




CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Nick Fish, Commissioner ■ Michael Jordan, Director

Date September 12, 2016

TO: Andrew Scott, Director
City Budget Office

FROM: Michael Jordan, Director 
Bureau of Environmental Services

SUBJECT: 2016 Fall Budget Monitoring Report

Attached please find the Bureau of Environmental Services Budget Monitoring Report for the Fall of FY 2016-17. A high-level summary of changes is included below.

Overall changes to the Bureau's operating programs require a reduction in contingency of \$956,276 with 44% (\$420,365) related to carryover of funds from the prior year. \$214,890 of the carryover is related to fleet vehicles that were not delivered on the expected timelines.

Major uses of funds drawn from contingency predominantly include additional services related to homeless camp clean-ups, regulatory compliance and strategic planning. New staffing requests funded from contingency include 2 new FTE positions (a Senior Administrative Specialist in the Business Services Group and a Tech II in Engineering Services). Additionally, the BMP adjustments propose converting 3 contract employees in Engineering Services to regular, permanent FTEs.

Net revenues have been increased by \$380,371, mostly from an additional proposed \$315,000 (current estimate) for the lease of Terminal 1 to the Portland Housing Bureau for a temporary homeless shelter.

You will also see an adjustment of \$1,030,000 to reflect dollars previously deposited with BES by the Oregon Department of Transportation related to possible joint Portland Harbor remediation projects. These dollars were expected to be returned to ODOT in FY15-16, and were therefore unbudgeted in FY16-17. The agreement with ODOT was extended in June 2016 and those revenues will not be transferred at this time, so the adjustment reflects re-budgeting of the amount in Beginning Fund Balance and Capital Outlay for potential expenditure on approved joint projects.

Finally, a number of technical adjustments are made to more appropriately align budgeted resources to program/operational requirements, as described further in the attachments.

Please don't hesitate to contact me or BES Financial Planning staff with questions.

**CBO Discussion and Recommendations
FY 2016-17 Fall BMP**

Bureau: Bureau of Environmental Services

Type: Technical Adjustment

Request: ES_001 - Internal Offset Adjustments

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
EXPENDITURES			
Personnel Services	6,000	0	6,000
External Materials and Services	(80,882)	0	(80,882)
Internal Materials and Services	16,882	0	16,882
Capital Outlay	58,000	0	58,000
TOTAL EXPENDITURES	0	0	0

Bureau Description:

\$5,000 -- Internal reallocation of overtime within Pollution Prevention from Spill Control/Citizen Response group to Source Control group due to positions moved in FY2015-16.

\$3,118 -- Internal reallocation within Watershed of Parks IA for Forestry services to provide additional equity resources for stewardship programs.

\$87,935 -- Moves Instrument Technician position from one Wastewater cost center to another.

\$70,000 -- Internal reallocation of miscellaneous services from Revegetation program within Wastewater to Business Services Facilities (\$35,000) and Watershed (\$35,000) for complaint-driven property management related to nuisance abatement and safety concerns.

\$310,000 -- Reduction in planned Wastewater expenditures for CoGenerator engines (-\$160k) and Large Diameter Sewer Pipe Cleaning (-\$150k), reallocated to fund the following work: West Hayden Island De-chlorination Facility Safety/Security Improvements (\$95k), Pump Station Rebuild Program (\$76k), CBWTP Secondary Clarifiers Electrical Reliability Repairs (\$56k), replace portable trailer-mounted emergency pump (\$38k), CBWTP Perimeter Fencing Installation \$25k), and CBWTP linear park property maintenance (\$20k).

\$5,000 -- Internal reallocation of Business Services appropriation for training from Facilities/Adminstrative Services division to the Mapping, Data and Application Services (MDAS) division.

\$14,722 -- Internal reallocation of interagency charges from OMF Technology Services for radio/video services from Pollution Prevention to Business Services.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Fall BMP**

Bureau: Bureau of Environmental Services

Type: New Request

Request: ES_002 - New Requests

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
EXPENDITURES			
Personnel Services	15,000	0	15,000
External Materials and Services	410,920	0	410,920
Internal Materials and Services	203,465	0	203,465
Capital Outlay	75,000	0	75,000
Contingency	(704,385)	0	(704,385)
TOTAL EXPENDITURES	0	0	0

Bureau Description:

Pollution Prevention:

\$40,000 -- Purchase of additional sampling and monitoring equipment per the recently revised NPDES and MS4 permits. Funded from Contingency.

