

working for clean rivers



Environmental Services Requested Budget Summary FY 2017-18

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Bureau of Environmental Services

March 23, 2017



ENVIRONMENTAL SERVICES
CITY OF PORTLAND

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Bureau Priorities and Perspective

Cornerstone Priorities—

- Reliable service:
 - Health and safety
 - Watershed quality
 - Regulatory compliance
- Long-term financial and operational sustainability
- Maintaining and repairing aging infrastructure
- Resilience—preparing for future events
- Equity initiatives



Shaping the Bureau's Future

- Post-CSO (Big Pipe) project completion
 - Operational impacts
 - Regulatory compliance success
- Grey and green innovations
- Strategic Plan
- Improved long-term financial planning
- Public oversight
 - Transparent planning and forecasting
 - Opportunity for new perspectives



Ongoing Challenges

- Asset condition assessment and capital investment
 - Hard assets (treatment plants, pipes & pump stations)
 - Stormwater System Plan (SWSP)
 - Anticipated staffing increases and process improvements
- Administrative service expectations
 - OMF/central services and interbureau collaboration
 - Equity/recruitment/training/development
 - Transparency improvements
- Proactive regulatory compliance



Asset Condition and Capital Investment

GOAL = sustainable, safe and reliable system

- Condition assessment work is identifying increase in annual CIP investment of ~50%
- Dual-strategy approach:
 - CIP process improvements
 - Staffing
- Financial planning
 - Share financial risks/costs between generations
 - Responsible use of cash balances and debt-financing



FY 2017-18 Budget Summary

The BES requested budget—

- Maintains existing service expectations
- Addresses immediate needs
 - Maintaining and repairing critical system infrastructure
 - Regulatory compliance
 - Operational improvements
- Strategically considers future challenges
 - Condition assessment and CIP implementation
 - Stormwater system improvements
 - Service reliability and community expectations
- Manages responsibly with proposed rate increase under 3.0% - FY2017-18 and ongoing



