



City of Seattle

Seattle Public Utilities Customer Review Panel

Seattle Public Utility (SPU) Customer Review Panel (CRP)

Seattle City Council Parks, Utilities & Technology Committee

July 10, 2024

SPU 2025 - 2030 Strategic Business Plan (SBP)



Introductions

Noel Miller, Panel Chair

Amanda Richer, Panel Vice-Chair

- Original panel authorization by City Council resolution in March 2013
- Eleven members: five by City Council appointment; six by Mayoral appointment
- Represent a variety of customer backgrounds and interests
- Third update to the original 2015-2020 Strategic Business Plan



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Process

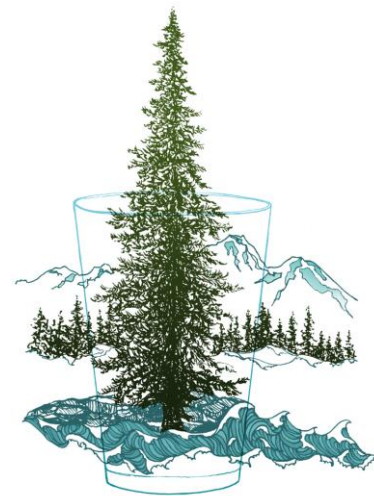
Panel's Mission and Efforts

- Understand SPU Mission & Values
- Review assumptions, develop core values and strategic priorities, articulate goals and key investments
- Provide community representation and outreach
- Provide a letter of recommendation to Mayor and City Council
- Multi-month effort from June 2022 through February 2024
- Eighteen, two-to-three hour meetings guided by professional facilitation



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Core Values

Panel members independently developed and articulated our collective Core Values:

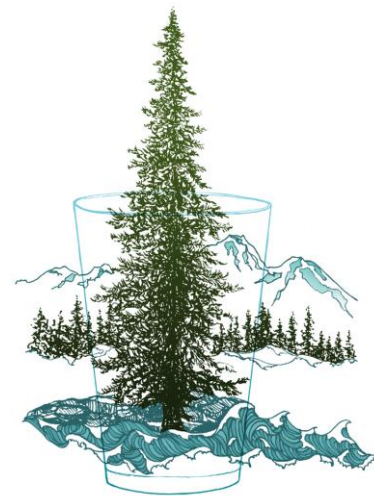
- **Learning & Equity**
- **Connection & Representation to Community**
- **Sustainable Development**
- **Responsiveness & Trust**

These values provided alignment with SPU guiding values and principles



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Strategic Priority Areas

Using our core values as a guide, the CRP defined four strategic priority areas for investment and focus

- **Affordability and Accessibility** - SPU provides equitable and affordable access to basic services.
- **Asset Management and Infrastructure** - SPU successfully maintains existing assets and builds resilient infrastructure to meet future system needs.
- **SPU Workforce** - SPU staff is as diverse as the community it serves, is trained, supported, and fulfilled in their work.
- **Climate Resiliency** - SPU is prepared for the impacts of climate change with resilient infrastructure and actively prioritizes overburdened communities.

SPU's proposed 21 investments and initiatives were reviewed and guided by these priorities.



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CRP Recommendations

Affordability & Accessibility Priorities

Affordable and equitable access to basic services is critical to the vibrancy of Seattle's communities, residents, and ratepayers through the following investments and initiatives:

- **Customer Affordability Programs** which increase equitable access to basic services.
- **SPU Support Services for the Unsheltered** by understanding the need for clean and accessible water and waste disposal for Seattle's unhoused community.
- **Side Sewer Assistance Program** by reducing the financial impact to small businesses and low income residential property owners to maintain and repair their side sewers.
- **Alternative Funding and Financing** by seeking out and advocating for local, state, and federal opportunities.



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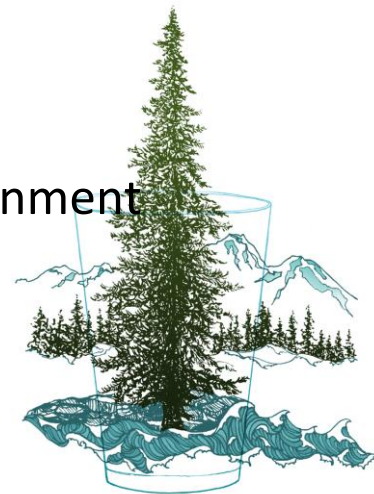


CRP Recommendations

Asset Management and Infrastructure Priorities

Asset Management and Infrastructure Programs are needed for a sustainable, well preserved and functioning system

- **Capital investments** need to be increased to preserve of gradually aging assets and build redundancies to better prepare in the case of a seismic event or another major emergency.
- SPU has an increasing list of deferred maintenance projects and mission-critical aging **infrastructure** that should be modernized or replaced.
- **Compliance** with a Federal Water Quality Consent Decree is required to protect our environment from wastewater and stormwater runoff discharges.



CRP Recommendations

Asset Management and Infrastructure Priorities(continued)

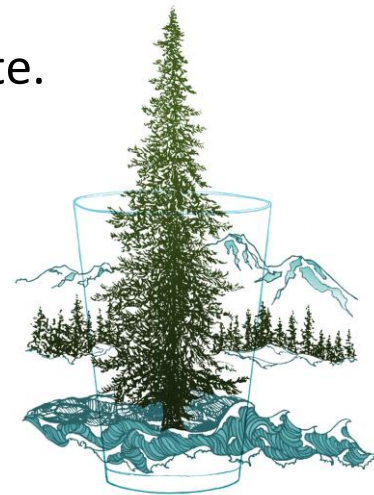
Advanced Meter Infrastructure Planning

- It is necessary to plan for the eventual replacement of all of the Utilities' 200,000 plus customer water meters.
- Replacement costs and system upgrades is substantial.
- A detailed business plan is needed before the implementation begins in the next SBP update.



