



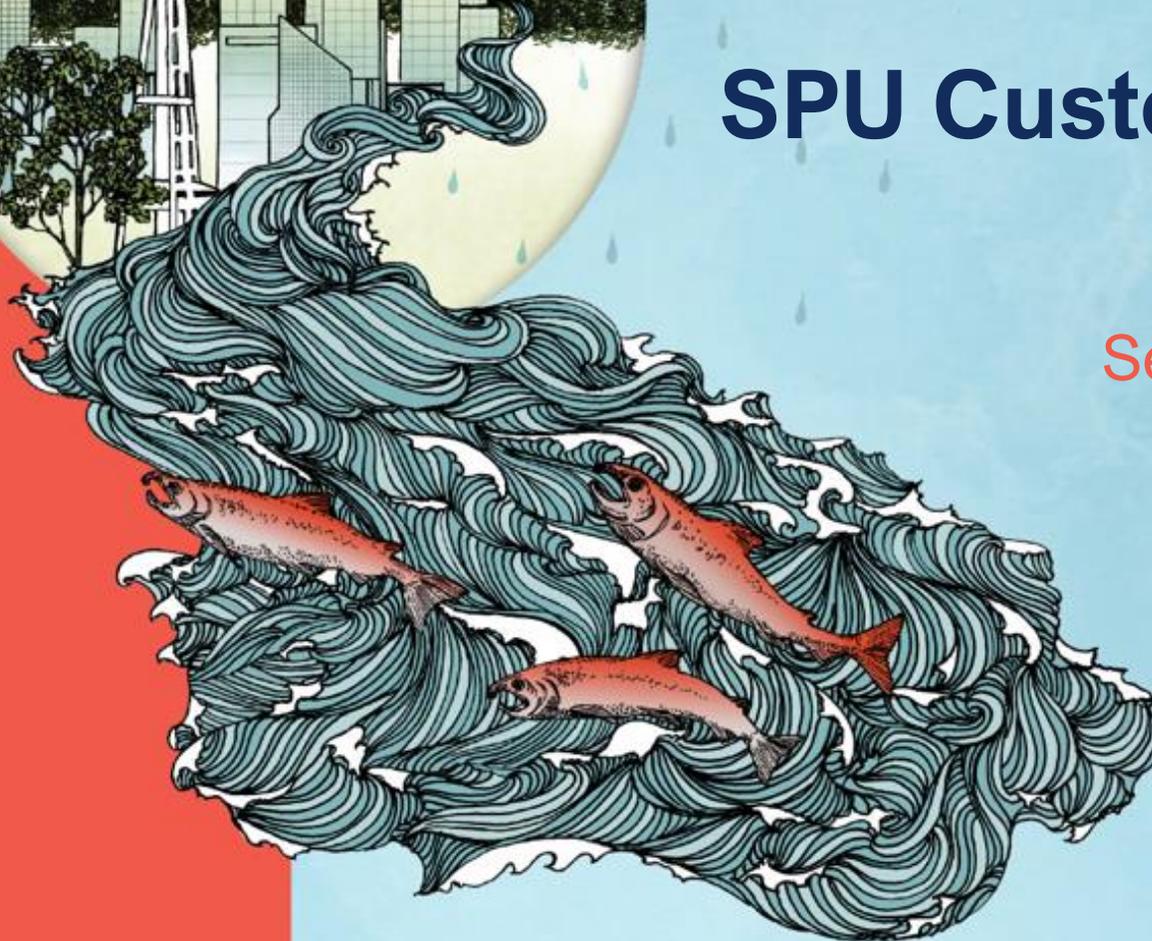
Seattle  
Public  
Utilities



# SPU Customer Review Panel

Seattle Public Utilities

January 8, 2024



A panoramic view of the Seattle waterfront. In the foreground, the Great Wheel is visible on the left, and Pier 56 is on the right. The background is filled with a dense city skyline of various skyscrapers under a clear blue sky.

