

Portland Water Bureau
DRAFT FY 2020-21 Program Offers
Portland Utility Board Meeting – January 7, 2020

We have included drafts of six FY 2020-21 Program Offers narratives specifically requested by PUB:

- Treatment
- Conduits/Transmission Mains
- Customer Service
- Employee Investment
- Bureau Support
- Planning

The first 4 were PUB's highest interest areas. PUB had expressed interests in both Communications/Public Information and Asset Management. Communications/Public Information and Outreach is a sub-program within Bureau Support. Asset Management is a sub-program within Planning.

A few notes about the draft Program Offers:

- We have been working the last week or so to pull these drafts together. Many of us are on vacation and have been working remotely. So, these are very much work-in-progress drafts.
- The Water bureau is still developing its budget for FY 2020-21 and have not finalized all budget decisions. These drafts will continue to be updated as the bureau finalizes its budget submission.
- These are Word documents that we created to mirror the actual Program Offers in the City's budget system. We have added PUB's 5 themes (or areas of interest) to describe how the program offer addresses each theme.
- Note that the "Program Budget" section still needs to be updated. FY 2020-21 budget and FTEs information in red will be updated after we have loaded budget data into the City's budget system.

We welcome PUB's inputs on these draft Program Offers.

Thank you.

Water Bureau

Treatment

Program Description & Goals

The Treatment Program encompasses the bureau's efforts to make sure drinking water is potable across the bureau's service area. Water treatment facilities for the Bull Run supply are currently located at Headworks (in the Bull Run Watershed) and Lusted Hill (between the watershed and the city). The Headworks facility adds chlorine for primary disinfection. The Lusted Hill facility adds sodium hydroxide for pH adjustment and ammonia to create chloramines. For the groundwater supply, treatment with sodium hypochlorite, ammonia, and sodium hydroxide occurs at the groundwater pump station.

Measure Title	PM 2017-18 Actuals	PM 2018-19 Actuals	PM 2019-20 Target	PM 2020-21 Target	Strategic Target
Violations of state and federal drinking water quality regulations	0	0	0	0	0

Explanation of Services

This program provides the resources to treat water from Portland's sources in the Bull Run Watershed and Columbia South Shore Well Field to meet or exceed all state and federal regulations for drinking water. This includes continuous monitoring and optimization of treatment processes. This program also includes capital infrastructure planning, design and construction, operation, maintenance, and repair of treatment facility systems, and associated regulatory and process control monitoring.

This program will include operating and maintaining the new facilities and infrastructure built as part of the Corrosion Control Improvement and Bull Run Filtration Treatment Projects (to be operational by 2022 and 2027, respectively).

PUB Lenses

Strategic Plan Alignment: N/A

Communication/Community Outreach: The Bull Run Treatment Program includes multiple community outreach efforts – staff has hosted open houses, made presentations to the Johnson Creek Inter-jurisdictional Committee and Sandy River Chapter of the NW Steelheaders, distributed door hangers, and conducted surveys seeking community values. The bureau will continue to work with a Site Advisory Group to develop a Good Neighbor Agreement, send/email newsletters about the projects, and provide project status updates to PUB, City Council, and the public.

Asset Management: The Bull Run Treatment projects will be utilizing reliability-centered maintenance practices to evaluate project alternatives and life cycle costs to support investment decisions.

Employee Development/Investment: The treatment pilot projects provide training and opportunities to current and new Treatment Operators. The on-the-job training also qualifies for continuing education credits for certifications. Certified treatment operators are very limited and difficult to recruit for.

Equity Plan Alignment/Goals: Recognizing the projected rate increase impacts stemming from the Bull Run Treatment Projects, the Water Bureau will prioritize affordability.

Equity Impacts

The goal of water treatment is to keep water safe to drink. Drinking water quality problems can have a disproportionately negative impact on communities of color and people with medical disabilities (those with compromised immune systems) as clean water source alternatives are more costly (namely bottled water). This program is also responsible for reducing the potential for lead and copper to leach into water. Nationally, lead poisoning disproportionately affects children of color.

Staff in this program do not work directly with the public and do not receive requests for accommodations.

This year's budget changes are unlikely to have equity impacts. The bureau will be embedding equity into the construction and hiring processes.

Changes to Program

The Capital budget will increase to implement City Council approved Resolution 37460 adopting a set of priority values, expectations and Recommended Option to guide the design and implementation of the Bull Run Filtration Projects on November 27, 2019.

