

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

Meeting Summary for October 26, 2016

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

Welcome and Introductions

Panel members, staff and others introduced themselves. Also attending the meeting were Cynthia Flowers, SPU-Human Resources and Laurie Bull, SPU-Development Services Office.

Review and Approve Meeting 2 Summary; Follow Up Items

Panel members reviewed and approved the summary of Meeting 2.

Brian Medford reviewed items from the Tracking List of Questions for Follow Up with the Panel. SPU.

It was requested that SPU provide additional information regarding the 6 year rate path for 2015-2020 including:

- *SPU assumptions of a typical bill (what size garbage container, water usage, etc.)*
- *Original SPB typical bills compared to current adopted rates*

Futuring and SWOC

Brian Medford and Melina Thung facilitated the presentation on Futuring and SWOC. Melina detailed the draft SPU-Wide SWOC with the Panel members, highlighting new items from the 2013 SPU-wide SWOC.

Noel Miller posed a question whether ‘Balancing rate pressures and affordability’ is an opportunity or a challenge. Mami Hara, Director SPU indicated we believe it’s an opportunity because it’s something SPU wants to do internally.

Discussion points included:

- How do conservation efforts feed rate pressure identified in the SWOC?
- What is the status of programs for communicating with customers around proper prescription medicine disposal? A: Communications happen through a variety of mechanisms—online and in utility bill flyers, etc.

Current State of the 2015-2020 SBP

Melina facilitated a presentation of the Current State of the 2015-2020 SBP and highlighted key Action Plans and Efficiencies. Discussion included:

- Concern about the cost of the “Move Seattle” Transportation ballot measure on SPU costs
- The SPU tracking methodology for rate of completion; how does SPU know it’s on track, but the goal completion is TBD? A: SPU tracks this by calculating how far we are exceeding some of the goals for the Drainage and Wastewater (DWW) Line of Business
- Concern over the staff turnover in the Wastewater
- Impact of seismic resiliency on the rate path
- What’s slowed down and not slowed down from a Workforce focus with the advent of HR consolidation? A: All items have moved forward at the anticipated speed with the exception of the Performance Management system which is due to initiate in 2017.

Karen Reed, consultant requested that the Panel members have the opportunity to have more time to review all the action plans and efficiencies and provide status questions prior to the next meeting. Brian Medford will send the documents to the Panel members, with a response requested by Monday, October 31. This will be an agenda item on November 9, 2016.

Additionally, Panel members would like to see the outcome metrics that the Utility believes are important.

Finance Overview Part 1

Presentation led by Cameron Findlay and Sherri Crawford. Discussion points included:

- Utility tax revenues are transferred to the City’s general fund; the Solid Waste utility tax increase was recently increased to fund homeless encampment clean-ups. A panel member expressed concern about the increase in the utility tax.
- Typical bond terms for the Utility? A: Borrowing terms on bonds (30 years for Drainage and Waste Water, 25 years for Solid Waste)
- Move Seattle—some panel members expressed concerns about impacts to utility costs
- Bond insurance—typically sought on SPU bonds? A: No.

There was a request for SPU presenters be aware of acronyms in presentations, SPU will focus on reducing acronym use in future presentations.

Mayor's Office Interests

Aaron Blumenthal shared Mayor's Office interests in the SPU Update, they are:

- Safe and reliable service.
- Focus on the environment, specifically continuing to meet state and federal requirements) and the diversion of solid waste.
- Equity and affordability for all and in particular the Utility Discount Program which helps low income customers.
- Prioritizing capital project in coordination with citywide initiatives, including Move Seattle and Comprehensive Plan identified , focusing on neighborhoods and environmental equity
- Being efficient in service delivery. Employing performance modelling, metrics and meeting our commitments to customers.

Discussion points included:

- What percentage of the Move Seattle initiative total costs did the City know was going to need to be funded by Utilities? A: Unknown.
- If the City is committed to affordability, it needs to be cognizant of the impact of utility rates. Why were they increased? A: To pay for homelessness and neighborhood clean-ups. These are general fund projects; the City elected perceived a nexus between those projects and solid waste. In follow up discussion, the finding of a nexus was questioned by a panel member.

Logistics/Next Steps

- Next meeting is November 9 at SMT 49.

The meeting was adjourned at 4:30pm.