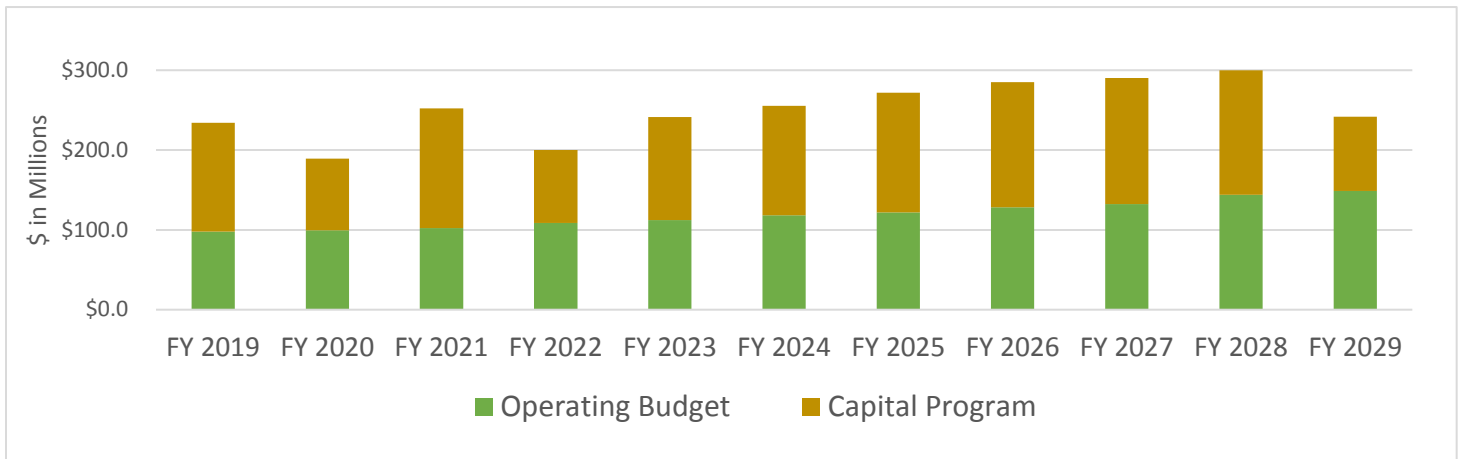


BUDGET



| | Fiscal Year Ending in Year | | | | | | | | | | | |
|--------------------------|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| (Dollars in Millions) | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | |
| Operating Budget | \$98 | \$100 | \$102 | \$109 | \$113 | \$118 | \$122 | \$128 | \$132 | \$144 | \$149 | |
| Escalation Factor | | 4.7% | 3.2% | 5.4% | 2.8% | 5.1% | 3.2% | 5.1% | 3.2% | 5.1% | 3.2% | |
| Capital Program | \$136 | \$90 | \$150 | \$92 | \$129 | \$137 | \$150 | \$157 | \$158 | \$156 | \$93 | |

^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.

