

Water Bureau

Management Data

Commissioner in Charge: Steve Novick
 Bureau Director: David Shaff
 Website: <http://www.portlandonline.com/water/>
 Administration: 5.6%
 M/W/ESB Contract \$: 25.7% Prime & 40.4% Sub

Workforce Data

Minorities: 18.20%
 Female: 31.6%
 Non-Represented: 27.4%
 Span of Control: 6.6 positions per supervisor
 Management Layers: 1 to 6

Resource and FTE Summary

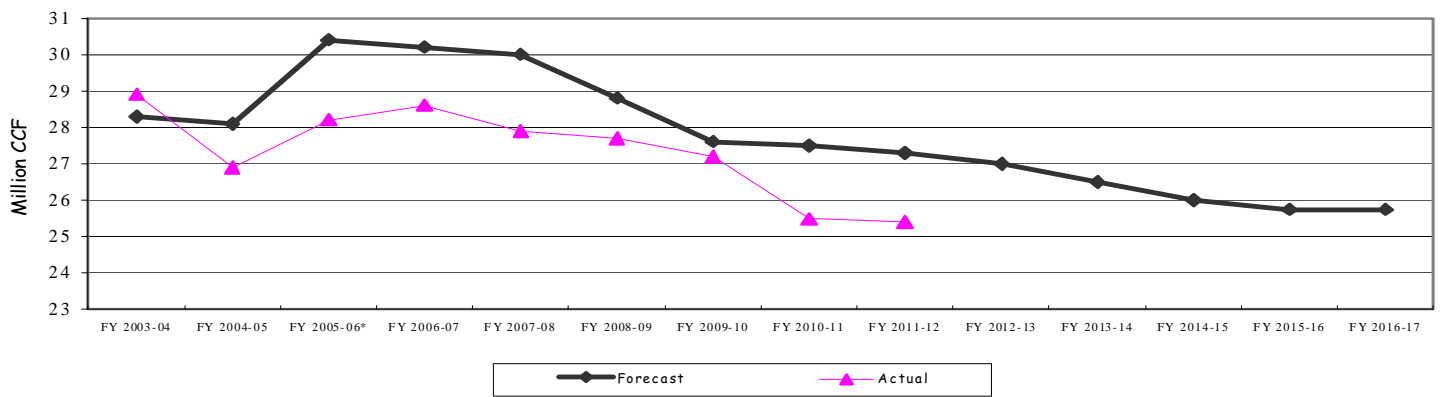
	FY 2012-13 Adopted	FY 2013-14 Base	FY 2013-14 Reductions	FY 2013-14 Add Packages	FY 2013-14 Requested
Beg Fund Bal	\$88,621,718	\$233,886,685	\$0	\$0	\$233,886,685
Charges for Svc	137,347,583	142,715,525	0	1,306,081	144,021,606
Intergovernmental	476,000	666,000	0	0	666,000
Interagency Rev	3,376,583	3,284,923	0	0	3,284,923
Fund Transfer	209,811,953	224,198,819	0	0	224,198,819
Bong/Note Proce	214,085,000	0	0	0	0
Misc Revenue	5,326,532	5,338,656	0	0	5,338,656
Total Revenues	\$659,045,369	\$610,090,608	\$0	\$1,306,081	\$611,396,689
FTE	619.5	591.35	0.00	3.00	594.35

Bureau Overview and Significant Issues

The Mayor provided budget guidance to the utility bureaus to use a modified zero-based budgeting approach. The Bureau followed the Mayor's directive to submit a 90% current appropriation level (CAL) of its operating budget, with the remaining 10% as add packages. The Bureau has ensured that the most mission-critical functions and programs are included in the 90% base. The Bureau has submitted over \$7.6 million of reduction to its Operating Budget and has requested \$1.3 million in "add back" decision packages for City Council consideration. The "add back" decision packages include a request to continue the operation and maintenance of the City's decorative fountains, retain a security specialist position to maintain flexible security coverage around the reservoirs, and add back OMF interagency from internal service bureaus. The Bureau's Requested Budget reflects the Mayor's priorities to preserve core services while minimizing overhead and administration.

The 10% CAL reductions reflect a sustainable permanent reduction in spending that managers and supervisors have made and adjusted to over the past two+ years to address shortfall in revenue and demand projections. However, the proposed reductions will also have some service impacts and will reduce the Bureau's ability to respond to unforeseen events and expenditures. The specifics of service impacts and cost reductions are included in the budget submission.

Programs	10% CAL Reductions		Add Backs		Permanent Reductions		Requested Budget	
	Budget	FTE	Budget	FTE	Budget	FTE	Budget	FTE
Supply	(814,284)	(1.0)			(814,284)	(1.0)	4,701,152	21.2
Transmission & Terminal Storage	(72,203)	-			(72,203)	-	1,395,723	7.0
Treatment	(180,000)	-			(180,000)	-	2,444,883	10.9
Distribution	(2,060,631)	(7.2)	573,907	2.0	(1,486,724)	(5.2)	20,609,963	132.0
Regulatory Compliance	(601,728)	(0.8)			(601,728)	(0.8)	6,311,750	33.3
Customer Service	(1,488,626)	(11.8)	212,839	1.0	(1,275,787)	(10.8)	19,356,300	122.9
Support	(2,380,820)	(4.8)	519,335		(1,861,485)	(4.8)	23,043,449	111.6
Bureau Total	(7,598,291)	(25.5)	1,306,081	3.0	(6,292,210)	(22.5)	77,863,220	438.9



*Powell Valley Road Water District

The typical single family residential customer water usage per month has been steadily declining since FY 2013-04, 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. The Bureau has instituted under-spending of the Operating Budget by 5% due to the expected revenue shortfall.

Operating and Capital Requirements

	FY 2011-12 Actuals	FY 2012-13 Adopted	FY 2013-14 Base	FY 2013-14 Request	FY 2014-15 Estimate
Operating - Base	\$71,845,870	\$87,013,199	\$83,373,026	\$84,682,791	\$88,511,712
Operating - One-Time Initiatives	0	0	0	0	0
Capital - New Construction	29,802,364	59,100,000	68,193,000	68,193,000	41,528,000
Capital - Major Maintenance	40,790,319	76,770,000	57,016,600	57,016,600	69,421,890
Debt Service	36,368,944	42,777,545	52,456,708	52,456,708	0
Fund Transfers – Expenses	152,538,122	214,915,487	229,745,608	229,745,608	244,675,608
Contingency	0	84,277,115	83,181,055	83,177,371	84,000,000
Unappropriated Ending Balance	105,833,066	94,192,023	36,124,611	36,124,611	39,337,982
Total	\$445,944,522	\$659,045,369	\$610,090,608	\$611,396,689	\$628,150,900

Overview of Major Projects and Initiatives

Powell Butte Reservoir 2: This project was organized into two phases. Phase 1 (site preparation) has been completed. Phase Two is the construction of the 50 million gallon buried reservoir at Powell Butte and will be completed this year.

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 approved Bull Run Water Supply Habitat Conservation Plan (HCP). The structure is scheduled to be operational in FY 2013-14.

Interstate Facility Rehabilitation: Two new buildings will replace the 85 year old Maintenance Building that serves as the main office and warehouse where about one-half of PWB employees work.

Kelly Butte Reservoir: The purpose of this project is to increase storage capacity from 10MG to 25MG by replacing the existing tank with a buried reservoir. The existing tank has been demolished and excavation for the replacement is underway.

Major Assets Managed

	5 Years Ago	Current	5 Years From Now
Percent in Good Condition	54.0%	51.0%	55.0%
Percent in Fair Condition	34.0%	33.0%	35.0%
Percent in Poor Condition	12.0%	16.0%	10.0%
Major Maintenance Backlog	\$12.50 M/yr	\$17.20	\$17.20
Replacement Value Total	Estimate \$5.25 B	\$7.10	\$8.23

Water Bureau Program Summary Template

1. Program Title Manager Phone #	2. Program Description	3. Staff (FTE)		4. Requirements		5. Percent Admin	6. Resources				7. Output, Outcome, or Efficiency Measure(s)	8. Program Rankings	
		Regular	Limited Term	Operating	Capital		General Fund	Rates, Fees & IAs	Federal, State & Local	Other		Core	Community
Bull Run Watershed Steve Schenk 503-823-9919	Provide primary potable water source for the Portland utility water system and its customers.	16.74	-	2,970,072	500,000			2,970,072		500,000	Measure Title: Percent of the City's annual water supply provided by Bull Run Watershed under normal operating conditions. FY 2011-12 Actual: 97.0% FY 2013-14 Target: >95%	1	1
Treatment Steve Schenk 503-823-9919	The Treatment Program provides for meeting or exceeding the federal and state requirements for a public water system utilizing an unfiltered surface water source as well as a groundwater source. This program currently provides for the application of chlorine, ammonia, and sodium hydroxide, and associated regulatory and process control monitoring.	12.00	-	2,444,883	2,500,000			2,444,883		2,500,000	Measure Title: Number of violations of state or federal drinking water regulations. FY 2011-12 Actual: 0 FY 2013-14 Target: 0	2	2
Conduits/Transmission Steve Schenk 503-823-9919	To transport water from the watershed and well field to reservoirs, Washington County supply line and tanks throughout the city.	6.17	-	833,453	425,000			833,453		425,000	Measure Title: Number of simultaneous conduit and/or transmission main outages that cause disruption of services. FY 2011-12 Actual: 100% FY 2013-14 Target: 95%	3	3
Terminal Reservoirs Danny Allison 503-823-1567	Provide for the primary storage points of water in town for the distribution system and wholesale customers. These include the large storage reservoirs at Powell Butte, Mt Tabor, Kelly Butte and Washington Park, as well as terminal storage tanks located at Mayfair and Sam Jackson tank sites.	34.12	-	562,270	66,345,000			562,270		66,345,000	Measure Title: Violations of state and federal drinking water quality regulations. FY 2011-12 Actual Actual: 0 FY 2013-14 Target: 0 Measure Title: Maintain minimum service pressure of 20 pounds per square inch (psi) during normal demands. FY 2011-12 Actual Actual: 100% FY 2013-14 Target: 100%	4	4
Distribution Mains Ty Kovatch 503-823-1508	Transport water to customers from terminal reservoirs through mains to local storage, and then through mains to customer services and hydrants.	70.29	-	3,761,540	16,004,000			3,761,540		16,004,000	Measure Title: Customers out of water more than three times per year. FY 2011-12 Actual: 0 FY 2013-14 Target: 0 Measure Title: Time from main break notification to shutdown is less than 2 hours for any significant leak. FY 2011-12 Actual: not available FY 2013-14 Target: 100%	5	5
Pump Stations/Tanks Danny Allison 503-823-1567	Ensure adequate and available water supply and storage within all parts of the water distribution system. Ensure sufficient in-town storage throughout the system.	33.41	-	6,243,096	4,930,000			6,243,096		4,930,000	Measure Title: Percent of time minimum service pressure of 20 psi maintained during normal demands. FY 2011-12 Actual: 99.997% FY 2013-14 Target: 99%	6	6
Customer Service Dave Mozuch 503-823-4168	Through Water Customer Services, accurately maintain, process, and care for customer utility accounts. Provide targeted low income relief to eligible retail customers. Respond timely to all customer inquiries and complaints. Manage water permit processing.	85.75	-	14,013,872	-			14,013,872			Measure Title: Percent of customer inquiries or request respond to within 5 days. FY 2011-12 Actual: 99% FY 2013-14 Target: 95% Measure Title: Percent of calls answered within 60 seconds FY 2011-12 Actual: 49% FY 2013-14 Target: 80%	7	7
Groundwater Danny Allison 503-823-1567	Provide emergency back up and supplemental peak season water source for the Portland utility water system and its customers.	6.34	-	1,731,080	379,000			1,731,080		379,000	Measure Title: Be able to provide backup supply of 80 mgd for 60 days and 90 mgd for 14 days (PSL). FY 2011-12 Actual: 100% FY 2013-14 Target: 100%	8	8

