

SPU Customer Review Panel (CRP) June Quarterly Meeting

Seattle Public Utilities
June 12, 2023



Seattle
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Utilities

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

Tour of Building until 3:50 PM

Presentation will begin at 3:50

Public Comment

Cheryl Swab, BDS Planning



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Committee Business

Meeting Minutes

Co-Chair Vote

Upcoming CRP Visioning, Impact, Core Values Meeting

Cheryl Swab, BDS Planning



City Council + Mayor's Office Updates

Brian Goodnight, Council Central Staff

Akshay Iyengar, Mayor's Central Budget Office



Q1 SBP Report Update



2023 Q1 SPU Business Processes Overview

Reporting Changes

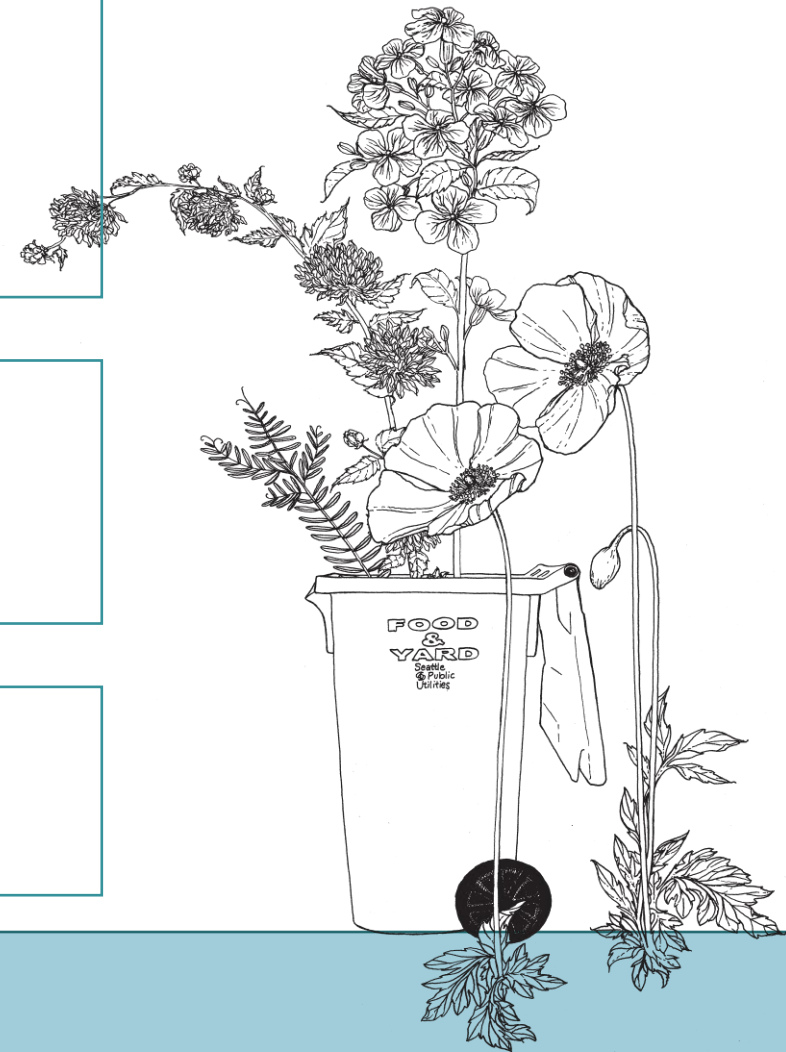
- “Minor delay” indicator color has been adjusted to better reflect the status.
- This year SPU is planning to review metrics & refresh as needed.
- SPU will review project reporting charts and adjust to better tell a story and connect with our customers.

Equitable Essential Metrics

- 94% of metrics are meeting or exceeding targets
- WMBE Consultants and Purchasing targets have increased this year
 - Purchasing from $\geq 19\%$ to $\geq 23\%$, Consultants from $\geq 23\%$ to $\geq 25\%$

Investment Highlights

- Annual targets for 2023 are defined and reflected in the Q1 report.
- 89% of Investments are “on track” or experiencing a “minor delay”.



