

# **Revised Action Plans and Reduction Options in the SBP Update 2018-2023**

**Presentation to the Customer Review Panel**

**April 5, 2017**



**DRAFT**

# Purpose of this Presentation

Provide details for revised Action Plan and Reduction Options for the 2018-2023 SBP Update.

# Updated Rate Path Options

- Technical changes including increase the assumptions of enrollees in the Utility Discount Program and SPU's lower expenses in 2016 for O&M and CIP.
- Shifts between Action Plans and Baseline.
- Updated Rate Path options based on Panel feedback and SPU prioritization.

# UPDATE: 2018-2023 Rate Path

Starting Point (September 2016) 6.8%

- *Scrubbed base & assumptions*
- *Prioritized & removed investments*
- *Expenditure reductions of \$171M*

		<i>Update</i>
Current baseline operations	<b>5.2%</b>	<b>5.3%</b>
Plus action plan investments	0.7%	0.6%
Minus additional savings	(0.3%)	(0.3%)
<b>Option A Average Annual Rate Increase:</b>	<b>5.6%</b>	<b>5.6%</b>
<b>Option B Average Annual Rate Increase:</b>	<b>5.4%</b>	
<b>Option C Average Annual Rate Increase:</b>	<b>5.3%</b>	

# UPDATE: 2018-2023 Rate Path

- **Updated SPU Proposed = 5.6%**
- **Scenario #1 = 5.5%**
  - Includes the reductions options that were considered less risky or able to defer
  - Includes alternatives to a few Action Plans
- **Scenario #2 = 5.4%**
  - Includes Scenario #1 AND
  - Removes all or portions of a few Action Plans

# Facilities Update

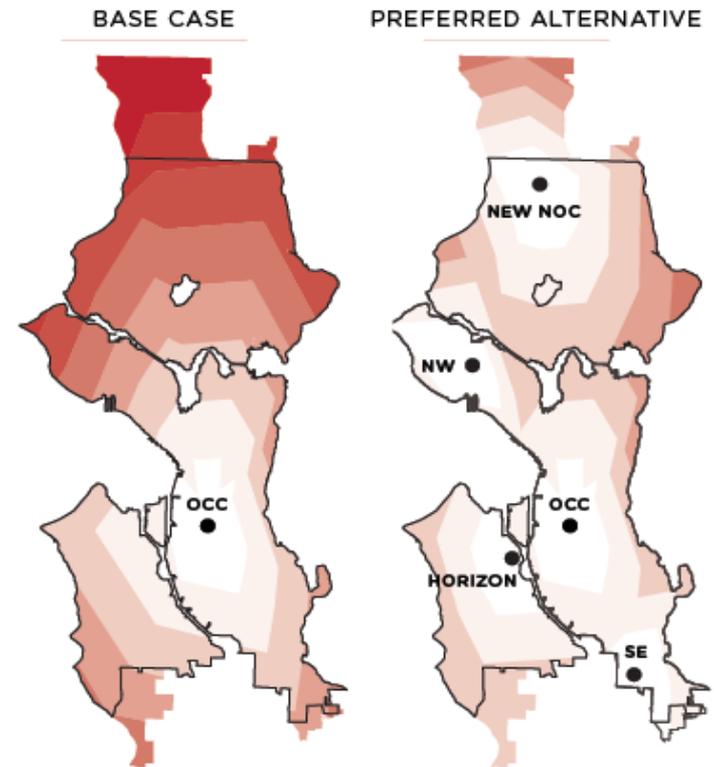
Broke out the various facilities to provide more clarity and options.

#	Project	Description	Total
10a1	North Operations Complex "Must Do"	Interim improvements(toilets, showers, trailers, roof replacement) and dewatering solution	<b>\$7.30</b>
10a2	North Operations Complex Phase 1	Property purchase and moving warehouse and vehicle storage to create operational efficiencies	<b>\$21.50</b>
10a3	North Operations Complex Phase 2	First part of construction to complete the North Campus	<b>\$4.60</b>
10b	DWW South Operations Complex	Costs to complete the DWW South Operations Complex	<b>\$42.70</b>
10c	Cedar Falls Phase 2	Administration building in the Watershed	<b>\$11.00</b>
10d	SMT Reconfiguration	Project to utilize the City space better, eventually reducing two floors	<b>\$27.50</b>
<b>Total</b>			<b>\$114.60</b>

