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Date: March 27, 2017
To: Andrew Scott, City Budget Office
From: Michael Stuhr, P.E., Administrator
Subject: Executive summary for the FY 2016-17 Spring BMP

M. Stuhr 3/27/17

Enclosed is the Water Bureau's FY 2016-17 Spring BMP Report that includes the status of the three Water Division funds and three Hydro Division funds.

The following is a brief recap of the Bureau's requests for the Spring BMP in three categories:

Revenue Adjustments:

- Increase Revenue Interagency with Facilities by \$9,200 for associated space leased to store personal property from homeless campsite cleanup.
- Increase Revenue from Bureau of Technology Services (BTS) to refund \$63,639 from reserve funds collected for radio, video and other related electronic equipment replacements.

Budget Adjustments:

- Increase Groundwater Program by \$1,000,000 for additional electricity associated to running groundwater at 100% from February 13 to March 15, 2017.
- Increase budget by \$45,000 for the fixture repair program. The program was part of the conservation water smart mailer that mentioned the fixture repair assistance program therefore the number of fixture repairs increased in comparison to prior fiscal year.
- Increase Bureau of Environmental Services by \$50,000 for Lab Services for Lead Testing.
- Decrease CIP by \$11,824,000 to reflect active projects and a decrease of \$202,000 for Cayenta upgrade with the Revenue Bureau. Refer to the Capital Reporting for more details.

Adjustments to Fund Transfers and Beginning Fund Balances:

- Adjust the beginning fund balances to be consistent with actual ending balances reported in the City's FY 2015-16 CAFR balances.
- Adjust cash transfers by \$3,867,544 between Water Bureau funds for additional capital revenue transfers.
- Adjust the budget to recognize the December 2016 Water System Revenue Bond sale and Refunding.
- Eliminate cash transfer to the General Fund by \$200,000 from Hydroelectric Power Operating Fund.

There were no FY 2016-17 Budget Notes. The updates for the current fiscal year decision packages, Fall technical BMP adjustments updates and current year capital reporting have been provided as well.

If you have any questions regarding this report, please contact Mary Leung.

C: Cecelia Huynh, Finance & Support Services Director
Jan Warner, Finance Manager
Shannon Fairchild, CBO Budget Analyst
Portland Utility Board (PUB)

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

Bureau: Portland Water Bureau

Type: Technical Adjustment

Request: WA_008 - Interagency Service with Bureau of Env Services

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	(50,000)	0	(50,000)
Internal Materials and Services	50,000	0	50,000
Fund Transfers - Expense	0	0	0
Contingency	0	0	0
TOTAL EXPENDITURES	0	0	0

Bureau Description:

The request increases Bureau of Environmental Service (BES) - Lab Services to the Water Bureau by \$50,000 for Lead Testing.

In addition, \$120,000 technical adjustment with BES for the work associated to the Interstate facilities. The services provided by BES was charged to Coordinated Site Assessment (Account 652505) instead of Project / Construction Management (Account 652529) so the budget will be adjusted to increase Account 652505 - Coordinated Site Assessment and decrease Account 652529 - Project / Construction Management.

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: New Request

Request: WA_009 - Groundwater Adjustment

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	1,000,000	0	1,000,000
Internal Materials and Services	0	0	0
Contingency	(1,000,000)	0	(1,000,000)
TOTAL EXPENDITURES	0	0	0

Bureau Description:

This request adjust the Groundwater Program by \$1.0 million for additional electricity charges incurred as a result of delivering 100% groundwater from the Columbia South Shore Well for 32 days (2/13 to 3/15/17). On February 13th, the Portland Water Bureau activated the Columbia South Shore Well Field in response to recent low detections of Cryptosporidium in the Bull Run. The Bureau switched back to the Bull Run water source on March 15th. The cost to operate the wellfield for 32 days is more than planned in the FY 2016-17 budget.

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: New Request

Request: WA_010 - Increase Low Income program

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	45,000	0	45,000
Contingency	(45,000)	0	(45,000)
TOTAL EXPENDITURES	0	0	0

Bureau Description:

This request increases the funding for fixture repair program from \$75,000 to \$120,000. For the past three fiscal years fixture repairs averaged 59 a year. In the current fiscal year, the program funded 52 repairs within the first 6 months. The much higher than planned fixture repairs is a result of partnering with the Conservation section on the water smart mailer that mentioned the fixture repair assistance program.