**Welcome**

**Andrew Lee**

**CEO and General Manger, SPU**

# Public Comment

Andrés Mantilla, BDS Planning



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# CRP Business

Andrés Mantilla, BDS Planning



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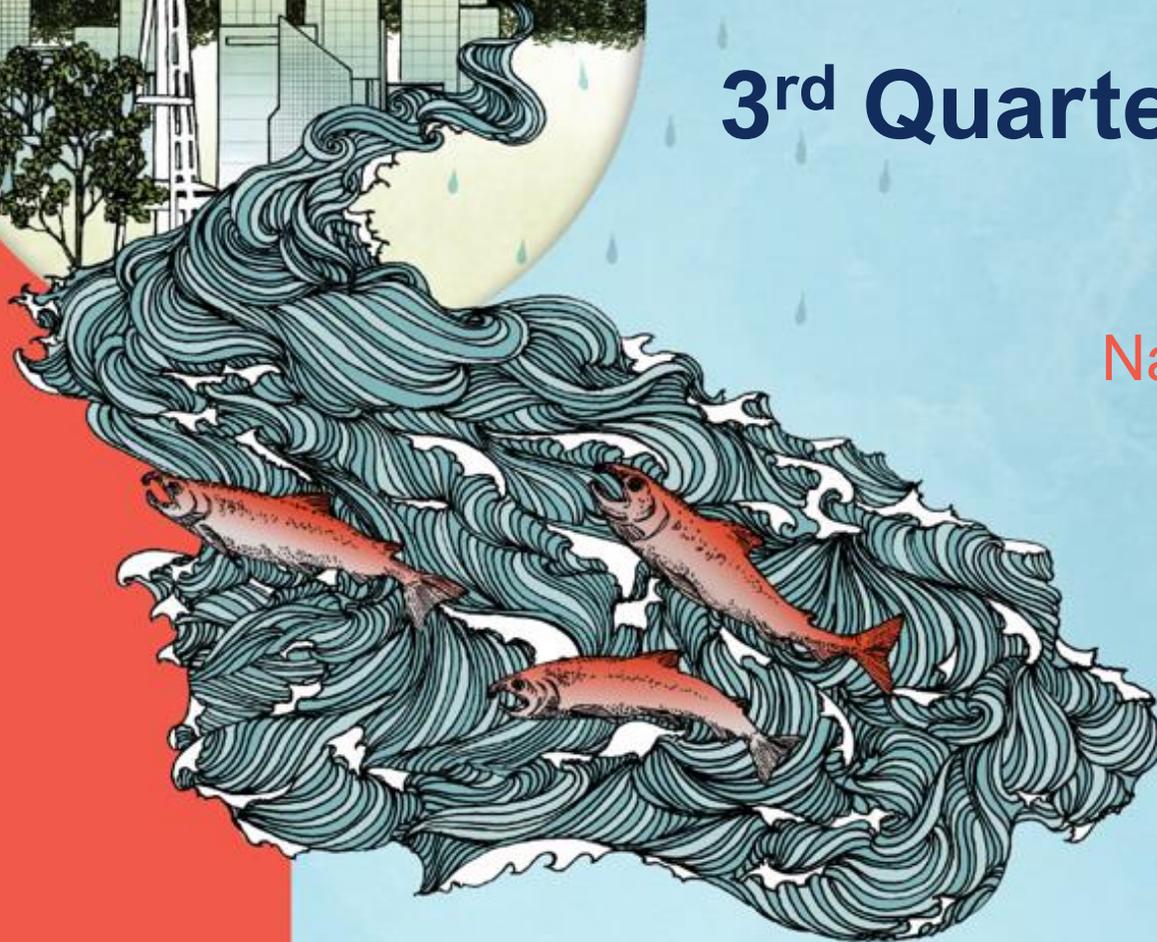


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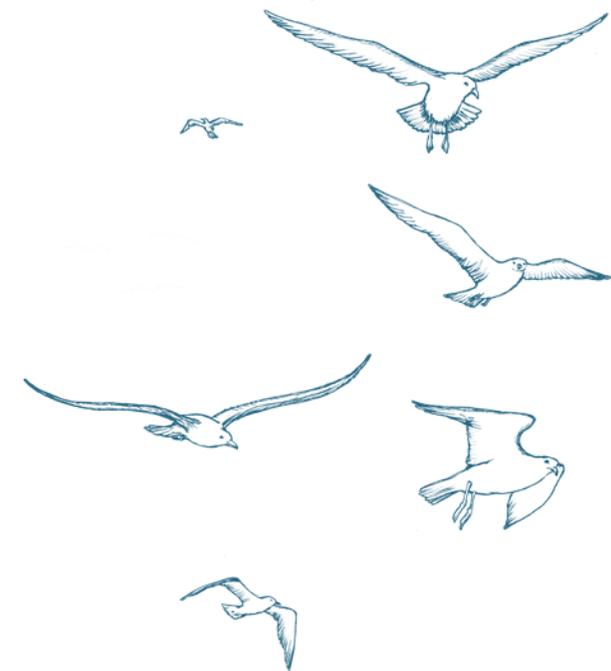


# 3<sup>rd</sup> Quarter Report 2023

Natasha Papsoueva



# 2023 Q3 Equitable Essential Services Metrics



**BEST IN CLASS**

<b>6.2%</b> Distribution System Leakage Annual Target: ≤10%	<b>0.91lbs</b> Residential Garbage* Annual Target: <1lb /pers/day	<b>1.8</b> Sewer Overflows Annual Target: ≤4 per 100 miles on a 2 yr. avg.	<b>100%</b> Clean City Collection Annual Target: ≥95%	<b>1,514</b> Utility Discount Programs Target: Meets the Need
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**RELIABLE AND REWARDING EXPERIENCES**

<b>97%</b> Water & DWW Response Annual Target: ≥90%	<b>91%</b> Customer Call Response Target: ≥ 80% in 3 mins	<b>93%</b> Customer Satisfaction Target: ≥ 90%	<b>1</b> Missed Waste Pick-up Target: ≤1 per 1000 stops based on a 52-week rolling avg.
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**EXPECTATIONS, REQUIREMENTS, & COMMITMENTS**

<b>62%</b> CSO Outfalls Annual Target: ≥ 62%	<b>2.16</b> Garbage, Recycling, Organics* Target: < 2.5 lbs./person/day	<b>24%</b> WMBE Purchasing** Target: ≥23% total purchasing dollars
<b>Met</b> Drinking Water Quality Target: Regulation met	<b>Met</b> NPDES Target: Regulation met	<b>79%</b> Customer Effort Target: ≥ 80%
		<b>36%</b> WMBE Consultants** Target: ≥ 25% total consulting dollars

# Focus Area Progress – Current Delays

## Q3 Investment Status



- SCWQP has continued to focus on the storage tunnel and Wallingford conveyance. The delay reflected is caused by a lack of bids for the Ballard Pump Station/Ballard Conveyance which resulted in a re-bid that is believed to create a net cost savings in the long run.
- The RV wastewater program is running into delays due to uncontrollable circumstances such as staffing shortages and a significant decline in the RV Dwelling population by approximately 15% from Q1 to Q3.
- DWW Asset Management and Opportunity Work is at risk due to contractors not being able to fulfill contract terms and delays in contracting due to rebidding/delayed award periods.



