustainable Ballard Festival	Ballard
TBD	South Delridge Farmers Market	Westwood Village
TBD	Lake City Farmers Market	Lake City
TBD	Capitol Hill Tuesday Market	Capitol Hill
TBD	University District Farmers Market	University District

King County Regional Wastewater Governance Study

Elizabeth Dent, SPU

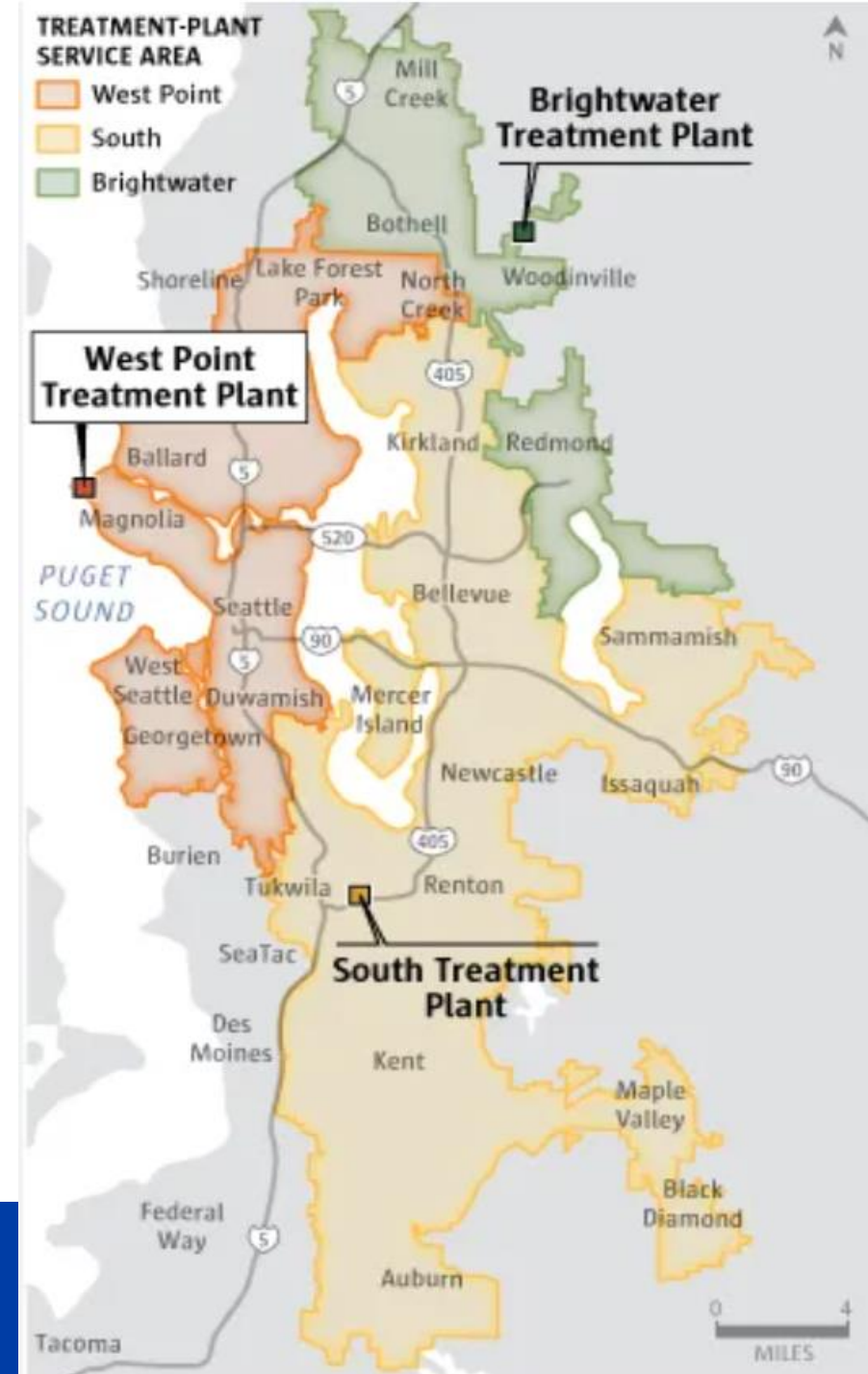
July 27, 2023



Regional Wastewater System

- King County owns and operates the regional treatment system
- Seattle pays King County to treat its sewage
- Governed by RWQC

**Regional Water Quality Committee*



SPU Impacts

- WW treatment costs: SPU → customers
- WW treatment ~60% of customer bill *(in 2022)*
- King County’s 10-year rate increase projection *(in 2021)*:

2023-2032 Rate Plan	2022 Process									
Preliminary Sensitivity	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Rate Increase %	5.50%	5.50%	5.50%	5.50%	5.50%	9.00%	9.00%	9.00%	9.00%	9.00%
Monthly Sewer Rate	\$51.98	\$54.84	\$57.86	\$61.05	\$64.41	\$70.21	\$76.53	\$83.42	\$90.93	\$99.12
Rate Increase \$	\$2.71	\$2.86	\$3.02	\$3.19	\$3.36	\$5.80	\$6.32	\$6.89	\$7.51	\$8.19






