

Requests from Customer Review Panel

COMPLETED REQUESTS

Request	Date Requested	Status	Date Completed
1. Confirm meeting dates through September	April 29	Meeting dates confirmed through September	May 8
2. Change the colors of the revenue chart in the "Detailed Overview" PPT	May 6	Diane to make edit to chart, and post to the SBP website in the Customer Panel section	May 8
3. Is there an OSHA reportable injury rate, and if so what is it?	May 6	Kim handed out document at May 13 Panel meeting	May 13
4. What are City/SPU plans for addressing the aging workforce issues (Focus on injuries)?	May 6	Kim handed out City Auditor Report at May 13 Panel meeting	May 13
5. What is the age of the water transmission/distribution system (by decade, material type, and miles of pipe).	May 6	Nancy handed out sheet describing this information at May 13 Panel meeting	May 13
6. What are the pros and cons of mitigating stormwater runoff via more regional flow controls, as opposed to requiring new development to mitigate on the property?	May 13	Trish to develop written response for June 5 th meeting	June 5
7. In the sources and uses chart for solid waste, why is there a difference in total revenues and total expenses?	May 13	Craig to develop written response for June 5 th meeting	June 5
8. How do Seattle's recycling goals compare to other jurisdictions?	May 13	Tim to develop written response for June 5h meeting by pulling 2012 data from the resource recycling magazine	June 5
9. Would like recycling discussion/field trip	May 13; email input	Field trips being set for June 13 and June 17	June 17
10. Start a file for Panel, to include relevant articles, etc. found by Panel members City staff	April 30	Exploring setting up file on Strategic Business Plan website	June
11. Would like employee survey information broken out in more detail (by Branch; by labor-management staff)	June 5	Karen to develop information by July 1 meeting	July 1
12. Would like the detail behind what staff meant in the survey when they said SPU needs to "improve accountability"	June 5	Karen to develop information by July 1 meeting	July 1
13. Question regarding whether SPU can get rid of magnesium in the water, to avoid corroding pipes	June 5	Dave to develop information by July 1 meeting	July 1
14. Would like to understand existing regulatory environment and how it is evolving	Input from May K2 email	Martin developed packet of materials for July 15 meeting	July 15
15. What are the comparative costs of the North Transfer Station construction and the South Transfer Station construction	May 13	Cost estimates in flux; Linda will have comparatives in August	August 6
16. What are the wages and benefits requirements in the recycling contracts	July 15	Tim Croll will follow up with the specifics in August	August 6
17. Why is there not a fixed charge on wastewater rates?	July 15	Melina will research for August meeting	August 6
18. Strategic Role: Include concept of "enabling" people in strategic role	June 10	Will address at Aug 6 meeting	August 6

Request	Date Requested	Status	Date Completed
19. Vision: is it really important that people know SPU's doing a good job? Isn't it more important just to do a good job?	June 10	Will address at Aug 6 meeting	August 6
20. Overall comments/questions on Strategic Objectives: - Some have a 1-2 word header; others do not. Need to be consistent. - Where in the strategic objectives do we address structural challenges overall (unions, City policies, other)?	June 10	Will address at Aug 6 meeting	August 6
21. Environmental Objectives: - Think of conservation as wise use; focus on efficiency and strategy (5 th objective) - Setting an objective of conducting <u>all</u> SPU operations in a sustainable way may be impossible (2 nd objective) - Not sure what distinction we're making between stakeholders, public and private entities (3 rd objective) - Often a variety of ways to meet environmental & public health mandates, but this concept is missing from the first objective	June 10	Will address at Aug 6 meeting	August 6
22. Customer Focus area: What do we mean by "engaged"? Maybe we don't want all of our customers engaged with us. Maybe different "flavors" of engagement – e.g., customer recycling; conservation. Maybe what we really want to say is we want customers to be effective in their use of SPU services.	June 10	Will address at Aug 6 meeting	August 6
23. Customer Objectives: - Reword objective 1 (minimize customer effort) to be stated positively rather than negatively - What do we mean by the third objective to "create an opportunity to participate"? Need to clarify	June 10	Will address at Aug 6 meeting	August 6
24. Workforce SWOC: Reword the SWOC that says aging workforce leads to increases in OTJ injuries	June 10	Will address at Aug 6 meeting	August 6
25. Workforce Objectives: - Consider saying "enhance" workplace safety instead of "improve" workplace safety (objective 2) - What do we mean by "systems" in objective 4? If not just IT systems, then pick a different word.	June 10	Will address at Aug 6 meeting	August 6
26. Consider SWOC by LOB, at least for the service quality objective in OpEx. Otherwise, we are saying we have sound infrastructure but we have underperforming infrastructure. Also, consider using the word "reliable" instead of "sound."	July 1	Will address at Aug 6 meeting	August 6
27. Consider including the concept of affordability in the Customer focus area as well as the OpEx focus area.	July 1	Will address at Aug 6 meeting	August 6
28. In the Fiscal Integrity strategic objective, specifically call out improving internal controls, maybe by stating it as a weakness	July 1	Will address at Aug 6 meeting	August 6
29. SPU's value statements do not include the environment – is this a miss?	July 1	Will address at Aug 6 meeting	August 6
30. Put something into the DWW SWOC about how	July 1	Will address at Aug 6 meeting	August 6

