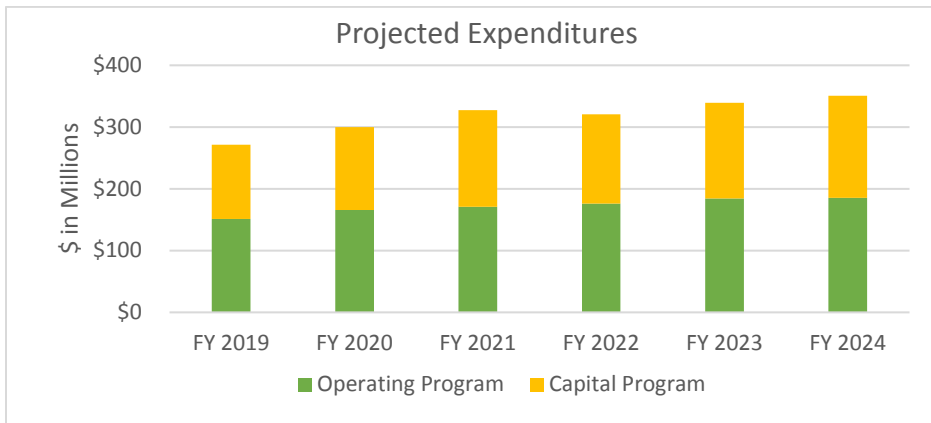


BUDGET



FUTURE UPDATES

Operating Budget

- FY 2019 Fall BuMP
- Strategic Plan Implementation
- Escalation Factors
- FY20-24 Operating Plan

Capital Program

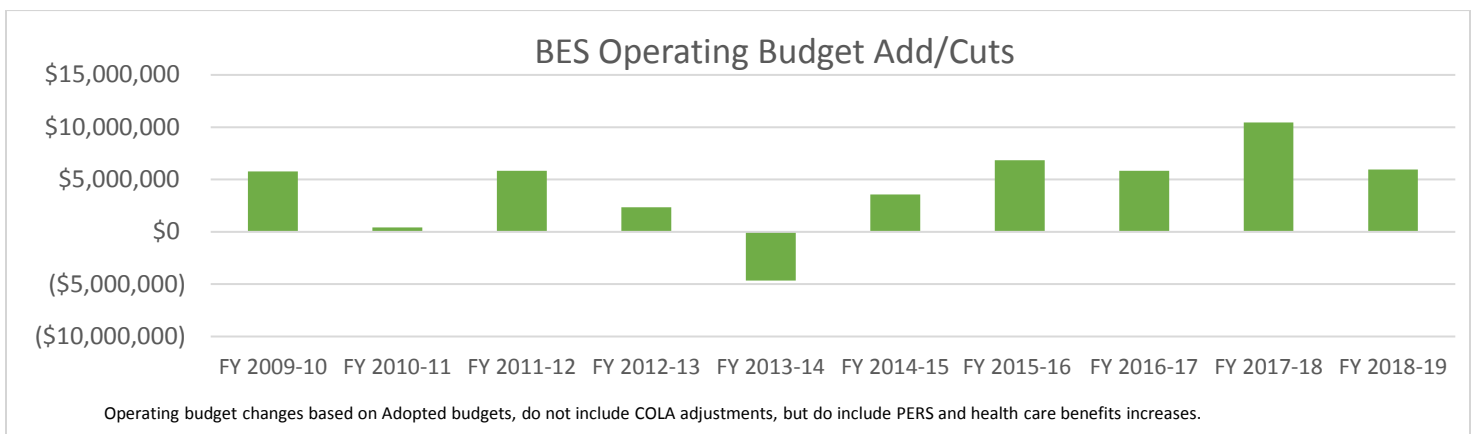
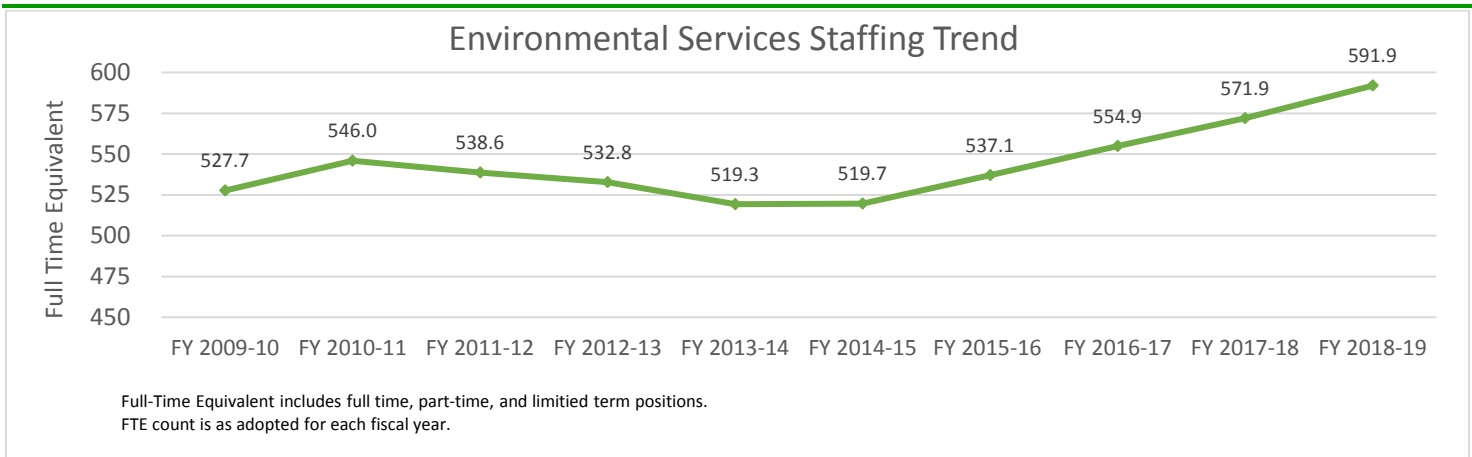
- FY20-24 Capital Improvement Plan

