

**FY 2013-14 Portland Water Bureau
Requested Reduction Package
Title: 5% Operating Budget Reductions**

This narrative outlines the Portland Water Bureau's (PWB) proposal to achieve an ongoing and sustainable 5.0% reduction in its operating budget without causing severe reductions in service levels. The narrative is presented in Water Program Ranking order, and includes reductions in each of the bureau's programs and sub-programs (with the exception of Hydrants, Services, Valves and Mains). The cumulative reductions amount to over \$4.2 million in cuts and include the elimination of 11 full-time budgeted positions. Of the 11 positions (3 non-represented and 8 represented), 9 are vacant and 2 are currently filled.

In mid FY 2010-11 and through all of FY 2011-12 and FY 2012-13 to date, managers and supervisors were instructed to reduce spending on a "one-time" basis in order to address shortfalls in revenue and demand projections. The cuts reflected below are permanent reductions and many mirror the reductions in spending that managers and supervisors have made and adjusted to over the past two+ years.

Not all of the \$4.2 million in cuts are reflected in the narrative below. While the total reduction amount is reflected in each Water Program heading, not every cut is itemized and the amounts listed may not add up to the total reflected in the headings.

Where possible, we have identified the specific service level impact associated with the more significant cuts. In many areas, as managers and supervisors have reduced their requested budget amounts to more closely reflect current spending levels, the impacts are harder to quantify and articulate.

The cumulative results of these reductions will be that the bureau, overall, will have significantly reduced financial ability to respond to unforeseen expenses or shortfalls in revenue.

Proposed reductions are primarily in the following budget categories:

\$920,000	Staffing (full time and related benefits)
\$360,000	Staffing (part time, overtime, and premiums)
\$820,000	Professional & Miscellaneous Services
\$970,000	Operating Supplies
\$417,000	Miscellaneous
\$370,000	Repair & Maintenance Services
\$244,000	Utilities
\$140,000	Training/Travel

Grounds/Parks - Ranking #22 – (\$72,798, 1 FTE)

- Reduce staff by one Utility Worker I (UWI) position. As the workload for the unit is much heavier during the mowing and leaf removal season (April – December), we will offset the work performed by the UWI by hiring a Seasonal Maintenance Worker and increasing overtime for other staff. When the Seasonal Maintenance Worker is not available, some duties will be reassigned. However, there will be an impact to the

frequency of cleaning the Benson Bubbler drinking fountains, garbage pick-up in the HydroParks, and facilities maintenance (bathroom cleaning) at some of the sites used by PWB staff.

Fountains #21 – (\$151,436)

- Reduce Miscellaneous Services and Operating Supplies for the operation and maintenance of the City's 19 decorative fountains. These reductions will restrict our ability to complete some repairs in a timely manner. For some severe failure modes, a decorative fountain may be out of service for an extended period. Personnel will not be dispatched on overtime to repair or get the fountains back into service. This reduction also reflects the lower sewer discharge fee of \$0.001/ccf for decorative fountain drainage costs.

Security/Emergency Mgmt - Ranking #20 – (\$131,014, 1 FTE)

- Reduce the Emergency Management program \$30,487 by eliminating an allotment for scheduled overtime for routine program support and to reflect a reduced need for operating supplies by locating to the new Emergency Coordination Center (ECC). Emergency incidents that require overtime will require budget adjustments/reductions elsewhere in the program during the year.
- Eliminate one vacant Water Security Ranger. The elimination of one position in Security will reduce the bureau's flexibility during certain shifts to respond to security issues at the open reservoirs at Washington Park or Mt. Tabor. This reduction in Water Bureau Security staff may increase the risk of criminal activity as the physical presence of security is decreased. Specifically, the reduction will increase the times when there is no security on site at the Washington Park open reservoirs on the night shift because the Ranger assigned there may be dispatched to calls for service, alarms and routine patrols of Water Bureau critical sites throughout the city. The impact of the position cut is mitigated by the fact that public access to the Washington Park reservoirs is currently restricted when the gates are closed and locked at dusk each evening. The Ranger assigned to Mt. Tabor, to a lesser degree will also be called away from the park to take priority calls. Camera surveillance of both sites will not be changed.

