

# Portland Water Bureau

## Management Data

Commissioner in Charge: Randy Leonard  
 Bureau Director: David Shaff  
 Website: <http://www.portlandonline.com/water/>  
 Administration: 5.7%  
 M/W/ESB Contract \$: 1.0% Prime & 22.0% Sub

## Workforce Data

Minorities: 17.5%  
 Female: 30.8%  
 Non-Represented: 27.4%  
 Span of Control: 6.0 positions per supervisor  
 Management Layers: 1 to 4

## Resource and FTE Summary

	FY 2011-12 Adopted	FY 2012-13 Base	FY 2012-13 Reductions	FY 2012-13 Add Packages	FY 2012-13 Requested
Beg Fund Bal	\$147,367,467	\$165,595,815	\$0	\$0	\$165,595,815
Charges for Svc	128,886,472	136,985,717	0	0	140,635,717
Intergovernmental	451,000	476,000	0	0	476,000
Interagency Rev	3,002,648	3,376,583	0	0	3,376,583
Fund Transfer	187,952,938	204,407,169	0	0	204,407,169
Bond/Note Proce	161,251,000	113,790,000	0	0	113,790,000
Misc Revenue	5,087,014	5,291,653	0	3,650,000	5,291,653
<b>Total Revenues</b>	<b>\$633,998,539</b>	<b>\$629,922,937</b>	<b>\$0</b>	<b>\$3,650,000</b>	<b>\$633,572,937</b>
FTE	625.60	621.80	0.00	5.00	626.80

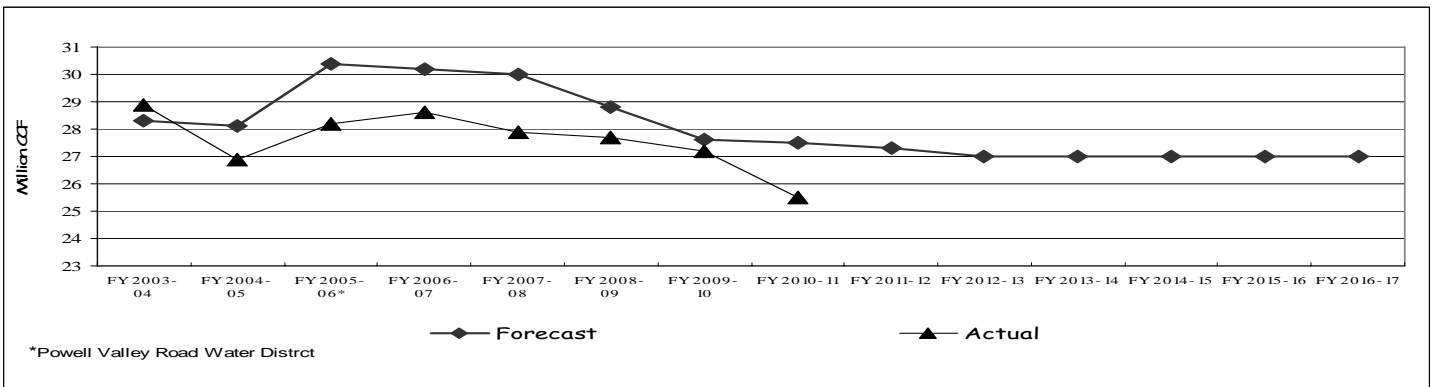
## Bureau Overview and Significant Issues

Compliance with EPA's LT2 Rule includes additional treatment to Bull Run water supply and eliminating the use of open reservoirs. The Bureau completed the design of a UV treatment plant in December 2011. At the same time, the Bureau applied for a variance to enable the Bureau to avoid the expenses associated with building new treatment if the City can demonstrate to the EPA that due to the nature of the Bull Run source, such action is unnecessary. The Bureau submitted the variance application to Oregon Health Authority (OHA) on June 6, 2011. On November 29, 2011, the Bureau received a notice of intent from OHA that a treatment variance will be granted. The final conditions of the variance will not be known until the final order on January 31, 2012. The UV treatment plant project has been removed from the Five-Year Capital Improvement Program, and the granting of a variance is assumed. The FY 2011-12 Requested Budget includes a treatment variance monitoring program that provides higher level of monitoring than OHA's proposed conditions outlined in the notice of intent. EPA approved the Bureau's compliance plan to comply with the covered storage requirements of the LT2 Rule. The plan includes constructing an enclosed 50 million gallon storage reservoir at Powell Butte, increasing the storage capacity at Kelly Butte, and replacing Washington Park Reservoir 3 with a buried storage tank.