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: Technical Adjustment

Request: WA_011 - CIP adjustments

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
External Materials and Services	1,912,000	0	1,912,000
Internal Materials and Services	(202,000)	0	(202,000)
Capital Outlay	(13,736,000)	0	(13,736,000)
Contingency	12,026,000	0	12,026,000
TOTAL EXPENDITURES	0	0	0

Bureau Description:

For additional information refer to Capital Reporting in this report. Decrease interagency with the Revenue Bureau by \$202,000 for the Cayenta and Customer Self Service Function upgrades. The upgrade should be a capital project therefore \$574,000 was added in the FY 2016-17 capital improvement program adjustment.

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: New Request

Request: WA_012 - December 2016 Water System Revenue Bond Sale

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Unappropriated Fund Balance	(11,917,543)	0	(11,917,543)
Bond Expenses	94,126,320	0	94,126,320
Fund Transfers - Expense	(1,377,090)	0	(1,377,090)
Contingency	9,306,049	0	9,306,049
TOTAL EXPENDITURES	90,137,736	0	90,137,736
REVENUES			
Fund Transfers - Revenue	(1,377,090)	0	(1,377,090)
Bond and Note	91,514,826	0	91,514,826
TOTAL REVENUES	90,137,736	0	90,137,736

Bureau Description:

- Adjust the budget to recognize the December 2016 Revenue Water System Bond Sale and Refunding.
- a. Bond proceeds increase of \$7,928,959 to reflect the actual amount from the December 2016 bond issuance.
 - b. Bond issuance cost reduction of \$48,500 to align with actual bond issuance costs. A cash transfer adjustment for the same reduction in bond issuance costs is reflected for the Water Operating and Water Construction Funds.
 - c. A bond reserve reduction of \$6,519,000 to reflect actual bond reserve requirements from the refunding of 2006b and 2008a bonds with the December 2016 issuance.
 - d. Bond proceeds of \$90,104,867 from the refunding of existing debt included in the December 2016 issuance.
 - e. Increased bond principal requirement of \$926,336 and reduced bond interest requirements of \$2,254,926 to align the budget with the actual debt service associated with the December 2016 bond issuance and refunding. An adjustment of \$1,328,590 is made to reduce the cash transfer from the Water Operating fund to the Bond Sinking fund for debt service payment.

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: New Request

Request: WA_013 - Revenue Interagency with Office Mgmt & Finance

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Contingency	72,839	0	72,839
TOTAL EXPENDITURES	72,839	0	72,839
REVENUES			
Interagency Revenue	9,200	0	9,200
Fund Transfers - Revenue	63,639	0	63,639
TOTAL REVENUES	72,839	0	72,839

Bureau Description:

Establish an interagency revenue for \$9,200 with Office of Management & Finance Facilities Services (OMF-FAC) for storage of personal property from homeless campsite.

Bureau of Technology Services (BTS) is refunding the Water Bureau \$63,639 from reserve as a result of the Water Bureau decided to opt out of making replacement payments and maintaining a replacement account with BTS for the future replacement of radio, video and other related electronic equipment. Beginning FY 2017-18 the Water Bureau will directly fund replacement equipment.

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: Technical Adjustment

Request: WA_014 - Cash Transfer Adjustment

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Fund Transfers - Expense	3,867,544	0	3,867,544
Contingency	3,660,000	0	3,660,000
TOTAL EXPENDITURES	7,527,544	0	7,527,544
REVENUES			
Charges for Services	3,660,000	0	3,660,000
Fund Transfers - Revenue	3,867,544	0	3,867,544
TOTAL REVENUES	7,527,544	0	7,527,544

Bureau Description:

Adjust cash transfers between Water Bureau funds for additional capital revenue transfers. Additional capital revenue of \$3,660,000 is anticipated for service and main installations. \$207,544 of capital revenue was received in the prior year that will be transferred to the Construction Fund as well.

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: Technical Adjustment

Request: WA_015 - Adjust Beginning Balance

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Contingency	127,859	0	127,859
TOTAL EXPENDITURES	127,859	0	127,859
REVENUES			
Budgeted Beginning Fund Balance	127,859	0	127,859
TOTAL REVENUES	127,859	0	127,859

Bureau Description:

True up SAP beginning balance to CAFR

CBO Discussion and Recommendation

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

Bureau: Portland Water Bureau

Type: Technical Adjustment

Request: WA_016 - Adjust General Fund Transfer from Hydro

	Spring BMP Requested Adjustments	Spring BMP CBO/Council Changes	Spring BMP Total Adjustments
EXPENDITURES			
Fund Transfers - Expense	(200,000)	0	(200,000)
Contingency	200,000	0	200,000
TOTAL EXPENDITURES	0	0	0

Bureau Description:

The current power sales agreement with Portland General Electric for the Portland Hydroelectric Project (PHP) that governs both the revenues from the sales of power and the expenses related to the operation and maintenance (O&M) of the PHP reaches termination on 8/31/2017. During the development of the FY 2016-17 budget for the Hydroelectric Power Operating Fund 601000, the new contracts that would be needed to replace the future power sales and O&M activities at the PHP in FY 2017-18 were still in the early stages of being negotiated with two different contractors and, as such, the net financial needs for this transition period were unclear at that time.

