

Date: March 27, 2019
To: Jessica Kinard, City Budget Office
From: Michael Stuhr, P.E., Administrator
Subject: Executive Summary for the FY 2018-19 Spring BMP

Enclosed is the Portland Water Bureau's FY 2018-19 Spring BMP Report that includes the status of the six funds.

The following is a summary of the Bureau's requests for the Spring BMP:

Water Funds:

- New Revenues
 - Increase revenue \$4,830 from the Office of Community & Civic Life for leasing the Hazelwood property.
 - Adjust revenues \$85,244 for Johnson Creek Bridge Replacement grant.
- Cash Transfers
 - Transfer from the Housing bureau to the Water Division \$3,350,000 for the purchase of Carey Boulevard property per resolution #189134.
- Interagency Adjustments
 - Increase interagency with Facilities \$250,000 for Mt. Tabor Preservation work, rental property work, and customer services security.
 - Increase interagency with Revenue Bureau \$12,000 for water-related BTS charges.
 - Increase interagency with City Budget Office \$10,000 for additional PUB analyst support.
- Technical Adjustments
 - Adjust cash transfers between Water Division funds for additional capital revenue received in the prior year and reduced capital expenditures expected in FY 2018-19.
 - Adjust revenues and transfers for bond sale that will not occur in FY 2018-19.

Hydroelectric Power Funds:

- New Request
 - Increase appropriation \$75,864 for tree trimming expense and transmission line maintenance.
 - Increase appropriation \$197,266 for Oregon Department of Fish and Wildlife fees.
- Interagency Adjustments
 - Decrease risk interagency for commercial insurance \$1,243 and transfer to Water Division.
 - Increase interagency revenue \$123,432 with Water Division for engineering services and line maintenance work.

There were no FY 2018-19 Budget Notes. The updates for the current fiscal year decision packages, Fall technical Bmp adjustment updates and current year capital reporting have been provided as well. Updates to prior year

decision packages have been submitted electronically. If you have any questions regarding this report, please contact Jan Warner at x3-7531.

Attachments

Water Bureau BMP report

- c. Cecelia Huynh, Finance & Support Services Director
Yung Ouyang, CBO Budget Analyst
Portland Utility Board (PUB)

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WA - Portland Water Bureau

DP Type Other Adjustments

Request Name: 8049 -Cash Transfer Adjustment

Package Description

Adjust cash transfers between water bureau funds for additional capital revenue received in the prior year that will be transferred to the construction fund and reduced capital expenditures expected in FY 2018-19.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

Budget Detail					
Fund					
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
602000	Contingency	-19,002,368	0	-19,002,368	
602000	Fund Transfers - Expense	4,002,368	0	4,002,368	
615000	Contingency	-6,208,614	0	-6,208,614	
615000	Ending Fund Balance	25,210,982	0	25,210,982	
615000	Fund Transfers - Expense	-15,000,000	0	-15,000,000	
	Sum:	-10,997,632	0	-10,997,632	

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
602000	Fund Transfers - Revenue	-15,000,000	0	-15,000,000	
615000	Fund Transfers - Revenue	4,002,368	0	4,002,368	
	Sum:	-10,997,632	0	-10,997,632	

WA - Portland Water Bureau

DP Type Other Adjustments

Request Name: 8052 -Hydroelectric Power Division Adjustment

Package Description

Increase appropriation \$75,864 for tree trimming expense and transmission line maintenance as well as \$197,266 for Oregon Department of Fish and Wildlife fees.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

Budget Detail

Fund		2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
601000	Contingency	-273,130	0	-273,130
601000	External Materials and Services	273,130	0	273,130
Sum:		0	0	0

WA - Portland Water Bureau

DP Type Other Adjustments

Request Name: 8054 -Hydro Interagency Adjustments

Package Description

- A. Interagency with Risk Management: This is a request to transfer the commercial insurance portion of the Risk Management interagency agreement for \$1,243 to the Water Division. This was loaded by OMF in error to the Hydroelectric Power Division.
- B. This is a request to adjust the interagency agreements between the Hydroelectric Power Division and Water Division \$85,500 for engineering services provided by Hydro and \$37,932 for line maintenance work performed in the Bull Run Watershed.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