(Dollars in Millions)	Fiscal Year Ending in Year					
	2019	2020	2021	2022	2023	2024
Operating Program^a	\$151.4	\$165.7	\$171.0	\$176.3	\$184.3	\$185.3
percent change		9.4%	3.2%	3.1%	4.5%	0.5%
Capital Program^b	\$120.0	\$134.1	\$156.3	\$144.2	\$155.2	\$165.5

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

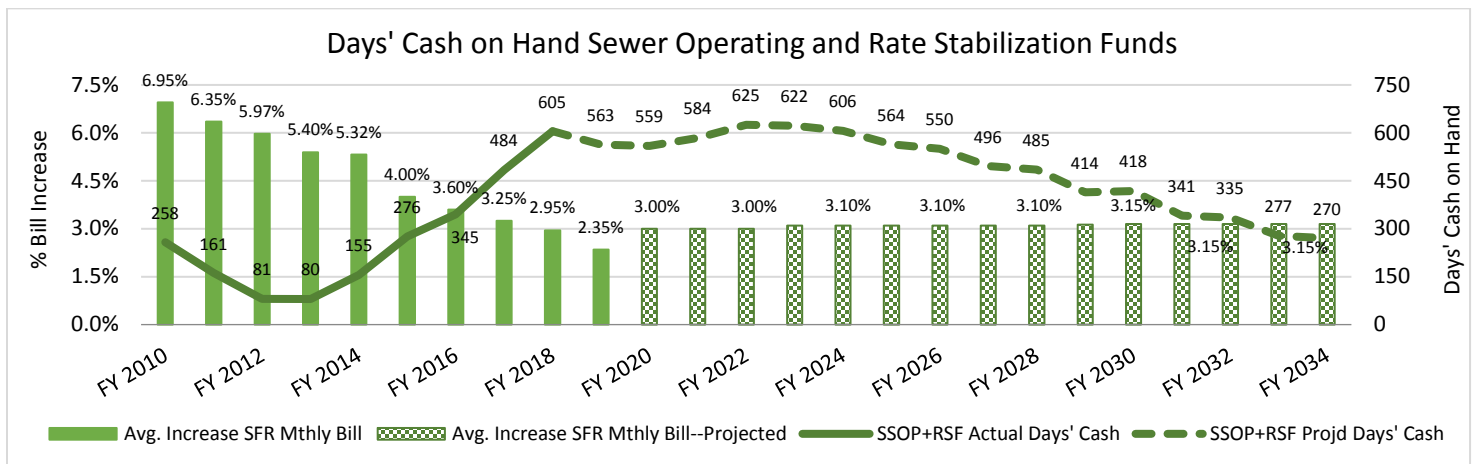
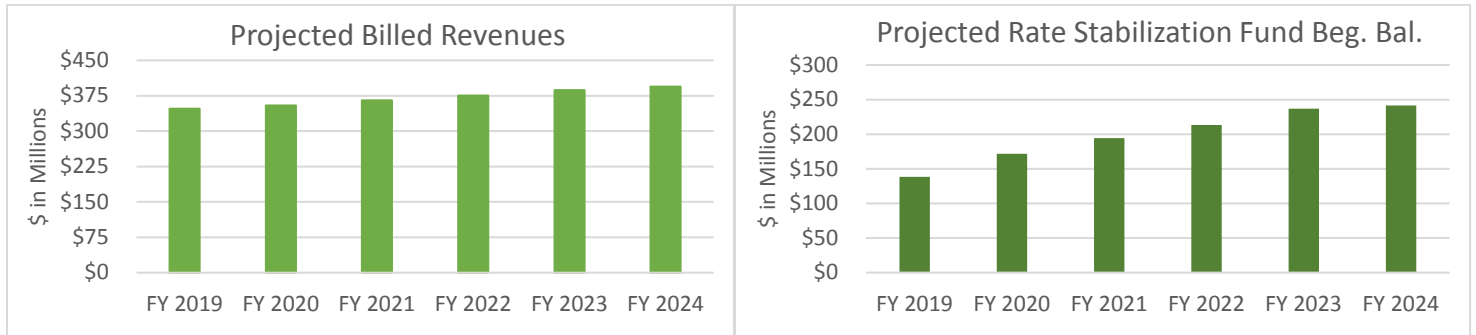
^b Capital Program includes direct project costs only, BES's share of the Portland Building Renovation Project, and inflation.