Water Bureau Program Summary Template

1. Program Title Manager Phone #	2. Program Description	3. Staff (FTE)		4. Requirements		5. Percent Admin	6. Resources				7. Output, Outcome, or Efficiency Measure(s)	8. Program Rankings	
		Regular	Limited Term	Operating	Capital		General Fund	Rates, Fees & IAs	Federal, State & Local	Other		Core	Community
Valves/Gates/Regulators Ty Kovatch 503-823-1508	Through the use of valves/gates, isolate segments of the distribution system for maintenance and/or adjustments. Through regulator stations, reduce main water pressure to ensure adequate and appropriate pressure at the customer's meter.	6.90	-	1,143,902	-			1,143,902			Measure Title: Percent of flow control valves that will operation when needed. FY 2011-12 Actual: >95% FY 2013-14 Target: 90% Measure Title: Percent of flow control valves are in the proper operating position. FY 2011-12 Actual: >95% FY 2013-14 Target: 99%	9	9
Regulatory Compliance Chris Wanner 503-823-4050	Meet or exceed state and federal regulatory requirements for water quality mainly through treatment and monitoring. Meet other regulatory compliance mainly involving the Bull Run Watershed, system protection, and the disposal of chlorinated water.	43.05	-	6,311,750	7,737,000			6,311,750		7,737,000	Measure Title: Number of violations of environmental regulations (including NPDES permit requirements, Clean Water Act requirements, and Endangered Species Act requirements). FY 2011-12 Actual: 0 FY 2013-14 Target: 0	10	10
Services Ty Kovatch 503-823-1508	Transport water from the distribution main to the customer's meter or private fire line connection.	35.89	-	1,681,231	4,000,000			1,681,231		4,000,000	Measure Title: Percent of service installs completed within 15 days FY 2011-12 Actual: 61% FY 2013-14 Target: 90%	11	12
Field Support Ty Kovatch 503-823-1508	Field support includes the Bureau's Fleet Management and Stores inventory and operations, as well as Maintenance & Construction's contracts for locating other utilities, the Bureau's Computerized Maintenance Management System (Synergen), PBOT Materials Billing, Engineering Maintenance Group, Geotechnical Support, and contamination monitoring for the Westinghouse facility. Field Support also includes the Group Director, Senior Water Maintenance Specialists, and Admin Support.	51.56	-	4,733,616	16,132,600			4,733,616		16,132,600	Measure Title: Provide support to field crews for work with no delays. FY 2011-12 Actual: 100% FY 2013-14 Target: 90%	12	11
Meters Ty Kovatch 503-823-1508	Accurately measure water and sewer customer's water use for equity and accurate billing purposes. Measure private fire line water use for adherence to usage rules.	18.64	-	1,827,647	1,700,000			1,827,647		1,700,000	Measure Title: Small meters read within 3% of actual value at all times (20 year replacement cycle based on consumption). FY 2011-12 Actual: Data Not Available at this time. FY 2013-14 Target: 97% Measure Title: Large meters read within 3% of actual value at all times (annual test program). FY 2011-12 Actual: Data Not Available at this time. FY 2013-14 Target: 97%	13	13
Data Management Mary Ellen Collentine 503-823-7474	Key systems tools in this program include Records Management, GIS Mapping, CADD, and computerized maintenance management system. Activities include maintaining and developing data management systems that directly support effective and efficient daily field operations. Data/Information from these systems is also used to evaluate and monitor the condition and performance of assets, help make decisions regarding investment strategies, improve business processes and customer services.	18.25	-	2,845,259	-			2,845,259			Measure Title: Percent of service installs completed within 15 days FY 2011-12 Actual: 61% FY 2013-14 Target: 90%	14	14

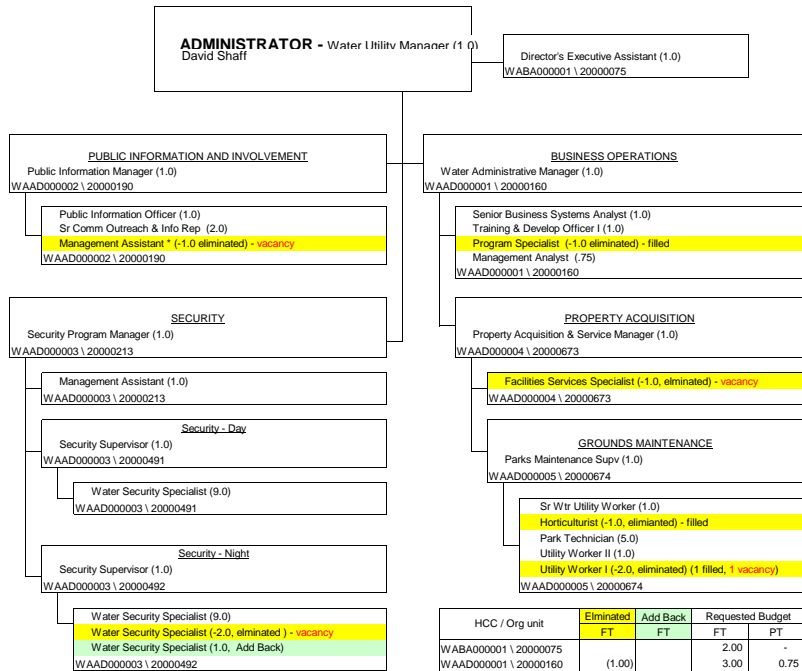
Water Bureau Program Summary Template

1. Program Title Manager Phone #	2. Program Description	3. Staff (FTE)		4. Requirements		5. Percent Admin	6. Resources				7. Output, Outcome, or Efficiency Measure(s)	8. Program Rankings	
		Regular	Limited Term	Operating	Capital		General Fund	Rates, Fees & IAs	Federal, State & Local	Other		Core	Community
Hydrants Ty Kovatch 503-823-1508	Provides fire suppression, alternative customer water source, and flushing point for the distribution system.	11.53	-	640,471	1,100,000			640,471		1,100,000	<p><u>Measure Title:</u> Percent maintained to have at least one working hydrant within 500 feet of service connection. FY 2011-12 Actual: 100% FY 2013-14 Actual: 100%</p> <p><u>Measure Title:</u> Percent maintained for hydrants that are out-of-service, an adjacent hydrant within 500 feet is working, or the hydrant will be brought back-in-service within 5 business days. FY 2011-12 Actual: 100% FY 2013-14 Target: 100%</p>	15	16
Employee Investment Susan Bailey 503-823-1956	This captures the hours allocated to all employees for: training and certifications required to operate the water system or maintain licenses and certificates; City mandated training; apprentice & safety programs; affirmative action & EEO programs, including equity in hiring and other HR practices; and organizational development efforts designed to maximize employee efficiency and effectiveness.	25.55	-	3,127,466	-	26.1%		3,127,466			<p><u>Measure Title:</u> Percent of staff requiring certification who are certified. FY 2011-12 Actual: 100% FY 2013-14 Target: 100%</p>	16	15
Conservation/Sustainability Judi Ranton 503-823-7513	Conservation: Effectively manage water as a finite resource to help ensure adequate and cost effective water supply for Portland drinking water customers by offering high-quality technical resources and information about efficient water use to all customers. Sustainability: Research, communicate and help implement cost effective bureau policies and operating practices to support human health and the natural environment by improving the long-term efficiency of the bureau's use of energy, water, fossil fuels, materials and chemicals in the daily business of providing drinking water service.	5.90	-	1,004,517	-			1,004,517			<p><u>Measure Title:</u> Residential water use in retail service area, per capita gallons per day FY 2011-12 Actual: 57 FY 2013-14 Target: 64</p> <p><u>Measure Title:</u> Bureau's annual carbon emissions, metric tons of CO2e. FY 2011-12 Actual: 11,526 FY 2013-14 Target: 14,008</p>	17	17
Planning Stan VandeBergh 503-823-7476	Includes long range and short-term utility strategic planning and direction; regional water providers coordination on water supply planning, conservation and emergency response; financial planning; CIP development; infrastructure planning including asset management; summer supply planning; and wholesale customer coordination.	26.31	-	4,793,716	-	29.9%		4,793,716			<p><u>Measure Title:</u> Percent of standards met for medium, high or extreme risk assets FY 2011-12 Actual: 84% FY 2013-14 Target: 80%</p> <p><u>Measure Title:</u> Meet or exceed planned debt service coverage of 1.90 on First Lien Bonds and 1.75 on both First and Second Lien Bonds. FY 2011-12 Actual: 2.45 for First Lien Bonds, 1.91 for First and Second Lien Bonds. FY 2013-14 Target: 1.90 and 1.75</p>	18	18
Bureau Support Susan Bailey 503-823-1956	Includes functions such as contract administration, budget, accounting, property management, right-of-way and survey, public involvement, and information technology; manager/supervisor time related to performance management and program planning; IAs for Technology Services, City Attorney, OMF, Facilities, and Risks.; and administrative expenses such as electricity, water/sewer, postage, operating supplies, garbage, etc.	48.50	-	13,777,008	-	70.0%		13,777,008			<p><u>Measure Title:</u> Number of public records requests responded to per year. FY 2011-12 Actual: 400 FY 2013-14 Target: 300</p>	19	19
Security/Emergency Mgmt. Bill Sinnott/Randy Kane 503-823-2793 & 503-823-7074	Respond effectively to system wide emergencies. (Isolated emergencies such as localized main breaks are within their respective asset program.) Provide leadership before, during and after a system wide emergency occurrence and give clear direction for preparedness, response, mitigation, and recovery. • Protect and safeguard the water system, serving as first responder in security and/or water emergencies	25.36	-	3,384,912	1,807,000			3,384,912		1,807,000	<p><u>Measure Title:</u> Incidents of intrusive damage or deterrence of water quality or water delivery. FY 2011-12 Actual: 0 FY 2013-14 Target: 0</p>	20	20

Water Bureau Program Summary Template

1. Program Title Manager Phone #	2. Program Description	3. Staff (FTE)		4. Requirements		5. Percent Admin	6. Resources				7. Output, Outcome, or Efficiency Measure(s)	8. Program Rankings	
		Regular	Limited Term	Operating	Capital		General Fund	Rates, Fees & IAs	Federal, State & Local	Other		Core	Community
Fountains Danny Allison 503-823-1567	Provide public drinking water. Enhance the landscape and livability of the community. Provide recreational opportunities.	3.59	-	578,460	150,000			578,460		150,000	<p><u>Measure Title:</u> Percent of decorative and interactive fountains are operating properly. FY 2011-12 Actual: Tracking on the operations of the fountains is not yet occurring FY 2013-14 Target: 90%</p> <p><u>Measure Title:</u> Percent of licensed interactive fountains meeting regulatory requirements for treatment FY 2011-12 Actual: 100% FY 2013-14 Target: 100%</p>	21	21
Grounds/Parks Tom Klutz 503-823-7503	Keep grounds and landscaping in and around water facilities neat and attractive, in keeping with the desired livability of the neighborhood. For other sites such as Dodge Park, develop and enhance opportunities for public use.	6.25	-	952,999	-			952,999			<p><u>Measure Title:</u> Percent of Bureau maintenance plan met. FY 2011-12 Actual: 100% FY 2013-14 Target: 100%</p>	22	22
Fund Level Expenses	This line contains the total fund level expenses, which includes all debt service, cash transfers, contingency, and unappropriated fund balance.		-	152,042,541				152,042,541					
Total		592.10	-	231,405,761	123,709,600	5.6%	-	231,405,761	-	123,709,600			

