

Seattle Public Utilities Customer Review Panel

Monday, September 14, 2020, 1:00 – 3:00 pm

Virtual Meeting held via WebEx

| Panel Members | | | |
|----------------------|---|-------------------|---|
| Suzie Burke | X | Noel Miller | X |
| Bobby Coleman | X | Thy Pham | |
| Dave Layton | | Rodney Schauf | X |
| Laura Lippman | X | Puja Shaw | |
| Maria McDaniel | X | | |
| Staff and Others | | | |
| Keri Burchard-Juarez | x | Andrew Lee | X |
| Kathleen Baca | | Natasha Papsoueva | X |
| Alex Chen | X | Ellen Pepin-Cato | |
| Jeff Fowler | X | Dani Purnell | X |
| Brian Goodnight | X | Karen Reed | X |
| Mami Hara | X | Karen Sherry | X |
| Akshay Ivengar | X | Karl Stickel | X |
| Paula Laschober | X | Jonathan Swift | X |
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Underlined text indicates action items. ***Bold Italicized text*** indicates follow up items.

Meeting Summary

Welcome: Karen Reed opened the meeting with a roll call of the Panel members and reviewed the virtual meeting protocols. Noel, Suzie, Bobby, Rodney, Maria and Laura were in attendance. Dave, Puja and Thy were not able to attend.

Mami Hara, General Manager/CEO of Seattle Public Utilities (SPU), welcomed the Panel and thanked them for their time. She then reviewed the meeting agenda. Mami shared with the Panel that SPU just passed new City legislation that allows it to collect donations from customers and the general public; the donations will be used to supplement assistance to low-income customers. SPU anticipates that the new donation fund will go live before the end of the year.

Standing Items: Karen asked for any corrections or additions to the meeting summary from the August 10, 2020 meeting. One correction was made changing the time of the 8/10 meeting from 1 – 4 pm to 1 – 3 pm. The meeting summary for August 10, 2020 was approved as corrected.

Ship Canal Water Quality Project (SCWQP) Update: Keith Ward, Project Executive for the SCWQP updated the Panel. Since the last briefing, early work has been completed and the storage tunnel design has been completed. Construction on the project is scheduled to be completed by the end of 2025. The current cost estimate is \$570M at 65% confidence. Keith showed a slide illustrating what the inside of the Ballard shaft would look like. 45th has been closed at the Ballard site (Leary & 45th) and traffic has been rerouted. Traffic will be impacted for the next two years. At the

Fremont Site (Leary & 36th), another drill shaft will be started the week of September 21.

Q: What do you see as major risk factors? A: The remaining projects will go out to bid in 2022. We'll see if COVID impacts those bids. Another risk factor would be some type of disaster with the boring machine.

Q: Since the project is ahead of schedule, will the budget decrease? A: Not yet but being ahead helps reduce the risk of claims needing to be filed against contractors for not completing their work on time. So far, COVID has not been a factor in completing work.

Green Stormwater Initiative (GSI) Update: Tracy Tackett, GSI Program Manager, updated the Panel. GSI is an ongoing investment that was part of the 2018 Strategic Business Plan (SBP) that will continue in the next plan. Tracy reviewed the program goals and principles. To increase GSI within the City, SPU works to remove barriers to voluntary installations and incentivizes partner-led projects. SPU has several projects in development that are either Utility-led or partner-led projects. A new GSI Incentive Program is in development and will launch in early 2021. The new program will be community directed and workforce development compatible. A main focus will be on projects that will occur in partnership with community-based organizations in Seattle's historically disadvantaged areas. In order to grow SPU's GSI program, priorities will include expanding our toolbox (best management practices and delivery modes), growing partnerships, supporting the local community and working to remove barriers (policy, legislation, SPU values). An online report showing accomplishments of the past year can be found at www.700milliongallon.org

Q: Can we see data about tracking clean-up costs associated with catching runoff from parking lots and roadways? What happens with those contaminants? A: We track this and can share that information with you.

