

Seattle Public Utilities Customer Review Panel

Monday, December 14, 2020, 1:00 – 3:00 pm

Virtual Meeting held via WebEx

| Panel Members | | | |
|----------------------|---|-------------------|---|
| Suzie Burke | | Noel Miller | X |
| Bobby Coleman | X | Thy Pham | X |
| Dave Layton | X | Rodney Schauf | X |
| Laura Lippman | X | Puja Shaw | X |
| Maria McDaniel | | | |
| Staff and Others | | | |
| Keri Burchard-Juarez | x | Andrew Lee | X |
| Kathleen Baca | | Natasha Papsoueva | X |
| Alex Chen | X | Ellen Pepin-Cato | |
| Jeff Fowler | X | Dani Purnell | X |
| Brian Goodnight | X | Karen Reed | X |
| Mami Hara | X | Karen Sherry | X |
| Akshay Iyengar | X | Karl Stickel | X |
| Paula Laschober | X | Jonathan Swift | X |
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Underlined text indicates action items. ***Bold Italicized text*** indicates follow up items.

Meeting Summary

Welcome: Karen Reed opened the meeting with a roll call of the Panel members and reviewed the virtual meeting protocols. Maria and Suzie are unable to join us today.

Standing Items: Karen asked if anyone had corrections to the draft meeting summary for the November 2 meeting. No corrections were made, and the summary was approved as submitted.

Maria Coe, Rates and Planning Manager, asked the Panel if anyone had questions about the affordability metric that was reviewed in November. There were no questions. Maria gave the Panel an update on the Utility Discount Program (UDP). SPU is anticipating enrollment will increase by about 2000. The number of enrollees has already increased by 5000 due to COVID. SPU expects the total number of households enrolled in the UDP will be reduced by about 3000 in 2021 as those who were auto-enrolled drop off. Maria also let the Panel know that SPU is not projecting any change in the utility tax rate for 2021.

Mami Hara, General Manager/CEO of Seattle Public Utilities (SPU) joined the meeting and congratulated members on their hard work on the Strategic Business Plan (SPB). The Panel met 21 times since October 2018. If there is anything else the Panel needs to see before completing their letter, please let Mami know. SPU believes the SPB provides a very strong framework for continuous improvement.

City Council Statement of Legislative Intent on Wastewater Treatment Study - Andrew Lee, Deputy Director for the Drainage and Wastewater Line of Business, briefed the Panel on a Statement of Legislative Intent (SLI) introduced by Councilmember Pedersen which requests SPU begin an effort to evaluate and analyze the regional wastewater treatment system that serves the City of Seattle, including its operations, improvement plans and governance structure. Councilmember Pedersen has been a champion of affordability and raised this issue out of concern over the proposed rate increases the came to SPU from King County earlier in 2020.

SPU is to provide this report by June 30, 2021. The report will include a proposed scope of work, approach, and evaluation of whether work can be done within SPU's 2021 adopted budget for conducting an evaluation of the recommendations of King County's Clean Water Plan and analyzing alternative approaches for treating city wastewater.

King County provides wastewater treatment to 34 jurisdictions. As one of those jurisdictions, the City of Seattle owns and operates its own collection system that carries wastewater and stormwater to the County's system for treatment and disposal. Seattle has a long-term agreement with the County and pays the County for this wastewater treatment services. The City factors the cost of these treatment services into the rates charged to its utility customers. King County is currently developing a Clean Water Plan to guide its future water quality investments through 2060. A Draft Environmental Impact Statement for the Clean Water Plan should be published in 2021.

Q: Have there been any conversations with King County about Seattle pursuing this? A: Yes, we let them know it's happening.

Q: What is the cost of the Clean Water Plan? A: \$10-15 billion over 40 years. About \$6B toward nutrients, \$2-3B to asset management, \$2-4B to wet weather. Other issues include biosolids, reclaimed water and many other things.

Q: Is the Department of Ecology or the EPA driving this? A: Both are drivers.