Governance Study Timeline

2021

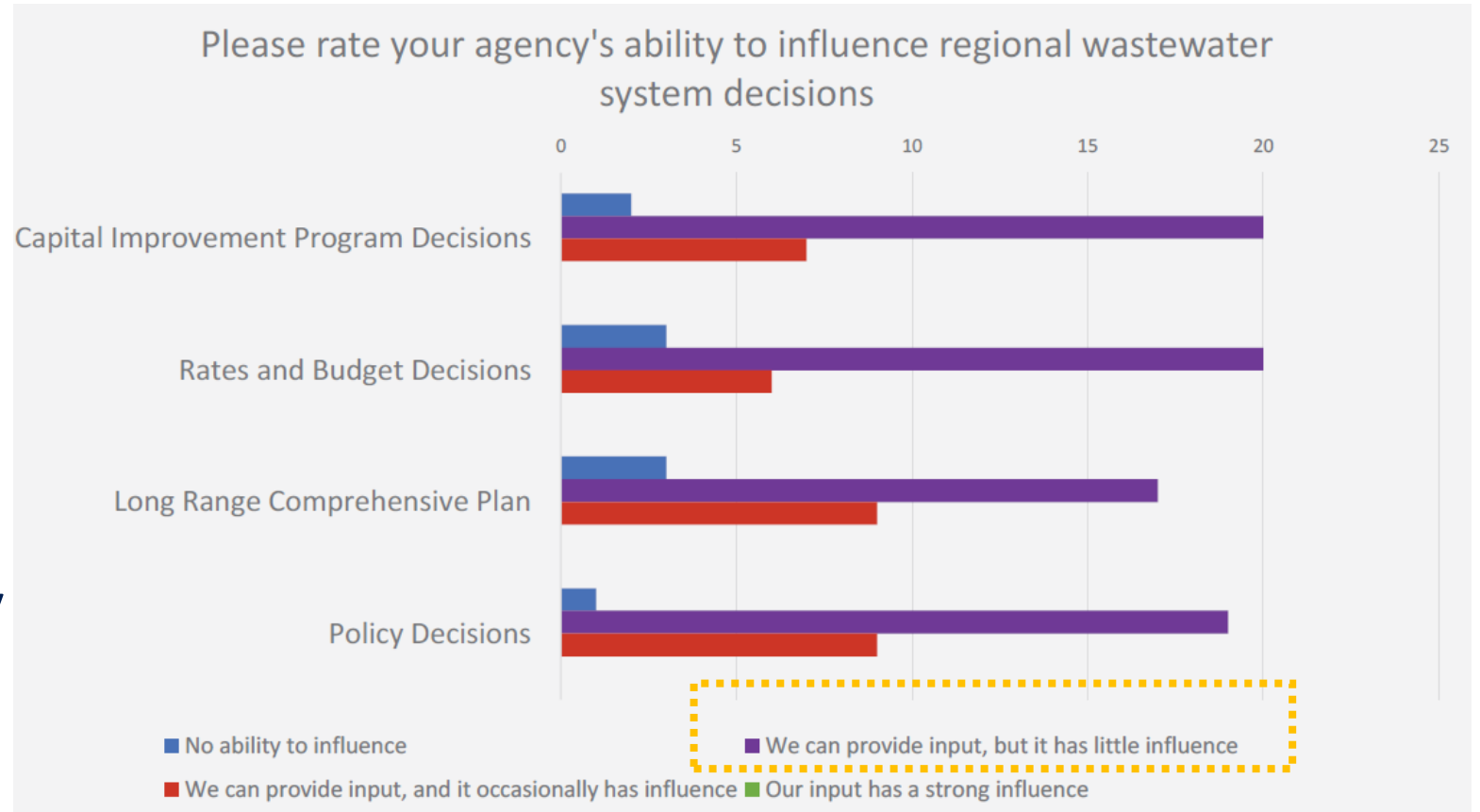
- King County 10-year rate projection proposed
- Statement of Legislative Intent
- Portland State University (PSU) commissioned

2022

-  Regional Stakeholder Committee convened
-  Regional feedback survey
-  PSU reports
 - *Description of the Existing System*
 - *Options Evaluation*
 - *Final Report & Recommendation*

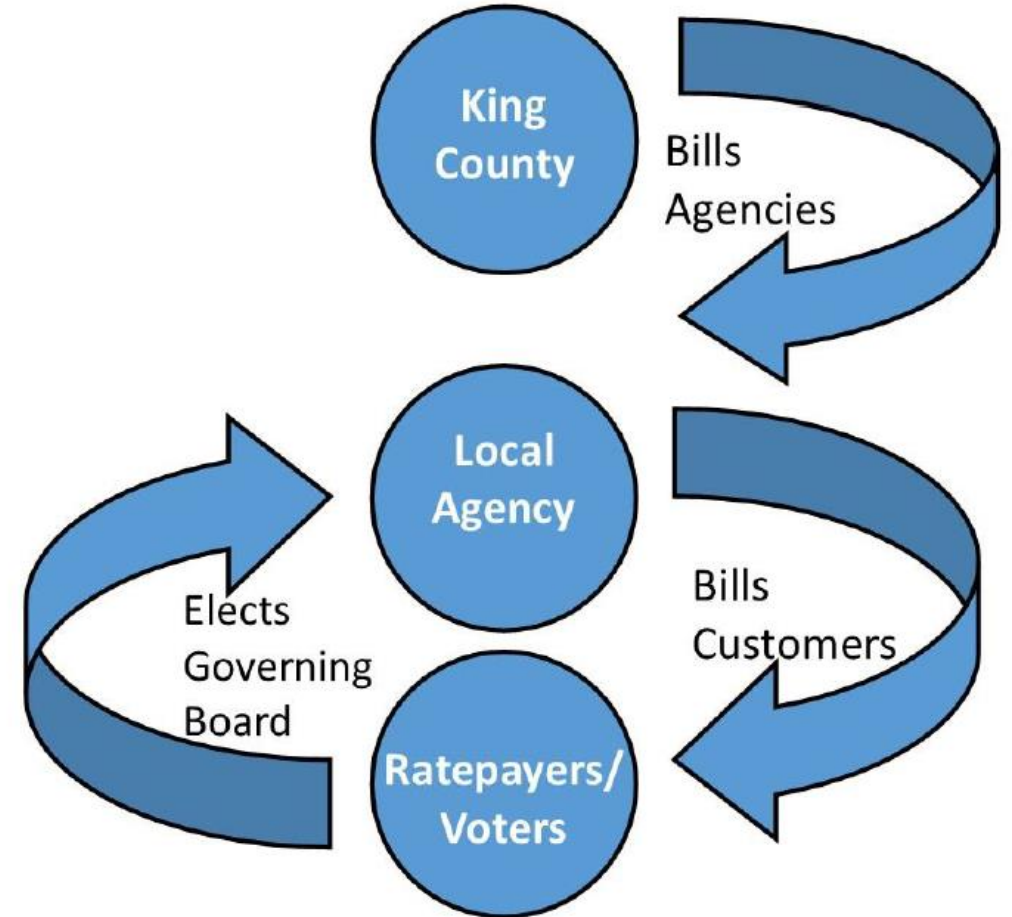
Regional Feedback Survey

- 24 / 33 agencies responded
- Top priorities were:
 1. Decision-making authority
 2. Rates
 3. Finance



