



Amanda Fritz, Commissioner
Michael Stuhr, P.E., Administrator



1120 SW Fifth Avenue, Room 600
Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandoregon.gov/water

Date: September 9, 2019
To: Jessica Kinard, City Budget Office
From: Michael Stuhr, P.E., Administrator
Subject: Executive Summary for the FY 2019-20 Fall BMP

Enclosed is the Portland Water Bureau's FY 2019-20 Fall BMP Report that includes the status of the funds. The following is a summary of the Bureau's requests for the Fall BMP:

Water Funds:

- Carryover of Funds
 - Carryover funds received from the General Fund for Mt. Tabor Historic Preservation Project in the amount of \$667,862;
 - Carryover funds received from General Fund for installation of solar panels at Groundwater Pump Station in the amount of \$88,000;
- Cash Transfers
 - Transfer \$24,481 to the General Fund for revenue collected from Dodge Park permits and fees in FY 2018-19;
- Interagency Adjustments
 - Increase interagency with Human Resources by \$34,102 for leadership training and professional development training related to PTE-17 and DCTU;
 - Increase interagency with Debt Management by \$17,712 for staff succession planning and other changes;
- Technical Adjustments
 - Adjust cash transfers between Water Division funds for prior year capital revenues and reimbursement of capital expenditures;

Hydroelectric Power Funds:

- Interagency Adjustment
 - Increase interagency with Human Resources by \$6 for professional development training related to PTE-17.

There were no prior year Budget Notes. Updates to prior year decision packages and supplemental adjustments 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)

Please contact us for translation or interpretation, or for accommodations for people with disabilities.

More information · Más información · Thêm thông tin · 欲了解更多信息 · Дополнительная информация

Mai multe informații · Подробности · Macluumaad dheeri ah · अधिक सूचना · Tichikin Poraus

www.portlandoregon.gov/water/access · 503-823-7432 (TTY: 503-823-6868, Relay: 711)

Prior Year Fund Reconciliation Report

Portland Water Bureau

217 - Grants Fund

EXPENDITURES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Capital Outlay	85,244	85,244	100%
TOTAL EXPENDITURES	85,244	85,244	100.00%

REVENUES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Intergovernmental	85,244	85,244	100%
TOTAL REVENUES	85,244	85,244	100.00%

Expenditure Discussion

Revenue Discussion

Prior Year Fund Reconciliation Report

Portland Water Bureau

601 - Hydroelectric Power Operating Fund

EXPENDITURES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Personnel	355,780	292,249	82.14%
External Materials and Services	2,328,679	2,312,883	99.32%
Internal Materials and Services	205,479	186,552	90.79%
Debt Service	28,543	28,378	99.42%
Contingency	2,325,196	0	0%
Fund Transfers - Expense	35,427	35,427	100%
TOTAL EXPENDITURES	5,279,104	2,855,489	54.09%

REVENUES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Charges for Services	0	0	
Miscellaneous	2,261,677	1,282,725	56.72%
Interagency Revenue	175,932	246,794	140.28%
Beginning Fund Balance	2,841,495	0	0%
TOTAL REVENUES	5,279,104	1,529,519	28.97%

Expenditure Discussion

Personnel: The \$64,000 decrease is primarily driven by the fractional FTE that remained vacant during FY 2018-19.

Revenue Discussion

Miscellaneous: The \$979,000 million decrease is primarily driven by lower than planned power sales volumes.

Interagency Revenues: The \$71,000 increase is driven by additional engineering services provided by Hydro to Water.

Prior Year Fund Reconciliation Report

Portland Water Bureau

602 - Water Fund

EXPENDITURES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Personnel	76,128,296	68,778,233	90.35%
External Materials and Services	39,580,910	35,793,557	90.43%
Internal Materials and Services	22,591,827	21,962,943	97.22%
Capital Outlay	55,035,735	54,240,192	98.55%
Debt Service	4,467,780	3,845,376	86.07%
Contingency	136,992,656	0	0%
Fund Transfers - Expense	98,477,921	96,991,835	98.49%
TOTAL EXPENDITURES	433,275,125	281,612,135	65.00%

REVENUES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Charges for Services	189,905,167	192,858,145	101.55%
Intergovernmental	526,000	658,536	125.2%
Miscellaneous	2,152,193	3,580,174	166.35%
Fund Transfers - Revenue	133,177,726	118,928,122	89.3%
Interagency Revenue	3,484,697	3,666,944	105.23%
Beginning Fund Balance	104,029,342	0	0%
TOTAL REVENUES	433,275,125	319,691,921	73.78%

Expenditure Discussion

Debt Service: The \$0.6 million decrease is primarily driven by the planned bond sale not being necessary due to capital underspend. The planned bond sale is delayed until October 2019.