Bureau Support - Ranking #19 – (\$905,536, 2 FTE)

- Reduce \$596,292 in the General Support program including cuts of \$138,731 in the Operations Group primarily for Operating Supplies and Miscellaneous. This will better align the budget to actual spending and reflects an effort to maintain on an ongoing basis the previous two years of one-time reductions.
- Reduce repair and maintenance and use of outside PTE services consistent with actual FY 2011-12 expenditures. Repair or replacement of broken equipment may be deferred.
- Reduce \$69,516 within the BTS Support Services Program in repair and maintenance as well as \$40,000 in Professional Services on Enterprise Content Management.
- Eliminate the vacant Facilities Service Specialist position in Property Management. When the Property Management unit was formed, this position was needed to help organize the property assets and to organize/manage projects involving properties owned

by the Bureau. The majority of these projects have since been completed and the work assigned to this position has been reduced substantially. The remaining work can be absorbed into the current work unit.

- Reduce \$18,200 for utilities for facilities outside the Portland Building or the Interstate facility based on the actual costs for the last two years
- Eliminate a filled¹ Management Assistant position in the Public Involvement program assigned as liaison to Commissioner Leonard's office. The employee is the Commissioner's designated point of contact for Water Bureau issues that include billing, water quality, permitting, construction projects, general customer service issues & complaints, etc. When Commissioner Leonard leaves office, the bureau will no longer require a staff liaison. Rather than a single point of contact with the new Commissioner-In-Charge, the duties will be picked up by existing staff in Public Involvement as well as Customer Service, Maintenance & Construction, Engineering, and Operations.

Planning - Ranking #18 – (\$233,396)

- Reduce \$50,000 in Professional Technical Expert services for asset condition assessment which may result in additional effort by Water Bureau staff and delay of Asset Life Forecasting model.
- Reduce \$20,000 in Professional Services in Long-Term Supply. This reduction in professional services allocated to Climate Change will reduce the scope and ability of the bureau to conduct research and support its participation in the Water Utility Climate Alliance. \$50,000 remains allocated to these activities which is expected to be adequate for FY 2013-14.
- Reduce \$50,000 in Professional Services in Financial Planning. The rate structure study will be completed in this fiscal year. There will be no funding in the budget for rate model alteration if City Council directs the Bureau to change its rate structure.
- Reduce \$49,429 in Engineering Services for funding seasonal part time hiring of engineering students to provide them exposure to utility/municipal engineering. The amount reduced will result in 4 fewer students. Resources remain allocated for 2 student seasonal hires.

Conservation/Sustainability - Ranking #17 – (\$55,000)

- Reduce \$15,000 from professional services resources allocated to Home Water Assessments. This represents a 50% cut in the professional resources available to assist residential customers in identifying and addressing water efficiency opportunities in their homes.
- Reduce \$20,000 in Miscellaneous Services for the Business Industry and Government Incentive Program. This reflects a 40% cut in the small grants program and reduces the

¹ The position may be vacant by the time the formal budget request is submitted in January 2013.

overall number of commercial customers who will have an opportunity to benefit from making innovative water efficiency investments in their buildings or plants.

- Reduce \$20,000 in the Sustainability Program Bureau payments to the Bureau of Planning and Sustainability. This reflects the elimination of \$15,000 in bureau payments for the Sustainable Development Commission which no longer exists, and a \$5,000 (50%) reduction in bureau payments for sustainability event sponsorships.

Employee Investment - Ranking #16 – (\$219,810)

- Eliminate \$17,000 fund for continuing education no longer in the COPPEA collective bargaining agreement. Training for this staff is included in the regular training budget. If future negotiations reinstate the training fund, mid-year adjustments could be required.
- Reduce \$189,488 in the Apprentice Training, Employee Investment and Safety program in the Maintenance and Construction Support Services Group. This reduction significantly reduces resources for outside trainers for purposes like continuing education requirements for water distribution certifications. Greater emphasis will be placed on training conducted utilizing internal expertise.