# Facilities Update

In-city facilities are not adequate and the investments identified will provide:

- Sufficient space and improved facilities for staff
- Field locations that will equitable serve the City
- Reduced fuel costs and carbon emissions
- More efficient operations by consolidating functions



ALL-CITY CREWS  
WINDSHIELD TIME (ONE WAY)

- HIGH (30-40 MIN)
- MODERATE (15-30 MIN)
- LOW (0-15 MIN)

*Color increments = 5 minutes of travel time*

# Sewer Repair, Sewer Rehabilitation and Sanitary Sewer Capacity Update

## Top Drivers of Sewer Overflows

Driver	Action Plan/Reduction Plan
35% - Sewer capacity	Action Plan 6 – Sanitary sewer capacity Reduction Option 8 – Sanitary sewer capacity
25% - Pipe structural failure	Action Plan 5 – New sewer repair crew Action Plan 7 – Sewer rehabilitation
25% - Debris in pipe, including Fats, Oils and Grease (FOG)	Reduction Option 5 – Sewer cleaning
15% - Pump stations and force mains – capacity, condition	Action Plan 8 – Pump stations, force mains and outfalls

# More detail on sewer rehabilitation



Action Plan 5  
Sewer Repair Crew

Description	Spending 2017-2019	Spending type
Programmatic and internal	\$6,384,500	Internal
Lining	\$11,978,800	Contracted
Full-line Replacement	\$3,811,835	Contracted
Spot Repair	\$4,928,951	Contracted
Small Rehab	\$1,189,500	Contracted
Emergency	\$3,400,000	TBD
<b>TOTAL</b>	<b>\$31,693,586</b>	

Action Plan 7  
Sewer Rehabilitation



# Action Plans: Move to Baseline

#	Title	Cost (6 year)
4	Expand Water Modeling <i>Add 1 FTE</i>	\$780K
9	Enhance Side Sewer Enforcement <i>Add 1 FTE</i>	\$800K
10a1	Facilities- NOC “must do” Showers at Haller Lake, NOC roof, dewatering facility	\$7.25M

## Action Plan #9

Q: Does this action plan add 1 FTE in lieu of the two .5 FTEs current performing work?

Yes. In Customer Service, Key Services is expanding from 186 to over 2500 customers. The full position will now be used to support this expanded base of customers. On the Source Control side, the (less than) .5 FTE will be used to support the training and development of this program and will then continue to support the Water Quality Investigation and Spill Response Programs. The number of spills called into the City has increased in the last several years (from 307 in 2014 to 521 in 2016).

Q: What happens if this is not approved?

A: If this is not approved, the programs will make improvements as time and resources allow, but it is unlikely that any significant program changes will be accomplished as the resources are currently spread thin with increasing workload demands in each of the “home” programs.

# Action Plans: Above the Line

#	Action Plan
1	Expand the Apprenticeship Program
2b	Opportunity Transportation Projects: Water
3	Expand Maintenance of the Water Distribution System
5	Increase Sewer Repairs
7	Sewer Rehabilitation
8	Pump Station, Force Main and CSO Outfall Capital Program
10a2	Facilities- NOC Phase 1
10b	Facilities- South Operations Complex
10c	Facilities- Cedar Falls Phase 2
10d1	Facilities- SMT Phase 1
10d2	Facilities- SMT Phase 2
11	Expand Security Monitoring
12	Green Fleet Initiative
13	Improve Technology Services

# Action Plans: Below The Line

#	Action Plan	Cost (6 year)
2a	Opportunity Transportation Projects: Drainage and Wastewater (DWW)	\$66.3M
6	Sanitary Sewer Capacity	\$37.0M
10a3	Facilities- North Operations Center (NOC) Phase 2	\$4.6M
10d3	Facilities- Seattle Municipal Tower (SMT) Phase 3	\$9.7M

# Action Plan Revision #1

## Action Plan: #1 Expand the Apprenticeship Program

Action Plan Owner: John Holmes and Tony Blackwell

### Updates and Revisions

Q: How many people participate in the program: A: Twelve to fifteen participants for each Line of business; total of 24-30 every two years.

