PORTLAND WATER BUREAU









Capital Improvement Program

FY 2015-16 Major Accomplishments

Capital program planning at the Water Bureau is a collaborative effort among CIP Planning, Asset Management, and Engineering teams. The primary drivers of the bureau's capital work are ensuring the reliable functioning of the drinking water system, replacing assets that are at or near the end of their useful lives, and achieving compliance with federal and state drinking water regulations. The bureau combines asset-management planning with master planning and other types of studies to recommend the most effective mix of capital projects for a five-year budget cycle.

In Fiscal Year (FY) 2015-16, the bureau invested \$55 million to ensure a reliable water system, achieve regulatory compliance, and contribute to Portland's renewed growth. Three major projects were on track to be completed at or under budget at the end of the fiscal year:

ESTIMATED PROJECT TOTAL **PERFORMANCE** Powell Butte Reservoir 2 \$ 129.8 Million \$ 116.3 Million **Below target Kelly Butte Reservoir** \$ 78.2 Million \$ 63.5 Million **Below target Interstate Facility \$ 49.3 Million** \$ 49.2 Million On target

During FY 2015-16, bureau made progress on several major projects to ensure the seismic resilience of the water system:

- The Washington Park Project (\$190 million), to construct a seismically reinforced underground reservoir on the west side of Portland, moved from final design into the construction phase.
- The Willamette River Crossing (\$57 million), to provide a seismically resilient pipeline to carry water to the west-side and to wholesale customers, was on track to secure a project management consultant.
- Bureau teams launched a program to **inspect the three large conduits** that carry water from the Bull Run Watershed to the reservoirs at Powell Butte.

PWB MAJOR BUDGET PROGRAMS

Customer Service

Distribution

Regulatory **Compliance** and **Water Quality**

Supply

Support

Transmission and Terminal Storage

Treatment

Studies Recommend Directions for the Capital Program

- Recently completed studies of the water supply and treatment facilities
 recommended upgrades on several elements that were at the end of their useful lives.
 Currently funded projects include a new Headworks emergency generator, a
 replacement chlorine scrubber, and a new generator and room remodel at the
 Lusted Hill Facility (approximately \$2.5 million). Upcoming projects include replacing
 the Operations and Chlorine Storage buildings (about \$22.5 million in the five-year
 CIP budget for planning and design).
- The **Water System Seismic Study** (\$1.5 million), to assess the performance of the water system in a magnitude 9 earthquake, was nearing completion. Recommendations from the final study, due out later this year, will help the Water Bureau achieve the goals of the Oregon Resilience Plan.
- The **Water Quality Corrosion Study** (**\$0.5 million**) will help the bureau better understand water quality as it relates to lead release at sites studied in homes, the distribution system, and monitoring stations. The recommendations from the study, available in 2017, will help the bureau improve performance on the federal **Lead and Copper Rule Requirements**.
- An updated **Supply System Master Plan** (\$2.2 million) will identify the long-term needs and direction for ensuring the reliability of the supply, storage, and transmission systems. The master plan is due to be completed in 2020.

Upcoming Budget Milestones

In October, the Water Bureau will release its **CIP Annual Report for Fiscal Year 2015-16**. The report includes budget highlights by program and major project as well as detailed profiles for all projects. October is also the kickoff of the bureau's internal budget process, which will culminate in the February 2017 Requested Budget.

Milestones for the FY 2017-18 Budget Development

Internal Budget Kickoff	Requested Budget Submitted	Mayor Releases Proposed Budget	Approved Budget	Adopted Budget
October	February	April	May	June
2016	2017	2017	2017	2017