Study Problem Statement

1. Agencies are accountable to their residents and ratepayers for the cost of wastewater service, but a large portion of that cost is the wholesale charge
2. Accountability without responsibility (control over decisions) puts the contracting agencies in a difficult position.
3. **Agencies have expressed a desire for more influence over the decisions that affect cost and service levels.**



Options Evaluated



1. Modified Advisory Board



2. Intergovernmental Agency – Governance Only



3. Intergovernmental Agency – Full Replacement



4. West Point Treatment Plant Separation



5. Partial Separation – CSOs Only



6. Full WW Responsibility Transferred to King Co

Portland State's Final Recommendation

Short Term

Modified Advisory Board

- RWQC empowered with increased decision-making authority

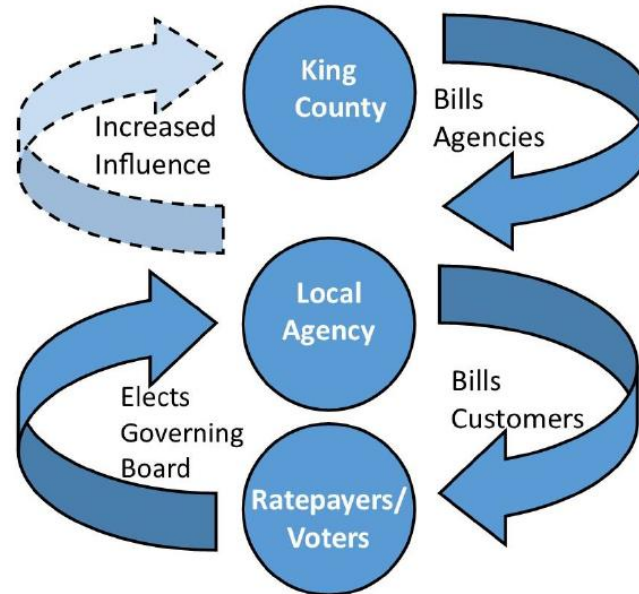


Figure 4: Partially Restored Feedback Loop

Long Term

West Point Treatment Plant Separation




- Requires feasibility analysis

Governance Study Timeline

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2023

April: *Final Recommendation* sent to all agencies

June: Study presented at RWQC

 **July:** Member discussion on study at RWQC

What's Next

As a regional issue, it requires regional momentum

- Further discussion and detail on RWQC plans to exercise its full authority
- Outcome of King County meetings on new rate-setting process
- TBD:
 - RWQC sub-committee on governance?
 - Governance on upcoming RWQC agenda?

Questions?



A scenic landscape featuring a calm lake in the foreground, a dense forest of evergreen trees in the middle ground, and a range of mountains in the background under a bright blue sky with scattered white clouds. The scene is reflected in the water.

Seattle Public Utilities: Customer Review Panel

Visioning, Impact and Core Values

July 27, 2023

Agenda



- Welcome
- Purpose and Outcome
- Vision and Core Values Approach
- Facilitated Exercise
- Priority Discussion
- Next Steps

TODAY'S PURPOSE AND INTENDED OUTCOMES

- **Affirm vision** for Customer Review Panel, understand the **core values** held by its members and have clarity around **key issues**.
- **Define priorities** for CRPs letter to Mayor and Council responding to the Strategic Business Plan.
- Grow **understanding and relationships** among Customer Review Panel.

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PREVIOUS LETTER



- Rates and strategic plan process
- Seeking Recommitment with Mayor's Office
- Progress by SPU since last plan
- Recommendations by line of business or corporate function
- Rate Path

ONE WATER

Water is essential for life. Our health, wealth, and livelihoods depend on it, and we must protect it for future generations.

One Water means we value and carefully manage water in all its forms: through conservation, capture, restoration, and reuse. Whether it is fresh water or wastewater, all water is protected and managed in an integrated and sustainable way, and all people and species have access to healthy waters.

COMMUNITY CENTERED

We put people at the heart of our work and work with them to understand and address their priorities. We seek to better understand and address employee, customer, and community needs, and build the long-lasting, equitable, and inclusive relationships necessary to address these needs.

SPU strives to live by this inclusive principle and embed it in all we do.

ZERO WASTE

All resources have value, and we strive to waste nothing. We must look at the whole life cycle of materials so we can eliminate waste, prevent pollution, encourage product durability and reusability, conserve natural resources, and ultimately build a circular and inclusive economy.

Zero Waste protects health and the environment through the conservation of all resources from production through consumption without burning or pollution to land, water, or air.

GUIDING PRINCIPLES

Our shared values guide all we do. To be community-centered and act in service to our customer-owners, we collaborate to uphold SPU CARES principles:

C

CUSTOMERS AND COMMUNITY

We strive to understand and respond to customer and community needs—inside and outside our organization.

A

AFFORDABILITY AND ACCOUNTABILITY

We do our best to ensure that utility services are available to everyone regardless of ability to pay and we responsibly manage and leverage every ratepayer dollar.

R

RISK AND RESILIENCE

We seek to minimize utility risks, reduce our environmental footprint, and improve our community's capacity to adapt to change and persevere in the face of hardship.

