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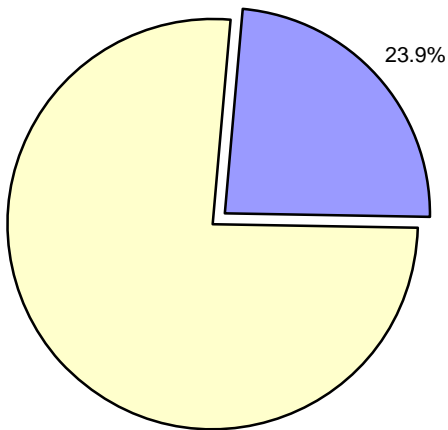


# Public Utilities

Bureau of Environmental Services  
Water Bureau

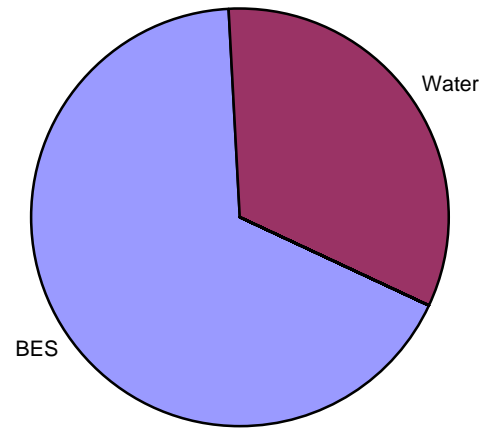
Percent of City Budget

Public Utility = \$378.3 Million



City Budget = \$1.58 Billion

Bureau Pie Chart



## Service Area Overview

Expenditures	Revised FY 2006-07	Adopted FY 2007-08	Change from Prior Year	Percent Change
Operating	164,762,555	166,110,094	1,347,539	0.8%
Capital	255,322,819	212,223,127	-43,099,692	-16.9%
<b>Total Expenditures</b>	<b>\$ 420,085,374</b>	<b>\$ 378,333,221</b>	<b>\$ -41,752,153</b>	<b>\$ -9.9%</b>
Authorized Positions	1,144	1,169	25.00	2.2%

# Service Area Highlights

## DESCRIPTION

The Public Utilities service area includes utility services provided by the City. These include water service provided by the Portland Water Bureau, and sewer and stormwater management services provided by the Bureau of Environmental Services.

## MAJOR THEMES

### Utility Rate Increases

The Adopted Budget for FY 2007-08 includes an average effective retail rate increase for water service of 5.1%. The average single family sewer bill increase is 5.2%. The rate increase for water service is consistent with the planned increase. The sewer rate increase is lower than the financial plan, largely due to decreases in the capital program.

### Water Bureau

The FY 2007-08 Adopted Budget for the Water Bureau is \$123.7 million. The Water Bureau's budget consists of an operating budget of \$66.9 million (including \$669,574 for the Hydropower Division) and a capital budget of \$56.8 million. The operating budget increased about \$3.7 million from the FY 2005-06 Revised Budget and the capital budget increased approximately \$14.0 million.

The Capital Improvement Plan (CIP) has increased nearly \$14 million from the FY 2006-07 Revised CIP. The increase is largely due to revisions to the construction schedules and costs for the Interstate Facility Rehabilitation project and the Downtown Transit Mall work.

The Water Bureau has added two new positions for FY 2007-08 and decreased one limited term position, resulting in a net increase of one position in FY 2007-08. The FY 2007-08 budget funds 639 full-time positions, 19 limited term positions, and seven part-time positions.

### Wholesale Water Contracts

Annual water sales to wholesale customers account for about 16% of the annual water sale revenues and about 40% of annual water demand. On June 2006, the City entered into new wholesale agreements with 13 cities and public water districts. Five of the 13 new wholesale agreements have a 10-year term, and eight new wholesale agreements have a 20-year term. Six smaller water companies signed five-year agreements with terms and provisions similar to the new agreement.

The major westside wholesale customers who signed 10-year contracts are considering the Willamette River as a potential alternative water supply source, but any future decisions regarding selection of an alternate water supplier would not impact the City's wholesale water sales revenues until July 2016 at the earliest.

### Long Term 2 Enhanced Surface Water Treatment Rule

The Long Term 2 Enhanced Surface Water Treatment Rule (LT2) was promulgated as final and published to the federal register during the first week of 2006. Implementation of this rule could result in significant added costs to provide additional water treatment. The EPA has modified the rule related to open reservoirs by removing the risk-mitigation compliance option that had been included in the draft version, an option that was selected by the City Council as the City's method for compliance with the proposed rule. At the direction of the

Commissioner-in-Charge and City Council, the bureau has been working with a stakeholder group comprised of community members, as well as legal council to assist the City in challenging the rule. The bureau continues to support the efforts of the City Council to achieve compliance with the LT2 rule without requiring additional treatment of the City's Bull Run water supply.

### **Bureau of Environmental Services**

The FY 2007-08 Adopted Budget for operating and capital expenditures is \$254.0 million, \$60.4 million or 19% lower than the Revised Budget for FY 2006-07, due to a 26.8% decrease in capital improvement plan expenditures as the bureau completes the Westside Tunnel and Swan Island Pump Station and moves into the Eastside Tunnel portion of the Combined Sewer Overflow (CSO) program. The FY 2007-08 Adopted Budget reflects continued support for the CIP. Sixty-three percent of the CIP budget is attributable to the Eastside Tunnel project.

BES is adding 20.12 FTEs for FY 2007-08 including 4 FTE transferring from the Office of Neighborhood Involvement and 2 FTE transferring from the Water Bureau to streamline public involvement activities and stormwater impervious area issues. The FY 2007-08 budget funds 492.62 full-time positions, 4.50 limited term positions, and 6.25 part-time positions.

#### **Combined Sewer Overflows**

The City is subject to Oregon Department of Environmental Quality (DEQ) administrative orders regarding overflows from the bureau's combined sewer and stormwater collection system. The City has agreed to eliminate CSO discharges that violate applicable water quality standards by December 1, 2011. The FY 2007-08 Adopted Budget includes \$115.5 million of CSO capital costs.

#### **Portland Harbor Superfund**

BES represents the City's interests at the Portland Harbor Superfund site by working with DEQ to identify and reduce sources of contamination conveyed to the Willamette River via stormwater outfalls, and with other stakeholders to assess current and past land use practices within the lower-Willamette drainage basin. This information will be used in the superfund process over the next several years to assess the City's potential liability for cleanup activities. The FY 2007-08 Adopted Budget includes \$6.0 million of expenditures related to the Portland Harbor Superfund.



# Bureau of Environmental Services

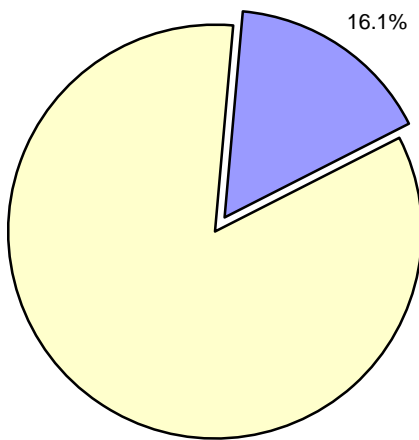
Public Utilities Service Area

Sam Adams, Commissioner-in-Charge

Dean Marriott, Director

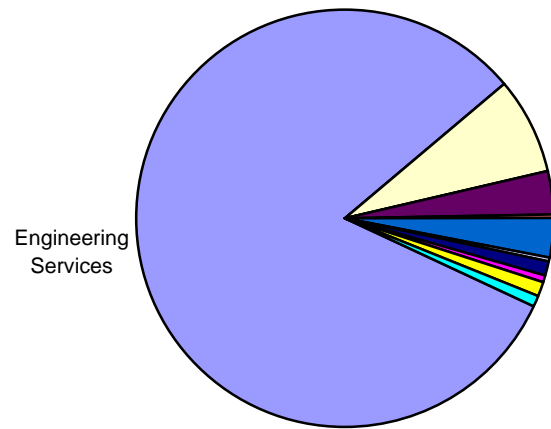
Percent of City Budget

BES = \$254 Million



City Budget = \$1.58 Billion

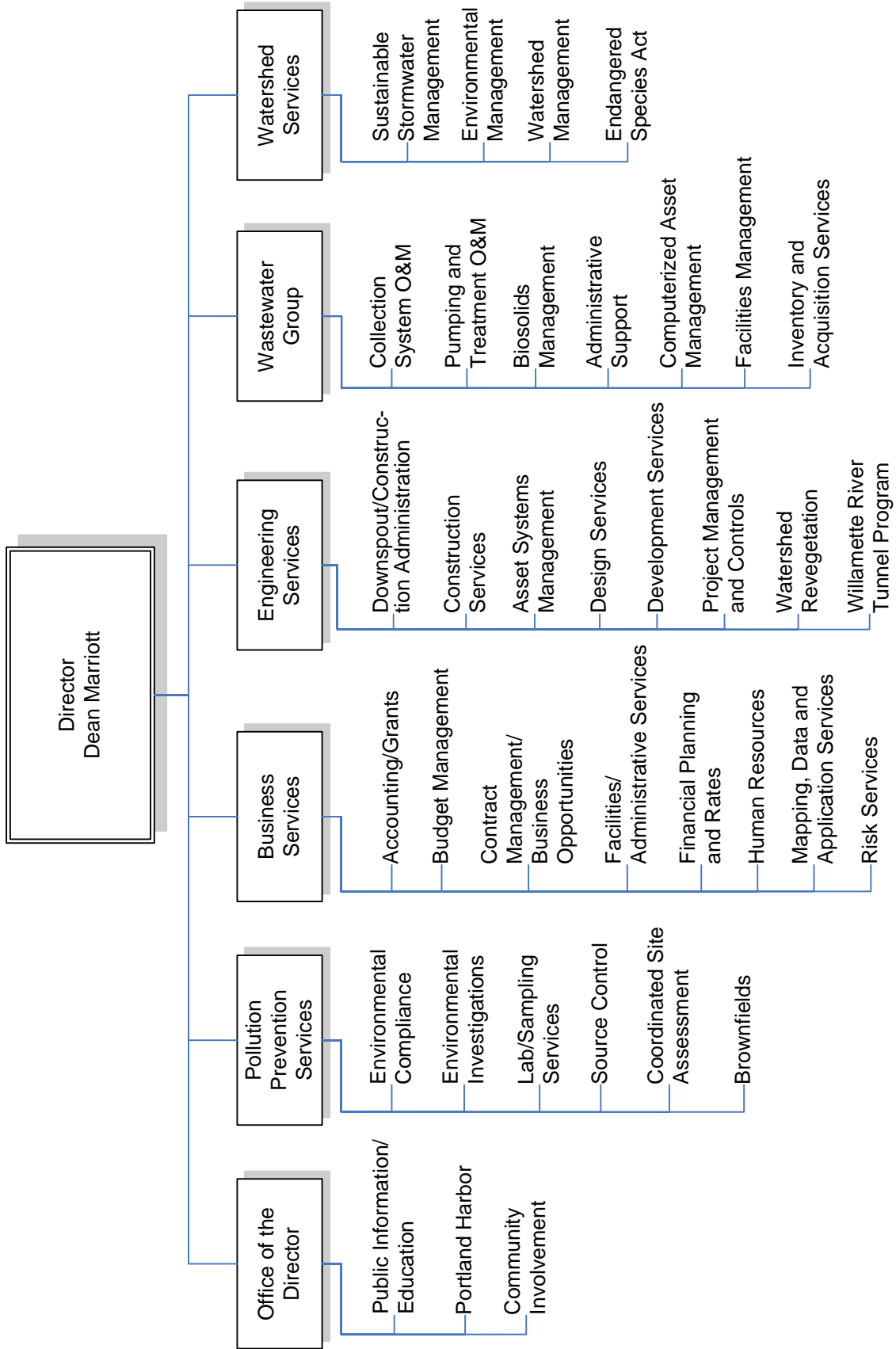
Bureau Programs



## Bureau Overview

Expenditures	Revised FY 2006–07	Adopted FY 2007–08	Change from Prior Year	Percent Change
Operating	101,816,560	98,493,790	-3,322,770	-3.3%
Capital	212,529,319	155,470,877	-57,058,442	-26.8%
<b>Total Expenditures</b>	<b>\$ 314,345,879</b>	<b>\$ 253,964,667</b>	<b>\$ -60,381,212</b>	<b>\$ -19.2%</b>
Authorized Positions	484	503	19.00	3.9%

# Bureau of Environmental Services





# Bureau Summary

## BUREAU MISSION

The Bureau of Environmental Services, Portland's clean river agency, serves the Portland community by protecting public health, water quality, and the environment.

We protect the quality of surface and ground waters and conduct activities that promote healthy ecosystems in our watersheds.

We provide sewage and stormwater collection and treatment services to accommodate Portland's current and future needs.

## BUREAU OVERVIEW

*Six major program areas serve over 560,000 people*

The bureau operates and maintains sanitary sewer and stormwater collection systems serving over 560,000 people. The bureau's activities are supported with retail sewer and stormwater charges, wholesale contract revenues from surrounding jurisdictions, and reimbursements for services provided to other bureaus. This budget reflects 503.4 equivalent full-time positions and is organized into six primary program areas: Engineering Services, Pollution Prevention Services, Watershed Services, Wastewater Group, Business Services, and the Office of the Director.

The FY 2007-08 Adopted Budget reflects the bureau's ongoing efforts to provide cost-effective and efficient sanitary sewer and stormwater services, to meet state and federal regulatory requirements, and to promote healthy Portland watershed ecosystems. We have maintained our commitment to restrain, and in some cases reduce, the growth in operating and capital expenditures while still meeting all of our service standards and regulatory mandates.

*The Adopted Budget reflects a 19% reduction in operating and capital expenditures from the FY 2006-07 level.*

The FY 2007-08 Adopted Budget for operating and capital expenditures is \$254.0 million, \$60.4 million or 19% lower than the Revised Budget for FY 2006-07. The reduction is due to a 26.8% decrease in capital improvement plan (CIP) expenditures as the bureau completes the Westside Tunnel and Swan Island Pump Station and moves into the Eastside Tunnel portion of the Combined Sewer Overflow (CSO) program. Sixty-three percent of the CIP budget is attributable to the Eastside Tunnel project.

## SIGNIFICANT ISSUES

### Environmental Issues

#### Combined Sewer Overflows

The City is subject to Oregon Department of Environmental Quality (DEQ) administrative orders regarding overflows from the bureau's combined sewer and stormwater collection system. The City has agreed to eliminate CSO discharges that violate applicable water quality standards by December 1, 2011. The FY 2007-08 Adopted Budget includes \$115.5 million of CSO capital costs.

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The bureau represents the City's interests at the Portland Harbor Superfund site by working with DEQ to identify and reduce sources of contamination conveyed to the Willamette River via stormwater outfalls, and with other stakeholders to assess current and past land use practices within the lower-Willamette drainage basin. This information will be used in the superfund process over the next several years to assess the City's potential liability for cleanup activities. The FY 2007-08 Adopted Budget includes \$6.0 million of expenditures related to the Portland Harbor Superfund.

### **Water Quality Compliance**

Compliance with the City's National Pollution Discharge Elimination System (NPDES) stormwater permit requires modeling and evaluation of citywide pollutant loads, stormwater runoff volumes, and the effectiveness of stormwater management program implementation. In addition to complying with NPDES requirements regarding stormwater-related total maximum daily load (TMDL) allocations, the bureau also engages in a comprehensive program of in-stream water quality and flow testing to comply with TMDL regulations issued by DEQ. The bureau is also required to comply with underground injection control (UIC) regulations issued by DEQ for the City's approximately 8,500 stormwater sumps. The City's Water Pollution Control Facility permit regulates the construction, operation, and maintenance of UICs. Compliance requires that the bureau implement a comprehensive evaluation of all City-owned UICs to determine if they comply with the Federal Safe Drinking Water Act. The Adopted Budget contains water quality compliance-related funding across a variety of bureau program areas including Watershed Services, Pollution Prevention Services, and Engineering Services.

### **Endangered Species Act Requirements**

The bureau continues to develop and implement a comprehensive watershed framework for the protection of the Lower Columbia Steelhead and the Lower Columbia Chinook Salmon per the requirements of the Endangered Species Act. In addition, the bureau has also begun implementing procedures to comply with requirements related to the designation of the city's streams as critical habitat by the National Marine Fisheries Service. The FY 2007-08 Adopted Budget contains nearly \$1.0 million in Endangered Species Act-related funding in program areas including Watershed Services, Pollution Prevention Services, and Engineering Services.

### **Restoration and Remediation**

The bureau's Adopted Budget includes funding for continued flood management and watershed restoration activities in the Johnson Creek watershed and, pursuant to a consent order between the City and DEQ, funding for the identification and characterization of contaminated sediment sites in the Columbia Slough.

### **Operational Issues**

The bureau's Adopted Budget includes \$41.9 million to support the operation and maintenance of 1,435 miles of separated sanitary and stormwater sewers, 860 miles of combined sewer lines that carry both sanitary waste and stormwater runoff, 95 pump stations, two wastewater treatment plants with a combined secondary treatment capacity of 108 million gallons per day, 160 pollution reduction facilities, and 120 stormwater detention facilities. The Adopted Budget includes costs associated with the operation of new CSO control facilities on the westside of the Willamette River.

**Infrastructure** Also included in the Adopted Budget is \$13.6 million to support capital repair and replacement of sewer system assets to prevent catastrophic failures. More than 30% of the collection system is over 80 years old, and maintenance needs are anticipated to increase significantly in the near future. The bureau has committed to providing funds for repair of structurally deficient portions of the sewer collection system, and the long-term financial forecast anticipates significant increases in the capital maintenance budget beyond completion of the CSO program.

**Energy Alternatives** The Adopted Budget includes \$4.0 million for a co-generation facility at the Columbia Boulevard Wastewater Treatment Plant. This facility will produce electricity and heat for plant process and space heating requirements from digester gas currently being flared.

## SUMMARY OF BUDGET DECISIONS

Adopted decision packages will require a 5.2% average rate increase. Significant changes include:

**System Operations - Combined Sewer Overflow** New flows from westside CSO control facilities are driving increases in costs of general services and supplies and the need for two additional positions for managing increased CSO flows. This is offset by reductions in electricity use reflecting both lower than forecast use at Swan Island Pump Station and forecast savings from a new methane-fueled cogeneration facility at the Columbia Boulevard treatment plant. Total net savings equal \$83,000.

**Regulatory Compliance** Additional funding of \$411,416 for:

- ◆ A staff position at DEQ is funded through an intergovernmental agreement to provide permit implementation and development review services for private Portland UICs, and to develop an implementation plan for UICs in areas of high groundwater.
- ◆ Increased funding for annual reporting on the City's Municipal Separated Stormwater Sewer System (MS4) permit, for MS4 permit renewal submittal, and for litigation expense in the Circuit Court appeal of the City's MS4 permit.
- ◆ An additional position is added for Industrial Stormwater Permit management.

**Asset Management - System Maintenance** An allocation of \$638,052 primarily includes:

- ◆ \$500,000 added for a new sewer spot liner crew to address deferred sewer maintenance
- ◆ \$100,000 added to upgrade the software for collection system asset management

**Green Investments** A new position for the Green Streets program, enhanced funding for watershed stewardship grants, and funding for enhanced watershed monitoring and updated aquatic community surveys to support Portland Watershed Management Plan implementation and Clean Water Act compliance. A part-time position and a contract position have been converted to two full-time botanic specialist II positions. Total additional funding is \$253,440.

**Portland Harbor Program** An additional \$1.7 million in funding reflects increased City payments to the Lower Willamette Group; legal assistance with liability and cost issues; contractor support for Natural Resource Damage Assessment (NRDA) work; NRDA Trustee participant funding; data analysis in support of Comprehensive Environmental Response; Compensation and Liability Act investigation; and increased sampling, monitoring, and investigation in support of source tracing.

<b>Enterprise Business Solution (EBS) Project Support</b>	An allocation of \$313,935 for one-year for three limited term positions to backfill staff assigned to the EBS project.
<b>Development Assistance and Review</b>	An increase of \$150,300 and 4.5 FTEs for land use and building plan review efforts. These positions will primarily be supported by development review fees.
<b>Personnel Transfers and Updates</b>	Two staff from the Water Bureau and four staff from the Office of Neighborhood Involvement will transfer to BES to streamline public involvement activities and stormwater impervious area activities. Convert one limited term position to a permanent FTE to manage the Brownfields program. Total additional funding is \$204,900.
<b>Office of Transportation Overhead Increases</b>	Increase \$850,000 in interagency agreements with PDOT, reflecting PDOT's January 22, 2007 update of overhead rates.
<b>Watershed Investments</b>	Resources of \$1.5 million will be dedicated for watershed projects.
<b>Brownfields Investment</b>	Resources of \$250,000 are added to the Brownfields contamination site cleanup efforts. This increase includes one FTE to assist with technical program activities.

## BUDGET NOTES

<b>Watershed and Brownfields Decision Packages</b>	By August 1, 2007, the Bureau of Environmental Services will develop and submit a detailed plan showing specifically what will be accomplished with the \$1.5 million Watershed Program decision package and the \$250,000 Brownfields decision package.
<b>“Percent for Green” Contributions</b>	By October 1, 2007, the Bureau of Environmental Services, Office of Transportation, and the Water Bureau will develop estimated "percent for Green" contributions for FY 2007-08, based on estimated construction costs for qualifying projects as defined in the City's Green Streets Policy. These estimates will be budgeted as cash transfers in the 2007 fall BuMP.

# Capital Budget

## CAPITAL PLANNING & BUDGETING

<b>Capital Planning Process</b>	<p>The CIP was developed utilizing a multi-step process to identify, develop, review, score, and rank projects for funding and scheduling priority. This process insures that the core identified needs of the sewerage, drainage, and surface water systems are effectively funded and scheduled.</p> <p>A bureau-wide stakeholder review team investigates, scores, and ranks all CIP projects in accordance with identified CIP criteria. CIP weighted criteria, scoring instructions, scheduling guidelines, estimating procedures, and project request forms are used to insure each project is developed, reviewed, and scored based on detailed and consistent information throughout the bureau. A CIP development strategy, based on previously identified needs and taking into account future uncertainties, guides project selection and scheduling. Each of the projects is reviewed by the bureau's financial managers, program managers, operations managers, and engineering managers to insure the bureau expends</p>
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financial resources as effectively and appropriately as possible. The CIP management team evaluates all of the information from the process, meets with selected Bureau project and program managers to further reduce costs where appropriate, and submits their final recommendation to the Bureau Director. The Bureau Director reviews the findings and approves the CIP plan.

## **Financial Plan Overview**

The five-year financial forecast presents the bureau's revenue and expenditure plan for the operation, maintenance, expansion, and reconstruction of the City's sanitary sewer and stormwater drainage system. The operations, maintenance, and capital construction programs represented in the plan must provide for operation of the system in a safe, sound, and efficient manner, and compliance with all applicable health, safety, and environmental laws, regulatory body rules, regulatory body orders, and court orders. Revenues from rates and other sources must be sufficient to fund the necessary operation and capital programs.

The bureau forecasts annual rate increases averaging 5.3% over the next five years. These increases are due to growth in annual system costs, partially offset by increases in non-rate revenues.

### **Capital Costs**

Annual system costs fluctuate between \$384 million and \$450 million over the five-year financial forecast, largely dependent on the amount of CIP expenditures in any year.

- ◆ CIP expenditures decrease by \$74.9 million over the forecast interval, as the Eastside CSO Tunnel is completed by the final year.
- ◆ Cash transfers from the Operating Fund to the Construction Fund increase by \$17.4 million over the forecast interval.
- ◆ Costs other than CIP and cash transfers to the Construction Fund increase by \$44.6 million over the forecast interval, of which 93%, \$41.3 million, is new debt service from issuance of sewer system revenue bonds to finance capital construction activity. The financial forecast includes \$641.1 million in additional bonded indebtedness through the five-year forecast interval. Bond sales are planned in FYs 2007-08, 2009-10, and 2011-12.
- ◆ CIP expenditures are projected to total \$714.2 million over the forecast interval (including an estimate for inflation). The pattern of expenditures is influenced primarily by the timing of CSO projects. These expenditures are funded by sewer system revenue bonds, but also include substantial cash contributions (\$35.1 million over the five-year forecast interval) made possible by coverage requirements on sewer system revenue bonds.

