

Water Bureau*
FY 2016-17 Preliminary Budget/Rate

	Position (FTEs)	Budget	Retail Rate Impact
Capital Budget	141.5	\$82,890,000	
Preliminary Operating Budget	424.3	\$87,638,000	
Total	565.8	\$170,528,000	6.3%
Decision Package Requests			
1 Regulatory Compliance	2	\$360,900	0%
2 Community Information & Outreach	2	\$243,200	0.2%
3 Infrastructure Maintenance	3.5	\$292,600	0.2%
4 Information Processing	3	\$366,500	0.3%
5 Labor Preservation Project		\$750,000	0%
Total	10.5	\$2,013,200	0.7%
FY 2016-17 Requested Budget	576.3	\$172,541,200	7.0%

FY 2015-16 Adopted Rate Forecast for FY 2016-17 9.4%

* Excludes HydroPower Division

FTE = Full Time Equivalent (includes full-time and part-time authorized positions).

FY 2016-17 Decision Package

Regulatory Monitoring

Sub-Program: REGULATORY MONITORING & COMPLIANCE

Water Program: REGULATORY COMPLIANCE

Program: REGULATORY COMPLIANCE

Submitted by: Yone Akagi (Chris Wanner)
Supervisor Manager

Total: \$360,900 one-time

Position: 2.0 FTE (Laboratory Coordinator (1), and Laboratory Analytical Specialist (1) -
Cost Center WAOP000003, Functional Area PURCRCLI00000BW

Background

The purpose of this package is to add capabilities to the Water Bureau's existing Water Quality Laboratory to perform in-house *Cryptosporidium* analysis for the purposes of continuing to achieve compliance with the Bureau's Bull Run Treatment Variance (BRTV).

In 2012, the State of Oregon granted Portland a variance to the Long Term 2 Enhanced Surface Water Treatment (LT2) Rule requirements for the Bull Run source water. The conditions of the Bull Run Treatment Variance require Portland to maintain an ongoing monitoring program for *Cryptosporidium*. Water samples require *Cryptosporidium* analysis by a State-accredited laboratory approved to conduct EPA Method 1622/1623/1623.1. Failure to monitor would result in revocation of the variance; as a result, the Water Bureau would be required to build a treatment plant for *Cryptosporidium*.

To date, the Water Bureau has been meeting the BRTV monitoring conditions by shipping water samples across the country to accredited private contract laboratories--of which only a handful exist. Many inherent issues have made this type of arrangement increasingly challenging to meet PWB's weekly monitoring requirements and the commercial Crypto lab industry is projected to decline. Due to the challenges and anticipated reduction in labs, it is necessary for PWB to secure its own in-house capabilities and expertise in order to ensure ongoing compliance and maintain a high-quality Bull Run Treatment Variance Program.

Request

This package includes 2.0 FTE (ongoing) within the Water Quality Laboratory to conduct *Cryptosporidium* analysis using the required EPA methods, as well as an additional, one-time \$130,000 during FY 2016-17 for laboratory operating supplies. It is estimated to take up to one year to establish the lab, hire and train employees and receive state accreditation prior to transferring from the contract lab sample analysis to in-house analysis. Therefore, FY 2016-17 would be the set-up year for the lab, while the bureau continues to use professional services for the sample analysis requirements. By 2017-18, the in-house Crypto lab section would be fully operational and funding for outside lab services would be reduced.

The 2 FTEs would include one Laboratory Coordinator and one Laboratory Analytical Specialist, who would serve as the Principal Analyst and Analyst for EPA Method 1622/1623/1623.1, respectively. Two staff are necessary to provide adequate coverage and capacity for the monitoring program, which includes over 500 analytical tests per year. The staff would also conduct technical research and scientific investigation to support the variance, manage contracts, and analyze over 300 algae/zooplankton samples per year (a related area that has been underserved in PWB's laboratory).

Why/How This Supports Our Work

Compliance with State and Federal water quality and environmental regulations is one of the Bureau's strategic Performance Measures. The Water Bureau was the first water provider in the nation to achieve compliance with the Long Term 2 Enhanced Surface Water Treatment Rule through an alternative method, based on the high quality of the Bull Run source water.

FY 2016-17 Decision Package

Community Information and Outreach

Water Program: Community Information and Outreach

Program: Community Information and Outreach

Submitted by: **Gabriel Solmer** (Michael Stuhr)
Supervisor Manager

Total: \$243,200 (\$235,600 on-going, \$7,600 one-time)

Position: 2.0 FTE (Community Outreach and Information Rep, Sr.)