Updates

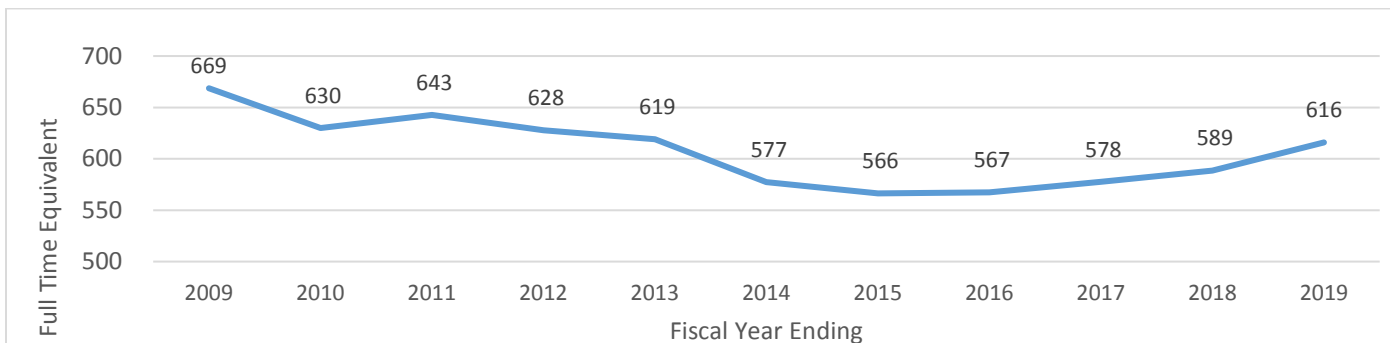
Operating Budget

- Escalation Factors
- New Compensation Structure
- Procurement I/A

Capital Program

- Washington Park Reservoir
- Willamette River Pipe Crossing
- Portland Building
- Conduits

STAFFING



Full Time Equivalent includes full time, part-time, and limited term positions.

FTE count is as adopted for each fiscal year.

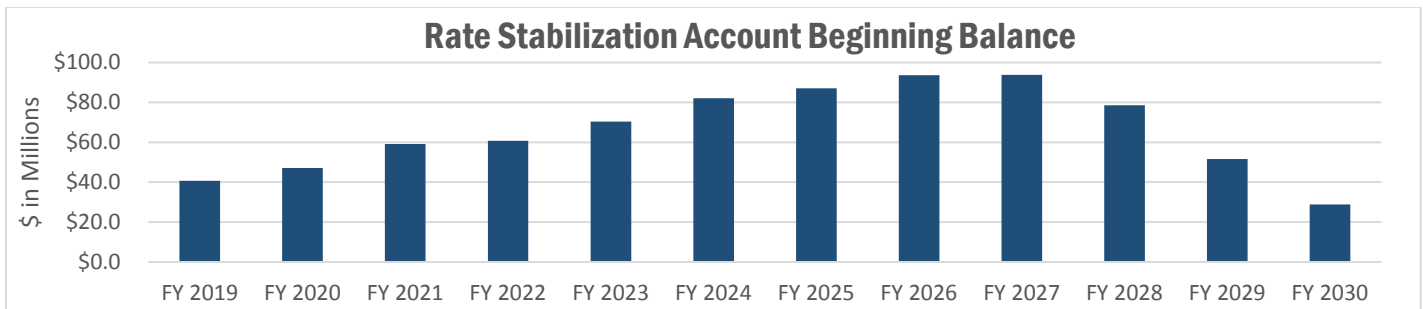
FY 2018-19 FTE includes 9 Limited Term positions.

Includes HydroPower Division.

RETAIL RATES, REVENUES, RATE STABILIZATION

| | Fiscal Year Ending in Year | | | | |
|------------------------------|----------------------------|-------|------|------|------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Financial Plan Rate Forecast | 14.1% | 11.3% | 9.4% | 8.4% | 6.7% |
| Adopted Retail Rate Increase | 7.0% | 7.0% | 7.0% | 6.7% | 8.7% |