Program Budget

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Request
Bureau Expenses				
Capital Outlays	199,213	6,761,582	9,920,000	
External Materials and Services	1,775,274	3,085,691	3,839,880	
Internal Materials and Services	689,772	1,970,994	110,139	
Personnel	1,877,316	3,346,639	3,111,719	
Sum:	4,541,574	15,164,907	16,981,738	

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 **\$2.9 million** and the capital budget totals **\$14.5 million**. Main expenses in the operating budget include staffing, utilities, chemicals, supplies, and vehicle fleet. Major capital projects include Bull Run Filtration and Improved Corrosion Control Improvement treatment facilities.

Staffing: 9.8 (FTE) operating and 12.8 (FTE) capital positions support this program. These positions include water treatment operators, laboratory staff, and engineers, among others.

Assets and Liabilities: Assets include the treatment facilities at Headworks and Lusted Hill. The replacement value of the facilities and equipment is \$58 million. 90% of the infrastructure is in very good, good, or fair condition.

The Water Bureau has a robust Asset Management Program, with asset life-cycle strategies detailed in twenty-three asset management plans by asset type. These plans contain specific strategies for repair, renewal, and replacement of each asset type. While current condition of any asset type is an important factor, asset condition alone does not drive where and when PWB decides to invest in any given budget program. To learn more about Water Bureau asset management, visit portlandoregon.gov/water/asset.

DRAFT

Water Bureau

Conduits/Transmission Mains

Program Description & Goals

The Conduits/Transmission Mains Program is responsible for bringing water from the city's two water sources, the Bull Run Watershed and Columbia South Shore Well Field, to reservoirs at Powell Butte, then to other in-town reservoirs and tanks at Kelly Butte, Washington Park, Sam Jackson, and Mayfair.

Measure Title	PM 2017-18 Actuals	PM 2018-19 Actuals	PM 2019-20 Target	PM 2020-21 Target	Strategic Target
Number of Unplanned conduit outages					
Number of unplanned transmission main outages					

Explanation of Services

Program efforts are focused on the capital infrastructure planning, design and construction, operations, maintenance, repair, and rehabilitation of the assets in this program, as well as improving operability, reducing risk, and hardening the supply to meet seismic resilience goals. This program also makes sure the conduits and transmission mains are regularly inspected and are protected from corrosive soil. Staff in this program protect the bureau's right of way where conduits cross non-bureau property, and have laid out a protected path for a potential future conduit.

PUB Lenses

Strategic Plan Alignment: N/A

Communication/Community Outreach: The Bull Run Treatment projects include the Bull Run Pipeline Project to connect the new filtration plant to the existing system and to retire portions of aging conduit. As part of these projects, staff continues extensive community outreach efforts including open houses, presentations to the Johnson Creek Inter-jurisdictional Committee and Sandy River Chapter of the NW Steelheaders, distributions of door hangers, and surveys seeking community values. The bureau will continue to work with a Site Advisory Group to develop a Good Neighbor Agreement, send/email newsletters about the projects, and provide project status updates to PUB, City Council, and the public.

Asset Management: The Bull Run Pipeline project will be considering the conditions of the existing conduits to determine best alternatives to addressing sections of conduits that are most at risks.

Employee Development/Investment: N/A

Equity Plan Alignment/Goals: see equity impacts below.

Equity Impacts

The Water Bureau recognizes that water distribution problems could disproportionately affect communities of color and people with medical disabilities due to the high cost of water source alternatives (namely bottled water). Robust maintenance and strengthening resilience of conduits and transmission mains reduce the vulnerability of communities of color and people with disabilities.

Staff in this program do not work with the public and do not receive requests for accommodations.

This year's budget changes are unlikely to have equity impacts. As this program grows to include new water treatment processes, the bureau will have the opportunity to explore how equity can be brought into construction and hiring processes.

Changes to Program

The Capital budget will increase to implement City Council approved Resolution 37460 adopting a set of priority values, expectations and Recommended Option to guide the design and implementation of the Bull Run Filtration Projects on November 27, 2019.

Program Budget

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Request
Bureau Expenses				
Capital Outlays	208,756	107,575	2,284,453	
External Materials and Services	2,149,021	312,195	305,525	
Internal Materials and Services	875,472	214,205	205,891	
Personnel	1,211,655	819,440	1,328,257	
Sum:	4,444,903	1,453,416	4,124,126	

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 **\$2.9 million** and the capital budget totals **\$14.5 million**. Main expenses in the operating budget include staffing, repair and maintenance services, supplies, and vehicle fleet. Major capital project in the Program is Bull Run Pipelines.