2023 Q1 Equitable Essential Services Metrics



BEST IN CLASS

6.2% Distribution System Leakage Annual Target: ≤10%	0.91lbs Residential Garbage* Annual Target: <1lb /pers/day	1.5 Sewer Overflows Annual Target: ≤4 per 100 miles on a 2 yr. avg.	100% Clean City Collection Annual Target: ≥95%	566 Utility Discount Programs Target: Meets the Need
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RELIABLE AND REWARDING EXPERIENCES

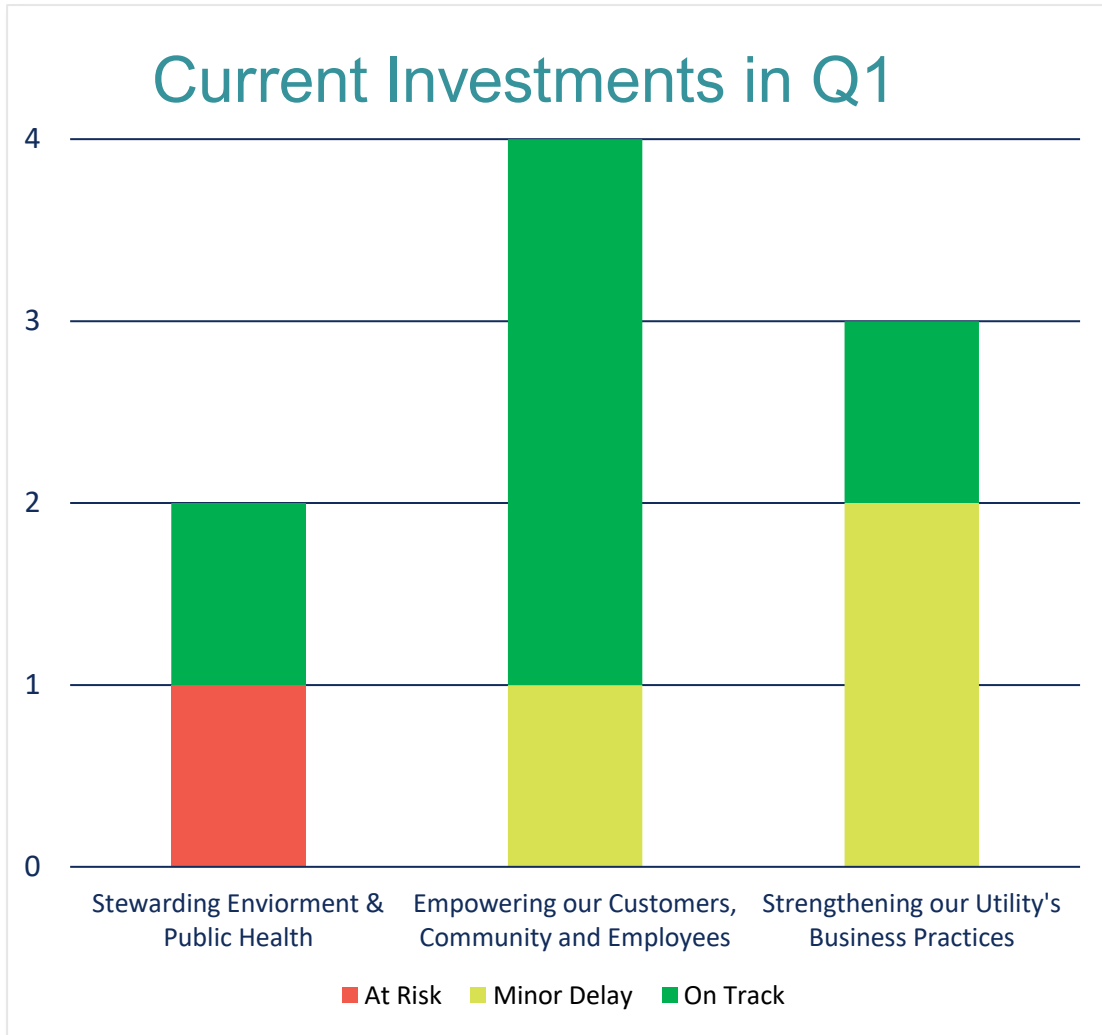
97% Water & DWW Response Annual Target: ≥90%	97% Customer Call Response Target: ≥ 80% in 3 mins	92% Customer Satisfaction Target: ≥ 90%	0.7 Missed Waste Pick-up Target: ≤1 per 1000 stops based on a 52-week rolling avg.
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EXPECTATIONS, REQUIREMENTS, & COMMITMENTS

