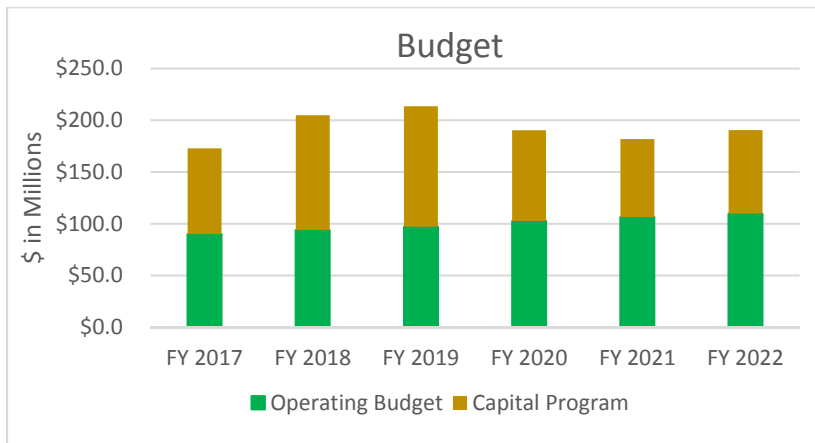


BUDGET



UPDATES

Operating Budget

- Escalation Factor
- Fall BuMP

Capital Program

- Washington Park Reservoir
- Portland Building Renovation

(Dollars in Millions)	Fiscal Year Ending in Year					
	2017	2018	2019	2020	2021	2022
Operating Budget	\$89.9	\$93.9	\$97.1	\$102.6	\$106.4	\$109.7
Escalation Factor		4.6%	3.2%	5.1%	3.3%	3.0%
Capital Program	\$82.9	\$111.0	\$116.5	\$87.8	\$75.5	\$80.8
Cash Funding	21%	20%	23%	33%	41%	36%

^aEscalation Factor is a calculated rate using City Economist escalation rates of costs for labor, materials, and services.

^bCapital Program includes only direct project costs.

^cPercentage of direct and indirect capital costs funded with water sales revenue.

BOND SALES

(Dollars in Millions)	Fiscal Year Ending in Year					
	2017	2018	2019	2020	2021	2022
Planned Issuance Date	Aug. 16	Jan. 18	Feb. 19	Mar. 20	No Sale Planned	Aug. 21
Issuance Amounts	\$92	\$110	\$90	\$83		\$138
Bond Rate	5%	6%	6%	6%		6%

UPDATES

2017 Issue

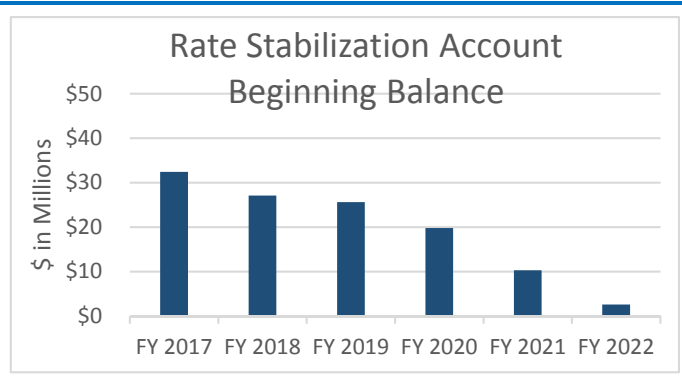
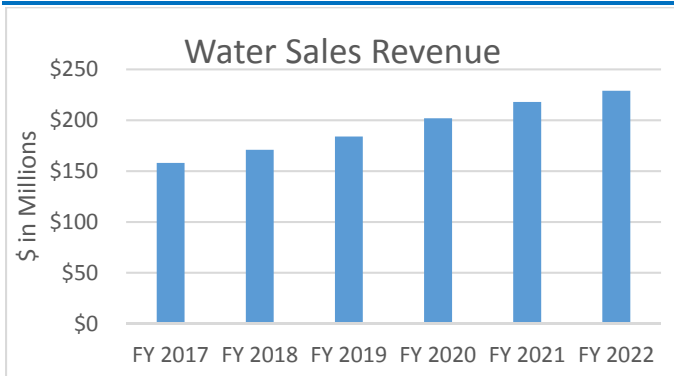
- Scheduled for December 2016.
- Bond Rate will be updated.
- No Bond Reserve may be required.

2018 Issue

- Bond Rate will be updated to 5%.

- The timing of bond issues and issuance amounts will be updated based on the updated Five-Year Capital Program.
- The Portland Building Renovation Project will be funded using Water Revenue Bonds.

REVENUES, RATE STABILIZATION, FORECASTED RATES



Fiscal Year Ending in Year

	2018	2019	2020	2021	2022
Forecasted Retail Rate Increase	8.4%	8.3%	10.7%	8.1%	4.5%

UPDATES

- Surpluses in both Operating and Construction Funds.
- Fiscal Year 2020 rate increase includes funding for Portland Building Renovation, will need to be moved to Fiscal Year 2021.
- Rate Stabilization Account balance.

STAFFING AND BUDGET HISTORY