ADMINISTRATION GROUP

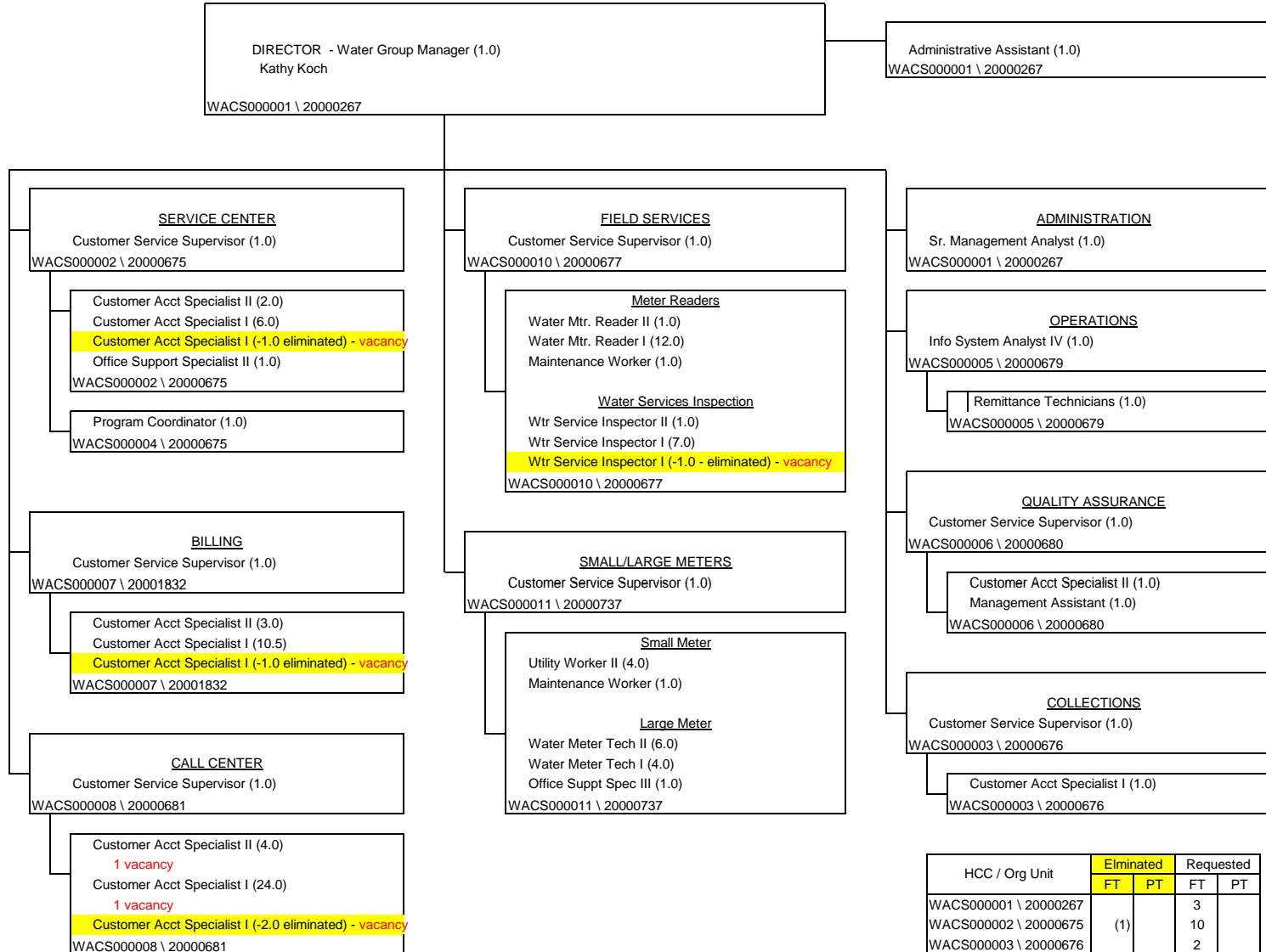


All WB positions are regular full time or part time positions.
In this Group, all positions are funded with Water Rates.

FY 2013-14 BUDGET Water Bureau Budget

HCC / Org unit	Eliminated		Add Back		Requested Budget	
	FT	PT	FT	PT	FT	PT
WABA000001 \ 20000075					2.00	-
WAAD000001 \ 20000160	(1.00)				3.00	0.75
WAAD000002 \ 20000190	(1.00)				4.00	-
WAAD000003 \ 20000213					2.00	-
WAAD000003 \ 20000491					10.00	-
WAAD000003 \ 20000492	(2.00)		1.00		10.00	-
WAAD000004 \ 20000673	(1.00)				1.00	-
WAAD000005 \ 20000674	(3.00)				8.00	-
Total	(8.00)		1.00		40.00	0.75

CUSTOMER SERVICE GROUP



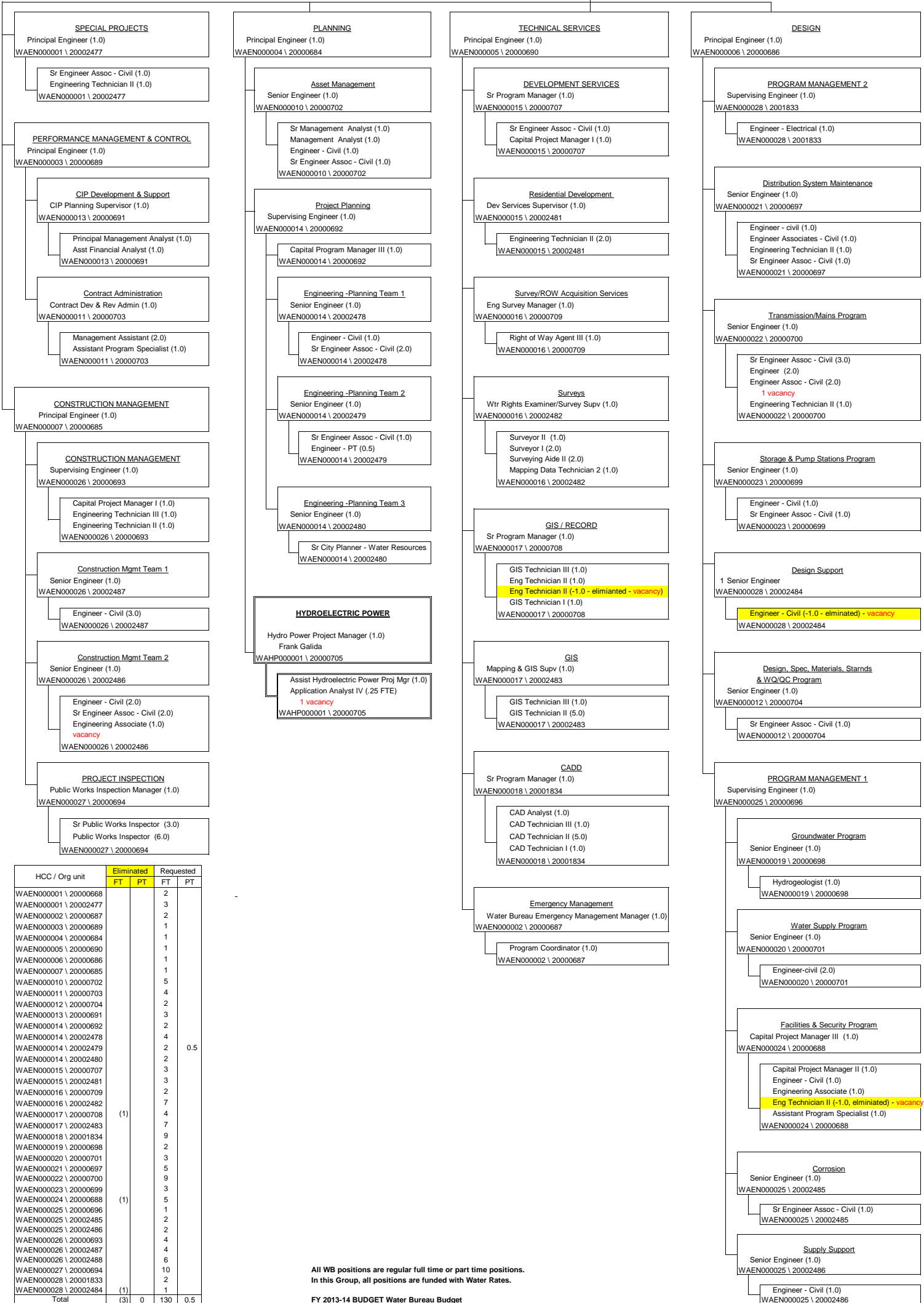
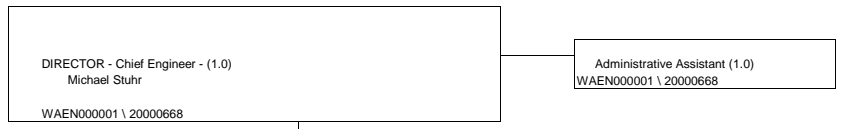
All WB positions are regular full time or part time positions.
 In this Group, all positions are funded with Water Rates.

FY 2013-14 BUDGET Water Bureau Budget

HCC / Org Unit	Eliminated		Requested	
	FT	PT	FT	PT
WACS000001 \ 20000267			3	
WACS000002 \ 20000675	(1)		10	
WACS000003 \ 20000676			2	
WACS000004 \ 20000675			1	
WACS000005 \ 20000679			2	
WACS000006 \ 20000680			3	
WACS000007 \ 20001832	(1)		13	1.5
WACS000008 \ 20000681	(2)		29	
WACS000010 \ 20000677	(1)		23	
WACS000011 \ 20000737			17	
Total	(5)		103	1.5