Environmental Services FY 2017-18

Requested Budget — \$494.8 million

\$40 million

Cash Funding of Capital Improvements and Rate Stabilization Transfers

\$26.9 million

GF Central Services, Utility License Fee, Pension Obligation Bonds

\$114.4 million

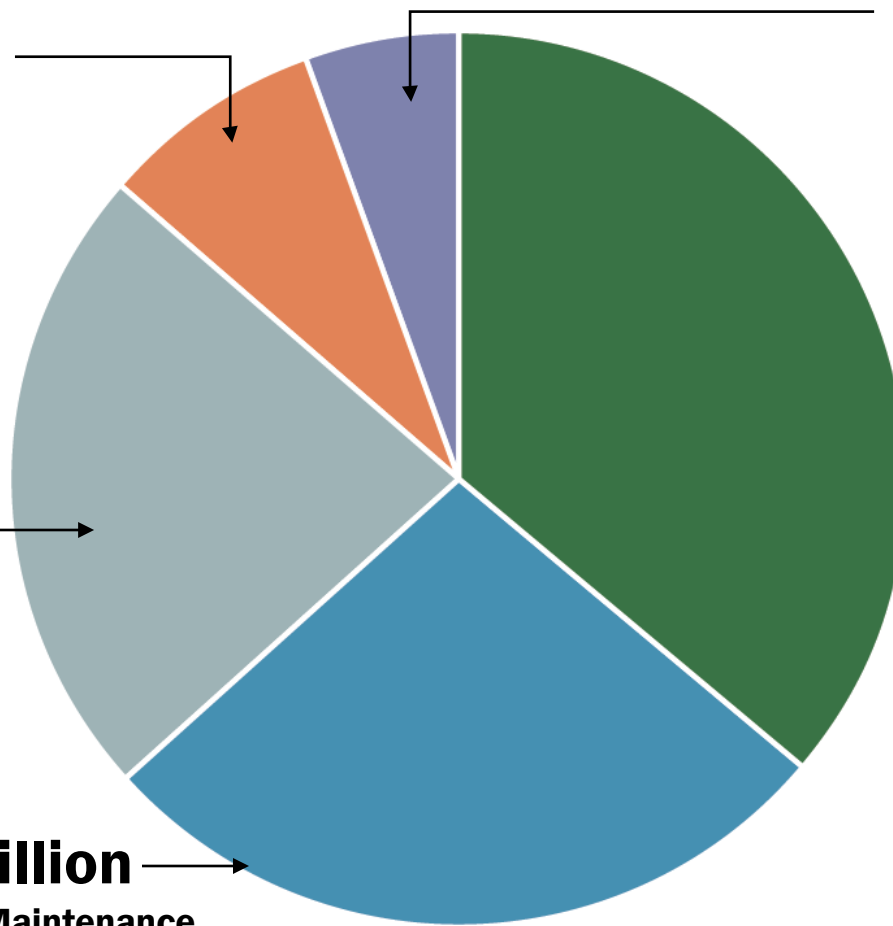
Capital Improvements

\$178.9 million

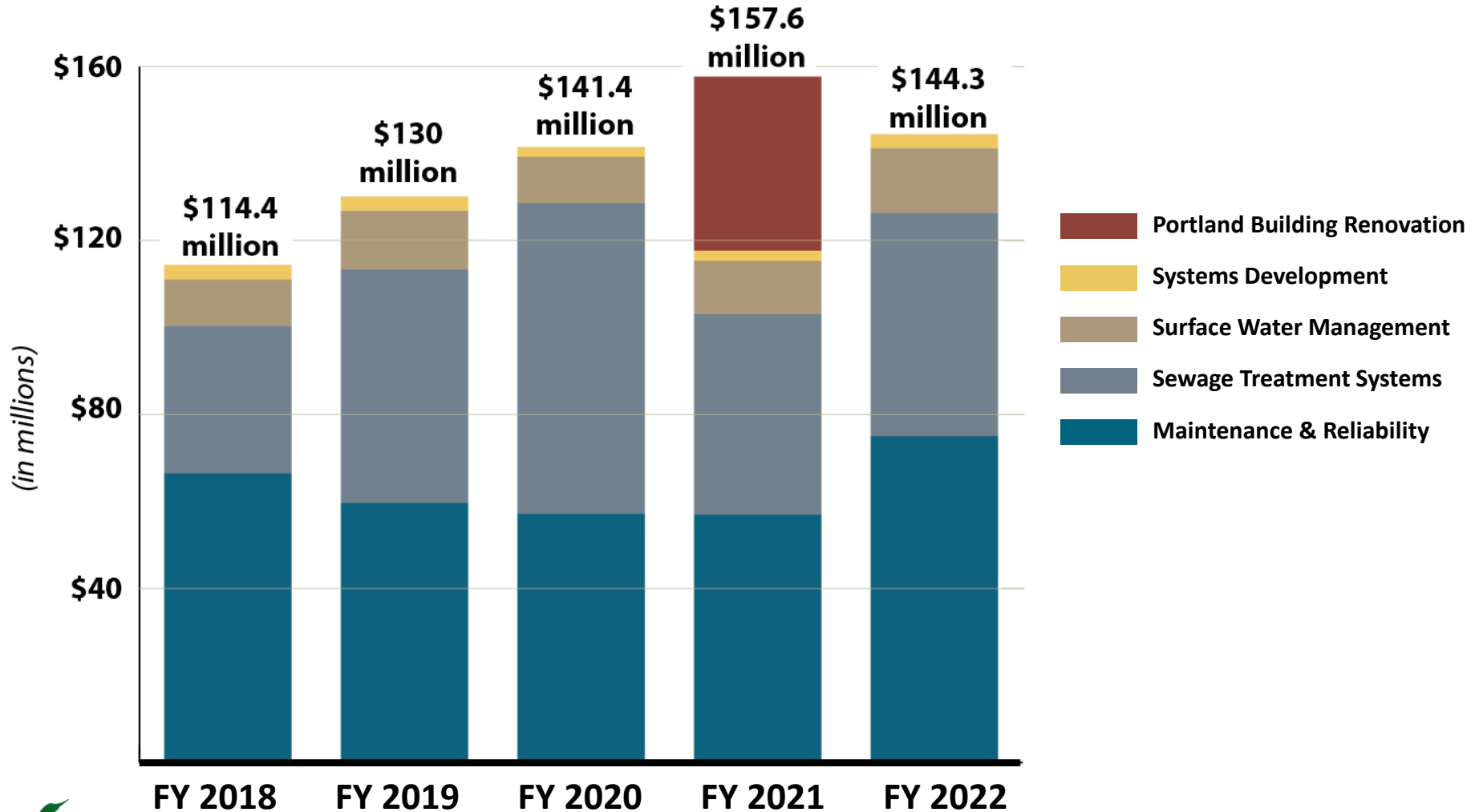
Debt Service

\$134.6 million

Operations and Maintenance (including Portland Harbor Superfund)