### **Capital Resources**

Forecast annual system revenues from sources other than rates (excluding changes in Operating Fund balance) decrease by \$54.4 million over the five-year forecast interval.

- ◆ Reimbursements from the Construction Fund to the Operating Fund decrease by \$74.0 million over the forecast interval, reflecting the completion of the majority of the CSO capital program.
- ◆ Revenues from system development charges are forecast to increase by \$2.2 million over the forecast interval.
- ◆ Transfers from the Rate Stabilization Fund (RSF) to the Operating Fund increase by \$16 million during the five-year forecast interval, smoothing rate increases needed as the debt service from capital financing increases.

- ◆ Annual revenue requirements from rates increase by \$70.0 million from FY 2006-07 (current year) to FY 2011-12, an annual average increase of 6.6% per year.

## **Public Facilities Plan Overview**

BES has developed the 1999 Public Facilities Plan (PFP) that identifies major public sewerage infrastructure needs for the City of Portland through the year 2015.

Projects are developed by determining the infrastructure required to accommodate the City's comprehensive land use plan densities and determining whether the existing system is capable of delivering the required level of service. Capability is determined by performing hydraulic analysis of the system's conveyance capacity and reviewing information on its structural condition. BES intends to develop a methodology that will predict rehabilitation needs for pipelines more comprehensively, which will lead to a program that will systematically schedule replacements of the most critical and deficient pipeline segments.

The current PFP addresses significant or major facilities for the City's four types of infrastructure systems:

- ◆ The combined sewer system includes the network of pipelines and pump stations that collect and convey combined stormwater and wastewater. The PFP addresses combined sewer pipes 15 inches in diameter or larger. Its emphasis is on system improvements needed to prevent sewer backups and basement flooding.
- ◆ The sanitary sewer system includes the network of pipelines and pump stations that collect and convey wastewater. The current PFP addresses sanitary sewer pipes 10 inches in diameter or larger.
- ◆ The stormwater system includes the swales, ponds, channels, creeks, sloughs, culverts, and pipe systems that convey and treat stormwater runoff from the land. The current PFP addresses stormwater facilities in basins draining 160 acres or more, which corresponds to a typical minimum pipe diameter of 12 inches or larger.
- ◆ The wastewater treatment system includes two secondary wastewater treatment plants: the Columbia Boulevard Wastewater Treatment Plant (CBWTP) and the Tryon Creek Wastewater Treatment Plant (TCWTP).

The PFP uses an integrated watershed approach to assess facilities needs. In this approach, an entire watershed is analyzed as a unit to identify interrelated problems and coordinate all plans, activities, and programs. This avoids solving a problem in one area while creating another problem elsewhere. It also leverages limited funds to solve multiple problems with a single integrated solution. There are five major watersheds within the City of Portland:

- ◆ Fanno and Tryon Creeks
- ◆ West Willamette River
- ◆ Columbia Slough/Columbia River
- ◆ East Willamette River
- ◆ Johnson Creek

There are 268 projects recommended in the PFP. The phases of project include construction, design, predesign, and multiphase. Predesign is recommended where the analysis showed that more comprehensive and detailed planning and predesign is required before the specifics for a construction project can be determined.

### System Plan Update

The BES System Plan is an update of the 1999 Public Facilities Plan. The system plan will include a sewer rehabilitation plan, a combined sewer plan, a sanitary sewer plan, a stormwater plan, and a wastewater treatment plant plan. The plan is due to be completed in July 2008.

More important than the delivery of the plan will be the development of the planning process, software tools, and the data management systems that will benefit the bureau for decades to come. This new plan will incorporate an asset management context, which ensures expenditures are made at the right time and for the right cost, by a triple-bottom-line ranking of projects that considers financial, social, and environmental benefits of a project, the risk associated with nonperformance, and a life-cycle cost analysis that considers both capital and operating costs. Additionally, the "living" system plan concept will be implemented, which means the plan will manifest itself as a "virtual plan" or an extensive database that has the ability to evolve and be updated continuously. The virtual plan will be viewable from everyone's desktop, and customized hardcopy system plan documents can be created to meet specific needs.

The plan will provide better integration of traditional pipe solutions with softer nonpipe solutions. The plan will also identify the needed investments in the system in order to maintain a sustainable system.

### Asset Management and Replacement Plans

A Rehabilitation Plan is currently being developed to systematically predict collection system rehabilitation needs for sewer pipelines/pump stations and drainage facilities. Phase 1 of the plan is complete, and the plan is anticipated to be fully complete in two years.

*Pipeline Element:* The first phase of the project focuses on sewer pipelines. Automated tools will use physical attributes to predict the future performance of individual facilities. The tools will rely heavily on data currently maintained within BES's Maintenance Management System. In addition, the suite of tools developed may require additional data to be collected or may require existing data to be collected and stored in a different way.

*Pump Station Element:* The second phase of the project focuses on development of a more comprehensive plan to provide baseline information for each pump station, establish evaluation criteria for rating station performance, prioritize pump station improvements, and develop an implementation plan for improvements.

## CAPITAL PROGRAMS & PROJECTS

**Program Description** The bureau's Capital Improvement Plan is divided into five program areas: Combined Sewer Overflow, Maintenance and Reliability, Sewage Treatment Systems, Surface Water Management, and Systems Development.

### Combined Sewer Overflow

Approximately 60% of Portland's population is served by a combined sewer system which carries both domestic sewage and stormwater runoff. When it rains, stormwater runoff exceeds the carrying capacity of the combined sewers, causing overflows through outfalls to both the Willamette River and the Columbia Slough. These overflows have been deemed a significant source of pollution in both the Columbia Slough and the Willamette River. Prior

to December 1, 2006, the City's combined sewers discharged an average of 2.7 billion gallons annually (down from 6 billion gallons when the CSO program began) into the Willamette River, of which about 20% was untreated sanitary sewage. However, combined sewer overflows represented only 8% of the entire sewer system flows, with 92% receiving treatment.

In 1991, the City signed a Stipulation and Final Order (SFO) with the State Environmental Quality Commission (EQC), which was a compliance order for the City to control its 55 CSO outfalls by the year 2011 and included interim milestones. The SFO mandated a 99.6% reduction in CSO volume, but included language to allow revisiting that high level of control. In 1993, the City undertook a collaborative process, which included extensive public involvement, to determine the desirable level of CSO control. The result of this collaborative process was to maintain the 99.6% CSO reduction for the Columbia Slough, but lower the level of control to 94% CSO reduction for the Willamette River. This resulted in an Amended SFO (ASFO), signed in 1994, by the City of Portland and the EQC.

### **Combined Sewer Overflow Major Projects**

*The Westside CSO Project received the Oregon Chapter of the American Public Works Association "Project of the Year" Award and has been nominated for the American Consulting Engineers Council "Project of the Year" Award.*

*West Tunnel, Shafts, and Pumping Station:* On September 14, 2006, Westside CSO Tunnel project facilities were successfully put into operation, two and a half months ahead of schedule. The 2002 construction-phase budget included a \$293 million construction contract and a contingency of \$15 million for a total of \$318 million. Inflation to the contract cost over the four-year contract period was approximately \$15 million. BES anticipates that the contract will be completed at \$306 million. This is within the 2002 construction budget and considerably under the budget corrected for inflation.

*East Tunnel:* This project consists of approximately 29,000 lineal feet of 22-foot diameter tunnel. The tunnel extends from the Insley combined sewer basin to the south to the Riverside basin in the north (Swan Island). This project is part of the Eastside CSO (ESCSO) control program mandated by DEQ. The tunnel will collect, convey, and store overflows from 13 combined sewer basins on the east side of the Willamette. The tunnel will connect to the new CSO pump station, located on the southern end of Swan Island. The tunnel's depth will vary along its length but will be in excess of 120 feet deep in places.

*Portsmouth Force Main:* This project provides a force main from the Swan Island Pump Station to the existing Portsmouth Tunnel for the purpose of transporting Eastside Tunnel CSO flows to the CBWTP beginning in 2011. The project consists of approximately 17,000 lineal feet of 66-inch diameter force main.

*Balch Consolidation Conduit:* This project consists of a 72-inch to 84-inch diameter pipeline that connects two sets of flow to the Westside CSO Tunnel: CSO flow from the Balch outfall and stormwater flow from an adjacent outfall. The pipeline length and depth will be 4,900 feet and 40 feet respectively. The Balch CSO facilities will be independent from the Balch Creek system that directs Balch Creek to the Willamette River. This project will also relieve a major maintenance liability by replacing the failing Balch trunk sewer.



*Sellwood CSO System Improvements:* This project will design and construct replacement sewers in the Sellwood Combined Sewer Basin to reduce CSOs and basement flooding. Installation of sumps and an analysis of roof drain disconnections have been completed. This basin is a 313-acre, predominantly residential basin located on the eastern bank of the Willamette River at the southern limits of the city. The sewer facilities serving this area consist of the Umatilla pump station, approximately 62,600 lineal feet of combined sewer lines, 11 diversion structures, and three outfalls. This project and the Harney Pump Station and Separation project will control the discharges from three outfalls as recommended by the 2001 Update to Portland's Combined Sewer Overflow Management Plan.

*CBWTP Primary Treatment:* This project will add a fourth dry weather primary clarifier (60 feet wide by 260 feet long) to the existing dry weather clarifier complex. The project includes integration of new facilities with related existing systems such as scum removal, sludge pumping, and odor control. When the project is completed the peak treatment capacity of the dry weather primary clarifiers will be adequate for the flows from the Willamette River CSO facilities.

*CBWTP Headworks:* This project will design and construct a 150 million gallon per day wet weather screening facility and various hydraulic improvements at the Columbia Boulevard Wastewater Treatment Plant to accommodate increased influent flows projected to occur due to the implementation of the CSO program.

*Beech-Essex Separation:* This project is a stormwater separation project which also provides secondary benefit of relieving basement flooding to 33 parcels. The stormwater flow from this newly separated outfall along with the flow from an existing stormwater outfall, will be sent to the ESCSO tunnel for treatment at Columbia Boulevard Wastewater Treatment Plant.

## **Maintenance and Reliability**

Projects within this program address major maintenance requirements of the sewerage collection system, including collector sewer, trunk sewers, and interceptor sewers. The City's sewerage collection and transportation system includes over 2,295 miles of sewer line ranging from 4 inches in diameter to 12 feet. Many of the largest pipes in the city's long-established neighborhoods are reaching or exceeding 100 years in age.

In some areas of the city, recurrent basement flooding is a major problem creating health and environmental hazards as well as property damage. This program addresses those problems by utilizing a multi-objective approach that includes onsite drainage controls, street inflow controls, and enlarging undersized public facilities that are causing backups of sewage into basements.

Currently, work is focused on rehabilitation/reconstruction of the most structurally deficient portions of the sewer collection system. A more accurate schedule and expenditure forecast will be developed when the Systems Plan is completed.

### **Maintenance and Reliability Major Projects**

*Maintenance Capital Contract:* This project supports privately contracted maintenance repair and reconstruction throughout the collection system. Due to the age of much of the inventory, structural failures or near failures, localized flooding, and hydraulic capacity problems are discovered during the year and must be addressed quickly. During any given fiscal year, 10 to 15 maintenance projects will be identified, a solution will be designed, and a rehabilitation contract will be awarded. This work is distinguished from routine maintenance because the solutions require private contracting.

*Balch Consolidated Conduit (BCC) Support 1 and 2:* The BCC Support 1 and the BCC Support 2 are two projects listed in the NW Neighborhoods Pre-Design Report that have ASFO/CSO impacts. As part of the CSO program, the bureau is developing the Balch Consolidation Conduit to alleviate combined sewer overflows from the Balch and Nicolai drainage basins. The 84-inch BCC will pick up combined sewage from these two basins and direct it to the Westside Tunnel. BCC Support 1 and 2, as the name implies, support the Consolidation Conduit project by sending combined sewage to the conduit. Specifically, the BCC Support 1 redirects combined sewage from an existing 54-inch sewer that is in poor structural condition. These projects also rehabilitate deficient pipe and reduces the risk of basement flooding.

*Oak Basin B Relief and Reconstruction:* This project is located within the area impacted by the East Burnside-Couch Couplet project currently under design by the Portland Office of Transportation. The scope of this project includes replacing bad-condition pipe and providing basement flooding relief for 422 parcels.

*Sewer Structural Rehabilitation:* This project is focused on the highest priority pipes needing rehabilitation based on risk and criticality. The project will design and implement the rehabilitation of 172 sanitary and combined sewer pipe segments at an estimated cost of \$12.7 million.

*Burlingame Trunk Rehabilitation:* This 1953 trunk sewer is concrete pipe with mortared joints, and serves most of the 750-acre Stephens Creek subwatershed. The mortared joints failed at many locations, and sewage was leaking into the creek. The first phase of this project eliminated leaking sewage. The second phase will protect the sewer by stabilizing Stevens Creek where it interacts with the pipe. Once complete the project will have rehabilitated approximately 4,300 feet of 36-inch concrete sewer pipe in the Stephens Creek canyon.

*Fanno Basin Force Main:* This project addresses deficiencies in the Fanno Basin Pump Station Pressure Line system identified after two point failures occurred within the last year and a half. The project addresses the Multnomah and Garden Home sections of existing pressure main pipe and will make the necessary repairs and replacements.

## **Sewage Treatment Systems**

This program includes funding for projects located at the CBWTP and the TCWTP. Maintenance and repair/rehabilitation of the 94 active pump stations located citywide are also included here. The bureau continues to support the implementation of the CBWTP and TCWTP Facility Plans. Projects identified for both plants will be completed in time to meet the increasing demand due to growth and the completion of the Combined Sewer Overflow program.

Both treatment plants are operating within the framework of the Federal Clean Water Act. Specific requirements for removal of pollutants from wastewater before the treated effluent is discharged into the Columbia or Willamette rivers are contained in the NPDES permit for each plant.

High priority is given to projects that improve operating efficiency, reliability, and longevity of the facilities. Most of these improvements include replacement and reconstruction of aging and unreliable plant pump station components. Projects that minimize odor from the CBWTP are also part of this program in accordance with a citizen-supported Council resolution.

### **Sewage Treatment Systems Major Projects**

*Pump Station Improvement Program:* This is a continuing program to refurbish or upgrade pump stations that are not in compliance with present codes, are not operating in a reliable manner, need improvements because of growth in the receiving sewage basin, and/or are over 20 years old and have out-of-date equipment.

*Treatment Facilities-Rehab & Modification:* This project protects capital investment and enhances system reliability at the sewage treatment facilities. It also provides the best management practice to prevent probable violations of the NPDES permit. Both treatment plants are major capital assets that require a substantial amount of investment every year for repair, rehabilitation, and maintenance work. This project facilitates a rapid and practical response to replace capital equipment and upgrade aging facilities.

*CBWTP Cogeneration:* This project will utilize digester gas, which is currently wasted by flaring, in engine/generators to generate electrical energy that could provide 50% of the projected electrical energy demand of the CBWTP. The engine/generators will be equipped with heat recovery to provide heat to meet the plant digestion process heating requirements.

*CBWTP Digester Expansion Project:* This project will construct two additional primary digesters at the CBWTP. Two conditions are driving the need to expand the anaerobic digesters. First, the current solid loading to the digesters is increasing to a point where the digestion system is nearing capacity. Second, the anticipated loading from wet weather treatment will superimpose additional solids loading due to CSO program milestone attainment at the end of 2006 and 2011. This project is currently funded for feasibility and design only.

### **Surface Water Management**

Consistent with the bureau's mission, the primary objective of this program is to protect the quality of surface and ground waters by addressing watershed, health, and public safety concerns associated with flooding, stream erosion, and urban pollution.

Water quality and flood control projects are located in areas such as the Columbia Slough, Fanno Creek, Johnson Creek, and Tryon Creek. Projects are developed to meet the provisions of the Clean River Program adopted by Council in 1990, the Clean River Works Resolution adopted in 1995, and the Sustainable City Principles of 1995.

This program is also responsible for meeting certain conditions of the Water Pollution Control Facilities Permit issued by the DEQ on June 2005. The specific areas covered by the Surface Water Management program are the conditions placed on the City associated with owning and operating 9,000 active UICs. As part of this permit the City is required to identify any UICs that will not meet conditions of the permit and to retrofit or decommission them.

Projects under this program include construction of Pollution Reduction Facilities (PRF), sump retrofits, stream restorations, and the installation of surface water filtering systems. By addressing water quality and flooding issues these projects aim to protect fish, enhance wildlife habitat, and provide educational and recreational opportunities for the community.

### **Surface Water Management Major Projects**

*Brownwood:* The Brownwood site contains approximately 51 acres of undeveloped land on the main stem of Johnson Creek. This project site is located in the lower Powell Butte target area from SE 158th Avenue to Circle Drive. Several properties originally under separate ownership make up the project site. This project will address flooding and water quality problems in the Johnson Creek area. Improvements include flood storage to reduce flooding and reconnecting wetlands to provide a habitat to fish and wildlife.

*Johnson Creek Restoration Program:* This project implements the recommendations of the Johnson Creek Restoration Plan, 2001. The plan identifies a number of projects to mitigate flooding, improve water quality, and fish and wildlife habitat. This program implements willing seller land acquisition in four target areas as well as predesigns for projects recommended out of the plan to be implemented in the future.

*East Lents/South of Foster Project:* This project, the first of two phases, will restore floodplain areas along Johnson Creek and create approximately 60 acre feet of flood storage. Three-quarters of the funding for this project will come from the Federal Emergency Management Agency. The project footprint is about 18 acres south of SE Foster Road from SE 106th Avenue to SE 110th Drive, where the bureau has been acquiring property since the mid-1990s. Project goals include increased flood storage capacity along the Johnson Creek floodplain, increased habitat for fish and other wildlife, and improved water quality.

*UIC Improvements Category 2 (CAT2):* On June 2005 the DEQ issued a permit pursuant to ORS 468B.050 to implement the Federal Safe Drinking Water act requirements. The permit covers the city's 9,000 active UICs. UICs (sumps) provide drainage for many rights-of-way located east of the Willamette River. This project will provide solutions for approximately 400 UICs that are estimated to have less than 10 feet separation distance between the bottom of the UIC and groundwater, or otherwise be determined to be noncompliant according to DEQ. More assessment work will define compliance status of and the required corrective actions for the 400 UICs. Noncompliant UICs must be corrected within three years unless an alternate timeline is negotiated under the permit.

### **Systems Development**

The main focus of this program is to expand the city's sewer collection system in support of the implementation of the 2040 plan. This program carries out the bureau's commitment to providing an efficient sewerage system to residents and businesses within the service area, to support new development, and protect public health and environment. This program also includes other capital projects relating to sewer system expansion and privately funded development that do not fall under the scope of other Capital Improvement Plan areas.

### **Systems Development Major Projects**

*South Airport Sanitary Trunk Sewer:* This project will provide design and construction for the sanitary trunk sewers to serve the basin. The project basin area is approximately 1300 acres in NE Portland near Columbia Boulevard from 42nd Avenue to Colwood Way, including a large area at the airport. Construction will proceed through 2007.

**Funding Sources**

Planned CIP outlays total \$714.2 million (including inflation) over the five-year forecast interval FY 2007-08 through FY 2011-12. Based on current planning assumptions, the bureau's five-year CIP request will require \$641 million (nominal dollars) in additional borrowings over the next five fiscal years. A brief description of the resources required to finance this requirement follows.

- ◆ **Fees, Charges, and Permits:** This source of funding includes an estimate of reimbursements for engineering, administration, and construction management services charged to local improvement districts and for permit sewer construction. Also included are anticipated revenues from construction and/or engineering services for projects initiated by other local government agencies such as the City's Office of Transportation and the Port of Portland.
- ◆ **Line and Branch Charges:** Charges in lieu of assessment will be used to support CIP outlays. Line and branch charges are received in the form of cash and in the form of proceeds from special assessment bonds issued for property owners who elect to finance their line and branch charges. Total revenues from these charges are projected to be approximately \$4.8 million over the five-year forecast interval.
- ◆ **System Development Charges (SDCs):** SDCs are equity charges applied to properties at the time they connect to the sewer system. SDCs are based on the total cost of major sewer facilities, less grant revenues, divided by system capacity. SDC revenues fund capital construction and debt service.
- ◆ **Cash Transfers from the Sewer System Operating Fund:** Current Sewer System net income from service fees and charges will also be used to fund CIP outlays. The availability of current income to fund CIP expenditures is the result of meeting debt service coverage requirements on outstanding bonds. For planning purposes, the bureau maintains coverage ratios of 1.50 on first lien debt, 1.30 on combined first and second lien debt, and a 10% operating reserve for unforeseen financial needs. After making debt service payments, funds in excess of those required for the operating reserve are available to fund capital improvements. Cash transfers from the Operating Fund to the Construction Fund are projected to total \$35.1 million over the five-year forecast interval.
- ◆ **Bond Proceeds:** Proceeds from the sale of Sewer System revenue bonds will support the CIP. Debt service requirements for future bond sales have been calculated assuming level debt service. Interim short-term financing may be used in lieu of, or in combination with, long-term financing. The forecast assumes an average annualized coupon rate of 6% for FY 2007-08, and 6.5% thereafter, with 1.20/1.10 debt coverage ratio requirements. As noted above, the bureau uses 1.50/1.30 debt coverage ratios for planning purposes.

**Operating and Maintenance Costs**

Each project includes an estimate of Operating and Maintenance (O&M) costs (or savings) to be included in the operating budget once the facility comes on line. The basis for the estimates depends on the type of expected impact. The four major components of treatment plant O&M are labor, energy, chemicals, and materials. Energy and chemicals are more easily predicted. The equipment projected for installation has design parameters that more clearly dictate the resource demands. If there is a direct labor application which will have changed as a result of a project, that estimate would be accurate. However, labor and material costs are more commonly based on experience with similar projects and facilities from either the City of Portland or others.

## Business Services

### Description

Business Services develops and recommends bureau-wide policies and practices related to all aspects of financial operations and administrative services. Services provided by the group include:

- ◆ Payroll, accounts payable, accounts receivable, grants, project tracking, and year-end financial reporting
- ◆ Bureau-wide coordination for the annual budget development process
- ◆ Maximizing the utilization of minority, women, and emerging small businesses (M/W/ESBs) in bureau contracting
- ◆ Procurement-related services including assistance with solicitation, selection, disputes and protests, and administration of contracts
- ◆ Coordination and management of bureau-wide administrative services, including training, human resources administrative support, clerical support, property management and administration, and management of interagency agreements
- ◆ Financial planning and forecasting, wholesale service contract development and administration, debt management, and user fee and system development charge ratemaking, and management of the Clean River Rewards stormwater discount program
- ◆ Development and provision of spatial data through electronic maps and GIS, maintenance and provision of collection system asset data, and management of the service level agreement with the Bureau of Technology Services
- ◆ Administering loss control and safety for the bureau and owner-controlled insurance programs for the capital program

### Goals

Business Services supports the City goal of protecting and enhancing the natural and built environment by facing funding limitations and ensuring that ratepayer dollars are spent wisely. Business Services plays a key role in prioritizing programs to limit rate increases and reflect those choices in the bureau's financial plan, works to maintain a strong bond rating on the bureau's revenue debt, works to improve employees' understanding of the financial impact their work and expenditures have on sewer and stormwater rates, and seeks funding sources to support programs and reduce impacts to ratepayers.

### Performance

The bureau's debt service coverage ratio for first-lien revenue bonds is 2.03 for FY 2006-07 and is expected to be 1.86 for FY 2007-08. The goal is to reduce this to the financial planning standard of 1.50 over the coming five years.

The current bond rating is Aa3/AA-, a strong rating for sewer revenue credit. The goal is to maintain this rating.

Hours lost to injuries were 4.6 for FY 2006-07, up from 4.3 for the previous year. The goal for FY 2007-08 is to reduce time lost to injuries to a level at or below 4.5 hours.