Revenue Discussion

Intergovernmental: The \$0.1 million increase is driven by additional work performed on the Washington County Supply Line.

Miscellaneous: The \$1.4 million increase is driven by additional interest earnings, chargeable damages, and gain on asset sales.

Fund Transfers - Revenue: The \$14.2 million decrease is driven by capital spending being less than planned.

Prior Year Fund Reconciliation Report

Portland Water Bureau

612 - Water Bond Sinking Fund

EXPENDITURES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Debt Service	58,061,377	55,769,375	96.05%
Debt Service Reserves	36,218,013	0	0%
Ending Fund Balance	145,221	0	0%
TOTAL EXPENDITURES	94,424,611	55,769,375	59.06%

REVENUES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Bond & Note Proceeds	6,505,000	0	0%
Miscellaneous	564,322	735,731	130.37%
Fund Transfers - Revenue	55,858,868	55,106,071	98.65%
Beginning Fund Balance	31,496,421	0	0%
TOTAL REVENUES	94,424,611	55,841,802	59.14%

Expenditure Discussion

Revenue Discussion

Bond & Note Proceeds: The \$6.5 million decrease for the bond reserve is because the planned bond sale was not necessary. The planned bond sale is delayed until October 2019.

Miscellaneous: The \$0.2 million increase is driven by higher than planned interest earnings.

Prior Year Fund Reconciliation Report

Portland Water Bureau

615 - Water Construction Fund

EXPENDITURES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Contingency	0	0	
Fund Transfers - Expense	131,362,526	117,112,922	89.15%
Ending Fund Balance	92,838,129	0	0%
TOTAL EXPENDITURES	224,200,655	117,112,922	52.24%

REVENUES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Charges for Services	4,000,000	5,297,160	132.43%
Bond & Note Proceeds	85,175,000	0	0%
Miscellaneous	942,575	1,652,918	175.36%
Fund Transfers - Revenue	40,139,589	39,305,776	97.92%
Beginning Fund Balance	93,943,491	0	0%
TOTAL REVENUES	224,200,655	46,255,855	20.63%

Expenditure Discussion

Fund Transfers - Expense: The \$14.2 million decrease is driven by capital spending being less than planned.

Revenue Discussion

Charges for Services: The \$1.3 million increase is driven by higher than planned system development charges.

Bond & Note Proceeds: The \$85.2 million decrease is because the planned bond sale was not necessary due to capital underspend. The planned bond sale is delayed until October 2019.

Miscellaneous: The \$0.7 million increase is driven by higher than planned interest earnings.

Prior Year Fund Reconciliation Report

Portland Water Bureau

618 - Hydroelectric Power Renewal Replacement Fund

EXPENDITURES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Contingency	111,457	0	0%
TOTAL EXPENDITURES	111,457	0	0.00%

REVENUES	2018-19 Revised Budget	2018-19 Actuals	Percent of Actuals to Revised
Beginning Fund Balance	111,457	0	0%
TOTAL REVENUES	111,457	0	0.00%

Expenditure Discussion

There was no activity in this fund during FY 2018-19.

Revenue Discussion

There was no activity in this fund during FY 2018-19.

WA - Portland Water Bureau

DP Type

Contingency

Request Name: 9249 -Cash Transfer to General Fund

Package Description

Transfer \$24,481 to the General Fund for revenues collected from Dodge Park Permits and Fees in FY 2018-19.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
Contingency	-24,481	0	0
Fund Transfers - Expense	24,481	0	0

WA - Portland Water Bureau

DP Type

Other Adjustments

Request Name: 9250 -Carryover of funds

Package Description

1. Resolution No. 37146 was adopted by City Council on July 15, 2015 to maintain, repair and preserve the Mount Tabor Reservoirs following disconnection. The Water Bureau received from the General Fund \$750,000 in FY 2016-17, \$1,020,000 in FY 2017-18, and \$1,115,000 in FY 2018-19 for the maintenance, repair, and preservation work identified in the 2009 Mt. Tabor Reservoirs Historic Structures Report. Of that amount, \$2,217,138 has been spent. Therefore, this requests for the balance to be carryover to FY 2019-20. The carryover amount is \$667,862. 2. Carryover \$88,000 that was unspent in FY 2018-19 due to the roof replacement that must be completed prior to installation of the solar panels.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
Contingency	-755,862		0
External Materials and Services	755,862		0

