

Bureau of Environmental Services BASELINE: May 18, 2009

6 - Budget Summary Info:

Expenditures	Current Revised FY 2008-09 Budget	Requested FY2009-10 Budget	Proposed FY2009-10 Budget
Operating	99,366,631	102,921,642	108,273,350
Capital	189,376,200	226,107,000	245,266,959
TOTAL	288,742,831	329,028,642	323,540,309
Authorized Positions	522	520	524

7 - Labor/Management/Administration:

- Percent spent on administration: 4.8%, representing \$12,434,574 (Source: OMF overhead methodology)
- Total FTE: 524
- Average management span of control: 6.5 FTE
- Bargaining Units:
 - COPPEA 206 (6 part-time)
 - DCTU-AFSCME: 46
 - DCTU-IBEW Local 48: 21
 - DTCU - Laborers' International Local 483: 94

10 - Major Projects CURRENT:

Policy/Operational Projects (top 5) (Non-capital projects) All citywide

- Internal asset management program used to identify issues and prioritize spending.
- Five-year Gray to Green Initiative, started in FY 08-09, significantly ramps up the implementation of watershed health strategies.
- The cost plus fixed fee contract developed for the West Side CSO Tunnel Project (and also in use on the East Side contract) has been widely praised in the national underground construction industry and is now referred to as the "Portland Model."
- Beneficial land use of biosolids; methane gas recovery for energy use at nearby business; generation of electricity from wastewater treatment.
- Eco-roofs are key in the Grey to Green initiative; 43 acres of eco-roofs to be constructed in the City by 2013.

Capital/Infrastructure Projects (top 5) (New projects)

- CSO Control (\$134.5 M): 8 projects mandated to be complete by 12/1/11. Affects approximately 2/3 of service area.
- CBWTP Enhancements (\$17.4 M): 3 projects to enhance treatment capacity and meet permit requirements.
- Reduce Basement Sewer Backups Risk (\$17.4 M):

11 - Major Projects - Out Years

YEAR 2: FY 11

Policy/Operational Projects (top 3)

All citywide

- Implement "Green Bucks" voluntary contribution program to provide additional funding for watershed health projects.
- Complete the first year of the Gray to Green initiative.
- Conduct 5 year review and update of BES strategic plan.

Capital/Infrastructure Projects (top 3)

- CSO Control (\$107.8 M): 6 projects mandated to be complete by 12/1/11. Affects approximately 2/3 of service area.
- CBWTP Enhancements (\$27.4 M): 4 projects to enhance treatment capacity to continue to meet permit requirements.
- Reduce Risk of Basement Sewer Backups (\$3.0): Multi-year program in several combined sewer basins.

Major Maintenance Projects (top 3)

- Fanno Basin System Improvements (\$15.3 M): Repair, replace, expand conveyance system serving outer SW.
- Sewer Structural Rehab (\$3.3 M): Rehab highest priority sewer pipe segments citywide.
- Small Capital Programs (\$6.3 M): Ongoing rehab of pipe segments, pump stations, and treatment plants.

YEAR 3: FY 12

Policy/Operational Projects (top 2)

All citywide

- The CSO abatement projects required in the ASFO will be completed
- Significant work on the tree canopy, part of the Gray to Green initiative, will be implemented-

Capital/Infrastructure Projects (top 2)

12 - Sustainability Goals - SOCIAL

- SEA-related: "How do you rate the sewer and storm drainage systems in your neighborhood"
 - Best neighborhood: Forest Park/Northwest Heights/Sylvan Highlands (75% very good or good)
 - Worst neighborhood: Powellhurst-Gilbert (approx 40% very good or good)
- Affirmative Action Results: Aggregate of 15% minorities, 33% females.
- M/W/ESB Contracting: Of \$42.5 million in PTE and construction contracting in FY2008, 15% went to M/W/ESBs
- Customer survey/polling results: Post construction surveys, conducted after completion of major capital projects, indicate affected businesses and residents have high levels of awareness and understanding of projects.