Request	Date Requested	Status	Date Completed
dependent we are on our customers actions and activities			
31. Feedback on SWOC in Customer Focus Area: - Include cost of ESL services and expansion of communications modes as a challenge - In Challenges, note that accretion of non-core programs can drive rate levels up - In Opportunities, edit language to say we will consider all electronic communication modes to make it easier for customers	July 15	Will address at Aug 6 meeting	August 6
32. Feedback on SWOC in Workforce Focus Area: - In Challenges, include City policy of generous disability payments - In Challenges, include developing a culture of embracing efficiency and accountability - In Strengths, include the union labor force - In Weaknesses, include the relatively low span of control	July 15	Will address at Aug 6 meeting	August 6
33. Feedback on SWOC in Environmental Focus Area: In Challenges, note difficulty with defining sustainability; also include issue of selling less resulting in higher rates	July 15	Will address at Aug 6 meeting	August 6
34. Feedback on SWOC in Operational Excellence Focus Area: - In Weaknesses, add difficulty with delivering large capital projects on time and within budget - In Weaknesses, expand on "lack of effective prioritization" to say something about limiting lower-priority work in order to effectively deliver core services - In Challenges, explain what you mean by underperforming infrastructure	July 15	Will address at Aug 6 meeting	August 6
35. Feedback on Strategic Objectives: Workforce: add accountability; call out succession planning; call out IT systems vs people processes Environment: What do you mean by "sustainable"? Change to "environmentally sustainable"? Or move to Operational Excellence?	July 15	Will address at Aug 6 meeting	August 6
36. Email Panel to ask for (a) suggestions for who to contact regarding interim outreach; (b) additional thoughts on content of interim outreach meetings	August 6	Karen Reed (facilitator) to send out email	August 7
37. Provide info on budget by major cost category, including labor and benefits	April 29	May 6 and 13 presentations & handouts will have budget detail but not labor and benefits breakout; this will occur during baseline discussions in July	July 15 & August 6
38. Describe the major cost drivers by LOB	May 6	Will include this information in the baseline document	August 6
39. Describe fixed vs variable costs (and provide fixed/variable ratios) for each LOB.	May 6	Will include this information in the baseline document	August 6
40. Bring Community Advisory Committees' observations	July 1	Sheryl and Karen to discuss at	August 20