# Focus Area Progress - Highlights



## Critical valve route inspections

Inspections are restarting after being differed in 2015 due to short staffing and other priorities. The team has planned for inspections, documenting routes and future inspection processes to ensure maintained and improved water infrastructure.



## Hydrant and Valve Maintenance

Out of the 107 hydrants initially reported as out of service, 108 have been restored to service in Q3, representing a recovery rate exceeding 100% as crews work to address the backlog & new work.



## SPU Support for the Unsheltered

The Encampment Trash program, also known as the Purple Bag program, had an annual goal to expand service to 50% more encampments. In Q3 the program serviced an average of 31 sites per month and is on track to meet the performance targets.

## Grow Green Stormwater Infrastructure

RainCity partnership is off and running! The new program pilots an innovative way to accelerate community driven infrastructure in Seattle. Above is an example of the work, the Queen Mary Rowhouse Bioretention. This bioretention helps manage right-of-way runoff and reduce local flooding.

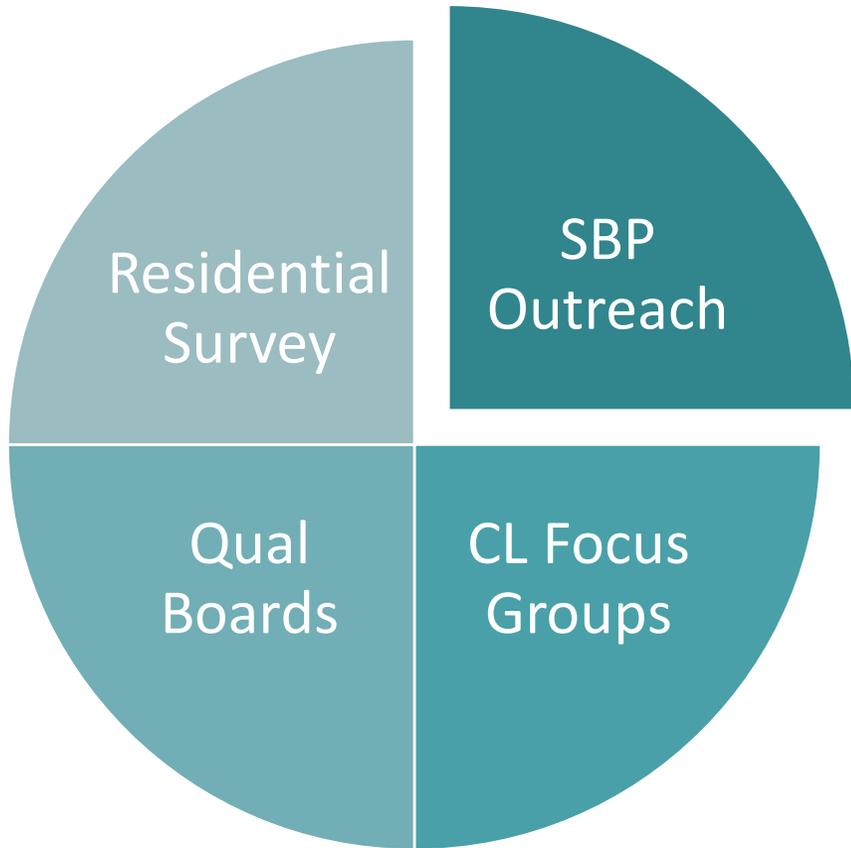
# SBP Community & Residential Survey Results



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# Themes across Qual Boards, SBP Outreach, and Residential Survey



Each touch point had a different way of engaging community, but these themes remained consistent:

- People value and are generally satisfied with SPU services.
- There are areas of confusion and opportunities to improve awareness.
- Affordability and rising costs are a concern
- Reaching out increases interest in SPU



# SBP Community Survey Results

Samantha Stork



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# Community Survey Outreach Purpose & Objectives

## OUTREACH PRIORITIES

- Educate and build awareness in the community around SPU's work and identity.
- Extra emphasis on BIPOC, immigrant and refugee and low-income communities
- Build lasting partnerships to better understand the diverse needs of the communities SPU serves.