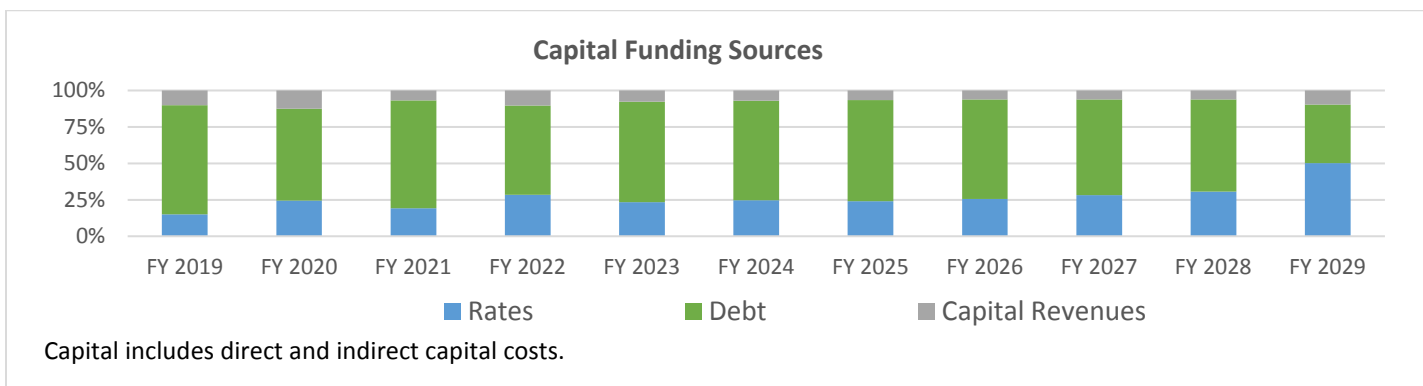
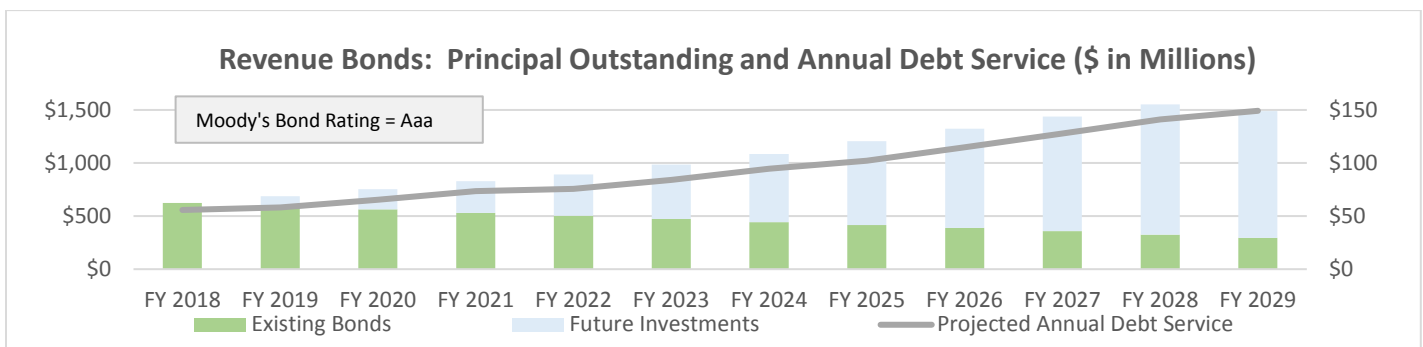
| | Fiscal Year Ending in Year | | | | | | | | | |
|---------------------------------|----------------------------|------|------|------|------|------|------|------|------|------|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| Forecasted Retail Rate Increase | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% |



UPDATES

- Operating and Construction Fund Balances
- Rate Stabilization Account balance

BOND SALES

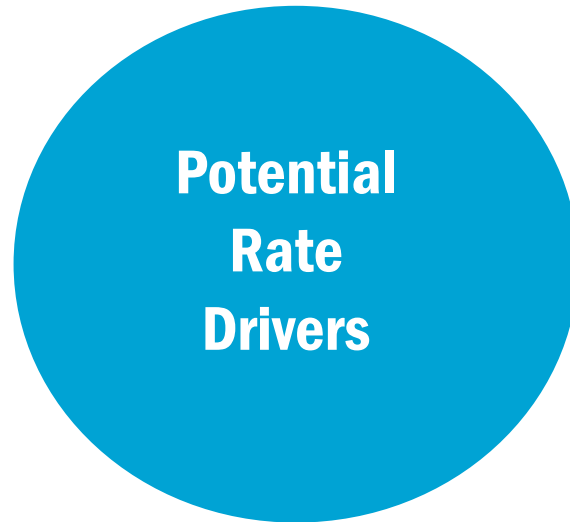


Capital includes direct and indirect capital costs.