Data Management - Ranking #14 – (\$82,786)

- Reduce \$65,000 in software maintenance for the Computerized Maintenance Management System (Synergen). The Bureau of Technology Services has assumed responsibility for maintenance of the CMMS software, and is no longer a direct cost for Maintenance & Construction.

Meters - Ranking #13 – (\$6,250)

- Overtime budget was reduced in the Meter Administration Program

Field Support - Ranking #12 – (\$563,669, 1 FTE)

- Eliminate a vacant Sr. Program Manager position in Maintenance & Construction. This position was responsible for oversight of the division's vehicle fleet, Computerized Maintenance Management System, and field support. These functions have been distributed to the responsibilities of Maintenance & Construction's Sr. Water Maintenance Supervisors, resulting in a greater workload for these managers.
- Reduce \$100,000 in Professional Services funding for consultant contracts associated with workforce leadership training. Greater emphasis will be placed on training conducted utilizing internal expertise.
- Reduce \$105,300 in premium pay and related benefit in Maintenance & Construction to better align with actual expenditures. This allocation is for certain work situations which require a pay premium in the Collective Bargaining Agreement with the DCTU.
- Reduce \$99,750 in Miscellaneous Service for an external flagging contract, street permits, and CDL medical and drug testing related expenses.

- Reduce \$56,000 in Operating Supplies for acquisition of supplies purchased by Stores. Due to the Interstate facility renovation, inventory reductions are necessary and the impacts of this reduction should be manageable.

Water Quality & Regulatory Compliance - Ranking #10 – (\$266,970)

- Reduce \$50,000 in Backflow Monitoring by having Water Quality Inspection staff work more closely with the Meter Inspectors to ensure that priority work is correctly assigned between the two groups. There has been a shift in funding in this area from the Meter shop to the WQ group and it has been determined that this reduction will not detract from appropriate Title 21 plumbing code regulations.
- Reduce \$32,000 in the Endangered Species Act (ESA) Program by reducing funding for part time seasonal staff available to conduct invasives species assessments, monitoring and management in the watershed. The amount reduced is equivalent to two part time seasonal staff (66% reduction). \$16,000 remains allocated for one Community Service Aide (CSA) in FY 2013-14. Part time CSA's work with the Invasive Species Coordinator on direct removal and monitoring of invasive species.
- Reduce \$40,000 in regulatory compliance studies and use in-house Water Quality staff instead of consultants. The result will be that some studies take longer to develop and complete.
- Reduce \$26,000 in printing and production of water quality brochures; these brochures have been incorporated into the annual Consumer Confidence Report.
- Reduce \$35,000 in temporary part-time employee assistance in the Water Quality Compliance group. Previously they would hire one to two interns a year at different times to provide data analysis functions. This work will be taken on by existing compliance staff with the result that some analysis efforts will be reprioritized and may take longer to get completed.
- Reduce \$83,597 in Operating Supplies and Miscellaneous to better align the budget to actuals and reflects an effort to maintain on an on-going basis the previous two years of one-time reductions.

Groundwater - Ranking #8 – (\$77,718)

- In the Groundwater Operations and Maintenance program well abandonments will be considered on an individual basis as opposed to having a continuously budgeted line. No well abandonments have occurred in several years and there are currently no planned abandonments.
- Reduce \$50,000 in resources available for research and analysis supporting the bureau's ground water resources. The bureau's Groundwater Steering Committee has identified a series of studies to be accomplished over the next five years to improve the bureau's understanding of the Columbia South Shore Well Field including the long term capacity of specific aquifers. \$10,000 remains budgeted for this work within the Source Water Protection section of the bureau for FY 2013-14.