\$55,000 -- Adds services with DePaul Industries to provide additional intake and office support required by regulatory reporting and increased investigation response to spill/contamination complaints. Funded from Contingency.

\$75,000 -- One-time increase to cover additional cleanup response related to homelessness (RV tank dumping, spills) which used to occur approximately once per month but are now occurring about once per week. Each response generally costs about \$1,800. Funded from Contingency.

\$50,000 -- Performance of damage assessment of sensitive environmental zones following homeless camp relocations. Funded from Contingency.

Business Services

\$15,000 -- Under the BES Summer High School Cohort Internship program, the bureau hired six interns in the Facilities/Administrative Services division of Business Services. Resources from Contingency

\$235,465 -- Interagency Agreement with Parks to provide Rangers to monitor and facilitate removal of unauthorized camping on BES properties. Also includes purchase of a truck for use by the assigned Rangers, and a temporary vehicle lease until the purchased truck arrives. Resources from Contingency.

\$50,000 -- Request is for a contract to provide consultation and analysis of Bureauwide office space needs to accommodate staffing changes and reassignments among all BES workgroups in the coming years. This work will also help inform Bureau decisions regarding space needs in relation to the Portland Building Renovation project. Resources from Contingency.

\$3,000 -- Requested participation from property-owning bureaus in support of OMF's Property Coordinator position. Resources from Contingency.

Engineering Services

\$108,000 -- The new permitting system currently being implemented by the Bureau of Development Services (ITAP) will allow for digital building plan submission and review (including BES' own plans), rather than relying on paper plans. To accommodate plans that are usually 24" x 36" in paper form, \$108,000 is being appropriated for 62 new monitors for those employees affected. Funded by a reallocation of \$27,080 of previously budgeted hardware and software purchases, and \$80,920 from Contingency.

Director's Office

\$100,000 -- BES is updating its multi-year Strategic Plan, which will inform all aspects of BES work and provide a resource to guide the bureau's budget priorities. On-call PTE services are needed to provide support including stakeholder involvement, data collection and analysis, and framework development. Funded from Contingency.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Fall BMP**

Bureau: Bureau of Environmental Services

Type: New Request

Request: ES_003 - Staffing Changes

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
EXPENDITURES			
Personnel Services	342,069	0	342,069
External Materials and Services	(165,486)	0	(165,486)
Capital Outlay	(29,292)	0	(29,292)
Contingency	(147,291)	0	(147,291)
TOTAL EXPENDITURES	0	0	0
FTE			
Full-Time Positions	3.17	0.00	3.17
TOTAL FTE	3.17	0.00	3.17

Bureau Description:

Business Services

\$68,120 -- Adds a Senior Administrative Specialist in the Business Services Group to address increased workload in critical and time-sensitive areas such as property management (homeless camping, Portland Building Renovation project, surplus property process, and purchase/lease efforts), human resources (recruitments, FMLA and employee training/onboarding), and general administrative support. Resources from Contingency.

Engineering Services

\$53,669 -- Convert a contract inspector to City Senior Inspector for half the fiscal year, in preparation for retirement of 2 supervisors. Cost savings of \$6,816.50 will increase Contingency.

\$93,688 -- Convert two contract engineering technicians to City Engineering Tech II's for half the fiscal year, to address long-term workload. Cost savings of \$11,312 will increase Contingency.

\$46,844 -- Engineering Tech II position added mid-year to address increased workloads related to increased permit volume. Funded from Contingency.

\$35,000 -- Hiring of temporary casual part-time employee in Project Management and Controls Division to support the Heron project reporting software implementation. Funded from Contingency.