Met Drinking Water Quality Target: Regulation met	62% CSO Outfalls Annual Target: ≥ 62%	Met NPDES Target: Regulation met	2.22 Garbage, Recycling, Organics* Target: < 2.5 lbs./person/day	79% Customer Effort Target: ≥ 80%	22% WMBE Purchasing** Target: ≥23% total purchasing dollars	28% WMBE Consultants** Target: ≥ 25% total consulting dollars
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Focus Area Progress



Highlights

- SCWQP remains at risk this quarter although all planned Q1 milestones have been met.
- Support for the unsheltered has expanded the Purple Bag program service to 50% more encampments in Q1 and serviced an average of 32 sites per month.
- The hydrant and valve maintenance team has returned 119 out of service hydrants back into service and is currently working on backlogged work orders.





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SBP Update Reflection

Trends, Drivers, and SBP Performance

Purpose & Objectives

What are the key take aways for CRP?

- Awareness of trends and drivers impacting SPU now and in the future
- Reflection on 2 years of SBP performance
- Opportunity to envision SPU in 2030

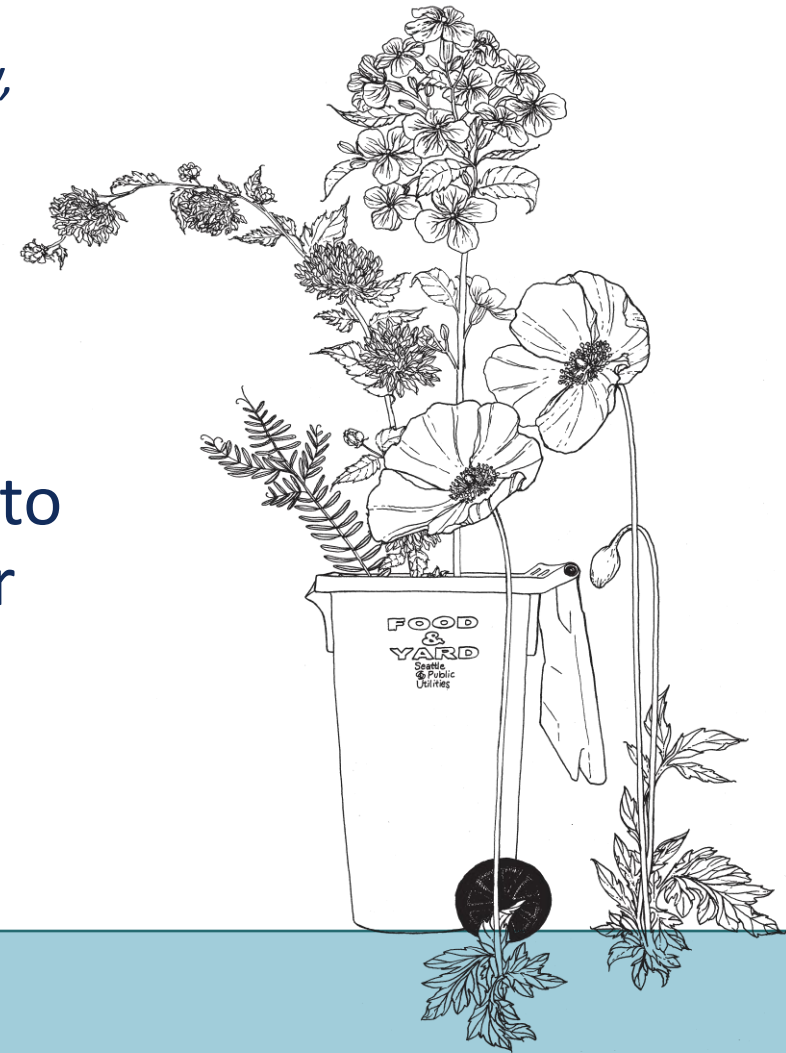


SPU Utility Business Resiliency is

...the ability to address changing business conditions, anticipate risk, limit impact, and bounce back and forward rapidly through flexibility, adaptability, evolution, and growth in the face of turbulent and uncertain change...