Q: What is the cost of the initiative in terms of the effective tuition per participant: A: About \$52K (two year tuition/per student)

### Updated Budget and FTE Considerations - **NO CHANGES**

**FTE Impact: 2**

Category	2018	2019	2020	2021	2022	2023
Baseline	524,777	531,147	536,370	541,697	547,131	552,674
Action Plan O&M	344,306	174,896	313,425	225,297	308,674	195,398

# Action Plan Revision #2b

## Action Plan: #2b Facilities - Opportunity Transportation Projects: Water

Action Plan Owner: Alex Chen

### Updates and Revisions

N/A

Updated Budget and FTE Considerations **NO CHANGE**

Category	2018	2019	2020	2021	2022	2023
Baseline	13,312,376	11,998,232	6,905,774	6,822,000	6,813,000	6,813,000
Action Plan CIP	10,382,383	20,919,155	11,301,925	2,274,000	2,271,000	2,271,000

# Action Plan Revision #3

## Action Plan: #3 Expand Maintenance of the Water Distribution System

Action Plan Owner: Alex Chen

### Updates and Revisions

N/A

Updated Budget and FTE Considerations **NO CHANGE**

FTE Impact: 4

Category	2018	2019	2020	2021	2022	2023
Baseline	1,319,533	990,677	1,011,241	1,032,319	1,053,924	1,076,069
Action Plan O&M	659,767	495,339	505,621	516,160	526,962	538,035

# Action Plan Revision #5

## Action Plan: #5 Increase Sewer Repairs

Action Plan Owner: Ben Marre

### Updates and Revisions

Q: What percentage of pipes will still be “in extremis” at the end of this planning period? A: About 25% of our pipes that we review are in critical condition.

Q: Will this project save money? If so, how much based on what assumptions? A: Yes, however we don’t know what construction costs will be in the future based on future inflation.

**Updated Budget and FTE Considerations NO CHANGE**

**FTE Impact: 6**

Category	2018	2019	2020	2021	2022	2023
Baseline	590,750	855,087	426,997	426,062	433,666	437,076
Action Plan O&M	247,235	247,788	254,233	265,117	267,710	274,753
Action Plan CIP	1,419,493	543,875	543,875	543,875	543,875	543,875

# Action Plan Revision #7

## Action Plan: #7 Sewer Rehabilitation

Action Plan Owner: Ben Marre

### Updates and Revisions

N/A

Updated Budget and FTE Considerations **NO CHANGES**

Category	2018	2019	2020	2021	2022	2023
Baseline	24,820,594	19,277,447	20,855,427	20,000,000	20,000,000	20,000,000
Action Plan CIP	987,501	4,608,146	2,794,573	6,150,000	6,150,000	5,525,000

# Action Plan Revision #8

## Action Plan: #8 Pump Station, Force Main and CSO Outfall Capital Program

Action Plan Owner: Ben Marre

### Updates and Revisions

N/A

### Updated Budget and FTE Considerations **NO CHANGES**

Category	2018	2019	2020	2021	2022	2023
Baseline (Pump Stations)	10,922,754	7,026,347	4,796,192	4,660,000	3,980,000	3,500,000
Action Plan CIP (Pump Stations)	2,433,000	5,989,242	2,480,791	1,370,000	1,020,000	1,000,000
Baseline (Outfalls)	1,600,000	2,098,470	496,558	500,000	500,000	500,000
Action Plan CIP (Outfalls)	0	1,530	1,003,442	1,000,000	1,000,000	1,000,000

# Action Plan Revision #10a2

## Action Plan: #10a2 Facilities - North Operations Center (NOC) Phase 1

Action Plan Owner: Sherri Crawford

### Updates and Revisions

N/A

### Updated Budget and FTE Considerations

Category	2018	2019	2020	2021	2022	2023
Action Plan CIP	1,950,000	1,400,000	6,500,000	9,300,000	2,300,000	0

# North Operations Today



# North Operations Today



# North Operations Possible Plan



SPU Existing North Operations Center (Water LOB)

Future Improvements may include these developments in red

SPU Existing Haller Lake Maintenance Yard (DWW LOB)