Request	Date Requested	Status	Date Completed
and interested to the Panel		August 20 meeting	
41. Check if solid waste tonnage tax in the “tax” portion of cost bar	August 6	Melina to develop for August 20	August 20
42. Show rate “rules of thumb” also as bill “rules of thumb”	August 6	Melina to develop for August 20	August 20
43. Provide utility tax rate comparisons	August 6	Melina to develop for August 20	August 20
44. Place capital project delivery in the weakness AND the challenge categories in the OpEx SWOC	August 6	Will be discussed August 20	August 20
45. Add “and costs” to the OpEx SWOC statement “achieving appropriate balance between core services, policy objectives, and costs”	August 6	Will be discussed August 20	August 20
46. Note that “customer engagement” means a lot more than that – e.g., use your services efficiently	August 6	Will be discussed August 20	August 20
47. Change “minimize customer effort” to “make it easy for customers to interact with SPU”	August 6	Will be discussed August 20	August 20
48. Acknowledge elephant in the room by mentioning “evolving workforce” in the workforce strategic objectives	August 6	Will be discussed August 20	August 20
49. For baseline assumptions (cost inflation, non-rate revenue inflation, etc.) provide historical actual	August 20		Sept 12
50. Demand – what is SPU’s assumptions on customer account growth?	August 20		Sept 12
51. Check example baseline info on customer charges – did we reverse the water/wastewater charges for the hotel example?	August 20		Sept 12
52. Consider clarifying language on “easy and engaged customer experience” goal to be clear about what we mean by internal and external customers	August 20		Sept 12
53. Provide Panel with materials on cost effectiveness of recycling, including a basic bibliography	Sept 12		Sept 26
54. Specify what “cradle to grave” recycling costs includes – just the City’s costs, or the world’s costs, or what?	Sept 12		Sept 26
55. Provide an updated schedule for the Panel that includes deferring the interim outreach until next year	Sept 12		Sept 26
56. Provide the Panel with research done on estimated impacts of climate change on firm yield of drinking water	Sept 12		Sept 26
57. Develop a graph that shows total solid waste generation over time (including recycling and composting)	Sept 12		Sept 26
58. Check back with City’s Debt Manager regarding the 5.5% interest rate assumption on bonds	Sept 12		Sept 26
59. Present information on the % of the overall baseline that is associated with (a) the cost categories whose inflation assumptions differ from the standard 2.4%, and (b) the “adjustments” to the baseline	Sept 12		Sept 26
60. Provide more information on scheduled and unscheduled overtime	Sept 12		Sept 26
61. When will costs level out for each LOB	July 15	Melina presented response in the affordability discussion	Sept 26

Request	Date Requested	Status	Date Completed
62. To the degree we can, provide cost/risk information associated with baseline drinking water service levels	August 6	Dave presented response in service level discussion	Sept 26
63. What are the regulatory impacts on rates through 2020?	July 15	Martin addressed in a general way during his "SPU's regulatory world" discussion	Aug 6
64. Describe the assumptions behind the relationships between water demand and wastewater demand; make sure that projections have kept pace with changes to actual	August 20	Melina discussed this at the September 12 Panel meeting.	Sept 12
65. Research and report back on why the San Francisco total utility bill is significantly lower than Seattle's.	Sept 26	Craig to develop response	October 14
66. How are bills calculated for condos – are they paying residential rates, or commercial rates?	Sept 26	Craig to develop response	October 14
67. Regarding the CIP graph in the affordability slides, verify if the information is total outstanding debt service, or debt service payments.	Sept 26	Craig to develop response	October 14
68. Verify whether the City has catastrophe insurance.	Sept 26	Glen Lee	October 14
69. Show the Panel weightings and the E-Team weightings of the Strategic objectives in bar chart format	October 14		October 23
70. Show what an apartment dweller pays for SPU services via the rent they pay	October 14	Now in the slides	November 13
71. Rate path vs rate revenue path – describe differences, and pros/cons	August 20	Showing both now	November 25
72. Would like to hear about One Less Truck garbage collection	Input from May K2 email	Completed	November 25
73. Work with Community Advisory Committees to get understanding of SBP/support for outreach work	August 6	Are involving the CACs in the piloting of the interim outreach	November
74. Consider representation from people living on the water (e.g. houseboats). Also consider representation from clients of West Seattle Helpline (or other helplines).	August 20	Reaching out to low-income customers; houseboat customers will have ability to take on-line survey and attend one of the community-based outreach meetings	November-December
75. Various suggestions for interim outreach: Consider multiple value criteria (to me; to community; to environment: Make sure investment questions are very concrete, and include reductions too Add annual % increase to comparatives Use 2014 as starting point Provide some industry comparatives	October 23	Have pulled the baseline cost information, so some of these suggestions are now moot.	November
76. Suggestions on slides: Delete the words "lower priority" in the phrase "lower priority programs to reduce or eliminate" Delete the "dollar bill" slide that says many of SPU's costs are for regulatory requirements On the focus area slide, change the phrase from "working to" save money, to "finding ways to" save money	November 13	Significant changes to powerpoint slides; incorporating these and other comments	November
77. Check the low income rate assistance numbers	November 25		December 11