Staffing: **5.4 (FTE)** operating and **3.2 (FTE)** capital positions support this program. These positions include engineers, watershed specialists, and operating engineers (staff who operate the water system in the field), among others.

Assets and Liabilities: Major assets in the program include 60.5 miles of conduit (in three conduits) and 50 miles of transmission pipe, as well as supporting trestles and bridges, cathodic protection, Willamette River crossings, and intertie facilities. Conduits 2, 3, and 4 were built in 1911, 1925, and 1953, respectively. The conduits and transmission mains have a total

replacement value of \$1.7 billion. 90% of the assets are in very good, good, or fair condition, with 10% in poor or very poor condition.

The Water Bureau has a robust Asset Management Program, with asset life-cycle strategies detailed in twenty-three asset management plans by asset type. These plans contain specific strategies for repair, renewal, and replacement of each asset type. While current condition of any asset type is an important factor, asset condition alone does not drive where and when PWB decides to invest in any given budget program. To learn more about Water Bureau asset management, visit portlandoregon.gov/water/assets.

DRAFT

Water Bureau

Customer Service

Program Description & Goals

This program is responsible for utility sales operations from the meter to the collection of cash for the Water Bureau and Bureau of Environmental Services (BES). This includes meter reading, managing account and customer data, and billing, collection, and payment processing of 192,000 water, sewer, and stormwater accounts billed monthly, bi-monthly, or quarterly. This program includes providing financial assistance to qualifying low-income customers and making water provision programs, billing, and services accessible to people with disabilities.

This program also supports development by performing reviews of water-related building permit application intakes, reviews, and purchases. All developments are reviewed to ensure that they comply with standards for water service.

Measure Title	PM 2017-18 Actuals	PM 2018-19 Actuals	PM 2019-20 Target	PM 2020-21 Target	Strategic Target
Percentage of billed revenue collected				98%	
Percentage of accounts billed on time (within 15 days of the originally scheduled bill date)				99%	
Time to get a permit					

Explanation of Services

Each working day, Customer Service staff answer more than 750 customer calls and field an average of 75 online inquiries about customer accounts and other bureau work. The program also assists 75 walk-in customers each day with their payments and/or water service, and administers the Financial Assistance Program, including a bill discount for 6,750 enrolled participants and rent assistance for multi-family dwellings.

This program includes the team that manages the Customer Information System, which is used to bill for sewer, stormwater, and water services; collect money from customers; and assist customers with account inquiries.

The Customer Service Program processes about 2,280 water permits annually for commercial and residential developments. The activities cover land use reviews, development reviews, sale of new domestic services, fire services, and petition mains needed to support new construction by private parties seeking water service.

PUB Lenses

Strategic Plan Alignment: This program supports Community Relationships, one of the five strategic risk management goals identified in the Strategic Plan. This program is also connected to the Equitable Access Objective, one of the Strategic Plan's sixteen objectives, that focuses on providing equitable access to water service and programs

Communication/Community Outreach: In addition to the work on Community Relationships in

the Strategic Plan, the bureau will continue its efforts as part of its Financial Assistance Program do expanded outreach to underserved communities.

Asset Management: N/A

Employee Development/Investment: The strategies to meet the Equitable Access Objective includes hiring more multilingual employees and research ways to compensate employees who bring and use multiple language skills.

Equity Plan Alignment/Goals: See Equity Impacts below.

Equity Impacts

Staff in the Customer Service program work directly with community members and have made major changes in recent years to do this work more equitably.

The bureau's Financial Assistance Program has recently expanded and now offers more help to more people. Staff members working in this program have studied participant demographics, and work to continuously assess need by area to increase program representation among traditionally underserved and underrepresented communities.

The Water Bureau is researching how smart meter technology could affect the bureau and the communities it serves, focusing on equity impacts of smart meter implementation.

Staff in this program regularly use interpretation services, and program managers aim to increase the number of staff who fluently speak multiple languages. Some phone services and brochures are available in multiple languages. For people with disabilities, staff in this program can enlarge bills, convert bills to braille, and communicate via writing.

Changes to Program

The Bureau plans to reallocate resources as needed to implement or address the results of the annual evaluation on the Financial Assistance Program.