## Process

- Co-design materials with CLs to meet community at their understanding of SPU
- Outreach strategies emphasized meeting community, in-language, where they are especially those historically underrepresented
- Online portal with investment in targeted social, ethnic, and local media
- Translated into 10 languages

## Results

- 13 events, all council districts represented
- 85% of events in Environmental Justice neighborhoods
- SPU collected 409 survey responses, 988 data points, and reached over 1,155 customers
- 23% of non-English surveys responses



# Overall Community Themes

General positive sentiment for SPU & services provided

Limited awareness of SPU and its services

Recycling and waste confusion: sorting and effectiveness

Utility affordability, rising costs and increased awareness of affordability programs

Increased simplicity in SPU communications about services, programs, applications

Better accessibility for SPU services

Unknown, but priority services provided by Clean Cities



# Sentiment on SPU Services

## Drinking Water

- 85% of respondents ranking it as excellent or good—SPU’s most highly rated service during outreach
- Concerns raised about water quality & taste in South Seattle/Rainier Beach

## Garbage, Recycling, and Composting

- Positive community sentiment, community appreciate timely waste pick-ups and responsiveness to new bin requests.
- Questions about frequency of pickups and opportunities for incentivizing less waste
- Request for increased education materials about sorting waste, large/odd item disposal

## Sewer

- Satisfaction with SPU sewer services, some confusion about what this service entails



# Sentiment on SPU Services Continued

## Drainage

- Community is generally satisfied with drainage services
- Some concerns about drainage in District 1 & 6

## Removing Litter, Graffiti, Needles, Illegal dumping, and Other Hazards

- 30% of respondents rating this service as poor or very bad
- Service often not attributed to SPU, but priority concern to address
- Requests for more public trash cans and litter clean-up efforts
- Participants had a general sentiment of wanting the city to feel cleaner by removing more waste, especially needles.

## Customer Service, Information, and Engagement

- General positive feedback, staff helpful with resolving issues
- Challenges by community in reaching representatives for questions or general information, especially if English was not their first language
- *“Give more information in Spanish and when there is information in Spanish I still don't understand very well.”*



# Affordability & Bill Assistance Themes

- Frustration around bills & affordability
- Lack of awareness of bill assistance programs, need for increased advertisement & outreach
- Difficulties accessing bill assistance programs, understanding qualifications, completing forms
- Revisit the low-income threshold

"I didn't know this existed - better outreach to share this info."

"We are recipients (seniors on limited income) and really appreciate it. It was a little challenging to start the process."

"I think we need to reimagine what low income is because there are people who struggle to pay bills who make \$40-50k."



# Residential Survey Results

Overview and preliminary results

Vanessa Lund



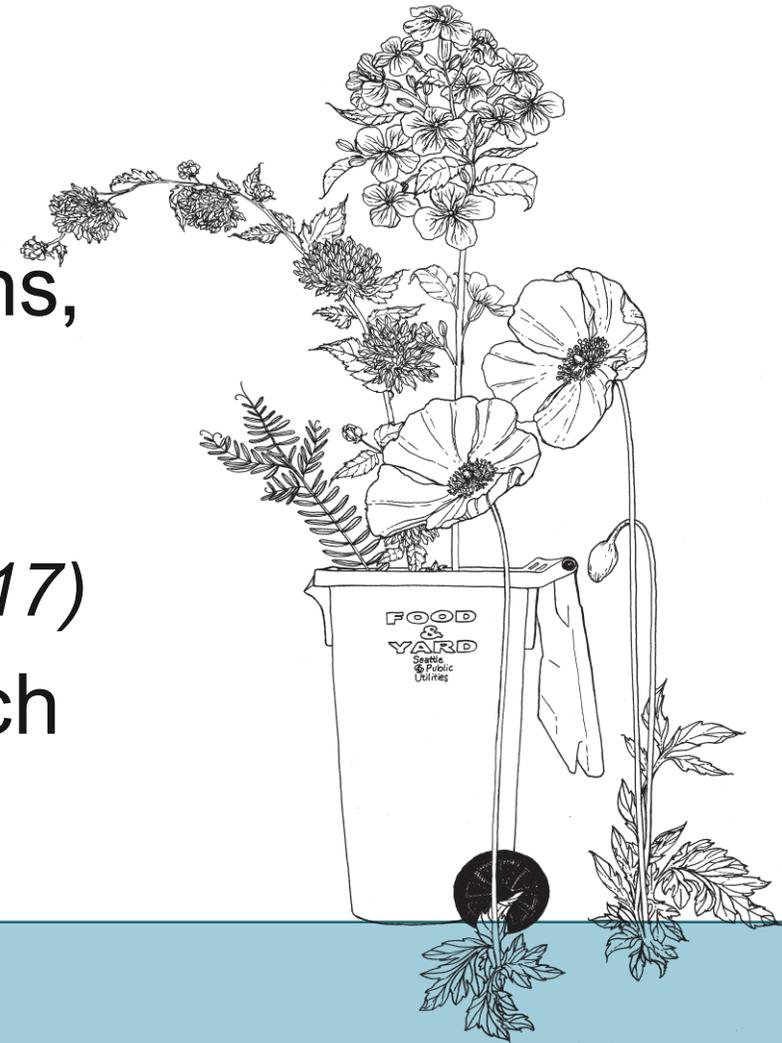
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# Purpose

- Conduct a scientific survey of residential customers
- Explore and measure customers' opinions, attitudes, and experiences
- Establish a new baseline with consistent questions for ongoing use (*last survey: 2017*)
- Complement other research and outreach



# Approach

- Independent research team (Lund Faucett/Carter Research)
- Voluntary mixed-mode survey (online, with phone option). No incentive.
- Languages: English, Spanish, Chinese (Traditional), Vietnamese, Korean, Somali, Amharic and Tagalog
- 35 questions, mostly closed-ended
- Sample: SPU customer list and panel



