

Exhibit 3. Action Plans and Savings/Deferrals Summary

Summary of All Action Plans

The table below lists the action plans (new investments) proposed in the Strategic Business Plan Update.

#	Action Plan Title	6-Year Cost	Customer Review Panel Consensus	SPU Decision
1	Expand the Apprenticeship Program	\$1.6M O&M	Support	Fund
2	Opportunity Transportation Projects: Water	\$49.4M CIP	Support	Fund
3	Expand Maintenance of the Water Distribution System	\$3.2M O&M	Support	Fund
5	Increase Sewer Repairs	\$1.6M O&M \$5.7M CIP	Support	Fund
7	Sewer Rehabilitation	\$25.9M CIP	Support	Fund
8	Pump Station, Force Main and CSO Outfall Capital Program	\$18.5M CIP	Support	Fund
10a2	Facilities North Operations Center (NOC) Phase 1	\$21.5M CIP	Support	Fund
10a3	Facilities North Operations Complex Phase 2	\$4.6M CIP	Support	Fund
10b	Facilities – South Operations Complex	\$42.7M CIP	Support	Fund
10c	Facilities – Cedar Falls Phase 2	\$8.5M CIP	Support reduced cost alternative	Fund the reduced cost alternative
10d1, 10d3	Facilities – Seattle Municipal Tower (SMT) Phases 1 and 2	\$1.3M CIP (Phase 1) \$16.4M CIP (Phase 2)	Support reduced cost alternatives 1 and 2	Fund the reduced cost alternatives
11	Expand Security Monitoring	\$800K O&M	Support reduced alternative	Fund the reduced alternative
12	Green Fleet Initiative	\$6.5M CIP	Support	Fund
13	Improve Technology Services	\$900K O&M	Support reduced cost alternative	Fund the reduced cost alternative
14	Green Stormwater Infrastructure	\$424K O&M \$20M CIP	Support	Fund
2a	Opportunity Transportation Projects: Drainage and Wastewater	\$66.3M CIP	Do not fund	Do not fund
6	Sanitary Sewer Capacity	\$37.0M CIP	Do not fund	Do not fund
10d3	Facilities - SMT Phase 3	\$9.7M CIP	Do not fund	Do not fund

Exhibit 3. Action Plans and Savings/Deferrals Summary Continued

Summary of Cost Savings

SPU conducted three rounds of cost reductions to keep rates as low as possible. The first round occurred early in the process, prior to convening the Customer Review Panel, and resulted in \$171 million in savings. The second round occurred soon after the Customer Review Panel began working with SPU and resulted in \$105 million in savings from reductions and deferrals. The third round took place with input from the Customer Review Panel and resulted in another \$88.8 million in avoided costs and reductions. The following information provides more detailed information about each round of cost savings.

First Round Additional Savings Between 2018-2023

\$171 million including:

- \$88M in capital projects reductions.
- \$83M in O&M due to refining financial assumptions and prioritizing needed investments.

Second Round Additional Savings Between 2018-2023

\$105 million including:

- \$82M in capital projects and programs:
 - Shifting out some investments in culverts, pump stations, localized flooding, and reservoirs; and
 - Permanent decrease in the Tolt Slide project due to finding a significantly less expensive solution.
- \$23M in operations and maintenance that support various initiatives but with little programmatic or customer impact, such as scaling back on consultant services.

Exhibit 3. Action Plans and Savings/Deferrals Summary Continued

Third Round Additional Savings Between 2018-2023 (in partnership with Customer Review Panel)

Reduction Item	Risk	Savings (6 yr)	Panel Consensus	SPU Decision
Sewer Cleaning - Reduce sewer cleaning efforts; remove temporary employees.	High	(\$3.9M)	Do not cut/defer	Do not cut/defer
Transportation Opportunity Projects - Reduce funding for Water transportation Move Seattle opportunity projects. (Action Plan #2b).	High	(\$28.1M)	Do not cut/defer	Do not cut/defer
Sanitary Sewer Capacity - Decrease investment in the sanitary sewer capacity program by assuming no new projects in construction earlier than 2020.	High	(\$25.6M)	Do not cut/defer	Do not cut/defer
Solid Waste Contracts Inflation - Reduce contractor inflation assumption from 2.75% to 2.5%.	High	(\$4.7M)	Do not cut/defer	Do not cut/defer
Solid Waste Bill-in-Advance - Do not use cash to eliminate bill-in-advance.	High	\$0.00	Do not cut/defer	Do not cut/defer
Risk Reserves - Reduce 2022-2023 risk reserve from 2% to 1.5% of O&M, not including debt service, taxes or solid waste contracts.	High	(\$5.8M)	Do not cut/defer	Do not cut/defer
Green Seattle Partnership - Eliminate SPU's contribution in the City's Public Private Partnership with Forterra on care for forested parks.	High	(\$0.6M)	Do not cut/defer	Do not cut/defer
Rodent Control - Reduce payments to King County for above-ground and below-ground rodent control by 50%.	High	(\$1.2M)	Do not cut/defer	Do not cut/defer
Culvert Program - Reduce the culvert program spending by delaying projects.	Medium	(\$10.1M)	Defer / Accept the Reduction	Defer / Accept the Reduction
Stormwater Regulatory Placeholder - Remove a placeholder for anticipated regulations for stormwater infrastructure.	Medium	(\$4.8M)	Defer / Accept the Reduction	Defer / Accept the Reduction
Transportation Opportunity Projects - Reduce funding for Drainage and Wastewater transportation Move Seattle opportunity projects. (Action Plan #2a)	Medium	(\$66.3M)	Defer / Accept the Reduction	Defer / Accept the Reduction
Pet Waste & Diaper Composting - Defer pet waste and diaper composting program until evaluation is complete.	Medium	(\$7.6M)	Defer / Accept the Reduction	Defer / Accept the Reduction