Program Budget

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Request
Bureau Expenses				
Capital Outlays	324,628	0	0	
External Materials and Services	2,306,703	2,834,508	5,083,015	
Internal Materials and Services	6,064,797	4,131,441	3,768,945	
Personnel	8,412,252	9,742,116	11,416,366	
Sum:	17,108,380	16,705,065	20,268,326	

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 **\$20.3 million**. Main operating costs include staffing, bill generation, payment processing (bank fees and payment vendor fees), and the Financial Assistance Program.

Staffing: **103.1 (FTE)** operating positions support this program. These positions

include customer accounts specialists, business analysts (who support the billing system), meter readers, water service inspectors, and engineering technicians, among others.

Assets and Liabilities:

The major asset of the Customer Service is the Cayenta billing system.

DRAFT

Water Bureau Employee Investment

Program Description & Goals

This program focuses on employee training and development. Employees are a critical asset to the bureau. The bureau invests in its employees by providing opportunities for training, continuing educations, job shadows, participation in water industry associations, and mentorship.

The State of Oregon requires employees engaged in the operation of the water system for both distribution and treatment (nearly 200 employees in the Water Bureau) to be certified by the Oregon Health Authority. Certified employees are required to complete regular continuing education to maintain those certifications. Water Bureau engineers and electricians also must be licensed and complete ongoing education to maintain their certifications. Employees who operate specialty equipment, such as cranes, also require state and national certifications.

The Water Bureau operates two unique apprenticeship programs sanctioned by the Bureau of Labor and Industries. Many field employees are required to obtain and maintain a Commercial Driver's License, following federal Department of Transportation requirements.

The City requires a variety of mandatory trainings, such as defensive driving, Equity 101, HR Administrative Rule 2.02 training, emergency management trainings, and the Occupational Safety and Health Administration requires safety-sensitive trainings for Work Zone Traffic Control, Confined Space Entry, Rigging and Slings, Excavation Safety, Hazardous Chemicals, and Asbestos Handling, among many other trainings provided by the Water Bureau. Finally, the Water Bureau augments required certifications with training that supports employee development.

Measure Title	PM 2017-18 Actuals	PM 2018-19 Actuals	PM 2019-20 Target	PM 2020-21 Target	Strategic Target
Percentage of employees reporting that advancement and promotion are fair and equitable (in employee survey done every other year)				50%	
Percentage of employees reporting that they are "engaged" or "fully engaged" in their work (in employee survey done every other year)				78%	

Explanation of Services

Program activities include providing employee training; tracking, monitoring, and ensuring all required certifications and licenses are maintained; and making sure all City-required training requirements are met. The program also includes administering and evaluating the ongoing apprenticeship programs. Activities also include managing workplace safety program for high-hazard environments, such as electrical arc-flash, confined spaces, and fall hazards.

Staff in this program also create employee enrichment programs and equity-focused trainings designed to instill an equity mindset in all bureau staff.

Strategic Plan Alignment: One of the 5 strategic risk management goals identified in the Strategic Plan is Workforce and Culture. The objectives within this goal include: Workplace communication and Collaboration, Recruitment and Retention, and Empowered Employees. The Bureau will be working on strategies to address and improve upon these areas.

Communication/Community Outreach: The Strategic Plan program team is developing a communications plan to inform the bureau and stakeholders of the Strategic Plan implementation work.

Asset Management: N/A

Employee Development/Investment: The bureau's Training and Development Officer coordinate the bureau's SOAKED (Sharing Our Assets and Knowledge for Employee Development) Program, leads the TAP (The Ambassador Program) and organizes En-gauged workshops. The SOAKED Program provides existing employees opportunity to learn about programs and functions in the bureau. TAP is an employee-centered program that support bureau connection and culture by creating a collaborative and inclusive workplace, offering employee support, and helping steer the bureau's future. En-gauged workshops are hour long sessions that informs, educates and engages discussion on variety of topics ranging from "Optimizing Your Health at Any Age!" to "What's Our Relationships with First Nations?" The bureau has been able to diversify its workforce through its apprenticeship programs. The bureau's Utility Worker Apprenticeship Program has served as the entry point to many trades positions in the bureau. Many have been promoted to Water Operations Mechanics, Equipment Operators, Meter Readers/Inspectors, Meter Technicians, Operating Engineers, Water Quality Inspectors, etc.