Background

The Portland Water Bureau's Community Information and Outreach Group (Group) is a team of four professionals dedicated to increasing communications between the Water Bureau and the Portland community.

The Group provides timely, accurate, and transparent information about the bureau's projects and activities. It is also responsible for listening to and incorporating the thoughts and ideas of the public into Bureau projects. Team members work to inform and assist the public on construction and maintenance projects) as well as developing and implementing public involvement opportunities.

The Bureau has recently invested in a communications director to oversee the Group and to write and implement a strategic communications plan that will allow the Bureau to better connect to all its customers, reinforce its purpose, protect and increase the level of trust associated with our utility, and raise awareness of critical issues such as water efficiency and supply. The plan will also provide a road map for increasing public participation with the Bureau, teach us more about community values and priorities, and gain acceptance on critical Bureau projects.

Request

In order to increase outreach to traditionally underserved communities and build capacity for upcoming large Capital Improvement Projects (CIP), the Water Bureau is requesting 2.0 FTE positions.

Equity

The Group does not currently work specifically on reaching out to minority populations, such as non-native speakers, new arrivals, and low-income households. Implementing audience-centered communications with these groups is critical as the city becomes more diverse. This position would identify and build relationships with existing community groups in targeted areas, review Bureau policies that impact the City's equity goals, and assist customer service efforts to increase the low-income discount program by designing and carrying out a specialized outreach program.

Large CIP Outreach

Currently, 1.9 FTE positions handle outreach and communication for all large construction projects and assist on public involvement on medium and smaller projects as they are available. One of these positions also serves as webmaster (maintaining the website, creating content, tracking usage) and social media coordinator across all platforms, and provides internal communications (dispatch newsletter).

The Water Bureau has several large multi-year projects including the Willamette River Crossing and Washington Park reservoirs planned that are beyond the workload of the existing team. The new position will also grow the Group's capacity for digital design. No backup for website or social media currently exists and the current workload prevents the Bureau from efficiently or effectively implementing communications to reach all customers.

Why/How This Supports Our Work

The Citizen's Utility Board memo regarding Input on Portland Water Bureau FY 2016-17 Budget Development dated January 5, 2016 directly addressed and supported the addition of Community Information and Outreach staff. It is a goal that the Water Bureau outreach and engagement efforts continue to strive to reach citizens in an equitable manner. Efforts to support the goal include a survey in 2016 to gather information from customers whose voices have historically been underrepresented including lower-income residents, people without access to the internet, and Portlanders with limited English proficiency.

Infrastructure Maintenance

Total: \$292,600 Ongoing

Background:

This decision package is a response to the growing need to optimize the Bureau's approach to maintaining, upgrading, and protecting water system infrastructure. The Water Bureau utilizes a Reliability Centered Maintenance (RCM) approach to maintaining assets in order to establish a safe minimum level of maintenance. This approach requires staff to perform regular predictive and preventive maintenance on key assets to reduce unexpected failures. In addition to preventative maintenance, the Water Bureau has a robust CIP program that continues to add new assets that require maintenance. Many departments within the Bureau are requesting additional resources in order to meet expectations of maintaining new and aging assets in a cost-effective manner.

Request:

The Water Bureau is requesting 3.5 FTE to assist with the growing responsibility to maintain new and aging infrastructure in the water system.

Hydraulic Network Analysis (0.5 FTE)

The creation of a full-time Engineering Tech II is needed for updating the hydraulic network model to stay in sync with the actual water system as water main work and other projects are completed. The recently completed Water Audit and Wholesale Allocation studies both strongly suggest that the system demands be updated yearly, and due to the volume of shutdown reviews, direct field support work, and other requests, the full implementation has been slower than anticipated. Further, the number of identified pending model updates has been steadily increasing for almost three years. In order to complete the implementation and yearly updates to the new network model while continuing to perform other daily work, it is necessary to increase staffing levels. By shifting a Civil Engineer to half time and hiring a full-time Engineering Tech II, the group would be able to maintain the hydraulic network model and move forward with other projects. The model is used for capital facility planning, evaluating water system shutdowns, determining the geographic area affected by possible bacteriological contaminants, estimating impacts of high-risk assets failures, and calculating water system demands to establish wholesale rates.