Request	Date Requested	Status	Date Completed
78. Calculate the impact on customer rates of a 1% change in interest rates on new debt.	November 25		December 11
79. At some point (maybe after efficiencies discussion?), describe the service implications of an “inflation only” rate revenue path	August 20	Baseline prioritization staff to do this work	December 11
80. Provide more detail on each CIP project, including areas of possible savings/efficiencies and identification of which projects are not driven by regulatory requirements	Sept 12	Addressed in January 13 th presentation/ discussion of programmatic reductions	January 13, 2014
81. Would like analysis/discussion of continuous improvement vis-à-vis delivery of capital projects – how can we do this consistently well, and in the most effective manner	June 5 & August 6	Addressed by Vladmir Khazak in his <i>Improving Capital Project Delivery</i> presentation	December 11
82. Provide the Tier 3 cuts list to the Panel	Jan 13, 2014		Jan 29, 2014
83. During the interim outreach discussions at the small tables, try to get at the question of savings on the bill	November 13	Addressing this in the January-February outreach	March 1, 2014
84. Ask Decision Lens staff if they have statistics regarding what improvements to decisions were caused by use of the tool	Oct 23	<u>Summary of Decision Lens response:</u> It’s difficult to make defensible statistical claims. E.g., eBay’s stock improved after Decision Lens helped them with their marketing portfolio – but can’t say if this was the cause. Can say that use of Decision Lens tool improves collaboration, transparency, repeatability, and the like.	Feb 7, 2014
85. Inflation-only rate path charts – what year is being displayed?	December 11	<u>Response:</u> Costs in inflation-only rate path charts are 2015 costs. Charts answer the question: what would we have to cut in Branch O&M costs in 2015 in order to arrive at an inflation-only rate path by 2020?	Feb 7, 2014
86. Low income rate assistance: how is the credit calculated for customers living in apartment buildings? What is the revenue impact of the assumed increase in participation?	December 11	<u>Calculation of credit:</u> Based on estimate of average multi-family usage; credit calculations vary for each line of business <u>Revenue impact of increased participation:</u> 2013 credits totaled \$7.1M; 2020 credits in baseline assumed to be \$15.2M	Feb 7, 2014
87. Send out the chart of interest rates on recent debt issuances that was provided by the City’s financial advisor	December 11	<u>Response:</u> Will send pdf copy to the Panel with the materials for the Feb 7 meeting	Feb 7, 2014
88. Provide info on the rate of replacement of plastic and steel services	Jan 13, 2014	<u>Response:</u> 57,000 installed several decades ago; have placed 19,000, leaving 38,000 remaining. Expect to replace 630 annually in 2015-2020.	Feb 7, 2014
89. Confirm meeting dates post-September	April 29	Scheduled through June 2014	February 7