Wastewater

\$117,144 -- Reclass vacant Wastewater Operator position (-\$72,396) to new Maintenance Engineer position to meet more urgent maintenance needs. New position will be charged 75% to operating (\$87,852), 25% to capital (\$29,292, funded by an equal reduction in CIP capital outlay), with \$15,456 net increase in operating costs funded from Contingency.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Fall BMP**

Bureau: Bureau of Environmental Services

Type: Program Carryover Request

Request: ES_004 - Carryover

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
EXPENDITURES			
External Materials and Services	230,081	0	230,081
Capital Outlay	1,244,890	0	1,244,890
Contingency	(429,216)	0	(429,216)
TOTAL EXPENDITURES	1,045,755	0	1,045,755
REVENUES			
Budgeted Beginning Fund Balance	1,030,000	0	1,030,000
Intergovernmental Revenues	15,755	0	15,755
TOTAL REVENUES	1,045,755	0	1,045,755

Bureau Description:

Director's Office

\$1,030,000 -- A BES and ODOT agreement for joint remediation projects related to Portland Harbor was set to expire 6/30/16, but was renewed in June. The adopted FY 2016-17 budget had assumed that ODOT's money would have been returned in FY2015-16. This action recognizes the beginning fund balance still present, and appropriates it in 563300 Infrastructure for any jointly approved projects.

Pollution Prevention

\$20,995 -- Carryover of two items originally funded from OMF Innovation Fund micro-grants in FY2014-15.budget. The first was to develop multilingual videos for Food Service Best Management, originally funded from a \$20,000 micro-grant, still has \$8,851 remaining to be spent. The second, to develop Grease Trap Cleaning Coupons to reduce extra strength sewer discharges, originally funded from a \$35,000 OMF Innovation Fund micro-grant, has \$12,144 remaining to be spent. Funded from Contingency.

Watershed

\$85,090 -- Carryover of three Fleet vehicle purchases not completed within FY2015-16. Funded from Contingency.

\$19,471 -- Carryover of a jointly funded project with the Port of Portland and the Multnomah County Drainage Districts to perform a "gap analysis" of joint facilities in the Columbia Slough basin. This is the amount remaining which was not completed within FY2015-16. Funded from Contingency.

\$18,870 -- Carryover of professional services contract to develop Crystal Springs Walking Tour podcast begun but not completed in FY2015-16. Project initiated with \$20,000 OMF Innovation Grant received in FY2015-16, and this action funded from Contingency.

\$15,755 -- Carryover of professional services contract on the Eastbank Crescent Project (formerly Beach Access Plan), funded from charges to PDC (\$11,490), with the \$4,265 staff time increasing Contingency since the position is already budgeted.

Wastewater

\$29,255 -- Carryover of PTE services for Medium Voltage Testing not fully completed in FY2015-16. Funded from Contingency.

\$129,800 -- Carryover of two Fleet vehicle purchases not completed within FY2015-16. Funded from Contingency.

\$115,000 -- Carryover of PTE services for Facilities Condition Assessment not completed in FY2015-16. Original plan was to use an existing OMF BIBS contract, but BIBS felt that contractor was not a good investment. So BES needs to go through a new discovery and selection process. In addition, transition to new Wastewater Group Facilities Manager is affecting the timeliness of that process. Funded from Contingency.

\$15,000 -- Carryover of PTE and Miscellaneous Services for groundwater monitoring of industrial contaminants on a property adjacent to the CBWTP previously acquired for future plant expansion. Funded from Contingency.

CBO Discussion and Recommendation

**CBO Discussion and Recommendations
FY 2016-17 Fall BMP**

Bureau: Bureau of Environmental Services

Type: New Request

Request: ES_005 - New Revenue

	Fall BMP Requested Adjustments	Fall BMP CBO/Council Changes	Fall BMP Total Adjustments
EXPENDITURES			
External Materials and Services	40,000	0	40,000
Contingency	324,616	0	324,616
TOTAL EXPENDITURES	364,616	0	364,616
REVENUES			
Charges for Services	0	0	0
Interagency Revenue	401,847	0	401,847
Fund Transfers - Revenue	(37,231)	0	(37,231)
Miscellaneous	0	0	0
TOTAL REVENUES	364,616	0	364,616

Bureau Description:

Business Services

\$315,000 -- Interagency with Portland Housing Bureau to lease the Terminal-1 warehouse/property for use as a temporary homeless shelter. This action increases Contingency.

\$46,847 -- Interagency with OMF for Owner-Controlled Insurance Program (OCIP) services for PDX Building Renovation project. Staff time already budgeted so this action increases Contingency.

\$37,231 -- True-up of the One Percent for Green transfers based on FY 2015-16 actual eligible project expenditures. \$3,503 increased transfer from PBOT, and \$40,734 decrease from Water. Net amount reduces Contingency.