# Responses

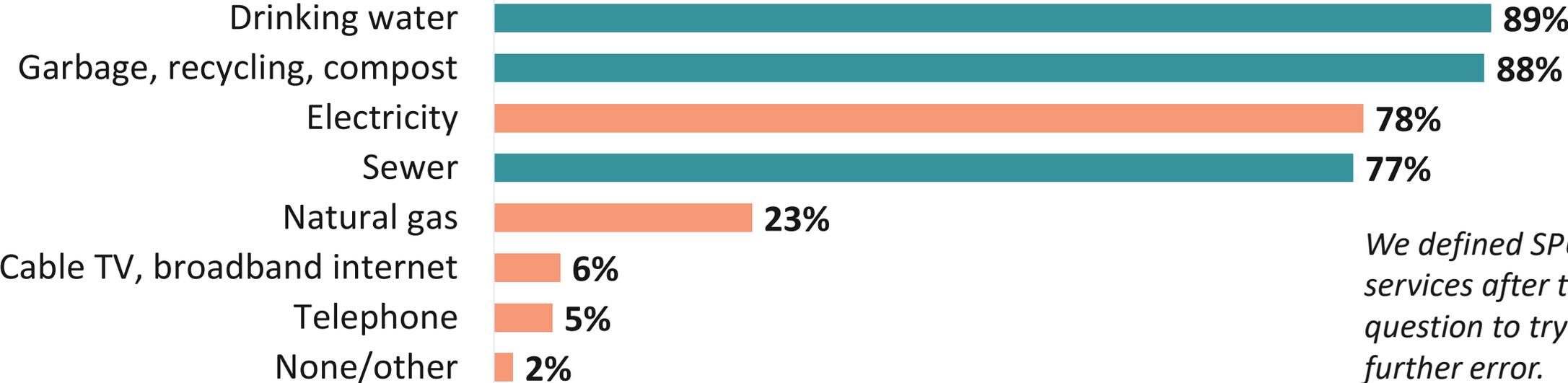
- Fielded November 13 – December 5
- 1,042 customers completed the survey
- Above average response rate (5.5%) and quality
- Supplemental phone surveys were not necessary
- Results capture a mix of perspectives (demographic, homeowner/renters, geographies, etc.)

*These results are preliminary. Additional analysis and review is underway.*



# SPU Services Awareness

*Q6: To the best of your knowledge, which (if any) of the following services does Seattle Public Utilities provide to your household?  
(Select all that apply.)*



*We defined SPU's services after this question to try to reduce further error.*

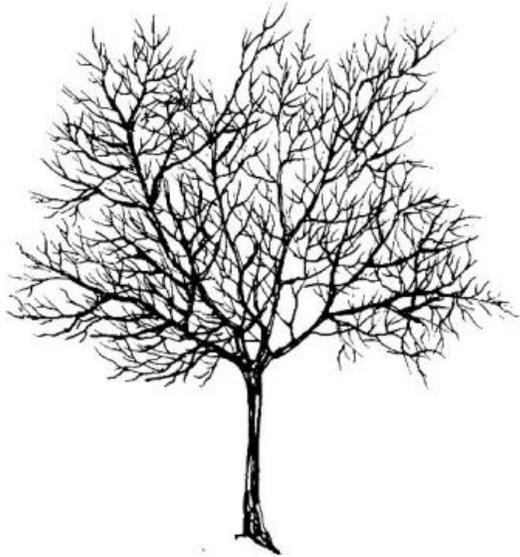
n=1,042

# SPU Descriptors

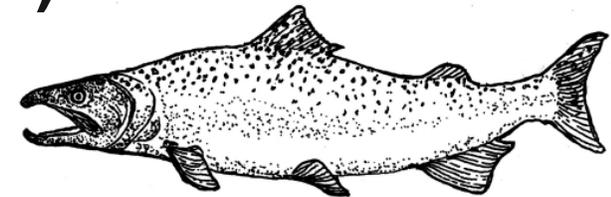
Q7: *What words would you use to describe Seattle Public Utilities (SPU)? (Open-ended, top 3)*

- Consistent, constant, regular, predictable, dependable (**36%**)
- Expensive, pricey, costly, overpriced, unaffordable (**27%**)
- Necessary, essential, needed, vital (**11%**)