### Changes to Services and Activities

Business Services has an increase of 3.5 FTEs resulting from a mid-year (FY 2006-07) transfer of two positions from the Water Bureau, and 1.5 one-year limited term positions to backfill staff dedicated to the City's Enterprise Business Solution Project. Customer service and billing functions have been transferred from the Revenue Bureau to the Water Bureau. The Water Bureau will retain all customer service and billing costs and fund these costs by

retaining all account service charge revenues. The impact of this change will be to reduce internal service requirements by \$9.2 million relative to the FY 2006-07 Revised Budget. Revenues will be reduced accordingly. With closure of the Sewer Revolving Loan Fund at the end of FY 2006-07, future Private Plumbing Loan Program activity (\$111,500 for FY 2007-08) will be shown in Business Services.

<b>FTE &amp; Financials</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Revised FY 2006-07</b>	<b>Proposed FY 2007-08</b>	<b>Adopted FY 2007-08</b>
FTE	37	33	45	49	49
<b>Expenditures</b>					
Personal Services	3,055,017	2,867,339	4,182,618	4,430,035	4,430,035
External Materials & Services	1,401,050	1,260,162	2,227,832	2,305,690	2,417,190
Internal Materials & Services	13,177,056	14,017,415	15,707,388	7,610,124	7,610,124
Capital Outlay	475,485	595,422	70,000	110,000	110,000
<b>Total Expenditures</b>	<b>18,108,608</b>	<b>18,740,338</b>	<b>22,187,838</b>	<b>14,455,849</b>	<b>14,567,349</b>
<b>Performance</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Yr End Est. FY 2006-07</b>		<b>Target FY 2007-08</b>
<b>Effectiveness</b>					
Maintain the bureau's debt service coverage ratio at 1.5 or greater	2.09	1.80	2.03		1.86
Maintain bureau's combined 1st & 2nd debt service coverage ratio at 1.3 or greater	1.66	1.46	1.52		1.30
<b>Efficiency</b>					
Time loss hours (due to injuries)	4.30	4.60	4.50		4.50

## Engineering Services

### Description

Engineering Services is responsible for developing the bureau's capital improvement plan, system planning, managing implementation of capital projects, providing engineering services to all bureau programs, and managing the bureau's Systems Development program.

*Program Management & Controls* develops the bureau's annual capital budget and five-year capital improvement plan. Project schedules and budgets are monitored to ensure timely and cost effective progress towards completion of capital projects.

*Asset Systems Management* is responsible for bureau-wide system planning and Combined Sewer Overflow program management, to ensure the requirements of the Amended Stipulation and Final Order are met in a timely, cost effective, and functional manner.

*Design Services* provides project management and engineering design services, and is responsible for ensuring each assigned project accomplishes its intended purpose on schedule, within budget, at best value, and in a manner consistent with City and bureau missions and values.

*Construction Services* provides construction management and inspection services for bureau projects and provides materials testing services for both bureau projects and projects managed by other City bureaus.

*Systems Development* assists developers and other customers and supports City development goals by reviewing and approving plans and issuing permits. This division also has primary responsibility to develop and revise the City's Stormwater Manual and to implement policies that protect water resources and stream integrity.

*Administrative/Stormwater Retrofit Services* is responsible for managing group operations, operating budget, personnel, and contract services, and provides support to all group programs. The Downspout Disconnect program and technical assistance for the Clean River Rewards program is also managed within this division.

*Willamette River CSO* provides project management, engineering design, and construction management services for the large westside and eastside projects including the Westside Tunnel, Eastside Tunnel, Swan Island Pump Station, and force mains.

### Goals

Engineering Services supports the City goal of protecting and enhancing the natural and built environment by preserving, protecting, and enhancing infrastructure. Engineering Services manages wastewater and stormwater assets to preserve and enhance the value of the community's investment; aggressively controls sewer overflows and basement flooding; explores and evaluates innovative technologies and solutions; and integrates natural system concepts into design, construction, and maintenance of systems that retain or improve the current service level.

### Performance

An estimated 65% of combined sewer overflow volumes have been diverted from the rivers and receive treatment. This will increase to a minimum of 94% when the Eastside CSO abatement facilities come online at the completion of the 20-year program in 2011.

An additional 2,000 roof drains will be disconnected from the combined sewer in the coming fiscal year in accordance with the CSO program schedule, increasing the number of disconnected roof drains to 53,000.

Construction management costs are forecast to remain at 12% of total construction costs.



Fifty percent of pipe identified as highest priority for repair or replacement is incorporated into funded CIP or operating projects.

**Changes to Services and Activities**

In response to the Bureau Improvement Project #19, Cross-Bureau Permitting, four new FTE (one part-time) will decrease plan review turnaround times and improve service to the development community. The cost for these positions will be recovered through an increase in permit fees, which has the support of the Development Review Advisory Committee. In addition, one new FTE will support and improve service on interagency projects.

Watershed Revegetation added two FTE to accommodate increasing workloads related to the maintenance of stormwater facilities and green streets. These positions will be funded within Watershed Revegetation costs recovered through fees charged for services.

One new FTE is also added for CIP project management.

FTE & Financials	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
FTE	163	163	168	175	175
<b>Expenditures</b>					
Personal Services	12,908,642	14,001,029	15,592,396	16,593,310	16,593,310
External Materials & Services	18,881,160	28,016,287	19,487,480	19,205,016	19,205,016
Internal Materials & Services	3,714,147	3,496,909	5,088,302	4,077,862	4,535,687
Capital Outlay	103,832,846	106,733,683	183,697,273	126,839,651	126,381,826
<b>Total Expenditures</b>	139,336,795	152,247,908	223,865,451	166,715,839	166,715,839
Performance	Actual FY 2004-05	Actual FY 2005-06	Yr End Est. FY 2006-07		Target FY 2007-08
<b>Effectiveness</b>					
Percent of pipe identified as highest priority for repair or replacement incorporated into funded CIP or Op. proj.	NA	NA	50%		50%
<b>Efficiency</b>					
Construction management costs as a percentage of total construction costs	12%	12%	12%		12%
<b>Workload</b>					
Cumulative disconnected roof drains	45,439	48,231	51,000		53,000

## Office of the Director

### Description

The Office of the Director manages the Bureau of Environmental Services, coordinates the activities of the bureau's five operating groups, and ensures timely and appropriate response to the public, ratepayers, and regulatory agencies. Coordination includes overseeing the development of the bureau budget and managing review of programs, projects, and services offered by the bureau.

The Director's Office develops and manages bureau and environmental policy recommendations for City Council consideration. The office works closely with other City bureaus, regulatory agencies, and the Natural Resource Trustees and tribal governments on local, state, and national environmental issues. The director provides immediate supervision of the bureau's Communications Division, the Portland Harbor Superfund program, and the Combined Sewer Overflow program.

### Communications Division

The Communications Division provides public information, communication planning, public involvement, environmental education, and internal communication services to keep the public, ratepayers, and bureau employees informed about the work of the bureau. Such services are required to meet the mandates of several state and federal requirements.

### Portland Harbor Superfund

The Portland Harbor Superfund program is managed through the Office of the Director and is funded within the Environmental Remediation Fund. The existence of the bureau's Superfund program is recognition by Council that a strong City presence in the Superfund cleanup is critical. The program manager represents the City at a management level in the Lower Willamette Group, and with the Tribal governments and federal and state agencies.

The City is a member of the Lower Willamette Group, a group of private and public entities who have signed an agreement with the Environmental Protection Agency to fund a contaminated sediment investigation. The City also has a role as a party potentially responsible for cleaning up contaminated sediments. The City's involvement includes assessing the potential of the City's stormwater conveyance system to carry contamination from upland sources to the river sediments.

### Combined Sewer Overflow Program

The CSO abatement program is entering the final phase of major projects to reduce overflows to the Willamette River. The last phase is construction of the Eastside Big Pipe and related projects. This final set of projects will be constructed through 2011. The Office of the Director administers the program and ensures that the program is responsive to all federal and state mandates regarding CSO control. Expenditures for the CSO program are recorded in Engineering Services.

### Goals

The Office of the Director supports the City goal to protect and enhance the natural and built environment.

The Communication Division supports the goal through communicating the importance of this to city residents and ratepayers. City staff cannot fully meet this goal without help from residents. One method of attaining that help is through public information, education, and involvement in bureau programs and projects. The Office of the Director establishes the customer service standards that are conveyed to employees through the employee manual and recognizes communication with the public as a key goal through the strategic plan.

The Superfund program supports the City goal as it will result in river cleanup that will enhance the quality of the Willamette River. The program will also ultimately promote economic vitality and opportunity. As Superfund cleanup issues are resolved, the contaminated area will be more conducive to economic development.

The CSO program is directly related to the City goal to protect and enhance the natural and built environment.

### Performance

During FY 2007-08 the Communications Division plans to conduct customer satisfaction surveys to test effectiveness of program outreach and involvement. As an example a project that will be evaluated is the Eastside Big Pipe project. The Communications Division will survey more than 40,000 residences and businesses that receive the quarterly Big Pipe Update newsletter. This survey will include questions to determine if this newsletter update approach has been useful and effective for recipients.

### Change to Services and Activities

There are no substantial changes to the Office of the Director in the Director and Communication Divisions. The Portland Harbor Superfund program has increases totaling \$1,655,000: \$275,000 for increased legal services and sampling and monitoring activities, and \$1,380,000 for additional payments to the Lower Willamette Group, funded by additional transfers from the Sewer Operating Fund.

FTE & Financials	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
FTE	16	16	16	18	18
<b>Expenditures</b>					
Personal Services	1,382,186	1,501,328	1,680,152	1,861,739	1,861,739
External Materials & Services	3,651,507	3,623,896	4,289,234	5,631,934	5,631,934
Internal Materials & Services	489,866	42,997	711,841	871,708	871,708
<b>Total Expenditures</b>	5,523,559	5,568,221	6,681,227	8,365,381	8,365,381
Performance	Actual FY 2004-05	Actual FY 2005-06	Yr End Est. FY 2006-07	Target FY 2007-08	
<b>Workload</b>					
No. of students provided with bureau education programs	16,197	19,711	20,000	18,000	

## Pollution Prevention Services

### Description

Pollution Prevention Services includes four functional divisions: Source Control, Environmental Investigations, Environmental Compliance and Enforcement, and Special Waste.

*Source Control* provides environmental oversight and technical services to industrial and commercial customers to control or eliminate pollutants to wastewater or stormwater discharges. Services include permitting and enforcement activities, industrial and commercial development plan reviews, education, and alternative discharge control strategies as well as development and support of voluntary partnerships with regional organizations and business associations.

*Environmental Investigations* provides sampling and monitoring services, data collection and analysis, environmental process management, consultation, and report development and preparation services for the bureau.

*Environmental Compliance and Enforcement* manages the bureau's regulatory enforcement process, which includes industrial pretreatment, stormwater, and other environmental regulations under the bureau's authority. The division also ensures bureau compliance with its state and federal regulatory obligations including permits governing wastewater collection and treatment.

*Special Waste* is responsible for environmental assessment and cleanup of contamination on property in which the bureau has an interest. This division also includes the Brownfields program, which involves contaminated site assessment, cleanup and redevelopment activities through use of federal Brownfields grants, matching funds from the City and other public agencies, and investment by private sector partners.

### Goals

Pollution Prevention Services supports the City Goal of protecting and enhancing the natural and built environment by increasing innovative pollution prevention strategies.

### Performance

This year 99% of industrial enforcement tests will be in full compliance, which is the same level of performance as last year. Pollution Prevention Services will work with customers to maintain this level of performance.

Site investigations and remediations will each require an average expenditure of \$2,500, up from \$1,937 in FY 2005-06 due to new regulatory requirements that will be in effect next year.

The Water Pollution Control Laboratory will perform 46,000 lab analyses for the current year, up from 38,000 last year. A slight increase is forecast to 50,000 for next year.

### Changes to Services and Activities

There are four changes to activities: the reinstatement of interns to the program to enhance the work to be performed by professional employees; an additional FTE to manage industrial stormwater permits; a conversion of a limited term position to a permanent FTE, a housekeeping measure reflecting ongoing work related to the Brownfields program; and an additional FTE to assist with the technical aspects of the Brownfields program.

<b>FTE &amp; Financials</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Revised FY 2006-07</b>	<b>Proposed FY 2007-08</b>	<b>Adopted FY 2007-08</b>
FTE	74	71	72	73	73
<b>Expenditures</b>					
Personal Services	5,352,077	5,340,307	5,854,492	8,245,377	6,245,377
External Materials & Services	2,024,254	2,086,554	2,331,809	2,297,713	2,297,713
Internal Materials & Services	523,189	505,416	1,148,257	1,193,496	1,193,496
Capital Outlay	184,659	109,390	190,000	180,000	180,000
<b>Total Expenditures</b>	<b>8,084,179</b>	<b>8,041,667</b>	<b>9,524,558</b>	<b>9,916,586</b>	<b>9,916,586</b>
<b>Performance</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Yr End Est. FY 2006-07</b>		<b>Target FY 2007-08</b>
<b>Effectiveness</b>					
Percent of industrial enforcement tests in full compliance	99.4%	99.3%	99.0%		99.0%
<b>Efficiency</b>					
Average resources spent in site investigations and cleanup, per site investigated or remediated	\$1,850	\$1,937	\$2,500		\$2,500
<b>Workload</b>					
No. of lab analyses performed each year	37,537	38,442	46,000		50,000

# Wastewater Treatment

## Description

Wastewater Treatment protects public health, water quality, and the environment by operating and maintaining wastewater and stormwater collection and treatment facilities and managing programs in a manner that ensures compliance with applicable permits, regulations, and contracts.

The Wastewater Group (WG) operates and maintains wastewater and stormwater collection, conveyance, and treatment systems. In addition to two wastewater treatment plants, the system includes 95 active pump stations, approximately 2,200 miles of pipeline, 9,000 stormwater sumps, 122 miles of ditches, 20 miles of culverts, 52,000 stormwater inlets and catch basins, 374 trash racks, 160 pollution reduction facilities, and 120 stormwater detention facilities.

Inspection, cleaning, maintenance, and repair for most sewer and stormwater facilities are provided through an interagency agreement with the City's Bureau of Maintenance. The Bureau of Maintenance also provides utility locating services.

Services provided by WG also include stormwater residuals management, vector control contract management, emergency capital repair, and response to customer inquiries. WG manages internal support services including administrative services, computerized asset management, facilities management, and inventory management and acquisition to support wastewater and stormwater collection and treatment operations.

## Goals

Wastewater Treatment supports the City goal of protecting and enhancing the natural and built environment by meeting regulatory requirements.

## Performance

The treatment process continues to achieve removal of approximately 95% of total suspended solids and biochemical oxygen demand from the wastewater, compared with the 85% regulatory performance required in the NPDES permit. Wastewater Treatment plans to sustain this high level of performance in FY 2007-08.

Collection and treatment facilities delivered and processed over 29 billion gallons of wastewater during FY 2006-07, an increase of 0.67% compared to the previous year. Factors affecting total volume include the degree of water conservation by customers, how much stormwater and groundwater are kept out of the system, the volume of captured CSO from the Columbia Slough and Westside CSO facilities now in place, and rainfall in the service area. It is expected that wastewater treated will increase to about 30 billion gallons per day in FY 2007-08.

The operating and maintenance cost of wastewater treatment was \$419 per million gallons treated in FY 2005-06, approximately \$518 for FY 2006-07, and is projected to decrease to about \$509 in FY 2007-08 due to increased flows and decreased electricity costs.

## Changes to Services and Activities

Repair of the aging sewer system increased by an additional \$500,000 for FY 2007-08. Two Wastewater Operator IIs are added for the increased CSO flow to facilities. In the second half of FY 2007-08 the treatment plant will realize annual energy cost savings of more than \$250,000 with the startup of a combined heat and power cogeneration facility.

<b>FTE &amp; Financials</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Revised FY 2006-07</b>	<b>Proposed FY 2007-08</b>	<b>Adopted FY 2007-08</b>
FTE	149	149	136	139	139
<b>Expenditures</b>					
Personal Services	11,602,407	11,933,870	11,557,855	11,929,225	11,929,225
External Materials & Services	9,312,313	11,070,716	11,558,946	11,057,265	11,057,265
Internal Materials & Services	14,654,071	15,747,496	16,685,137	19,204,560	19,204,560
Capital Outlay	382,153	673,339	1,674,560	624,560	624,560
<b>Total Expenditures</b>	<b>35,950,944</b>	<b>39,425,421</b>	<b>41,476,498</b>	<b>42,815,610</b>	<b>42,815,610</b>
<b>Performance</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Yr End Est. FY 2006-07</b>		<b>Target FY 2007-08</b>
<b>Effectiveness</b>					
Percent of biochemical oxygen demand (BOD) removed	96.3%	94.9%	95.0%		95.0%
<b>Efficiency</b>					
Millions of gallons per day wastewater processed per operating and maintenance employees, including Bureau of Maintenance staff.	112	136	134		134
Cost to operate and maintain the treatment plants reflected in costs per million gallons per day (mgd)	\$489	\$491	\$518		\$509
<b>Workload</b>					
Wastewater processed in million gallons per day	27,383	29,402	29,600		30,100

# Watershed Services

## Description

Watershed Services is responsible for developing a watershed management plan covering all of the City's urban watersheds, policies and programs needed to implement the Clean River Plan and meet federal and state regulations. Watershed Services conducts watershed assessments and comprehensive watershed planning via the Portland Watershed Management Plan (PWMP), monitors and evaluates the effectiveness of stormwater management practices, promotes and implements sustainable site development projects and practices, develops new policies, interprets and implements state and federal surface and groundwater policies and regulations, and implements projects to protect and restore watershed functions.

### Watershed Management Plans

The Watershed Services (WS) Group develops and coordinates implementation of a watershed management plan within the context of the City's Clean River Plan and River Renaissance Strategy, as well as regulatory requirements of the Clean Water Act, the Safe Drinking Water Act, the Endangered Species Act, and other laws and programs.

### Coordination and Policy Development

WS is responsible for developing environmental policies and coordinating with other bureaus, interest groups, and federal, state, and local agencies involved in environmental planning that may affect the City. WS also prepares BES's responses to federal and state regulations and facilitates BES participation in development of policies made elsewhere in the City. Through partnerships and collaboration, WS works to not only comply with regulations, but also influence environmental legislation and codes to meet the bureau's mission and goals.

### Stormwater Management

WS is responsible for program development and coordination of activities related to the City's NPDES, MS4 discharge permit and its state water pollution control facility permit for the City's stormwater sumps. WS also provides policy and technical assistance, education and outreach, and project design and implementation to demonstrate and create incentives for projects related to sustainable stormwater practices.

### Endangered Species Act

The Endangered Species Act Division provides the scientific foundation and technical expertise needed to respond to the City's obligations under the Endangered Species Act

## Goals

Watershed Services supports the City Goal of protecting and enhancing the natural and built environment by improving watershed health within our urban community.

## Performance

Performance measures for Watershed Services are under review. However, for currently tracked measures, an additional 2,000 feet of stream bank will be restored by the WS Group in FY 2007-08. In FY 2005-06, 13,430 people participated in projects organized or catalyzed by the Stewardship Program, restoring 2200 feet of stream bank. The goal for FY 2007-08 is to increase the level of participation to 15,000.



**Changes to Services  
and Activities**

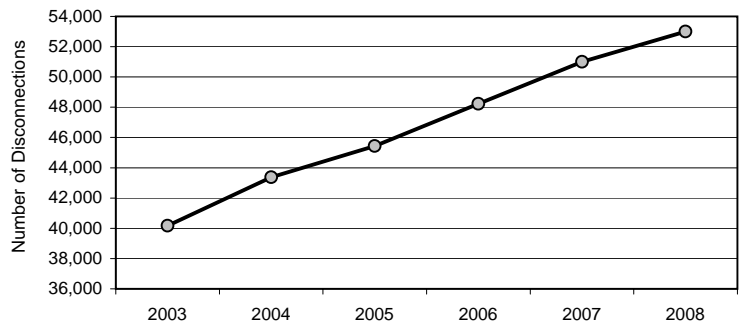
One new position will assist UIC program implementation, and one will manage the group's Green Streets Program.

<b>FTE &amp; Financials</b>	<b>Actual FY 2004–05</b>	<b>Actual FY 2005–06</b>	<b>Revised FY 2006–07</b>	<b>Proposed FY 2007–08</b>	<b>Adopted FY 2007–08</b>
FTE	47	46	47	50	50
<b>Expenditures</b>					
Personal Services	3,769,695	3,836,039	4,425,174	4,723,272	4,723,272
External Materials & Services	2,062,870	2,248,063	3,505,204	4,463,305	4,463,305
Internal Materials & Services	629,539	540,502	2,679,929	2,397,325	2,397,325
Capital Outlay	20,116	0	0	0	0
<b>Total Expenditures</b>	<b>6,482,220</b>	<b>6,624,604</b>	<b>10,610,307</b>	<b>11,583,902</b>	<b>11,583,902</b>
<b>Performance</b>	<b>Actual FY 2004–05</b>	<b>Actual FY 2005–06</b>	<b>Yr End Est. FY 2006–07</b>		<b>Target FY 2007–08</b>
<b>Workload</b>					
Feet of streambank restored (cumulative)	283,304	290,000	310,000		312,000
Number of individual participants in projects catalyzed or hosted by the Stewardship Program	14,265	13,430	15,000		15,000

# Performance Measures

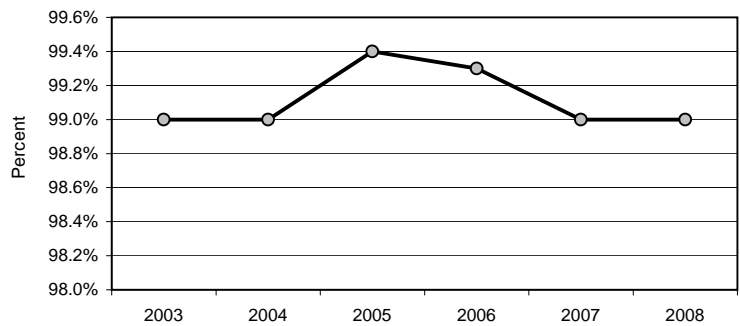
## Roof Drain Disconnections

Roof drain disconnections will proceed in accordance with CSO program schedules.



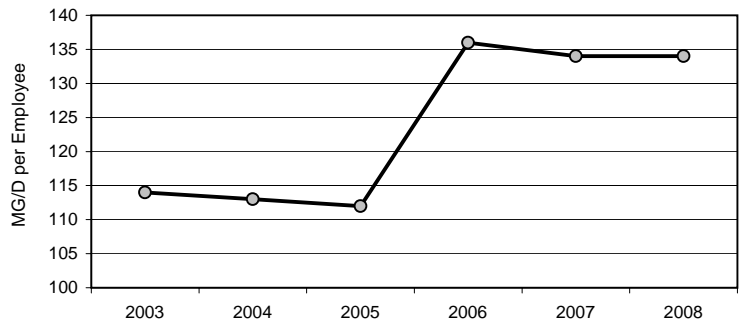
## Enforcement Tests

Percent of industrial enforcement tests in full compliance.



## Wastewater Processed

Higher rainfall in 2006 caused a significant increase in wastewater processed for the year. Higher ongoing flows are a result of the completion of the Westside CSO Tunnel project. As millions of gallons per day of wastewater processed increases, employees find operating efficiencies.



# Bureau of Environmental Services

## SUMMARY OF BUREAU BUDGET

	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
<b>RESOURCES</b>					
<b>External Revenues</b>					
Licenses and Permits	646,730	733,870	981,018	1,476,562	1,476,562
Service Charges and Fees	184,298,122	198,687,024	202,511,180	206,406,436	206,506,436
State Sources	(290,346)	302,390	3,600	0	0
Local Sources	635,680	599,033	469,231	435,878	435,878
Bond & Note Sales	624,224	1,826,528	836,434	581,348	581,348
Miscellaneous Revenues	4,434,021	2,236,141	1,025,000	1,574,813	1,679,813
<b>Total External Revenues</b>	<b>190,348,431</b>	<b>204,384,986</b>	<b>205,826,463</b>	<b>210,475,037</b>	<b>210,680,037</b>
<b>Internal Revenues</b>					
Other Cash Transfers	146,327,098	154,952,203	233,681,320	171,732,542	171,732,542
Federal Grants Transfers	1,012,158	1,874,419	2,121,595	1,772,991	1,772,991
Interagency Reimbursements	1,377,297	1,793,740	5,500,180	5,924,190	5,924,190
<b>Total Internal Revenues</b>	<b>148,716,553</b>	<b>158,620,362</b>	<b>241,303,095</b>	<b>179,429,723</b>	<b>179,429,723</b>
Beginning Fund Balance	35,292,548	36,799,399	24,494,291	28,600,000	30,350,000
<b>TOTAL RESOURCES</b>	<b>\$ 374,357,532</b>	<b>\$ 399,804,747</b>	<b>\$ 471,623,849</b>	<b>\$ 418,504,760</b>	<b>\$ 420,459,760</b>

Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.  
 Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.