ENGINEERING SERVICES GROUP

2/15/2013

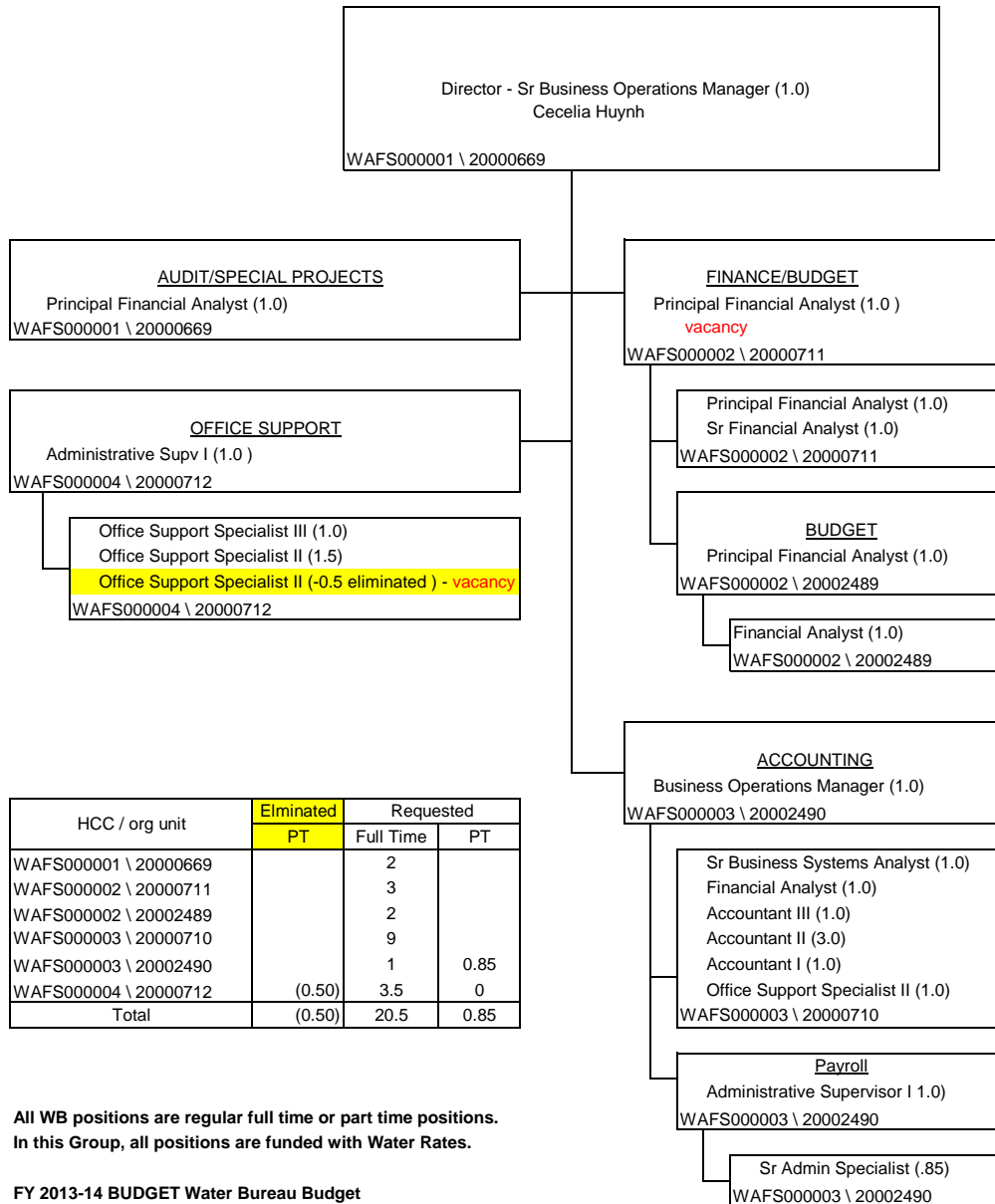


HCC / Org unit	Eliminated		Requested	
	FT	PT	FT	PT
WAEN000001 \ 2000668			2	
WAEN000001 \ 20002477			3	
WAEN000002 \ 2000687			2	
WAEN000003 \ 2000689			1	
WAEN000004 \ 2000684			1	
WAEN000005 \ 2000690			1	
WAEN000006 \ 2000686			1	
WAEN000007 \ 2000685			1	
WAEN000010 \ 2000702			5	
WAEN000011 \ 2000703			4	
WAEN000012 \ 2000704			2	
WAEN000013 \ 2000691			3	
WAEN000014 \ 2000692			2	
WAEN000014 \ 20002478			4	
WAEN000014 \ 20002479			2	0.5
WAEN000014 \ 20002480			2	
WAEN000015 \ 2000707			3	
WAEN000015 \ 20002481			3	
WAEN000016 \ 2000709			2	
WAEN000016 \ 20002482			7	
WAEN000017 \ 2000708	(1)		4	
WAEN000017 \ 20002483			7	
WAEN000018 \ 20001834			9	
WAEN000019 \ 2000698			2	
WAEN000020 \ 2000701			3	
WAEN000021 \ 2000697			5	
WAEN000022 \ 2000700			9	
WAEN000023 \ 2000699			3	
WAEN000024 \ 2000688	(1)		5	
WAEN000025 \ 2000696			1	
WAEN000025 \ 20002485			2	
WAEN000025 \ 20002486			2	
WAEN000026 \ 2000693			4	
WAEN000026 \ 20002487			4	
WAEN000026 \ 20002488			6	
WAEN000027 \ 2000694			10	
WAEN000028 \ 20001833			2	
WAEN000028 \ 20002484	(1)		1	
Total	(3)	0	130	0.5

All WB positions are regular full time or part time positions.
In this Group, all positions are funded with Water Rates.

FY 2013-14 BUDGET Water Bureau Budget

FINANCE AND SUPPORT SERVICES GROUP

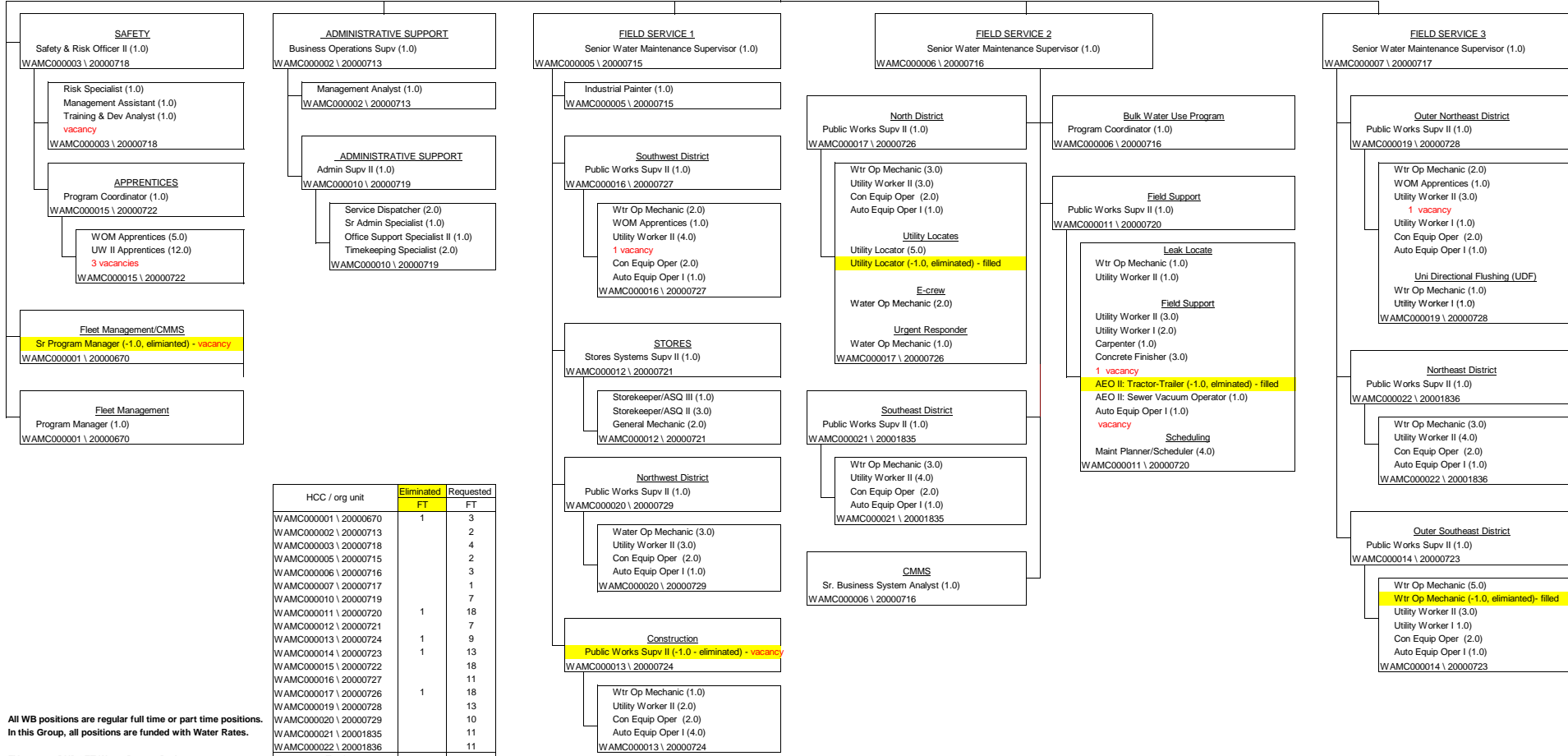
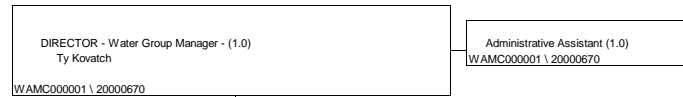


HCC / org unit	Eliminated	Requested	
	PT	Full Time	PT
WAFS000001 \ 20000669		2	
WAFS000002 \ 20000711		3	
WAFS000002 \ 20002489		2	
WAFS000003 \ 20000710		9	
WAFS000003 \ 20002490		1	0.85
WAFS000004 \ 20000712	(0.50)	3.5	0
Total	(0.50)	20.5	0.85

All WB positions are regular full time or part time positions.
In this Group, all positions are funded with Water Rates.