WA - Portland Water Bureau

DP Type

Technical Adjustments

Request Name: 9293 -Interagency adj with Professional Dev

Package Description

Interagency with Human Resources - Increase interagency with Human Resources by \$9,102 for unexpended professional development training related to PTE-17 and DCTU.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
External Materials and Services	-9,102	0	0
Internal Materials and Services	9,102	0	0

WA - Portland Water Bureau

DP Type

Technical Adjustments

Request Name: 9294 -Interagency - Leadership Training

Package Description

Interagency with Human Resources – New interagency with Human Resources for \$25,000 for Leadership training.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
External Materials and Services	-25,000	0	0
Internal Materials and Services	25,000	0	0

WA - Portland Water Bureau

DP Type

Technical Adjustments

Request Name: 9295 -Interagency with HR to increase professional developement

Package Description

Increase interagency with Human Resources by \$6 for unexpended professional development training related to PTE-17.

Service Impacts

N/A

Equity Impacts

N/a

CBO Analysis

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
External Materials and Services	-6	0	0
Internal Materials and Services	6	0	0

WA - Portland Water Bureau

DP Type

Technical Adjustments

Request Name: 9298 -Increase IA with Debt Mgmt

Package Description

Interagency with Debt Management – Increase interagency with Debt Management for \$17,712 to address recent changes to the Debt Management budget for staff succession planning, IA methodology changes, etc.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
External Materials and Services	-17,712	0	0
Internal Materials and Services	17,712	0	0

WA - Portland Water Bureau

DP Type

Internal Transfer

Request Name: 9305 -Prior year transfer adjustment

Package Description

Adjust cash transfers between Water Division funds for capital revenue received in the prior year that will be transferred to the Construction Fund and capital expenditures incurred in the prior year that will be reimbursed to the Operating Fund.

Service Impacts

N/A

Equity Impacts

N/A

CBO Analysis

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
Contingency	-2,130,335	0	0
Fund Transfers - Expense	2,235,029	0	0
Ending Fund Balance	2,130,335	0	0
Fund Transfers - Expense	104,694	0	0

	2019-20 FALL Requested Adj	2019-20 FALL CBO Adj	2019-20 FALL Recom Total
Fund Transfers - Revenue	104,694	0	0
Fund Transfers - Revenue	2,235,029	0	0

Bureau Performance Narrative

There were achievements for several customer services performance measures including average minutes customers are on hold, calls answered within 60 seconds, and preferred methods for customer payments. More customers are contacting the bureau via email and using self-service options which enables staff to be more responsive to other calls. The amount of power sold to PGE was less than the prior year and target due to the severe lack of rain.

Key Performance Measures	Measure Type Name	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Target	FY 2018-19 Actuals	FY 2019-20 Target	Strategic Target	Details
WA_0044 Maintain water revenue bond AAA credit rating	OUTPUT	100%	100%	100%	100%	100%	100%	No variation to target or historical trends.
WA_0058 Number of violations of state and federal drinking water quality regulations	OUTPUT	0	0	0	0	0	0	No variation to target or historical trends.
WA_0059 Number of violations of state and federal environmental regulations	OUTPUT	0	0	0	0	0	0	No variation to target of historical trends.
WA_0088 Average minutes that customers are on hold before speaking to a customer service representative	EFFICIENCY	2.26	.33	2.00	.26	1.30	2.00	More customers are contacting us via email and take advantage of self-service options which enables staff to be more responsive to calls.
WA_0089 Percentage of identified high risk assets addressed	EFFICIENCY	54%	63%	80%	75%	80%	80%	There were 80 identified risks and 20 of the identified risks still need assessment.

Other Performance Measures	Measure Type Name	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Target	FY 2018-19 Actuals	FY 2019-20 Target	Strategic Target	Details
WA_0041 Amount of power sold to Portland General Electric in megawatt hours	OUTPUT	103,750	81,512	84,800	57,974	66,000	84,800	Power sold was less due to the severe lack of rain.
WA_0042 Amount of transfer of hydropower profits to General Fund	OUTPUT	0	0	0	0	0	0	
WA_0045 Debt service coverage at 1.90 on first lien bonds	OUTPUT	3.02	3.22	1.90	3.23	1.90	1.90	Preliminary figure used, actual will be determined in October.
WA_0046 Debt service coverage at 1.75 on both first and second lien bonds	OUTPUT	1.91	1.99	1.75	1.90	1.75	1.75	Preliminary figure used, actual will be determined in October.
WA_0047 Percentage of projects forecast to be completed within three months of planned date	EFFICIENCY	66%	78%	80%	80%	80%	80%	