2021-2022 Budget Update: Karl Stickel, Finance Division Director, provided an update. The Mayor's proposed budget will go to the Council at the end of September. SPU's 2021 budget upholds the rate path at 4.2 % and includes sewer and drainage rehabilitation investments. It also includes a pilot for RV wastewater disposal. Some SPU investments will be slightly reduced. No new positions are being added to the SPU budget. The Mayor announced that certain non-represented positions will forgo the previously approved 2.9% wage increase for 2021. The Council will adopt the budget by Thanksgiving.

Q: Has Councilmember Petersen asked any questions regarding the SPU budget? A: He has not seen it yet. He will see it at the end of the month when it is transmitted by the Mayor's Office.

Race and Social Justice (RSJ) Plan Overview: Mami presented on behalf of Kathleen Baca and reminded the Panel that any work done by SPU to advance RSJ is part of a City-wide effort. The City has been a strong champion of RSJ, led by the Mayor's Office and the Office of Civil Rights. All departments are responsible for dismantling racism. Mami reviewed what SPU is doing regarding RSJ. We don't have to build the foundation ourselves as lots of good work has been done across the country showing what it means to lead with race. SPU can't focus on making a difference

outside the organization without changing the culture inside. Mami reviewed what it means to lead with race and the teams/groups that help lead RSJ work both internally and externally. She also reviewed SPU's four RSJ focus areas and goals. SPU uses a seven-step toolkit to advance and embed race equity and inclusion in our work. Each step requires a great deal of work and we are committed to doing this work as quickly as we can. However, without a formal structure, we will never be able to "move the ball" at the pace we'd like. SPU is proposing a utility-wide structure called the Equity Bridge. This structure is modeled after the Incident Command System (ICS), which is widely understood and has clear structure. Mami reviewed what the Bridge will accomplish and how SPU will seek to institutionalize RSI work.

Q: This sounds like a great program. I am worried about women and the need for daycare to be provided so that woman in the workplace can have the same opportunities for advancement. This issue has been heightened in light of COVID. A: The SPU Executive Team and ICS have been working on dependent care for children and others that employees many need to care for during the pandemic. We are in the process of having policies vetted by Labor, law and others.

Keri Burchard-Juarez, Deputy Director for the Project Development and Engineering branch, agreed that this is a concern shared by SPU and that leadership is doing their best to ensure that employees aren't negatively impacted. Keri also mentioned that there are several types of leave available for employees to use in order to care for dependents.

Q: Where is SPU in terms of the seven-step described earlier? A: The steps can be worked on simultaneously. SPU is working on all these steps. The steps are a framework to remind us of the general work an organization needs to do. SPU has more detailed work happening that isn't listed on the slide. We need to come back to the Panel and show our work in a more detailed fashion.

SPU in South Park: Ann Grodnick Nagle, Policy Advisor, began the presentation by showing where SPU properties and projects are located in Southpark. These include drainage and roadway improvements and superfund site clean-up. Shailee Sztern, Project Delivery and Engineering Brach, reviewed three Drainage and Wastewater projects in Southpark. Projects include a \$23M Pump Station, \$25M roadway and drainage partnership with SDOT and as stormwater quality facility.

Q: Do you have placeholder dollars for the stormwater quality facility? A: Yes, in order to determine the rate path, we used a \$50M placeholder.

Q: Are you working with the Duwamish Tribe? A: Yes, we are working to show up in a meaningful way as we partner with the tribes.

Q: When the pump station is finished, how will flooding re-occurrence be impacted? A: Currently flooding is at a 1-year occurrence and we are looking to reduce that to 1 in 20 years.

Q: Will programming at the Duwamish Longhouse be impacted? A: We should not have any impacts on their programming.

Mami commented that this is an opportunity for SPU to increase our relationship with the tribe. If anyone has any ideas around this, please let us know.

Susan Fife Ferris, Solid Waste Planning and Program Management Division Director, presented an update on the South Transfer Station 2 project. Solid Waste has taken a step back in order to look at a more holistic approach to the development of the site. The project completion date is now 2025, which is a 2-3-year delay.