SPU's Vision Statement:

As a forward-looking utility, SPU evaluates possible futures and plans accordingly so that we are prepared to recover from sudden or gradual impacts that affect our ability to serve the community.



Trends and Drivers Defined



Trend

General direction in which something is developing and changing. Trends are not necessarily predictions for the future but are important to monitor.



Driver

Problems and opportunities that create strong pressure for action. There are usually negative consequences if action is not taken.



2020 -2025 SBP Trends and Drivers

Stewarding Environment & Health

- Climate Change
- Nature Based Solutions
- Unfunded Regulation
- Zero Waste Movement
- Environment and Public Health Disparities

Empowering Customers, Community & Employees

- Affordability and Income Disparity
- Seattle Growth, Diversity, and Wealth Profile
- SPU Retirement and Recruitment Gap
- Enhanced Service and Engagement Expectations
- Changing Workplace and Generational Expectations

Strengthening Utility Business Practices

- Rising Cost of Doing Business
- Aging and Vulnerable Infrastructure
- Enterprise Risk Management
- Government Trust and Radical Transparency

Delivering Equitable Essential Services

- Insufficient Workplace Facilities
- Frontline Staff Training and Advancement
- Data Disconnect between SMT and Frontline
- Decision Making Disconnect between SMT and Frontline



The World Around Us is Changing Rapidly

Information



Public Health



Social and Political Unrest



Supply Chain



Communication



Environment



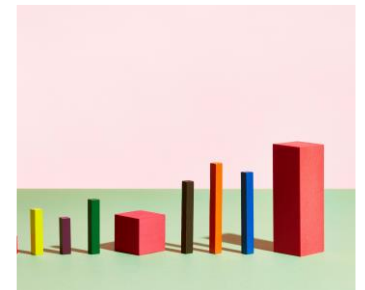
Technology



Workforce



Economy



Global Risks Ranked by Severity

2 Years

1	Cost of living crisis
2	Natural disaster and extreme weather
3	Geoeconomic confrontation
4	Failure to mitigate climate change
5	Erosion of social cohesion
6	Large-scale environmental incidents
7	Failure of climate change adaptation
8	Widespread cybercrime
9	Natural resource crisis
10	Large-scale involuntary migration

10 Years

1	Failure to mitigate climate change
2	Failure of climate change adaptation
3	Natural disaster and extreme weather
4	Biodiversity loss and ecosystem collapse
5	Large-scale involuntary migration
6	Natural resource crisis
7	Erosion of social cohesion
8	Widespread cybercrime
9	Geopolitical confrontation
10	Large-scale environmental damage incidents

WEF predicted Global Risk in 2 and 10 years, based on survey of over 1,200 experts across academia, business, government, and civil society.

Key Takeaway:

Rise in climate, environmental, natural disaster, and weather related risks

SPB Connection:

- ALL of these may impact SPU's ability to Deliver Essential Services

* Adapted from World Economic Forum Global Risks Report, 2023

Environment

Customers & Community

Business Practices



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External pressures will change Seattle over the next 50 years

- ☛ Climate Change
- ☛ Earthquakes
- ☛ Racial injustice
- ☛ Population Growth
- ☛ Affordability
- ☛ Environmental Risk

Delivering Equitable Essential Services



What has changed since our last update and how?

- Innovation and technology for frontline workers
- Weather impacts (flooding, heat, smoke)
- Safety and security
- Opportunity and growth
- Trauma informed care



Stewarding Environment and Health



Environment | Local News | Northwest | Weather

Washington's quiet wildfire season unlikely to last as heat wave approaches

July 23, 2022 at 7:00 am



Environment | Health | Local News | Weather

Flooding a growing problem in Seattle's South Park neighborhood

Jan. 2, 2023 at 6:01 am | Updated Jan. 2, 2023 at 12:49 pm



Health, climate, equity impacted by Seattle's loss of hundreds of acres of tree canopy cover

The canopy cover includes trees in public spaces like parks and natural areas, as well as private lands like neighborhoods and homes.