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CRP Recommendations

SPU Workforce Priorities

- Under **Employee Life Cycle Initiatives**, a well supported and fully staffed SPU is critical in advancing the needed work for the utility.
- There is an ongoing effort to **fill essential vacancies and critical front-line functions**.
- **Workforce recruitment** programs should expand to include more robust training and apprenticeship partnerships with clear pathways to good paying jobs and well-defined career ladders.
- **North One Water operations facility is** a critical investment that replaces two substandard facilities. Replacement is needed for frontline workforce daily operations, and to provide 24/7 emergency operations and recovery from earthquakes.



CRP Recommendations

Climate Resiliency Priorities

- **Duwamish Valley Resilience**

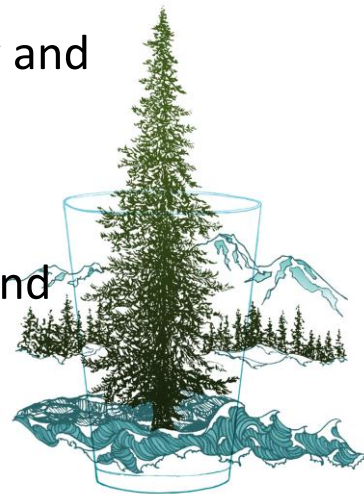
This investment takes a holistic approach to providing flood mitigation, water quality, salmon habitat improvement, and community resilience in Georgetown and South Park.

- **Long term water supply planning**

Proper planning will ensure our region and all customers and residents have sufficient water supply and postpone the need to develop an additional water source.

- **Waste prevention and diversion**

This includes five programs that continue the City's investment to divert solid waste from landfills and increase investment in waste prevention.



Other CRP Priorities

Other SPU Initiatives of Importance

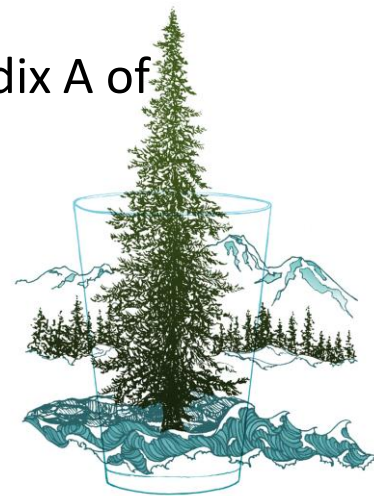
- Seeds of Resilience Impact Investment Fund
- Equity in contracting
- 2030 carbon neutrality and sustainable operations

In Summary, the CRP endorse all of SPU's 21 investments and initiatives as detailed in Appendix A of the Strategic Business Plan.



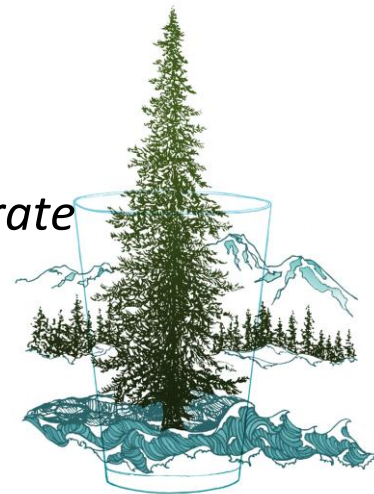
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Six-year SBP Rate Path Comments

- *The CRP appreciates SPU's efforts to forgo increases during COVID-19 as Seattleites were dealing with economic and health uncertainties.*
- *COVID-19 created challenges to progress on some key investments.*
- *Different rate path options were considered in a time of increasing operational and capital expenses, shifts in inflation and a complex regulatory environment.*
- *King County's projected annual wastewater rate increases are much higher than SPU's and have been factored into the SBP overall rate path. Approximately, 56% percent of SPU's wastewater rate goes to pay for King County wastewater treatment.*



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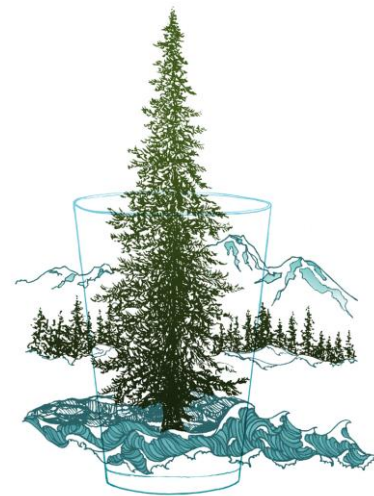
6 year SBP Rate Path Comments

- *High utility taxes are regressive and create affordability challenges.*
- *Support an average annual six year rate path increase of 4.7%.*
- *Focus on fully funding all critical and smart investments as listed in Appendix A.*
- *Delay implementation of Advanced Meter Infrastructure investment.*



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Conclusion & Final Comments

SPU can continue to be a leading utility in the nation by targeting investment in areas of:

- **Affordability and accessibility**
- **Asset management and infrastructure**
- **Solidifying and supporting its workforce**
- **Funding proactive climate resiliency efforts**

The CRP appreciates SPU's dedication to continually providing reliable and high level services to its customers. SBP update was a collaborative process between the Panel members and SPU-E Team.

We appreciate the partnership established with General Manager Andrew Lee and his entire team.



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