Sentiment:  
75% positive  
38% negative



n=819



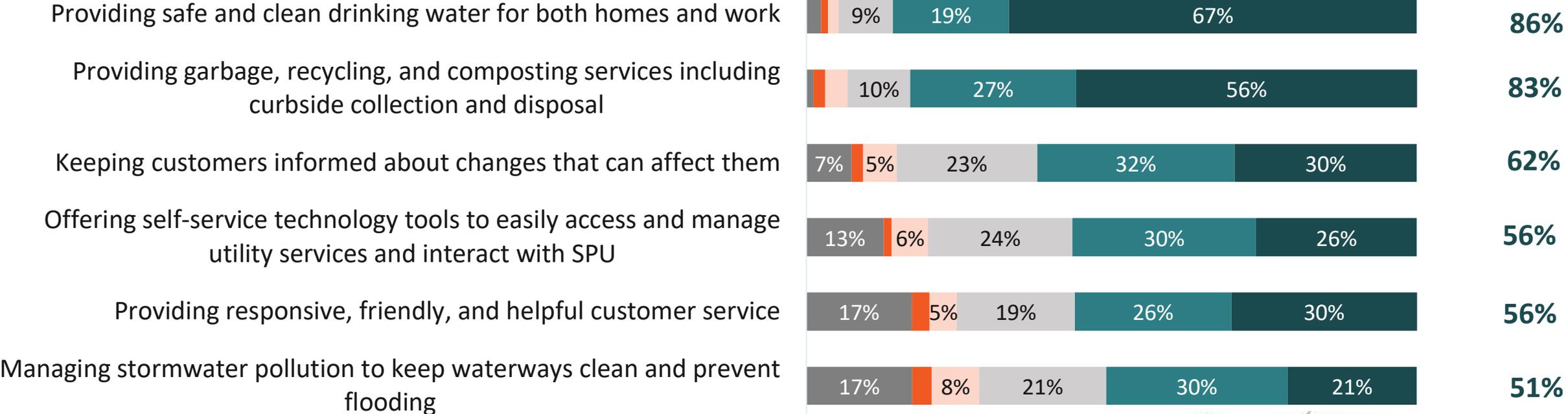
# Service Ratings – Top 6

VERY/SOMEWHAT SATISFIED >50%

How would you rate Seattle Public Utilities' performance for each of the following items on a 1-5 scale...

■ Don't know  
 ■ 1 - Not at all satisfied  
 ■ 2 - Somewhat unsatisfied  
 ■ 3 - Average/Neutral  
 ■ 4 - Somewhat satisfied  
 ■ 5 - Very satisfied

Somewhat/  
Very Satisfied



Responses <5% are not labeled

n=1,042

# Service Ratings – Bottom 6

VERY/SOMEWHAT SATISFIED <50%

*How would you rate Seattle Public Utilities’ performance for each of the following items on a 1-5 scale...)*

■ Don't know   ■ 1 - Not at all satisfied   ■ 2 - Somewhat unsatisfied   ■ 3 - Average/Neutral   ■ 4 - Somewhat satisfied   ■ 5 - Very satisfied

Somewhat/  
Very Satisfied

Helping customers conserve resources, save water, and reduce waste



49%

Protecting health and the environment by moving dirty water out of...



48%

Ensuring everyone has fair access to water and waste services,...



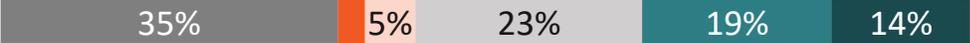
45%

Keeping costs of water, sewer, and garbage services affordable



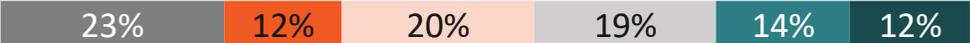
39%

Preparing for how climate change impacts infrastructure, services, and...



34%

Removing litter, graffiti, needles, illegal dumping, and other hazards



26%

Responses <5% are not labeled

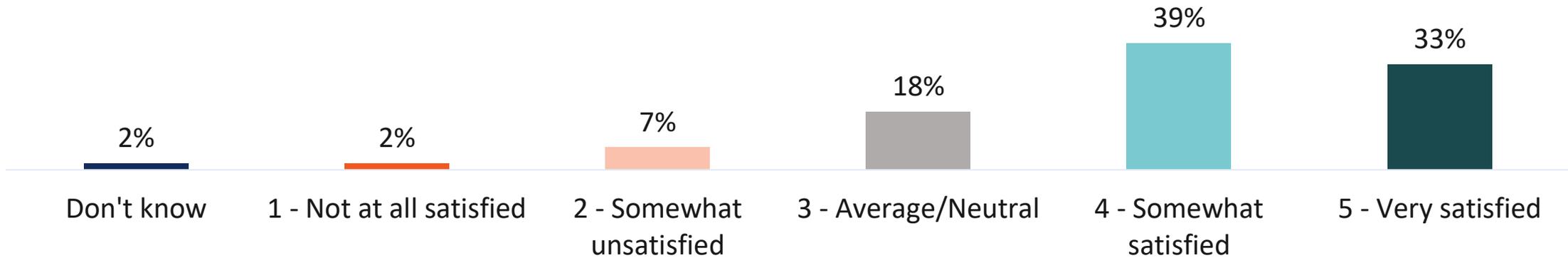
n=1,042

# Overall Performance

Q9: Overall, how would you rate your satisfaction with Seattle Public Utilities, using the same 1-5 scale? If you're unsure, you can select 'don't know.'

**9% Dissatisfied**

**72% Satisfied**



n=1,042



# Importance – Top 7

VERY IMPORTANT >54%

Thinking about current issues in the City of Seattle, rate the following items for how important each one is to you.

■ Don't know
■ 1 - Not at all Important
■ 2 - Somewhat Unimportant
■ 3 - Average/Neutral
■ 4 - Somewhat Important
■ 5 - Very Important

Somewhat/  
Very Important

Maintaining safe and high-quality drinking water



96%

Ensuring everyone has fair access to water and waste services,...



82%

Preparing for climate change



82%

Upgrading water and sewer line infrastructure



86%

Preparing for earthquakes and natural disasters



85%

Addressing sustainability and environmental issues



81%

Cleaning up litter, such as plastic bags, wrappers, needles, gum, etc.