RETAIL RATE DRIVERS AND IMPACTS TO FORECAST

POSITIVE DRIVERS

Fund Balances
Non-Rate Revenues



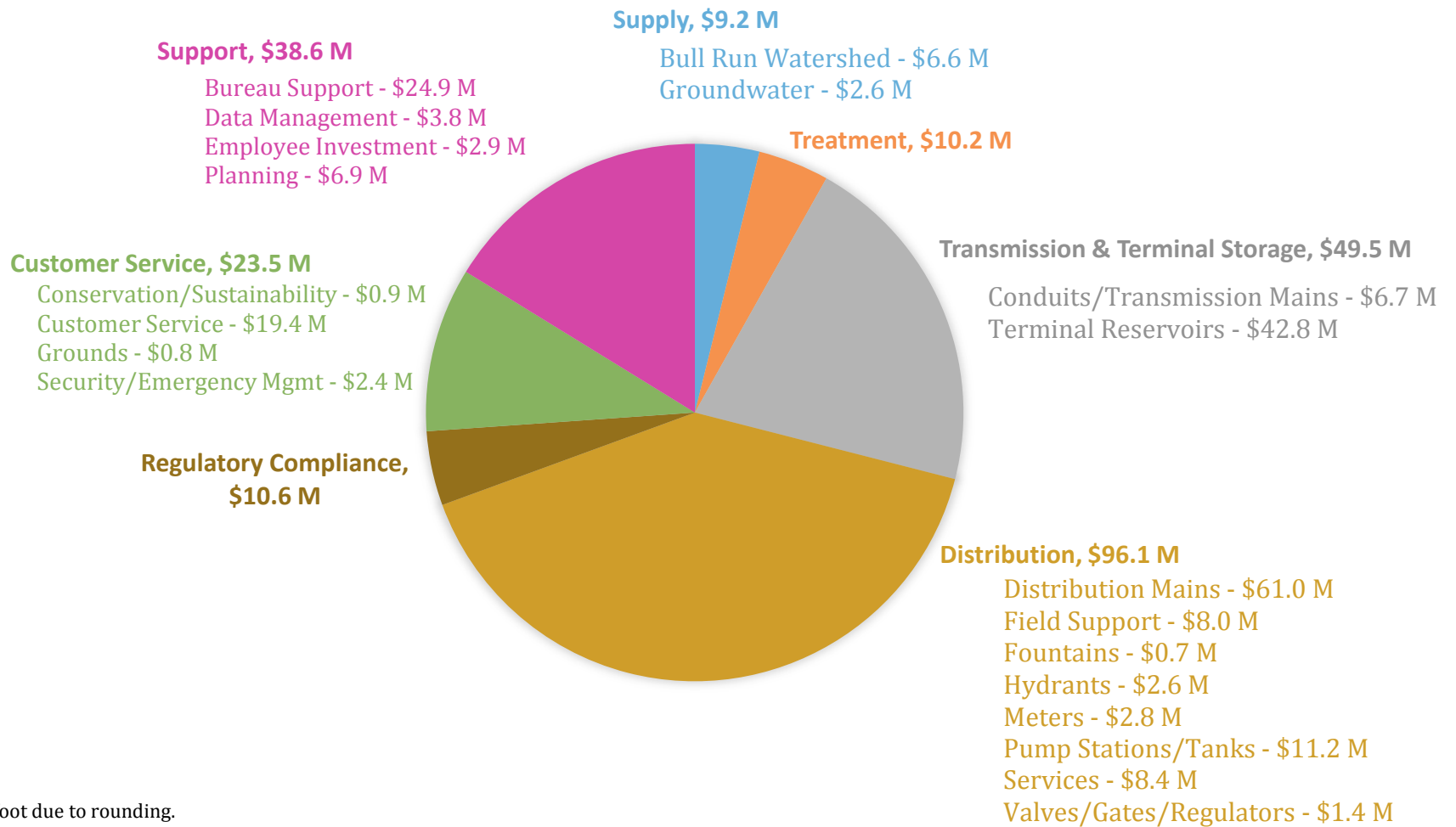
NEGATIVE DRIVERS

Tabor Preservation Project Funding
Decorative Fountains O&M Funding
Water Demand
1% for Community Opportunities and
Enhancements Program (COEP)

DRIVER IMPACTS UNDETERMINED

Escalation Factor
-Cost of Living Adjustment
-Interest Earning Rate
Wholesale Revenues
Capital Program Updates
Interagency/General Fund Overhead
Strategic Business Plan
Bill Print/Payment Processing Review

FY 2018-19 Adopted Budget by Programs



Totals may not foot due to rounding.