5-Year Capital Improvement Program



Operating and maintaining the system

- System expansion and priority projects have restricted adequate investment in other equipment and processes
- Increased service expectations have not always been matched by increased resources

Current Service Level (ES_01), \$631,339:

- Add two positions to support increased workloads (Engineering Services and Watershed programs)
- Create consistent funding for replacement of lab equipment
- Equipment repair and replacements, and process improvements at treatment plants
- Support for technology investments, homeless camping issues and the Portland Building project
- Accommodate increases to existing contractual services



Understanding system asset condition

- Over 1/3 of the 2,000 miles of sewer mains are more than 80 years old
- 100 sewer force mains averaging about 40 years old
- 2 treatment Plants – 65 and 53 years old
- 84 BES-owned pump stations, many in need major reinvestment

Critical Infrastructure – Condition Assessment (ES_02), \$854,130:

- Adds condition assessment efforts for large-diameter force mains
- Adds one position and consultant support for major, ongoing condition assessment projects
- Improves CCTV capabilities to inspect existing pipes



Planning for system infrastructure investments

- Bureau is mid-course in major infrastructure Condition Assessment efforts
 - Resource needs
 - Process improvements
- Strategic Plan is nearing completion
- Stormwater System Plan continues to inform and identify system needs

Critical Infrastructure – System Planning (ES_03), \$1,255,616:

- Reinforces system monitoring and program support
- Adds support for Strategic Plan and Stormwater System Plan implementation
- Adds positions to support increased CIP delivery needs (engineering design)



Maintaining critical infrastructure

- Construction projects at the treatment plants have increased significantly since completion of the CSO Project
- Improved digester cleaning results in more effective operations
- HYDRA monitoring system reliability reduces the risks of asset failures and non-compliance

Critical Infrastructure – System Maintenance (ES_04), \$1,227,950:

- Adds staff to support construction inspection needs
- Improves CBWTP digester cleaning
- Improves plant equipment and pump station reliability
- Improves HYDRA communication network functionality and security



Improving operational efficiency

- Permit volumes have increased 72% since 2010
- Due to increased workloads, high-level pollution prevention and development services staff are performing support-level tasks
- Private property retrofits are proving to successfully limit more costly solutions

Operational Efficiency (ES_05), \$431,708:

- Adds position to support increased development review workloads
- Adds staff to support pollution prevention compliance and data systems
- Improves delivery of private property retrofit programs, including additional staffing



Building a resilient future

- In FY2016-17, the Bureau hired an Emergency Coordinator and completed an update to its Continuity of Operations Plan
- Sewer/stormwater system operations and infrastructure are vulnerable to natural disaster and severe weather events

Emergency/Resiliency (ES_06), \$275,000:

- Continues PTE support for the BES Resiliency Master Plan
- Supports collaboration with OSU related to system resiliency
- Prepares employees for emergency events
- Replaces portable generators to prevent service disruptions



Complying with regulatory requirements

- Permits and regulatory requirements are becoming more stringent
- Permittees are more frequently expected to be proactive in determining compliance solutions
- Reports of nuisance and vandalism to City assets and the environment have increased dramatically

Regulatory (ES_07), \$1,633,908:

- Supports updates to the Combined Sanitary System Plan
- Adds positions to respond to citizen spill and pollution requests
- Supports implementation of Salmon Safe Certification and the FEMA BiOp
- Ensures control of residual contamination at Guilds Lake (DEQ-required)



Investing in renewable energy

- The Citywide Climate Action Plan identifies multiple strategies and objectives
- BES aims to be a leader in environmental initiatives

Renewable Energy (ES_08), \$1,811,000:

- Replaces standard vehicles with RCNG-compatible vehicles
- Supports Council-directed funding for purchase of renewable energy credits



Supporting citywide equity initiatives

- BES completed a Bureau Equity Plan in FY2016-17
- Equity issues are within the scope of responsibility of the newly-hired BES Deputy Director
- BES is committed to supporting equity-focused priorities and initiatives

Equity (ES_09), \$25,000:

- Adds support for implementation of the Bureau Equity Plan
- Increases participation in the high school internship program



