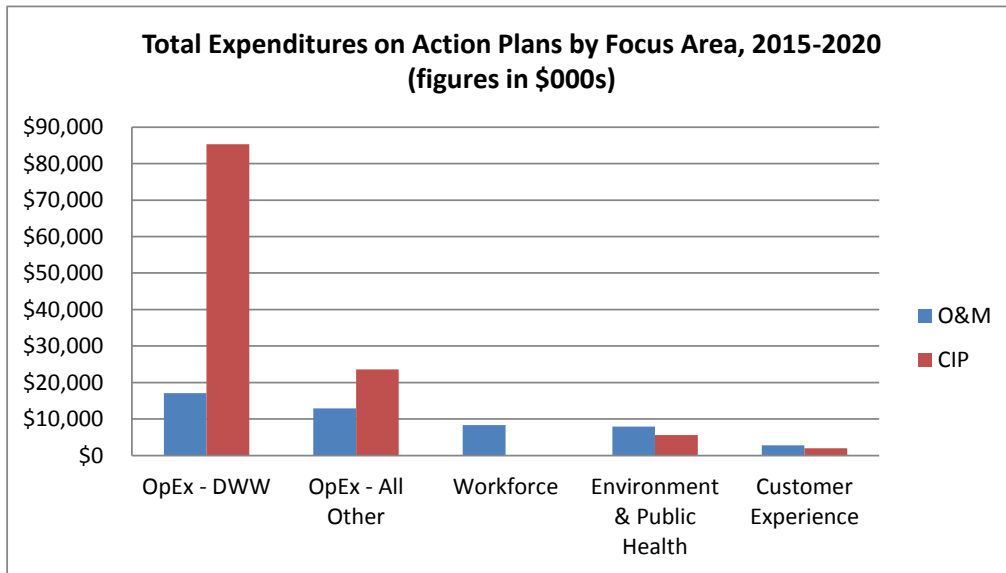


## Summary of Action Plan Recommendations

SPU has recommended to the Panel 27 Action Plans which add targeted new investments to the baseline rate path in order to address identified gaps in the strategic focus areas. In total over the six-year period, these Action Plans increase operations and maintenance costs by \$49 million, and CIP expenditures by \$116 million, resulting in an average annual increase to rates of 0.5%-0.6%.

The chart below displays these six-year expenditures by focus area. As you can see, total new investments vary considerably from focus area to focus area. Most of the investments are in the Operational Excellence focus area, and most of these investments are in the DWW line of business.



Operational Excellence: Drainage & Wastewater Line of Business. Over 60% of the total Action Plan new investments over the six-year period are in these four Action Plans. With these investments, SPU will improve its DWW infrastructure and thereby improve customer services in the areas of flooding and sewer backups through:

- Increasing sewer pipe cleaning and inspection/rehabilitation of SPU's aging sewer pipes.
- Accelerate implementation of flooding and sewer backup projects in the Broadview and South Park neighborhoods.
- Improve planning and policies in the DWW area.

Operational Excellence: All Other. Ten Action Plans outside the DWW line of business comprise the second-highest investment in new funding. These Action Plans are focused on the nuts and bolts of being an efficient and effective utility, and on ensuring our infrastructure is secure. Improving use of technology and data, and ensuring our facilities meet the needs of our workforce, are examples of the efficiency and effectiveness investments in this area. Assessing the water system's seismic vulnerability and increasing maintenance work on the watermain valves are examples of ensuring our infrastructure is secure.

Transform the Workforce. Five Action Plans focus on transforming the workforce by 2020. With these investments, we will address our gap areas of (a) inadequate and inconsistent performance

management and improvement processes; (b) inadequate training and development for supervisors and aspiring leaders to fill the pipeline; (c) higher than desired injury and re-injury rates, workers comp claims and medical costs, sick leave and medical leave utilization; (d) a lack of effective recruitment, retention and succession planning; (e) inadequate HR data to fill these gaps.

Environment & Public Health. Five environmental and public health Action Plans address sustainability and adaptability objectives, including improved ability to anticipate the impacts of climate change on SPU infrastructure and service delivery, and expanding the street sweeping program to improve the water quality of our urban streams, Lake Washington, and Puget Sound.

Customer Experience. While the Customer Experience focus area receives the least new funding, the three Action Plans in this area are key to effectively implementing the Strategic Business Plan. These are:

- Service equity. Eliminate current service inequities (defined as disparate access, participation, and impacts to distinct customer segments and communities), and proactively design and provide equitable services.
- Web presence. Develop internal and external websites that are effortless to use when asking a question, paying a bill, or researching an issue.
- Development services. Centralize and streamline the utility permit, service, and sales functions for development customers.