The FY 2011-12 Adopted Budget included a budget note directing the Bureau to adjust its billing system so that the majority of the water and wastewater customers are billed monthly. The Bureau included a decision package to implement monthly statements on July 1, 2012. The BAC supported implementing monthly statements but felt the option should be provided to customers to pay the whole quarterly bill if the customer chooses.

Prior to 2000, the base charge was a fixed monthly or quarterly charge that varied by meter size that recovered relevant costs according to generally accepted cost of service standards. In 2000, City Council lowered the base charge to less than full costs and shifted costs to the volumetric portion of the rate structure. There was support from the BAC members to return the base charge to a cost of service methodology, but the BAC recommended the Bureau pursue a phase-in approach, even if the base charge increases would lower the volume rate increases.

## PERFORMANCE DASHBOARD



The typical single family residential customer water usage per month has been steadily declining since FY 2003-04, in part because residential customers are routinely practicing active and passive water conservation. As customers purchase less water, there is a corresponding rate increase due to proportionally fewer units sold to fund the fixed costs.

### Operating and Capital Requirements

	FY 2010-11 Actuals	FY 2011-12 Adopted	FY 2012-13 Base	FY 2012-13 Request	FY 2013-14 Estimate
Operating – Base	\$70,732,930	\$74,702,815	\$86,551,251	\$89,801,251	\$93,842,307
Capital - New Construction	14,175,000	65,300,000	59,100,000	59,100,000	37,600,000
Capital - Major Maintenance	40,796,141	59,535,000	76,370,000	76,770,000	56,310,000
Debt Service	33,517,065	37,288,032	42,680,606	42,680,606	50,000,000
Fund Transfers – Expenses	133,633,584	197,692,170	209,618,861	209,618,861	160,000,000
Contingency	0	82,790,098	89,375,449	89,375,449	90,000,000
Unappropriated Ending Balance	0	116,690,424	66,226,770	66,226,770	80,000,000
<b>Total</b>	<b>\$292,854,720</b>	<b>\$633,998,539</b>	<b>\$629,922,937</b>	<b>\$633,572,937</b>	<b>\$567,752,307</b>

### Overview of Major Projects and Initiatives

**Powell Butte Reservoir 2:** This project has been organized as two phases and Phase 1 (site preparation) has been completed. The project is currently in phase 2 which will construct a 50 million gallon buried reservoir at Powell Butte. The project consists of construction of the new reservoir and related facilities.

**Bull Run Dam 2 Tower:** This project will install multi-level intake structures onto the existing Dam 2 Tower located in the Bull Run watershed. The modifications to the Dam 2 Tower are required per the Bull Run Habitat Conservation Plan (HCP). The project is very complex due to the remote location, the installation of the intake structure under 100' of water, and the requirement to maintain water quality during the project.

**Interstate Facility Rehabilitation:** Two new buildings will replace the 85 year old Maintenance Building that serves as the main office and warehouse. This project brings the property up to current code requirements.

**Willamette River Pipe Crossing:** The project provides for the replacement of major pipelines to strengthen the transmission link between Powell Butte and the service areas west of the Willamette River, including downtown and the storage reservoirs at Washington Park.

### Major Assets Managed

	5 Years Ago	Current	5 Years From Now
Percent in Good Condition	52.0%	52.0%	55.0%
Percent in Fair Condition	36.0%	33.0%	38.0%
Percent in Poor Condition	13.0%	16.0%	7.0%
Major Maintenance Backlog	\$12.5M/year	\$17.2	\$17.2
Replacement Value Total	Estimate \$3.6B	\$6.9	\$7.3