Q: What is the budget placeholder? A: \$50M over six years was the anticipated amount. It is now in the \$30M range. This has already been factored into the rate path.

Q: Where is the landfill that is part of that project located? A: It is an historic landfill and is it underneath the site. A Consent Decree covers the entire site and we are restricted to what we can develop on the site.

Q: What year was the cap and cover done? Does the year make a difference in what's required in terms of compliance? A: The landfill was closed in 1965. We are still required to maintain compliance at modern day requirements.

Q: If part of the site was sold, is SPU still responsible? A: Yes, we are part of a larger group that shares liability. It's all driven by the Consent Decree. SW is carrying \$22M in landfill environmental capital costs plus \$125 - \$150K/year for O&M. SPU's percentage of liability is based on SPU costs for completed work and improvements on our portion of the landfill plus potential minor participation in adjacent properties.

Ann continued the presentation and discussed the Lower Duwamish Waterway Superfund Cleanup. A roundtable process engaging the community, Tribes and institutions has been used in the developing the clean-up process. Environmental justice has served as a background for the clean-up projects. Current environmental stressors include shortened life expectancy, increase asthma prevalence and proximity to the contaminated site. Ann discussed some commitments the City is involved with in the Duwamish Valley and discussed the challenges in the area due to sea level rise. SPU plays a leadership role for the City regarding sea level rise. Climate adaptation in the Duwamish Valley will be a collaborative effort funded by public and private sources.

Q: Are all of these efforts in the South Park Resiliency District Initiative? A: Yes.

Comment: Don't forget that the people who live in these areas have other factors that reduce life expectancy. It's not just geographical.

Comment: We have a lot of work to do to make this area as livable as the rest of Seattle.

Drainage and Wastewater (DWW) Shape Our Water Plan: Leslie Webster, DWW System Planning Division Director, provided an overview of the Shape Our Water Plan, which is an initiative in the draft Strategic Business Plan. Leslie also provide a fact sheet on the program. Leslie described the three regulatory drivers for past DWW planning efforts and reviewed the expanded drivers and

expanded outcomes outlined in the initiative. Leslie reviewed the planning theory, goal and stages of the project. There are four planning stages (analysis, visioning, planning and implementation) and the project has started the visioning stage. The project recently completed a comprehensive assessment of wastewater capacity, CSO, water quality, drainage and creek systems along with a COVID response engagement strategy. In the next six months, assessments of climate and seismic risks will be completed along with community visioning and an equity framework.

Q: Does this plan include drinking water and water supply? A: This is a DWW plan, but there are some One Water elements being incorporated into the planning efforts.

Future Reporting Update: Natasha Papsoueva, Corporate Performance Division Director, updated the Panel on the metrics that will be used to measure delivering essential services, one of the focus areas in the 2021-2026 Strategic Business Plan. Natasha reviewed the goal, three objectives of the focus area and the proposed metrics for measuring progress. The three objectives are:

- Strive for Best-in-Class
- Provide reliable and rewarding experiences
- Meet or exceed expectations, requirements and commitments

Q: There were two different criteria used for waste generation, 1 lb. and 2.5 lbs. per person. What does that mean? A: 2.5 lbs. represents the total waste produced, including garbage, yard waste and recycle. One pound is equal to only the amount of garbage produced.

Q: How can anyone ever have zero waste? A: Zero waste means getting people down to less than 2.5 pounds total waste produced per person/per day. Zero waste is a vision.

Q: Did you benchmark other utilities when you developed the metric criteria? A: Yes, a lot of these are industry standards and regulatory criteria.

Q: Have you mapped out where you are today and the cost of getting to where you want to be?
A: We should be able to meet or exceed many of these targets. Many of them have already been tracked internally.

Q: What are the next steps? A: The list needs to be approved by the Executive Team. We will share a final draft with the Panel when it's ready.

Karen Reed reminded the Panel of the next meeting on November 2. Mami thanked the Panel for their time today and the meeting was adjourned at 3 pm.