### EXPENDITURES

<b>Bureau Requirements</b>					
Personal Services	38,070,024	39,479,912	43,292,687	45,782,958	45,782,958
External Materials & Services	37,333,154	48,305,678	43,400,505	44,960,923	45,072,423
Internal Materials & Services	33,187,868	34,750,735	42,020,854	35,355,075	35,812,900
Capital Outlay	104,895,259	108,111,834	185,631,833	127,754,211	127,296,386
<b>Total Bureau Requirements</b>	<b>213,486,305</b>	<b>230,648,159</b>	<b>314,345,879</b>	<b>253,853,167</b>	<b>253,964,667</b>
<b>Fund Requirements</b>					
General Operating Contingency	0	0	19,605,207	19,888,339	21,731,839
General Fund Overhead	2,613,604	2,691,316	3,877,023	4,712,604	4,712,604
Other Cash Transfers	120,917,648	136,321,833	133,350,740	136,102,837	136,102,837
Debt Retirement	540,576	5,657,959	445,000	3,947,813	3,947,813
Ending Fund Balance	36,799,399	24,485,480	0	0	0
<b>Total Fund Requirements</b>	<b>160,871,227</b>	<b>169,156,588</b>	<b>157,277,970</b>	<b>164,651,593</b>	<b>166,495,093</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 374,357,532</b>	<b>\$ 399,804,747</b>	<b>\$ 471,623,849</b>	<b>\$ 418,504,760</b>	<b>\$ 420,459,760</b>

### PROGRAMS

Business Services	18,108,608	18,740,338	22,187,838	14,455,849	14,567,349
<i>Positions</i>	37.15	33.23	44.93	49.33	49.33
Engineering Services	139,336,795	152,247,909	223,865,451	166,715,839	166,715,839
<i>Positions</i>	162.98	163.48	167.57	174.69	174.69
Office of the Director	5,523,559	5,568,221	6,681,227	8,365,381	8,365,381
<i>Positions</i>	15.80	15.80	16.00	18.20	18.20
Pollution Prevention Services	8,084,179	8,041,667	9,524,558	9,916,586	9,916,586
<i>Positions</i>	74.00	70.92	72.00	72.60	72.60
Wastewater Treatment	35,950,944	39,425,421	41,476,498	42,815,610	42,815,610
<i>Positions</i>	149.25	149.25	136.25	138.75	138.75
Watershed Services	6,482,220	6,624,604	10,610,307	11,583,902	11,583,902
<i>Positions</i>	46.91	46.30	46.75	49.80	49.80
<b>TOTAL PROGRAMS</b>	<b>\$ 213,486,305</b>	<b>\$ 230,648,159</b>	<b>\$ 314,345,879</b>	<b>\$ 253,853,167</b>	<b>\$ 253,964,667</b>
<i>Positions</i>	<b>486.09</b>	<b>478.98</b>	<b>483.50</b>	<b>503.37</b>	<b>503.37</b>

# Bureau of Environmental Services

# CIP SUMMARY

This table summarizes Capital Improvement Plan project costs by capital programs.

Bureau Capital Program	Revised		Adopted	Capital Plan				
	Prior Years	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	5-Year Total
<b>Bureau of Environmental Services</b>								
<b>Combined Sewer Overflow</b>								
Balch Consolidation Conduit	22,469	640,103	1,500,000	3,000,000	21,000,000	4,552,000	0	30,052,000
Beech-Essex Separation	0	10,000	316,000	470,000	1,836,000	2,550,000	1,856,000	7,028,000
CBWTP Primary Treatment Expansion	302,054	791,855	4,196,000	6,294,000	50,000	0	0	10,540,000
CBWTP Wastewater Headworks	0	0	0	576,000	4,065,000	5,107,000	163,000	9,911,000
East Tunnel	30,537,979	136,114,979	97,320,000	93,432,000	73,600,000	37,300,000	36,060,000	337,712,000
Eastside CSO OCIP Program	922	3,000,000	4,000,000	4,000,000	4,000,000	4,000,000	2,000,000	18,000,000
Eastside CSO System Startup	0	0	0	0	0	506,000	167,720	673,720
H/S/S Inflow Control	0	340,000	435,000	400,000	0	0	0	835,000
Harney Pump Station Upgrade	73,397	323,775	770,000	660,000	0	0	0	1,430,000
Hol/Strk/Sul Inflow Controls 2	0	0	0	0	0	94,000	94,000	188,000
Lents 1&2 CSO Control	0	0	860,000	860,000	6,000,000	880,000	0	8,600,000
Lents Downstream Controls	1,054	206,353	6,281	0	0	0	0	6,281
Portsmouth Force Main	34,837	1,552,587	2,600,000	6,700,000	27,600,000	27,600,000	2,600,000	67,100,000
Sellwood Interceptor Upgrade	139,122	53,031	0	0	1,710,000	615,000	0	2,325,000
Sellwood Reliever Sewer	285,679	64,359	2,317,340	0	0	0	0	2,317,340
Sellwood Umatilla Pump Station	471,964	202,451	1,020,000	1,200,000	22,000	0	0	2,242,000
Sewer Improvement Umatilla	0	0	0	142,000	0	0	0	142,000
Swan Island Pupm Station Phase 2	0	0	0	312,000	312,000	3,744,000	3,432,000	7,800,000
West Lents System Improvement	89,887	46,460	200,000	14,000	0	0	0	214,000
<b>Total Combined Sewer Overflow</b>	<b>31,959,364</b>	<b>143,345,953</b>	<b>115,540,621</b>	<b>118,060,000</b>	<b>140,195,000</b>	<b>86,948,000</b>	<b>46,372,720</b>	<b>507,116,341</b>
<b>Maintenance &amp; Reliability</b>								
Beech Essex CP-G	0	0	311,266	542,049	5,840,280	544,405	0	7,238,000
Beech Essex CP-K	0	0	0	0	0	0	118,240	118,240
Burlingame Phase 2 Stream	0	156,000	780,000	0	0	0	0	780,000
FABA PS FM: Garden Home	13,679	186,000	735,770	0	0	0	0	735,770
FABA PS FM: Multnomah	13,604	391,386	159,677	0	2,464,000	2,464,000	2,468,000	7,555,677
Far North Nicolai	0	0	0	379,000	1,640,000	1,376,000	0	3,395,000
Forest Park Separation	0	0	0	0	0	0	556,947	556,947
Hollywood R&R	1,942,267	4,411,566	664,000	0	0	0	0	664,000
Maintenance Capital-Construction	123,285	107,000	207,000	207,000	207,000	207,000	207,000	1,035,000
Maintenance Capital-Contract	568,249	3,250,000	5,000,000	2,000,000	2,000,000	2,000,000	2,000,000	13,000,000
MCC Emergency Projects	0	250,000	250,000	250,000	250,000	250,000	250,000	1,250,000
Nicolai Greenstreets & Pipe Replacement	0	0	0	0	461,146	982,498	1,761,322	3,204,966
North Tanner	0	0	0	0	0	0	850,919	850,919
NW Burnside Sewer Reconstruction	319,520	1,083,563	624,000	0	0	0	0	624,000
NW Neighborhoods BCC #1	0	0	0	637,526	1,513,290	4,054,184	0	6,205,000
NW Neighborhoods BCC #2	0	0	0	234,782	404,225	3,195,031	27,783	3,861,821
Oak Basin CP-A	0	0	489,592	724,408	8,900,000	2,281,000	516	12,395,516
Oak Basin CP-B	0	600,058	3,108,000	3,961,000	0	0	0	7,069,000
Oak Basin CP-C	0	0	0	0	83,000	158,000	1,455,000	1,696,000
Oak Basin CP-C/1	0	51,000	183,855	0	0	0	0	183,855
Oak Basin CP-D	0	0	0	0	0	0	68,484	68,484
Oak Basin CP-E	0	0	0	0	0	50,510	315,170	365,680
Oak Basin CP-F	0	0	0	0	10,315	63,685	0	74,000
Sewer Structural Rehabilitation	0	0	388,920	3,175,000	3,175,000	3,175,000	2,786,080	12,700,000
Taggart BCD-TG 3	0	41,000	160,000	1,425,000	6,000	0	0	1,591,000
Taggart Sewer Rehabilitation	7,562	76,025	522,000	0	0	0	0	522,000
<b>Total Maintenance &amp; Reliability</b>	<b>2,988,166</b>	<b>10,603,598</b>	<b>13,584,080</b>	<b>13,535,765</b>	<b>26,954,256</b>	<b>20,801,313</b>	<b>12,865,461</b>	<b>87,740,875</b>
<b>Sewage Treatment Systems</b>								
CBWTP Cogeneration Project	68,937	3,416,730	4,000,000	0	0	0	0	4,000,000
CBWTP Digester Expansion	0	300,000	1,300,000	1,300,000	0	0	0	2,600,000
Pump Station Improvement Program	2,176,311	1,900,000	1,350,000	600,000	850,000	1,600,000	1,600,000	6,000,000
Treatment Facilities-Rehab & Modification	2,573,030	1,800,000	1,800,000	900,000	900,000	900,000	900,000	5,400,000
<b>Total Sewage Treatment Systems</b>	<b>4,818,278</b>	<b>7,416,730</b>	<b>8,450,000</b>	<b>2,800,000</b>	<b>1,750,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>18,000,000</b>
<b>Surface Water Management</b>								
92nd Drive Water Quality Facility	128,131	26,629	198,000	2,000	0	0	0	200,000
Brownwood	282,360	2,470,249	5,815,000	123,000	123,000	0	0	6,061,000

This table summarizes Capital Improvement Plan project costs by capital programs.

Bureau Capital Program Project	Prior Years	Revised	Adopted	Capital Plan					5-Year Total
		FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12		
Freeway Land Co FP Restoration	0	0	0	0	0	250,000	908,494	1,158,494	
Johnson Creek Restoration	4,135,351	800,000	600,000	600,000	600,000	600,000	600,000	3,000,000	
Kelley Creek Plant & Monitor	90,964	5,731	6,600	6,600	6,600	0	0	19,800	
NE 148th Water Quality Facility	9,254	129,455	127,000	1,555,000	4,039	0	0	1,686,039	
S Foster East Lents	0	0	870,000	2,964,000	33,000	33,000	0	3,900,000	
SW Texas Road Swales	0	401,000	202,000	0	0	0	0	202,000	
UIC Improvements CAT2	0	0	261,000	1,000,000	1,000,000	1,000,000	1,000,000	4,261,000	
Wellhead Sump Retrofit	13,015	50,461	457,200	1,000	0	0	0	458,200	
<b>Total Surface Water Management</b>	<b>4,659,075</b>	<b>3,883,525</b>	<b>8,536,800</b>	<b>6,251,600</b>	<b>1,766,639</b>	<b>1,883,000</b>	<b>2,508,494</b>	<b>20,946,533</b>	
<b>Systems Development</b>									
Drainage Improvement	987,046	25,000	25,000	25,000	25,000	25,000	25,000	125,000	
I-205 Light Rail Extension	0	31,000	2,845	2,837	1,956	0	0	7,638	
Lents Sanitary Sewer Extension	187,940	17,728	783,000	2,247,440	532,000	0	0	3,562,440	
Lents Sewer Extension Pump Station	0	40,000	947,790	100,335	0	0	0	1,048,125	
Mall Light Rail Extension	15,024	105,500	263,741	3,147	1,586	0	0	268,474	
Office of Transportation Interagency	255,692	402,331	250,000	250,000	250,000	250,000	250,000	1,250,000	
Permit Reimbursement	702,359	40,000	40,000	40,000	40,000	40,000	40,000	200,000	
Permits	0	400,000	670,000	670,000	670,000	670,000	670,000	3,350,000	
South Airport 2A	208,062	50,895	460,000	0	0	0	0	460,000	
South Airport Phase III	359,130	1,236,276	2,905,000	0	0	0	0	2,905,000	
South Airport Phase IV	674,816	75,178	1,502,000	0	0	0	0	1,502,000	
South Airport Phase V	120,989	66,367	1,510,000	0	0	0	0	1,510,000	
<b>Total Systems Development</b>	<b>3,511,058</b>	<b>2,490,275</b>	<b>9,359,376</b>	<b>3,338,759</b>	<b>1,520,542</b>	<b>985,000</b>	<b>985,000</b>	<b>16,188,677</b>	
<b>Total Bureau of Environmental Services</b>	<b>\$ 47,935,941</b>	<b>\$ 167,740,081</b>	<b>\$ 155,470,877</b>	<b>\$ 143,986,124</b>	<b>\$ 172,186,437</b>	<b>\$ 113,117,313</b>	<b>\$ 65,231,675</b>	<b>\$ 649,992,426</b>	

**Bureau of Environmental Services**

**FTE SUMMARY**

Class	Title	Salary Range		Revised FY 2006-07		Proposed FY 2007-08		Adopted FY 2007-08	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	34,452	48,087	1.00	48,084	1.00	48,084	1.00	48,084
0515	Accountant II	45,059	55,019	3.00	155,100	3.00	155,100	3.00	155,100
7103	Administrative Assistant	40,800	62,870	3.50	208,072	4.00	236,208	4.00	236,208
7106	Administrative Supervisor I	49,527	66,023	2.00	125,721	2.00	128,433	2.00	128,433
7107	Administrative Supervisor II	52,012	69,301	1.00	52,008	1.00	52,008	1.00	52,008
7152	Assistant Program Specialist	40,800	62,870	0.00	0	1.00	62,616	1.00	62,616
7140	Assistant to Bureau Director	67,985	90,577	1.00	90,228	1.00	90,518	1.00	90,518
1314	Auto Equip Oper II-Tractor Trailer	39,234	47,251	1.00	47,256	1.00	47,256	1.00	47,256
7628	Biosolids/Reuse Pgm Manager	63,204	84,940	1.00	84,612	1.00	84,828	1.00	84,828
6012	Botanic Specialist II	48,922	62,389	4.00	244,652	5.12	304,368	5.12	304,368
7112	Business Operations Manager	67,985	90,577	1.00	88,884	1.00	90,294	1.00	90,294
7110	Business Operations Supervisor	60,281	80,659	2.00	160,704	2.00	161,328	2.00	161,328
7121	Business Systems Analyst	52,012	69,301	1.00	60,084	1.00	62,548	1.00	62,548
6034	CAD Analyst	55,729	71,180	1.00	71,184	1.00	71,184	1.00	71,184
6032	CAD Technician II	45,873	58,527	14.00	750,837	14.00	766,446	14.00	766,446
6033	CAD Technician III	55,729	71,180	5.00	313,967	5.00	326,145	5.00	326,145
7660	Capital Pgm Mgmt & Cntrls Mgr	78,592	104,651	1.00	78,588	1.00	78,588	1.00	78,588
6141	Capital Project Manager I	55,729	71,180	2.00	126,912	3.00	188,388	3.00	188,388
7656	Capital Projects Manager II	60,281	80,659	1.00	80,430	1.00	80,664	1.00	80,664
7165	CDD Program Coordinator	57,378	76,609	1.00	76,392	1.00	76,608	1.00	76,608
3285	Chemist	45,289	58,527	5.00	279,111	5.00	279,384	5.00	279,384
7653	City Engineer	92,895	133,006	2.00	240,034	2.00	249,883	2.00	249,883
7205	Comm Outreach/Invlvmt Pgm Mgr	57,378	76,609	1.00	67,413	1.00	70,170	1.00	70,170
7685	Communications Engineer	60,281	80,659	1.00	74,172	1.00	77,208	1.00	77,208
7202	Community Outreach & Info Asst	40,800	62,870	0.00	0	2.00	107,820	2.00	107,820
7203	Community Outreach & Info Rep	49,527	66,023	1.00	61,404	1.00	63,924	1.00	63,924
7135	Contracts Dev & Rev Admin	60,281	80,659	1.00	79,584	1.00	80,394	1.00	80,394
7116	Customer Service Supervisor	57,378	76,609	1.00	67,116	1.00	69,876	1.00	69,876
7630	Data Acquisition & Mgmt Supr	63,204	84,940	1.00	84,693	1.00	84,936	1.00	84,936
7768	Development Services Manager	73,101	97,363	1.00	96,996	1.00	97,368	1.00	97,368
7767	Development Supervisor	57,378	76,609	1.00	61,212	1.00	63,093	1.00	63,093
7564	Electrical/Instrumentation Spvr	63,204	84,940	1.00	84,612	1.00	84,855	1.00	84,855
1453	Electrician	58,276	62,891	6.00	377,352	6.00	377,352	6.00	377,352
1459	Electrician/Instrument Tech	60,030	64,791	6.00	380,808	6.00	388,728	6.00	388,728
6160	Electronic Systems Tech	45,873	58,527	3.00	162,924	3.00	162,924	3.00	162,924
6112	Engineer	71,180	78,425	33.50	2,564,944	34.00	2,632,621	34.00	2,632,621
6110	Engineering Associate	48,128	64,519	4.00	197,018	6.00	306,430	6.00	306,430
6111	Engineering Associate Senior	61,492	71,180	10.00	666,946	10.00	674,810	10.00	674,810
6021	Engineering Technician I	34,243	45,873	0.00	0	0.50	17,124	0.50	17,124
6022	Engineering Technician II	45,873	58,527	23.00	1,231,158	24.00	1,316,517	24.00	1,316,517
6023	Engineering Technician III	55,729	71,180	8.00	512,365	8.00	526,495	8.00	526,495
7605	Enviro Svcs Planning Group Mgr	84,439	112,522	1.00	112,092	1.00	112,416	1.00	112,416
7604	Enviro Svcs Planning Mgr	73,101	97,363	1.00	95,748	1.00	97,098	1.00	97,098
7622	Environ Monitor Svcs Group Mgr	84,439	112,522	1.00	98,628	1.00	101,324	1.00	101,324
7608	Environmental Program Coord	54,622	72,850	4.00	267,758	4.00	271,025	4.00	271,025
7609	Environmental Program Manager	60,281	80,659	10.00	780,672	10.00	796,224	10.00	796,224
7607	Environmental Program Spec	49,527	66,023	3.00	181,721	3.00	184,283	3.00	184,283
7040	Environmental Services Dir	117,513	168,397	1.00	143,355	1.00	149,232	1.00	149,232
6053	Environmental Specialist	55,729	71,180	22.00	1,410,332	23.00	1,510,789	23.00	1,510,789
6051	Environmental Technician I	34,243	45,873	3.00	103,880	3.00	107,352	3.00	107,352
6052	Environmental Technician II	45,873	58,527	33.00	1,683,920	35.00	1,833,165	35.00	1,833,165
7614	ESA Program Coord	57,378	76,609	1.00	76,368	1.00	76,608	1.00	76,608
6061	GIS Technician I	34,243	45,873	1.00	45,876	1.00	45,876	1.00	45,876
6062	GIS Technician II	45,873	58,527	3.00	145,538	3.00	150,512	3.00	150,512
6063	GIS Technician III	55,729	71,180	2.00	134,949	2.00	138,183	2.00	138,183
6123	Graphics Designer III	55,729	71,180	1.00	71,184	1.00	71,184	1.00	71,184
6055	Hydrogeologist	61,492	78,425	1.00	80,352	1.00	80,352	1.00	80,352
1803	Indust Main Millwright	47,043	51,114	29.00	1,465,820	29.00	1,482,480	29.00	1,482,480
1520	Industrial Machinist	47,043	51,114	1.00	51,120	1.00	51,120	1.00	51,120
1445	Industrial Painter	46,562	50,592	1.00	50,592	1.00	50,592	1.00	50,592
2543	Info System Analyst III	57,378	76,609	1.00	71,796	1.00	76,608	1.00	76,608
7509	Information Systems Manager	73,101	97,363	1.00	96,996	1.00	97,368	1.00	97,368
3260	Instrument Technician	58,276	62,891	8.00	503,136	8.00	503,136	8.00	503,136
3261	Instrument Technician Lead	61,199	66,043	1.00	66,048	1.00	66,048	1.00	66,048
7176	Insurance Specialist	49,527	66,023	1.00	49,524	1.00	49,524	1.00	49,524
3280	Laboratory Assistant	38,565	48,713	7.00	327,506	7.00	329,816	7.00	329,816
7624	Laboratory Manager	67,985	90,577	1.00	90,257	1.00	90,576	1.00	90,576
3288	Laboratory Production Spec	47,544	61,471	1.00	61,476	1.00	61,476	1.00	61,476
3286	Laboratory Quality Assurance Spl	47,544	61,471	1.00	54,048	1.00	56,924	1.00	56,924