At this time, the negotiations with both contractors are at a point where it is now clear that the Hydropower Operating Fund will need all of its available resources to bridge this transition period into these new contract conditions. The \$200,000 budgeted cash transfer to the General Fund in FY 2016-17 will be eliminated. This action will leave the \$200,000 in the FY 2016-17 contingency for Fund 601000 which will increase the beginning fund balance for FY 2017-18 to keep finances solvent through the transition period into both of the new contracts.

CBO Discussion and Recommendation

Business Area Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Water Bureau				
EXPENDITURES				
Personnel Services	\$0	\$3,164	\$0	0%
External Materials and Services	\$0	\$19,439	\$0	0%
Internal Materials and Services	\$0	\$442	\$0	0%
TOTAL EXPENDITURES	\$0	\$23,045	\$0	0%
REVENUES				
Intergovernmental Revenues	\$0	\$0	\$0	0%
TOTAL REVENUES	\$0	\$0	\$0	0%

Bureau Projection Narrative

These are charges related to the 2015 Winter Storm and will be transferred out of the grants fund by June 30, 2017. Grant agreements are pending insurance evaluations and issuance by FEMA through the Oregon Office of Emergency Management. For small projects FEMA will pay the Grants Office prior to work being completed and a true up will occur after work has been completed.

Fund Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Water Fund				
EXPENDITURES				
Personnel Services	\$66,644,531	\$40,892,490	\$66,545,927	100%
External Materials and Services	\$32,845,972	\$17,562,506	\$30,543,317	93%
Internal Materials and Services	\$21,779,592	\$12,513,110	\$20,480,851	94%
Capital Outlay	\$41,046,000	\$16,960,524	\$41,046,000	100%
Bond Expenses	\$3,864,842	\$1,015,074	\$3,864,842	100%
Fund Transfers - Expense	\$91,115,688	\$53,793,440	\$90,072,604	99%
Contingency	\$93,462,514	\$0	\$87,527,874	94%
TOTAL EXPENDITURES	\$350,759,139	\$142,737,144	\$340,081,415	97%
REVENUES				
Budgeted Beginning Fund Balance	\$81,956,259	\$0	\$81,956,259	100%
Charges for Services	\$166,325,337	\$100,401,409	\$167,986,338	101%
Intergovernmental Revenues	\$555,000	\$526,243	\$547,411	99%
Interagency Revenue	\$3,488,020	\$1,885,355	\$3,488,020	100%
Fund Transfers - Revenue	\$97,110,074	\$39,922,042	\$84,483,938	87%
Miscellaneous	\$1,324,449	\$1,789,051	\$1,619,449	122%
TOTAL REVENUES	\$350,759,139	\$144,524,099	\$340,081,415	97%

Fund Projection Narrative

Fund Transfers - Revenue: The \$12.6 million decrease is expected to be driven by reduced CIP expenses included in the Spring BMP.

Miscellaneous: The \$0.3 million increase is expected from higher interest earnings.

Fund Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Water Construction Fund				
EXPENDITURES				
Unappropriated Fund Balance	\$79,323,150	\$0	\$79,323,150	100%
Fund Transfers - Expense	\$96,203,435	\$39,079,042	\$83,577,299	87%
Contingency	\$18,162,853	\$0	\$32,384,195	178%
TOTAL EXPENDITURES	\$193,689,438	\$39,079,042	\$195,284,644	101%
REVENUES				
Budgeted Beginning Fund Balance	\$65,349,064	\$0	\$65,349,064	100%
Charges for Services	\$3,000,000	\$3,503,462	\$5,300,000	177%
Fund Transfers - Revenue	\$31,507,993	\$19,744,352	\$30,503,199	97%
Bond and Note	\$93,284,959	\$93,284,958	\$93,284,959	100%
Miscellaneous	\$547,422	\$620,768	\$847,422	155%
TOTAL REVENUES	\$193,689,438	\$117,153,541	\$195,284,644	101%

Fund Projection Narrative

Fund Transfers - Expense: The reduced CIP expenses is expected to result in a decreased transfer of \$12.6 million between the Construction Fund and Operating Fund.

Charges for Services: The \$2.3 million increase is expected in system development charges.

Miscellaneous: The \$0.3 million increase is expected from higher interest earnings.