Portland Water Bureau
Prior Year Performance Reporting

Run Date: 9/5/19
Run Time: 10:25:27 AM

Other Performance Measures	Measure Type Name	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Target	FY 2018-19 Actuals	FY 2019-20 Target	Strategic Target	Details
WA_0048	Percentage of budgeted Capital Improvement Plan expended	87%	93%	100%	93%	100%	100%	
WA_0050	Percentage of customer inquiries or requests responded to within five business days	99%	98%	95%	98%	99%	100%	We are responding to inquiries near immediately. However, final resolution can sometimes take a bit longer
WA_0051	Percentage of calls answered within 60 seconds	51%	83%	80%	87%	80%	100%	The transition from pure call-based work to an overall contact center is enabling us to achieve greater success. Our reps are able to set aside the written contacts for the calls. The balance of those contact types is enhancing both productivity and efficiency.
WA_0052	Percentage of customer payment transactions made through preferred methods	57%	63%	50%	65%	55%	100%	We are exceeding in preferred methods. Our real goal is to provide customers with payment options that match their needs, and allow us to run our operations in a cost-effective way
WA_0053	Bureau's annual carbon emissions in metric tons of CO2	9,900	12,169	14,008	11,054	14,000	14,000	Goal is to be under target. Emissions were lower than baseline emission threshold.
WA_0054	Capacity of new renewable energy sources, kilowatts	400	400	400	400	400	400	
WA_0077	Percentage of city's water supply provided by Bull Run watershed under normal operating conditions	92%	98%	95%	88%	95%	100%	Due to historically low tributary flows and an early beginning to the draw down of the Bull Run supply in 2018, the groundwater system was run as a supplemental supply for an extended duration.

Capital Program Status Report

Water Bureau

CIP Program Name	2018-19 Adopted Budget	2018-19 Revised Budget	2018-19 Actuals	PY Variance	PY Percent of Actuals to Revised	2019-20 Adopted Budget	2019-20 FALL Requested Total	2019-20 Actuals	Fall Req. to Adopted Variance	Fall Req. to Adopted % Variance
Customer Service	100,000	100,000	0	-100,000		100,000	100,000	0	0	0%
Distribution	72,377,000	38,423,644	35,438,719	-2,984,925	92.23%	77,762,175	77,762,175	-573,687.31	0	0%
Regulatory Compliance	2,080,000	2,080,000	1,135,621	-944,379	54.6%	2,000,000	2,000,000	-58,237.43	0	0%
Supply	3,859,000	4,609,000	3,576,282	-1,032,718	77.59%	5,074,000	5,074,000	16,215.02	0	0%
Support	3,000,000	3,000,000	1,980,132	-1,019,868	66%	3,366,515	3,366,515	-238,140.11	0	0%
Transmission/ Terminal Storage	47,554,021	35,629,021	32,087,568	-3,541,453	90.06%	40,273,000	40,273,000	138,923.65	0	0%
Treatment	7,410,000	7,910,000	10,194,178	2,284,178	128.88%	14,461,000	14,461,000	-665,070.99	0	0%
Sum:	136,380,021	91,751,665	84,412,500	-7,339,165	-8%	143,036,690	143,036,690	-1,379,997.17	0	0%

Prior Year Variance Description

Capital Program Status Report

Customer Service: No small or emergency response projects were initiated in FY 2019-20

Distribution: The reported expenses are under reported due to the inclusion of about \$1.03 million in interagency revenue. With noted exceptions, total Distribution Program expenses are \$36.5 million, and the percent of actuals is 95%.. Total CIP expenditures are \$ 85.5 million for 93% of actual.

Regulatory Compliance: Two landowners declined complete conservation easements. Federal employee furlough delayed USFS from starting the design work for the Zigzag large wood placement project.

Supply: The replacement valves Dam 1 needle were ordered, but fabrication is overseas and the valves were not delivered prior to June 30, 2019. The valve cost was about one-third of the estimated cost.

Support: About \$460,000 of internal capital planning resources were shifted to Treatment to work on planning for the Bull Run Filtration Project.

Treatment: In addition to planning. More work was completed than planned, including the installation of the pilot filtration plant.

In Total: Expensed work included

Current Year Variance Description

None to report