Class	Title	Salary Range		Revised FY 2006-07		Proposed FY 2007-08		Adopted FY 2007-08	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
7580	Maintenance Planner/Scheduler	49,527	66,023	4.00	242,892	4.00	247,598	4.00	247,598
7130	Management Assistant	40,800	62,870	0.00	0	2.00	107,160	2.00	107,160
6072	Materials Testing Tech II	45,873	58,527	4.00	208,800	4.00	210,680	4.00	210,680
6073	Materials Testing Tech III	55,729	71,180	1.00	71,184	1.00	71,184	1.00	71,184
3284	Microbiologist	45,289	58,527	1.00	58,524	1.00	58,524	1.00	58,524
0102	Office Support Spec II	28,522	39,797	9.00	349,755	9.00	357,084	9.00	357,084
0104	Office Support Spec III	36,498	46,959	3.00	129,531	3.00	135,630	3.00	135,630
7641	Portland Harbor Superfund Adm	78,592	104,651	1.00	104,380	1.00	104,652	1.00	104,652
7652	Principal Engineer	78,592	104,651	4.00	394,080	4.00	400,923	4.00	400,923
7378	Principal Financial Analyst	67,985	90,577	3.00	270,800	3.00	271,728	3.00	271,728
2545	Principal Info System Analyst	67,985	90,577	4.00	362,304	4.00	362,304	4.00	362,304
7133	Principal Management Analyst	67,985	90,577	1.00	81,204	1.00	83,706	1.00	83,706
7154	Program Coordinator	54,622	72,850	2.00	133,704	4.00	257,736	4.00	257,736
7156	Program Manager	57,378	76,609	4.00	305,280	4.00	306,216	4.00	306,216
7153	Program Specialist	49,527	66,023	2.00	117,336	2.00	120,536	2.00	120,536
7678	Prop Acquisition & Svcs Mgr	57,378	76,609	1.00	76,320	1.00	76,608	1.00	76,608
7640	PrtInd Harbor Sprfund Tech Mgr	67,985	90,577	1.00	90,228	1.00	90,460	1.00	90,460
7206	Public Information Officer	57,378	76,609	1.00	76,320	1.00	76,608	1.00	76,608
3151	Public Works Insp Senior	55,854	65,814	11.00	714,750	11.00	724,020	11.00	724,020
7663	Public Works Inspection Mgr	60,281	80,659	1.00	80,352	1.00	80,612	1.00	80,612
3150	Public Works Inspector	51,490	58,840	15.00	865,713	15.00	878,665	15.00	878,665
7553	Public Works Supervisor II	52,012	69,301	0.00	0	2.00	138,600	2.00	138,600
7185	Risk Specialist	49,527	66,023	1.00	63,336	1.00	65,496	1.00	65,496
7193	Safety & Risk Officer II	63,204	84,940	1.00	84,612	1.00	84,936	1.00	84,936
7102	Senior Admin Specialist	38,002	58,485	4.00	182,976	4.00	189,916	4.00	189,916
7113	Senior Business Operations Mgr	84,439	112,522	1.00	106,020	1.00	110,364	1.00	110,364
7122	Senior Business Sys Analyst	57,378	76,609	1.00	66,744	1.00	68,340	1.00	68,340
7386	Senior Economist	60,281	80,659	1.00	65,088	1.00	67,530	1.00	67,530
7650	Senior Engineer	63,204	84,940	9.00	747,834	9.00	756,294	9.00	756,294
7610	Senior Environmental Prgm Mgr	67,985	90,577	4.00	327,744	4.00	332,191	4.00	332,191
7377	Senior Financial Analyst	57,378	76,609	1.00	76,320	1.00	76,536	1.00	76,536
7132	Senior Management Analyst	57,378	76,609	1.00	76,392	1.00	76,608	1.00	76,608
7158	Senior Progam Manager	67,985	90,577	2.00	180,572	2.00	181,036	2.00	181,036
7186	Senior Risk Specialist	54,622	72,850	2.00	145,267	2.00	145,566	2.00	145,566
7620	Source Reduction & Control Mgr	73,101	97,363	1.00	96,996	1.00	97,306	1.00	97,306
7204	Sr Comm Outreach & Info Rep	54,622	72,850	2.00	138,585	2.00	141,492	2.00	141,492
0406	Storekeeper/Acq Specialist II	39,046	47,732	3.00	134,520	3.00	141,516	3.00	141,516
0408	Storekeeper/Acq Specialist III	44,099	54,831	1.00	44,100	1.00	44,100	1.00	44,100
7161	Stores System Supervisor II	52,012	69,301	1.00	55,704	1.00	57,034	1.00	57,034
7651	Supervising Engineer	67,985	90,577	10.00	877,342	10.00	882,587	10.00	882,587
7270	Training & Development Analyst	52,012	69,301	1.00	57,612	1.00	59,976	1.00	59,976
7635	Wastewater Collections Sys Mgr	78,592	104,651	1.00	91,752	1.00	95,509	1.00	95,509
7637	Wastewater Operations Grp Mgr	84,439	112,522	1.00	112,236	1.00	112,524	1.00	112,524
1815	Wastewater Operations Spec	48,525	54,914	5.00	268,529	5.00	273,665	5.00	273,665
1811	Wastewater Operator II	42,261	51,114	39.00	1,950,522	39.00	1,965,720	39.00	1,965,720
7633	Wastewater Treatment Manager	78,592	104,651	1.00	104,244	1.00	104,584	1.00	104,584
7632	Wastewater Treatment O&M Supr	60,281	80,659	3.50	263,220	4.00	308,169	4.00	308,169
7600	Water Resource Program Manager	60,281	80,659	4.00	288,686	4.00	292,002	4.00	292,002
7617	Watershed Reveg Pgm Mngr	60,281	80,659	1.00	68,448	1.00	70,086	1.00	70,086
7616	Watershed Reveg Prog Supr	54,622	72,850	1.00	72,576	1.00	72,783	1.00	72,783
<b>TOTAL FULL-TIME POSITIONS</b>				<b>473.50</b>	<b>\$ 29,955,703</b>	<b>492.62</b>	<b>\$ 31,519,915</b>	<b>492.62</b>	<b>\$ 31,519,915</b>
0514	Accountant I	34,452	48,087	0.55	21,442	0.55	23,597	0.55	23,597
7103	Administrative Assistant	40,800	62,870	0.50	31,360	0.50	31,440	0.50	31,440
7120	Asst Business Systems Analyst	40,800	62,870	0.75	46,968	0.75	47,133	0.75	47,133
6012	Botanic Specialist II	48,922	62,389	1.68	104,612	1.68	104,808	1.68	104,808
6021	Engineering Technician I	34,243	45,873	0.89	31,750	0.89	33,334	0.89	33,334
6022	Engineering Technician II	45,873	58,527	0.50	23,026	0.50	24,162	0.50	24,162
6052	Environmental Technician II	45,873	58,527	0.50	25,599	0.50	26,874	0.50	26,874
7154	Program Coordinator	54,622	72,850	0.88	63,504	0.88	64,104	0.88	64,104
<b>TOTAL PART-TIME POSITIONS</b>				<b>6.25</b>	<b>\$ 348,261</b>	<b>6.25</b>	<b>\$ 355,452</b>	<b>6.25</b>	<b>\$ 355,452</b>
0514	Accountant I	34,452	48,087	0.00	0	1.50	53,496	1.50	53,496
7202	Community Outreach & Info Asst	40,800	62,870	0.75	30,483	1.00	41,895	1.00	41,895
6053	Environmental Specialist	55,729	71,180	1.00	58,524	1.00	61,488	1.00	61,488
0104	Office Support Spec III	36,498	46,959	1.00	37,560	1.00	41,532	1.00	41,532

Class	Title	Salary Range		Revised FY 2006-07		Proposed FY 2007-08		Adopted FY 2007-08	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
7154	Program Coordinator	54,622	72,850	1.00	54,408	0.00	0	0.00	0
<b>TOTAL LIMITED TERM POSITIONS</b>				<b>3.75</b>	<b>\$ 180,975</b>	<b>4.50</b>	<b>\$ 198,411</b>	<b>4.50</b>	<b>\$ 198,411</b>



**Bureau of Environmental Services**

**BUDGET DECISIONS**

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2007-08	248,625,522	0	248,625,522	483.25	FY 2007-08 Current Appropriation Level
<b>CAL Adjustments</b>					
	(31,378)	0	(31,378)	0.00	OMF IA adjustments
<b>Mayor's Proposed Budget Decisions</b>					
	(83,000)	0	(83,000)	2.00	System operations/CSO
	411,416	0	411,416	2.00	Regulatory compliance
	638,052	0	638,052	0.00	Asset management/system maintenance
	253,440	0	253,440	2.12	Green investments
	275,000	0	275,000	0.00	Portland Harbor (fund 161)
	325,000	0	325,000	0.00	Portland Harbor (fund 151)
	313,935	0	313,935	1.50	EBSP support (1.5 new LT/1.5 extended LT)
	150,300	0	150,300	4.50	Development assistance & review
	207,900	0	207,900	7.00	Personnel transfers & updates
	1,000,000	0	1,000,000	0.00	PDOT overhead increases
	16,980	0	16,980	0.00	IA with Planning Bureau for CSP consultant
	0	1,500,000	1,500,000	1.00	Watershed program
	0	250,000	250,000	0.00	Brownfields program
<b>Approved Budget Additions and Reductions</b>					
	0	457,902	457,902	0.00	Parks & PDOT IA adjustment - Int M&S
	0	(457,902)	(457,902)	0.00	Parks & PDOT IA adjustment - Capital
<b>Adopted Budget Additions and Reductions</b>					
	0	111,500	111,500	0.00	Appropriation from closing fund 636
	3,477,645	1,861,500	5,339,145	20.12	Total FY 2007-08 Decision Packages
			<b>\$ 253,964,667</b>	<b>503.37</b>	Total Adopted Budget



# Water Bureau

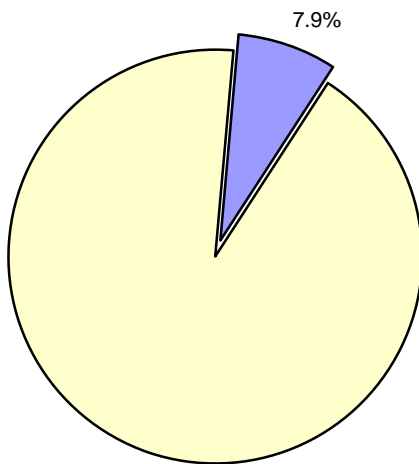
Public Utilities Service Area

Randy Leonard, Commissioner-in-Charge

David Shaff, Administrator

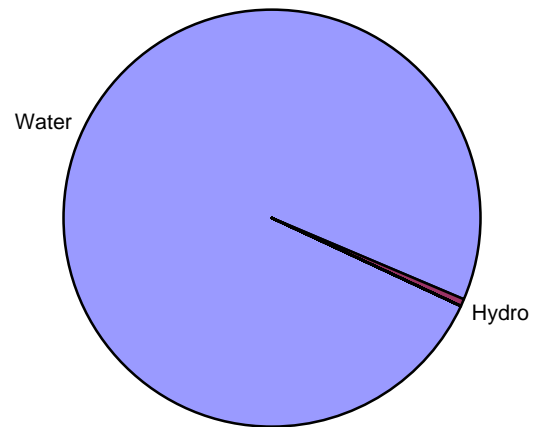
**Percent of City Budget**

Water = \$124.4 Million



City Budget = \$1.58 Billion

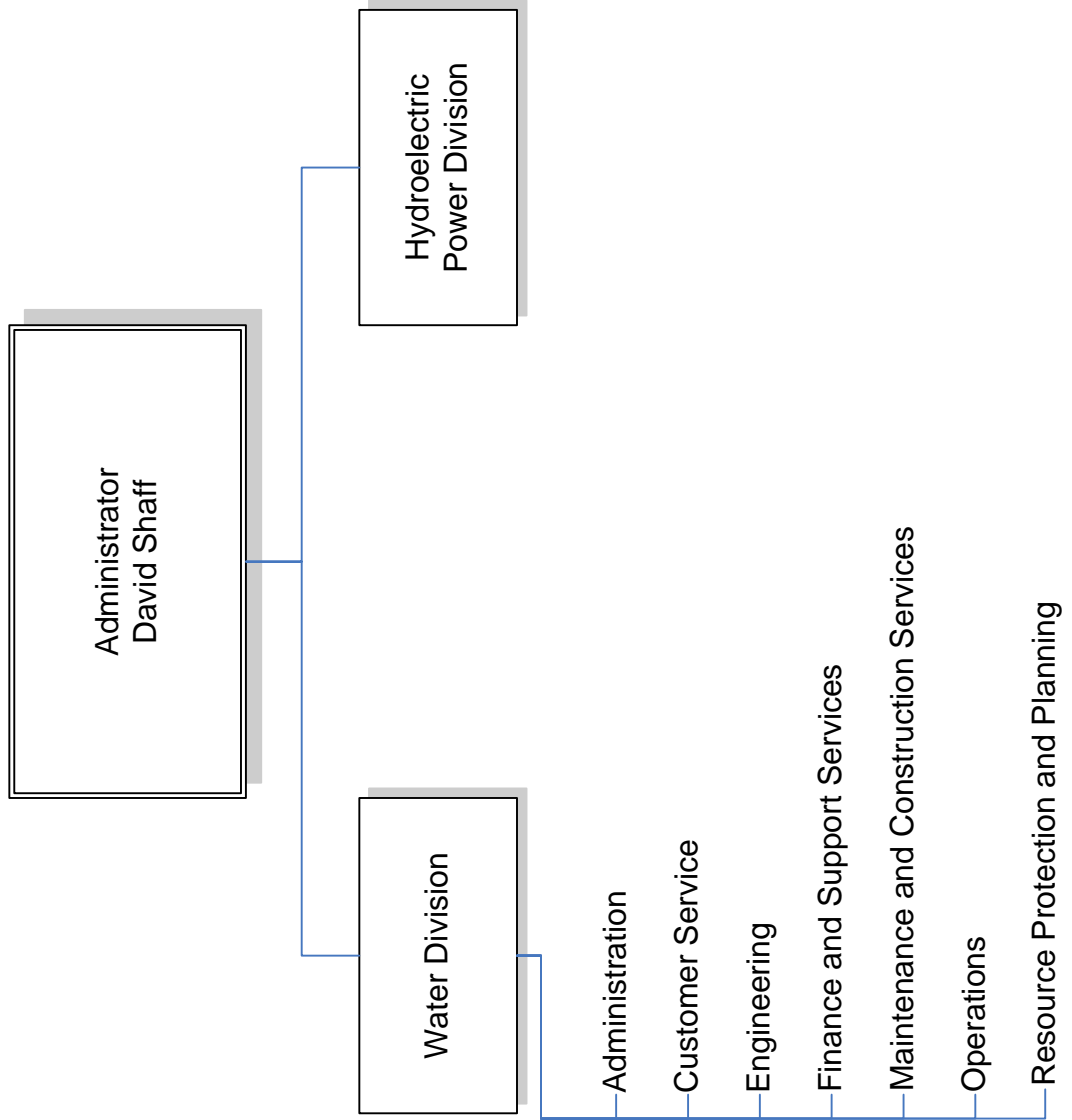
**Bureau Divisions**



**Bureau Overview**

Expenditures	Revised FY 2006–07	Adopted FY 2007–08	Change from Prior Year	Percent Change
Operating	62,945,995	67,616,304	4,670,309	7.4%
Capital	42,793,500	56,752,250	13,958,750	32.6%
<b>Total Expenditures</b>	<b>\$ 105,739,495</b>	<b>\$ 124,368,554</b>	<b>\$ 18,629,059</b>	<b>\$ 17.6%</b>
Authorized Positions	663	665	2.00	0.3%

# Water Bureau



# Bureau Summary

## BUREAU MISSION

The mission of the Water Bureau is:

- ◆ To provide reliable water service to customers in the quantities they desire and at a quality level that meets or exceeds both customer and regulatory standards
- ◆ To provide the highest value to customers through excellent business, management, and operational practices, and appropriate application of innovation and technology
- ◆ To be responsible stewards of the public's water infrastructure, fiscal, and natural resources
- ◆ To provide the citizens and the City Council with a water system that supports their community objectives and overall vision for the City of Portland.

## BUREAU OVERVIEW

The bureau contains two divisions: Water and Hydroelectric Power.

### Water Division

The bureau is responsible for construction, maintenance, and operation of the municipal water system. The bureau ensures that the water system can provide a sufficient quantity of high-quality water to satisfy the existing and future needs of the community.

Approximately 800,000 people (about one-quarter of the state's population) are served by the Water Division on either a retail or wholesale basis. Retail customers use about 60% of the water sold. The other 40% is provided on a wholesale contract basis to 19 water purveyors, which include cities, water districts, private water companies, and a people's utility district. Approximately 80% to 85% of water sales revenue is from retail customers, and 15% to 20% is from wholesale contracts.

The division consists of six budget programs and 22 activities that encompass all of the bureau's work. A description of each budget program follows.

### Supply program

The focus of this program is work associated with providing water to the Portland service area, including retail and wholesale customers. This program includes activities related to the City's primary Bull Run water supply, as well as groundwater projects associated with the secondary well field system located in the Columbia South Shore area.

### Transmission and Terminal Storage program

The program moves water from the supply facilities in the Bull Run Watershed to the retail distribution system and service delivery points for wholesale customers. The activities included in this program are related to terminal reservoirs as well as conduits and transmission.

### Distribution program

The program is responsible for providing water to the customers through distribution mains and related facilities, including pump stations, tanks, services, and meters. The activities in the Distribution program are related to pump stations and tanks; distribution mains; services; meters; hydrants; valves, gates, and regulators; and field support.

### Regulatory Compliance program

The program is responsible for meeting or exceeding the federal regulatory requirements for water quality, as well as any other regulations related to the ownership or operation of the water system. All activities under this program are focused on regulatory compliance.

**Customer Service program** This program focuses on work related to the provision of general customer service, billing and collection, conservation, security, maintenance of decorative fountains, and grounds work for Water Bureau facilities.

**Support program** This includes the bureau-wide work that supports the other programs, including planning, financial support, data management, human resource functions, and facilities.

**Hydroelectric Power Division** The Water Bureau's Hydroelectric Power Division is responsible for all aspects of the ongoing operation of the City's Portland Hydroelectric Project (PHP). It also is responsible for the regulatory and power sales aspects of the Water Division's two small hydroelectric projects. These hydroelectric projects provide the region with clean renewable energy while providing both the General Fund and the Water Fund with additional revenue streams.

*The Portland Hydroelectric Project has a combined power generation capacity of 36 megawatts.*

The PHP project is located about 25 miles east of Portland in the Bull Run Watershed. This project's facilities include powerhouses located below both of the Water Division's primary water supply dams, and approximately 10 miles of power transmission and communication lines to connect the PHP powerhouses with Portland General Electric's (PGE) electrical distribution system. Through the Hydroelectric Power Division, the City maintains a long-term power sales agreement with PGE that provides for the operation and maintenance of the PHP by PGE staff and the sales of the project's generated power to PGE. Most of the revenues supporting this division come from the sale of power generated at the PHP, and most of the division's expenses also relate directly to administration and monitoring of that project.

The primary responsibilities of Hydroelectric Power staff include:

- ◆ Coordination with PGE on financial, operations, and repair issues relating to the PHP.
- ◆ Ensuring compliance with all PHP project-related regulatory requirements including surveillance, oversight, and reporting. This also includes dam safety matters and emergency action planning for the project's dams.
- ◆ Coordination of all PHP project financial matters including the administration of the PHP's revenue bonds and related trust indenture requirements.

## SIGNIFICANT ISSUES

**Wholesale Demand & New Contracts** Annual water sales to wholesale customers account for about 16% of annual water sale revenues and about 40% of annual water demand. On June 7, 2006, the City entered into new wholesale agreements with 13 cities and public water districts. Five of the 13 new wholesale agreements have a 10 year term, and eight have a 20 year term. Six smaller water companies signed five year agreements with similar terms and provisions.

The major westside wholesale customers who signed 10 year contracts are considering the Willamette River as an alternative water source, but any future decisions regarding selection of an alternate water supplier would not impact the City's wholesale water revenues until July 2016 at the earliest. A significant feature of the new agreements is guaranteed supply and payment provisions, which means that the Water Bureau's wholesale revenues will be considerably more stable and not subject to adverse demand fluctuations due to weather, economic downturns, or other factors for the duration of the contracts.

**Long Term 2  
Enhanced Surface  
Water Treatment Rule**

The Long Term 2 Enhanced Surface Water Treatment Rule (LT2) was promulgated as final and published to the federal register during the first week of 2006. Implementation of this rule could result in significant added water treatment costs. The EPA has modified the rule related to open reservoirs by removing the risk-mitigation compliance option that had been included in the draft version, an option that was selected by the City Council as the City's method for compliance. At the direction of the Commissioner-in-Charge and City Council, the bureau has been working with a citizens' stakeholder group and legal counsel to assist the City in challenging the rule. The bureau continues to support the efforts of the City Council to achieve compliance with the LT2 rule without extensive additional treatment of the City's Bull Run water.

**Forecast Retail Water  
Demand**

Water demand projections remain a key factor in setting water rates. As customers purchase less water, there is a corresponding rate increase due to proportionally fewer units sold to fund the fixed costs of the utility. The rate increase especially impacts retail customers who pay for all components of the Portland water system. The bureau continues to monitor retail demand as it is influenced by weather and changes in customer water usage patterns attributable to continued conservation efforts.

**Customer Service**

The Utility Customer Services staff and functions (excluding Cayenta operations and development) were transferred back to the Water Bureau from the Revenue Bureau as of December 14, 2006. The transfer included 101 full-time positions, 13 limited-term full-time positions, and two part-time positions. The FY 2007-08 budget includes a full year of the Utility Customer Services operation. Additionally, beginning in FY 2007-08, the Bureau of Environmental Services (BES) will not reimburse the Water Bureau for any costs related to customer services operation; instead the Water Bureau will be responsible for all of the base charge.

**New Billing System Implementation**

Basic functionality for the new utility billing system, Cayenta, was implemented in April 2006. The implementation plan assumed that an enhanced level of functionality would be acquired during subsequent years as part of the Phase 2 efforts.

**Customer Services Efficiencies**

22 positions have been eliminated to date, with 15 more positions planned for elimination in FY 2007-08. However, the FY 2007-08 plan has been updated to ensure the bureau can maintain the desired level of customer service and the reductions of the remaining 15 positions have been removed from the forecast. Two primary reasons for this change are recognition of higher than average labor turnover and leave of absences within Utility Customer Services.

**Utility Safety Net**

In the fall of 2006 the City Council directed Water Bureau and BES staff to develop a Utility Safety Net program to provide for emergency utility payments to ratepayers with employment, medical, and other personal emergencies. The program will be funded from utility rates, similar to the current low-income assistance programs. The specifics of the program, including criteria and qualifications, have been developed and will be in effect on July 1, 2007. The budget includes \$125,000 for this program.

**Rate Structure** The bureau converted from an inverted three-block retail volume rate structure to a single retail volume rate structure with the implementation of the Cayenta billing system. The simplified rate structure helped ensure successful implementation of the new billing system. The single flat volume rate has been set at the average cost (2 cents per ccf above the previous first block) to ensure collection of sufficient revenues. The bureau intends to propose a more conservation-oriented volume rate structure and is currently in the process of reviewing alternative structures that address equity, conservation, revenue stability, and other relevant criteria. The bureau will continue with the current rate structure through FY 2007-08 and will discuss recommendations with City Council in FY 2007-08.

**Meter Program Reimbursement** The Meters program included in the FY 2007-08 budget provides funding for regular maintenance of meters in accordance with the American Water Works Association guidelines. In response to a FY 2006-07 budget note, the Water Bureau, BES, and OMF held several meetings to work on the issue of the appropriate level of BES financial responsibility for the meter program and to come to an agreement on a maintenance and replacement schedule for water meters. It has been agreed that an asset management approach to meter replacement will be used to determine the meter replacement schedule and associated costs to be split among the bureaus. The bureaus have agreed to a level of BES funding in FY 2007-08, but no agreement has yet been reached for subsequent years. The bureaus have determined that a cost-sharing agreement will be reached before development of the FY 2008-09 budget begins.

**Portland Hydroelectric Project Operations** At the end of FY 2007-08, Portland General Electric will be terminating operations at their Bull Run Hydroelectric Project. PGE will then be taking steps to remove that project's facilities. The City's Portland Hydroelectric Project (PHP) transmission lines and controls currently connect into PGE's system at the Bull Run Project location. As the time draws closer to the termination of PGE's project various PHP operations adjustments will need to be made.

## SUMMARY OF BUDGET DECISIONS

**Lead Water Treatment Operator** The FY 2007-08 budget includes a decision package to add a lead water treatment operator at a remote location to ensure consistent staffing and supervision of water testing operations.

**Customer Service Training and Development** A second decision package in the FY 2007-08 budget adds a customer service training and development coordinator position to provide initial training of new staff and ongoing training to existing bureau customer service staff. The training and development position will be funded from savings within Utility Customer Services.

**Increased Maintenance at the Portland Hydroelectric Project** The Hydroelectric Power Division operating budget includes additional ongoing funding in the amount of \$75,000 for repairs at the Portland Hydroelectric Project (PHP). Due to the aging of the PHP, more repairs to the project's facilities and equipment are becoming necessary. This add package increases the ongoing budget for miscellaneous repairs at the PHP from the current level of \$50,000 to \$125,000 and also authorizes an increase in cash transfers from the Hydroelectric Power Renewal & Replacement Fund by the same amount for the same purpose.



## BUDGET NOTES

By October 1, 2007, the Bureau of Environmental Services, Office of Transportation, and the Water Bureau will develop estimated "percent for Green" contributions for FY 2007-08, based on estimated construction costs for qualifying projects as defined in the City's Green Streets Policy. These estimates will be budgeted as cash transfers in the 2007 fall BuMP.

# Capital Budget

## CAPITAL PLANNING & BUDGETING

### Capital Planning Process

The Infrastructure Master Plan (IMP), developed in 2001, is the primary strategic plan now in use by the Water Bureau. The IMP addresses long-term infrastructure needs for the water supply, transmission, and storage system backbone, while taking into consideration aging infrastructure, capacity needed for growth, supply reliability, vulnerabilities (seismic, fire, floods, landslides, and human), water treatment, the Endangered Species Act, and other regulatory requirements. Potential changes in the cooperative framework with other regional water providers, many of whom purchase water on a wholesale basis, was also considered.

A master plan and updated computer model of the distribution system were completed in June 2007. The focus is the distribution backbone system including 40 pump stations, 66 tanks, and the approximately 300 miles of large-diameter pipelines that distribute water from Powell Butte Reservoir to terminal storage and service areas in the distribution system. The master plan and updated model will inform decisions relating to service goals, future prioritizing of projects, hydraulic model upgrades, condition assessments, and asset management recommendations.

The bureau is participating in the Capital System Plan process managed by the Bureau of Planning. This process will lead to an updated Public Facilities Plan that will become part of the City's Comprehensive Plan.

The five year CIP is the implementation plan for water system improvements. It is updated annually and is both the budget and policy tool for the Water Bureau and City Council to direct capital work. The CIP document details specific projects, project budgets, phasing or components, and the relationship among capital projects.