FY 2013-14 BUDGET Water Bureau Budget

MAINTENANCE & CONSTRUCTION GROUP

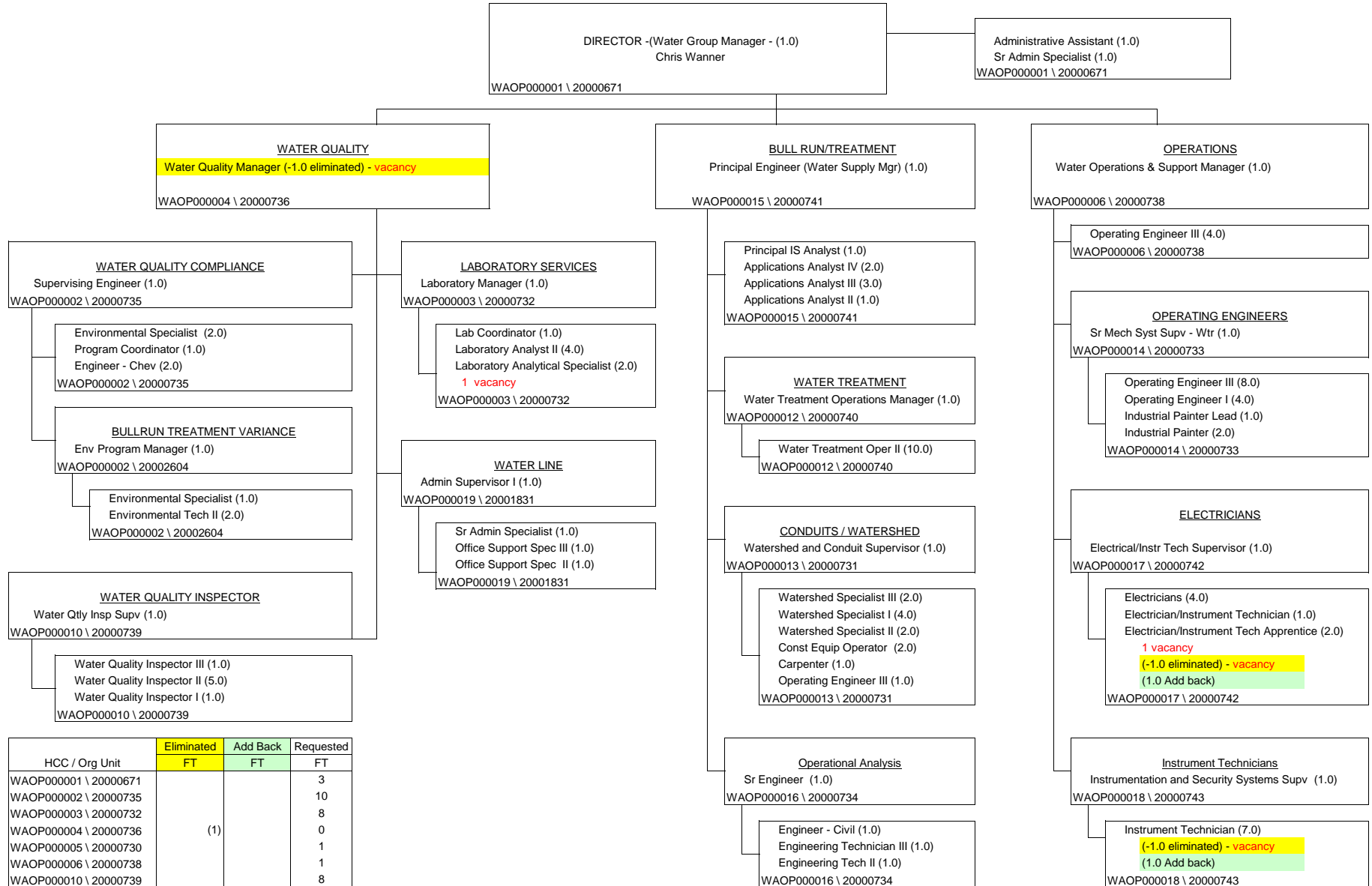


HCC / org unit	Eliminated	Requested
	FT	FT
WAMC000001 \ 20000670	1	3
WAMC000002 \ 20000713		2
WAMC000003 \ 20000718		4
WAMC000005 \ 20000715		2
WAMC000006 \ 20000716		3
WAMC000007 \ 20000717		1
WAMC000010 \ 20000719		7
WAMC000011 \ 20000720	1	18
WAMC000012 \ 20000721		7
WAMC000013 \ 20000724	1	9
WAMC000014 \ 20000723	1	13
WAMC000015 \ 20000722		18
WAMC000016 \ 20000727		11
WAMC000017 \ 20000726	1	18
WAMC000019 \ 20000728		13
WAMC000020 \ 20000729		10
WAMC000021 \ 20001835		11
WAMC000022 \ 20001836		11
Total	5	161

All WB positions are regular full time or part time positions.
In this Group, all positions are funded with Water Rates.

FY 2013-14 BUDGET Water Bureau Budget

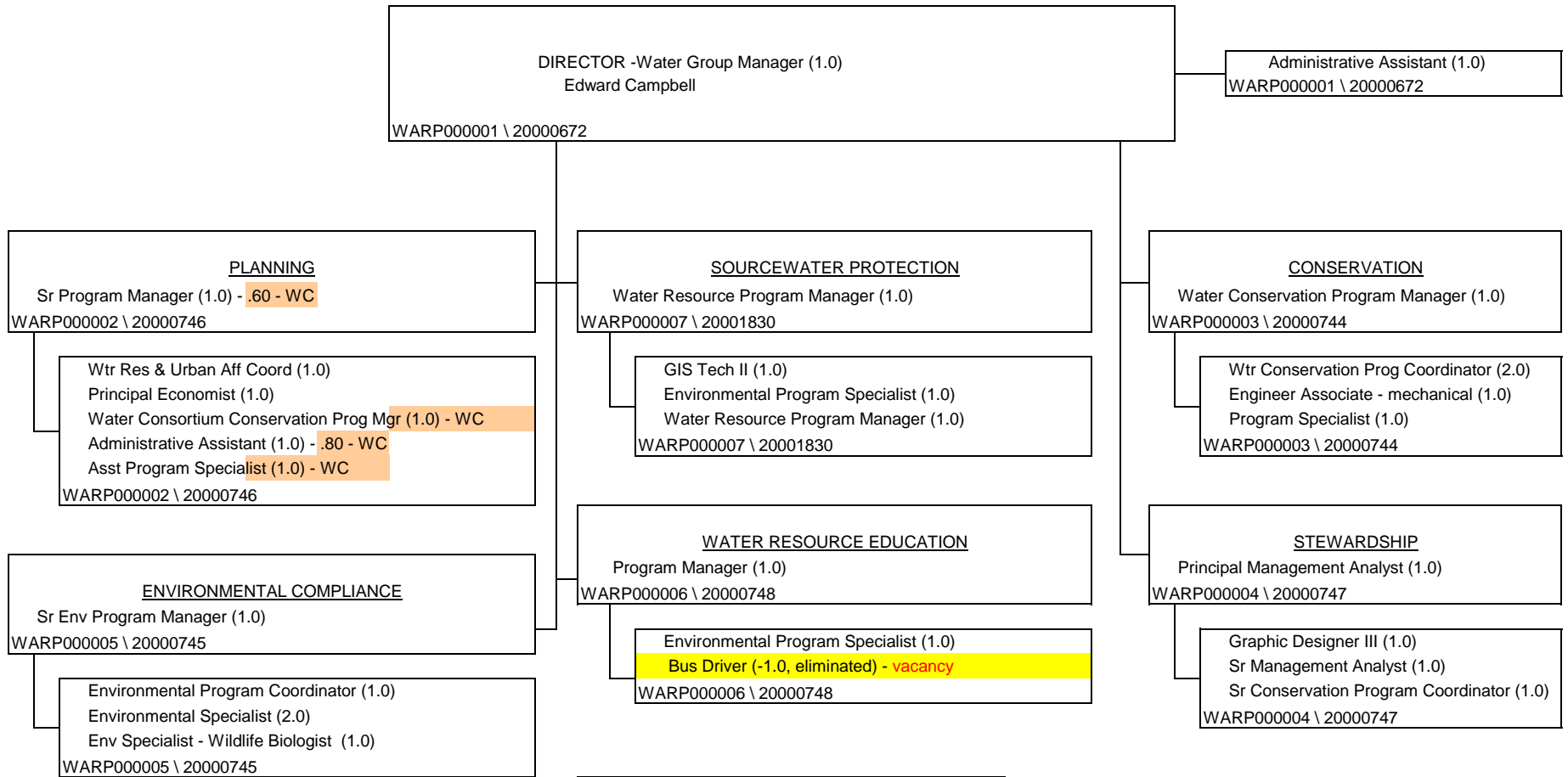
OPERATIONS GROUP



HCC / Org Unit	Eliminated	Add Back	Requested
	FT	FT	FT
WAOP000001 \ 20000671			3
WAOP000002 \ 20000735			10
WAOP000003 \ 20000732			8
WAOP000004 \ 20000736	(1)		0
WAOP000005 \ 20000730			1
WAOP000006 \ 20000738			1
WAOP000010 \ 20000739			8
WAOP000012 \ 20000740			11
WAOP000013 \ 20000731			13
WAOP000014 \ 20000733			20
WAOP000015 \ 20000741			7
WAOP000016 \ 20000734			4
WAOP000017 \ 20000742	(1)	1	8
WAOP000018 \ 20000743	(1)	1	8
WAOP000019 \ 20001831			4
Total	(3)	2	106

All WB positions are regular full time or part time positions.
In this Group, all positions are funded with Water Rates.

RESOURCE PROTECTION AND PLANNING GROUP



All WB positions are regular full time or part time positions.
 In this Group, all positions are funded with Water Rates except
 3.4 FTE funded from the Regional Water Consortium = WC.

FY 2013-14 BUDGET Water Bureau Budget

HCC / Org Unit	Eliminated	Requested
	FT	FT
WARP000001 \ 20000672		2
WARP000002 \ 20000746		6
WARP000003 \ 20000744		5
WARP000004 \ 20000747		4
WARP000005 \ 20000745		5
WARP000006 \ 20000748	(1.00)	2
WARP000007 \ 20001830		4
Total	(1.00)	28

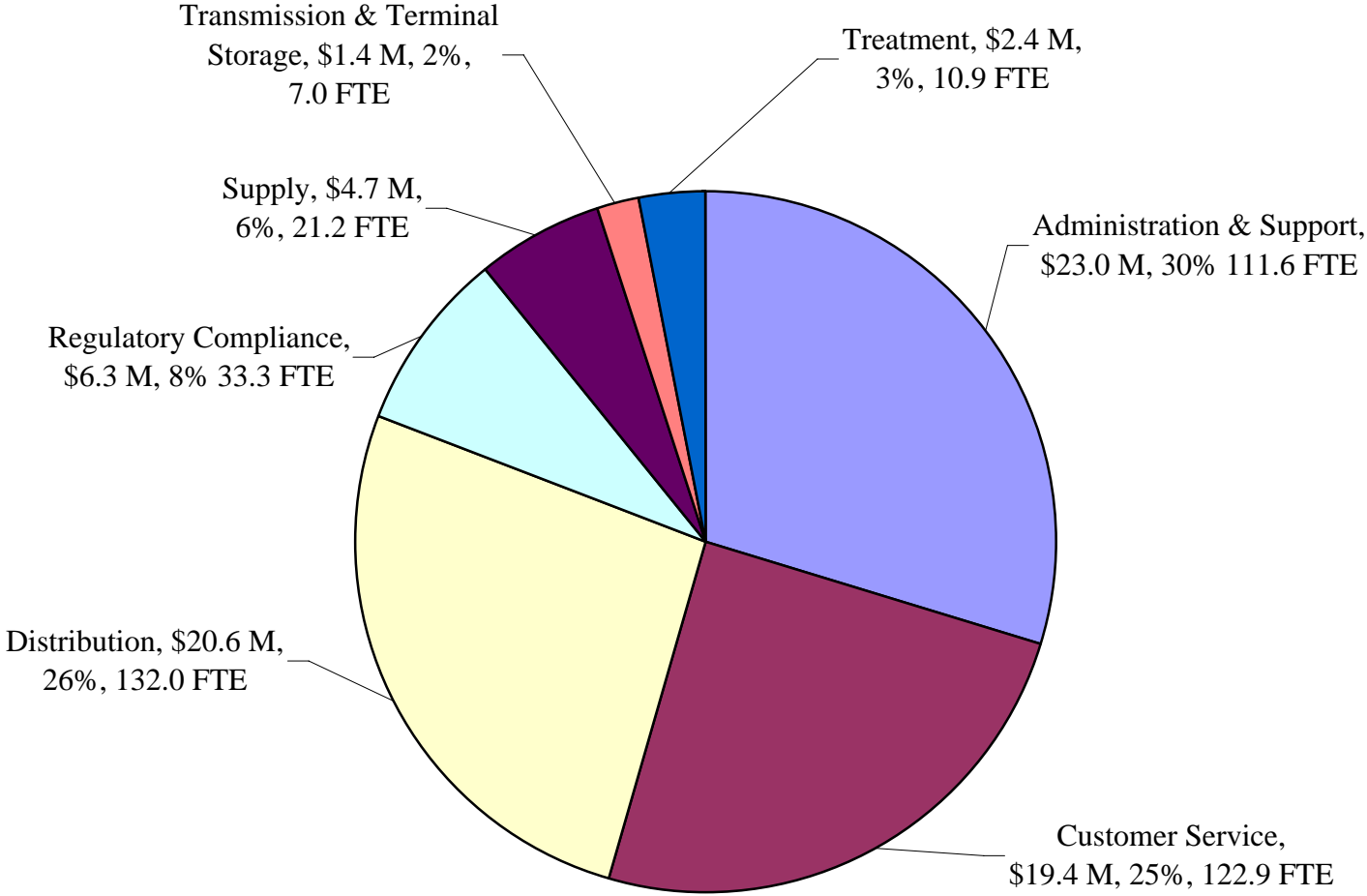
**FY 2013-14 Requested Budget
Portland Water Bureau
Council Handouts, February 19, 2013**