## North Facility Operations

# Action Plan Revision #10b

## Action Plan: #10b Facilities - South Operations Complex

Action Plan Owner: Sherri Crawford

### Updates and Revisions

N/A

### Updated Budget and FTE Considerations

Category	2018	2019	2020	2021	2022	2023
Action Plan CIP	11,762,590	22,835,210	8,128,603	0	0	0

# Action Plan Revision #10c

## Action Plan: #10c Facilities – Cedar Falls Phase 2

Action Plan Owner: Sherri Crawford

### Updates and Revisions

N/A

### Updated Budget and FTE Considerations

Category	2018	2019	2020	2021	2022	2023
Action Plan CIP	500,000	2,000,000	4,000,000	1,300,000	700,000	2,500,000

# Action Plan Revision #10d1 and #10d2

## Action Plan: #10d1 Facilities – Seattle Municipal Tower (SMT) Phase 1 and Phase 2

Action Plan Owner: Sherri Crawford

### Updates and Revisions

There are two alternatives.

Alternative 1: Move off one critical floor

Alternative 2: Delay approximately a year in 2019

### Updated Budget and FTE Considerations

Category	2018	2019	2020	2021	2022	2023
<b>Action Plan CIP</b>	4,345,000	4,460,000	4,200,000	4,761,000	5,360,000	4,337,000
<b>ALTERNATIVES</b>						
<b>Alternative 1</b>	1,303,500	0	0	0	0	0
<b>Alternative 2</b>	0	0	3,041,500	4,460,000	4,200,000	4,761,000

# Action Plan Revision #11

## Action Plan: #11 Expand Security Monitoring

Action Plan Owner: Sherri Crawford

### Updates and Revisions

Q: How does this security plan compare to other cities? A: See handout

**An alternative is to add the Security Program Specialist and the monitoring center, but not the vendor contract to staff the monitoring center, using current SPU resources instead.**

### Updated Budget and FTE Considerations

**FTE Impact: 1**

Category	2018	2019	2020	2021	2022	2023
<b>Original</b>						
Baseline	111,349	111,349	111,349	111,349	111,349	111,349
Action Plan O&M	490,306	492,449	494,509	495,539	496,569	497,599
<b>Alternative</b>						
Alternative O&M	135,306	137,449	139,509	140,539	141,569	142,599

# Action Plan Revision #12

## Action Plan: #12 Green Fleet Initiative

Action Plan Owner: Sherri Crawford

### Updates and Revisions

N/A

Updated Budget and FTE Considerations **NO CHANGES**

Category	2018	2019	2020	2021	2022	2023
Baseline	0	0	0	0	0	0
Action Plan CIP	664,126	665,528	2,646,959	767,418	693,076	1,067,423

# Action Plan Revision #13

## Action Plan: #13 Improve Technology Services

Action Plan Owner: Sherri Crawford

### Updates and Revisions

An alternative is to add 1.0FTE instead of 2.0FTEs to focus on the most critical functions only.

### Updated Budget and FTE Considerations

FTE Impact: 2 or 1

Category	2018	2019	2020	2021	2022	2023
<b>Original</b>						
Baseline	0	0	0	0	0	0
Action Plan O&M	300,000	300,000	300,000	300,000	300,000	300,000
<b>Alternative</b>						
Alternative O&M	150,000	150,000	150,000	150,000	150,000	150,000

# Reduction Options: Do not cut or defer

#	Reduction Option	Cost (6 year)
1	Decrease Investment in Rodent Control	\$1.2M
3	Green Seattle Partnership	\$600K
4	Solid Waste Bill in Advance	\$0.00
5	Sewer Cleaning	\$3.9M
6	Risk Reserve	\$5.8M
7	Solid Waste Contracts Inflation	\$4.7M
9	Sanitary Sewer Capacity	\$25.6M
11b	Transportation Opportunity Projects: Water	\$28.1M

# Reduction Options: OK to Defer

#	Reduction Option	Cost ( 6 year)
2	Pet Waste and Diaper Composting Program	\$7.6M
8	Culvert Program	\$10.1M
10	Stormwater Regulatory Placeholder	\$4.8M
11a	Transportation Opportunity Projects: Drainage and Wastewater (DWW)	\$66.3M