Budget Detail				
Fund				
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
601000	Contingency	124,675	0	124,675
601000	Internal Materials and Services	-1,243	0	-1,243
602000	Contingency	-124,675	0	-124,675
602000	Internal Materials and Services	124,675	0	124,675
Sum:		123,432	0	123,432

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
601000	Interagency Revenue	123,432	0	123,432
Sum:		123,432	0	123,432

WA - Portland Water Bureau

DP Type Other Adjustments

Request Name: 8060 -Cash Transfers

Package Description

a. Housing Bureau revenue: Transfer \$3,350,000 from the Housing bureau for the purchase of Water bureau's Carey Boulevard property per resolution #189134. b. Office of Community & Civic Life: The Water Bureau will bill Office of Community & Civic Life for the Hazelwood Lease through an interagency.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

Budget Detail

Fund		2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
602000	Contingency	4,830	0	4,830
615000	Ending Fund Balance	3,350,000	0	3,350,000
Sum:		3,354,830	0	3,354,830

		2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
602000	Interagency Revenue	4,830	0	4,830
615000	Fund Transfers - Revenue	3,350,000	0	3,350,000
Sum:		3,354,830	0	3,354,830

WA - Portland Water Bureau

DP Type Other Adjustments

Request Name: 8064 -Water Interagency Adjustments

Package Description

a. Interagency with Facilities: Increase interagency with Facilities \$150,000 for Mt. Tabor Preservation work, rental property, and maintenance work orders. b. Interagency with Facilities: Increase interagency with Facilities \$100,000 for customer services security. c. Interagency with Revenue Bureau: This request is to increase the interagency with the Revenue Bureau \$12,000 for trailing water-related charges from BTS subsequent to the Cayenta move to water on 7/1/18. BTS is working to correct the issue. d. Interagency with City Budget Office \$10,000 for additional PUB support.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

Budget Detail				
Fund				
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
602000	Contingency	-22,000	0	-22,000
602000	External Materials and Services	-200,000	0	-200,000
602000	Internal Materials and Services	222,000	0	222,000
Sum:		0	0	0

WA - Portland Water Bureau

DP Type New Revenue

Request Name: 8074 -Johnson Creek Grant

Package Description

Budget projected revenues and expenses for the Johnson Creek Bridge Replacement Grant #TR000256.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

Budget Detail					
Fund					
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
217001	Capital Outlay	85,244	0	85,244	
	Sum:	85,244	0	85,244	

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total	
217001	Intergovernmental	85,244	0	85,244	
	Sum:	85,244	0	85,244	

WA - Portland Water Bureau

DP Type Other Adjustments

Request Name: 8075 -Bond Sale Adjustment

Package Description

Adjustments for bond sale that will not occur in FY 2018-19

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

Budget Detail				
Fund				
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
602000	Debt Service	-600,080	0	-600,080
612000	Debt Service Reserves	-6,505,000	0	-6,505,000
615000	Ending Fund Balance	-84,574,920	0	-84,574,920
615000	Fund Transfers - Expense	-600,080	0	-600,080
	Sum:	-92,280,080	0	-92,280,080

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/ Council Adj	2018-19 SPRING Requested Total
602000	Fund Transfers - Revenue	-600,080	0	-600,080
612000	Bond & Note Proceeds	-6,505,000	0	-6,505,000
615000	Bond & Note Proceeds	-85,175,000	0	-85,175,000
	Sum:	-92,280,080	0	-92,280,080

Business Area Projection Report

Portland Water Bureau

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Capital Outlay	85,244	89,428.69	85,244	100.00%
Sum:	85,244	89,428.69	85,244	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Intergovernmental	85,244	13,728.69	85,244	100.00%
Sum:	85,244	13,728.69	85,244	

Revenue Discussion

Projected Revenues for the Johnson Creek Bridge Grant #TR000256 are \$85,244

Risks to Revenues

There are no significant risks for the remainder of the fiscal year.

Expenditure Discussion

Projected Expenses for the Johnson Creek Bridge Grant #TR000256 are \$85,244

Risks to Expenditures

Projection assumes that contractor will complete work by year-end.