Fund Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Water Bond Sinking Fund				
EXPENDITURES				
Unappropriated Fund Balance	\$31,475,885	\$0	\$31,460,828	100%
Bond Expenses	\$149,147,548	\$125,400,897	\$149,147,548	100%
TOTAL EXPENDITURES	\$180,623,433	\$125,400,897	\$180,608,376	100%
REVENUES				
Budgeted Beginning Fund Balance	\$36,874,429	\$0	\$36,874,429	100%
Fund Transfers - Revenue	\$53,423,638	\$29,897,488	\$53,279,081	100%
Bond and Note	\$90,104,867	\$90,104,866	\$90,104,866	100%
Miscellaneous	\$220,499	\$230,881	\$350,000	159%
TOTAL REVENUES	\$180,623,433	\$120,233,234	\$180,608,376	100%

Fund Projection Narrative

Miscellaenous: The \$130,000 is expected from higher interest earnings.

Fund Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Hydroelectric Power Operating Fund				
EXPENDITURES				
Personnel Services	\$357,148	\$225,543	\$332,000	93%
External Materials and Services	\$460,829	\$75,189	\$419,800	91%
Internal Materials and Services	\$154,753	\$74,015	\$122,546	79%
Bond Expenses	\$24,442	\$3,412	\$24,442	100%
Fund Transfers - Expense	\$25,507	\$17,004	\$25,507	100%
Contingency	\$527,151	\$0	\$540,902	103%
TOTAL EXPENDITURES	\$1,549,830	\$395,164	\$1,465,197	95%
REVENUES				
Budgeted Beginning Fund Balance	\$292,430	\$0	\$292,430	100%
Interagency Revenue	\$65,500	\$18,893	\$62,500	95%
Fund Transfers - Revenue	\$300,000	\$55,554	\$225,000	75%
Miscellaneous	\$891,900	\$604,200	\$885,267	99%
TOTAL REVENUES	\$1,549,830	\$678,647	\$1,465,197	95%

Fund Projection Narrative

Internal Materials and Services (79%) - This variance reflects the current projection of the amount of services that the Hydroelectric Power Division of the Portland Water Bureau will be receiving from the Water Division of the Bureau.

Contingency (103%) - This fund is now projected to end FY 2016-17 with a positive net balance of \$540,902 which will be needed in FY 2017-18 as the Portland Hydro Project transitions to new power sales and project operations contracts.

Fund Transfers – Revenue (75%) - The projection of reimbursement cash transfers from the Hydropower R&R Fund is lower than planned.

Fund Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Hydroelectric Power Renewal Replacement Fund				
EXPENDITURES				
Fund Transfers - Expense	\$300,000	\$55,554	\$225,000	75%
Contingency	\$11,009,595	\$0	\$11,090,461	101%
TOTAL EXPENDITURES	\$11,309,595	\$55,554	\$11,315,461	100%
REVENUES				
Budgeted Beginning Fund Balance	\$10,881,595	\$0	\$10,881,595	100%
Miscellaneous	\$428,000	\$220,827	\$433,866	101%
TOTAL REVENUES	\$11,309,595	\$220,827	\$11,315,461	100%

Fund Projection Narrative

Fund Transfers - Expense (75%) - These cash transfers are made from this Fund (618000) to the Hydropower Operating Fund (601000) to pay for repair and replacement work at the Portland Hydroelectric Project (PHP) as those needs arise. The projected cost will be less than plan.

Fund Projection Report

	Spring BMP Revised Budget	FY 2016-17 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Hydroelectric Power Bond Redemption Fund				
EXPENDITURES				
Unappropriated Fund Balance	\$12,549	\$0	\$15,600	124%
Bond Expenses	\$1,788,051	\$1,788,050	\$1,788,051	100%
TOTAL EXPENDITURES	\$1,800,600	\$1,788,050	\$1,803,651	100%
REVENUES				
Budgeted Beginning Fund Balance	\$1,799,100	\$0	\$1,799,401	100%
Miscellaneous	\$1,500	\$4,202	\$4,250	283%
TOTAL REVENUES	\$1,800,600	\$4,202	\$1,803,651	100%

Fund Projection Narrative

Miscellaneous Revenues (283%) – This variance is due to the nature of the investments that were used in this fund which caused some of the interest that was actually earned in the previous year to be reported in this fiscal year when those investments actually matured.