STAFFING AND BUDGET HISTORY

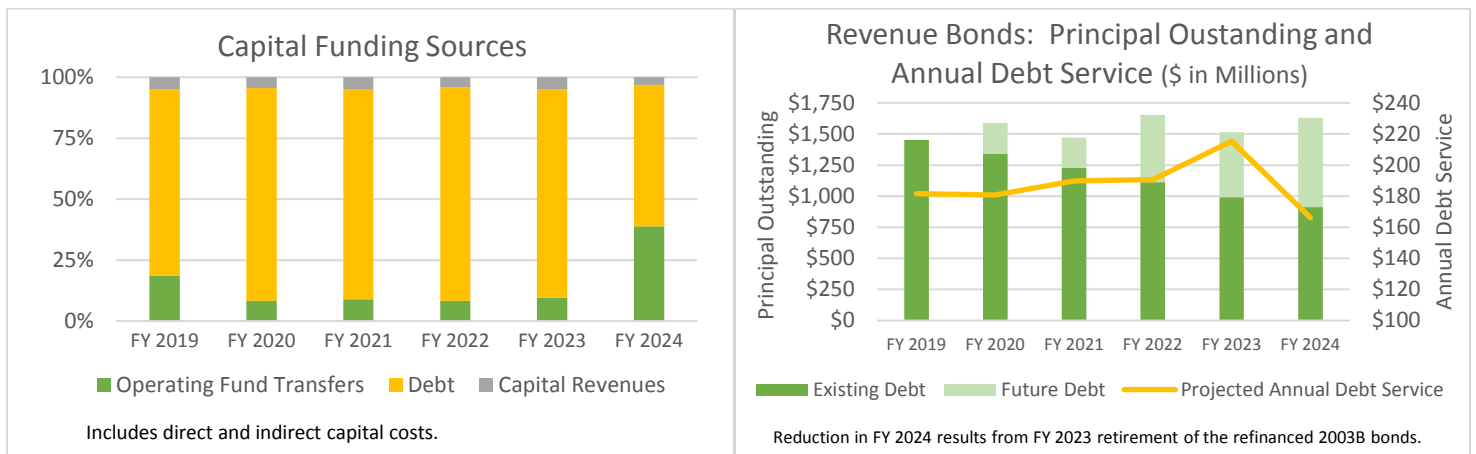


RETAIL RATES, REVENUES, RATE STABILIZATION

	Fiscal Year Ending in Year				
	2015	2016	2017	2018	2019
Financial Plan Avg. Bill Increase	4.0%	3.85%	3.45%	2.85%	2.95%
Adopted Avg. Bill Increase	4.0%	3.6%	3.25%	2.95%	2.35%
	2020	2021	2022	2023	2024
Forecast % Increase in Average Single-Family Monthly Bill	3.00%	3.00%	3.00%	3.10%	3.10%