Business Area Projection Report

Portland Water Bureau

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Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Contingency	2,325,196	0	1,483,137	63.79%
Debt Service	28,543	3,526.75	28,543	100.00%
Ending Fund Balance	0	0	0	
External Materials and Services	2,328,679	1,218,041.92	2,328,679	100.00%
Fund Transfers - Expense	35,427	23,618	35,427	100.00%
Internal Materials and Services	205,479	124,538.09	205,479	100.00%
Personnel	355,780	190,774.73	286,162	80.43%
Sum:	5,279,104	1,560,499.49	4,367,427	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	2,841,495	0	2,841,495	100.00%
Charges for Services	0	0	0	
Fund Transfers - Revenue	0	0	0	
Interagency Revenue	175,932	92,398.61	175,932	100.00%
Miscellaneous	2,261,677	784,140.54	1,350,000	59.69%
Sum:	5,279,104	876,539.15	4,367,427	

Revenue Discussion

Miscellaneous: The \$0.9 million reduction is primarily driven by reduced power sales. This projection assumes 58,456 MWh versus the budgeted power production of 86,586 MWh. Lower rainfall in the Bull Run Watershed during the fall and winter have resulted in significantly lower than planned power sales. The projection assumes a continuing but not worsening trend through the end of the fiscal year.

Risks to Revenues

Worsening drought conditions or equipment failures that lead to a prolonged outage would result in lower power sales than projected.

Expenditure Discussion

Personnel: Savings are driven by the partial FTE being vacant for the entire fiscal year.

Risks to Expenditures

Equipment failure or damage to transmission lines would result in higher than projected expenses.

Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Capital Outlay	55,035,735	25,620,165.84	55,035,735	100.00%
Contingency	136,992,656	0	127,150,870	92.82%
Debt Service	3,867,700	477,904.72	3,867,700	100.00%
Ending Fund Balance	0	0	0	
External Materials and Services	39,580,910	23,328,140.98	38,793,040	98.01%
Fund Transfers - Expense	98,477,921	51,086,777.43	97,646,176	99.16%
Internal Materials and Services	22,591,827	13,624,029.14	20,981,827	92.87%
Personnel	76,128,296	45,149,541.11	75,947,166	99.76%
Sum:	432,675,045	159,286,559.22	419,422,514	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	104,029,342	0	104,029,342	100.00%
Charges for Services	189,905,167	114,016,138.51	190,973,328	100.56%
Fund Transfers - Revenue	132,577,646	57,610,830.88	117,249,754	88.44%
Interagency Revenue	3,484,697	2,280,189.96	3,484,697	100.00%
Intergovernmental	526,000	527,844	533,200	101.37%
Miscellaneous	2,152,193	2,183,870.4	3,152,193	146.46%
Sum:	432,675,045	176,618,873.75	419,422,514	

Revenue Discussion

Fund Transfers - Revenue: The \$15.3 million decrease is primarily driven by capital underspend reflected in the Fall BMP, offset by payment for the Water Bureau's share of the Portland building renovation project.

Miscellaneous: The \$1.0 million increase is primarily driven by higher than planned interest earnings.

Risks to Revenues

There are no significant risks to water sales for the remainder of the fiscal year.

Expenditure Discussion

There are no significant projected variances. Operating expenses are consistent with multi-year trends and capital expenses are assumed to be spent up to the revised budget amounts.

Risks to Expenditures

Any changes to planned activity for major projects (e.g. Washington Park, Willamette River Crossing) would impact expenses.

Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Ending Fund Balance	0	0	0	
Fund Transfers - Expense	0	0	0	
Sum:	0	0	0	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	0	0	0	
Miscellaneous	0	0	0	
Sum:	0	0	0	

Revenue Discussion

There is no planned activity in this fund for FY 2018-19.

Risks to Revenues

There are no significant risks for the remainder of the fiscal year.

Expenditure Discussion

There is no planned activity in this fund for FY 2018-19.

Risks to Expenditures

There are no significant risks for the remainder of the fiscal year.

Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Debt Service	58,061,377	22,197,187.5	55,769,375	96.05%
Debt Service Reserves	29,713,013	0	31,351,200	105.51%
Ending Fund Balance	145,221	0	0	
Sum:	87,919,611	22,197,187.5	87,120,575	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	31,496,421	0	31,496,421	100.00%
Bond & Note Proceeds	0	0	0	
Fund Transfers - Revenue	55,858,868	22,197,131.26	55,064,997	98.58%
Miscellaneous	564,322	460,381.87	559,157	99.08%
Sum:	87,919,611	22,657,513.13	87,120,575	

Revenue Discussion

There are no significant changes to plan for revenues.

