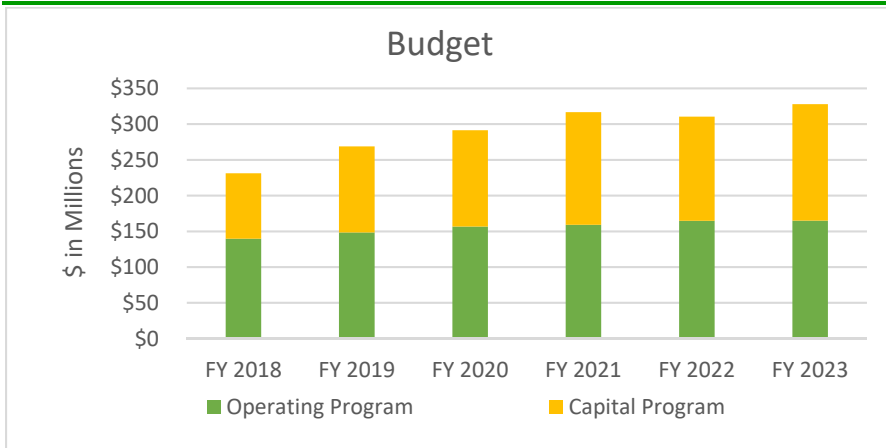


BUDGET



FUTURE UPDATES

Operating Budget

- FY 2018 Fall BuMP
- Strategic Plan
- Escalation Factors
- FY19-23 Operating Plan

Capital Program

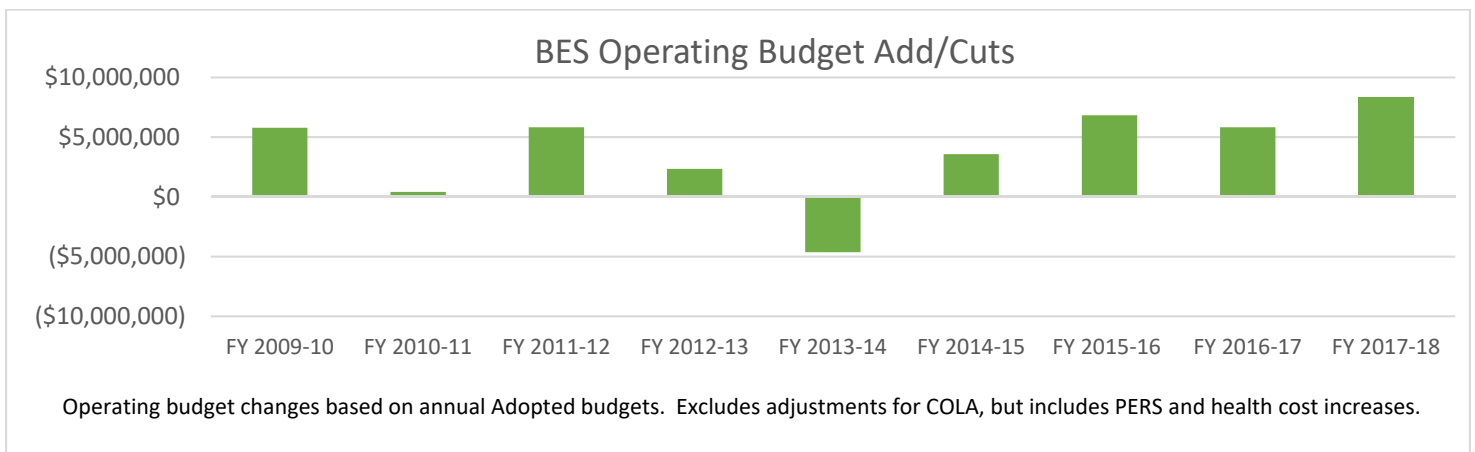
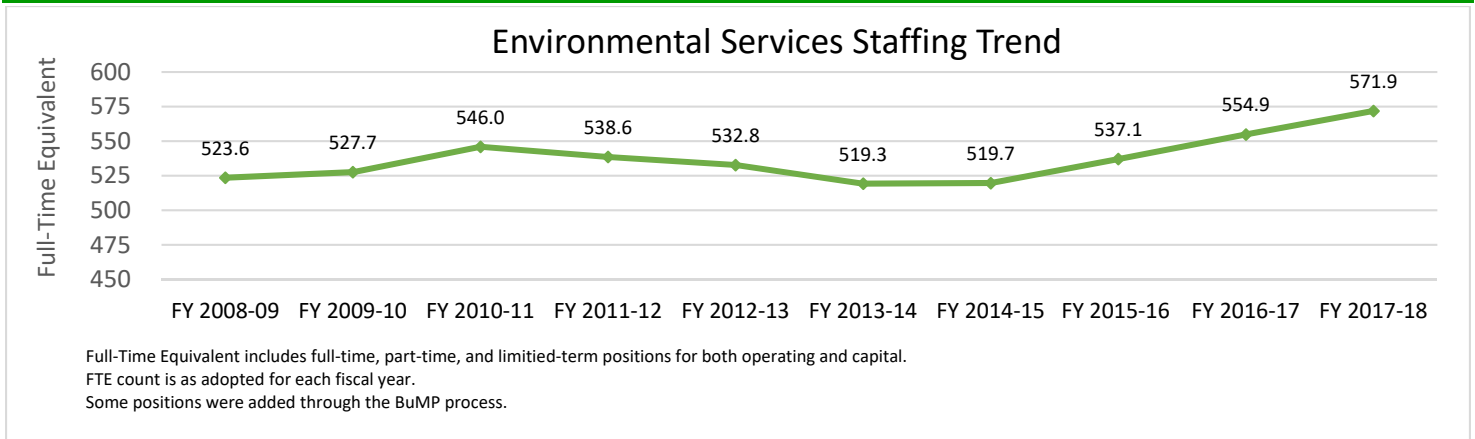
- CBWTP Secondary