Pollution Revention

\$40,000 -- Increases appropriation for professional services related to homeless camp clean-up at the Kalbrenner site (SE 104th & Reedway). Funded by increased interagency revenue from OMF.

CBO Discussion and Recommendation

Prior Year Fund Reconciliation Report

	FY 2015-16 Revised Budget	FY 2015-16 Year-End Actuals	Percent of Actuals to Revised
600 - Sewer System Operating Fund			
EXPENDITURES			
Unappropriated Fund Balance	180,000	0	0.00
Personnel Services	64,756,970	62,611,470	96.69
External Materials and Services	63,512,170	57,654,926	90.78
Internal Materials and Services	41,736,458	37,918,168	90.85
Capital Outlay	66,752,362	42,676,567	63.93
Bond Expenses	3,049,167	2,921,212	95.80
Fund Transfers - Expense	232,032,540	228,962,109	98.68
Contingency	54,088,394	0	0.00
TOTAL EXPENDITURES	526,108,061	432,744,451	82.25
REVENUES			
Budgeted Beginning Fund Balance	65,180,000	0	0.00
Licenses & Permits	1,980,000	1,908,089	96.37
Charges for Services	342,369,427	342,677,073	100.09
Intergovernmental Revenues	228,000	167,009	73.25
Interagency Revenue	1,430,391	1,119,693	78.28
Fund Transfers - Revenue	114,240,243	83,913,998	73.45
Miscellaneous	680,000	2,170,584	319.20
TOTAL REVENUES	526,108,061	431,956,447	82.10

Prior Year Fund Reconciliation Report

FY 2015-16 Revised Budget	FY 2015-16 Year-End Actuals	Percent of Actuals to Revised
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Fund Reconciliation Narrative

Expenses were generally on plan, with the exception of Capital Outlay which was 64% of Revised Budget due to delays in CIP projects. Likewise, both External and Internal Materials and Services were 91% of Revised Budget as a result of CIP project delays. Total CIP expenditures were 73% of Revised Budget. The following projects account for the majority of under-spending of the CIP budget:

- E10031 – Phase 2 Rehab (under budget \$14.5 million): various projects are not getting to construction as quickly as planned;
- E08401 – Far North Nicolai: under plan by about \$3.7 million attributable to redesign in response to neighborhood concerns resulting in delayed construction start;
- E10033 – CBWTP Biogas Utilization: under budget by \$6.1 million because continued negotiations with NW Natural Gas delay project implementation;
- E10372 – Culvert Replacement Phase 2: this primary project under budget \$1.8 million due to construction being delayed to accommodate other agencies' projects in the area.

Contingency (which is ending fund balance) is estimated to be 118% of Revised Budget, as a result of the actual revenues and expenses. The actual Contingency figure was not available at the time of submission, as the CAFR is as of yet uncompleted.

Interagency Revenues, for work performed for other City bureaus, was 78% of plan for FY 2015-16. Services from the bureau include brownfield remediation, engineering services, construction material testing, and revegetation services. Specifically, services from BES Engineering staff were over-budgeted by Transportation at year end and accounted for nearly half of the 22% variance. Brownfield remediation work accounted for about a quarter of the 22% variance. Without the year end adjustment of \$163,000, the resulting revenues would have been 88% of the revised plan.

Fund Transfer Revenues were 73% of Revised Budget because of reduced reimbursement from the Construction Fund, matching the percentage of CIP expenditures spent, as noted above.

Finally, Miscellaneous Revenues were 319% of Revised Budget, due to higher than planned Interest on Investments (+\$356,000, or 330%) due to higher balances and nearly doubling of interest rates over prior year expectations, and a \$950,000 payment from PDC to return the funds earlier committed to the Centennial Mills property when it became apparent that the opportunity for a stormwater facility on this property was not going to move forward as expected. This payment was budgeted to be received in the Construction Fund, but the actual payment was recorded in the Operating Fund due to year-end accounting reconciliation adjustments.