Risks to Revenues

There are no significant risks for the remainder of the fiscal year.

Expenditure Discussion

Debt Service Reserves: The \$1.6 million increase is driven by excess reserves that were planned for FY 2018-19 but will not be utilized for Debt Service until FY 2019-20.

Risks to Expenditures

There are no significant risks for the remainder of the fiscal year.

Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Contingency	0	0	0	
Ending Fund Balance	8,263,209	0	25,441,101	307.88%
Fund Transfers - Expense	130,762,446	55,795,630.88	115,434,554	88.28%
Sum:	139,025,655	55,795,630.88	140,875,655	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	93,943,491	0	93,943,491	100.00%
Bond & Note Proceeds	0	0	0	
Charges for Services	4,000,000	3,259,328.38	5,000,000	125.00%
Fund Transfers - Revenue	40,139,589	25,140,588.97	40,139,589	100.00%
Miscellaneous	942,575	1,198,263.05	1,792,575	190.18%
Sum:	139,025,655	29,598,180.4	140,875,655	

Revenue Discussion

Charges for Services: The \$1.0 million increase is driven by higher than planned System Development Charges (SDC).

Miscellaneous: The \$0.9 million increase is driven by higher than planned interest earnings.

Risks to Revenues

SDC revenue may decrease as development activity slows but does not present a significant risk to plan.

Expenditure Discussion

Fund Transfers - Expense: The \$15.3 million decrease is primarily driven by capital underspend reflected in the Fall BMP, offset by payment for the Water Bureau's share of the Portland building project.

Risks to Expenditures

Any changes to planned activity for major projects (e.g. Washington Park, Willamette River Crossing) would impact expenses. However, this is not likely to pose any significant risk to the Construction Fund as Fund Transfer budget authority has not been reduced in the Spring BMP.

Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Contingency	111,457	0	111,457	100.00%
Ending Fund Balance	0	0	0	
External Materials and Services	0	0	0	
Fund Transfers - Expense	0	0	0	
Sum:	111,457	0	111,457	

Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
Beginning Fund Balance	111,457	0	111,457	100.00%
Miscellaneous	0	0	0	
Sum:	111,457	0	111,457	

Revenue Discussion

There is no planned activity in this fund for FY 2018-19.

Risks to Revenues

There are no significant risks for the remainder of the fiscal year.

Expenditure Discussion

There is no planned activity in this fund for FY 2018-19.

Risks to Expenditures

There are no significant risks for the remainder of the fiscal year.

Business Area Projection Report

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Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
External Materials and Services	0	0	0	
Sum:	0	0	0	

This is not a Water Bureau Fund.

