

Bureau of Environmental Services

	Indicative Annual Cost Reduction	Indicative Annual Rate Impact	Risks & Service Impacts
Current Rate Proposal		3.00%	
Alternatives Requested by PUB for Analysis			
1. Remove proposed FY2018-19 operating adds (DPs) and LINC expansion (<i>treats all DPs as ongoing</i>)	\$ (6,100,000)	-0.10%	No service improvements in FY2018-19. Limited advancement of Strategic Initiatives. Need to seek alternative funding for Low Income Expansion
2. Reduce ongoing annual CIP (non-Regulatory requirements)	\$ (20,000,000)	-0.25%	Increased risk of asset/service failures. Increased long-term system maintenance costs. Increased long-term regulatory risk.
Rate increase required to meet prior commitments/decisions		2.65%	
3. Freeze all future forecast operating adds (non-Regulatory)	varies	-0.25%	No service improvements for long-term future. Extremely limited advancement of Strategic Initiatives.
4. Eliminate Equity funding	\$ (160,000)	< -0.01%	Failure to achieve Citywide and bureau equity goals.
5. Delay PC replacement from 5- to 6-year cycles	-	n/a	
6. Eliminated bureauwide travel/training resources	\$ (480,000)	-0.01%	Reduced workforce development opportunities. Increased difficulty attracting and retaining best-in-class employees. Increased challenges in maintaining industry partnerships.
7. Reduce Public Involvement/Communications by ~50%	\$ (450,000)	-0.01%	Severely reduced public information, and community involvement and education. Delays and potential cost increases to capital project implementation resulting from lack of community awareness/support.
8. Reduce LINC Program participants assumption	-	n/a	
9. Alternative funding for LINC program by ~50%	\$ (1,300,000)	-0.02%	Competing with other General Fund needs risks failure to execute Citywide efforts to support low-income residents.
10. Reduce funding for Clean River Rewards program by ~50%	\$ (4,000,000)	-0.06%	Massive reduction to customer-supported program. Increased capital costs to offset system benefits of private on-site stormwater management. Potential costs to administer a new/alterd program.
Alternative Rate requested by PUB for analysis	\$ (32,490,000)	2.30%	

Portland Water Bureau

	Indicative Annual Cost Reduction	Indicative Annual Rate Impact	Risks & Service Impacts
Current Rate Proposal (Preliminary)		8.80%	Estimated - 7.4% before add packages - add packages est @ 1.4%
Alternatives Requested by PUB for Analysis			
1. Remove proposed FY2018-19 operating adds (DPs) except for 5 positions for treatment and 3 positions for Unidirectional Flushing	\$ (1,600,000)	-1.10%	Risks and service impacts are described in DPs Seek alternative funding for Low Income Expansion.
2. Reduce ongoing annual CIP (non-Regulatory requirements)	\$ -		
Rate increase required to meet prior commitments/decisions		7.70%	
3. Freeze all future forecast operating adds (non-Regulatory)	\$ -		
4. Eliminate Equity funding	\$ -		
5. Delay PC replacement from 5- to 6-year cycles	(20,000)	< -0.10%	Decreased employee productivity, risk inability to delivery/accomplish work Replacement cycle is established by the City.
6. Reduce bureauwide Out-of-Town resources by 50%	\$ (75,000)	< -0.10%	Reduced workforce development opportunities. Increased difficulty attracting and retaining best-in-class employees. Risk in maintaining required certifications. Reduce ability to meet with EPA or other regulatory agencies.
7. Reduce Public Involvement/Communications by ~30%	\$ (250,000)	-0.10%	Severely reduced public information, and community involvement and education. Delays and potential cost increases to capital project implementation resulting from lack of community awareness/support. Underserved communities maybe impacted as well as meeting racial equity goals.
8. Reduce LINC Program participants assumption	\$ (600,000)	-0.40%	Risk that actual participants is more than plan resulting in revenue shortfall
9. Alternative funding for LINC program by ~50%	\$ (1,100,000)	-0.80%	Competing with other General Fund needs
10. Reduce funding for Clean River Rewards program by ~50%	\$ -		
Alternative Rate requested by PUB for analysis	\$ (3,645,000)	6.40%	

Typical Residential Customer - Monthly Bill

Current Rate Proposal - Preliminary				
	Current Bill	Proposed Increase	\$ Increase	Rate Increase
Water	\$36.11	\$39.29	\$3.18	8.8%
BES	<u>\$71.86</u>	<u>\$74.02</u>	<u>\$2.16</u>	3.00%
Combined Bill	\$107.97	\$113.30	\$5.33	4.94%

Rate Increase required to meeting prior commitments/decisions				
	Current Bill	Proposed Increase	\$ Increase	Rate Increase
Water	\$36.11	\$38.89	\$2.78	7.7%
BES	<u>\$71.86</u>	<u>\$73.76</u>	<u>\$1.90</u>	2.65%
Combined Bill	\$107.97	\$112.65	\$4.68	4.34%

Rate Increase with Alternatives for PUB Analysis				
	Current Bill	Proposed Increase	\$ Increase	Rate Increase
Water	\$36.11	\$38.42	\$2.31	6.4%
BES	<u>\$71.86</u>	<u>\$73.51</u>	<u>\$1.65</u>	2.30%
Combined Bill	\$107.97	\$111.93	\$3.96	3.67%