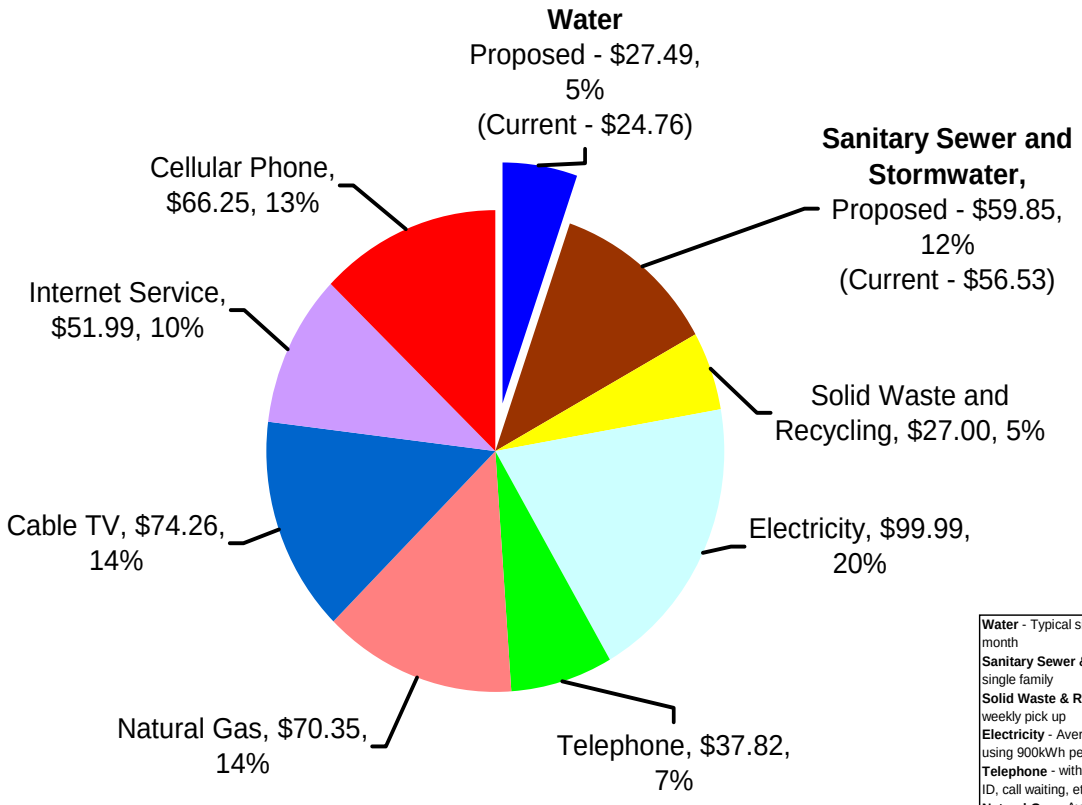
Water Bureau FY 2012-13 Requested Budget Handouts
Council Presentation on April 10th from 10:30 to 11:30 am

Average Utility Services

Total = $515.00



Water - Typical single family using 5 ccf per month
Sanitary Sewer & Stormwater - Average single family
Solid Waste & Recycling - 32 gallon can, weekly pick up
Electricity - Average residential customer using 900kWh per month
Telephone - with calling features, i.e., caller ID, call waiting, etc. (no long distance)
Natural Gas - Average Oregon residential customer using 56 therms per month
Cable TV - Expanded cable with On Demand and equipment
Internet Service - Download speed at 12 Mbps includes modem,
Cellular Phone - family plan, 2-lines, 600 minutes (no text messaging, no internet connection)

The proposed rates for Water and Sanitary Sewer are to be effective July 1, 2012.

FY 2012-13 Five-Year Rates Summary

	Request	Projected			
Description	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Increased Costs Providing Same Level of Service	2.6%	4.0%	5.8%	6.0%	3.8%
Deferred Rate Increases	4.9%	4.3%			
Cost of New Projects (including LT2)	-0.2%	2.4%	6.7%	7.5%	0.4%
Decreased Water Use/Revenue	1.1%	-0.2%	0.5%	-0.1%	3.5%
Monthly Billing	2.0%				
LT2 Treatment Variance Monitoring	0.6%				
Total	11.0%	10.5%	13.0%	13.4%	7.7%

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Bureau Significant Issues

LT2 Rule Compliance

Treatment

- Treatment variance granted 3/14/12
- Variance effective 4/1/12 , will be in effect for 10 years
- Rigorous monitoring and reporting conditions
- No UV treatment plant
- Monitoring Decision package $1,900,000 with a 0.6% retail rate increase
- $1.5 million on-going and $400,000 one-time for 2 fiscal years

	budget	
Staffing (5 New Positions)	$658,903	on-going
Sampling and Monitoring	661,097	on-going
Additional sampling as needed	180,000	on-going
Capital equipment	400,000	one-time
	$1,900,000	

Uncovered Reservoirs

- Uncovered Reservoirs – Proposed schedule revision
- 5-Year CIP Plan assumes the proposed adjusted schedule is approval