BOND SALES



RETAIL RATE DRIVERS AND IMPACTS TO FORECAST

POSITIVE DRIVERS

- Strong Economy/SDCs
- Strong Fund Balances
- Anticipated RCNG Revenues
- Strategic Plan Implementation

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
 - Biosolids Removal



DRIVER IMPACTS UNDETERMINED

Escalation Factors

- Cost of Living Adjustments
- Future Inflation
- Interest Earnings Rates
- Rising Construction Costs

Future Development/SDC growth or decline

Labor Contracts

Retail Demand

Capital Program Updates

- CBWTP Secondary Expansion
- TCWTP Projects
- Condition Assessment

Portland Harbor Liability

Interagency/General Fund Overhead

SCHEDULE AND PROCESS

November

- “Big Picture” presented to PUB (11/6)
- Bureau Leadership Team review and refine 5-Year Plan projections and Preliminary FY 2019-20 Operating Budget
- Preliminary 5-Year Capital Program completed and presented to PUB (11/15)
- Development of program offers and draft narratives
- Training and conversion to new budget software (BFM)

December

- Review Preliminary FY 2019-20 operating budget draft, program offers, and potential staffing requests with PUB (12/4)
- Budget status update to PUB (12/18)
- Begin technical budget development and refine budget narratives

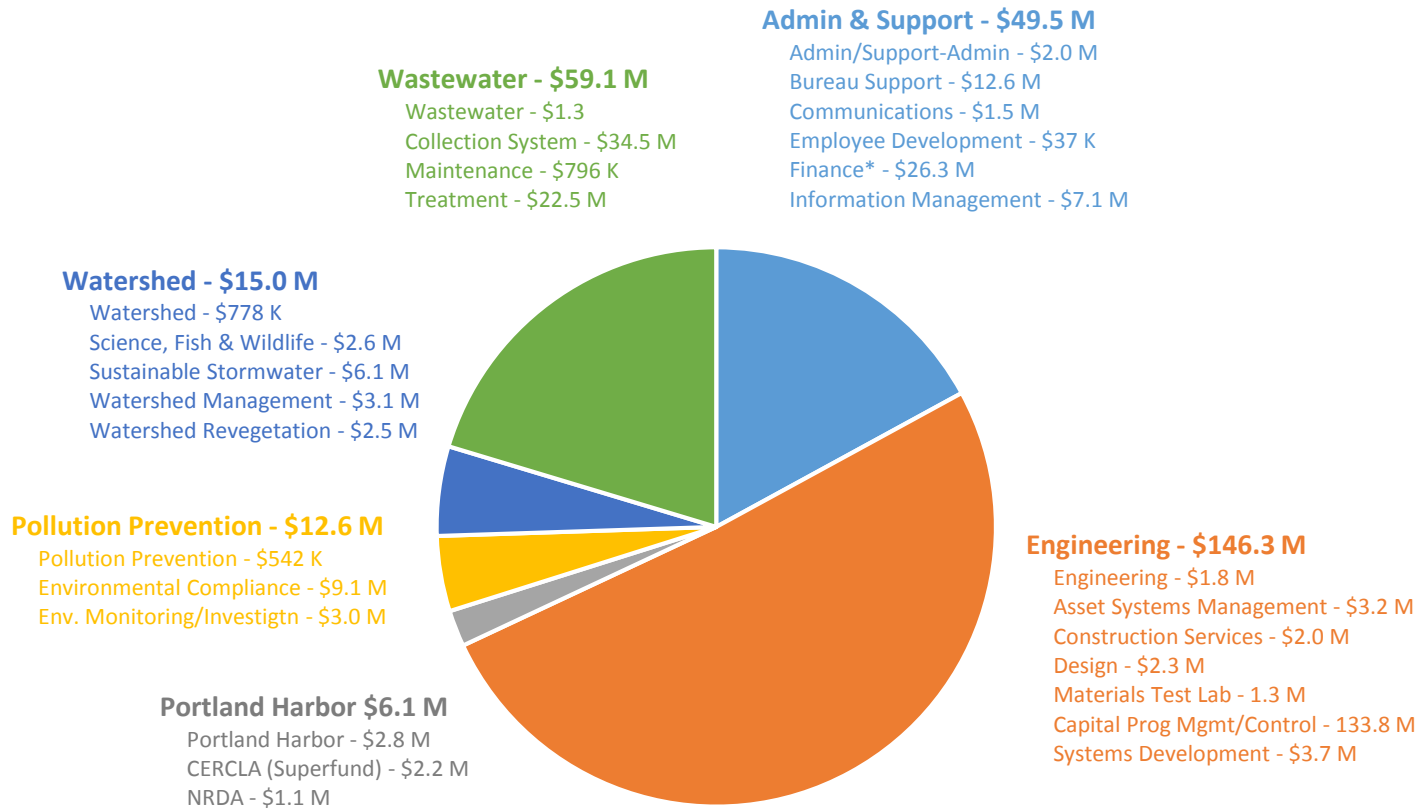
January

- Complete FY 2019-20 program offer narrative
- Prepare FY 2020-24 Preliminary Financial Plan
- Submit FY 2019-20 Requested Budget

February

- Budget update to PUB (2/5)

FY 2018-19 Adopted Budget



Total Adopted Budget by Program - \$290.6 M

Notes:

* Excludes Debt Service, Cash Transfers, and Contingency.

Totals may not foot due to rounding.

FY 2018-19 Adopted Budget

Program	Environmental Services Program	Budget			FTE		
		Operating	CIP	Total	Operating	CIP	Total
Admin & Support	Admin/Support-Admin	1,987,214	-	1,987,214	9.0	0.0	9.0
	Bureau Support	12,641,834	-	12,641,834	18.7	0.0	18.7
	Communications	1,482,571	-	1,482,571	8.1	0.0	8.1