Advancing Willamette River clean-up efforts

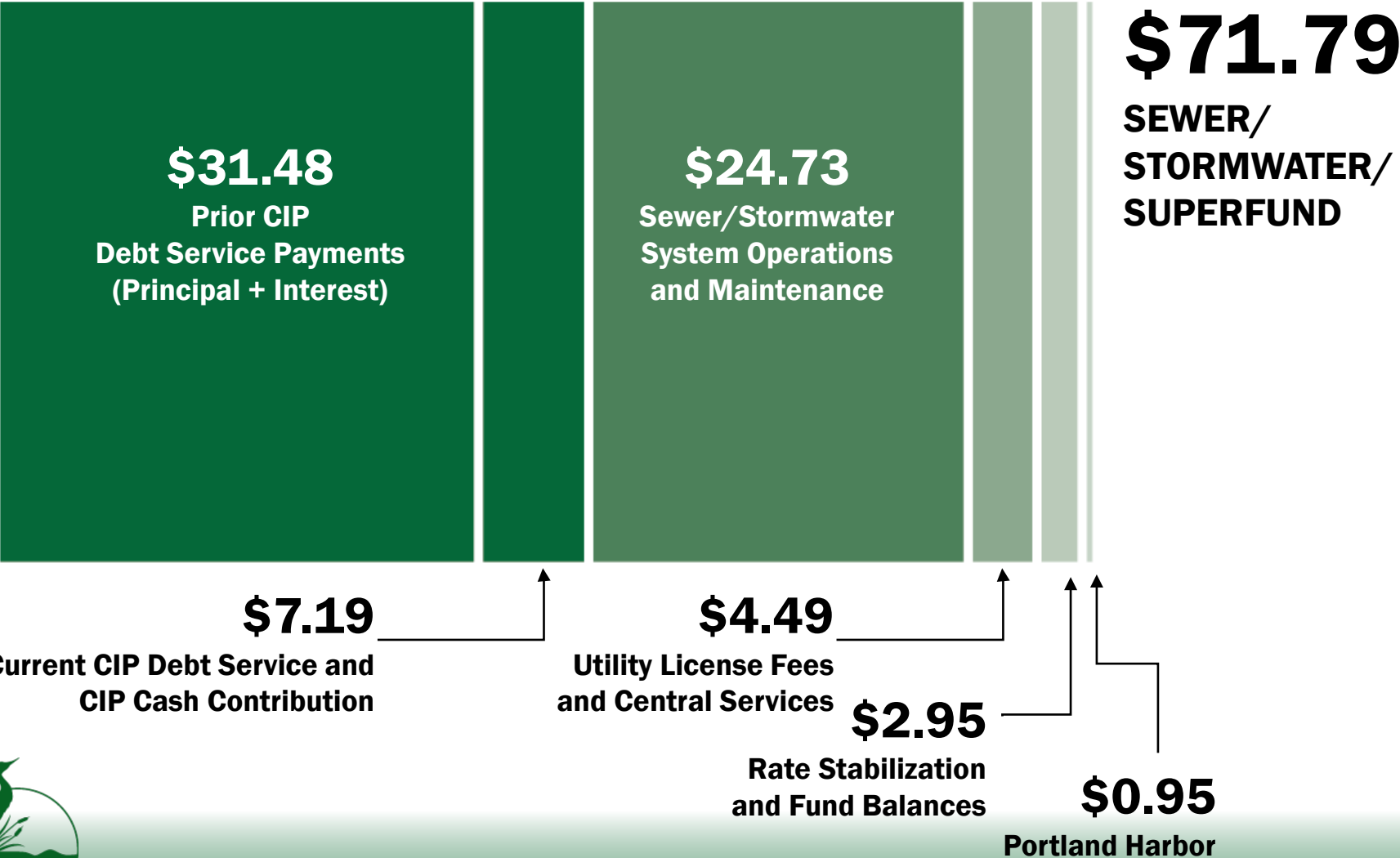
- The EPA released its Record of Decision in January 2017
- BES remains the City's lead agency in responding to the Portland Harbor clean-up effort

Portland Harbor (ES_10), \$1,250,000:

- Adds funding to support implementation of Post-ROD work in the Willamette River



2017-18 Requested Average Residential Monthly Bill



Typical Single-family Residential Water and Sewer/Stormwater Monthly Bill