Capital Program Status Report

Water

CIP Program	FY 2015-16	FY 2015-16	FY 2015-16	Variance \$	Variance %	FY 2016-17	Spring BMP	FY 2016-17	Variance \$	Variance %
	Adopted Budget	Revised Budget	Year-End Actuals			Adopted Budget	Revised Budget	Year to Date Actuals		
Customer Service	\$63,000	\$400,658	\$147,741	(\$252,917)	(63%)	\$66,000	\$640,000	\$257,912	\$574,000	870%
Distribution	\$44,618,650	\$38,648,650	\$32,905,415	(\$5,743,235)	(15%)	\$37,704,000	\$31,474,000	\$17,594,076	(\$6,230,000)	(17%)
Regulatory Compliance	\$1,858,500	\$958,500	\$395,685	(\$562,815)	(59%)	\$2,364,000	\$1,964,000	\$742,852	(\$400,000)	(17%)
Supply	\$4,818,100	\$2,473,100	\$1,463,442	(\$1,009,658)	(41%)	\$4,769,000	\$3,451,000	\$2,535,812	(\$1,318,000)	(28%)
Support	\$2,184,000	\$2,184,000	\$1,667,912	(\$516,088)	(24%)	\$2,278,000	\$2,328,000	\$1,123,863	\$50,000	2%
Transmission/Terminal Storage	\$14,943,000	\$14,333,000	\$14,513,782	\$180,782	1%	\$35,269,000	\$30,569,000	\$11,024,551	(\$4,700,000)	(13%)
Treatment	\$285,500	\$385,500	\$346,372	(\$39,128)	(10%)	\$440,000	\$640,000	\$396,724	\$200,000	45%
Total	\$68,770,750	\$59,383,408	\$51,440,349	(\$7,943,059)	(13%)	\$82,890,000	\$71,066,000	\$33,675,790	(\$11,824,000)	(14%)

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

** Current Year variances compare Revised Budget to Adopted Budget

Prior Year Variance Description

Customer Service: Budget was provided to the grant fund in Spring BMP for Winter Storm 2015 FEMA grant. Not all of the restoration work was completed prior to June 30, 2016.

Distribution: The reported expenses are under reported due to the inclusion of over \$830,000 in interagency revenue and the exclusion of about \$2.8 million in fleet vehicle purchases. With those items, total CIP expense is \$55.1 million and the overall variance is 7%.

Regulatory Compliance: easements and improvements towards the Habitat Conservation Plan are not progressing as fast as expected.

Supply: Watershed road projects had a delayed start as staff was assigned to waterline projects supporting development activity. Other roads projects were delayed to allow for bidding with a single procurement. Groundwater Electrical Supply Improvements is experiencing some delays to redesign a smaller project

Support: Delays in starting the Water Quality study and the Water Distribution System Seismic Study lead to underspending this program budget.

Treatment: Headworks Generator Improvements was about \$20,000 underspent from the replanned FY 2015-16 amount.

In Total: Expensed CIP projects are included

Current Year Variance Description

Customer Service: Upgrades and enhancements to the Cayenta Billing System are will be capitalized.

Distribution: PWB major projects delayed while resources responded to high demand for development and interagency work. Reduced capital outlay contingency.

Regulatory Compliance: Unable to locate sellers of suitable water rights for purchase.

Supply: Construction of watershed road projects were less than planned, delays hiring consultant for Dam 1 Needle Valve and Groundwater Electrical Improvements bidding rescheduled for spring 2017.

Transmission and Terminal Storage: Lower constructions costs for Tabor Reservoir Adjustments and permitting delays for Washington Park.

Treatment: Higher construction costs to complete Lusted Hill Generator Improvements.