Facilities Maintenance (1.0 FTE)

Over the last three years, the Grounds crew has lost 2.0 FTE Horticulturists and 1.0 FTE Utility Worker positions due to City-wide budget cuts. This request is to reinstate one of the lost Horticulturist positions, to provide a higher level of landscape expertise, including technical pruning, plant identification, and design. Due to the loss of the Horticulturist positions, there is currently no one with that skill set in the Grounds Crew. The Grounds Crew, including this position, maintain all Water Bureau grounds around facilities and properties, including but not limited to: Groundwater and Well Fields, Pump Stations, Terminal Reservoirs, Tanks, and Hydroparks. Recently completed facilities, such as those at Kelly Butte, require a higher level of grounds maintenance than the current Grounds staff is able to perform. While most of these projects are located on existing sites that were maintained in the past, the

conditional use permits obtained for construction on these sites require a much higher level of horticultural expertise. In addition the landscaping under these permits is much more extensive than in the past. Maintaining these areas significantly increases in the amount of work necessary to meet the requirements of the permits as well as the Bureau's goal of maintaining our properties at a level that meets community expectations.

Reliability Centered Maintenance (1.0 FTE)

The Electrical Shop provides O&M support for all infrastructure from Headworks to in-town operations, including our groundwater supply and Interstate buildings. They also provide electrical support on CIP projects from the Planning and Design phases to Construction. The bureau has been completing large capital projects which include significant new electrical systems which require maintenance. The primary role of the Electrician is to install, maintain, and troubleshoot electrical equipment used to operate the Water Bureau's water system. The Electrical Shop is not adequately staffed to complete the scheduled predictive and preventative maintenance tasks, which has increased the backlog of electrical preventive maintenance tasks. The approval for an additional Electrician would help the Water Bureau meet the requirements of an aggressive CIP program while providing an additional resource to satisfy the RCM maintenance needs. This new position would allow the Electrical Shop to put a greater focus on performing necessary predictive and preventive maintenance tasks. The anticipated result would be reducing the preventive maintenance (PM) backlog to reduce the risk of unexpected failures that are proven to be more costly to repair.

Security (1.0 FTE)

A Water Security Specialist is needed at the Interstate facility. The position will be a responder for intrusion alarms at nearby sites, and supports Interstate staff and contractors with keys and access. Currently, there is a gap in security at the Interstate Facility during daytime hours. The primary need is for perimeter security, building access control, and oversight of the Water Bureau fleet and equipment. Due to a lack of personnel, the Security group is unable to keep up with the ongoing demand for a workday security presence. Further, employees have requested a security presence, especially during in the early evenings, when many employees leave for the day. Funding this security position would help the bureau better meet State requirements in responding to water-related intrusion alarms in the area, improve response time to alarms and video observations, and assist with access control and issuing personnel keys at Interstate.

Why/How This Supports Our Work

Each position within this request assists the Water Bureau in reaching its strategic goals. Part of the Bureau's mission is to provide reliable and adequate water supply while maintaining the water system to provide sufficient quantities of high quality water to meet the needs of the community on an equitable, efficient and sustainable basis. In doing so, it is integral that the Bureau maintain the water system in a proactive, strategic and cost-effective manner. All of these functions tie directly to key service level indicators which ensure that the Bureau is meeting its goals which support its mission of reliably providing excellent quality water that meets or exceeds regulations.

FY 2016-17 Decision Package

Tabor Preservation Project

Total: \$750,000 1st year, \$4 million over 4 years

Background

Resolution No. 37146 was adopted by City Council on July 15, 2015 to maintain, repair and preserve the Mount Tabor Reservoirs following disconnection. The Water Bureau, and other City agencies as are necessary, including any City agency that may be responsible for managing the reservoirs in the future, are directed to work with the Mount Tabor Neighborhood Association (MTNA) to prioritize maintenance, repair and preservation work identified in the 2009 *Mount Tabor Reservoirs Historic Structures Report* to be accomplished over a four-year period beginning in FY 2016-2017.

Request

The Water Bureau is submitting this request to the General Fund to allocate \$750,000 for FY 2016-17 and \$4 million total over the next four years to the maintenance, repair and preservation work identified in the 2009 *Mount Tabor Reservoirs Historic Structures Report*.

The Water Bureau and other City bureaus as are necessary are directed to collaborate with the MTNA to develop an interpretive program that tells the history of the Mt. Tabor reservoirs and the City's water system.

The Water Bureau will confer and consult with the MTNA before planned work and after emergency events in the park which have potential impact on trees with the intent to minimize the visual impact on the treed character of the park.

The Water Bureau and other City bureaus as appropriate will coordinate and collaborate with the MTNA on a joint Semi-annual written Report to City Council documenting compliance with this Resolution, as well as annual presentations to City Council and the Portland Utility Board, including a Final Summary Report to be submitted by December 31, 2020 to City Council regarding the implementation of the maintenance, repair and preservation work identified in the 2009 *Mount Tabor Reservoirs Historic Structures Report*.