E

EQUITY AND EMPOWERMENT

We work to dismantle institutional racism by building trusting relationships, prioritizing equity and inclusion in decision-making, and creating opportunities for all. This includes listening to and investing in our people—the valued employees of Seattle Public Utilities.

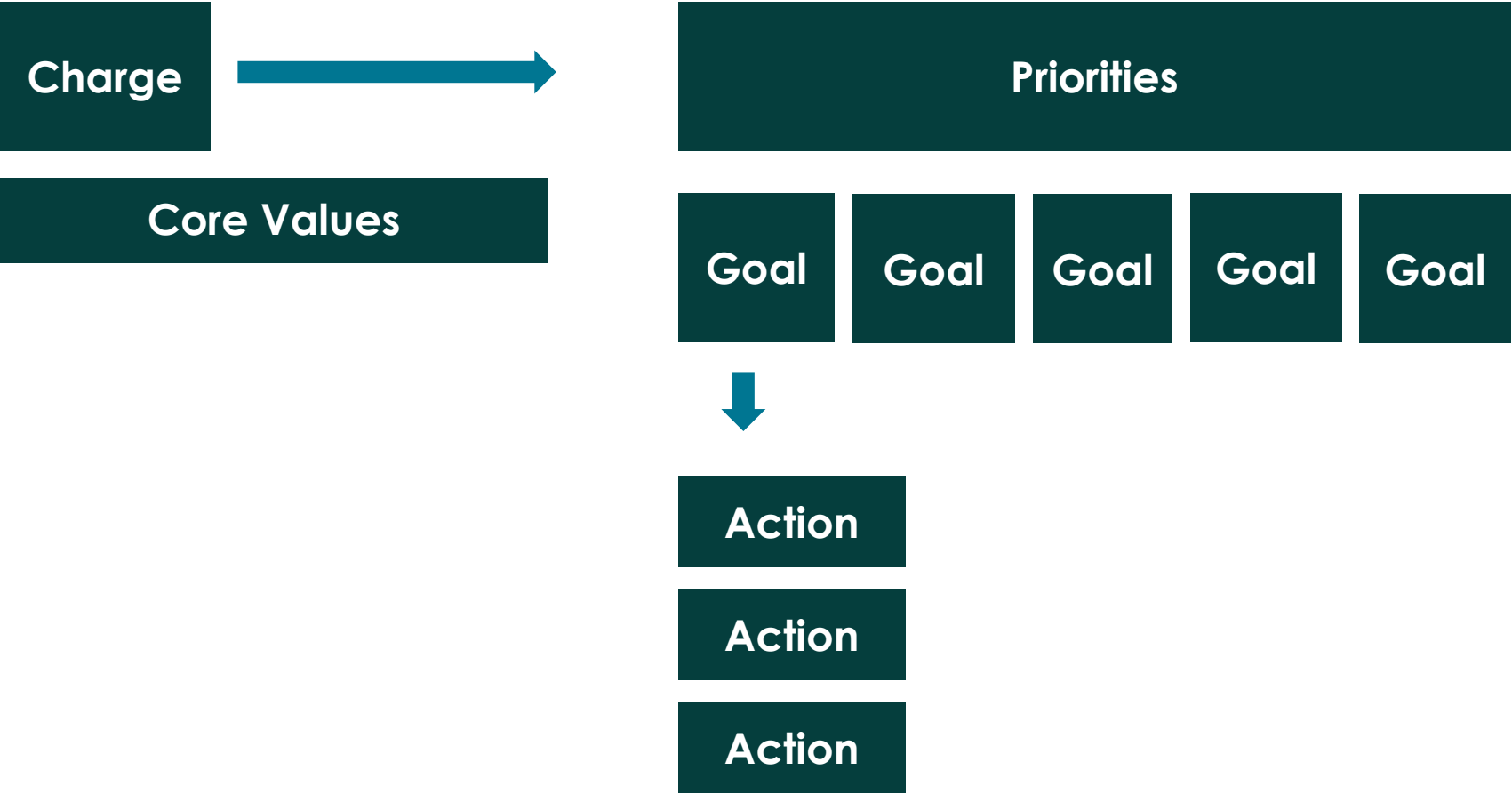
S

SERVICE AND SAFETY

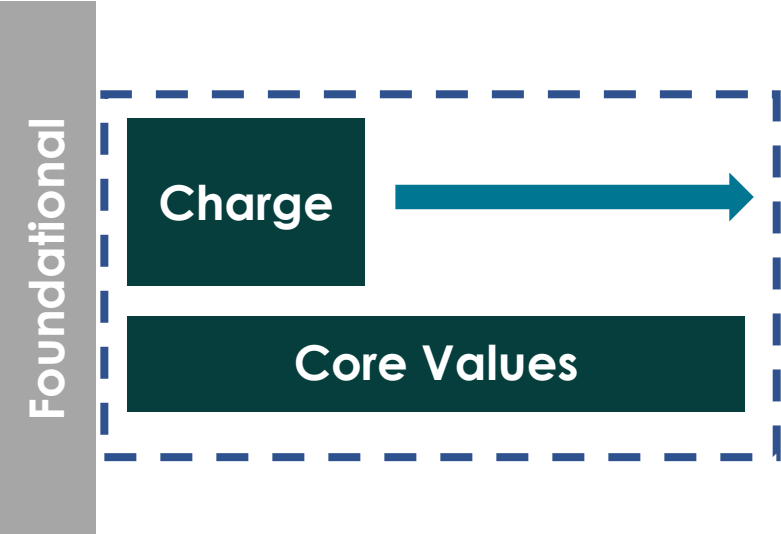
We focus on delivering high quality, reliable, and sustainable services and infrastructure that prioritize the health and safety of our employees and our community.