	Current Approved Schedule	Proposed Schedule Adjustment
Powell Butte 2 Reservoir	2013	2015
Kelly Butte Reservoir	2014	2021
Mt. Tabor Reservoirs	2015	2024
Washington Park Reservoirs	2020	2026

- If not, 2.4% additional rate increase in the FY 2012-13 and higher rate increases in out years
- Critical infrastructure projects for reliability and to reduce the vulnerability
  - Fulton Pump Station replacement – station is critical, 100 years old and in poor condition
  - Willamette River Crossing – not to current seismic standards
  - Sam Jackson Pump Station replacement –provide water to Westside customers during reservoir construction at Washington Park
  - Bull Run Dam 2 Towers –to meet the ESA, the Clean Water Act, and add needed operational flexibility

Fiscal Year Ending

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Proposed Adjustment															
Fulton Pump Station	D	D	C	C											
Willamette River Pipe Crossing	D	D	C	C	C	C									
Sam Jackson Pump Station		D	C	C											
Bull Run Dam 2 Towers	D	C	C	C											
Powell Butte Reservoir 2	C	C	C	C											
Kelly Butte Reservoir	D						D	C	C	C					
Open Reservoir Adjustments at Tabor	D							D	D	D	D	C	C		
Washington Park Reservoir 3	P							D	D	D	D	C	C	C	C

Phases P **Planning** D **Design, Permits, and Land Use** C **construction**

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Monthly Billing

- FY 2011-12 Adopted Budget: Council directed that monthly billing proposal be developed.
- Goal: provide customers with a bill that is more manageable.
- Actual monthly meter reading or an automated system was not palatable from a cost perspective at this time.
- Proposal: monthly statement option for quarterly accounts; frequency of meter reads continues to be quarterly.
- Bill one third of the quarterly bill to the customer for payment each month.
- Monthly Statement is a mandatory program.
- Benefits: 1) more manageable bills for customers 2) ability for customers to easily compare water/sewer bill to other utility bills 3) the potential to reduce the level of uncollectibility for the bureau
- Decision package $1,750,000
- 2.0% rate increase, with 1.5% for on-going ($1,750,000) and 0.5% for one-time ($5 million in delayed revenue)

	Budget
Overtime/Premium Pay	$10,000
Equipment Maintenance/Repair	10,360
Paper/Supplies	108,900
Credit Card Fees	210,418
Postage/Mail Handling	1,410,322
	$1,750,000

System Maintenance

- Asset Management/Risk Management approach
- Maintain the water system at least cost by determining replace or repair and by prioritization of work.
- Utilize Synergen system for workflow management
- Installed 22,000 feet of main.
- Fixed 186 main breaks and leak repairs.
- Completed 399 service installations.
- Completed 305 hydrant renewals/repairs/replacements.
- Flushed 30.46 miles of mains

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Equity Discussion

1. City workforce diversity (data for FY 2010-11)
   a. WB employs 30.8% female compared to the city average of 31.8%
   b. WB employs 17.5% minority compared to the city average of 17.0%

2. City contractor diversity
   a. City has a 20% utilization goal in awarding PTE contracts to ESB's. Prime and subcontractors FY 2010-11 – 38.9% of the WB PTE contracts are with ESB's (60 out of 154)
   b. PTE Contracts, Prime and subcontractors FY 2010-11 –ESB's make up $1,459,302 (13.5% of total WB PTE Prime and subcontractor dollars)
   c. City has an M/WBE aspirational goal of 35% of all subcontracts on each construction project estimated at $200,000 and above. Subcontractors FY 2010-11 – 36.9% of the subcontracts on WB construction projects are with M/WBE (48 out of 130)
   d. Subcontractors FY 2010-11 – M/WBE make up $9,054,561 (21.8% of total WB subcontracts for construction project dollars)

3. WB activities:
   a. Bridge (Building Respect Involvement Diversity Goodwill Excellence) Group – recognition and awards to employees
   b. PEER resource program
   c. WB Diversity action strategy plan
   d. WB engagement survey
   e. Employee engagement action plan
   f. Youth at risk through Multnomah County – Juvenile Department
   g. Student interns through the Mayor's Office
   h. In 2011: internal promotions, 18.75% minority and 25% were females
   i. In 2011: separation, 9.26% were minority, 31.48% were females
   j. Implemented voluntary exit interviews in March 2011
   k. Implicit bias/microinequity workshops
   l. Monthly cultural celebration sponsorships

Assistance provided to our customer

1. Low Income Discount (LINC) – 50% discount with 9,463 customers signed up (FY 2012-13 budget $1,651,500)
2. Crisis Vouchers - $150 per year, issued 4,510 crisis vouchers in FY 2010-11 (FY 2012-13 budget $375,000)
3. Utility Safety Net -Assistance for financial hardship that adversely impacts their ability to pay with 72 customers active in program (FY 2012-13 budget $100,000)
4. Fixture repair assistance (FY 2012-13 budget $65,000)
5. System Development Charge (SDC) waivers for Low Income Housing/ADU (FY 2012-13 budget $250,000)
6. Other Assistance Available –
   a. payment plans
   b. write offs
   c. conservation kit
   d. budget billing
7. Maintain 7 hydroparks for public use
8. Partnership to build Community Gardens