Why/How This Supports Our Work

This request fulfills the City's commitment to MTNA related to the 2009 *Mount Tabor Reservoirs Historic Structure Report*.

FY 2016-17 Decision Package

Information Processing

Total: \$ 366,500 (\$12,400 one-time, \$354,100 on-going)

Background

This decision package is a response to the increased workload experienced by our Development Services and Record Keeping staff. The quantity of development-related work for the Development Services staff has been increasing sharply: From FY 11-12 to FY 14-15, residential building permit reviews have increased 62%, commercial building permit reviews have increased 47%, public works permit reviews have increased 92%, and the number of Water work orders generated has increased by 200%. In addition, the bureau has over two million Word, Excel, PowerPoint, Outlook mail documents and PDF documents currently residing on the file server and is experiencing a growth rate of approximately 20 percent per year. A majority of these files are not being managed against any specific retention schedule as many retention schedules have not been reviewed or updated for 20 years.

Request

In order to maintain customer service and records management standards, the Water Bureau is requesting 3.0 FTE positions.

Development Services

The addition of the Engineering Tech III and Engineering Tech II (2.0 FTE) would result in a reallocation and rebalancing of staff work responsibilities to enable staff to meet the City's mandatory deadlines for development review.

Development Services (DS) staff review plans, impose requirements, and determine and collect appropriate fees and charges for residential building permits, commercial building permits, land use applications, public works permits, right-of-way (street opening) permits, and street vacations. In addition, DS staff evaluate developer plans to determine the size and scope of needed water system work to be done. In FY 14-15 the DS staff collected \$12.6 M for development-initiated water work (services, main extensions, system development charges). DS staff must also respond in a timely fashion to a wide range of questions and concerns from customers, conferring with customers and other PWB and City bureau staff via emails, phone calls, and face-to-face meetings. Virtually all DS staff duties must be accomplished under the City's mandatory development review turnaround times. Moreover, DS staff also staff a customer service desk in the Bureau of Development Services' (BDS) Development Services Center (DSC), Monday through Friday.

Records Management

A Management Analyst position will work with Bureau staff to identify the required records retention period based on administrative, legal, operational and historic criteria, and move the appropriate documents with the appropriate retention schedule into the Enterprise Content Management system (P8). The addition of the Management Analyst in the Records/GIS Branch will also positively affect the

department's ability to review all Bureau specific retention schedules annually and update them through the established Auditor's Office approval process; ensure the Bureau is meeting established records management standards (City, State, Federal, others); ensure the Bureau is meeting the needs of the Legal Records Management Program as required by City Attorney's Office; process 75 cubic feet of Engineering Project records annually for archiving and disposition; and add 100,000 documents per year to the Enterprise Content Management system.

Why/How This Supports Our Work

Delivering high quality customer service by responding to customer requests in a timely manner is an important part of the Water Bureau's mission. This decision package will assist the Bureau in meeting City mandatory development review timelines as well as continuing to reach and improve upon its customer service goals. Further, meeting Federal, State and local regulations on records management will also improve our response time for requests, while reducing the staff time in answering them and help us deliver high quality service in a cost-efficient manner.

**Water Bureau
Preliminary Budget and Rate Forecast
As of January 19, 2016**

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
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Adopted Retail Rate Forecast	9.4%	9.4%	7.3%	7.3%	6.4%
Updated Retail Rate Forecast	7.0%	8.4%	8.3%	10.7%	8.1%

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Staffing (FTEs)	565.8	576.3	576.3	576.3	576.3	576.3
Operating Budget	\$83.7 M	\$89.7 M	\$92.5 M	\$96.0 M	\$101.7 M	\$105.6 M
5-Year Capital Program	\$68.8 M	\$82.9 M	\$111.0 M	\$116.5 M	\$87.8 M	\$75.5 M
Bond Sales		\$92 M	\$110 M	\$90 M	\$83 M	
Rate Stabilization Account YE Balance	\$32.4 M	\$27.2 M	\$26.3 M	\$20.6 M	\$10.9 M	\$3.0 M

Notes:
 Operating Budget includes decision package requests and inflation increase.
 Operating Budget does not include any General Fund adds with cost impacts to the Bureau, i.e. Data Center Relocation.
 Bond Sales do not include funding the Portland Building Renovation project, assume Revenue bonds will be sold by City on behalf of the Bureau.

Paula S. Fournier

Current Bill	Proposed Bill	\$ Increase	Rate Increase
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Typical SFR Customer's Water Bill per Month	\$31.61	\$33.83	\$2.22	7.0%
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(based on quarterly reads account)