Business Area Projection Report

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Service Area	Bureau Name	Decision Package Title	Funded in	Year Funded:	Package Funding	Package FTE	Package Stat	Package Update
								<p>Reliability Centered Maintenance - The analyst was hired on 12/27/18. The steps for the bureau's implementation will be ongoing. This position is currently reviewing all existing data collection and building in quality control for the RCM development. This includes failure coding and analysis for operational assets. The expected outcomes of the decision package is to analyze failure information and recommend optimized maintenance strategies and assets that are ready for rehabilitation or replacement. This position is implementing the field and data analyses that are currently not being accomplished and will be the link from field operations to the asset management branch.</p> <p>Water Loss Control - The purpose of this package is to fund a full-time position assigned to collect and manage water loss data and determine how to best implement the recommendations in the plan. The purpose of the position is to reduce water loss and minimize non-rate revenue losses. The Water Loss Control analyst was hired and started work in early March and has begun to collect water loss data to complete an audit of FY 2017-2018. The bureau has an existing contract with Black and Veatch for water loss audit services, which expires in February 2020. With the expiration of the Black and Veatch contract, the bureau intends to perform water loss auditing work internally with minimal support from consultants. The bureau is revising its Key Service Levels and Performance Measures, and will be better able to tie this work to specific measures once they are adopted.</p>
Public Utilities	Portland Water Bureau	Asset Management	FY 2018-19 Adopted Budget	FY 2018-19	281,228	2.0	Complete	
Public Utilities	Portland Water Bureau	Customer Information Systems	FY 2018-19 Adopted Budget	FY 2018-19	64,009	7.0	Complete	The Cayenta Group with 7 FTE moved from the Revenue bureau to the Water bureau effective 7/1/19.
								<p>The bureau is completing a three month comprehensive recruitment process for an Equity Manager. Extensive outreach and advertising were done to reach a pool of 70 candidates. Twelve candidates were interviewed, and two finalists are being evaluated by the Commissioner in Charge. The successful candidate will start in April, 2019. Before recruitment, this position went through a complete classification process where the Analyst IV classification was chosen. This was a longer than anticipated process as it coincided with the citywide non-represented employee classification/compensation study. Fortunately, the work done by Bureau of Human Resources, Commissioner Amanda Fritz, and the Water Bureau has paved the way for other bureaus to hire Equity Managers more efficiently.</p> <p>This position will join the senior management team to effect meaningful change to the bureau's Racial Equity Plan, workforce equity efforts, service equity work, and bureau culture as a whole. As suggested in the original decision package, this position is specifically intended to benefit communities of color and immigrant and refugee communities. This position represents an increased ability to meaningfully engage with community members of color, increased ability to improve access to Water Bureau programs and services, increased ability to emphasize equity in the Water Bureau's workforce, and a more community-focused approach to bureau priorities.</p>
Public Utilities	Portland Water Bureau	Equity Manager	FY 2018-19 Adopted Budget	FY 2018-19	144,370	1.0	In Progress	
								<p>This decision package has started and is in progress. The expansion of the Financial Assistance Program became effective July 1, 2018, and all hiring was completed as of February 2019. The creation of the Low-income services team is just now complete so we have not been able to consolidate all assistance functions yet. We have successfully completed increasing the value of the crisis voucher, adjusting the income guidelines to reflect local incomes and creating a new tier discount for extremely low income customers. Part of the financial assistance expansion consists of a contract with Home Forward utilizing their Short Term Rental Assistance (STRA) program. The bureau provides funds to Home Forward. We are gathering data to determine how we can best assist Home Forward in reaching as many of our mutual customers in need as possible. Home Forward started training their partners in July and were still working out internal details as late as October of 2018. The original program manager left the bureau in October. The current program manager was in place in February but is still covering two positions until we can replace her vacancy. These events have created a slower start than originally anticipated.</p> <p>Outreach has been an important component. During the past eight months, we've met with more than twenty-five community agencies, schools and organizations sharing the provisions of our enhanced program.</p>
Public Utilities	Portland Water Bureau	Financial Assistance Expansion	FY 2018-19 Adopted Budget	FY 2018-19	622,000	2.0	Complete	
Public Utilities	Portland Water Bureau	Fountains Interagency with Parks	FY 2018-19 Adopted Budget	FY 2018-19	620,000		Complete	Water will pay Parks via an I/A for \$620,000 for the cost of maintaining the City's decorative fountains. Billings to date are \$430,000. There was no directive to develop submitted for FY 2019-20 requested budget related to decorative fountains. Water will continue to pay Parks via an I/A for \$620,000.