FY 2013-14 Budget Program/Water Program Summary	1
FY 2013-14 Program Summary - Operating Chart	2
Administrative & Support Program Detail	3
FY 2013-14 Reductions (not part of 90% CAL)	4
FY 2013-14 Program Summary – Capital Chart	5
5-Year CIP Project Detail	6
Debt - Water Bureau Debt Summary	7
5-Year Water Retail Rate Forecast	8
Bill Comparison - Average Utility Services Chart	9
Monthly Water Bill Comparisons – Regional Graph	10
Monthly Water Bill Comparisons – National Graph	11

**Requested Budget with all 3 add backs
(\$ in Thousands)**

Water Programs	FY 2013-14 Budget Request by 22 Water Programs			
	Base	CIP	Total	FTE
Supply				
Bull Run Watershed	\$2,970	\$500	\$3,470	16.7
Groundwater	\$1,731	\$379	\$2,110	6.3
	\$4,701	\$879	\$5,580	23.1
Treatment				
Treatment	\$2,445	\$2,500	\$4,945	12
Transmission & Terminal Storage				
Conduits/Transmission Mains	\$833	\$425	\$1,258	6.2
Terminal Reservoirs	\$562	\$66,345	\$66,907	34.1
	\$1,396	\$66,770	\$68,165	40.3
Distribution				
Distribution Mains	\$3,762	\$16,004	\$19,766	70.3
Field Support	\$4,734	\$16,133	\$20,866	51.6
Fountains	\$578	\$150	\$728	3.6
Hydrants	\$640	\$1,100	\$1,740	11.5
Meters	\$1,828	\$1,700	\$3,528	18.7
Pump Stations/Tanks	\$6,243	\$4,930	\$11,173	33.4
Services	\$1,681	\$4,000	\$5,681	35.9
Valves/Gates/Regulators	\$1,144	\$0	\$1,144	6.9
	\$20,610	\$44,016	\$64,626	231.8
Regulatory Compliance				
Water Quality & Regulatory Compliance	\$6,312	\$7,737	\$14,048	43.1
Customer Service				
Conservation/Sustainability	\$1,005	\$0	\$1,004	5.9
Customer Service	\$14,014	\$0	\$14,014	85.5
Grounds/Parks	\$953	\$0	\$953	6.3
Security/Emergency Mgmt	\$3,385	\$1,807	\$5,192	25.4
	\$19,356	\$1,807	\$21,163	123.3
Administration & Support				
Bureau Support	\$13,777	\$0	\$13,777	48.5
Data Management	\$2,845	\$0	\$2,845	18.3
Employment Investment	\$3,127	\$0	\$3,127	25.6
Planning	\$3,294	\$1,500	\$4,793	26.3
	\$23,043	\$1,500	\$24,543	118.6
Total	\$77,863	\$125,210	\$203,073	592.1

**Water Bureau FY 2013-14 Requested Budget - Operating
Total = \$77.9 Million**



Requested Budget includes 90% CAL plus 3 add backs

FY 2013-14 Requested Budget – Portland Water Bureau

Administrative & Support Program – This program includes four Water Programs – Bureau Support, Data Management, Employee Investment, and Planning. These Water Programs are made up of functions and activities that are in support to the direct activities of providing water service and maintaining water system infrastructures. Examples of this support include personnel training, data management, financial planning and accounting, and facilities services. This program is also responsible for meeting many City-wide requirements, such as those related to budgeting, accounting, human resources, and others.

Bureau Support includes functions such as contract administration, budget, accounting, payroll, property management, right-of-way and survey, public involvement, and information technology; manager/supervisor time related to performance management and program planning; IAs for Technology Services, City Attorney, OMF, Facilities-space rental, and Risk; and administrative expenses such as electricity, water/sewer, postage, operating supplies, garbage, etc.

	Accounting	Contract Administration	Administration/ Supervisory	Property Management	Public Involvement	Survey/Right of Way Svcs	Total
Personal Svcs	1,202,183	403,826	2,930,806	144,775	246,338	723,231	5,651,159
External M&S	6,500	6,993	1,360,676	95,000	44,000	15,493	1,528,662
Interagencies	1,242,769	122,420	5,075,863	53,436	51,484	51,215	6,597,187
Total	\$2,451,452	\$533,239	\$9,367,345	\$293,211	\$341,822	\$789,939	\$13,777,008
FTE	11.15	3.80	23.83	1.10	2.20	6.42	48.50

Data Management includes functions such as CADD, GIS, and mapping as well as water system records management and computer maintenance management system.

	CADD/GIS/ Map/ Records	CMMS- Base	Total
Personal Svcs	1,417,006	609,547	2,026,553
External M&S	5,714	0	5,714
Interagencies	603,206	209,786	812,992
Total	2,025,926	819,333	2,845,259
FTE	13.25	5.00	18.25

Employee Investment captures the hours allocated to all employees for: training and certifications required to operate the water system or maintain licenses and certificates; City mandated training; apprentice & safety programs; affirmative action & EEO programs, including equity in hiring and other HR practices; and organizational development efforts designed to maximize employee efficiency and effectiveness.

	Training/ Apprentice Program	Human Resources	Safety	Total
Personal Svcs	1,728,663	214,516	449,134	2,392,313
External M&S	552,832	4,600	138,740	696,172
Interagencies	30,117	2,700	6,164	38,981
Total	2,311,611	221,816	594,038	3,127,466
FTE	19.90	1.55	4.10	25.55

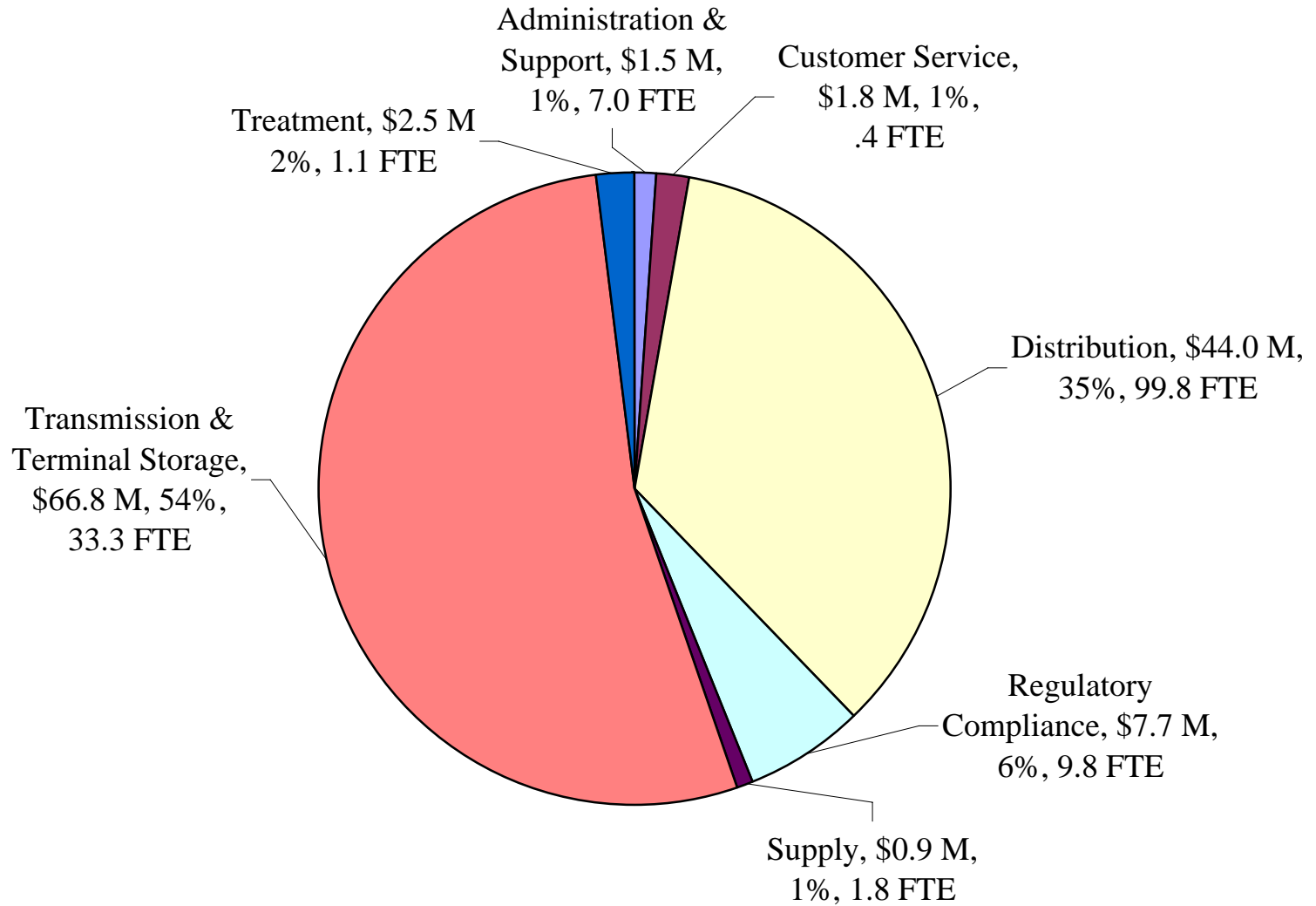
Planning includes functions such as long range and short-term utility strategic planning and direction, financial planning, CIP planning, infrastructure planning including asset management, wholesale customer coordination, and staff to support the Regional Water Providers Consortium for City and regional water supply planning, conservation and emergency response coordination.