Equity Plan Alignment/Goals: See equity impacts below. Additionally, the Water Bureau is collaborating with the Bureau of Environmental Services, Bureau of Human Resources, and Office of Equity and Human Rights on the development and future implementation of a comprehensive recruitment and retention plan that can be implemented across both utilities. The equity managers in both bureaus are working closely together on this plan.

Equity Impacts

The Water Bureau is committed to changing policies, practices, and procedures to better support our employees. To this end, the bureau's 2020-2024 Strategic Plan includes a Workforce and Culture section, which aims to advance equity by improving workplace communication and collaboration, recruitment and retention, and empowering employees. Specifically, the bureau will identify and implement equitable hiring and retention practices, build and maintain leadership development to make management more diverse, provide more equitable access to cross-group learning opportunities, increase use of the job shadow program, and offer flexible and telecommuting opportunities to more employees.

This program includes the bureau's Training and Development Officer, who has an equity focus in employee enrichment and programming. Among other programs, the Training and Development Officer runs a job shadow program and informal lunchtime sessions that address issues of race, gender, and age in the workplace.

Staff in this program do not work directly with the public and do not receive accommodation requests

from the public. The bureau does not currently track employees' requests for accommodations.

Changes to Program

The Bureau will be adding apprentice positions and entry level positions to further promote diversity in the workforce.

Program Budget

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Request
Bureau Expenses				
Capital Outlays	0	0	0	
External Materials and Services	440,077	471,615	730,533	
Internal Materials and Services	12,716	59,606	110,956	
Personnel	2,138,827	2,558,045	2,424,947	
Sum:	2,591,620	3,089,266	3,256,436	

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 **\$2.9 million**. The operating budget's main expenses are staffing, training, certifications, and vehicle fleet.

Staffing: **17.2 (FTE)** operating positions support this program. These positions include risk specialists, apprentices, automotive and construction equipment operators, among others.

Assets and Liabilities: This program does not contain assets.

Water Bureau

Bureau Support

Program Description & Goals

The Bureau Support Program encompasses work across all sections of the Water Bureau. The program meets administrative, financial, communications, and equity needs.

The program includes promoting equity across all bureau programs and services; engaging the public in bureau work; making sure ratepayer money is used appropriately; and making sure the bureau works as efficiently as possible and is accountable to the public.

Measure Title	PM 2017-18 Actuals	PM 2018-19 Actuals	PM 2019-20 Target	PM 2020-21 Target	Strategic Target
Percentage of community members who, in a statistically significant survey, say they have "good" or "very good" awareness of the services the bureau provides				75%	
Percentage of non-represented bureau employees who have equity goals in their performance reviews				100%	
Percentage of programs achieving equity performance measures				100%	

Explanation of Services

Support for bureau-wide work: This program includes contract administration and facilities work, as well as administrative expenses such as rent, utilities, postage, operating supplies, and the Utility License Fee.

Accounting: Staff in this program manage the bureau's finances, including managing its accounting, and ensuring that funds are spent as designated.

Communications: Communications staff coordinate outreach and engagement work prioritizing cultural responsiveness, including underrepresented communities, social media, communication about construction projects, media and public records requests, and emergency communications.

Equity: the Water Bureau embedded equity through its Strategic Plan and will implement an updated Equity Plan, which centers race while working on intersectionalities with ability, gender, age, income, etc. The plan focuses on improving outcomes for communities of color and removing internal and external barriers to equitable work. This work also includes the implementation of the ADA transition plan. The Equity and Inclusion Program provides technical and managerial support to leadership and teams to ensure equity is embedded in all bureau functions.

Program planning and performance management: This program includes the time managers and supervisors spend planning programs and evaluating performance.

Interagency work: This program includes support from other City of Portland agencies, such as the

Bureau of Technology Services, the City Attorney, and the Office of Management and Finance.

Advisory groups: The Water Bureau works with two main utility advisory groups: the Portland Utility Board and the Citizens' Utility Board. Staff in this program work with these advisory groups.

Managing and maintaining bureau-owned property: The bureau owns 175 properties, including around its reservoirs, tanks, and pump stations.

PUB Lenses

Strategic Plan Alignment: One of the 5 strategic risk management goals identified in the Strategic Plan is Community Relationships which includes City Partnerships. The bureau will be working to develop strategies to address City Partnership by strengthening collaboration across city government to better serve our community.