Request	Date Requested	Status	Date Completed
90. Provide detail on the components of the 5% labor inflator	November 25	Will provide as part of baseline update on February 7	Feb 7, 2014
91. Provide information on the share of existing debt service and new debt service in each LOB's revenue requirements. Also calculate the average melded interest rate on existing debt.	November 25	Answered the first part of this question on December 11 th . <u>Average melded interest rate on existing debt as of 12/31/13:</u> 4.68% for water 4.48% DWW 4.84% solid waste	Feb 7, 2014
92. Provide Panel with King County forecasts, included in baseline, for treatment rate changes	January 29	<u>Projected Wastewater Treatment Rate Increases from King County:</u> 2015 - 5.4% 2016 - 1.9% 2017 - 4.2% 2018 - 1.5% 2019 - 1.6% 2020 – 0.0% (no King County estimate)	Feb 7, 2014
93. If possible, would like information on rates of return in privatized utilities	November 13	Not covered as part of the benchmarking task – no utilities surveyed were private	N/A
94. Include in Outreach more of the challenges facing SPU	Feb 7, 2014	Agreed. From now on, the Outreach meetings will include photos of deteriorating water pipe, and map of overflow locations.	Feb 12, 2014
95. Develop cost estimate history for South Transfer Station	August 6	Included in meeting materials	Feb 24, 2014
96. Develop a summary of the Low Income Rate Assistance program.	Sept 26	Included in meeting materials	Feb 24, 2014
97. Provide summary info on scope, cost, funding of graffiti program	Jan 30, 2014 (via email)	<u>Scope:</u> Graffiti removal from SPU properties and SDOT roadway structures; private property enforcement; triage and dispatch; misc other <u>Cost:</u> \$1.5M <u>Funding:</u> Tonnage taxes	Feb 24, 2014
98. Provide summary info on scope, cost, funding of car oil leak program	Jan 30, 2014 (via email)	<u>Scope:</u> Part of a regional program "Don't Drip and Drive" with Washington State DOE and Puget Sound Starts Here regional campaign <u>Cost/Funding:</u> \$80k in SPU rates; \$200k grant from DOE for regional outreach (Shoreline, Renton, Auburn)	Feb 24, 2014
99. Regarding developing policies for decentralized green systems, find way to fund within baseline	Feb 7, 2014	Will address at 2/24 meeting	Feb 24, 2014
100. Regarding climate change action plan, separate O&M from CIP, and show benefits/avoided costs	Feb 7, 2014	Will address at 2/24 meeting	Feb 24, 2014

Request	Date Requested	Status	Date Completed
101. Develop "elevator speech" for the baseline	Feb 7, 2014	Done and distributed at the Feb 24 Panel meeting	Feb 24, 2014
102. Create a baseline "rivers chart" for each LOB	Feb 7, 2014	Done and distributed at the Feb 24 Panel meeting	Feb 24, 2014
103. Provide Panel with information on annual SPU costs for OTJ injuries.	May 6	Kim handed out document at May 13 Panel meeting that shows time loss costs; other costs included in Workers Comp basics handout provided at Feb 24 Panel meeting	Feb 24, 2014
104. What are the number a % of SPU's workforce on disability payment	July 15	Workers Comp basics handout provided at Feb 24 Panel meeting	Feb 24, 2014

REQUESTS UNDERWAY

Request	Date Requested	Status	Date Completed
ONGOING			
105. Offer Panel members field trips	April 29	Underway	Ongoing
106. Send materials out electronically in advance of meetings	April 29	Will do this throughout process	Ongoing
107. Provide Panel members with access to additional SPU informational materials	April 29	Links included in Customer Review Panel section of the Strategic business Plan web page	Ongoing
108. Include in presentations and materials more photos of capital components and operational activities	April 30	Will do	Ongoing
109. Send presentations to Customer Panel on the Action Plans presented	Feb 24, 2014	Placing PPTs on the Panel website	Ongoing

GENERAL INFO/OTHER

110. What are our risk thresholds – e.g., what is a “large” risk? A “small” risk? How do we define large/small assets and projects?	June 5	Terry Martin to present risk methodology at a future meeting	
111. Write up key take-aways from separate meeting with Noel on street sweeping	Feb 7, 2014		
112. Various questions on City taxes: <ul style="list-style-type: none"> a. Rate of growth in tax revenues relative to inflation, Seattle population; Seattle jobs over last 10 years b. Sources and uses of General Fund revenues currently c. Growth rate of total General Fund revenues overall in the last few years d. How utility tax revenues have changed as a % of General Fund over the last several years e. Comparable utility taxes rates from Tacoma, Everett, Bellevue, Kent, Kirkland, Renton, Federal Way, Shoreline f. Recap history on how utility tax rates have gone up in the last decade or so. When and why. Include data on SCL 	Feb 26 email request from Noel via K2	March 28, 2014	