Prior Year Fund Reconciliation Report

	FY 2015-16 Revised Budget	FY 2015-16 Year-End Actuals	Percent of Actuals to Revised
608 - Environmental Remediation Fund			
EXPENDITURES			
Personnel Services	570,275	506,786	88.87
External Materials and Services	4,116,791	2,093,579	50.85
Internal Materials and Services	1,035,355	920,307	88.89
Bond Expenses	1,333	1,276	95.71
Fund Transfers - Expense	85,282	85,282	100.00
Contingency	513,964	0	0.00
TOTAL EXPENDITURES	6,323,000	3,607,230	57.05
REVENUES			
Budgeted Beginning Fund Balance	2,020,000	0	0.00
Charges for Services	3,365,000	3,306,589	98.26
Intergovernmental Revenues	100,000	0	0.00
Interagency Revenue	423,000	426,352	100.79
Fund Transfers - Revenue	400,000	400,000	100.00
Miscellaneous	15,000	83,378	555.85
TOTAL REVENUES	6,323,000	4,216,318	66.68

Fund Reconciliation Narrative

Expenditures were below budget for the following areas and reasons. Personnel Services were only 89% of Revised Budget due to a vacant position for most of the year. External Materials Services were under plan by 51%, primarily related to an averted refund to ODOT, and lower Portland Harbor consulting costs. The bureau was anticipating the refund of \$1.025 million of ODOT funds held for joint remediation projects in the Portland Harbor Superfund area. But extension of the agreement in June will allow for continued exploration of potential joint projects.

As a result, Contingency (or ending fund balance), is estimated to be 721% of plan due to the lower rate of expenditures discussed above. ("Estimated" because actual figures were not available at the time of this submission.)

All Revenues were within the reporting levels except for Miscellaneous Revenues that were +68,378, or 556% of budget due to an unanticipated \$50,000 interest payment on a Brownfield Remediation loan (a result of the sale of the underlying private property), as well as higher interest earnings and public information request fees charged for records generation.

Prior Year Fund Reconciliation Report

	FY 2015-16 Revised Budget	FY 2015-16 Year-End Actuals	Percent of Actuals to Revised
609 - Sewer System Debt Redemption Fund			
EXPENDITURES			
Unappropriated Fund Balance	63,775,000	0	0.00
Bond Expenses	173,891,728	612,873,604	352.45
Fund Transfers - Expense	0	0	0.00
TOTAL EXPENDITURES	237,666,728	612,873,604	257.87
REVENUES			
Budgeted Beginning Fund Balance	61,775,000	0	0.00
Fund Transfers - Revenue	175,626,728	172,556,297	98.25
Bond and Note	0	439,895,484	0.00
Miscellaneous	265,000	475,173	179.31
TOTAL REVENUES	237,666,728	612,926,955	257.89

Fund Reconciliation Narrative

Bond Expenses were 256% of Revised Budget, but these expenses include \$439.9 million to refund prior debt which is included in "budget-exempt" line items requiring no budget adjustment. Excluding these budget-exempt expenses, debt service expenses are 99.5% of the Revised Budget.

Similarly, Bond and Note Revenues includes the \$439.9 million of bond proceeds to refund the prior debt.

Miscellaneous revenue was 79% over plan due to higher than estimated interest earnings rates.

Prior Year Fund Reconciliation Report

	FY 2015-16 Revised Budget	FY 2015-16 Year-End Actuals	Percent of Actuals to Revised
614 - Sewer System Construction Fund			
EXPENDITURES			
Bond Expenses	0	2,097,634	0.00
Fund Transfers - Expense	111,600,000	81,288,870	72.84
Contingency	56,850,000	0	0.00
TOTAL EXPENDITURES	168,450,000	83,386,503	49.50
REVENUES			
Budgeted Beginning Fund Balance	140,000,000	0	0.00
Charges for Services	750,000	585,278	78.04
Fund Transfers - Revenue	26,000,000	27,000,000	103.85
Bond and Note	0	2,095,078	0.00
Miscellaneous	1,700,000	832,837	48.99
TOTAL REVENUES	168,450,000	30,513,194	18.11

Fund Reconciliation Narrative

Bond Expenses of \$2.1 million were all for the budget-exempt issuance costs related to the refunding of three prior bond issues: Series 2004B, Series 2006A and Series 2006B.

Fund Transfers-Expense was only 73% of budget due to lower CIP expenditures requiring reimbursement.

Charges for Services Revenues were only 78% of budget due to lower Line and Branch revenues, which are charges for new connections to the City's sewer system.

Miscellaneous Revenues were 49% of budget due to a \$950,000 payment from PDC budgeted in the Construction Fund, but which was moved at year end to the Operating Fund for accounting reconciliation adjustments.