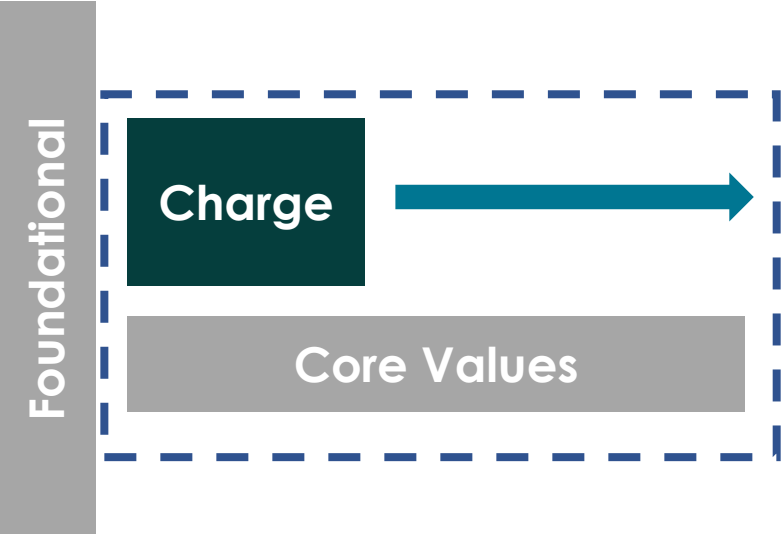
COMPONENTS OF A STRATEGIC FRAMEWORK



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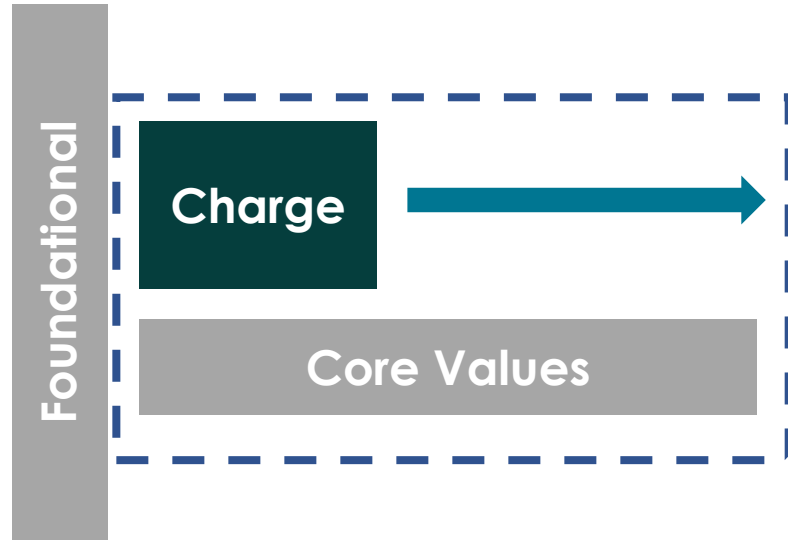


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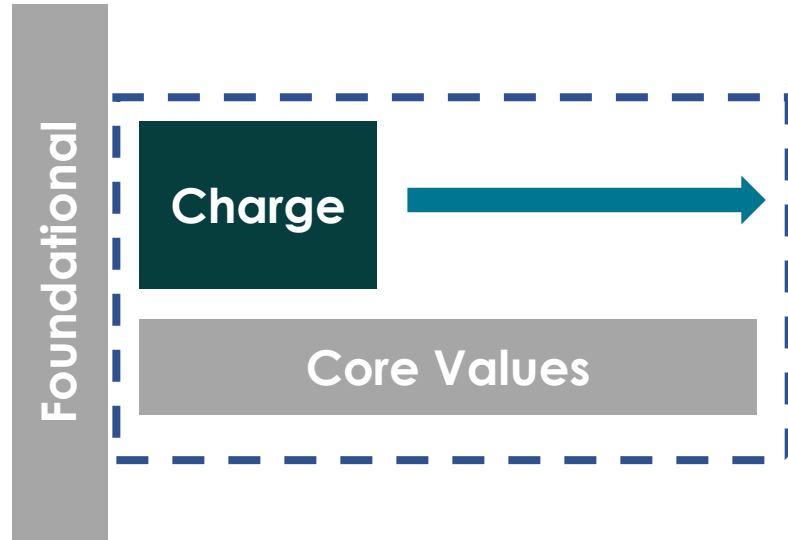
Customer Review Panel is charged with providing ongoing stakeholder oversight of Seattle Public Utilities offering advice and recommendations to SPU as it implements elements of the Strategic Business Plan (“Plan”) and develops future updates of the Plan.

COMPONENTS OF A STRATEGIC FRAMEWORK



- A. Provide oversight of the Plan implementation
- B. Provide input into Plan updates