	Asset Management	CIP Planning	Financial Planning	Long Supply Planning	Short Term Supply Planning	Water Providers Consortium	Total
Personal Svcs	863,312	407,041	801,176	32,602	113,160	436,348	2,653,639
External M&S	102,292	496	55,523	0	24,345	315,220	497,876
Interagencies	2,348	575	123,628			15,650	142,201
Total	967,952	408,112	980,327	32,602	137,505	767,218	3,293,716
FTE	6.36	2.90	5.65	.20	.80	3.40	19.31

FY 2013-14 Water Bureau Operating Budget Reductions

		10% CAL Reductions							
		Efficiencies		Impact to Service Level		Reduce Ability to Respond to Unforeseens		Total Reductions	
Program	Water Program	Budget	FTE	Budget	FTE	Budget	FTE	Budget	FTE
Supply	Bull Run Watershed	(60,662)	-	(125,904)	(1.00)	-	-	(186,566)	(1.00)
	Groundwater	(77,718)	-	(50,000)	-	(500,000)	-	(627,718)	-
Supply Total		(138,380)	-	(175,904)	(1.00)	(500,000)	-	(814,284)	(1.00)
Transmission & Terminal Storage	Conduits/Transmission Mains	-	-	-	-	(72,203)	-	(72,203)	-
	Terminal Reservoirs	-	-	-	-	-	-	-	-
Transmission & Terminal Storage Total		-	-	-	-	(72,203)	-	(72,203)	-
Treatment	Treatment	(180,000)	-	-	-	-	-	(180,000)	-
Treatment Total		(180,000)	-	-	-	-	-	(180,000)	-
Distribution	Distribution Mains	(67,234)	(1.00)	(77,962)	(1.00)	-	-	(145,196)	(2.00)
	Field Support	(718,137)	(2.00)	(207,729)	-	-	-	(925,866)	(2.00)
	Fountains	-	-	(626,371)	(2.10)	-	-	(626,371)	(2.10)
	Hydrants	-	-	-	-	-	-	-	-
	Meters	-	-	-	-	(6,250)	-	(6,250)	-
	Pump Stations/Tanks	(80,262)	-	(8,757)	(0.10)	(180,000)	-	(269,019)	(0.10)
	Services	-	-	-	(1.00)	-	-	-	(1.00)
	Valves/Gates/Regulators	-	-	(87,929)	-	-	-	(87,929)	-
Distribution Total		(865,633)	(3.00)	(1,008,748)	(4.20)	(186,250)	-	(2,060,631)	(7.20)
Regulatory Compliance	Water Quality & Regulatory Compliance	(314,928)	(0.80)	(102,000)	-	(184,800)	-	(601,728)	(0.80)
Regulatory Compliance Total		(314,928)	(0.80)	(102,000)	-	(184,800)	-	(601,728)	(0.80)
Customer Service	Conservation/Sustainability	(25,000)	-	(40,000)	-	-	-	(65,000)	-
	Customer Service	(31,000)	-	(700,315)	(5.00)	-	-	(731,315)	(5.00)
	Grounds/Parks	-	-	(183,510)	(2.75)	-	-	(183,510)	(2.75)
	Security/Emergency Mgmt	(23,672)	-	(474,499)	(4.00)	(10,630)	-	(508,801)	(4.00)
Customer Service Total		(79,672)	-	(1,398,324)	(11.75)	(10,630)	-	(1,488,626)	(11.75)
Support	Bureau Support	(1,036,987)	(2.00)	(581,099)	(0.90)	-	-	(1,618,086)	(2.90)
	Data Management	(82,786)	-	(109,544)	(1.00)	-	-	(192,330)	(1.00)
	Employee Investment	(242,792)	(0.20)	(64,439)	(0.65)	(17,000)	-	(324,231)	(0.85)
	Planning	(73,479)	-	(172,694)	-	-	-	(246,173)	-
Support Total		(1,436,044)	(2.20)	(927,776)	(2.55)	(17,000)	-	(2,380,820)	(4.75)
Grand Total		(3,014,657)	(6.00)	(3,612,751)	(19.50)	(970,883)	-	(7,598,291)	(25.50)

**Water Bureau FY 2013-14 Requested Budget - Capital
Total - \$125.2 Million**



FY 2013-18 CIP project Details

Program Water Program		Projects	2014	2015	2016	2017	2018	5-Year Total
Supply								
Bull Run Watershed	<i>Bull Run Watershed (< \$500k/project)</i>	380,000	780,000	2,500,000	2,750,000	2,000,000	8,410,000	
	<i>Road 1008</i>	60,000	650,000				710,000	
	<i>Road 10 MP 0.6-1.8</i>	60,000	840,000				900,000	
Groundwater	<i>Groundwater (< \$500k/project)</i>	300,000	450,000	450,000	500,000	500,000	2,200,000	
	<i>Groundwater Electrical Supply Improvement</i>	79,000	1,992,000	0	0	0	2,071,000	
Supply Total		879,000	4,712,000	2,950,000	3,250,000	2,500,000	14,291,000	
Treatment								
Water Program Treatment	<i>Headworks Flow Meter 2</i>	2,500,000	0	0	0	0	2,500,000	
Treatment Total		2,500,000	0	0	0	0	2,500,000	
Transmission & Terminal Storage								
Conduits/Transmission Mains	<i>Conduit/Transmission Mains (< \$500k/project)</i>	425,000	8,500,000	12,600,000	5,000,000	7,000,000	33,525,000	
Terminal Reservoirs	<i>Kelly Butte Reservoir</i>	35,000,000	27,000,000	4,970,000	0	0	66,970,000	
	<i>Powell Butte Reservoir 2</i>	27,520,000	7,700,000	0	0	0	35,220,000	
	<i>Tabor Reservoir Adjustments</i>	225,000	1,140,000	1,990,000	0	0	3,355,000	
	<i>Washington Park Reservoir 3</i>	3,600,000	2,300,000	2,900,000	19,300,000	24,000,000	52,100,000	
Transmission & Terminal Storage Total		66,770,000	46,640,000	22,460,000	24,300,000	31,000,000	191,170,000	
Distribution								
Distribution Mains	<i>Distribution Mains (< \$500k/project)</i>	11,717,000	13,911,000	15,875,000	16,775,000	17,460,000	75,738,000	
	<i>Bertha Service Area Improvements</i>	430,000	426,000	0	0	0	856,000	
	<i>Division St Piping</i>	1,480,000	200,000	0	0	0	1,680,000	
	<i>LRT Transit SE Corridor</i>	1,100,000	0	0	0	0	1,100,000	
	<i>Raymond Tank Supply Improvements</i>	125,000	410,000	0	0	0	535,000	
	<i>Rose City Sewer Rehabilitation</i>	2,000	0	0	0	0	2,000	
	<i>Willamette River Pipe Crossing</i>	460,000	2,600,000	5,000,000	20,000,000	28,540,000	56,600,000	
	<i>Carolina Pump Station Main Extension Phase 2</i>	690,000	2,494,000	0	0	0	3,184,000	
Pump Stations/Tanks	<i>Pump Stations/Tanks (< \$500k/project)</i>	500,000	510,000	1,480,000	1,098,000	1,415,000	5,003,000	
	<i>Forest Park Low Tank</i>	2,210,000	0	0	0	0	2,210,000	
	<i>Fulton Pump Station</i>	2,220,000	6,740,000	100,000	0	0	9,060,000	
Fountains	<i>Fountains Repair / Replacement</i>	150,000	150,000	150,000	150,000	150,000	750,000	
Field Support	<i>Construction Equipment Projects</i>	3,755,600	3,501,500	3,388,900	3,460,138	3,459,338	17,565,476	
	<i>Interstate Facility Rehabilitation</i>	12,377,000	16,248,390	6,138,422	560,000	0	35,323,812	
Hydrants	<i>Hydrants New / Replacement</i>	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	5,900,000	
Meters	<i>Meters New / Replacement</i>	1,700,000	1,590,000	1,800,000	1,800,000	1,800,000	8,690,000	
Services	<i>Service New / Replacement</i>	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000	
Distribution Total		44,016,600	53,980,890	39,132,322	49,043,138	58,024,338	244,197,288	
Regulatory Compliance								
WQ & Reg Compliance	<i>WQ & Reg Compliance (< \$500k/project)</i>	1,304,000	3,642,000	9,300,000	2,350,000	2,000,000	18,596,000	
	<i>Bull Run Dam 2 Tower</i>	5,975,000	475,000	0	0	0	6,450,000	
	<i>HCP Alder Creek Fish Passage</i>	458,000	0	0	0	0	458,000	
Regulatory Compliance Total		7,737,000	4,117,000	9,300,000	2,350,000	2,000,000	25,504,000	
Customer Service								
Security/Emergency Mgmt	<i>Security/Emergency Mgmt (< \$500k/project)</i>	0	0	250,000	500,000	500,000	1,250,000	
	<i>Emergency Coordination Center</i>	1,807,000	0	0	0	0	1,807,000	
Customer Service Total		1,807,000	0	250,000	500,000	500,000	3,057,000	
Support								
Planning	<i>Planning Studies</i>	1,500,000	1,500,000	2,000,000	2,500,000	2,500,000	10,000,000	
Support Total		1,500,000	1,500,000	2,000,000	2,500,000	2,500,000	10,000,000	
Capital Project Total		125,209,600	110,949,890	76,092,322	81,943,138	96,524,338	490,719,288	

Water Bureau Debt Summary

(\$ in millions)

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Current Outstanding Water Revenue Bonds	\$440.1	\$422.9	\$404.8	\$385.9	\$365.8	\$344.6
March 2013 Planned Sale	\$173.5	\$169.3	\$165.0	\$160.5	\$155.8	\$150.9
August 2014 Planned Sale			\$164.1	\$161.1	\$158.0	\$155.0
August 2016 Planned Sale					\$154.3	\$151.5
Total Outstanding Debt	\$613.6	\$592.2	\$733.9	\$707.5	\$833.9	\$802.0
Estimated Annual Debt Service Payments	\$36.1	\$47.2	\$55.4	\$60.0	\$68.0	\$72.3

Assumptions:

March 2013 Sale assumes a 4% bond rate.

August 2014 and 2016 Sales assumes a 6% bond rate.

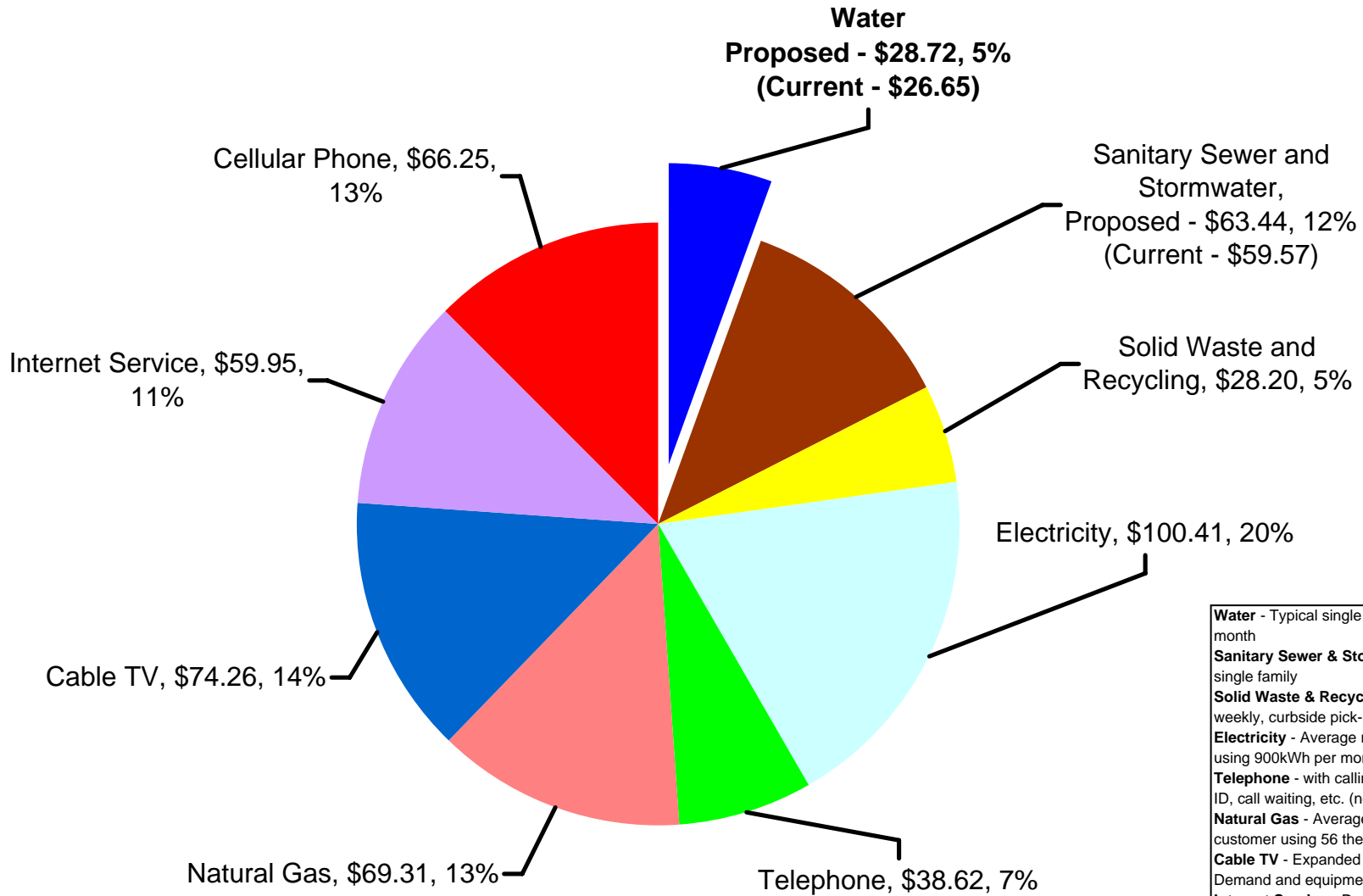
Bond sales include funding for capital projects, debt service reserve requirements, and bond sale costs