The CIP process is a bureau-wide collaborative effort of engineers, operations and maintenance managers, financial analysts, and policy staff. Together these entities contribute planning analysis; engineering standards; operational, technical and fiscal expertise; and an understanding of external factors affecting bureau operations to the CIP process.

The CIP is reviewed by the Citizen-Employee Budget Committee as part of the bureau's budget proposal. The five year CIP budget focuses on maintaining, improving, or replacing aging infrastructure that is essential to the long-term health of the water system.

The bureau's capital planning process is also guided by a set of values including public health and safety, reliability, reducing vulnerability, minimizing environmental impact, and affordable water rates.

**Asset Management and Replacement Plans**

The bureau's general asset management goal is to extend the useful life of the City's water facilities through maintenance and repair until such time as replacement is most cost-effective. The type of facility, its age, and the effectiveness of past maintenance and repair drive repair and replacement cycles.

The operational life of a majority of the bureau's key infrastructure facilities, such as the Bull Run dams, pipeline networks, buildings, and concrete reservoirs, ranges from 50 years to more than 100 years. Other assets such as mechanical and electrical systems and certain distribution system appurtenances (meters, regulators, etc.) usually have shorter life cycles of 20 to 50 years. These life cycle ranges are a key driver of the bureau's ongoing capital maintenance programs.

A large portion of the capital program is focused on maintenance and replacement of key system components. In addition to the capital program, the bureau has a preventive maintenance and repair program in the operating budget that provides for more immediate and routine maintenance.

With an estimated replacement value for the City's water system of more than \$3.5 billion, asset management and replacement programs will continue to be one of the largest CIP activities. Besides the rehabilitation of the Interstate Maintenance facility, the most significant infrastructure program in the CIP is the Distribution System program that replaces four to six miles of distribution mains annually.

An assessment of the water system, based on a comparison of the age of assets to their useful life, on actual condition assessment data, or on identified vulnerabilities, suggests that the transmission and distribution system's capital costs will increase in the future as many of these assets reach the end of their economic life.

The bureau is undertaking projects in the next few years that will refine and further develop its asset management strategy. This work will focus on the distribution system and will incorporate information developed in the Distribution System Master Plan, Maintenance Management System, and Asset Management System. These projects will evaluate system condition and deficiencies and will develop cost-effective maintenance and repair programs.

**Water Construction Fund**

Capital investments in the water system are funded through the Water Construction Fund (WCF). The WCF is financed from three major sources: transfers from the Water Fund (primarily water sales revenues), proceeds from revenue bond sales, and construction fund revenues (direct reimbursements, system development charges, and interest earnings). These monies fund indirect capital costs, including overhead and interest, as well as direct project costs. For the current five year plan, approximately 30% of capital requirements are funded with current resources, with the balance coming from bond proceeds.

**Debt Financing**

Pursuant to the City Charter, state statutory authority, and City Council approval, the bureau may issue debt in the form of revenue or general obligation bonds. By City Charter, the WCF is the recipient of proceeds from construction bond sales. Approximately one-half of the \$69.0 million 2006 second lien bond proceeds fund FY 2007-08 CIP projects. The bureau plans to issue revenue bonds in FY 2008-09 and FY 2010-11 to provide financing for the balance of the five year period. Bonds are typically issued every two years to facilitate compliance with IRS regulations regarding the period during which bond proceeds must be spent.

### **Cash/Water Sales Financing**

The bureau now has two debt service coverage planning standards for rate setting. First, bureau bonds backed by rate revenues have a goal of minimum debt service coverage ratios of 1.90 on first lien bonds (1.25 per bond covenant). Second, the bureau's new target minimum debt service coverage ratio on combined first and second lien bonds is 1.75 stabilized (1.10 per bond covenant). In managing the second lien-stabilized test, the bureau employs a rate stabilization account that also serves the dual purpose of a rainy day fund. Managing these two ratios together reflects the bureau's desire to optimize its capital financing strategies.

### **WCF Revenues**

The bureau's level of WCF revenues is determined mainly by the actions of external parties, with the majority of the revenue (in current dollars) coming from service and main installations (\$20.0 million), system development charges (\$15.0 million), and transportation projects (\$6.6 million).

### **CIP Expenses**

The bureau's CIP also includes project expenditures that cannot be funded through the WCF. These expenditures generally include capital studies, preliminary engineering, and other expensed investments that do not clearly meet the capital criteria of a betterment, improvement, or addition to the water system. For financial planning purposes, expensed CIP project costs are either identified directly or estimated as a fixed share of the capital budget at \$2.0 million per year. As an operating cost, these CIP expenses are 100% cash financed, usually through water sales.

## **CAPITAL PROGRAMS & PROJECTS**

### **Supply Program**

The Supply Program includes both the watershed areas and groundwater basins. Projects in Bull Run Watershed address reliability of the bureau's principal water supply source. The Columbia South Shore (CSS) Well Field is Portland's second water source, augmenting Bull Run and serving as the region's backup water supply. The groundwater portion of the program focuses on maintaining the capacity and reducing vulnerability of the CSS Well Field. The work includes maintenance and improvements to wells, pumps, collection mains, and the disinfection treatment of groundwater.

The outcome of the City's challenge of the Long Term 2 Enhanced Surface Water Treatment Rule (LT2) will determine if the bureau will be required to add additional treatment processes. The CIP does not include the implementation of additional treatment processes.

### **Supply Projects**

This program maintains of existing facilities in the Bull Run Watershed areas and groundwater basins. Included are ongoing watershed maintenance activities totaling \$3.0 million and improvements to the Bull Run Dam No. 2 Stilling Basin of \$1.3 million. Currently, the City is making capital improvements to the groundwater system in the following areas: (1) equipping one new production well, PW-38, with a pump, motor, controls, and piping; (2) maintaining and repairing wells that produce excessive sand; (3) changing the pump settings in selected wells to optimize well performance; and (4) installing and equipping additional well head protection monitoring wells.

**Transmission and Terminal Storage Program**

The Transmission and Terminal Storage Program provides for the rehabilitation, replacement, and expansion of the primary transmission pipelines and terminal storage reservoirs. Enhanced security of the terminal storage reservoirs and related projects comprise the majority of the work for FY 2007-08. The program also includes a number of projects that will reduce the vulnerability to natural hazards of the existing three water transmission conduits. Eliminating the exposed surface reservoirs was deferred by City Council.

**Transmission and Terminal Storage Projects**

Work required by Council Resolution 36237 continues at the Mt. Tabor and Washington Park reservoir sites. Almost \$12.0 million is budgeted for these sites in the current CIP, an estimate based on the risk mitigation aspect of the draft LT2 rule. As discussed previously, Portland has filed a challenge to the rule. For now the CIP only includes the amounts needed for the risk-based approach.

Federal grant funds of \$2.8 million will be received beginning in FY 2006-07 for Conduit Trestle vulnerability reduction. The bureau will also be requesting the maximum of \$3.0 million of grant funds for the Sandy River Crossing Conduit relocation. Grant funds may provide a maximum of \$6.0 million of the nearly \$21.1 million required for the combined projects.

**Distribution Program**

The Distribution Program addresses the reliability and expansion of the piping, pumping and storage network that primarily distributes water from terminal storage reservoirs to retail customers. It addresses the ongoing installation and replacement of about 2,100 miles of distribution mains, including control valves, fire hydrants, and customer service connections, as well as pump stations, storage tanks, large diameter distribution system transmission mains, and regulating stations. The program also provides for relocation and other adjustments to water pipes and facilities to accommodate transportation and other public infrastructure construction.

**Distribution Projects**

Over 50%, \$129.0 million, of the total CIP budget is dedicated to this program. Specific focus areas include pump stations and tanks, distribution pipelines, services, meters, hydrants, and valves. Of the total, about \$44.0 million is to be used for direct water line replacement projects. Many of the projects are required by other bureaus and agencies, but work also includes replacement of the oldest or most deteriorated portions of the distribution system. About \$5.5 million will be spent in the downtown area on work related to the transit mall and extension of the light rail system. Included is replacement and realignment of portions of the backbone transmission pipelines and relocation of the smaller distribution system pipelines in 5th and 6th Avenues.

**Regulatory Compliance Program**

The Regulatory Compliance Program includes improvements to both Bull Run and groundwater sources. The program ensures that water throughout the system meets EPA and state quality standards. Also included are facilities to comply with Endangered Species Act requirements including work on the dam structures to better control the release of water to enhance downstream conditions for anadromous species.

### **Regulatory Compliance Projects**

Nearly \$13.0 million has been set aside for compliance with the fish Endangered Species Act and over \$5.0 million for improvements to deteriorating facilities at Headworks and Lusted Hill sites. The capital improvement costs to comply with the LT2 rule have yet to be included in the bureau's five year CIP, pending outcome of the City's challenge.

### **Customer Service Program**

The Customer Service Program includes projects to improve security of critical bureau facilities, and rehabilitation and improvement of decorative and drinking fountains and the bureau's grounds and parks.

#### **Customer Service Projects**

Security projects, work on decorative and drinking fountains, and projects for the bureau's grounds and parks are budgeted in this program. It should be noted that a significant portion of the work at the Mt. Tabor and Washington Park sites is dedicated to security enhancements and is budgeted in the Transmission and Terminal Storage program.

### **Support Program**

The Support Program includes bureau facilities services such as building maintenance, master planning, and other support functions for all capital planning and implementation. Master planning focuses on identifying the need and timing of infrastructure acquisition or improvements, and the most effective asset management strategies to maximize infrastructure investments. General facility improvements are also included in this program, including rehabilitation, improvement, and replacement of bureau buildings. The most significant project for this program continues to be the rehabilitation of the bureau's maintenance facility located on North Interstate Ave.

#### **Support Projects**

This program includes projects to improve bureau facilities, including the Interstate control center and maintenance facility. The CIP includes \$4.1 million in FY 2007-08 to begin construction of over \$32.0 million in improvements over the five year period.

### **Net Operating and Maintenance Costs or Savings**

Operating and Maintenance (O&M) costs, when applicable, are estimated as part of the project feasibility study and preliminary evaluations. The costs generally include labor, electricity or fuel, and chemicals. Changes in the cost of energy and chemicals are normally much easier than labor or efficiency savings to identify and estimate.

Most of the CIP is dedicated to the ongoing renewal and replacement of the backbone water system, pipes, valves, hydrants, and other system appurtenances. These long life passive features, typically buried and not visible, do not require much in the way of regular O&M. Following initial installation, only occasional feature-specific maintenance is needed, such as pipeline flushing, verifying water control valve operation, and fire hydrant flow testing. Due to the large inventory of these assets, completed renewal projects may result in only a nominal net change in O&M costs, since the per-unit maintenance cost is so low. For example, the replacement of pipelines with a high frequency of leaks will result in reduced O&M due to fewer leak repairs. However, the relatively small percentage of pipe length replaced in any given year will not appreciably alter the O&M budget.

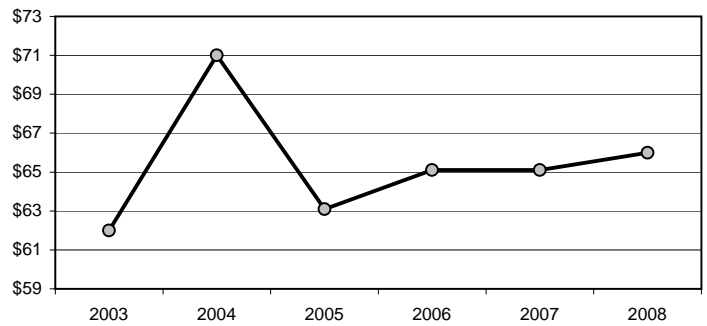
However, other projects, such as pump station improvements, may increase O&M costs mainly as a result of energy consumption. Renewal of existing stations will not significantly alter the O&M budget as net O&M change is only significant when new facilities are constructed.

Other types of work, such as security enhancements, require additional personnel and monitoring equipment which results in an increase in O&M costs. For example, the completion of the critical facilities security upgrades will require an estimated \$700,000 per year.

# Performance Measures

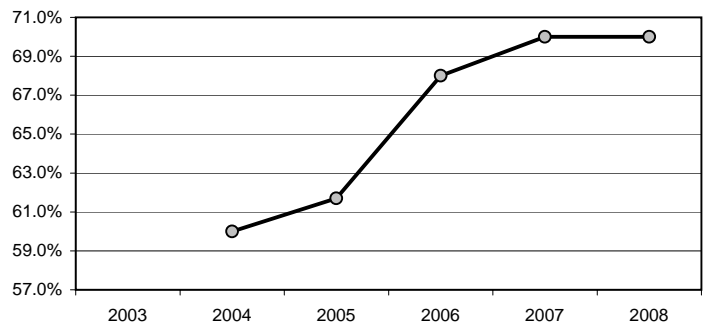
## Operating Costs per Capita

These figures are determined by the City Auditor and reported in the Auditor's annual Service Efforts and Accomplishments report, using constant FY 2005-06 dollars.



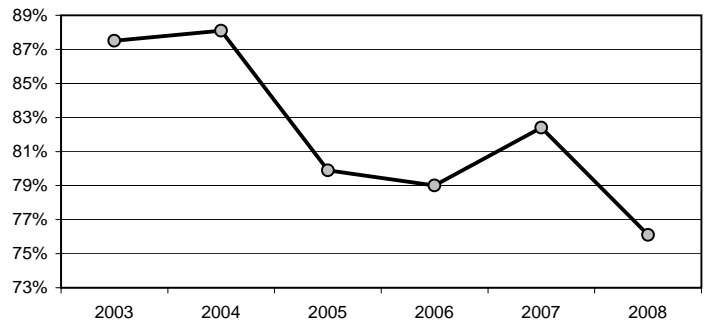
## Water Service Rating

Ratepayers rating overall water service as "Good" or "Very Good" rose from 61.7% to 68.0% in 2006.



## Water Bill Comparison

Typical single family water bill as a percent of six-city average (Auditor's Office SEA Report).



# Water Bureau

## SUMMARY OF BUREAU BUDGET

	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
<b>RESOURCES</b>					
<b>External Revenues</b>					
Service Charges and Fees	77,405,169	86,437,637	86,308,737	96,395,447	96,491,792
Local Sources	429	5,851	8,681	1,000	1,000
Bond & Note Sales	0	712,337	68,587,789	0	0
Miscellaneous Revenues	3,071,846	5,023,403	3,928,288	4,787,699	4,779,391
<b>Total External Revenues</b>	<b>80,477,444</b>	<b>92,179,228</b>	<b>158,833,495</b>	<b>101,184,146</b>	<b>101,272,183</b>
<b>Internal Revenues</b>					
Other Cash Transfers	68,668,222	68,764,176	84,572,954	89,542,982	89,542,982
Federal Grants Transfers	533,777	3,851,004	5,113,864	4,130,000	4,130,000
Interagency Reimbursements	5,479,156	1,716,950	6,406,600	1,457,487	1,457,487
<b>Total Internal Revenues</b>	<b>74,681,155</b>	<b>74,332,130</b>	<b>96,093,418</b>	<b>95,130,469</b>	<b>95,130,469</b>
Beginning Fund Balance	68,720,865	46,495,618	32,314,082	84,275,078	84,275,078
<b>TOTAL RESOURCES</b>	<b>\$ 223,879,464</b>	<b>\$ 213,006,976</b>	<b>\$ 287,240,995</b>	<b>\$ 280,589,693</b>	<b>\$ 280,677,730</b>
<p>Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.            Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.</p>					
<b>EXPENDITURES</b>					
<b>Bureau Requirements</b>					
Personal Services	35,743,598	36,861,539	47,664,647	52,531,161	52,531,161
External Materials & Services	22,197,460	17,364,920	19,030,922	24,201,671	24,201,671
Internal Materials & Services	15,291,588	21,337,891	22,327,483	21,183,267	21,720,069
Capital Outlay	13,077,916	7,272,348	16,716,443	25,915,653	25,915,653
<b>Total Bureau Requirements</b>	<b>86,310,562</b>	<b>82,836,698</b>	<b>105,739,495</b>	<b>123,831,752</b>	<b>124,368,554</b>
<b>Fund Requirements</b>					
General Operating Contingency	0	0	26,040,490	29,235,719	28,786,954
General Fund Overhead	2,507,894	2,266,704	2,487,716	3,251,691	3,251,691
Other Cash Transfers	73,339,533	72,482,400	91,652,754	96,801,594	96,801,594
Debt Retirement	15,225,857	15,237,131	17,816,205	18,437,899	18,437,899
Ending Fund Balance	46,495,618	40,184,043	43,504,335	9,031,038	9,031,038
<b>Total Fund Requirements</b>	<b>137,568,902</b>	<b>130,170,278</b>	<b>181,501,500</b>	<b>156,757,941</b>	<b>156,309,176</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 223,879,464</b>	<b>\$ 213,006,976</b>	<b>\$ 287,240,995</b>	<b>\$ 280,589,693</b>	<b>\$ 280,677,730</b>
<b>DIVISIONS</b>					
Water Division	85,909,694	81,633,541	105,113,611	123,162,178	123,698,980
<i>Positions</i>	<i>433.75</i>	<i>451.92</i>	<i>660.80</i>	<b>662.65</b>	<b>662.65</b>
Hydroelectric Power Division	400,868	1,203,157	625,884	669,574	669,574
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>2.50</i>	<b>2.60</b>	<b>2.60</b>
<b>TOTAL DIVISIONS</b>	<b>\$ 86,310,562</b>	<b>\$ 82,836,698</b>	<b>\$ 105,739,495</b>	<b>\$ 123,831,752</b>	<b>\$ 124,368,554</b>
<i>Positions</i>	<b>436.75</b>	<b>454.92</b>	<b>663.30</b>	<b>665.25</b>	<b>665.25</b>



**Water Bureau**

**BUREAU PROGRAMS BY DIVISION**

	<b>Actual FY 2004–05</b>	<b>Actual FY 2005–06</b>	<b>Revised FY 2006–07</b>	<b>Proposed FY 2007–08</b>	<b>Adopted FY 2007–08</b>
<b>PROGRAMS</b>					
<b>WATER DIVISION</b>					
Water Quality Program	5,631,503	0	0	0	0
<i>Positions</i>	39.00	0.00	0.00	0.00	0.00
Administration Program	11,470,615	0	0	0	0
<i>Positions</i>	15.00	0.00	0.00	0.00	0.00
Customer Service Program	8,344,986	0	0	0	0
<i>Positions</i>	9.00	0.00	0.00	0.00	0.00
Water Distribution Program	35,954,141	0	0	0	0
<i>Positions</i>	283.80	0.00	0.00	0.00	0.00
Finance Program	4,367,701	0	0	0	0
<i>Positions</i>	34.00	0.00	0.00	0.00	0.00
Water Supply Program	20,222,165	0	0	0	0
<i>Positions</i>	53.00	0.00	0.00	0.00	0.00
Supply	0	4,783,619	5,604,075	8,621,780	8,621,780
<i>Positions</i>	0.00	26.00	26.10	25.78	25.78
Transmission & Terminal Storage	0	2,953,483	9,233,588	11,549,865	11,549,865
<i>Positions</i>	0.00	14.20	17.50	17.73	17.73
Distribution	0	33,783,248	41,489,423	43,758,559	43,758,559
<i>Positions</i>	0.00	236.78	284.40	253.28	253.28
Regulatory Compliance	0	4,417,466	6,535,246	7,125,901	7,125,901
<i>Positions</i>	0.00	33.62	36.80	36.84	36.84
Customer Service	0	16,063,224	18,947,155	22,978,991	23,028,693
<i>Positions</i>	0.00	39.27	171.70	175.47	175.47
Support	0	19,632,501	23,234,124	29,087,082	29,574,182
<i>Positions</i>	0.00	102.05	124.30	153.55	153.55
Inventory Increases	(81,416)	0	40,000	40,000	40,000
<i>Positions</i>	0.00	0.00	0.00	0.00	0.00
<b>TOTAL PROGRAMS</b>	<b>\$ 85,909,694</b>	<b>\$ 81,633,541</b>	<b>\$ 105,113,611</b>	<b>\$ 123,162,178</b>	<b>\$ 123,698,980</b>
<i>Positions</i>	<b>433.75</b>	<b>451.92</b>	<b>660.80</b>	<b>662.65</b>	<b>662.65</b>
<b>HYDROELECTRIC POWER DIVISION</b>					
Hydroelectric Power Administration	400,868	1,203,157	625,884	669,574	669,574
<i>Positions</i>	3.00	3.00	2.50	2.60	2.60
<b>TOTAL PROGRAMS</b>	<b>\$ 400,868</b>	<b>\$ 1,203,157</b>	<b>\$ 625,884</b>	<b>\$ 669,574</b>	<b>\$ 669,574</b>
<i>Positions</i>	<b>3.00</b>	<b>3.00</b>	<b>2.50</b>	<b>2.60</b>	<b>2.60</b>

# Water Bureau

# CIP SUMMARY

This table summarizes Capital Improvement Plan project costs by capital programs.