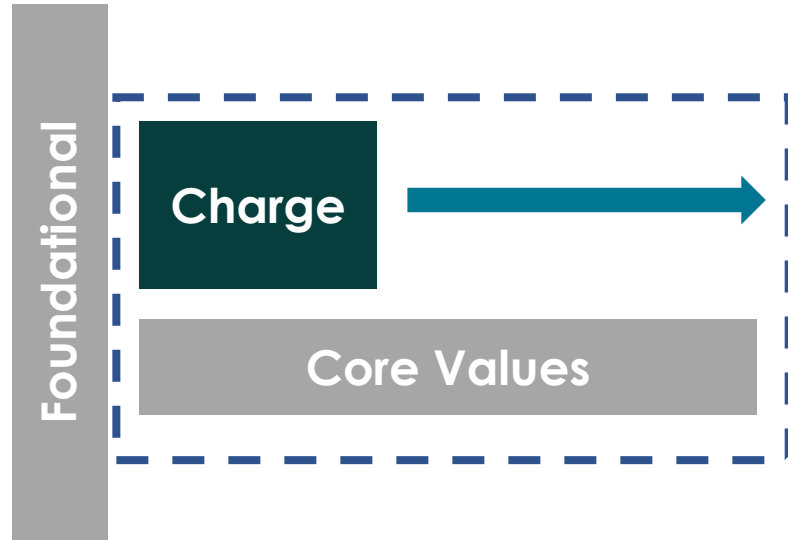
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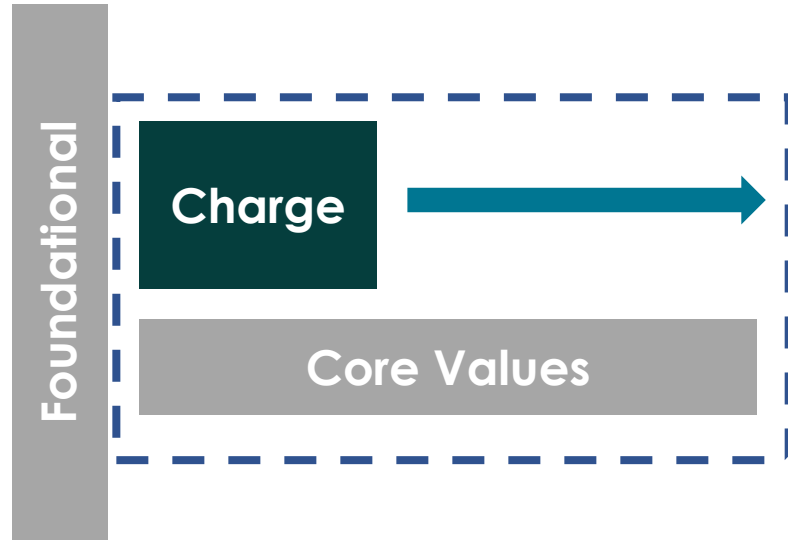
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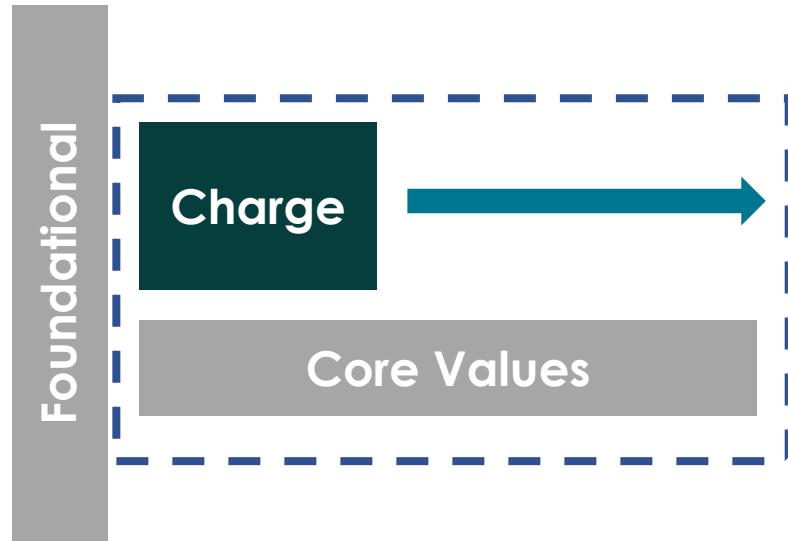
1. Review and provide input on the **progress on the action plans** and other deliverables related to the adopted Plan
2. Monitor the **six-year rate path** endorsed by the Plan, gain an understanding of the drivers impacting the revenue requirements that differ from those assumed in the endorsed rate path, and provide input in support of the Plan implementation.