5-Year Water Retail Rate Forecast

<u>Resources</u>	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
2012 Year End Updates (savings)	-0.2%				
GF Reimbursement of \$1.6 million	-0.1%				
Additional Non-Rate Revenues	-0.1%				
Reduced Wholesale Revenue	0.5%			1.8%	0.2%
Lower Retail Demand	1.5%	1.5%	0.8%		
<u>Requirements</u>					
Inflation (melded 5.1% for FY 2014)/Lower Interest Earnings	3.9%	3.2%	3.3%	2.1%	2.7%
Capital Program (4.0% bond rate assumed for Spring 2013 sale)	11.0%				
Capital Program (6.0% bond rate assumed on future sales)		17.8%	11.2%	6.4%	3.8%
Prior Year Decisions on Service Level	4.3%				
Non-Rep COLA from FY 2012-13	0.5%				
Higher General Fund Overhead	0.3%				
Pension Obligation Bonds (POBS) savings	-0.1%				
2012 Bonds Sale Rate savings	-1.2%				
Mayor's 10% Operating Reductions	-5.7%				
Levelize Rates (utilizing Rate Stabilization Account)	-7.9%	-8.1%	-0.9%	-1.3%	1.3%
Proposed Rate Increase at 90% CAL	6.7%	14.4%	14.4%	9.0%	8.0%
"Add Back" Decision Packages					
Decorative Fountains	0.4%				
Security Specialist	0.1%				
Interagency Services	0.6%				
Proposed Rate Increase with "Add Back" Decision Packages	7.8%	14.4%	14.4%	9.0%	8.0%

Average Utility Services

Total = \$529.16

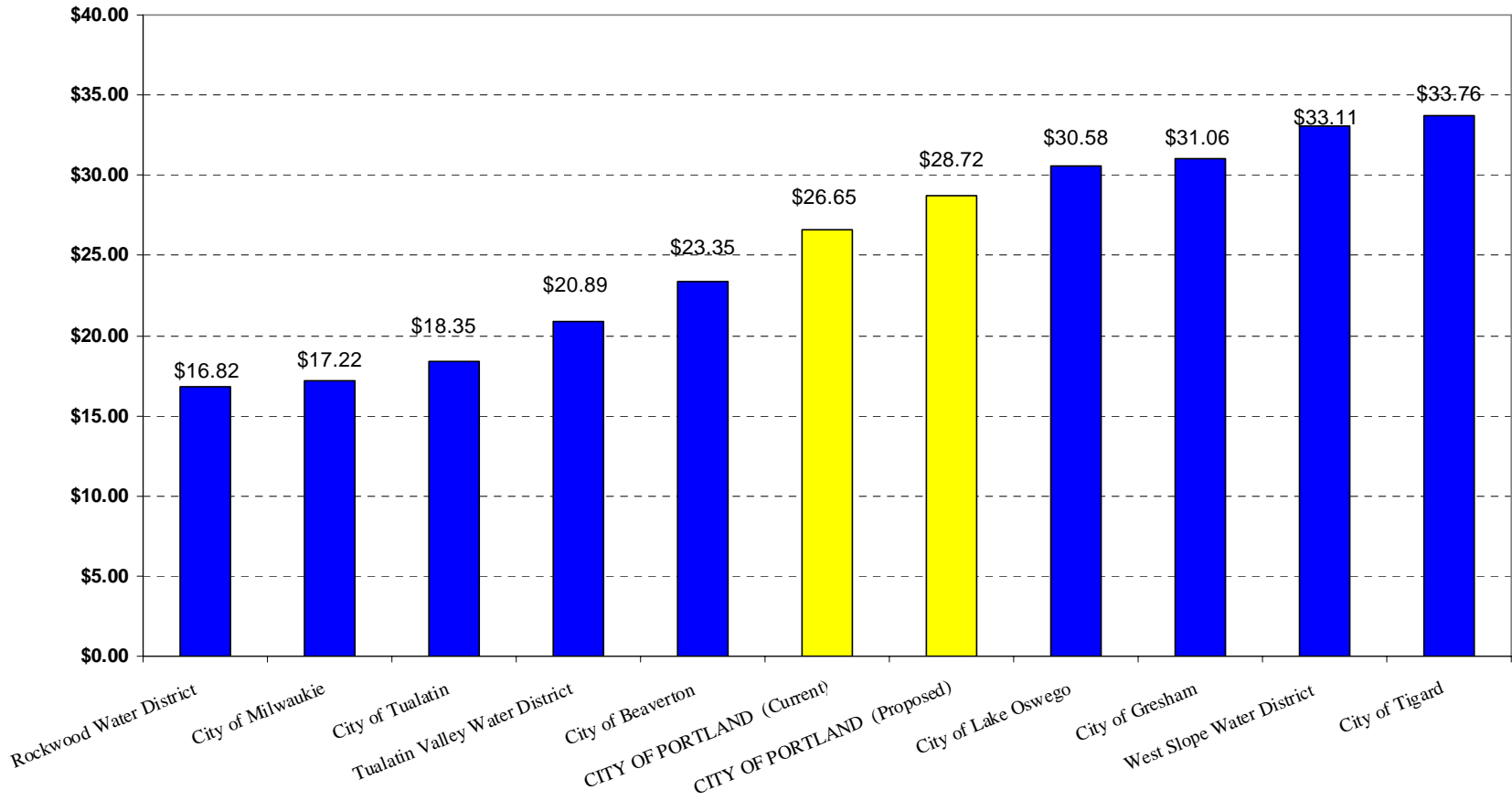


Water - Typical single family using 5 ccf per month
Sanitary Sewer & Stormwater - Average single family
Solid Waste & Recycling - 32 gallon can, bi-weekly, curbside pick-up
Electricity - Average residential customer using 900kWh per month
Telephone - with calling features, i.e., caller ID, call waiting,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

The proposed rates for Water, Sanitary Sewer, and Solid Waste are to be effective July 1, 2013.

Monthly Water Bill Comparison – Regional¹

(based on 5 ccf of consumption)

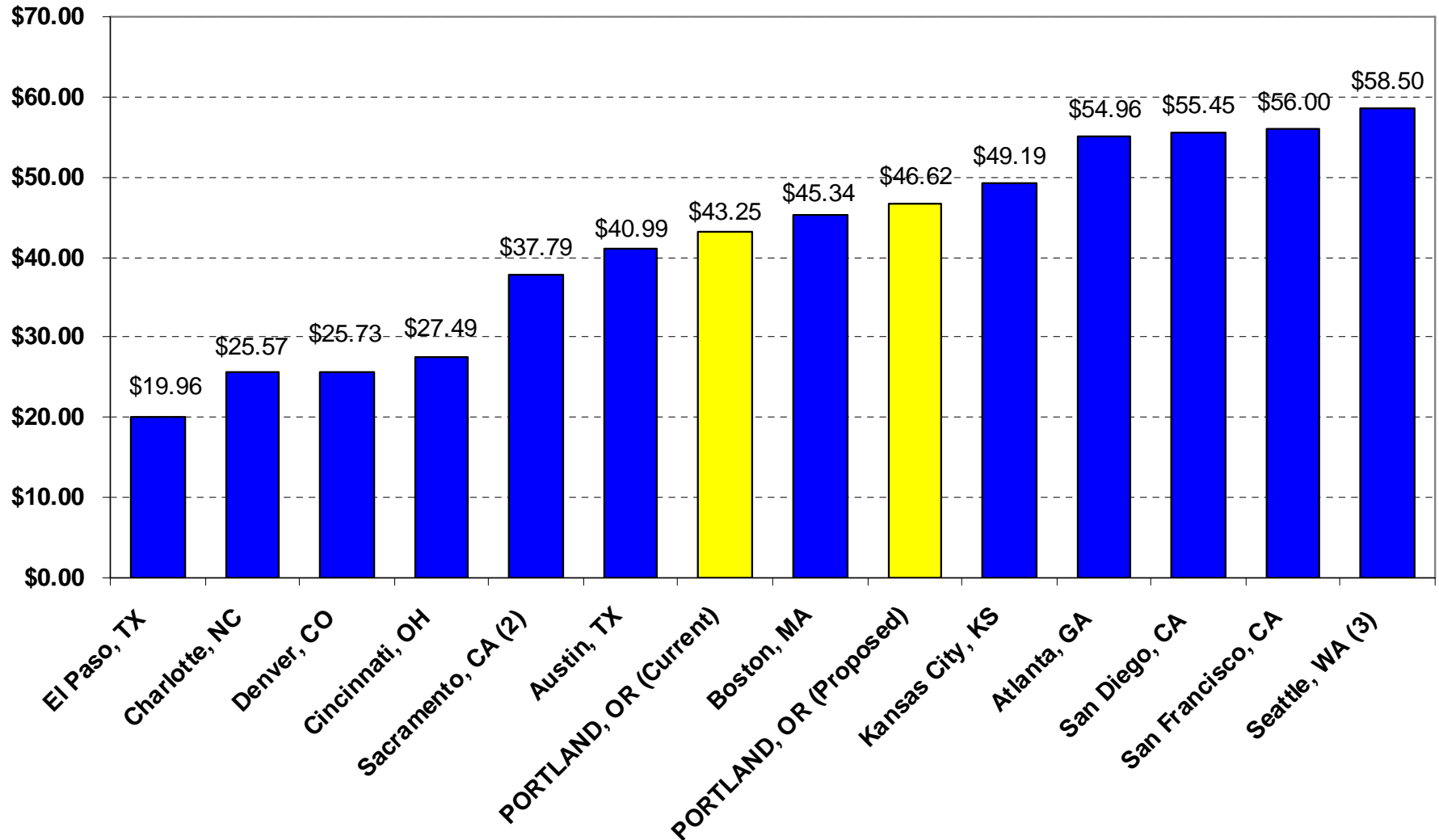


Notes:

(1) Based on rates in effect as of January 2013.

Monthly Water Bill Comparison -- National¹

(based on 10 ccf or 7,480 gallons of consumption)



(1) Comparison to selected similar sized cities. City of Portland current rates effective July 1, 2012.

(2) Unmetered for residential.

(3) Winter.