Bureau Capital Program	Revised		Adopted	Capital Plan				
	Prior Years	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	5-Year Total
<b>Portland Water Bureau</b>								
<b>Customer Service</b>								
Critical Facilities Group	0	382,100	550,000	100,000	100,000	100,000	100,000	950,000
Dodge Park Master Plan	234,000	123,000	250,000	250,000	0	0	0	500,000
Fountains Improvements Group	0	212,000	280,000	209,000	209,000	209,000	209,000	1,116,000
Powell Butte Maintenance	0	207,000	400,000	150,000	200,000	400,000	800,000	1,950,000
<b>Total Customer Service</b>	<b>234,000</b>	<b>924,100</b>	<b>1,480,000</b>	<b>709,000</b>	<b>509,000</b>	<b>709,000</b>	<b>1,109,000</b>	<b>4,516,000</b>
<b>Distribution</b>								
Bureau of Env Services Projects	0	130,000	300,000	300,000	300,000	300,000	300,000	1,500,000
Burlingame Svc Area Imp Group	0	100,000	977,000	1,626,000	2,175,000	1,928,000	157,000	6,863,000
Distribution Mains Program	0	4,792,000	5,750,000	3,900,000	3,900,000	3,900,000	3,900,000	21,350,000
Equipment Purchases	0	3,674,900	5,695,000	4,600,000	3,100,000	3,100,000	3,100,000	19,595,000
Hydrant Replacements	0	573,000	609,000	500,000	500,000	500,000	500,000	2,609,000
Large Meter Replacement	978,000	1,331,000	1,020,000	500,000	250,000	250,000	250,000	2,270,000
Meter Purchases	0	900,000	1,100,000	600,000	600,000	600,000	600,000	3,500,000
New Water Services	0	2,355,000	4,372,250	3,956,000	3,956,000	3,956,000	3,956,000	20,196,250
ODOT Water Line Adjust Projects	0	677,500	675,000	675,000	675,000	675,000	675,000	3,375,000
PDOT Water Line Adjust Projects	0	7,544,000	5,500,000	500,000	500,000	500,000	500,000	7,500,000
Powell Butte Supply Sys Bypass	41,000	31,000	50,000	0	0	0	0	50,000
Pump & Control Maintenance	0	329,000	452,000	451,000	400,000	400,000	400,000	2,103,000
Pump Station Improvements	0	0	224,000	429,000	2,164,000	1,050,000	1,477,000	5,344,000
Regulator Maintenance	0	69,000	150,000	150,000	150,000	150,000	150,000	750,000
SCADA Improvements Group	0	489,000	577,000	450,000	450,000	450,000	450,000	2,377,000
Storage Tank Maintenance	0	1,548,000	510,000	500,000	500,000	400,000	400,000	2,310,000
Tank Improvements	0	0	286,000	965,000	3,631,500	4,991,000	5,303,500	15,177,000
Transmission Mains	0	1,614,000	2,550,000	2,753,000	900,000	900,000	900,000	8,003,000
Utility Line Relocations	0	100,000	500,000	500,000	500,000	500,000	500,000	2,500,000
Valve Replacements	0	873,000	882,000	602,000	602,000	602,000	602,000	3,290,000
Wholesale Meters Maint & Rehab	0	91,000	100,000	100,000	100,000	100,000	100,000	500,000
<b>Total Distribution</b>	<b>1,019,000</b>	<b>27,221,400</b>	<b>32,279,250</b>	<b>24,057,000</b>	<b>25,353,500</b>	<b>25,252,000</b>	<b>24,220,500</b>	<b>131,162,250</b>
<b>Regulatory Compliance</b>								
Bull Run Dam 2 Tower Improvement	13,000	191,000	700,000	4,960,000	3,160,000	2,610,000	1,450,000	12,880,000
Contaminant Monitor	17,000	259,000	240,000	0	50,000	0	50,000	340,000
Facilities Improvement Group	0	265,000	450,000	1,250,000	1,250,000	2,250,000	500,000	5,700,000
Regulatory Compliance Studies	0	311,000	275,000	275,000	125,000	125,000	125,000	925,000
<b>Total Regulatory Compliance</b>	<b>30,000</b>	<b>1,026,000</b>	<b>1,665,000</b>	<b>6,485,000</b>	<b>4,585,000</b>	<b>4,985,000</b>	<b>2,125,000</b>	<b>19,845,000</b>
<b>Supply</b>								
Bull Run Dam 1 Outlet Imp	0	220,000	700,000	1,550,000	450,000	150,000	150,000	3,000,000
Bull Run Seismic Equip Anchoring	0	32,000	70,000	0	0	0	0	70,000
Bull Run Watershed Maintenance	0	479,000	500,000	700,000	750,000	550,000	500,000	3,000,000
Forest Service/Pdx Land Exchange	106,000	111,000	325,000	200,000	85,000	0	0	610,000
Groundwater Vulnerability Group	22,000	145,000	2,000,000	550,000	0	0	0	2,550,000
Major Well Rehabilitation Group	0	974,090	1,350,000	745,000	745,000	745,000	745,000	4,330,000
Wellhead Protection Monitoring	0	251,000	225,000	300,000	300,000	200,000	200,000	1,225,000
<b>Total Supply</b>	<b>128,000</b>	<b>2,212,090</b>	<b>5,170,000</b>	<b>4,045,000</b>	<b>2,330,000</b>	<b>1,645,000</b>	<b>1,595,000</b>	<b>14,785,000</b>
<b>Support</b>								
Building Maintenance - General	0	1,380,000	879,000	400,000	400,000	400,000	400,000	2,479,000
Div 86 Conservation Mgmt Plan	7,000	357,000	135,000	0	0	0	0	135,000
Infrastructure Master Plans	0	621,000	506,000	465,000	425,000	425,000	425,000	2,246,000
Interstate Facility Rehab	1,007,000	703,000	4,106,000	5,743,000	17,061,000	5,520,000	0	32,430,000
<b>Total Support</b>	<b>1,014,000</b>	<b>3,061,000</b>	<b>5,626,000</b>	<b>6,608,000</b>	<b>17,886,000</b>	<b>6,345,000</b>	<b>825,000</b>	<b>37,290,000</b>
<b>Transmission &amp; Terminal Storage</b>								
Conduit Maintenance	0	321,000	632,000	600,000	450,000	550,000	550,000	2,782,000
Conduit Trestles Improvements	881,000	2,313,000	2,600,000	1,000,000	1,000,000	2,000,000	2,000,000	8,600,000
Open Reservoir Interim Security	0	5,158,000	5,700,000	1,500,000	1,500,000	1,500,000	1,500,000	11,700,000
Sandy River Conduit Relocation	45,000	454,000	1,500,000	3,000,000	3,000,000	3,000,000	2,000,000	12,500,000
Willamette River Crossing	0	0	100,000	143,000	100,000	446,500	552,500	1,342,000

This table summarizes Capital Improvement Plan project costs by capital programs.

Bureau Capital Program Project	Prior Years	Revised	Adopted	Capital Plan				
		FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	5-Year Total
Total Transmission & Terminal Storage	926,000	8,246,000	10,532,000	6,243,000	6,050,000	7,496,500	6,602,500	36,924,000
<b>Total Portland Water Bureau</b>	<b>\$ 3,351,000</b>	<b>\$ 42,690,590</b>	<b>\$ 56,752,250</b>	<b>\$ 48,147,000</b>	<b>\$ 56,713,500</b>	<b>\$ 46,432,500</b>	<b>\$ 36,477,000</b>	<b>\$244,522,250</b>

# Water Division

## OVERVIEW

### **FY 2007-08 Adopted Budget**

The Water Division's FY 2007-08 Adopted Budget is \$123.7 million, composed of the operating budget of \$66.9 million and the capital budget of \$56.8 million. The Water Division comprises over 99% of the bureau's operating and capital budget, with the Hydroelectric Power Division comprising the remaining portion. Discussion of the division's activities are included in the preceding bureau overview.

The operating budget of \$66.9 million represents an increase of about \$3.7 million from the FY 2006-07 Revised Budget of \$63.2 million. The CIP budget of \$56.8 million reflects an increase of about \$14.0 million from the FY 2006-07 Revised Budget of \$42.8 million.

The budget increases in the past two fiscal years result from several factors, the largest of which were underspending of the CIP in FY 2005-06; the return of Utility Customer Services to the bureau; additional staffing for maintenance, security, and engineering needs; increased charges from the Bureau of Technology Services; and increased utility service costs for the wellfield and other bureau facilities.

### **Staffing**

The FY 2007-08 budget funds 639 full-time positions, 19 limited term positions, and seven part-time positions. This represents an increase of two full-time positions and a decrease of one limited term position, which results in a net increase of one position from the FY 2006-07 Revised Budget.

# Supply

<b>Description</b>	The provision of water in the quantities desired by customers is a key aspect of the mission of the bureau. The Supply program is responsible for providing water to all customers in the Portland service area, including both retail and wholesale customers. In total these systems supply water to a population of nearly 800,000 people, as well as businesses in the Portland area. The Supply program ensures the reliability of the city's water supply.
<b>Goals</b>	This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality public utility services.
<b>Performance</b>	The Supply program has maintained and will continue to ensure reliable water service for customers.
<b>Changes to Service and Activities</b>	Improvements to both the groundwater system and Bull Run Dam No. 2 Stilling Basin are planned and budgeted for FY 2007-08.

<b>FTE &amp; Financials</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Revised FY 2006-07</b>	<b>Proposed FY 2007-08</b>	<b>Adopted FY 2007-08</b>
FTE	0	26	26	26	26
<b>Expenditures</b>					
Personal Services	0	1,717,716	2,280,117	2,376,173	2,376,173
External Materials & Services	0	1,641,849	2,098,882	2,583,075	2,583,075
Internal Materials & Services	0	225,551	433,664	434,311	434,311
Capital Outlay	0	1,198,504	791,412	3,228,221	3,228,221
<b>Total Expenditures</b>	0	4,783,620	5,604,075	8,621,780	8,621,780

<b>Performance</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Yr End Est. FY 2006-07</b>	<b>Target FY 2007-08</b>
<b>Effectiveness</b>				
Percent of city's annual water supply under normal operating conditions provided by Bull Run watershed	NA	95%	95%	95%
Percent of time groundwater system able to supply average winter demand (90 million gallons/day) for 14 days in response to a turbidity event	NA	100%	100%	100%
Percent of time groundwater system able to provide backup supply for 60 days at 80 mgd	NA	100%	100%	100%

# Transmission & Terminal Storage

## Description

The Transmission program is responsible for the conveyance of water from supply sources to the City, including the terminal storage reservoirs at Powell Butte, Mt. Tabor, and Washington Park. This program provides for the rehabilitation, replacement, and expansion of the primary transmission pipelines and terminal storage reservoirs.

The program addresses projects which will reduce the vulnerability to natural hazards of the existing three water transmission conduits in use. The program includes projects which focus on risk mitigation, primarily Mt. Tabor and Washington Park reservoir security, Conduit Trestle Vulnerability reduction, and Sandy River Crossing Conduit relocation.

## Goals

This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality public utility services.

## Performance

The program met and expects to continue to meet performance goals of ensuring above-average water flows in conduit and transmission lines, as well as meeting peak volume demand in storage reservoirs.

## Changes to Services and Activities

No significant changes in FY 2007-08.

FTE & Financials	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
FTE	0	14	18	18	18
<b>Expenditures</b>					
Personal Services	0	1,193,101	1,626,452	1,648,893	1,648,893
External Materials & Services	0	1,054,833	1,602,855	1,631,771	1,631,771
Internal Materials & Services	0	150,493	1,127,794	448,300	448,300
Capital Outlay	0	555,056	4,876,487	7,820,901	7,820,901
<b>Total Expenditures</b>	0	2,953,483	9,233,588	11,549,865	11,549,865

Performance	Actual FY 2004-05	Actual FY 2005-06	Yr End Est. FY 2006-07	Target FY 2007-08
<b>Effectiveness</b>				
Percent of time that available water flows through conduits and transmission lines above average demand level	NA	100%	100%	100%
Percent of time that water volume in terminal storage reservoirs and available water flow exceeds 3-day peak demand	NA	100%	100%	100%

# Distribution

<b>Description</b>	<p>The Distribution program is responsible primarily for the conveyance of water from the terminal storage reservoirs through the customer meters. This includes work on distribution mains, tanks, meters, new services, hydrants, valves, gates, and other related facilities. System maintenance is an important focus of this program.</p> <p>The majority of this program's budget is for capital improvement projects, with over 50% of the bureau's total CIP budget dedicated to this program. \$44.0 million dollars is budgeted for direct water line replacement projects in the five year CIP budget. This program also includes Water Bureau work in support of the downtown transit mall project.</p>
<b>Goals</b>	<p>This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality public utility services.</p>
<b>Performance</b>	<p>The program maintains performance goals to ensure water service to customers, to hydrants, and through large valves. Additionally the program is committed to maintaining accuracy in the functioning of existing water meters and is focused on efforts to replace aging, inaccurate meters when non-functionality is discovered.</p>
<b>Changes to Services and Activities</b>	<p>A change to this program in FY 2007-08 is the increased focus on work related to the downtown transit mall project.</p>

FTE & Financials	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
FTE	0	237	284	253	253
<b>Expenditures</b>					
Personal Services	0	16,632,060	20,662,527	18,836,504	18,836,504
External Materials & Services	0	7,349,534	6,307,258	7,734,401	7,734,401
Internal Materials & Services	0	4,732,216	4,312,643	4,590,183	4,590,183
Capital Outlay	0	5,069,437	10,206,995	12,597,471	12,597,471
<b>Total Expenditures</b>	0	33,783,247	41,489,423	43,758,559	43,758,559

Performance	Actual FY 2004-05	Actual FY 2005-06	Yr End Est. FY 2006-07	Target FY 2007-08
<b>Effectiveness</b>				
Percent of customers who experience less than 8 hours per year cumulative non-emergency water outage	NA	95%	95%	95%
Percent of meters tested registering within 3% of actual water use	NA	100%	100%	100%
Percent of hydrants working	NA	99%	99%	99%
Percent of large valves working	NA	90%	90%	90%

## Regulatory Compliance

**Description** The Regulatory Compliance program is responsible for meeting or exceeding all federal and state water quality requirements. It is also responsible for meeting other regulatory standards including compliance with the Endangered Species Act, proper disposal of dechlorinated water, and various monitoring requirements.

**Goals** This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality public utility services.

**Performance** Federal and state drinking water quality standards and habitat and environmental protection requirements were met and will continue to be met 100% of the time.

**Changes to Services and Activities** The Regulatory Compliance program will be responsible for any remedial actions required by federal mandates resulting from the pending LT2 ruling, although no funds have been included in the FY 2007-08 Adopted Budget for this purpose.

FTE & Financials	Actual FY 2004–05	Actual FY 2005–06	Revised FY 2006–07	Proposed FY 2007–08	Adopted FY 2007–08
FTE	0	34	37	37	37
<b>Expenditures</b>					
Personal Services	0	2,497,480	3,381,498	3,442,722	3,442,722
External Materials & Services	0	1,587,882	2,612,979	2,772,765	2,772,765
Internal Materials & Services	0	332,104	480,769	360,654	360,654
Capital Outlay	0	0	60,000	549,760	549,760
<b>Total Expenditures</b>	0	4,417,466	6,535,246	7,125,901	7,125,901

Performance	Actual FY 2004–05	Actual FY 2005–06	Yr End Est. FY 2006–07	Target FY 2007–08
<b>Effectiveness</b>				
Percent of time that state and federal primary water quality standards and habitation protection requirements are attained	100%	100%	100%	100%



## Customer Service

<b>Description</b>	The Customer Service program's focus are customer billing and collections activities, which comprise the largest portion of Customer Service program costs. The program also includes work related to conservation, security, and maintenance of fountains and bureau property grounds.
<b>Goals</b>	This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity with respect to providing high quality, affordable public utility services.
<b>Performance</b>	The performance goals of the program include ratepayer satisfaction, billing accuracy, and functionality of fountains. The Utility Customer Services (UCS) function of the Water Bureau is expected to improve customer service satisfaction in FY 2007-08 due to the increased training of USC staff.
<b>Changes to Services and Activities</b>	The Water Bureau is again the managing entity for UCS operations and the FY 2007-08 budget includes a full year of UCS operations. Beginning in FY 2007-08, the Bureau of Environmental Services will not reimburse the Water Bureau for any costs related to customer services operation, and instead the Water Bureau will be responsible for all of the base charge revenues.

<b>FTE &amp; Financials</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Revised FY 2006-07</b>	<b>Proposed FY 2007-08</b>	<b>Adopted FY 2007-08</b>
FTE	0	39	172	175	175
<b>Expenditures</b>					
Personal Services	0	5,084,618	8,452,090	12,450,498	12,450,498
External Materials & Services	0	2,206,448	1,890,885	2,267,182	2,259,082
Internal Materials & Services	0	8,324,318	8,008,235	7,426,211	7,484,013
Capital Outlay	0	447,840	595,945	835,100	835,100
<b>Total Expenditures</b>	<b>0</b>	<b>16,063,224</b>	<b>18,947,155</b>	<b>22,978,991</b>	<b>23,028,693</b>

<b>Performance</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Yr End Est. FY 2006-07</b>	<b>Target FY 2007-08</b>
<b>Effectiveness</b>				
Percent of ratepayers rating overall water service as "Good" or "Very Good"	61.7%	68.0%	70.0%	70.0%
Percent of federal and state water conservation and planning requirements met	NA	100%	100%	100%
Percent of decorative and drinking fountains operating properly	NA	NA	95%	95%
Percent of customer bills processed accurately and on schedule	NA	NA	100%	100%

# Support

## Description

The Support program provides support to other bureau programs, such as personnel training, data management, financial planning, accounting, and facilities services. This program is also responsible for meeting many Citywide requirements related to budgeting, accounting, human resources, and others.

## Goals

This program supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to providing safe drinking water. It also supports the City goal of promoting economic vitality and opportunity, especially providing high quality, affordable public utility services.

## Performance

The Support program continues to focus on goals to minimize operating and service costs to customers in comparison with similar urban areas.

## Changes to Services and Activities

The FY 2007-08 Budget includes \$4.1 million for the rehabilitation of the Interstate facility, which is the primary operational facility for the bureau. There is \$32.0 million budgeted over the five year forecast for the project.

FTE & Financials	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
FTE	0	102	124	154	154
<b>Expenditures</b>					
Personal Services	0	9,516,173	10,977,943	13,504,745	13,504,745
External Materials & Services	0	2,701,287	4,333,063	7,019,598	7,027,698
Internal Materials & Services	0	7,413,530	7,777,514	7,718,539	8,197,539
Capital Outlay	0	1,511	185,604	884,200	884,200
<b>Total Expenditures</b>	0	19,632,501	23,274,124	29,127,082	29,614,182

Performance	Actual FY 2004-05	Actual FY 2005-06	Yr End Est. FY 2006-07	Target FY 2007-08
<b>Effectiveness</b>				
Typical single family water bill as a percent of six-city average (Auditor's Office SEA Report)	80%	79%	82%	76%
Percent of staff requiring certifications who are certified	NA	100%	100%	100%
<b>Efficiency</b>				
Operating cost per capita	\$63	\$65	\$65	\$66

# Water Division

## SUMMARY OF DIVISION BUDGET

	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
<b>RESOURCES</b>					
<b>External Revenues</b>					
Service Charges and Fees	74,588,574	81,090,938	83,530,437	93,395,447	93,491,792
Local Sources	429	5,851	8,681	1,000	1,000
Miscellaneous Revenues	1,768,662	3,717,438	1,287,643	1,822,023	1,813,715
<b>Total External Revenues</b>	<b>76,357,665</b>	<b>84,814,227</b>	<b>84,826,761</b>	<b>95,218,470</b>	<b>95,306,507</b>
<b>Internal Revenues</b>					
Other Cash Transfers	37,721,474	34,992,113	47,499,715	56,430,079	56,430,079
Federal Grants Transfers	533,777	3,851,004	5,113,864	4,130,000	4,130,000
Interagency Reimbursements	5,440,935	1,671,996	6,366,400	1,413,987	1,413,987
<b>Total Internal Revenues</b>	<b>43,696,186</b>	<b>40,515,113</b>	<b>58,979,979</b>	<b>61,974,066</b>	<b>61,974,066</b>
Beginning Fund Balance	30,388,433	25,226,284	26,111,687	27,745,488	27,745,488
<b>TOTAL RESOURCES</b>	<b>\$ 150,442,284</b>	<b>\$ 150,555,624</b>	<b>\$ 169,918,427</b>	<b>\$ 184,938,024</b>	<b>\$ 185,026,061</b>

Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.  
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.

<b>EXPENDITURES</b>					
<b>Division Requirements</b>					
Personal Services	35,535,461	36,641,148	47,380,627	52,259,535	52,259,535
External Materials & Services	22,161,310	16,541,833	18,875,922	24,008,792	24,008,792
Internal Materials & Services	15,135,007	21,178,212	22,140,619	20,978,198	21,515,000
Capital Outlay	13,077,916	7,272,348	16,716,443	25,915,653	25,915,653
<b>Total Division Requirements</b>	<b>85,909,694</b>	<b>81,633,541</b>	<b>105,113,611</b>	<b>123,162,178</b>	<b>123,698,980</b>
<b>Fund Requirements</b>					
General Operating Contingency	0	0	18,428,629	20,324,653	19,875,888
General Fund Overhead	2,457,471	2,208,678	2,428,366	3,189,304	3,189,304
Other Cash Transfers	34,985,306	36,698,270	42,170,751	38,261,889	38,261,889
Debt Retirement	1,863,529	1,746,276	1,777,070	0	0
Ending Fund Balance	25,226,284	28,268,859	0	0	0
<b>Total Fund Requirements</b>	<b>64,532,590</b>	<b>68,922,083</b>	<b>64,804,816</b>	<b>61,775,846</b>	<b>61,327,081</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 150,442,284</b>	<b>\$ 150,555,624</b>	<b>\$ 169,918,427</b>	<b>\$ 184,938,024</b>	<b>\$ 185,026,061</b>

<b>PROGRAMS</b>					
Water Quality Program	5,631,503	0	0	0	0
<i>Positions</i>	39.00	0.00	0.00	0.00	0.00
Administration Program	11,470,615	0	0	0	0
<i>Positions</i>	15.00	0.00	0.00	0.00	0.00
Customer Service Program	8,344,986	0	0	0	0
<i>Positions</i>	9.00	0.00	0.00	0.00	0.00
Water Distribution Program	35,954,141	0	0	0	0
<i>Positions</i>	283.80	0.00	0.00	0.00	0.00
Finance Program	4,367,701	0	0	0	0
<i>Positions</i>	34.00	0.00	0.00	0.00	0.00
Water Supply Program	20,222,165	0	0	0	0
<i>Positions</i>	53.00	0.00	0.00	0.00	0.00
Supply	0	4,783,619	5,604,075	8,621,780	8,621,780
<i>Positions</i>	0.00	26.00	26.10	25.78	25.78
Transmission & Terminal Storage	0	2,953,483	9,233,588	11,549,865	11,549,865
<i>Positions</i>	0.00	14.20	17.50	17.73	17.73
Distribution	0	33,783,248	41,489,423	43,758,559	43,758,559
<i>Positions</i>	0.00	236.78	284.40	253.28	253.28
Regulatory Compliance	0	4,417,466	6,535,246	7,125,901	7,125,901
<i>Positions</i>	0.00	33.62	36.80	36.84	36.84
Customer Service	0	16,063,224	18,947,155	22,978,991	23,028,693
<i>Positions</i>	0.00	39.27	171.70	175.47	175.47
Support	0	19,632,501	23,274,124	29,127,082	29,614,182
<i>Positions</i>	0.00	102.05	124.30	153.55	153.55
<b>TOTAL PROGRAMS</b>	<b>\$ 85,909,694</b>	<b>\$ 81,633,541</b>	<b>\$ 105,113,611</b>	<b>\$ 123,162,178</b>	<b>\$ 123,698,980</b>
<i>Positions</i>	<b>433.75</b>	<b>451.92</b>	<b>660.80</b>	<b>662.65</b>	<b>662.65</b>