COMPONENTS OF A STRATEGIC FRAMEWORK



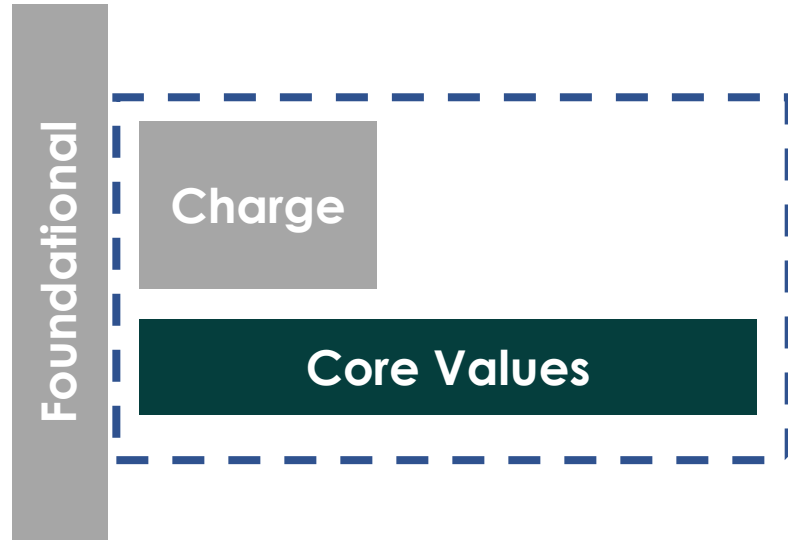
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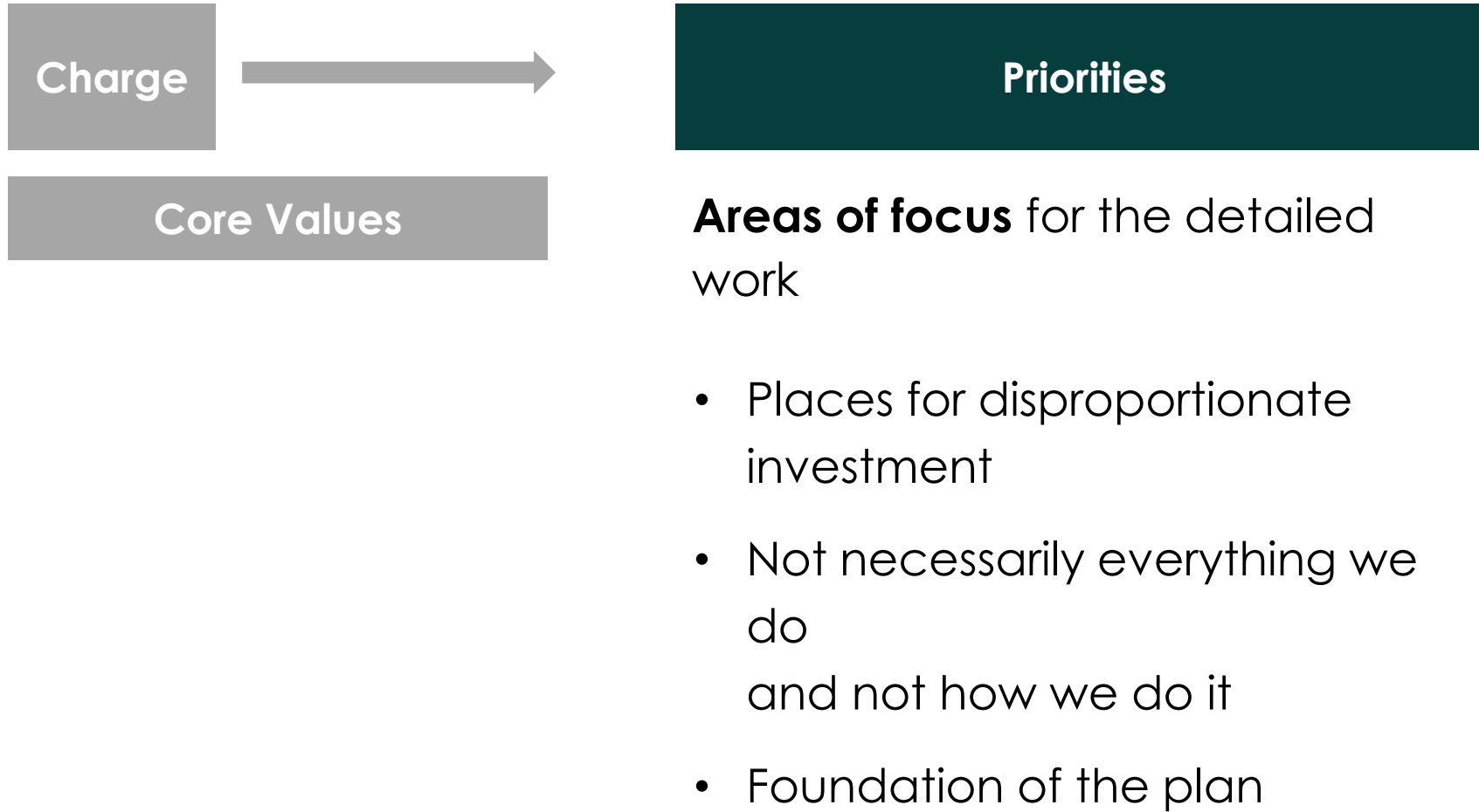
1. Gain a **knowledge of SPU services**, financial policies, costs, and rates;
2. Review **assumptions, technical evaluations, policy directions, and action alternatives**;
3. Work closely with staff designated by **the City Council and the Mayor** to understand the issues and concerns and provide comments concurrent with delivery of Plan;
5. Assist the Mayor and City Council in **engaging customers** in discussions of the merits and implications of the Plan.

COMPONENTS OF A STRATEGIC FRAMEWORK



Core values define the essence of an organization and help inform **decision-making** and **priorities** both externally and internally