86%

Responses <5% are not labeled

n=1,042

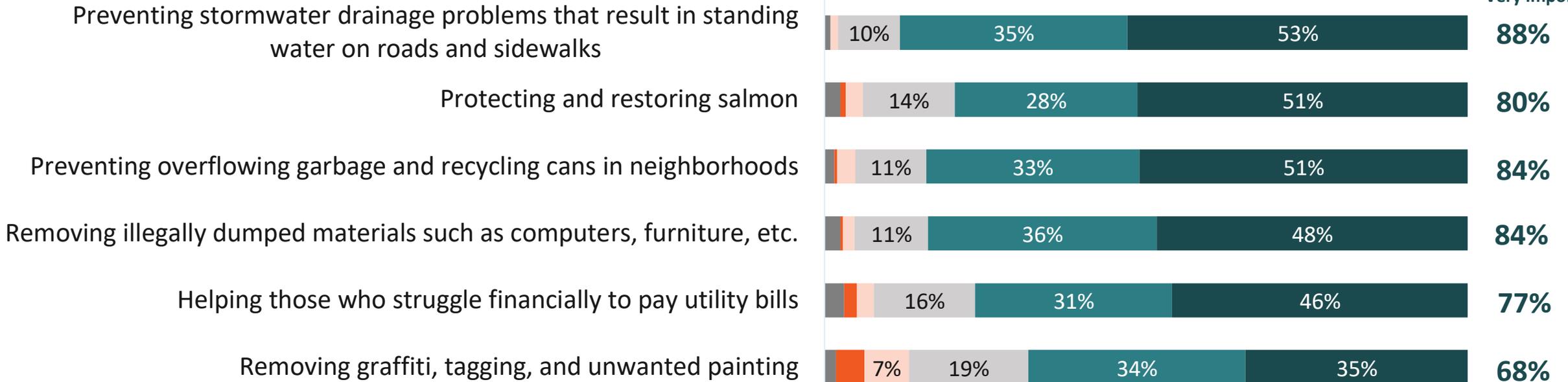
# Importance – Bottom 6

VERY IMPORTANT <54%

Thinking about current issues in the City of Seattle, rate the following items for how important each one is to you.

■ Don't know  
 ■ 1 - Not at all Important  
 ■ 2 - Somewhat Unimportant  
 ■ 3 - Average/Neutral  
 ■ 4 - Somewhat Important  
 ■ 5 - Very Important

Somewhat/  
Very Important



Responses <5% are not labeled

n=1,042

# Initial Takeaways

- Very positive (few areas of dissatisfaction)
- Many areas of importance – ensuring access to quality drinking water is the highest priority
- Ample opportunities to improve awareness (e.g., overall, reaching the ‘neutral’, and affordability programs/value)



# Rate Path Options

Maria Coe & Karl Stickel



# Current Economic Environment

Inflation · Regulatory · Infrastructure · Interest Rates · Contracts

- Increasing operational expenses
  - Inflation - particularly with healthcare and labor
- Increasing capital expense
  - State and Federal regulatory compliance projects
  - Maintenance of aging capital infrastructure
  - Increased interest rates from historical lows
- Increasing contractual obligations
  - King County Sewer Treatment rates are projected to increase annually from 5.75% to 7.0% by 2030.



# SPU Inflation Planning

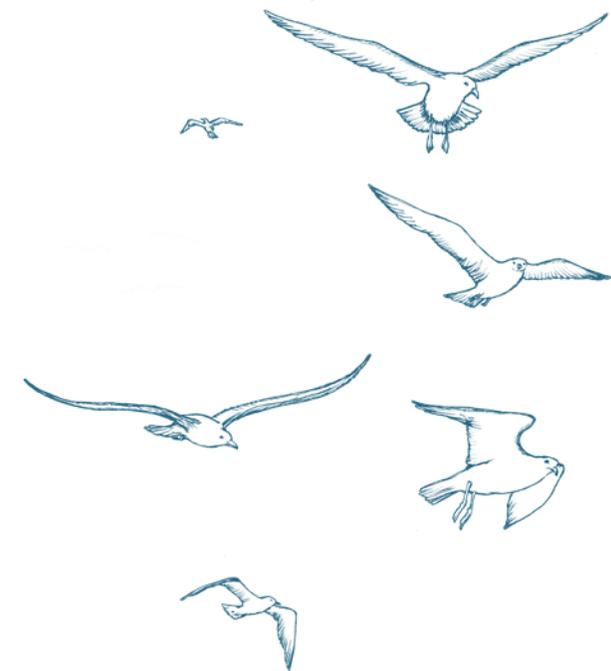
- SPU assumed a **5.2%** inflation factor in its 2021-2026 Strategic Business Plan (Adopted 2021)
- For O&M inflation, SPU coordinates with CBO on 21 inflation categories (see example list)
- For CIP inflation, our Project Managers use a cost estimating guide which includes inflation and escalation (for commodities such as concrete, steel, etc.)

## Example Inflator Categories

• CITY FLEET COSTS	5.0%
• CITY FUEL	6.0%
• FLEET MAINTENANCE	7.0%
• ITD ALLOCATION	7.0%
• PROFESSIONAL SERVICES	4.0%
• BENEFITS - MEDICAL	9.0%
• BENEFITS - OTHER	7.0%
• REGULAR SALARY / COLA	3.5%
• TRAINING/TRAVEL	10.0%
• UTILITIES	5.0%



# Rate Path Options



4.5% rate path	2024	2030	Growth
Water	\$50.12	\$62.40	\$12.28
Wastewater	\$77.96	\$108.63	\$30.67
Drainage	\$59.34	\$81.32	\$21.98
Solid Waste	\$57.85	\$69.07	\$11.22
<b>Critical Investments, No AMI</b>	\$245.27	\$321.42	\$76.15