**Water Division**

**FTE SUMMARY**

Class	Title	Salary Range		Revised FY 2006-07		Proposed FY 2007-08		Adopted FY 2007-08	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
0514	Accountant I	34,452	48,087	3.00	140,288	3.00	143,672	3.00	143,672
0515	Accountant II	45,059	55,019	1.00	45,060	1.00	45,060	1.00	45,060
0516	Accountant III	49,590	60,552	2.00	121,104	2.00	121,104	2.00	121,104
7103	Administrative Assistant	40,800	62,870	8.00	460,478	8.00	471,856	8.00	471,856
7106	Administrative Supervisor I	49,527	66,023	2.00	130,128	2.00	132,048	2.00	132,048
2532	Application Analyst II	52,012	69,301	3.00	182,059	3.00	186,842	3.00	186,842
2533	Application Analyst III	57,378	76,609	1.00	76,320	1.00	76,512	1.00	76,512
2534	Application Analyst IV	60,281	80,659	1.00	80,352	1.00	80,560	1.00	80,560
7375	Assistant Financial Analyst	40,800	62,870	2.00	97,708	2.00	101,724	2.00	101,724
7152	Assistant Program Specialist	40,800	62,870	2.00	99,140	2.00	101,532	2.00	101,532
1314	Auto Equip Oper II-Tractor Trailer	39,234	47,251	1.00	47,256	1.00	47,256	1.00	47,256
1311	Auto Equipment Operator I	36,958	44,788	12.00	536,263	12.00	537,408	12.00	537,408
7112	Business Operations Manager	67,985	90,577	1.00	94,728	1.00	94,728	1.00	94,728
7110	Business Operations Supervisor	60,281	80,659	3.00	219,452	3.00	221,604	3.00	221,604
6034	CAD Analyst	55,729	71,180	1.00	58,058	1.00	60,994	1.00	60,994
6031	CAD Technician I	34,243	45,873	1.00	45,876	1.00	45,876	1.00	45,876
6032	CAD Technician II	45,873	58,527	6.00	300,955	6.00	312,773	6.00	312,773
6141	Capital Project Manager I	55,729	71,180	2.00	126,912	2.00	126,912	2.00	126,912
7656	Capital Projects Manager II	60,281	80,659	3.00	216,138	3.00	224,693	3.00	224,693
7657	Capital Projects Manager III	63,204	84,940	1.00	84,612	1.00	84,936	1.00	84,936
1420	Carpenter	46,562	50,592	2.00	101,184	2.00	101,184	2.00	101,184
3285	Chemist	45,289	58,527	1.00	45,288	1.00	45,288	1.00	45,288
7655	Chief Engineer - Water Bureau	92,895	133,006	1.00	123,264	1.00	127,474	1.00	127,474
7134	CIP Planning Supervisor	63,204	84,940	1.00	81,240	1.00	84,298	1.00	84,298
7203	Community Outreach & Info Rep	49,527	66,023	1.00	53,436	1.00	55,074	1.00	55,074
1410	Concrete Finisher	46,562	50,592	3.00	147,744	3.00	151,776	3.00	151,776
1315	Construction Equip Operator	39,338	50,237	17.00	830,436	17.00	839,299	17.00	839,299
7135	Contracts Dev & Rev Admin	60,281	80,659	1.00	66,724	1.00	69,457	1.00	69,457
0131	Customer Accts Spec I	30,589	42,846	48.00	1,993,438	49.00	2,041,834	49.00	2,041,834
0132	Customer Accts Spec II	36,498	46,959	10.00	427,752	10.00	427,752	10.00	427,752
7117	Customer Service Manager	78,592	104,651	1.00	92,868	1.00	96,048	1.00	96,048
7116	Customer Service Supervisor	57,378	76,609	4.00	287,347	4.00	292,430	4.00	292,430
7767	Development Supervisor	57,378	76,609	1.00	75,348	1.00	76,608	1.00	76,608
7564	Electrical/Instrumentation Spvr	63,204	84,940	1.00	74,844	1.00	76,884	1.00	76,884
1453	Electrician	58,276	62,891	6.00	373,117	6.00	377,352	6.00	377,352
7195	Emergency Mgmt Program Manager	57,378	76,609	1.00	75,936	1.00	76,440	1.00	76,440
6112	Engineer	71,180	78,425	11.80	860,451	12.00	897,608	12.00	897,608
6110	Engineering Associate	48,128	64,519	7.00	346,699	7.00	359,490	7.00	359,490
6111	Engineering Associate Senior	61,492	71,180	20.00	1,320,502	20.00	1,355,422	20.00	1,355,422
7673	Engineering Survey Manager	63,204	84,940	1.00	84,552	1.00	84,936	1.00	84,936
6021	Engineering Technician I	34,243	45,873	8.00	294,560	8.00	304,464	8.00	304,464
6022	Engineering Technician II	45,873	58,527	10.00	496,456	10.00	512,175	10.00	512,175
6023	Engineering Technician III	55,729	71,180	3.00	198,096	3.00	198,096	3.00	198,096
7607	Environmental Program Spec	49,527	66,023	2.00	107,076	2.00	109,243	2.00	109,243
6053	Environmental Specialist	55,729	71,180	4.00	269,513	4.00	272,323	4.00	272,323
6051	Environmental Technician I	34,243	45,873	1.00	34,958	1.00	36,702	1.00	36,702
6052	Environmental Technician II	45,873	58,527	1.00	47,380	1.00	49,756	1.00	49,756
1524	General Mechanic	42,261	51,114	2.00	102,240	2.00	102,240	2.00	102,240
6061	GIS Technician I	34,243	45,873	1.00	41,085	1.00	43,167	1.00	43,167
6062	GIS Technician II	45,873	58,527	6.00	299,304	6.00	311,412	6.00	311,412
6063	GIS Technician III	55,729	71,180	2.00	138,733	2.00	142,088	2.00	142,088
6123	Graphics Designer III	55,729	71,180	1.00	56,427	1.00	59,265	1.00	59,265
4114	Horticulturalist	39,797	48,066	2.00	90,654	2.00	96,144	2.00	96,144
1445	Industrial Painter	46,562	50,592	3.00	151,776	3.00	151,776	3.00	151,776
1446	Industrial Painter Lead	48,859	53,119	1.00	53,124	1.00	53,124	1.00	53,124
7506	Info Sys Analyst IV (Supr)	60,281	80,659	1.00	80,352	1.00	80,560	1.00	80,560
7509	Information Systems Manager	73,101	97,363	1.00	97,089	1.00	97,368	1.00	97,368
3260	Instrument Technician	58,276	62,891	7.00	436,394	7.00	440,244	7.00	440,244
7560	Instrumentation Supervisor	52,012	69,301	1.00	68,844	1.00	69,110	1.00	69,110
3280	Laboratory Assistant	38,565	48,713	4.00	194,832	4.00	194,832	4.00	194,832
7624	Laboratory Manager	67,985	90,577	1.00	90,344	1.00	90,576	1.00	90,576
7580	Maintenance Planner/Scheduler	49,527	66,023	4.00	222,372	4.00	224,355	4.00	224,355
1200	Maintenance Worker	21,423	25,411	4.00	88,011	4.00	97,668	4.00	97,668
7131	Management Analyst	52,012	69,301	4.00	229,726	4.00	238,716	4.00	238,716
7130	Management Assistant	40,800	62,870	4.00	205,644	2.00	94,384	2.00	94,384
7666	Mapping & GIS Supervisor	63,204	84,940	2.00	168,972	2.00	169,662	2.00	169,662
6026	Mapping Data Technician	45,873	58,527	1.00	48,741	1.00	51,195	1.00	51,195
7665	Maps & Records Supervisor	54,622	72,850	1.00	54,408	1.00	56,082	1.00	56,082
0100	Office Support Spec I	25,954	36,039	2.00	72,072	2.00	72,072	2.00	72,072

Class	Title	Salary Range		Revised FY 2006-07		Proposed FY 2007-08		Adopted FY 2007-08	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
0102	Office Support Spec II	28,522	39,797	12.66	431,757	13.00	461,444	13.00	461,444
0104	Office Support Spec III	36,498	46,959	6.00	244,182	6.00	259,638	6.00	259,638
1768	Operating Engineer I	42,324	44,349	1.00	42,324	1.00	42,324	1.00	42,324
1770	Operating Engineer II	42,720	55,207	2.00	98,339	2.00	104,375	2.00	104,375
1771	Operating Engineer III	44,871	57,984	16.00	865,053	16.00	884,124	16.00	884,124
1215	Park Technician	38,524	43,764	2.00	87,528	2.00	87,528	2.00	87,528
7387	Principal Economist	67,985	90,577	1.00	90,228	1.00	90,576	1.00	90,576
7652	Principal Engineer	78,592	104,651	6.00	612,804	6.00	620,732	6.00	620,732
7378	Principal Financial Analyst	67,985	90,577	4.00	358,184	4.00	360,936	4.00	360,936
2545	Principal Info System Analyst	67,985	90,577	1.00	67,980	1.00	67,980	1.00	67,980
7133	Principal Management Analyst	67,985	90,577	1.00	90,228	1.00	90,402	1.00	90,402
7154	Program Coordinator	54,622	72,850	2.00	127,200	2.00	127,384	2.00	127,384
7156	Program Manager	57,378	76,609	3.00	180,909	3.00	182,679	3.00	182,679
7153	Program Specialist	49,527	66,023	1.00	51,360	1.00	53,285	1.00	53,285
7678	Prop Acquisition & Svcs Mgr	57,378	76,609	1.00	69,468	1.00	71,848	1.00	71,848
7206	Public Information Officer	57,378	76,609	1.00	76,188	1.00	76,503	1.00	76,503
3151	Public Works Insp Senior	55,854	65,814	3.00	186,586	3.00	195,744	3.00	195,744
7662	Public Works Inspection Supr	57,378	76,609	1.00	76,320	1.00	76,560	1.00	76,560
3150	Public Works Inspector	51,490	58,840	6.00	339,879	6.00	343,797	6.00	343,797
7553	Public Works Supervisor II	52,012	69,301	12.00	776,699	12.00	794,915	12.00	794,915
7584	Reg Water Prov Cons Prg Coord	54,622	72,850	1.00	72,108	1.00	72,666	1.00	72,666
6180	Remittance Technician	30,589	42,846	2.00	83,488	2.00	85,704	2.00	85,704
6082	Right of Way Agent II	45,873	58,527	1.00	45,876	1.00	48,132	1.00	48,132
7185	Risk Specialist	49,527	66,023	1.00	61,524	1.00	64,044	1.00	64,044
7192	Safety & Risk Officer I	57,378	76,609	1.00	76,320	1.00	76,536	1.00	76,536
7196	Sec & Emerg Mgmt Program Mgr	60,281	80,659	1.00	65,868	1.00	67,668	1.00	67,668
7582	Security Supervisor	52,012	69,301	1.00	51,993	1.00	54,124	1.00	54,124
7113	Senior Business Operations Mgr	84,439	112,522	1.00	112,236	1.00	112,524	1.00	112,524
7122	Senior Business Sys Analyst	57,378	76,609	2.00	152,736	2.00	153,216	2.00	153,216
7650	Senior Engineer	63,204	84,940	14.00	1,081,470	14.00	1,101,474	14.00	1,101,474
7610	Senior Environmental Prgm Mgr	67,985	90,577	1.00	87,900	1.00	90,576	1.00	90,576
7377	Senior Financial Analyst	57,378	76,609	2.00	152,640	2.00	153,024	2.00	153,024
3287	Senior Laboratory Analyst	47,544	61,471	1.00	60,615	1.00	61,476	1.00	61,476
7132	Senior Management Analyst	57,378	76,609	2.00	152,688	2.00	153,120	2.00	153,120
7158	Senior Program Manager	67,985	90,577	2.00	168,576	2.00	171,438	2.00	171,438
7595	Senior Water Maint Supervisor	63,204	84,940	4.00	332,208	4.00	334,975	4.00	334,975
1212	Senior Water Utility Worker	40,298	44,788	1.00	42,778	1.00	44,784	1.00	44,784
0310	Service Dispatcher	30,589	42,846	2.00	70,101	2.00	77,973	2.00	77,973
7204	Sr Comm Outreach & Info Rep	54,622	72,850	2.00	138,840	2.00	141,840	2.00	141,840
7596	Sr Water Mech System Supr	63,204	84,940	1.00	76,812	1.00	78,390	1.00	78,390
0406	Storekeeper/Acq Specialist II	39,046	47,732	2.00	83,080	2.00	94,344	2.00	94,344
0408	Storekeeper/Acq Specialist III	44,099	54,831	1.00	51,900	1.00	54,036	1.00	54,036
7161	Stores System Supervisor II	52,012	69,301	1.00	60,420	1.00	62,904	1.00	62,904
7651	Supervising Engineer	67,985	90,577	5.00	439,176	5.00	445,108	5.00	445,108
7671	Survey Supr/Water Right Exam	60,281	80,659	1.00	61,232	1.00	63,740	1.00	63,740
3121	Surveying Aide II	38,002	42,115	2.00	79,101	2.00	84,104	2.00	84,104
3122	Surveyor I	43,410	53,933	2.00	107,856	2.00	107,856	2.00	107,856
3123	Surveyor II	50,404	57,733	1.00	50,400	1.00	50,400	1.00	50,400
7271	Training & Development Off I	57,378	76,609	1.00	65,152	2.00	125,208	2.00	125,208
1210	Utility Worker I	36,477	39,672	6.00	238,032	6.00	238,032	6.00	238,032
1211	Utility Worker II	39,672	42,637	51.00	2,119,878	51.00	2,135,535	51.00	2,135,535
1209	Utility Worker II Apprentice	21,318	37,104	20.00	526,774	20.00	607,043	20.00	607,043
7236	Water Conserv Prog Coord	54,622	72,850	3.00	194,832	3.00	199,008	3.00	199,008
7237	Water Conservation Program	57,378	76,609	1.00	76,344	1.00	76,608	1.00	76,608
7598	Water Group Manager	84,439	112,522	3.00	336,564	3.00	337,428	3.00	337,428
1700	Water Meter Reader I	32,740	40,382	12.00	476,916	12.00	476,916	12.00	476,916
1701	Water Meter Reader II	40,131	45,706	1.00	45,708	1.00	45,708	1.00	45,708
1718	Water Meter Technician I	38,294	46,354	7.00	287,710	7.00	309,716	7.00	309,716
1719	Water Meter Technician II	48,859	53,119	4.00	212,496	4.00	212,496	4.00	212,496
1725	Water Operator Mech Apprentice	36,498	49,527	10.00	410,597	10.00	453,369	10.00	453,369
1730	Water Operator Mechanic	47,105	52,910	35.00	1,762,455	35.00	1,776,300	35.00	1,776,300
7597	Water Ops & Support Supr	78,592	104,651	1.00	78,588	1.00	78,588	1.00	78,588
7594	Water Quality Inspection Supr	54,622	72,850	1.00	72,528	1.00	72,852	1.00	72,852
1713	Water Quality Inspector II	44,871	57,984	6.00	330,136	6.00	338,212	6.00	338,212
1714	Water Quality Inspector III	47,105	60,844	1.00	47,100	1.00	47,100	1.00	47,100
7600	Water Resource Program Manager	60,281	80,659	4.00	308,988	4.00	315,188	4.00	315,188

Class	Title	Salary Range		Revised FY 2006-07		Proposed FY 2007-08		Adopted FY 2007-08	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
7588	Water Resources Planning Mgr	78,592	104,651	1.00	104,244	1.00	104,414	1.00	104,414
7586	Water Resrcs & Urban Aff Coord	57,378	76,609	1.00	76,320	1.00	76,536	1.00	76,536
1709	Water Security Specialist	39,672	42,637	21.00	874,016	21.00	888,936	21.00	888,936
1705	Water Service Inspector I	40,131	45,706	8.00	364,357	8.00	365,561	8.00	365,561
1706	Water Service Inspector II	43,368	49,339	1.00	49,344	1.00	49,344	1.00	49,344
1752	Water Treatment Operator II	44,871	57,984	9.00	491,224	10.00	542,454	10.00	542,454
7592	Water Treatment Ops Supr	54,622	72,850	1.00	73,800	1.00	73,800	1.00	73,800
7060	Water Utility Director	117,513	168,397	1.00	156,036	1.00	162,444	1.00	162,444
1761	Watershed Pipeline Spec	40,298	44,788	1.00	44,784	1.00	44,784	1.00	44,784
1762	Watershed Spec Senior	40,298	44,788	2.00	86,525	2.00	89,483	2.00	89,483
1760	Watershed Specialist	34,786	42,637	5.00	203,589	5.00	205,332	5.00	205,332
<b>TOTAL FULL-TIME POSITIONS</b>						<b>637.46</b>	<b>\$ 34,072,435</b>	<b>639.00</b>	<b>\$ 34,820,888</b>
7152	Assistant Program Specialist	40,800	62,870	0.70	28,452	0.80	42,303	0.80	42,303
0131	Customer Accts Spec I	30,589	42,846	1.50	64,260	1.50	64,260	1.50	64,260
6112	Engineer	71,180	78,425	0.69	54,108	0.50	39,060	0.50	39,060
6051	Environmental Technician I	34,243	45,873	1.00	34,248	0.50	19,764	0.50	19,764
0100	Office Support Spec I	25,954	36,039	0.50	17,352	0.50	18,024	0.50	18,024
0102	Office Support Spec II	28,522	39,797	0.60	21,633	0.85	33,696	0.85	33,696
<b>TOTAL PART-TIME POSITIONS</b>						<b>4.99</b>	<b>\$ 220,053</b>	<b>4.65</b>	<b>\$ 217,107</b>
7202	Community Outreach & Info Asst	40,800	62,870	0.75	30,600	1.00	40,800	1.00	40,800
0131	Customer Accts Spec I	30,589	42,846	8.00	252,048	8.00	293,856	8.00	293,856
6061	GIS Technician I	34,243	45,873	5.00	175,926	5.00	184,710	5.00	184,710
6062	GIS Technician II	45,873	58,527	0.75	34,407	1.00	47,568	1.00	47,568
1700	Water Meter Reader I	32,740	40,382	3.00	84,141	3.00	98,208	3.00	98,208
7156	Program Manager	57,378	76,609	1.00	60,303	1.00	60,893	1.00	60,893
<b>TOTAL LIMITED TERM POSITIONS</b>						<b>18.50</b>	<b>\$ 637,425</b>	<b>19.00</b>	<b>\$ 726,035</b>

# Water Division

# BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2007-08	122,520,842	0	122,520,842	660.65	FY 2007-08 Current Appropriation Level
<b>CAL Adjustments</b>					
	130,000	0	130,000	0.00	Credit card Fees for online and ACH payments
	50,000	0	50,000	0.00	Health set-aside
	102,356	0	102,356	0.00	OMF IA increases
<b>Mayor's Proposed Budget Decisions</b>					
	(95,000)	0	(95,000)	1.00	Position requested in DP, funded from Bureau
	16,980	0	16,980	0.00	Planning IA increase
	73,015	8,985	82,000	1.00	Decision Package for lead water treatment operator
	355,000	0	355,000	0.00	PDOT overhead increases
<b>Approved Budget Additions and Reductions</b>					
	57,802	0	57,802	0.00	Increase IA with City Attorney
	479,000	0	479,000	0.00	Customer Service First Floor Remodel
<b>Adopted Budget Additions and Reductions</b>					
	0	0	0	0.00	None
	1,169,153	8,985	1,178,138	2.00	Total FY 2007-08 Decision Packages
			<b>\$ 123,698,980</b>	<b>662.65</b>	Total Adopted Budget

# Hydroelectric Power Division

## OVERVIEW

### **FY 2007-08 Budget**

The Hydroelectric Power Division's FY 2007-08 operating budget is \$669,574. This budget supports the Portland Hydroelectric Project's administrative and operational costs with funds that are specifically dedicated to that purpose.

### **Staffing**

The FY 2007-08 budget maintains the current service level with a staff of two full-time employees and one part-time employee, or three positions.



# Hydroelectric Power Administration

## Description

The Hydroelectric Power Administration Program primarily provides for the administrative and operational activities of the Portland Hydroelectric Project (PHP). This program's major responsibilities include day-to-day oversight of and coordination with Portland General Electric (PGE) for the operation of the PHP, which includes the control of the levels in the City's Bull Run Reservoirs, the withdrawal of water from those reservoirs, and the release of water downstream for compliance with in-stream flow targets. Additionally, the program coordinates with PGE on financial issues relating to the PHP including administration of the PHP's revenue bonds and related trust indenture requirements. Another of the program responsibilities is ensuring compliance with all regulatory requirements associated with both the PHP and the Mt. Tabor Hydroelectric Project including surveillance, oversight, and reporting, encompassing dam safety matters and emergency action planning for the hydroelectric projects' five combined dams.

## Goals

This program supports the City goal of delivering efficient, effective, and accountable municipal services. It also supports the City goal of protecting and enhancing the natural and built environment, particularly with respect to its oversight and coordination of dam safety issues and the ongoing operation of the PHP on the Bull Run River.

## Performance

In FY 2006-07, the Hydroelectric Power Administration Program increased its level of activities related to emergency action plans, training, and exercises for the five dams that it monitors. Hydropower also transferred \$200,000 in Hydropower Fund profits to the General Fund, as budgeted. The very dry spring weather from April through June of 2007 will cause the PHP's FY 2006-07 power generation to be approximately 6% below the long-term average. That level of generation is in line with the power sales projections that are built into the budget for FY 2007-08. In FY 2007-08, Hydropower will again be transferring \$200,000 in profits to the General Fund for City uses.

## Changes to Services and Activities

The Hydroelectric Power Division FY 2007-08 budget includes authority to increase annual transfers to the Renewal & Replacement Fund by up to \$75,000. The additional funding will accommodate the anticipated increases in maintenance costs for the Portland Hydroelectric Project facility and equipment.

FTE & Financials	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
FTE	3	3	3	3	3
<b>Expenditures</b>					
Personal Services	208,137	220,391	284,020	271,626	271,626
External Materials & Services	36,150	823,087	155,000	192,879	192,879
Internal Materials & Services	156,581	159,679	186,864	205,069	205,069
<b>Total Expenditures</b>	400,868	1,203,157	625,884	669,574	669,574
Performance	Actual FY 2004-05	Actual FY 2005-06	Yr End Est. FY 2006-07	Target FY 2007-08	
<b>Effectiveness</b>					
Power Sold to PGE (mwh)	65,612	83,969	85,000	85,000	

<b>Performance</b>	<b>Actual FY 2004-05</b>	<b>Actual FY 2005-06</b>	<b>Yr End Est. FY 2006-07</b>	<b>Target FY 2007-08</b>
<b>Efficiency</b>				
Transfer of Hydropower Profits to General Fund	\$300,000	\$815,000	\$200,000	\$200,000
<b>Workload</b>				
Hydropower Project Monitoring Reports	2	2	2	2

# Hydroelectric Power Division

## SUMMARY OF DIVISION BUDGET

	Actual FY 2004-05	Actual FY 2005-06	Revised FY 2006-07	Proposed FY 2007-08	Adopted FY 2007-08
<b>RESOURCES</b>					
<b>External Revenues</b>					
Bond & Note Sales	0	712,337	0	0	0
Miscellaneous Revenues	628,054	583,513	660,450	629,000	629,000
<b>Total External Revenues</b>	<b>628,054</b>	<b>1,295,850</b>	<b>660,450</b>	<b>629,000</b>	<b>629,000</b>
<b>Internal Revenues</b>					
Other Cash Transfers	78,511	1,380,054	220,000	125,000	125,000
Interagency Reimbursements	38,221	44,954	40,200	43,500	43,500
<b>Total Internal Revenues</b>	<b>116,732</b>	<b>1,425,008</b>	<b>260,200</b>	<b>168,500</b>	<b>168,500</b>
Beginning Fund Balance	346,339	326,241	209,551	320,964	320,964
<b>TOTAL RESOURCES</b>	<b>\$ 1,091,125</b>	<b>\$ 3,047,099</b>	<b>\$ 1,130,201</b>	<b>\$ 1,118,464</b>	<b>\$ 1,118,464</b>

Note: Discretionary General Fund revenues are those which may be used by City Council for any public purpose.  
Nondiscretionary revenues are restricted by policy or contractual agreement to the bureaus that generate the revenue.

<b>EXPENDITURES</b>					
<b>Division Requirements</b>					
Personal Services	208,137	220,391	284,020	271,626	271,626
External Materials & Services	36,150	823,087	155,000	192,879	192,879
Internal Materials & Services	156,581	159,679	186,864	205,069	205,069
<b>Total Division Requirements</b>	<b>400,868</b>	<b>1,203,157</b>	<b>625,884</b>	<b>669,574</b>	<b>669,574</b>
<b>Fund Requirements</b>					
General Operating Contingency	0	0	222,874	163,553	163,553
General Fund Overhead	50,423	58,026	59,350	62,387	62,387
Other Cash Transfers	302,446	818,409	222,093	222,950	222,950
Debt Retirement	11,147	664,894	0	0	0
Ending Fund Balance	326,241	302,613	0	0	0
<b>Total Fund Requirements</b>	<b>690,257</b>	<b>1,843,942</b>	<b>504,317</b>	<b>448,890</b>	<b>448,890</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,091,125</b>	<b>\$ 3,047,099</b>	<b>\$ 1,130,201</b>	<b>\$ 1,118,464</b>	<b>\$ 1,118,464</b>

<b>PROGRAMS</b>					
Hydroelectric Power Administration	400,868	1,203,157	625,884	669,574	669,574
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>2.50</i>	<i>2.60</i>	<i>2.60</i>
<b>TOTAL PROGRAMS</b>	<b>\$ 400,868</b>	<b>\$ 1,203,157</b>	<b>\$ 625,884</b>	<b>\$ 669,574</b>	<b>\$ 669,574</b>
<i>Positions</i>	<i>3.00</i>	<i>3.00</i>	<i>2.50</i>	<i>2.60</i>	<i>2.60</i>

### FTE SUMMARY

Class	Title	Salary Range		Revised FY 2006-07		Proposed FY 2007-08		Adopted FY 2007-08	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
2534	Application Analyst IV	60,281	80,659	0.50	40,176	0.60	48,336	0.60	48,336
7602	Asst Hydroelectric Power Project Mgr	60,281	80,659	1.00	60,048	1.00	61,893	1.00	61,893
7601	Hydroelectric Power Prgm Mgr	67,985	90,577	1.00	90,228	1.00	90,547	1.00	90,547
<b>TOTAL FULL-TIME POSITIONS</b>				<b>2.50</b>	<b>\$ 190,452</b>	<b>2.60</b>	<b>\$ 200,776</b>	<b>2.60</b>	<b>\$ 200,776</b>

# Hydroelectric Power Division

# BUDGET DECISIONS

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriation Level (CAL) requirements.

ACTION	AMOUNT			FTE	DECISION
	Ongoing	One-Time	Total Package		
FY 2007-08	669,453	0	669,453	2.60	FY 2007-08 Current Appropriation Level
<b>CAL Adjustments</b>					
	121	0	121	0.00	OMF IA increases
<b>Mayor's Proposed Budget Decisions</b>					
	0	0	0	0.00	None
<b>Approved Budget Additions and Reductions</b>					
	0	0	0	0.00	None
<b>Adopted Budget Additions and Reductions</b>					
	0	0	0	0.00	None
	121	0	121	0.00	Total FY 2007-08 Decision Packages
			<b>\$ 669,574</b>	<b>2.60</b>	Total Adopted Budget