

**SPU Strategic Business Plan Customer Review Panel
Draft Meeting Summary for October 14, 2013**

Attending:

Panel Members:			
Suzie Burke	✓	Tara Luckie	✓
Bruce Lorig	✓	Noel Miller	✓
Dave Layton	✓	Carl Pierce	✓
Laura Lippman	X	Walter Reese	✓
David Gault	X		
Staff and Others¹:			
Nancy Ahern	X	Meg Moorehead	✓
Martin Baker	✓	Karen Reed (facilitator)	✓
Melina Thung	✓	Diane Clausen	✓
Ray Hoffman	✓	Karen Reed (SPU)	✓
Craig Stampher	✓	Jared Smith (Decision Lens)	✓

Review and Approval of Agenda. No questions or comments on the October 14 agenda; *agenda approved.*

Review and Approval of Meeting 11 Summary. No questions or comments on the September 26 meeting summary; *meeting summary approved.*

Scheduling. Panel agreed to meeting dates for the first quarter of 2014.

Information Responses. Responses to questions from September 26 meeting were distributed.

Suggestions, observations, questions from Panel:

Q: Average rate/bill for typical apartment unit? **A:** Can estimate what apartment dweller pays for SPU services via the rent they pay.

Comment: Noel met with Councilmember Godden and Council staff about affordability and utility taxes, and suggested not increasing or even decreasing utility taxes.

Comment: Also in the context of rate affordability; would like to talk in a future Panel meeting about Green Seattle Partnership and their interest in SPU contributing funding restoring parkland forests. (Has not been a budget issue for the 2014 budget; may be more of an issue for the long-term rate path.)

Panel Engagement with Decision Lens Tool. Karen described the activity for the day; Ray talked about the why we are asking the Panel to do this exercise, and described how this

¹ Only those individuals sitting at the head table or give presentations to the Panel are included on this list. A number of other staff and consultants attended the meeting.

information will be used. Jared Smith, of Decision Lens, took the Panel through the Decision Lens model.

Suggestions, observations, questions from Panel:

Comment: May be difficult to do comparisons when choices are multi-dimensional. Note these types of issues as they arise in the ratings.

Comments on pairwise comparisons within Operational Excellence Focus Area:

- Effectiveness/efficiency vs service quality: If we focus on efficiency and effectiveness, then service quality will follow. On the other hand, service quality is customer focused, could be efficient and effective but doing something the customer doesn't care about.
- Effectiveness/efficiency vs fiscal strength/integrity: First have to be financially strong, then can worry about efficiencies and effectiveness – fiscal strength is the basis for all of your work, strong internal controls.
- Fiscal strength/integrity vs affordability: No clue what affordability means – too many things co-mingled here. Have to be efficient overall in order to be affordable to customers – is there some redundancy here? The unique concept here is the idea of subsidies to those who can't afford to pay. May want to review the definition of affordability, or even if it should be criterion. Need to ask: What is the level of investment, and associated level of SPU bills, that we should choose so that we are affordable to all customers?
- Fiscal strength/integrity vs adaptability. SPU pretty good on adaptability; need more focus on fiscal strength/integrity. Do need to think about where the utility is at the present; where to put additional resources.
- Overall weightings in operational excellence: highest for effectiveness/efficiency and affordability, then fiscal strength/integrity, then service quality, then adaptability.

Comments on pairwise comparisons within Transform the Workforce:

- Place/safety vs people: It's a people business. People are important, but safety is the number 1 concern for the people. On the other hand, safety is #1, but can't do it without the right people.
- People vs culture: It's all about culture – can't attract or retain people without the right culture.
- Place/safety vs culture: Safety will cost a lot of money if you don't emphasize culture. If you don't have the right culture, then no one will adhere to safety. SPU needs to focus additionally on safety and accountability for safety.

- Place/safety vs systems/processes: Intertwined, but safety is so important weigh it more. Systems/processes are great, but the right people can make any system/process work.
- Overall weightings in transform the workforce: highest for people, then culture, then place/safety, then systems and processes.

Comments on pairwise comparisons within Easy and Engaged Customer Experience:

- Easy customer experience vs service equity: Everyone has equal stake in utility. Equity is of utmost importance, even above the overall customer experience – if everyone is on hold, then at least it's equitable. On the other hand, if I have to be calling every day, then we're in trouble.
- Service equity vs customer involvement: Want customer involvement, but in an equitable way.
- Customer involvement vs transparency: Transparency necessary for other stuff to happen.
- Easy customer experience vs customer involvement: Without an easy customer experience, you won't get customer involvement
- Overall weightings in easy and engaged customer experience: Service equity ranked highest, then easy customer experience, then transparency, the customer involvement. Without Dave Layton's weightings, easy customer experience ranks first, service equity second.