FY 2018-19 Adopted Budget

| Program | Water Program | Budget | | | FTE | | |
|--|---------------------------------------|--------------------|--------------------|--------------------|--------------|--------------|--------------|
| | | Operating | CIP | Total | Operating | CIP | Total |
| Supply | Bull Run Watershed | 3,353,797 | 3,273,000 | 6,626,797 | 16.2 | 3.7 | 19.9 |
| | Groundwater | 1,998,036 | 586,000 | 2,584,036 | 6.2 | 1.0 | 7.2 |
| Supply Total | | 5,351,833 | 3,859,000 | 9,210,833 | 22.4 | 4.7 | 27.1 |
| Treatment | Treatment | 2,760,754 | 7,410,000 | 10,170,754 | 11.2 | 11.0 | 22.2 |
| Treatment Total | | 2,760,754 | 7,410,000 | 10,170,754 | 11.2 | 11.0 | 22.2 |
| Transmission & Terminal Storage | Conduits/Transmission Mains | 1,132,692 | 5,586,000 | 6,718,692 | 5.4 | 2.4 | 7.8 |
| | Terminal Reservoirs | 816,048 | 41,968,021 | 42,784,069 | 4.9 | 11.9 | 16.8 |
| Transmission & Terminal Storage Total | | 1,948,740 | 47,554,021 | 49,502,761 | 10.3 | 14.4 | 24.6 |
| Distribution | Distribution Mains | 5,479,049 | 55,542,479 | 61,021,528 | 33.6 | 51.1 | 84.8 |
| | Field Support | 3,887,672 | 4,130,000 | 8,017,672 | 35.1 | - | 35.1 |
| | Fountains | 727,854 | - | 727,854 | 0.9 | - | 0.9 |
| | Hydrants | 1,134,818 | 1,450,000 | 2,584,818 | 7.0 | 6.8 | 13.7 |
| | Meters | 1,732,637 | 1,030,000 | 2,762,637 | 11.8 | 5.9 | 17.7 |
| | Pump Stations/Tanks | 7,149,457 | 4,024,521 | 11,173,978 | 31.2 | 6.8 | 38.0 |
| | Services | 2,154,451 | 6,200,000 | 8,354,451 | 12.1 | 33.9 | 46.0 |
| | Valves/Gates/Regulators | 1,423,857 | - | 1,423,857 | 6.7 | - | 6.7 |
| Distribution Total | | 23,689,795 | 72,377,000 | 96,066,795 | 138.4 | 104.5 | 242.9 |
| Regulatory Compliance | Water Quality & Regulatory Compliance | 8,535,226 | 2,080,000 | 10,615,226 | 46.8 | 1.7 | 48.5 |
| Regulatory Compliance Total | | 8,535,226 | 2,080,000 | 10,615,226 | 46.8 | 1.7 | 48.5 |
| Customer Service | Conservation/Sustainability | 854,846 | - | 854,846 | 4.0 | - | 4.0 |
| | Customer Service | 19,436,317 | - | 19,436,317 | 106.4 | - | 106.4 |
| | Grounds/Parks | 759,127 | - | 759,127 | 2.5 | - | 2.5 |
| | Security/Emergency Mgmt | 2,347,992 | 100,000 | 2,447,992 | 13.8 | - | 13.8 |
| Customer Service Total | | 23,398,282 | 100,000 | 23,498,282 | 126.7 | - | 126.7 |
| Support | Bureau Support | 24,924,312 | - | 24,924,312 | 54.7 | - | 54.7 |
| | Data Management | 3,822,798 | - | 3,822,798 | 21.3 | - | 21.3 |
| | Employee Investment | 2,895,095 | - | 2,895,095 | 14.7 | - | 14.7 |
| | Planning | 3,913,119 | 3,000,000 | 6,913,119 | 20.1 | 10.7 | 30.8 |
| Support Total | | 35,555,324 | 3,000,000 | 38,555,324 | 110.8 | 10.7 | 121.5 |
| Grand Total | | 101,239,954 | 136,380,021 | 237,619,975 | 466.5 | 147.0 | 613.5 |

Does not include the HydroPower Divisions Program.