Package Name	Package Description	Funded In:	Added/ (Reduced) Funds	Added/ (Reduced) FTE	Package Status	Package Update
Tabor Preservation Project	On July 15, 2015, City Council approved resolution No. 37146 making financial obligations and other commitments for work at Mount Tabor. The resolution included a provision that the City shall allocate at least \$4 million over the next four years to the maintenance, repair and preservation work identified in the 2009 Mount Tabor Reservoirs Historic Structures Report. This package funds \$750,000 for the first year's activities to fulfill this obligation. These activities are related to the maintenance, repair and preservation work identified in the 2009 Mt. Tabor Reservoirs Historic Structures Report.	FY 2016-17 Adopted Budget	750,000		In Progress	<p>For the period of July 1, 2016 to February 28, 2017 the following activities have occurred for Mt Tabor Preservation Project.</p> <ul style="list-style-type: none"> • Bureau staff and Parks Bureau staff, Mt Tabor Neighborhood Association (MTNA) representatives, and Friends of Mt Tabor Park representatives have been meeting monthly to coordinate and collaborate to deliver \$4.0 million in repairs, maintenance, and preservation projects over the next four years at the Mt Tabor Historic Reservoirs as directed in Council Resolution 37146. Work has included: <ul style="list-style-type: none"> • Appointment of the original historic preservation consultant who authored the 2009 Historic Structures Report. The consultant developed a 2016 addendum to the original report to update recommended preservation work and costs. • After this was completed, the consultant worked with the bureau and public stakeholders to develop a prioritized list of work for year 2, FY 2017-18. This list of work is approximately \$1.4 million. Full funding for this work is yet to be allocated. • Developed two QBS-RFPs, and went through Procurement's PTE solicitation process to hire both a historic preservation consultant and an interpretive program consultant. MTNA representatives were a part of the evaluation committee. After the procurement process was completed they negotiated two final scopes of work. The two contracts will be presented to City Council in March 2017 for approval. • Developed the first joint semi-annual report to Council which was delivered October 2016. • Conducted extensive water quality testing of the reservoirs and developed a draft Water Management Plan.
Information Processing	This decision package funds 2.0 FTE (Engineering Tech III and Engineering Tech II) to meet the increased workload experienced by development services, e.g. residential permit reviews, commercial building permit reviews, etc. This package would also fund one FTE for Record Management.	FY 2016-17 Adopted Budget	249,600	2.00	Complete	<p>The new Engineering Tech III position was filled by an internal promotion on October 20, 2016 leaving an Engineering Tech II vacancy. The two Engineering Tech II positions were filled on December 1, 2016 and December 15, 2016.</p> <p>The new hires have resulted in an interim rebalancing of work responsibilities. The positions required familiarity with procedures, processes, and building knowledge and experience with a wide number of development situations. The new employees are still in training, requiring a higher degree of supervision and a more thorough review of their work. It will take as long as a year before new employees can be considered fully trained, able to work independently, and with associated increases in productivity and customer service responsiveness. However, even with the employee training requirements, improvements in turnaround times are beginning to be seen.</p> <p>In the original decision package included the Records Management position but it was not approved therefore not included in the FY 2016-17 Adopted Budget.</p>

Package Name	Package Description	Funded In:	Added/ (Reduced) Funds	Added/ (Reduced) FTE	Package Status	Package Update
Infrastructure Maintenance	This decision package funds infrastructure maintenance related work, including-- --Hydraulic Network Analysis (0.5 FTE) □ --Facilities Maintenance (1.0 FTE) □ --Reliability Centered Maintenance (1.0 FTE) □ --Security (1.0 FTE) □	FY 2016-17 Adopted Budget	292,600	3.50	Complete	<p>Hydraulic Network Analysis (0.50 FTE) - As part of the new budget, on July 1, 2016 a Civil Engineer position was converted from 1.0 FTE to 0.50 FTE and added 1.0 Engineering Tech II position.</p> <ul style="list-style-type: none"> On September 22, 2016 the new Engineering Tech II was filled by an internal transfer from the Engineering section and allowed immediate use and update of the hydraulic network model. A total of 347 updates to the hydraulic model have been completed, reducing the total number of pending updates by about 15%. This is the first reduction in the total number of pending updates since April 1, 2013. Work was reprioritized for the 0.50 FTE Engineer and on February 10, 2017 the water system usage by wholesale and retail demands was updated using Calendar Year 2015 data. The next update using calendar Year 2016 data will be Fall 2017. The Operational Analysis Group has kept up with normal daily shutdown reviews, direct field support, and other work, while also transitioning to new software. <p>Facilities Maintenance (1.0 FTE)- after hiring a Horticulturist on Sept 22, 2016, the Water Bureau Grounds crew is able to provide a higher level of landscape expertise, including technical pruning, plant identification, and design. The Water Bureau is now able to meet the conditional use permits obtained for construction that require a higher level of horticultural expertise. The Grounds crew are now able to meet the goal of maintaining our properties at a level that meets community expectations.</p> <p>Reliability Centered Maintenance (1.0 FTE)- The electrician was hired on November 21, 2016. The addition of the Electrician during this time period has helped the bureau to continue addressing the back log of predictive and preventive maintenance while ensuring continuing support of the bureau's CIP program. The additional position will significantly reduce in the preventative maintenance (PM) back log thus reducing the risk of unexpected electrical system failures.</p> <p>Security (1.0 FTE) - The Water Security Specialist was hired on August 16, 2016. The addition of one Water Security Specialist resulted in increased security at the Interstate complex. With a start time of 5:00 pm, security issues at Interstate, such as doors and gates unsecured, can be quickly addressed, reducing the opportunity for trespass and theft. Just recently, the start time changed from 5:00 pm to 3:30 pm to further close the gap of having security available. With the recent change, there has not been any video of trespass activity. Additionally, security is available to provide an escort for the employees who exit the premises after midnight. Lastly, a position is available to respond to unresolved intrusion alarms after the day shift employees leave areas of work. This position will continue to help reduce security concerns for the Water Bureau.</p>
Regulatory Monitoring	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. In year two, the outside contracts will no longer be necessary, therefore, the funds formerly used for contracts will be used to fund the 2.0 FTE. In addition, cost savings will be realized on contract procurement and administration. By 2017-18, the in-house Crypto lab section will be fully operational. In the future, the PWB will be looking for efficiencies to further reduce costs, an opportunity from having the autonomy of an in-house lab. The 2.0 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). □	FY 2016-17 Adopted Budget	360,900	2.00	In Progress	<p>The Laboratory Supervisor was hired on November 2016 to bringing Cryptosporidium analysis in-house. New equipment and supplies for the Cryptosporidium lab have been purchased and existing lab space is being remodeled. The lab supervisor has been working with EPA and the Oregon Lab accreditation body to prepare all the required processes and analysis to become an accredited lab. The lab's on-site accreditation inspection is scheduled for the third week in March 2017. Results of the accreditation will not be available until May 2017.</p> <p>Due to the recent detection of Cryptosporidium in our source water, the Water Bureau decided to convert the Laboratory Analytical Specialist to a Senior Engineering Associate (SEA) position in the Water Quality Group to address regulatory requirement. The bureau is working with Bureau of Human Resource to submit a request to reclassify this position.</p>
Solar Installation at Groundwater Pump Station	Solar Installation at Groundwater Pump Station	FY 2016-17 Adopted Budget	93,000		In Progress	The \$93,000 Cash Transfer from the General Fund to the Water Fund for the solar project took place on November 29, 2016. Water Bureau staff is currently working with Bureau of Planning and Sustainability (BPS) on the solar facility sub-agreement. The City Procurement Office is working on finalizing the sub-Agreement with Electrical Construction (EC). Then EC will perform a feasibility study for installing solar panels on the pump station roof. Then with the completed feasibility study, the Water Bureau will be able to determine future steps in the solar facility installation.

