

**SPU Strategic Business Plan Customer Review Panel  
Draft Meeting Summary for October 23, 2013**

Attending:

<b>Panel Members:</b>			
Suzie Burke	✓	Tara Luckie	✓
Bruce Lorig	✓	Noel Miller	✓
Dave Layton	✓	Carl Pierce	✓
Laura Lippman	✓	Walter Reese	✓
David Gault	X		
<b>Staff and Others<sup>1</sup>:</b>			
Nancy Ahern	✓	Meg Moorehead	✓
Martin Baker	✓	Karen Reed (facilitator)	✓
Melina Thung	✓	Diane Clausen	✓
Ray Hoffman	✓	Karen Reed (SPU)	✓
Craig Stampher	✓	Keith Hinman	✓
	✓	Michael Davis	✓

**Review and Approval of Agenda.** No questions or comments on the October 23 agenda; *agenda approved.*

**Review and Approval of Meeting 12 Summary.** No questions or comments on the October 14 meeting summary; *meeting summary approved.*

**Strategic Framework Discussion.** Ray talked about the last meeting with the Panel weighting the strategic framework. Melina talked about next steps with the strategic framework weightings, including application to the baseline and new investments. Martin went through the details of the comparative results of the weightings of the strategic framework between the Panel's weightings and the E-Team's weightings. Nancy talked about possible changes for defining two strategic objectives whose definitions were causing the Panel some difficulties at the last meeting.

*Suggestions, observations, questions from Panel:*

**Q:** How much does it cost to use the tool? **A:** \$100,000 per year over three years for use of the tool, plus staff time.

**Q:** Investments in Transform the Workforce are probably more moderate than possible other investments? **A:** Yes

*Comments on Transform the Workforce objectives:* If you want to transform the workforce, need to put more effort into culture. Also, depends on what staff feel about the culture – is it OK now? Or does it need significant focus?

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<sup>1</sup> 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.

**Comments on Easy & Engaged Customer Experience:** From Panel's point of view, if you're on auto-pay then that's already pretty easy; from SPU's point of view, see the problems with the customer experience from multiple customer perspectives. The Panel had more of an even weighting among the objectives than the E-Team – should not construe this as thinking that easy customer experience is unimportant (an objective which the E-Team ranked significantly higher than other objectives).

**Comments on Operational Excellence:** Panel may have included service quality within efficiency.

**Comments on Environmental and Public Health:** E-Team weightings acknowledge that we are always looking toward meeting regulations – this is our operational reality. From the Panel's perspective, though, this is exactly the reason to have strong relationships (i.e., Partnering) to ensure necessary cooperation and support.

**Proposed Changes to Wording of Strategic Objectives:**

**“Meet or exceed environmental & health mandates:”** Panel is OK with keeping the word “exceed” in the objective.

**“Affordability.”** Panel supports delete the word “overall” from the first sentence and deleting the second sentence entirely to better distinguish this objective from Efficiency and Effectiveness.

**Baseline Prioritization.** Keith described the baseline prioritization process underway within SPU.

**Questions and Comments from Panel and Staff:**

**Q:** How would capital projects affect Transform the Workforce? **A:** In solid waste, Transform the Workforce barely weighed in on many capital projects. However, some capital projects got points for workforce safety.

What you have is part of a decision-making tool. You have “have to do it” part, you have economic part, you have value part. Start with budget, then what you have to do, then consider what you have left and how best to spend it, in terms of value and cost.

Martin noted that Decision Lens is simply a tool, but it a very important, powerful, valuable tool to help us make decisions.

**Q:** Will the tool allow for consideration of efficiencies? **A:** When we review potential reductions, we can think about efficiencies in addition to project/program reductions. Additionally, we will layer in the work that our benchmarking consultant is doing in identifying efficiencies.

Panel worried that we are in the model of “When the car is about to crash into the wall, you’ll put on the brakes. Until then, will use the GPS system.” SPU appreciates and agrees that we do not want to take this approach.

Ray explained that SPU understands Decision Lens it's a tool; we won't be blindly following numbers. We can use this tool to communicate within SPU and to others; it's a positive step; trying to make better decisions; rational basis for comparing whole bunch of stuff. Before, we had a small group of people making the decisions, and it is difficult to rewind and remember why we made the decisions we made. With the tool, we have a more transparent, broader, and repeatable process. Good tool for large, complicated organization; even a small organization could benefit from this.