Service Area	Bureau Name	Decision Package Title	Funded in	Year Funded:	Package Funding	Package FTE	Package Stat	Package Update
Public Utilities	Portland Water Bureau	Mt Tabor Historic Preservation	FY 2018-19 Adopted Budget	FY 2018-19	1,115,000		In Progress	The bureau has received \$1,115,000 from the general fund in FY 2018-19. Total project costs through February 2018-19 are \$ 1.9 million. SCOPE: Executed contract with Pioneer Waterproofing for Phase 2 received on March 19th. Preconstruction meeting in early April with work to commence shortly after. Scope of work has been revised to include Reservoir 1 liner repair, with some risk of unknown voids below the existing concrete basin requiring larger than anticipated volumes of CLSM. Overall project budget is unchanged. The final \$1.115 Million was included in the requested FY 2019/20 budget. Meeting with PWB staff, the neighborhood association and the consultant was held to review the list of work items to include in the bid package for the next/final phase of work.
Public Utilities	Portland Water Bureau	Parks Maintenance	FY 2018-19 Adopted Budget	FY 2018-19	225,200		Complete	The bureau received \$225,200 from the General Fund on 9/26/18 as reimbursement for park-like maintenance activities at Dodge Park, Hydro Parks, and Powell Butte per guidance provided by the Judge in the Anderson Case that water should not pay for park-like maintenance activities.
Public Utilities	Portland Water Bureau	UniDirectional Flushing	FY 2018-19 Adopted Budget	FY 2018-19	273,850	3.0	Complete	The Unidirectional Flushing Program hired three Environmental Tech. II staff in January of 2019. These field staff expanded the program field staffing from one to four field staff. The UDF Program staff are currently preparing for two pilot-zone flushing zones in the Vernon 270 and Clatsop pressure zones expected to occur in April and May of 2019. Full-scale flushing will begin the Kelly Butte 427 pressure zone in June of 2019. With the expansion of the UDF field staff, significantly more of the distribution system will be flushed at a rate more consistent with industry standards providing improved water quality for customers. More importantly, flushing will help prepare the distribution system for the new filtration treatment facility scheduled to be operational in 2022.
Public Utilities	Portland Water Bureau	Water Treatment	FY 2018-19 Adopted Budget	FY 2018-19	350,688	7.0	In Progress	The new Principal Engineer position, was hired on 7/1/2018. The new Engineering Associate position in engineering is in the final interview state and an offer will be made by 4/11/19. No successful candidates for the Engineering Associate position in operations were found in the recent recruitment. It was determined that a Senior Engineering Associate classification would be more appropriate and allow for recruitment of a qualified candidate. A P-4 was recently submitted to reclassify this position. A new recruitment effort will be started to fill that position. The new Program Coordinator position will be reclassified to a Management Analyst and is vacant. Recruitment to begin by the end of the fiscal year. The new Management Analyst position will start on 4/18/19. The two new water treatment operators were hired and are training at Headworks/Lusted Hill treatment plants (all new operators go through a 6-month training period). The treatment operators will be trained on filtration pilot operations/maintenance when the pilot arrives next month. The positions filled, particularly the Principal Engineer position, have been essential to the project staying on schedule to meet compliance deadlines. The project is on target with implementation of the pilot program and important pre-planning efforts. The procurement process is gaining momentum with multiple procurement efforts to be initiated in the near future, which will be supported by the Management Analyst starting on 4/18. Expected outcome includes: ensuring that the bureau will be able to provide reliable and safe water to customers in the future with the decision to move forward with the Corrosion Control and Water Filtration Projects. This decision package is an integral part of the larger projects, and the project's success will rely heavily on the due diligence of the organization in preparation for it. This decision package addresses Performance Measure (PM) 0077/[Percentage of city's water supply provided by Bull Run watershed under normal conditions] by providing engineering staff for the planning, design, and construction of the capital project.

Service Area	Bureau Name	Decision Package Title	Funded in	Year Funded:	Package Funding	Package FTE	Package Stat	Package Update
Public Utilities	Portland Water Bureau	Workforce Management	FY 2018-19 Adopted Budget	FY 2018-19	176,250	2.0	Complete	The public work inspector was hired on February 14, 2019. The selected candidate brings expertise and experience in construction of water projects and compliance with safety requirements, city, state, and federal regulations. In addition, the inspector has a valuable certification in welding inspection. The safety position was hired on October 4, 2018. This position has been working on several of PWB's OSHA required trainings, procedures and programs. This includes our SCBA program, Electrical Safety Policy, Chemical Hygiene Plan, and Safety Data Sheets. Expected outcome is to developing internal expertise to meet future needs and support the construction of CIP project improvements to the distribution system. The decision package addresses Performance Measure PM 0058 [Number of violations of state and federal drinking water quality regulations] by providing full time public works inspection staff for overseeing the contractor responsible for construction of the capital improvement projects.

