

SPU Strategic Business Plan Customer Review Panel- **DRAFT**

Meeting Summary for February 22, 2017

Panel Members		Staff and Others		Staff and Others	
Suzie Burke	✓	Mami Hara	✓	Karen Sherry	✓
Dave Layton	✓	Melina Thung	✓	Cameron Findlay	✓
Bobby Coleman	✓	Susan Sanchez	✓	Miles Mayhew	✓
Laura Lippman	✓	Sherri Crawford	✓	Karen Reed, SPU	✓
Noel Miller	✓	Henry Chen	✓	Michael Davis	✓
Rodney Schauf	✓	Rick Scott	✓	Aaron Blumenthal	✓
Puja Shaw	✓	Ken Snipes	✓	Peter Lindsay	✓
Kyle Stetler	✓	Madeline Goddard	✓	Karen Reed, Facilitator	✓
Jessa Timmer	X	Brian Medford	✓	Alex Clardy	✓

Welcome and Introductions/Review and Approval of Meeting Summary

The Panel reviewed and approved the Meeting Summaries for meetings 6, 7 and 8.

Review Unanswered Questions from 1/25 and 1/31

The Panel reviewed questions answered from 1/25 and 1/31, additional questions will be answered in March or will be a part of future presentations to the Panel.

Question: How does the pet waste/diaper composting cost compare to other opportunities? What's the cost to get the additional 1% compared to other things we might consider? A: We will provide this information.

Operations and Maintenance (O&M) in the Baseline

Cameron Findlay presented additional details on O&M costs in the baseline for 2018-2023.

Questions included:

Q: Are the offsets in the O&M fixed? A: Some are fixed, some are not.

Q: When you refer to fleet in the O&M, are you referring to the SPU fleet or FAS fleet? A: SPU fleet.

Q: Where do the fees for Water Taps go? A: To the general fund of the Utility.

Q: How has "value-added" corporate costs grown over the past twenty years? What have been the primary drivers? A: We will get back to you on this.

Q: What is the annual growth rate of the O&M A: We will get back to you on this.

Q: What are the metrics associated with the ‘value-added’ programs? A: We will get back to you.

Q: How are we measuring the offset? A: We will get back to you.

Q: How will the West Point treatment plan break down impact rates? A: We believe King County’s insurance policy will cover the costs of repair. We will consider this.

Presentation of Action Plans

SPU staff presented new recommended Action Plans for the 2018-2023 Strategic Business Plan Update. *Action Plans are investments that are in addition to the baseline.*

General Questions included:

Q: What happened to the 2015-2020 Action Plans? A: They are now in the baseline.

Q: Can SPU tell us how they would prioritize the 2018-2023 Action Plans. A: Yes, we will get back to you.

Questions for Action Plan #1: Expand the Water and Drainage and Wastewater Apprenticeship Program.

Q: Why is there a need to add money to the current Apprenticeship program? A: To formalize the program and provide additional training to create a pipeline of qualified candidates to meet the needs of the LOBs today and in the future.

Q: Is the Apprenticeship program’s training in addition to the training provided by the local unions? A: It’s supplementary training to that provided by the local unions.

Q: The cash flow over the six years is uneven, why the bumps in years one, three and five? A: The “bumps” in the cash flow indicate cost associated with the recruitment of a new apprentice class.

Q: How many people participate in the program? A: Twelve to fifteen participants for each LOB; total of 24-30 every two years.

Q: Please provide the cost of the initiative in terms of the effective tuition per employees for the two-year training period. A: We will provide this information.

Questions for Action Plan #2: Transportation Projects

Q: Please provide the statutes clarifying why SDOT does not have to pay for SPU’s costs related to transportation projects. A: We will provide this information.

Q: Please provide a list of the specific projects proposed to be funded and why you chose them. What is the level of certainty with respect to each project? A: We will provide this information.

Q: Please provide confirmation that SDOT will be fully paying for the drainage collection improvements (as opposed to conveyance). A: We will provide this information.

Q: What is the opportunity costs of not doing these projects? What is the expected net present value of doing the projects rather than not doing them? A: We will provide this information.

Q: I thought steel pipes were brittle and would break in an earthquake. A: Steel pipes will bend and perform well in an earthquake.

Q: For the opportunity projects, you've identified how far into the horizon would you have to replace/repair the asset if you didn't take the current opportunity? A: For both Water and Drainage and Wastewater the horizon for repairing/replacing the asset is 5-10 years.

Questions for Action Plan #3: Expand Maintenance of the Water Distribution System

Q: Would the addition of two two-person teams be enough to service all 19,000 hydrants? A: Over time, the addition of the two two-person teams would bring down the backlog of hydrants needed inspected, eventually catching us up to the inspection cycle.

Q: Is hydrant work is a general government purpose? A: Yes, the inspection of the hydrant is done by Fire, SPU completes the maintenance. The general fund pays for the inspection, not the repair.

Questions for Action Plan #4: Expand Water Modeling

Q: Why isn't this request in the baseline? A: There is currently one position in the baseline, another is needed to meet demand factors for this work.

Q: How can SPU ensure that if a position is added it will be dedicated to water modeling work? A: We will work to ensure the resource is focused on water modeling work.

Questions for Action Plan #5: Increased Sewer Repair

Q: Doesn't this project save you money? If so, how much based on what assumptions? A: We will provide this information.

Q: What percentage of pipes will still be 'in extremis' at the end of this project/end of planning period: A: We will provide that information.

Q: How does pipe lining impact the lifespan of a pipe? A: Generally, it increases the lifespan by 50%.

Q: Of the 160 pipe repairs, how many could have been resolved using the pipe lining method? A: Unknown, most of the 160 repairs were structural failures.

Q: Does the pipe lining technique work for side sewers? A: Yes.

Q: What is the current backlog for pipes that need repair? A: About 1200.

Questions for Action Plan #6

Q: What amount of the cause for sewer capacity issues is due to growth/development? Due to age of pipes? Other causes? A: It's a combination of aging infrastructure, growth and climate change impacts.

Q: Can SPU look at system development charges? A: We will review this at a future meeting.

We will review Action Plans 7-13 at the March 8 Panel meeting.

Next Steps

The Panel reviewed an outline of talking points for the Chair/Co-chair to share with the CREUDA committee on 3/14. The Panel will work with SPU to refine the talking points for the committee.

Meeting adjourned at 4:30

Next meeting is March 8 from 1:30-4:30 at SMT.