(Dollars in Millions)	Fiscal Year Ending in Year					
	2018	2019	2020	2021	2022	2023
Operating Program^a	\$139.7	\$148.5	\$156.7	\$159.2	\$164.7	\$165.1
percent change		6.3%	5.5%	1.6%	3.5%	0.2%
Capital Program^b	\$91.5	\$120.4	\$134.8	\$157.5	\$145.7	\$162.9

^a Operating Program includes inflation calculated from City Economist escalation rates of costs for labor, materials, and services.

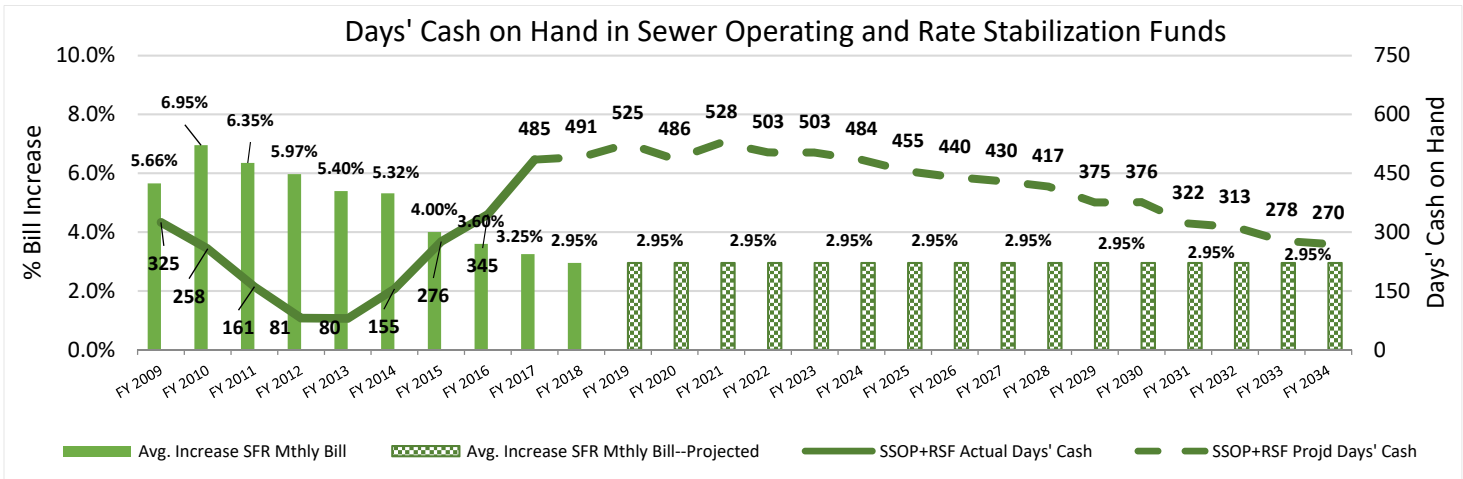
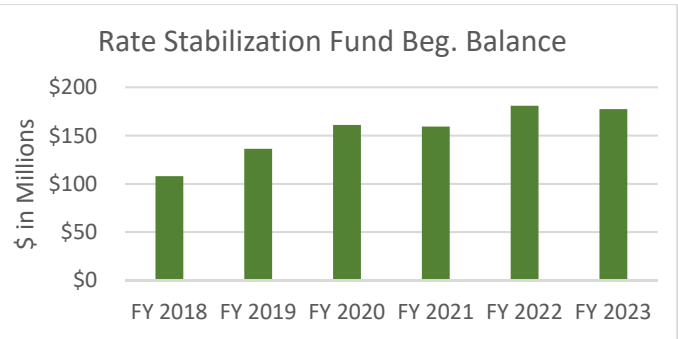
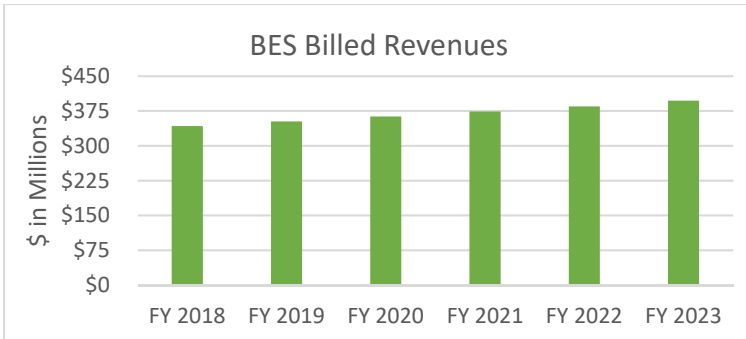
^b Capital Program includes direct project costs only, BES's share of the Portland Building Renovation Project, and inflation.