COMPONENTS OF A STRATEGIC FRAMEWORK

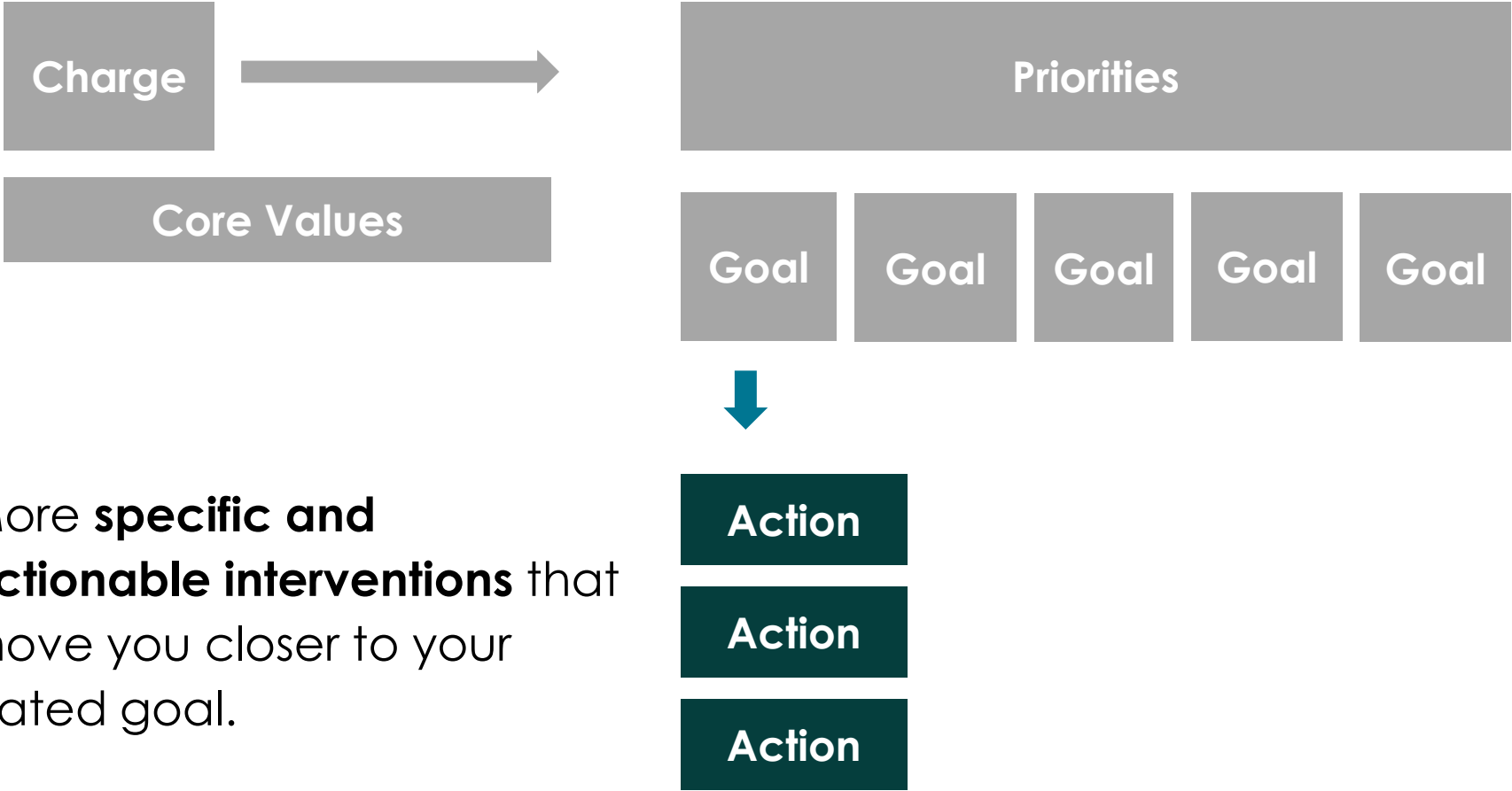


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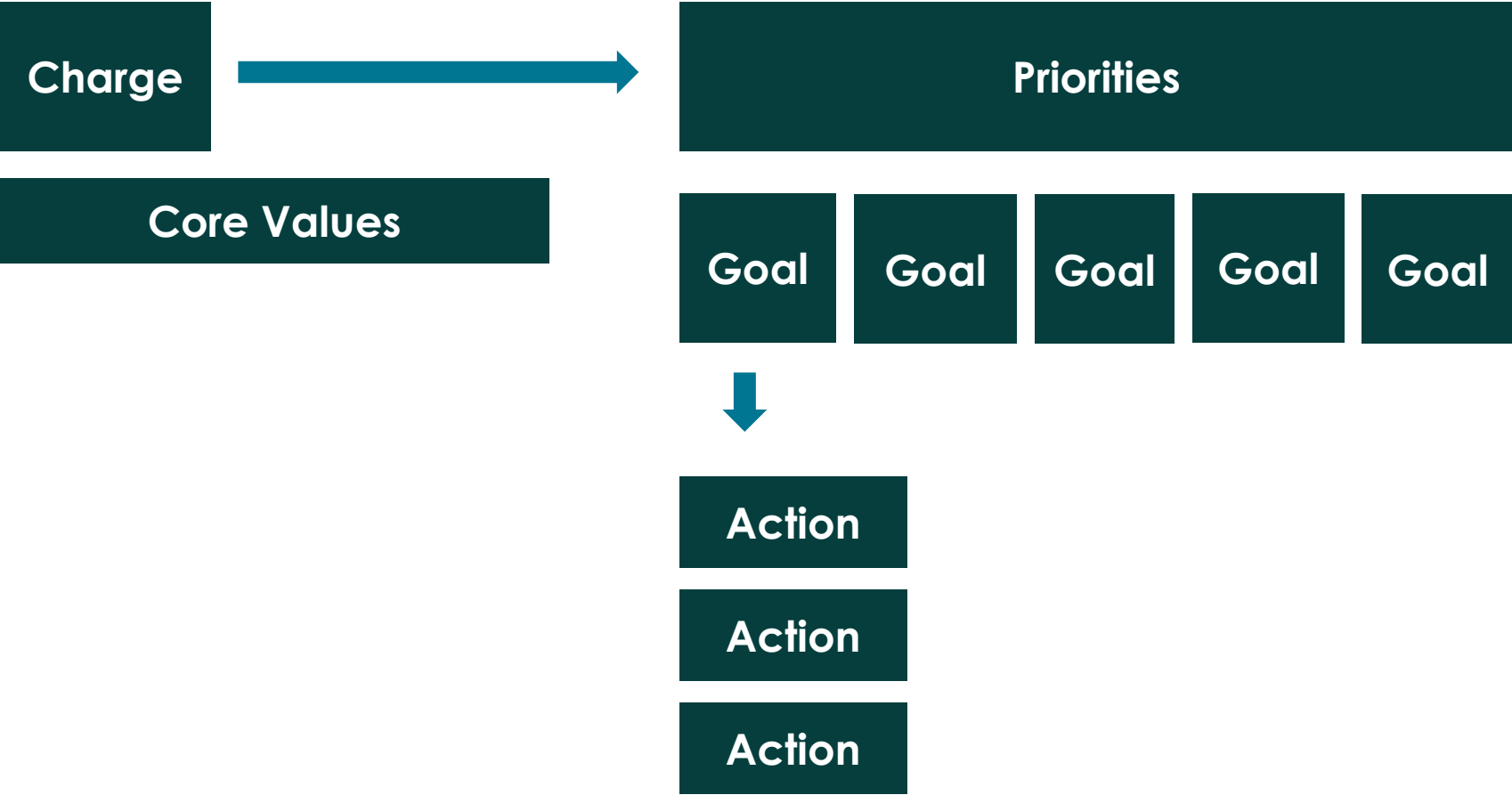


Concise statement that prioritizes a **future condition, intended outcome or achievement** and attempts to solve for your identified **key issues**.

COMPONENTS OF A STRATEGIC FRAMEWORK



COMPONENTS OF A STRATEGIC FRAMEWORK



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DISCUSSION

- What is your **main motivation** for being part of the Customer Review Panel?
- What do you **value most** about the Customer Review Panel?
- What is your **greatest fear** about this work?

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- **Priorities Discussion**
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PRIORITY AREAS

- Affordability
- Asset Management
- Workforce
- Climate and Resiliency
- Water and Drainage
- Others?

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**What is the key issue(s)
that are most important to
address?**

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