13 - Sustainability Goals - ECONOMIC

"Lean Manufacturing" improvements: efficiency efforts or measures

- Interagency Collaboration. Continued collaboration on our Cooperative Work Agreement with PBOT-MO is one of the primary opportunity areas. Communication, performance measures, technology and process improvements are the tools for continued improvement.
- Reuse or Renewable Resources. Optimal reuse of wastewater treatment products like biosolids, methane and treated wastewater are a key opportunity areas for cost reduction/revenue generation and sustainable utilization of renewable resources.
- Key Performance Indicators (KPIs) are tools for monitoring continuous improvement in wastewater and stormwater conveyance and treatment. KPIs include: SSO reduction, biosolids dewatering, unit costs of maintenance activities, etc.
- Evaluating technology improvements to increase efficiency and effectiveness particularly in the pipeline condition assessment activity is an opportunity.
- Asset Management. We will look to improve our knowledge, skills and commitment to employ asset management techniques.
 - Summary of Major Assets Managed:
 - Good condition 72%
 - Fair condition 14%
 - Poor condition 14%
 - Replacement value: \$5,600,000,000

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<p>8 - High Level Performance Measures: Bureau-wide Bureau Performance is based on the “7 Actions for Success” in the Bureau’s <i>Clean River Guide</i>. The Bureau has two years of data tracking progress against these measures:</p> <ul style="list-style-type: none"> • Preserve, protect and improve infrastructure • Improve watershed health within our urban community • Face funding limitations and spend ratepayers dollars wisely • Meet our regulatory requirements • Increase pollution prevention • Communicate openly and effectively • Advocate for and support team BES 	<p>Multi-year program in several combined sewer basins.</p> <ol style="list-style-type: none"> 4. UIC Improvements (\$2.1 M): DEQ required retrofit of existing facilities to comply with Safe Drinking Water Act. 5. Grey to Green (\$5.5 M): Multi-year program focused on watershed health includes land acquisition, culvert replacement, green street facilities. <p>Major Maintenance Projects (top 5) (Old projects)</p> <ol style="list-style-type: none"> 1. Fanno Basin System Improvements (\$14.7 M): Repair, replace, expand conveyance system serving outer SW. 2. Sewer Structural Rehab (\$4.9 M): Rehab highest priority sewer pipe segments citywide. 3. Small Capital Programs (\$6.1 M): Ongoing rehab of pipe segments, pump stations, and treatment plants. 4. NE 60th (\$1 M): Rehab existing 36-inch sewer. Rose City 5. NW 23rd (\$1.3 M): Rehab 100-year old clay pipes prior to reconstruction of 23rd. Nob Hill Business Association 	<ol style="list-style-type: none"> 1. Reduce Risk of Basement Sewer Backups (\$8.1): Multi-year program in several combined sewer basins. 2. Reduce Risk of Flood in Johnson Creek Watershed (\$3.9 M): 4 projects to enhance capacity for flood water and to buy out properties in flood plain. <p>Major Maintenance Projects (top 2)</p> <ol style="list-style-type: none"> 1. Sewer Structural Rehab (\$2.9 M): Rehab highest priority sewer pipe segments citywide. 2. Small Capital Programs (\$6.8 M): Ongoing rehab of pipe segments, pump stations, and treatment plants. 	<p>14 - Sustainability Goals – ENVIRONMENTAL</p> <p>Sustainability Plan: http://www.portlandonline.com/osd/index.cfm?c=46293&a=184885 Latest Report: Not updated for 2008</p> <p>Highlights: Continue with sustainable biosolids reuse, CSO control, and integrated watershed approach to system planning.</p>
<p>9 - Awards/Recognitions:</p> <p>2008 - First ever Jimmy & Rosalynn Carter Partnership Award for Campus Community Collaboration - for the Community Watershed Stewardship Grant Program. Joint award with PSU</p> <p>2005, 2006 and 2007 - Both the Columbia Boulevard Wastewater Treatment Plant and Tryon Creek Wastewater Treatment Plant have received a National Association of Clean Water Agencies Gold Award indicating 100% compliance with the treatment plant permit</p> <p>2006 – Oregon Chapter American Society of Landscape Architects - Planning and Analysis Award for the Portland Watershed Management Plan</p> <p>Top of Class:</p> <p>Nationally – Portland is considered one of the top cities in promoting green infrastructure.</p>		<p>YEAR 4: FY13</p> <p>Policy/Operational Projects (top 1)</p> <ol style="list-style-type: none"> 1. The Portland Watershed Management Plan, initially adopted in 2007, will be revised and updated. – citywide <p>Capital/Infrastructure Projects (top 1)</p> <ol style="list-style-type: none"> 1. Reduce Risk of Basement Sewer Backups (\$18.9): Multi-year program in several combined sewer basins. <p>Major Maintenance Projects (top 1)</p> <ol style="list-style-type: none"> 1. Small Capital Programs (\$6.9 M): Ongoing rehab of pipe segments, pump stations, and treatment plants. 	<p>15 - Key Policy & Planning Documents:</p> <ul style="list-style-type: none"> • Strategic Plan: Mapping the Future – Our Clean River Guide http://www.portlandonline.com/bes/index.cfm?&a=68123 <p>Portland Policy Documents (Top 3):</p> <p>– Key Policy and Planning documents</p> <ol style="list-style-type: none"> 1. Portland Watershed Management Plan http://www.portlandonline.com/bes/index.cfm?c=38965 2. Stormwater Management Manual http://www.portlandonline.com/bes/index.cfm?c=35117& 3. BES System Plan (no online link due to size of document)

