

# 2021-2026 SPU Strategic Business Plan Reporting - update

Customer Review Panel

August 10, 2020



# **Purpose of SBP Reporting**

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- **Provide accountability for overall SBP implementation.**
- **Highlight priority initiatives and investments (currently 19) for each focus area across SPU.**
- **Demonstrate SPU's progress towards its goals and objectives.**
- **Communicate to staff, external stakeholders, and utility ratepayers accomplishments, positive outcomes and impacts of SPU's work.**

# SBP Reporting Principles

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- **Demonstrate results consistently and visibly**
- **Increase transparency of progress and results**
- **Check and adjust annually**
- **Adapt our strategy based on what we're learning**
- **Celebrate accomplishments and reflect on lessons learned**

Reporting  
**matters**



# Definitions: Initiatives & Investments

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Initiatives	Investments
<ul style="list-style-type: none"><li>• Important Policy, Strategy, Planning, Program Work</li><li>• Less Significant Expenditure</li><li>• Most likely within on-going, base budget, reprioritizing</li><li>• Fits with more adaptive, flexible milestone reporting</li><li>• Focus = movement towards broader goals and objectives</li><li>• Report performance and adjust annually</li></ul>	<ul style="list-style-type: none"><li>• Result in Tangible Infrastructure, Asset, Asset Repair or Service</li><li>• Significant Expenditure (over \$5M)</li><li>• Significant existing, new spending or additional increment</li><li>• Fits well with qtly project-based reporting</li><li>• Focus = project execution</li><li>• Report performance quarterly, adjust annually</li></ul>

# What SPU is reporting on

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## Four SBP Focus Areas:

Delivering Essential Services – *reported by **quarterly** Service Delivery Metrics*

Stewarding the Environment and Public Health

Empowering Our Community and Our Employees

Strengthening Our Utility's Business Practices

*reported by  
status of initiatives and  
investments, on **quarterly**  
to **annual** basis*

## SBP Rates and Financial Management

Rate Path: *reported **annually** by Rate Path and Affordability metrics*

Capital Investment: *reported **quarterly** by CIP Investment portfolio*



# Our progress since April, 2020

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- **Finalize the list of Initiatives and Investments internally:**
  - Initiative and Investments table is finalized with 19 priority initiatives and investments that will be reported on for new 2021-2026 SBP.
  - Initiative and Investments templates developed to provide more granular detail on the scope and commitments (13 Investment and 8 Initiative templates).
  - Appendix providing description to initiatives and investments completed.

# Initiatives and Investments

Stewarding the Environment and Public Health	Empowering Our Community and Our Employees	Strengthening Our Utility's Business Practices
<p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Climate Change Mitigation, Adaptation, and Justice</li> <li>• DWW Plan for the Future</li> <li>• Waste Diversion</li> <li>• Waste Prevention</li> </ul>	<p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Customer Assistance Programs</li> <li>• Race and Social Justice (RSJ) Strategic Plan</li> </ul>	<p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Workforce Development</li> <li>• Accountability and Affordability Strategy</li> <li>• Risk and Resilience Strategy</li> <li>• Technology Strategic Plan</li> </ul>
<p><b>Investments:</b></p> <ul style="list-style-type: none"> <li>• Grow Green Stormwater Infrastructure</li> <li>• Ship Canal Water Quality Project</li> </ul>	<p><b>Investments:</b></p> <ul style="list-style-type: none"> <li>• Blue-Green Jobs Strategy</li> <li>• Side Sewer Assistance</li> <li>• SPU Support Services for the Unsheltered</li> <li>• Workforce Facilities Investments</li> </ul>	<p><b>Investments:</b></p> <ul style="list-style-type: none"> <li>• DWW Asset Management and Opportunity Work</li> <li>• Water Asset Management and Opportunity Work</li> <li>• Water Seismic Resilience</li> </ul>

## INVESTMENT TITLE: Side Sewer Assistance Pilot and Implementation

Revised Date: 5/26/20

Branch/Division: Drainage & Wastewater

Executive Sponsor: Andrew Lee

Project Manager/Lead: Kevin Burrell

### Funding Type:

- Currently funded with **continued** funding for 2021-2026
- Currently funded with **increased** funding for 2021-2026
- New Investment

### Part 1. Summary of the Investment & Issue

Side sewers are an important component of Seattle's collective sewerage system. SPU maintains approximately 1,400 miles of sewer mainlines whereas customers are responsible for roughly 4,100 miles of pipe. Poorly maintained side sewers can lead to problems for our customers and for SPU. Unfortunately, many side sewers in Seattle are coming to the end of their useful life and most customers are unaware that they own and need to maintain them.

Each year more than 3,000 side sewer permits (those not associated with development) are issued to customers to make repairs on private property and in the right of way. Costs can range from several thousand dollars to many tens of thousands of dollars, especially when street and sidewalk restoration is required. Our research suggests that customers will ignore their side sewer until they experience a backup or it completely fails, and they will likely fix what is needed – instead of repairing or replacing the entire pipe. We also know that some customers do not have the wealth or income to pay up front or finance the costs to maintain, repair or replace their side sewers.

The status quo is neither a benefit to the customer in terms of total life-cycle costs nor is it a benefit to the long-term capacity and operation of SPU's systems. SPU uses staff time and resources responding to hundreds of emergency calls from customers each year only to find that nearly 9 out of 10 times the issue stems from the side sewer. Emergency repair situations also puts SPU customers at a disadvantage. Our research indicates that most customers do not understand the permitting and repair process and they are left to make significant financial decisions under duress. They most likely will opt for the least expensive fix, as opposed to the solution that will cost less over the full life of the asset.

### Part 2. Targeted Commitments and Performance Measures

DWW is developing a business case with several programmatic options that will help alleviate side sewer repair costs for customers. We will also use Human Centered Design to test and prototype program designs and collect feedback through outreach, focus groups and customer interviews. Using the preferred alternative(s), we will develop an implementation plan with strategies and tactics to pilot the program starting in 2021. In 2022, program design adjustments will be made based on customer surveys or interviews. The initiative would be complete with a full-scale program moving forward by the end of 2023. The program would continue in 2024 and beyond.

Example of  
Investment  
Template





# Example of Initiative Template

**Initiative/Priority Title:** Accountability and Affordability Strategy

**Initiative/Priority description:** The strategy outlines a holistic approach to deliver essential utility services, keep rate increases lower, focus corporate culture on continuous improvement and make investments that deliver multiple benefits to the community. The initiative includes a series of actions that improve how SPU delivers service including capital planning and delivery, budgeting and financial management, customer assistance, continuous improvement, developing and growing partnerships, and managing regulatory relationships.

**2021-2023 Commitments:**

- Complete the implementation of 47 actions identified in the Accountability and Affordability Plan. Note: some of these actions will be modified or enhanced to help meet the broader goals outlined in the plan.

**Branch/LOB Owner:** Corporate Policy and Government Relations

**Funding:** Continued Funding

**Reporting frequency:** Annually

Major Deliverables <i>What will you produce/accomplish by the end of 2026?</i>	Timing of Major Deliverables	Timing of Public Engagement	Timing of Briefing
Implementation of 47 actions across six practice areas	End of 2023	N/A	Annually
Update and revisions of actions by practice area	Q1 2021	N/A	Annually

# Our progress since April, 2020

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- **Develop service level metrics:**
  - Draft for Delivering Essential Services metrics is finalized for leadership review.
  - Proposed metrics will be presented to CRP in September, 2020.

# Next Steps

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- Review proposed Delivering Essential Services metrics with CRP
- Present proposed SPU CIP quarterly report to CRP

## Questions?