

# Planning

## Program Description & Goals

The Planning Program includes short- and long-term strategic planning and direction; regional water providers coordination on water supply planning; financial planning; capital improvement development; infrastructure planning, including asset management; summer supply planning; and wholesale customer coordination.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Maintain water revenue bond AAA credit rating	100%	100%	100%	100%	100%
Debt service coverage at 1.90 on first lien bonds	3.02	3.22	0	1.90	1.90
Debt service coverage at 1.75 on both first and second lien bonds	1.91	1.99	0	1.75	1.75

## Explanation of Services

- **Asset management:** Staff in this program assess water system asset conditions, risks of failure, and risk mitigation strategies, and document alternatives and recommended solutions for maintenance and replacement of supply and distribution infrastructure.
- **Capital Improvement Project (CIP) planning:** This program develops and administers a multi-year capital improvement program to address system needs, manage spending, and meet financial bond requirements.
- **Budget and financial planning:** Staff in this program develop and monitor the bureau's budget and adhere to prudent financial practices, enabling ongoing cost-effective access to bond financing for capital improvements, and ensures that water rates are at a good value and fair price to finance system operation and improvement.
- **Climate change planning:** The bureau's climate change expert works to build resilience to climate-related risks through risk assessment, analysis, and adaptation strategies.
- **Summer supply planning:** Many bureau staff work together, and with wholesale customers, to ensure reliable summer season water supply.
- **Strategic planning:** The bureau's Strategic Business Plan aims to maintain continuous organizational improvement through strategic planning, risk identification, and implementation of management strategies.
- **Participation in the Regional Water Providers Consortium:** The Water Bureau works with the Consortium to maintain cooperative relationships with regional water providers to plan for long-term supply, implement regional water conservation programs, and build emergency preparedness and response capability.
- **Water rights:** Staff in this program manage and maintain water rights and water rights permits.

## Equity Impacts

The Planning program recognizes equity impacts in many areas:

- Asset management works to prevent deferred maintenance that could burden future generations.
- The bureau recognizes that climate impacts to the water system could disproportionately affect vulnerable populations, and is assessing how to incorporate equity into its climate change planning efforts.
- The bureau's strategic plan development has centered equity throughout its process, identifying both equity-focused issues within the bureau and equity impacts of every potential plan strategy. The strategic planning process has encouraged and enabled bureau staff and leadership to talk meaningfully about how equity fits in with all bureau work.

This budget change does not have clear equity impacts.

## Changes to Program

This budget adds \$200,000 for consultant services to help with wholesale contract review.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	-2,359,540	-2,588,536	0	0
External Materials and Services	925,761	1,303,647	1,588,205	1,825,431
Internal Materials and Services	-14,033,749	-15,103,861	386,493	277,348
Personnel	4,091,096	4,057,811	4,994,684	5,551,428
<b>Fund Expense</b>				
Debt Service	200	0	600,080	0
Fund Transfers - Expense	9,655,227	0	0	0
<b>Sum:</b>	<b>-1,721,004</b>	<b>-12,330,939</b>	<b>7,569,462</b>	<b>7,654,207</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	24.5	25.9	20.9	21.5
<b>Sum:</b>	<b>24.5</b>	<b>25.9</b>	<b>20.9</b>	<b>21.5</b>

**Resources:** Resources come from ratepayer charges for water and water-related services. Capital investments in water system infrastructure may also be funded with proceeds from issuance of Water Revenue Bonds and capital revenues. Capital revenues include sales of assets and System Development Charges from installations of new mains and services.

**Expenses:** The operating budget totals \$4.6 million and \$3.1 million for planning studies. The operating budget's main expenses are staffing, consultant services, Portland Utility Board support, and debt management.

**Staffing:** 31.0 (FTE) positions support this program. These positions include engineers, analysts, and financial analysts, among others.

**Assets and Liabilities:** This program does not contain assets.

### Program Information

**Bureau:** Portland Water Bureau

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