STAFFING AND BUDGET HISTORY

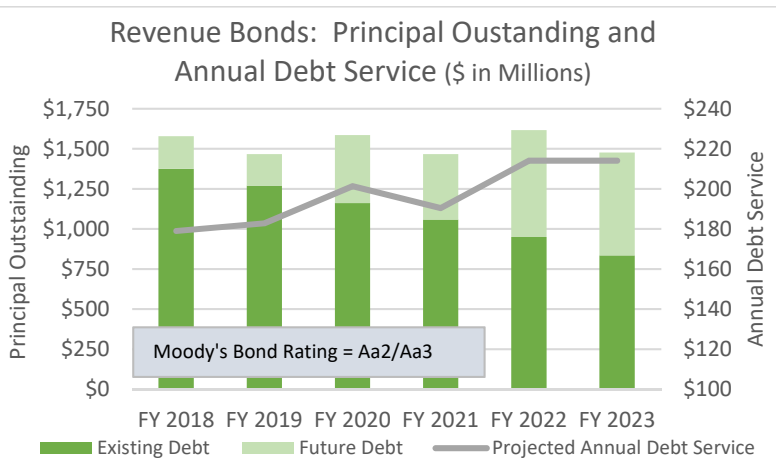
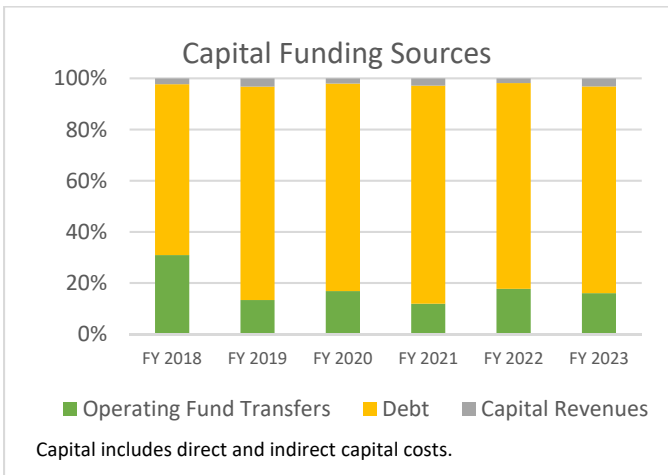


RETAIL RATES, REVENUES, RATE STABILIZATION

	Fiscal Year Ending in Year				
Forecast % Increase in Average Single-Family Monthly Bill	2019	2020	2021	2022	2023
	2.95%	2.95%	2.95%	2.95%	2.95%
Financial Plan Avg. Bill Increase	2014	2015	2016	2017	2018
Adopted Avg. Bill Increase	6.5%	4.0%	3.85%	3.45%	2.85%
	5.4%	4.0%	3.6%	3.25%	2.95%



BOND SALES



FUTURE UPDATES

- 2018 Issue targeted for Spring 2018.
- The timing of future bond issues and issuance amounts will be updated with the Five-Year Capital Program.

RETAIL RATE DRIVERS AND IMPACTS TO FORECAST

POSITIVE DRIVERS

- Current Strong Economy/SDCs
- Low near-term Inflation
- Strong Fund Balances
- Recent Bond Refinancings

NEGATIVE DRIVERS

- Regulatory Risk
- Increasing Pension/Healthcare Costs
- Future CIP/Operating Needs
 - Portland Building
 - Portland Harbor
 - Delayed Maintenance
 - Stormwater System Planning
 - Seismic Resiliency
 - Treatment Plants



**Potential
Rate Drivers**

DRIVER IMPACTS UNDETERMINED

- Escalation Factors
 - Cost of Living Adjustments
 - Interest Earnings Rates
- Future Development/SDC growth or decline
- Labor Contracts
- Retail Demand
- RCNG Revenues
- Low Income Program Expansion
- Capital Program Updates
 - CBWTP Secondary Expansion
 - Condition Assessment
 - Portland Building Renovation
- Portland Harbor Liability
- Interagency/General Fund Overhead

SCHEDULE AND PROCESS

Now through November

- “Big Picture” presented to PUB (11/7)
- Publish Strategic Plan & CIP PREP Phase I Report
- Bureau Leadership Team review and refine 5-Year Plan projections and Preliminary FY 2018-19 Operating Budget.
- Preliminary 5-Year Capital Program completed and presented to PUB (11/21)
- Development of decision packages and draft narratives

December

- Review Preliminary FY 2018-19 operating budget, draft decision packages, and potential staffing requests with PUB (12/5).
- Begin technical budget development and refine narratives.

January

- Budget status update to PUB (1/9)
- Prepare FY 2019-23 Preliminary Financial Plan
- Submit FY 2018-19 Requested Budget

February

- Budget update to PUB (2/6)