Package Name	Package Description	Funded In:	Added/ (Reduced) Funds	Added/ (Reduced) FTE	Package Status	Package Update
Community Information and Outreach	This package funds community information and outreach efforts at the bureau for 2.0 FTE positions to increase outreach to traditionally underserved communities and build capacity for upcoming large Capital Improvement Projects (CIP). 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. □	FY 2016-17 Adopted Budget	243,200	2.00	In Progress	- One of the two Community Outreach & Info Rep position was hired on November 17, 2016. This position is responsible for the day-to-day management of digital communications including social media, blogs, internal and external e-communications, and community engagement at local events. The position will continue to serve as the lead in building a comprehensive social media strategy, with emphasis on promoting the Water Bureau's brand, diversifying messaging, and growing our reach to broader audiences. - Recruitment for a second community outreach and information representative to focus on strengthening the PWBs outreach to diverse communities in support of the PWBs equity work will begin April 10, 2017, with a target hire date of May 26, 2017. A Public Information Officer was recently hired by the Water Bureau to oversee this recruiting process and will progress quickly to fill the vacant community outreach and information representative. The Water Bureau is currently mapping out the plan and specific timelines to meet the expected results as outlined in the Decision Package.
Lead Testing Positions	This package funds three leading testing positions in order to meet the need for increased testing, including-- --1 full time permanent Environmental Specialist □ --1 permanent Laboratory Analyst I --1 permanent Laboratory Coordinator	Fall FY 2016-17 BMP	297,444	3.00	In Progress	-The Environmental Specialist was hired on February 17, 2017. Part of the Environmental Specialist duties is to coordinate two limited-term Environmental Tech I's. Their main focus is on testing City-owned properties, daycares, private schools and other high-risk facilities for lead in water. - The Lab Analyst I position was hired on February 13, 2017. The employee is still undergoing training. - The Lab Coordinator position recruitment closed and interviews to be scheduled soon. Lead samples continue to overwhelm current lab staff, requiring overtime and samples to be sent to contract lab. The Water Bureau also applied for State accreditation to conduct in-house lab sample analysis. The results of that application will not be available until May 2017.
Cash Transfer	This package includes cash transfers-- a. Transfer \$3,000 to Parks to cover the Water Bureau's contribution to the Willamette Park Concerts. b. Transfer \$12,792 to the General Fund for revenue collected for Dodge Park.	Fall FY 2016-17 BMP	15,792		Complete	The \$3,000 transfer to the Parks Bureau took place on December 19, 2016 for Water Bureau's contribution to the Willamette Park concerts. The \$12,792 transfer for FY 2015-16 Dodge Park fees the General Fund was established in error. The first revenue transfer will be in FY 2017-18 Fall BMP for Dodge Park fees collected in FY 2016-17.
Interagency Adjustments	This package including several interagency adjustments, including-- a. Interagency with PBOT – Increase interagency revenue for project number T00505 - SW Corridor Transit Project by \$10,000. b. Interagency with Bureau of Planning and Sustainability - Shift funds by \$2,000 to increase Interagency with Bureau of Planning and Sustainability for Water Bureau's sponsorship of the City's effort of the Sustainability Work Program to provide business more information on ways to be more sustainable as a business. c. Interagency with Revenue Bureau - Increase interagency with the Revenue Bureau by \$202,000 for the Cayenta upgrade and Customer Self Service Function Upgrade. d. Interagency with Facilities – Increase interagency agreement with Facilities by \$3,000 for the Real Property Coordinator position. e. Interagency with Portland Bureau of Transportation – Increase interagency with PBOT by \$1,100,000 to meet demand based on projections for FY 2016-17. Current analysis shows that paving will continue to increase throughout the remainder of the year.	Fall FY 2016-17 BMP	10,000		In Progress	Updates for these several interagency adjustments a. Interagency with PBOT – Water Bureau will bill PBOT for the \$10,000 services by June 2017. b. Interagency with Bureau of Planning and Sustainability - Planning and Sustainability will bill the Water Bureau for the \$10,000 services provided in April 2017. c. Interagency with Revenue Bureau - The \$202,000 for the Cayenta and Customer Self Service Function Upgrade will be reversed in the FY 2016-17 Spring. After further review the upgrade projects should be capital funded therefore \$574,000 has been added for the Cayenta Upgrade in the capital projects in FY 2016-17 Spring BMP. d. Interagency with Facilities - Facilities will bill Water for the services by June 2017. e. Interagency with Portland Bureau of Transportation – Billings for paving services is still in progress, final billings will take place after all services are received through June 30, 2017.