Prior Year Fund Reconciliation Report

	FY 2015-16 Revised Budget	FY 2015-16 Year-End Actuals	Percent of Actuals to Revised
617 - Sewer System Rate Stabilization Fund			
EXPENDITURES			
Fund Transfers - Expense	1,500,000	1,484,886	98.99
Contingency	72,475,000	0	0.00
TOTAL EXPENDITURES	73,975,000	1,484,886	2.01
REVENUES			
Budgeted Beginning Fund Balance	49,800,000	0	0.00
Fund Transfers - Revenue	24,000,000	23,000,000	95.83
Miscellaneous	175,000	387,813	221.61
TOTAL REVENUES	73,975,000	23,387,813	31.62

Fund Reconciliation Narrative

Revenue and Expense categories were generally within reporting limits, with the exception of Miscellaneous Revenues being 222% of plan (+\$212,000) because of higher interest earnings on higher interest rates and cash balances within the fund.

Bureau of Environmental Services

Performance Measures

Performance Measure	Type	FY 2013-14 Year-End Actuals	FY 2014-15 Year-End Actuals	FY 2015-16 Adopted Budget	FY 2015-16 Year-End Actuals	FY 2016-17 Adopted Budget
ES_0001 - Maintain the bureau's first lien debt service coverage ratio at 1.5 or greater	EFFECTIVE	1.95	2.22	2.28	2.29	2.41
ES_0002 - Amount of time loss, in hours per employee, due to injury	EFFICIENCY	1.42	1.40	3.10	3.20	3.10
ES_0005 - Construction management costs as a percentage of total construction costs	EFFICIENCY	9%	10%	12%	14%	10%
ES_0006 - Number of student contacts provided with bureau education programs	WORKLOAD	11,271	8,895	14,000	8,723	11,000
ES_0010 - Number of lab analyses performed each year	WORKLOAD	52,915	56,597	55,000	59,210	54,000
ES_0011 - Percentage of industrial enforcement tests in full compliance	EFFECTIVE	99.6%	99.6%	99.8%	99.5%	99.8%
ES_0012 - Average resources spent in site investigations and cleanup, per site investigated or remediated	EFFICIENCY	\$11,820	\$12,047	\$12,500	\$12,123	\$12,500
ES_0013 - Amount of wastewater processed annually (in million gallons)	WORKLOAD	28,433	27,597	28,500	32,973	28,500
ES_0014 - Percentage of biochemical oxygen demand removed	EFFECTIVE	96.6%	95.8%	85.0%	96.0%	85.0%
ES_0021 - Maintain bureau's combined first and second lien debt service coverage ratio at 1.3 or greater	EFFECTIVE	1.30	1.31	1.30	1.30	1.30
ES_0022 - Cost to operate and maintain the treatment plants per million gallons treated	EFFICIENCY	\$618	\$681	\$655	\$603	\$715
ES_0023 - Percentage of pipe identified as highest priority for repair or replacement incorporated into funded Capital Improvement Plan or Op. proj.	EFFECTIVE	99%	99%	99%	99%	99%
ES_0024 - Number of trees planted	WORKLOAD	43,784	36,418	32,300	15,514	31,200
ES_0027 - Feet of streambank restored (not cumulative)	WORKLOAD	27,397	22,443	25,000	9,935	25,000
ES_0028 - Number of sanitary sewer overflows	KPM	226	161	120	134	120
ES_0029 - Number of flooding events	EFFECTIVE	104	45	100	132	100
ES_0030 - Watershed Health Index for water quality	KPM	5.90	5.90	4.40	5.90	5.90
ES_0031 - Number of combined sewer overflow events	KPM	4	4	4	5	4
ES_0032 - Average single family household bill as a percent of median income	KPM	1.43%	1.45%	1.46%	1.48%	1.50%
ES_0033 - Percentage of urgent public health and safety related service requests responded to within two-hour timeframe	KPM	98%	94%	90%	88%	90%
ES_0035 - Number of participants in community events, workshops, stewardship, and restoration events	WORKLOAD	0	24,000	0	23,941	10,000

Bureau of Environmental Services

Performance Measures

Performance Measure	Type	FY 2013-14 Year-End Actuals	FY 2014-15 Year-End Actuals	FY 2015-16 Adopted Budget	FY 2015-16 Year-End Actuals	FY 2016-17 Adopted Budget
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Performance Measure Variance Descriptions

The following are Key Performance Measures:

1. Average single family household bill as a percent of median income.

The FY2015-16 Actual percentage is higher than the FY2015-16 Adopted percentage. The percentage increased because the CBO estimate of median household income decreased while the amount of the average single family household bill remained the same.