ADDRESS IN BASELINE

113. Describe the major changes between 2011 Actuals, 2012 Adopted budget, 2013 Adopted Budget, 2014 Endorsed Budget	May 6	Will include this information in the baseline document	
114. Provide Panel with information on trends in pension costs.	May 6	Will include this information in the baseline document	
115. Provide general overview of financial relationship with, and services provided from, the General Fund (and vice versa).	June 10	Will include this information in the baseline document	
116. In future materials, note the assumptions behind the typical residential charges	August 20	Will do	

Request	Date Requested	Status	Date Completed
117. Consider including a risk-band around the rate path estimates	Sept 12	Bruce will develop response	
118. Research how the last financial system replacement was handled financially and how the actual costs compared to the projections	November 25		
119. Continue QA/QC on the baseline labor assumptions, especially the 1.4% inflator above COLA	Feb 7, 2014 and Feb 24, 2014		March 28, 2014
120. Show progress on "elevator" talking points	Feb 24, 2014		
121. On DWW rivers chart, identify what portion of the DWW contract costs go straight to King County or are otherwise non-negotiable	Feb 24, 2014		
122. In the baseline elevator speech, be clear about how much of the increase is attributable to each item. Also note that decreasing demand will lead to increasing rates	March 12, 2014		

ADDRESS IN BENCHMARKING/EFFICIENCIES

123. During efficiency discussions, let Panel hear from SPU staff as well as from the Consultant; SPU to engage employees	April 29; August 20	Employees engaged in HDR's efficiency process, and in the SBP process in general. Have not yet scheduled employees to come to Panel meetings.	
124. Would like street sweeping included in benchmarking	May 13	See Benchmarking Summary, Appendix B, Section 2	Report to Panel March 28, 2014
125. Would like solid waste non-contract costs included in benchmarking	May 13	See Benchmarking Summary, Appendix B, Section 3	Report to Panel March 28, 2014
126. Would like service level analysis included in benchmarking	May 13	See Benchmarking Summary, Appendix B, Sections 2 and 3	Report to Panel March 28, 2014
127. Streamline bureaucracy (simplify processes, interactions with other City departments)	August 20	See Section 4.1.3 Financial Strength and Section 4.1.9 Technology Planning	Report to Panel March 28, 2014
128. Would like to learn what others are doing in regards to succession planning	November 13	See section 4.1.8, Talent Management	Report to Panel March 28, 2014
129. Identify areas of overlap in efficiencies and action plans, and identify how SPU will avoid double counting investment costs and efficiency savings	March 13, 2014		

ADDRESS IN BASELINE PRIORITIZATION

130. Provide better descriptors of discretionary services	August 6	Will address in prioritization work	
---	----------	-------------------------------------	--

ADDRESS IN ACTION PLANS/INITIATIVES or OTHER PRESENTATIONS

131. Would like more discussion of safety data	May 13	Workforce Action Plans to Panel on March 28, 2014	March 28, 2014
132. Regarding the safety/wellness action plan,	November 13	Workforce Action Plans to Panel on March	March 28,

Request	Date Requested	Status	Date Completed
would like to see the cost of implementing the action plan, as well as the current L&I costs and the projected reductions in these costs associated with the Action Plan		28, 2014	2014
133.How do you ensure Green Stormwater Infrastructure is properly maintained?	July 1	Nancy to develop response in conjunction with GSI Action Plan	
134.Provide additional information on inter-relationships between pockets of money – truly self-sufficient?	August 6	Will address in discussions of tonnage tax	
135.As a result of new DWW work, quantify the anticipated reduction in claims	Feb 24, 2014		
136. Consider including a placeholder for property costs in the facilities action plan	March 12, 2014		
137.Consider removing the IT maintenance costs from the IT action plan, and instead adding them to the baseline	March 12, 2014		
138.			