Customer Service - Ranking #7 - (\$738,918, 5 FTE)

- Reduce \$437,730 through elimination of 5 positions in Customer Services. Reduction of these 5 positions along with reducing overtime and premium pay will have a negative impact on the level of service we strive to provide but it will provide an on-going savings.

Eliminating four Customer Account Specialists² will significantly hinder our ability to achieve our service level target of answering 80% of calls in 60 seconds.

Eliminating a Water Service Inspector (WSI) will require the lead WSI to cover a district and perform lead duties at the same time. This will minimize their ability to meet customers who have more complicated issues to resolve in the field.

- Reduce \$184,404 in Data Processing by reducing the repair and maintenance budget for our large bill printer and a variety of other associated equipment. We will no longer have a contract for 24/7 coverage on our printer. It will be reduced to “business hours” which is sometimes difficult since our vendor is 3 hours ahead on the East Coast. We also reduced our postage budget since postal rates did not increase as anticipated and due to our plans to promote electronic billing more vigorously.
- Reduce \$31,000 from the Multnomah County fixture repair program and the income verification service they provide for us to be in line with current spending. We are also reducing the printing costs for our Low Income brochures. These cuts reduce our flexibility in the event participation in the Low Income Program grows.

Pump Stations/Tanks #6 – (\$260,262)

- Reduce \$55,000 in Pump Stations/Tanks Admin for office support contract workers from Galt & St Vincent dePaul and transfer that work to existing staff.
- Reduce \$80,000 in operating supplies which will restrict our ability to quickly repair a pump station or tank.
- Reduce \$100,000 in pump station electricity to better align with our electricity costs.
- Reduce \$14,000 in Professional Services for technical support of the bureau’s Supervisory Control and Data Acquisition (SCADA) system.

Distribution Mains #4 – (\$1,522)

- Reduce Mains Administration operating supplies to better align with actual expenditures.

Conduits/Transmission - Ranking #3 – (\$72,203)

- Reduce \$72,203 in operating supplies for Watershed and Sandy River Station. The ability to enact large scale repairs such as the Red Barn slide will be more restricted as a result of this budget reduction as stockpiles of materials such as gravel will be reduced. Should emergency needs for materials arise they will be dealt with on an as needed basis.

² Three of the four positions are currently vacant. We anticipate that the fourth will become vacant when an employee is promoted to CAS II.

Treatment - Ranking #2 – (\$180,000)

- Reduce \$150,000 in operating supplies of which \$85,000 is to true up the cost for chemical purchases. The remaining \$65,000 reflects reductions to better align the budget to actuals and reflects an effort to maintain on an on-going basis the previous two years of one-time reductions.
- Reduce \$30,000 in operating supplies for sodium hydroxide and aqueous ammonia chemical purchases to better align with decreased water demands.

Bull Run Watershed - Ranking #1 – (\$183,919, 1 FTE)

- Reduce \$73,257 by eliminating the vacant permanent bus driver position budgeted in Resource Protection in 2012. Elimination of the position will require the continued use of temporary part time staff resources and the intermittent use of Automotive Equipment Operator II's (AEOII) and other staff from the Maintenance and Construction (M&C) Group to drive the Water Bureau tour bus when it is used for bureau tours and by other city agencies. Use of employees from the M&C Group reduces available staffing for operating equipment and can result in some logistical challenges in the Group.
- Reduce \$20,000 in part time funds to hire part time temporary staff to assist with education activities during the school tour and summer season. Part-time staff has been used to assist the Education Program Manager while the permanent environmental program specialist position assigned to the program has been vacant. These part time dollars are not anticipated to be needed in FY 2013-14 if the permanent position is filled by spring 2013.
- Reduce \$10,000 in Professional Services intended for contract services to assist with the development of interpretive materials for the education program. That work has been accomplished in part with internal and specific project related resources and is not anticipated to be needed in FY 2013-14.
- Reduce \$30,000 in Professional Services earmarked to conduct an analysis of culverts in the watershed to determine the vulnerability of this infrastructure to imminent failure. This work has been re-prioritized and is not anticipated to be necessary in FY 2013-14.