

**2018-2023 SBP Update
Reduction Option Template**

Cost Reduction: Culvert Program #8	Owner: Ben Marre
Focus Area: Public Health and the Environment	Sponsor: Madeline Goddard
Risk Level: MEDIUM	Rate Path Option: 5.4

1. Short summary of the cost reduction (suitable for using with Customer Review Panel and other members of the public, plus additional specifics required for clarity of action).

This reduction involves deferring approximately \$6 million of \$38 million of culvert rehabilitation and replacement funding/projects planned for construction 2018-2023 to beyond 2023. The reduction reflects a recent decision by SPU to reassess the culvert program to ensure it is a financially and environmentally responsible program that addresses structural concerns, fish passage, and other riparian needs. The reassessment of the program also focuses on maximizing grant funding. This work will be completed as part of the long-term planning process that the drainage and wastewater line of business is undertaking in 2017.

The specific projects that are deferred through this reduction are culverts on Thornton Creek and its tributaries in northeast Seattle.

2. What are the impacts or risks of this cost reduction? How will you mitigate these risks?

The culverts addressed by these projects are in poor condition and high risk of failure. Deferring rehabilitation and replacement projects over time results in:

- Increased risk of flooding that impacts homes, businesses, roads and public safety.
- Increased risk of higher costs due to project delays and emergency repairs, and mitigation for environmental damages.
- Emergency repairs or replacements that preclude well-planned design work may result in additional required mitigation.
- Increased backlog of projects and funding needs in future years.

SPU will mitigate the above risks by:

- Focusing baseline CIP work on culverts with highest risk of failure and major consequences to public safety and transportation mobility if failure occurred.
- Developing emergency response plans for high risk culverts.
- Continuing to monitor culverts at risk of failure through pre- and post-storm checks and annual inspections.

3. Implementation plan and timeline.

The proposed reductions are for the 2021-2023 period. The upcoming completion of a culvert Strategic Asset Management Plan (SAMP) and drainage system analysis and planning will identify and prioritize areas of need and guide future capital investment to the greatest needs.

4. Budget and FTE changes**Changes (relative to baseline)**

	2018	2019	2020	2021	2022	2023
O&M (Non- Labor) Budget Change						
CIP Budget Change				(200,000)	(3,000,000)	(3,000,000)
FTE Change						

5. Identify possible race and social justice implications for this reduction. How will it impact service equity and how will you resolve this impact?

This proposal reduces SPU's ability to make progress addressing tribal treaty rights to fish passage through planned and needed culvert replacements. This can be mitigated by seeking external funding and partnerships, as well as engaging the Muckleshoot Tribe and regulatory agencies in discussion about priorities for fish passage in Seattle.

6. Describe your plan for evaluating the impacts of this reduction. Include any metrics you have.

The culvert program completes annual inspections of culverts on an ongoing basis. Data from these inspections can be used to assess the collective condition and performance of culverts over time.