4.7% rate path	2024	2030	Growth
Water	\$50.12	\$64.16	\$14.04
Wastewater	\$77.96	\$109.86	\$31.90
Drainage	\$59.34	\$81.70	\$22.36
Solid Waste	\$57.85	\$69.07	\$11.22
<b>Critical Investments + AMI</b>	\$245.27	\$324.79	\$79.52

4.9% rate path	2024	2030	Growth
Water	\$50.12	\$65.21	\$15.09
Wastewater	\$77.96	\$110.75	\$32.79
Drainage	\$59.34	\$83.90	\$24.56
Solid Waste	\$57.85	\$69.48	\$11.63
<b>All Proposed Investments + AMI</b>	\$245.27	\$329.33	\$84.06

# SBP Investment and Initiative Prioritization Process

**Critical** -- These are the “Must-do’s”, including:

- Regulatory requirements
- Necessary to support baseline work
- Responding to O&M needs from Capital work

**Smart** – this is growth in focused, high need areas:

- Front-line O&M
- Customer Service
- Project Controls & Delivery
- Asset Management
- Human Resources



# 4.5% Rate Path – SBP Investments/Initiatives Funded

## Base Budget items

- SPU Clean City and Support Services for the Unsheltered
- Water Supply and System Planning
- Cedar and Tolt Watershed Resilience
- Upstream Legislative Strategies
- Customer Affordability Programs
- Seeds of Resilience Investment Fund
- Equity in Contracting
- Alternative Funding and Financing
- Water Asset Management and Seismic Program
- Strategic Technology Plan

## Critical Investment items

### *Fully Funded*

- North 'One Water' Operations Facility
- In House Water Quality Treatment
- Duwamish Valley Resilience
- Shape Our Water

### *Partially Funded (critical investment portion only)*

- Field Engineering Improvements Program
- Side Sewer Assistance
- Employee Life Cycle Initiatives
- DWW Asset Management Program

# 4.7% Rate Path – SBP Investments/Initiatives Funded

Everything in the 4.5% Rate Path Option, plus

- Advanced Metering Infrastructure



# 4.9% Rate Path – SBP Investments/Initiatives Funded

Everything in the 4.7% Rate Path Option, plus

## Smart Investments

- 2030 Carbon Neutrality and Sustainable Operations
- Waste Prevention and Diversion
- Field Engineering Improvements Program (smart investment portion)
- Side Sewer Assistance (smart investment portion)
- Employee Life Cycle Initiatives (smart investment portion)
- DWW Asset Management Program (smart investment portion)

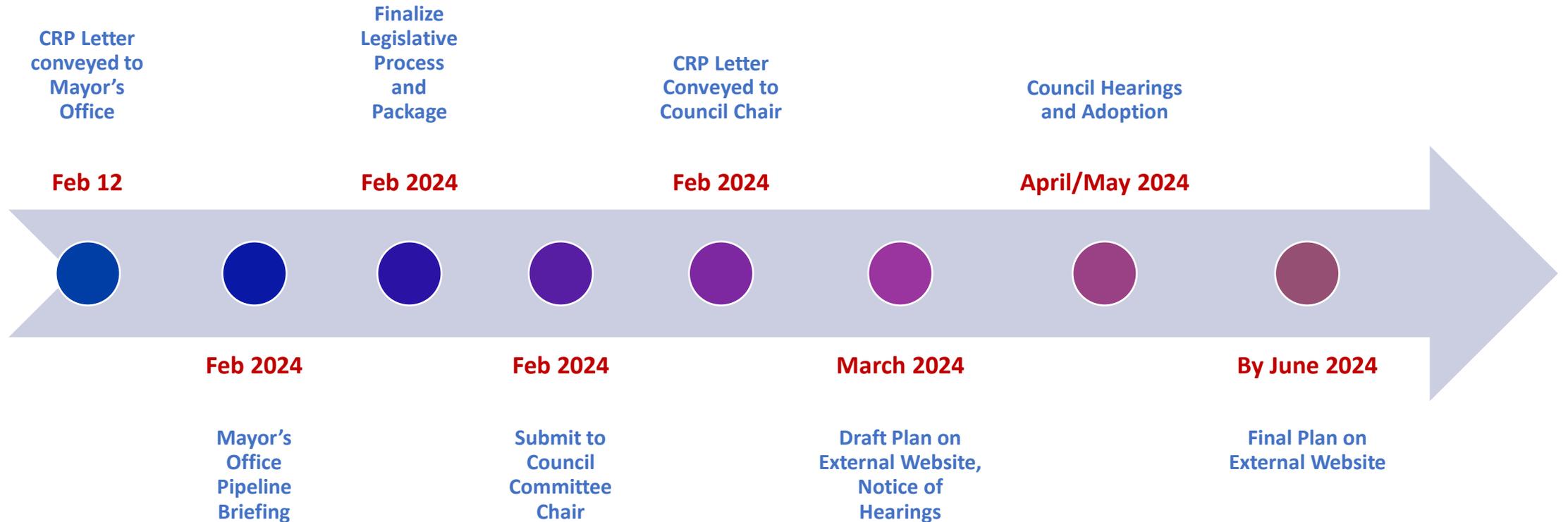


# HOLD for BDS Slides

Andrés Mantilla, BDS Planning



# Tentative - SBP Adoption Process Timeline – 2024



# Closing & Adjourn

Andrés Mantilla, BDS Planning