Bureau of Environmental Services BASELINE: May 18, 2009

<p>1 – Overview: Environmental Services</p> <p>Commissioner-in-Charge: Dan Saltzman Commissioner's Liaison: Matt Grumm, Amy Thieu Bureau Director: Dean Marriott Finance Manager: James Hagerman FPD Analyst: Bob Tomlinson Organizational Chart: http://www.portlandonline.com/shared/cfm/image.cfm?id=163130 Budget Advisory Committee: www.portlandonline.com/bes/bac</p>	<p>2</p> <p>Guiding Statements: Slogan: Working for Clean Rivers http://www.portlandonline.com/bes/index.cfm?&a=87767&c=31000 Mission: see above link Vision: see above link Values: see above link</p> <p>About Us: see above link</p> <p>Services/Programs (See #16) →</p> <p>More: http://www.portlandonline.com/bes/index.cfm?c=29323</p>	<p>16 – Services/Programs:</p> <ol style="list-style-type: none"> 1. Public Information/Education – provides public information, media relations, and environmental education including classroom and fieldwork presentation for K-12 students. 2. Community Involvement – provides process for shared decision-making with the community regarding bureau programs and projects. 3. Intergovernmental Relations – builds relationships and partnerships with federal, state, local and tribal governments, and with other City bureaus. 4. Employee Development - identifies training needs and solutions for managers and employees and coordinates internal and external education and training. 5. Finance – includes financial forecasting, budget development, accounting and ratemaking. 6. Information Management – development and provision of spatial data through electronic maps and GIS, and maintenance of asset management data. 7. Administrative Services – bureau management and intergovernmental relations. 8. Bureau Support – coordination and management of bureau-wide administrative and clerical support. 9. Downspout/Stormwater Retrofit Services – includes downspout disconnection program and technical assistance for customer on-site stormwater management 10. Asset Systems Management – includes bureau-wide system planning and Combined Sewer Overflow program management. 11. Design Services – provides project management and engineering design services. 12. Construction Services – provides construction management and inspection services. 13. Project management and Controls – develops bureau's annual capital budget and five-year capital improvement plan. 14. Systems Development – assists developers and other customers and supports City goals by reviewing and approving plans and issuing permits. 15. Materials Testing Laboratory 16. Natural Resource Damage Assessment (NRDA) – Portland harbor activities. 17. Water Resources Development Act (WRDA) – restoration efforts for lower Willamette River ecosystem. 18. Comprehensive Environmental Response, Compensation and Liability Act
<p>3 – External Trends:</p> <p><i>3 Positive/Strengths</i></p> <ol style="list-style-type: none"> 1. Municipalities nationwide, including Portland, are increasing the use of green infrastructure. 2. The health of the Willamette River is improving, due to many efforts, including Portland's CSO projects. 3. The MWESB contracting community has benefited from BES contracting opportunities. <p><i>3 Negative/Weaknesses</i></p> <ol style="list-style-type: none"> 1. National/state economy affects ability/cost of obtaining bonds, affecting ability to fund capital projects 2. Changes in environmental regulations produce uncertainty, and frequently increase operational costs 3. Economic situation may require an annual rate increase of over 6 percent <p>Internal Trends:</p> <p><i>3 Positive/Strengths</i></p> <ol style="list-style-type: none"> 1. Bureau's Asset Management System provides process for prioritizing capital expenses against set criteria 	<p>4 – Titles of Three Most Recent Audits & % of Recommendations Implemented:</p> <ol style="list-style-type: none"> 1. <u>Westside CSO Project Management Audits</u> (January 2005) Financial/project management audits conducted by Pacific Construction Consultants per BES policies, in concert with Auditor's Office. Recommendations were utilized in setting up the Eastside CSO contract. 2. Audit #348B <u>Construction Contracts: Bureau of Environmental Services strengthened its contract management procedures</u> (Feb 2008) This audit was conducted as a follow up to a 1998 audit. The report concluded that BES has taken positive steps to enhance its contract management procedures. There were no recommendations for improvement provided to BES. 3. Audit #347 <u>Public Participation in Capital Projects: Bureau processes align with best practices but should be formalized and available to residents</u> (March 2008) The audit reported bureau public participation processes mirror identified best practices. It recommended BES update the policies periodically and make them available electronically and in print. The policy has not been updated. 	

