

**January 13, 2014 Council Briefings Meeting
Update on Seattle Public Utilities' Strategic Business Plan**

Mission: *In the summer of 2014, deliver to Mayor and Council the first-ever 6-year integrated strategic business plan for Seattle Public Utilities, identifying a rate path, efficiencies, investments and service levels for each utility line of business.*

What we've done to-date:

- Convened a 9-member **Customer Panel** to provide input to the Strategic Business Plan. The Panel has been meeting twice a month since April 2013. 5 Council-appointees, 4 Mayoral appointees.
- With Panel input:
 - Developed the **strategic framework** for the SBP – focus areas, strategic objectives
 - Developed a **draft baseline forecast** projecting rate revenues needed to support current levels of service (assuming no efficiencies, and meeting meet firm regulatory requirements)
 - Began discussions of **Action Plan investments**

The plan for 2014:

- With the Panel and with support from an outside consultant, develop a preferred set of **programmatic reductions and efficiency reductions** to the baseline.
- Conduct **interim outreach in January and February** to get customer and other stakeholder feedback on the baseline rate path as well as input on potential investments and reductions.
- Work with Customer Panel to **develop recommendations** around proposed programmatic and efficiency reductions, and investments. Compile several options for future rates and services.
- Conduct **final stakeholder outreach in May**, presenting options for rate/service path.
- Finalize Plan, **selecting preferred rate/service path**.
- **Transmit Plan to the Mayor, then to Council.**

Interim Outreach in January/February:

- Goal: Get customer and stakeholder input to help create the Strategic Business Plan. Ask specific questions on (a) where we should focus any new investments, (b) what general level of rate increase (and associated service path) is preferred.
- Example potential new investments:
 - Reduce sewer backups citywide through increased cleaning and rehabilitation of sewer pipes
 - Counter water supply and utility system threats from global warming
 - Reduce garbage pickup to every-other-week to increase recycling and save on collection costs
 - Deliver higher quality utility services by developing employee talent and leadership skills
- Preliminary information to be shared on general level of annual rate increases:

	<u>Average annual rate increase</u>
Before money saving actions	4.7%
Money saving actions but no improvements	4.3%
All recommended improvements but no savings	5.2%
- Who We Will Meet With: SPU staff, along with our Customer Panel, will host a total of 13 events. Included are meetings with Latino, African American, Cambodian, Somali, Chinese, and Vietnamese communities, as well as low-income communities at specific focus-group style meetings. We will also meet with members of the environmental, business, and developer communities. Open meetings for all will be held at the Garfield, High Point, and Magnuson Park community centers and the North Seattle Community College. An online survey option will be available starting in mid-January for those who cannot make one of the meetings.