Package Name	Package Description	Funded In:	Added/ (Reduced) Funds	Added/ (Reduced) FTE	Package Status	Package Update
Increase Fund 601000 Authorization - PHP repair	This package funds an increase in Fund 601000 for Portland Hydroelectric Project (PHP). The power sales agreement for the Portland Hydroelectric Project (PHP) requires the City to reimburse the PHP's operator, Portland General Electric Co. (PGE) for necessary repair activities at the PHP. We have two separate repair projects identified at the PHP that are currently underway. We have identified further Renewal and Replacement Projects that will have to be addressed in FY 2016-17. It is now necessary to increase the FY 2016-17 authorization for miscellaneous expenditures from Fund 601000 by an amount of \$175,000 to accommodate these repair projects. The revenue to support this increase will be coming from Fund 618000 (Hydropower Renewal & Replacement Fund) via a fund cash transfer.	Fall FY 2016-17 BMP	175,000		In Progress	<ul style="list-style-type: none"> • The power sales agreement for the Portland Hydroelectric Project (PHP) requires the City to reimburse the PHP's operator, Portland General Electric Co. (PGE) for necessary repair activities at the PHP. There are two separate repair projects identified at the PHP that are currently underway. Work have been identified for the Renewal and Replacement Projects that will have to be addressed in FY 2016-17. It is now necessary to increase the FY 2016-17 authorization for miscellaneous expenditures from Fund 601000 by an amount of \$175,000 to accommodate these repair projects. The revenue to support this increase will be coming from Fund 618000 (Hydropower Renewal & Replacement Fund) via a fund cash transfer. • Following the approval of this FY 2016-17 Fall BuMP budget adjustment request, \$175,000 of budget authority was added to the Fund 601000 Miscellaneous Expense line item to cover the anticipated repairs. That increased the Miscellaneous Expense line item authorization from \$135,000 to \$310,000. • Through March of 2017, there have been one R&R project costing \$55,554. • At this time, we are projecting further R&R projects totaling approximately \$169,500 that will still need to be paid for in FY 2016-17.

Decision Package Title	Package Description	Funded in:	Package Funding	Package	Package Status	Package Update	Updated During Spring 2017 BMP?
Hydropark Funding for FY 2016-17	Increase expenses in the Portland Water Bureau (Fund 602) by \$35,000 for maintenance and operations of Dodge Park and 'Hydroparks'. Funding will be carried over in the Water Fund for related expenses in FY 2016-17. Funding will be provided via a cash transfer.	FY 2015-16 Spring BMP	\$ 35,000		In Progress	The Water Bureau continues to maintain Dodge Park and 'Hydroparks.' The only change regarding the maintenance and operations was related to funding.	The Water Bureau continues to maintain Dodge Park and 'Hydroparks.' The only change regarding the maintenance and operations was related to funding.