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2. Internal tools and systems: CIP management procedures, management Excellence Program, Annual Employee Survey, Bureau Leadership Team
3. BES has delivered City's largest capital program while limiting rate increases to less than 6%.

3 Negative/Weaknesses

1. Recruitment efforts still needed to diversify workplace
2. Replacing knowledge and skills lost to retirements
3. Developing/implementing SAP diverted staff and generally has been a source of stress and uncertainty

5 – Trends:

Historical Trends:

1. Increased use of green infrastructure to manage stormwater
2. Incorporating system wide asset management systems
3. Increased complexity of water quality regulations increase translates to permit requirements that increase operating costs.

Comparisons to other cities:

While Portland is considered a national leader in promoting green infrastructure and sustainable stormwater management, Chicago is often cited as a leader specifically in the area of eco-roofs and Philadelphia is considered a leader in watershed restoration.

Major Org/Budget Changes (last 2 years):

Changes include Creation of Watershed Investment Fund and Brownfields Investment Fund, launching of the Grey to Green Initiative and creation of Intergovernmental Relations division within the Office of the Director.

(CERCLA) – remedial investigation and feasibility study for Portland Harbor.

19. Environmental Compliance – management of the bureau's regulatory enforcement process.
20. Environmental Investigations – provides sampling and monitoring services.
21. Collection System O&M – operation and maintenance activities for wastewater and stormwater collection system.
22. Pumping and Treatment O&M– operation and maintenance activities for wastewater pumping and treatment system.
23. Sustainable Stormwater – integrates sustainable stormwater management into stormwater infrastructure.
24. Environmental Policy – develops environmental policies and coordinating with other bureaus and governmental agencies.
25. Watershed Management – coordinates implementation of the Portland Watershed Management Plan.
26. Endangered Species Act – coordinates the City's efforts to respond to the Endangered Species Act.
27. Watershed Revegetation – restoration of natural vegetation in watersheds.
28. Healthy Working Rivers – Ensure continued health of Willamette and Columbia Rivers by improving inter-bureau coordination for environmental restoration and economic development.