ACCELERATING A JUST TRANSITION IN WASHINGTON STATE

What has changed since our last update and how?

- New chemicals of concern (PFAS/PFOA, 6PPD)
- More stringent regulations (nutrients)
- Significant weather events, fire and flood, happening sooner than expected
- Losing Seattle Tree Canopy
- Green New Deal opportunities, Growing Green Economy, Just Transition
- Biodiversity Loss, declining fish runs

Empowering Our Community, Customers, and Employees



What has changed since our last update and how?

- Homelessness is a housing a problem
- Changing development demographics – trend toward multi family, ADUs/DADUs
- Demand for comprehensive solutions
- Downtown recovery
- Unsheltered population
- Fentanyl crisis
- Workplace of the future
- Changing workforce demographics

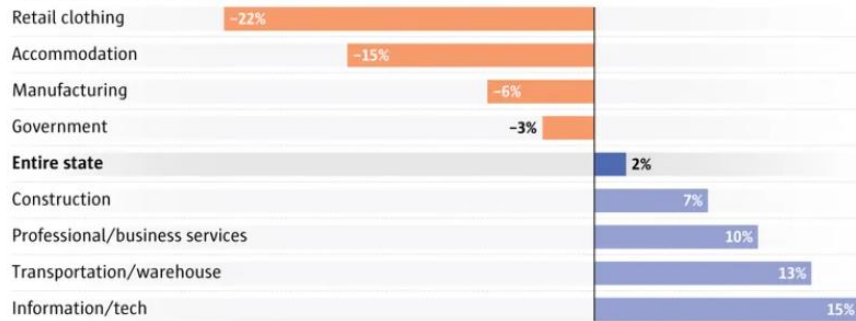


Strengthening Our Utility's Business Practices

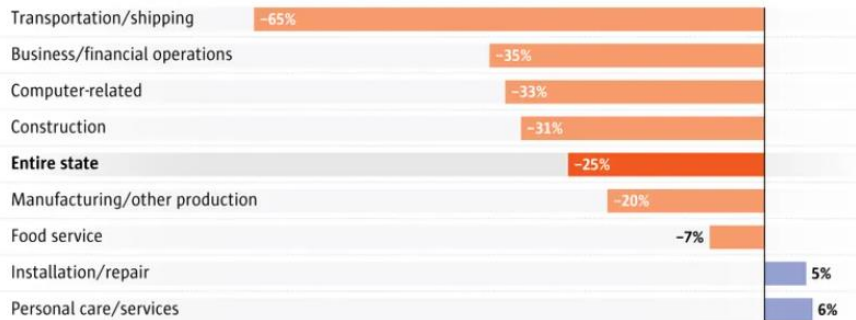
A not-so-hot job market

Washingtonians looking for jobs in 2023 face a cooling market, with declining demand for new workers despite the fact that many industries are still down thousands of jobs from the pandemic.

CHANGE IN EMPLOYMENT SINCE FEBRUARY 2020



CHANGE IN NUMBER OF NEW JOB POSTINGS, OCTOBER 2021 – OCTOBER 2022



Source: State Employment Security Department

FIONA MARTIN / THE SEATTLE TIMES

What has changed since our last update and how?

- Unprecedented challenge in retaining and recruiting workforce
- Rapid technological advancements
- Demand for information (internally and externally)
- Innovation – renewable energy, electric vehicles, water reuse, AMI
- New and innovative funding opportunities



CRP Reflection –Trends + Drivers

What other critical trends and drivers should we be thinking about in this focus area? And why?





