Q: What is wet weather? A: Overflowing sewage into water bodies (CSOs).

The Panel indicated they would like to be kept informed on this issue.

Andrew then further explained an email that was sent to the Panel regarding GSI lifecycle costs. The concern is about contaminated soils and the cost to remove toxins. SPU has had this on their radar for years. We have budgeted for a 20-year removal of soil from bio-retention areas. However, soils are performing better than we thought. Contaminant concentrations are not anticipated to cause any threat.

Q: Tires are a big source of toxins. A: Yes, that is a broader stormwater issue. We are looking to deal with problems upstream with tire manufacturers.

SBP Update – Vanessa Lund with the firm of Cocker Fennessy, updated the Panel on the changes

that have been made to the SPB document since the last meeting. The focus of most of the changes were on word choice and formatting. Having a detailed table in the middle of the report wasn't working. Content from the Initiatives and Investments table was reworked into each focus area. The detailed table can be found in the appendix. The term "objectives" was changed to "strategies" but the descriptions did not change. There were also some technical updates to the rates section, but the rates did not change.

Dani Purnell, Director of Corporate Policy, reviewed the tentative timeline for finalizing the SBP. SPU will request a time for the Panel chair to meet with Mayor's Office about the Panel letter. SPU will let the Panel know when the plan has been submitted so their letter can be sent. If the Mayor's Office makes significant changes to the document, the Panel will be informed so that they have an opportunity to adjust their letter. SPU will also request a meeting for the Panel Chair and Councilmember Pederson. SPU tentatively plans to submit the SBP to Council in February 2021.

Natasha Papsoueva, Director of Corporate Performance, reviewed the Accountability and Performance Reporting appendices with the Panel.

Comment: I like the affordability matrix. It is important to see and track over time.

Karl Stickel, Finance Director, reviewed the updated Financial Appendix. It now provides more details behind the rates and the rate path. It is also now broken down by fund.

Maria Coe reviewed the format used for each fund.

Q: Is anything going on in the bond market that would change the City's rating? A: Interest rates are incredibly low, and we anticipate they will go up. There is lots of uncertainty right now.

Panel Deliberations – Karen Reed led the Panel through their draft letter commenting on the proposed SBP and made changes as they were brought up.

Future Meetings – Dani Purnell presented the Panel with a proposed schedule for the next SBP review. SPU will publish a 3-year schedule going forward. During the times when the SBP is not being updated, the Panel will meet quarterly. Meetings will switch to monthly when the review period begins. SPU is proposing a fixed meeting date of the second Monday of the month. We are still exploring the time frame but are anticipating it will be towards the evening.

Comment: A fixed date will be hard for some Panel members to commit to for a 3-year period.

Dani explained that SPU is looking at a fixed date in order to move the CRP toward the city standards used by other boards and commissions. This is to be more accessible to other community members. SPU is also looking at adding an optional field trip once per year for Panel members.

Q: The technology for virtual meetings has been bad. Can we expect any improvements? What

are the plans for virtual meetings? A: The first two meetings in 2021 will probably be virtual. After that, if safe, we will develop a hybrid approach to meetings. Access and connectivity are unique at everyone's home and we will keep troubleshooting that issue.

Q: Is there a way to reduce the meeting from 3 hours? That is just too much. A: We will try to keep it to 2 hours.

Recruitment – Catherine Morrison with the Department of Neighborhoods described the recruitment efforts for new members. These efforts will begin in January 2021. The Panel has been divided into two cohorts determined by term expiration date. Recruitment will focus on traditional channels and resources (social media) and as outreach to individuals, community organizations and networks. The goal is to recruit a broad cross-section of individuals representing different backgrounds, interests, areas of expertise and demographics.

Q: Can current members in Cohort #1 reapply? A: Yes.

Q: Do Mayoral appointees get reappointed by a new Mayor? A: Yes. The Mayor's Office will look at who has applied and who is interested in continuing to serve. They will make the decision to retain or replace.

Karen Reed adjourned the meeting at 3:10.