2. Watershed Health Index for Water Quality.

The Bureau continued to meet the watershed health index goal for water quality.

3. Number of sanitary sewer overflows.

The FY2015-16 Actual number of sanitary sewer overflows exceeded the FY2015-16 Adopted number. The target number of 120 sanitary sewer overflows per year is a best practice the Bureau has set internally as a measurable goal. As a result of a proactive system maintenance program, sanitary overflow events are decreasing every year, with FY2015-16 recording the lowest number of sanitary overflow events since this metric was tracked as a key performance measure. We expect this number to continue to decline to reach the target of 120 as a result of the increased efficacy of our maintenance program as well as completion of CIP projects that will replace system assets at high risk of failure.

4. Number of combined sewer overflows.

The FY2015-16 Actual number of combined sewer overflows exceeded the FY2015-16 Adopted number. There was an exceptionally strong storm event in Fall 2015 that resulted in an overflow, which is unusual for that season.

5. Percentage of urgent public requests responded to within a two-hour timeframe.

The FY2015-16 Actual percentage was lower than the FY2015-16 Adopted percentage. The percentage was lower due to higher than expected storm activity. During storm events it is more difficult to respond within two hours due to the high volume of requests.

Capital Program Status Report

Environmental Services

CIP Program	FY 2015-16 Adopted Budget	FY 2015-16 Revised Budget	FY 2015-16 Year-End Actuals	Variance \$	Variance %	FY 2016-17 Adopted Budget	Fall BMP Revised Budget	FY 2016-17 Year to Date Actuals	Variance \$	Variance %
	\$0	\$0	\$87,732	\$87,732		\$0	\$0	\$0	\$0	
Buildings	\$0	\$0	\$9,740	\$9,740		\$0	\$0	\$0	\$0	
Facilities	\$0	\$0	\$439	\$439		\$0	\$0	\$0	\$0	
Maintenance and Reliability	\$73,461,000	\$73,707,189	\$52,554,728	(\$21,152,461)	(29%)	\$72,084,000	\$72,065,871	\$0	(\$18,129)	(0%)
Sewage Treatment Systems	\$18,300,000	\$18,300,000	\$11,526,126	(\$6,773,874)	(37%)	\$17,336,000	\$17,336,000	\$0	\$0	0%
Support	\$0	\$0	\$755,167	\$755,167		\$0	\$0	\$0	\$0	
Surface Water Management	\$9,076,000	\$9,104,345	\$8,180,333	(\$924,012)	(10%)	\$13,628,000	\$13,628,000	\$0	\$0	0%
Systems Development	\$3,765,000	\$3,876,600	\$3,131,653	(\$744,947)	(19%)	\$6,095,000	\$6,095,000	\$0	\$0	0%
Total	\$104,602,000	\$104,988,134	\$76,245,917	(\$28,742,217)	(27%)	\$109,143,000	\$109,124,871	\$0	(\$18,129)	(0%)

* Prior Year variances compare Year-End Actuals to Revised Budget

** Current Year variances compare Revised Budget to Adopted Budget

Prior Year Variance Description

Main drivers of variance include:

Maintenance and Reliability

E10031—Phase 2 Pipe Rehab—Several projects have slower than anticipated construction start dates (\$14.5M)

E08401—Far North Nicolai—Redesign in response to neighborhood concerns resulted in slower than anticipated construction start (\$3.7M)

Treatment

E10033—CBWTP Biogas Utilization—Negotiations with NW Natural Gas have delayed project implementation (\$6.1M)

Surface Water Management

E10372—Culvert Replacement Phase 2—Bybee/Glenwood culvert delayed due to coordinating of construction by other agencies within the area (\$1.8M)

Systems Development

Various small projects are slightly under budget.

Current Year Variance Description

The only variance is in the Maintenance and Reliability program, reflecting savings from conversion of contract employees to full-time employees.