SPU Performance

"**Successful organizations all have well-established routines for getting things done.** The task may be as lofty as acquiring a competitor or as prosaic as filling out a time sheet, but if you look closely, you'll find a reliable process to guide you through it. These routines are often taken for granted in stable periods. However, they tend to break down when a company faces high levels of uncertainty or needs to move quickly in a crisis. Organizations scramble to make adjustments on the fly—with varying degrees of success. Before the next crisis hits, it's wise to spend time thinking systematically about the granular nuts-and-bolts processes you use—and to experiment with alternatives." - *Harvard Business Review Nov 2020*

SPU Achievements - 2022

 <p>100,000 acres of watershed protected from wildland fire and other threats</p>	 <p>200 crew-led sewer repair projects</p>	 <p>45 billion gallons of clean and safe drinking water delivered to the region</p>	 <p>300,000+ customer visits to SPU's 2 transfer stations</p>	 <p>11 Big Idea Projects funded to inspire innovation</p>	 <p>11 Customer Review Panel Members working to update SPU's Strategic Business Plan</p>	 <p>\$2.5 million in utility bill assistance to customers impacted by COVID-19</p>	 <p>3,640 elementary school youth studied SPU's stormwater curriculum</p>
 <p>750,000+ lbs of trash removed by the Encampment Trash Program & 425,000+ sharps collected</p>	 <p>500+ tons of hazardous waste collected</p>	 <p>18,800+ showers provided through SPU's hygiene program</p>	 <p>170 projects that invest in SPU's infrastructure and enhance service delivery</p>	 <p>23 presentations to the Transportation and Utilities Council Committee</p>	 <p>1 Climate Action Report with SPU's 17 justice, adaptation, and mitigation key actions</p>	 <p>395 employees hired</p>	 <p>\$10.2M paid to WMBE consultant and sub-consultant firms</p>

**Delivering Equitable
Essential Services**

**Stewarding Environment
and Health**

**Empowering Our Customers,
Community and Employees**

**Strengthening Our Utility's
Business Practices**

2021 - 2022 SBP Investment Performance

	Investment	'21	'22	What made this possible? What were barriers faced?
Stewarding Environment and Public Health Investments	Ship Canal Water Quality Project	Minor Delay	At Risk	Minor delays in 2021 continually worsened as unforeseen issues such as environmental delays, staffing shortages and supply chain issues developed.
	Green Stormwater Infrastructure	On Track	On Track	Strong ownership throughout the course of this investment. Milestones allowed for adaptation.
Empowering our Customers, Community, and Employees Investments	Side Sewer Assistance Pilot and Implementation	Minor Delay	On Track	This investment regrouped from early delays in 2021 and ended the year on track, continued adaptive behavior allowed and surveying the public to determine next steps has led to success planning.
	SPU Support Services for the Unsheltered	On Track	On Track	Program has a clear owner, and the metrics allow for flexibility given supply and demand.
	DWW Recreational Vehicle (RV) Mobile Pump Out Program	Minor Delay	Minor Delay	Minor delays are indicated due to metrics being missed at times; metrics don't take into consideration yearly targets but are quarterly based. Yearly this program is successful.
	Workforce Facilities Investments	Minor Delay	Minor Delay	Milestones are written contingent on the success of other milestones creating cascading delays. Multiple owners create a lack of alignment.
Strengthening Our Utility's Business Practices	Water System Seismic Resilience	At Risk	Minor Delay	Competing priorities caused delays that cascaded, although in 2022 the team's planning allowed for project to move into the minor delay category.
	DWW Asset Management and Opportunity Work	Minor Delay	Minor Delay	Overall milestones are being met, when 1-2 are not met this places the investment into the minor delay category.
	Water Asset Management and Opportunity Work	On Track	Minor Delay	There are multiple categories under this investment creating room for overall investment delay, for the most part the team is performing well, staffing issues and supply chain caused delays.

Investment Key Takeaways –

- Quarterly Check ins created more fluctuation with statuses but allowed for better visibility on progress to mitigate risk
- Covid delays were clear across multiple milestones
- How success is defined ultimately reflects the way status read.
- Clear ownership, alignment and plans typically let to success.