Service Area	Bureau Name	Decision Package Title	Package Description	Funded in	Year Funded:	Package Stat	Package Update
			<p>a.Increase Interagency with Special Appropriations – COPPEA & DCTU Training. This is a request to increase the Special Appropriations – COPPEA & DCTU Training interagency by \$11,585 for unexpended professional development from FY 2017-18.</p> <p>b.Increase Interagency with Office of Management and Finance for \$5,000 for increased vendor costs associated with DMWESB (i.e., compliance) tracking that Procurement performs on behalf of the infrastructure bureaus.</p> <p>c.Increase interagency with Purchasing for \$151,263 to reduce cycle time, simplify paperwork, provide better customer service, and streamline processes across bureaus.</p> <p>d.Transfer interagency with Risk to BHR for Occupational Health Program and Flu vaccines. The interagency for Occupational Health and Flu Vaccines will have no budget impact because there was no increase to the program.</p> <p>e.Decrease Interagency with Parks by \$3,000 for monthly maintenance performed at a property on SW Carey Blvd. that the Water Bureau recently sold to the Bureau of Housing and Community Development.</p>				<p>a. Interagency with Special Appropriations was increased by \$11,585. There are no billings to date because this interagency will likely bill at year-end.</p> <p>b. Interagency with OMF was increased for \$5,000. There are no billings to date because this will likely be billed at year-end.</p> <p>c. Interagency with Purchasing was created for \$151,263 for services estimated to begin in February 2019. Billings will be prepared quarterly beginning the quarter ending March 31, 2019.</p> <p>d. Interagency with Risk was transferred to BHR. There are no billings to date because this interagency will likely bill at year-end. There was no budget impact.</p> <p>e. Interagency was decreased by \$3,000 with Parks. Y/E projections for property maintenance excluding Carey Boulevard are projected to be within the remaining budgeted amount.</p>
Public Utilities	Portland Water Bureau	Interagency Adjustments		FY 2018-19 Fall BMP	FY 2018-19	Complete	
Public Utilities	Portland Water Bureau	CIP Adjustments	Adjustments described in CIP Updates.	FY 2018-19 Fall BMP	FY 2018-19	Complete	Please see C2 Report.
			<p>a.Solar at Groundwater Pump Station Carryover \$88,000 that was unspent in FY 2017-18 due to the roof replacement that must be completed prior to installation of the solar panels.</p> <p>b.Tabor Preservation Project Resolution No. 37146 was adopted by City Council on July 15, 2015 to maintain, repair and preserve the Mount Tabor Reservoirs following disconnection. In FY 2016-17, the Water Bureau received \$750,000 and in FY 2017-18, \$1,020,000 from the General Fund for the maintenance, repair, and preservation work identified in the 2009 Mt. Tabor Reservoirs Historic Structures Report. Of that amount, \$1,725,545 was spent. Therefore, this requests for the balance to be carryover to FY 2018-19. The carryover amount is \$44,455.</p>				<p>a. \$88,000 was carried over in the FY 2018-19 Fall BMP. The work is on hold due to the need to replace the roof before installation of the solar panels. Work scheduled to start in July 2019.</p> <p>b. Total project costs for the Tabor Preservation Project through February 2018-19 are \$ 1.9 million.</p>
Public Utilities	Portland Water Bureau	Carryover of Funds		FY 2018-19 Fall BMP	FY 2018-19	In Progress	

City of Portland
Capital Program Status Narrative
Report Name

Run Date: 3/22/19
Run Time: 1:41:16 PM

Portland Water Bureau

Prior Year Variance Desc

Distribution: The reported expenses are under reported due to the inclusion of about \$1.37 million in interagency revenue and the exclusion of about \$3.72 million of fleet vehicle purchases. With noted exceptions, total Distribution Program expenses are \$28.8 million, and the variance is -12.2 percent. Over \$1 million in utility relocation work with BES was completed but not billed to PWB during the FY. Total CIP expenditures are \$ 69.4 million for a variance of -7.35%.

Regulatory Compliance: The bureau received no responses to the solicitation for appraisal services, delaying the expenditures to acquire more conservation easements until FY 2018-19.

Supply: Process to obtain permits delayed completion of the Headworks Septic and Microwave Communications projects.

Support: About \$350,000 of internal capital planning resources were shifted to Treatment to work on planning for the Bull Run Filtration Project.

In Total: Expensed work included

Current Year Variance Desc

From Fall 2019 Adjustments

Distribution: Delayed construction start of Willamette River Crossing, Jantzen, Penridge Mains projects..

Supply: Prior construction delays to acquire permits for Headworks Septic and Microwave Communications has spending continuing in FY 2018-19. Three failed wells require repairs and/or replacement.

Transmission and Terminal Storage: Revised cash flow for construction of Washington Park and Conduit repair reduction.