**Q:** What kinds of studies have been done to show that decisions under this tool are better than without tool? **A:** We can ask about this.

**Interim Outreach.** Karen Reed (SPU), Michael Davis, and Joe LePla (consultant) discussed the interim outreach to be held in January/February. The focus of the discussion is on the concept and content of the outreach.

*Suggestions, observations, questions from Panel:*

**Q:** What is introductory message about why they're here? **A:** Want to hear from them re: sample investments, and customers' reactions to bill increases.

**Comment:** Give tangible examples of what can go wrong – for example, roots in the sewer pipes.

**Q:** What is the average level of education you are preparing materials for? **A:** Try to keep at a 4<sup>th</sup> grade level, generally.

**Q:** Will we be offering opportunities to comment in different neighborhoods? **A:** Yes, will also approach the business community, underserved populations, and environmental communities.

**Q:** Do we want more tangible investments, or general descriptions? **A:** Currently this is a gray area. We will try to tie to Action Plans; will learn from piloting this.

**Q:** Who are the pilot groups? Are they representative of who you will reach in the actual outreach? Might you want to tailor the questions to the particular groups? **A:** We want to ask the same questions in all groups so we can compare results. We think this is doable, given experience with other outreach. We will have consultant support from Emerging Design on language and facilitation for underserved communities. We will tailor the questions to be understandable to each group.

**Comment:** Probably the table discussions will be most interesting, not just the rankings they come up with. Discussions in context will be the meat of the information learned.

**Q:** The ratings are very self-focused – do you want this? Might you then miss out on the value to others, the community, the environment? Maybe have multiple value questions for each investment?

Comment: The examples need to be really concrete. For example, “keeping employees safe” should be changed to “reduce on-the-job injuries.” And make certain things are parallel with what we’ve said before – e.g., every-other-week garbage doesn’t save that much money.

Comments: add % increase, and/or annual % increase, column to example cost changes in the outreach PPT. Maybe make them a 5-year change, or be consistent with the lifespan of the plan?

Comment: Add examples for apartments as well as single family residents for all residential groups you are meeting with.

Comment: You are comparing things you can change (like a gallon of gas) vs things people perceive they can’t change (like water consumption). Not exactly apples-to-apples. An annual increase of 4.75% per year (the illustrative example) is too high. Need to answer the question: why is it that much, if inflation is 2% or 2.5%? How long will this continue? Is it a result of under-investing in the past? What happened in the last five years; what will happen 5 years out? Is 4.75% per year too big a number? Maybe 3.95% is a better number?

Comment: Pick 2014 as a starting point, not 2015.

Comment: People will be looking at these increases and their wages, and see a disconnect. Rates are going up; incomes are stable or falling.

Comment: Having utility services is not discretionary; you can change your consumption levels to some degree, but you can’t go without.

Comment: Can provide some context by comparing to other utilities?

**Q:** What is the goal of the Plan – to start with the baseline and add? Or to find reductions to the baseline? **A:** Both. Follow up comment: Then we should go out with addition and deletion examples, not just additional examples. **A:** Agreed, but don’t have specific deletion examples yet.

Comment: Explain to the community what would happen if rates went up by the rate of inflation.

**Proposed Agenda for Meeting 14:**

- Intro to benchmarking/efficiencies work

The meeting was adjourned at 3:30.

### **Follow up Items for Staff:**

1. Ask Decision Lens staff if they have any statistics regarding what improvements to decisions were caused by use of the tool
2. In the interim outreach, consider multiple value criteria: value to you; value to community; value to environment
3. Make sure investment questions in outreach are very concrete.
4. In outreach materials, add % increase, and/or annual % increase, column to example cost changes. Also, consider making the period over which the costs are compared equivalent to the strategic business plan period.
5. In outreach materials for residential customers, include bill examples for apartment dwellers as well as single family residents.
6. In outreach materials, pick 2014 as a starting point.
7. Provide some context by comparing bill increases in other utilities.
8. In outreach, include cost reductions for participants to evaluate as well as cost increases.