	Employee Development	37,220	-	37,220	0.0	0.0	0.0
	Finance	26,336,434	-	26,336,434	18.0	0.0	18.0
	Information Management	6,516,313	547,654	7,063,967	17.3	0.0	17.3
	Admin & Support Total		49,001,586	547,654	49,549,240	71.1	0.0
Engineering	Engineering	1,825,749	-	1,825,749	9.0	0.0	9.0
	Asset Systems Management	3,213,653	-	3,213,653	13.1	0.0	13.1
	Construction Services	1,974,207	-	1,974,207	14.3	0.0	14.3
	Design	1,748,154	588,552	2,336,706	9.7	4.0	13.7
	Materials Test Lab	1,277,856	-	1,277,856	13.0	0.0	13.0
	Capital Prog Mgmt/Control	1,553,412	132,214,794	133,768,206	10.0	126.1	136.1
	Systems Development	3,719,222	-	3,719,222	22.1	0.0	22.1
	Engineering Total		15,312,253	132,803,346	148,115,599	91.1	130.1
Portland Harbor	Portland Harbor	2,825,225	-	2,825,225	4.0	0.0	4.0
	CERCLA (Superfund)	2,210,812	-	2,210,812	0.0	0.0	0.0
	NRDA (Nat'l Resources Damage Assmt)	1,073,000	-	1,073,000	0.0	0.0	0.0
Portland Harbor Total		6,109,037	-	6,109,037	4.0	0.0	4.0
Pollution Prevention	Pollution Prevention	541,701	-	541,701	3.0	0.0	3.0
	Environmental Compliance	9,113,312	-	9,113,312	55.0	0.0	55.0
	Env. Monitoring/Investigation	2,991,805	-	2,991,805	39.0	0.0	39.0
Pollution Prevention Total		12,646,818	-	12,646,818	97.0	0.0	97.0
Watershed	Watershed	778,359	-	778,359	5.0	0.0	5.0
	Science, Fish & Wildlife	2,588,569	-	2,588,569	11.6	0.0	11.6
	Sustainable Stormwater	6,079,937	-	6,079,937	22.4	0.0	22.4
	Watershed Management	3,076,313	-	3,076,313	13.9	0.0	13.9
	Watershed Revegetation	2,505,546	-	2,505,546	9.9	0.0	9.9
Watershed Total		15,028,724	-	15,028,724	62.7	0.0	62.7
Wastewater	Wastewater	1,254,449	-	1,254,449	8.0	0.0	8.0
	Collection System	34,526,452	-	34,526,452	31.7	0.0	31.7
	Maintenance	795,720	-	795,720	3.0	0.0	3.0
	Treatment	22,538,384	-	22,538,384	93.3	0.0	93.3
Wastewater Total		59,115,005	-	59,115,005	136.0	0.0	136.0
Grand Total		\$157,213,423	\$133,351,000	\$290,564,423	461.8	130.1	591.9