2021 - 2022 SBP Initiative Performance

	Initiative	'21	'22	What made this possible? What were barriers faced?
Stewarding Environment and Public Health Investments	Shape our Water: A DWW Plan for a Water Resilient Future	Minor Delay	On Track	Covid priorities limited staff availability and priority of this initiative. 2021 goals were largely met, but minor delays occurred. Moving into 2022 the team was able to get back on track.
	Climate Justice, Adaptation and Mitigation for Water and Waste	At Risk	On Track	Community engagement was difficult during covid which offset the initiative, in 2022 the team was able to regroup and achieve goals to put the initiative back on track.
	Waste Prevention	Minor Delay	Minor Delay	Limited staffing caused delays in 2021; the team focused on equity while refreshing milestones and creating a plan for a successful 2022.
	Waste Diversion	On Track	On Track	2021 the initiative team was able to shape the framework and gain background knowledge to implement in 2022, which they did.
Empowering our Customers, Community, and Employees Investments	Customer Affordability Programs	On Track	On Track	The program continues to identify the needs of citizens and implement solutions that positively impacts them while accomplishing commitments set.
	Race and Social Justice (RSJ) Strategic Plan	Minor Delay	Minor Delay	Individual efforts for RSJ continue to be accomplished overall planning efforts for RSJ strategy continues to be a gap
	SPU Workforce Development	Minor Delay	At Risk	Commitments changed in 2021 and a clear path forward was not arranged for 2022. Moving into 2022, Covid recovery work took priority, gap in ownership.
	Seeds of Resilience Impact Investment Proposal	On Track	On Track	This proposal was generated in 2021 and on track to be implemented in 2022.
Strengthening Our Utility's Business Practices	Accountability and Affordability Strategy Plan	Minor Delay	Minor Delay	In 2021 and 2022 this initiative experienced loss in key staff, in some cases causing minor delays and in other more significant delays. Having flexible milestones has allowed for flexibility.
	Risk and Resilience Strategic Plan	Minor Delay	On Track	Staffing was an issue for this initiative in 2021 and 2022, the team is ensuring they are highlighting work being done across the organization that reduces duplicate efforts and accurately highlights the strengths in the initiative.

Initiative Key Takeaways –

- 60% of our initiatives are on track with possibility to move the minor delays to accomplishment in 2023
- In 2021 Covid impacted many initiatives in some way:
- Teams were successful when they regrouped and created mitigation plans for 2022.



A Few SPU Performance Challenges

Inefficient Processes

Too Many Zoom Meetings

High Staffing Vacancy Rates

Post-Covid Exhaustion

Political Changes

Changing Work Place and Job Expectations

High Inflation, Costs

Concrete and (almost) Rail Strikes

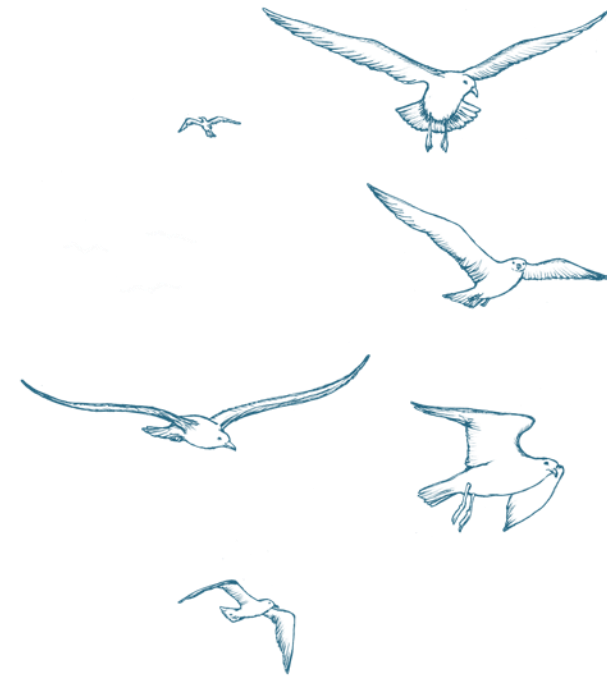
Increased Emergencies

Supply Chain Challenges

CRP Reflection – Performance

Thinking about SPU performance, what do you see in terms of SPU's:

- *Strengths?*
- *Weaknesses?*
- *Opportunity areas?*



CRP Imagining 2030 - Guided Visioning

Imagine that it is the year 2030 and SPU has made significant steps toward its Community Centered, One Water, Zero Waste vision. When you look at the Utility from this place what do you see?" (consider one of the four focus areas)

- How is it empowering customers, community & employees?
- In what ways is SPU delivering equitable, essential services?
- How is SPU stewarding environment and health?
- In what ways is SPU strengthening and applying best practices?



CRP Discussion

Cheryl, BDS Planning