Comments on pairwise comparisons within Environmental and Public Health:

- Environment/health mandates vs stewardship: Some things that are discretionary now will become mandatory. Can think of this comparison as the required stuff (mandates) vs the desired stuff (stewardship). Probably will get the mandates done if you pursue stewardship. These two are extremely close between each other (meet or exceed on mandates).
- Stewardship vs partnering: Partnering is how most of stewardship gets done. Who you are partnering with is important distinction – partnership with regulators is a no-brainer; partnering with others is more discretionary.
- Overall weightings in environmental and public health: Highest is partnering, then stewardship, then environment and health mandates, then adaptability.

Comments on pairwise comparisons among the Focus Areas:

- Achieve Operational Excellence vs Transform the Workforce: Can't achieve operational excellence without getting workforce in order. But, end game is operational excellence. Transforming the workforce takes the longest, even though it is the most important – can

actually do something on the operational excellence side so incentive from a manager's perspective is to focus on operational excellence.

- Transform the Workforce vs Easy and Engaged Customer Experience: "I'm on auto bill pay."
- Easy and Engaged Customer Experience vs Protect Environment & Public Health: Service equity is important as is transparency, this is first and foremost.
- Achieve Operational Excellence vs Easy and Engaged Customer Experience: Can pay your bill everyday but you won't know what you're getting within transparency.
- Transform the Workforce vs Project Environment & Public Health: If you can't drink the water, that's really bad.
- Achieve Operational Excellence vs Protect Environmental & Public Health: Can't be operationally excellent if you're failing at your mandates.
- Overall weightings among Focus Areas: Transform the workforce is highest, then Achieve Operational Excellence, then Protect Environmental & Public Health, then Create an Easy and Engaged Customer Experience

Interim Outreach Update. SPU's Karen Reed provided a brief update on the interim outreach. Will do tests with customer advisory committees and other focus groups in November. Next week we will describe the outreach content to the Panel.

Q: How are you getting information out to communities? **A:** Will do focus groups where we recruit. Will also use social media; personal invitations. Will be going to places where people are already going to be (e.g., Chamber meetings).

Comment: Large property owners and landowners are not on list. Response: Will get these groups through businesses; key customers. Can talk more with people who have the right connections to make sure we don't leave anyone out.

Q: How will focus groups participate? **A:** Will be facilitated; if focus group is English learners, will have facilitators who speak the language.

Discussion of Panel and E-Team weightings.

Ray comments (before leaving to attend meeting at Mayor's Office): E-Team weightings are not the same as the Panel's weightings. For example, E-Team ranked Operational Excellence the highest. Very open to having further discussion on this.

Other E-Team comments: E-Team focused on efficient service delivery as our key mission and focus area. However, all four focus areas are of critical importance, otherwise they wouldn't be focus areas. E-Team has had lots of balancing conversations, and also did this weighting after

viewing the results of recent customer research in addition to employee research, so there's a significant focus on the customer perspective.

Comments on Panel vs E-Team focus: Panel focused on the “how” or the “means” – E-Team focused more on the “what” or the “ends.” The overall perspectives are not inconsistent, but just a different focusing. At the October 23rd Panel meeting, SPU will come back with a sensitivity analysis for how projects and programs are ranked under both of the weighting schemes.

Comments on workforce: There is some concern within the Panel that SPU will not focus on transforming the workforce, because of the difficulty of doing this effectively, and the length of time it takes. SPU notes that it recognizes workforce change is really hard, but also really important. Given where SPU is with its workforce and culture, there is a reasonable investment to be made between now and 2020. In fact the three positions requested in the 2014 budget are all human resources positions.

Comment on Council perspective: Council usually more interested in “what” rather than “how.” New consciousness within SPU about importance of workforce – may not have even showed up in the top four years ago. Each of the four focus areas are considered extremely important.

Comments/questions on other perspectives: Is Panel aligned with the City perspective? The customer perspective? Is SPU management aligned? This seems to be entirely about tradeoffs and balancing.

Comment on interim outreach: Keep this discussion in mind as we talk next time about the interim outreach. What questions do we want to ask the broader public to get good information going forward?

Will bring back the strategic objective comparisons next time. Do version in bar charts.

Proposed Agenda for Meeting 13:

- Discuss pros/cons of rate path vs rate revenue path
- Baseline prioritization work: Introduction & Status Report
- Review draft test interim outreach content

The meeting was adjourned at 4:30.

Follow up Items for Staff:

1. In the outreach materials, show what an apartment dweller pays for SPU services via the rent they pay, in addition to showing the bills of a typical homeowner.
2. For the October 23rd meeting, show the strategic objective comparisons in bar charts.