Communication/Community Outreach: This program includes the communication and outreach staff who focuses on coordinating project communications to the public, responding to media inquiries and public records requests, internal bureau communications, coordinate on revamping the Citywide Portland Online website. Internal communications includes monthly employee newsletter, weekly monthly messages, project updates – Portland Building, Portland Online website, Strategic Plan.

Asset Management: The bureau will be updating the Facilities Asset Management Plan, conducting assessment of bureau owned facilities.

Employee Development/Investment: the bureau's five-year Strategic Plan makes significant commitments to empowering employees through the following: rewarding cross-group collaboration in employee events, awards, and evaluations; create ways to recognize the contributions and accomplishments of all work groups; provide consistent and more equitable to cross-group learning opportunities; explore offering flexible schedules and telecommuting opportunities; create processes for identifying and accommodating individual employee needs; build and maintain leadership development for current and rising leaders to make management more diverse; create a workplace culture where all employees feel and are safe regardless of identity; and increase the job shadow program.

Equity Plan Alignment/Goals: The bureau developed a comprehensive Equity Plan that identifies outcomes, tasks, and performance measures for equity strategies in the Strategic Plan, while incorporating the 2016 Racial Equity Plan, the affirmative action plan, and the ADA transition plan. The bureau is hiring an equity coordinator to support internal equity capacity development, community engagement, and implementing new guidelines. Additionally, the bureau is hiring a limited term Strategic Analyst to support data informed equity decision-making throughout the bureau's operations.

Equity Impacts

Bureau Support contains the bulk of the bureau's equity management. The program includes the Equity Manager position, who was hired in early 2019 and works toward embedding equity across all bureau programs and services, internally and externally.

This program also includes the Communications group, which ensures equitable engagement and communications with underserved and underrepresented communities. Staff in this program help

fulfill translation, interpretation, and accommodations requests, and implement an equity lens for communications materials. This group partners with community organizations and people from underrepresented communities, attends culturally specific community events, works with media, and holds outreach events at facilities with greater access for communities of color. The bureau will develop and implement an external strategic communications plan that prioritizes cultural responsiveness. And, the bureau is also creating more ways for people from under represented communities to inform bureau policies, programs, and projects

This year's budget changes expand capacity for the equity program and create opportunities to promote more equitable community engagement.

Changes to Program

- Hiring a new coordinator position for the equity program to add capacity for equity trainings, policies and guidelines, the Bureau Equity Committee, community engagement.
- Hiring a new project manager to coordinate assessment of bureau owned facilities, implement Security Access Control replacement system at bureau facilities, and to manage the life cycle replacements of bureau facility assets such as HVAC, electrical, plumbing, etc.
- Beginning the implementation of the bureau's five-year ADA transition plan, to make our facilities accessible to people with disabilities.
- Converting a limited term Public Information Manager to a permanent full time position.
- A transfer of \$455,750 to a City reserve fund is included for FY 2020-21 to meet Portland Harbor Superfund obligations.
- \$100,000 increase for professional services for performance measure development and analysis.

Program Budget

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Request
Bureau Expenses				
Capital Outlays	-1,089,999	114,683	39,072,000	
External Materials and Services	13,024,201	10,399,847	11,524,211	
Internal Materials and Services	5,788,193	6,796,173	6,632,460	
Personnel	6,566,497	6,907,928	8,213,385	
Fund Expenses				
Contingency	0	0	107,192,795	
Debt Service	59,322,067	59,614,751	66,796,068	
Debt Service Reserve	0	0	39,943,010	
Fund Transfers – Expenses	184,516,609	214,104,758	301,257,268	
Ending Fund Balance	229,649,254	196,762,570	21,192,697	
Sum:	497,596,822	494,288,805	601,833,894	
FTE:	109.28	120.6	122.0	0

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 **\$65.1 million**. The capital budget totals **\$0.3 million**. The operating budget's main expenses are staffing, supplies, the Utility License Fee, facilities, communications, technology support, and insurance.

Staffing: **57.9 (FTE)** operating positions support this program. These positions include administrative specialists, accountants, and communications staff, among others.

Assets and Liabilities: The bureau owns 175 properties, including a share of the Portland Building. The Water Bureau has a robust Asset Management Program, with asset life-cycle strategies detailed in twenty-three asset management plans by asset type. These plans contain specific strategies for repair, renewal, and replacement of each asset type. While current condition of any asset type is an important factor, asset condition alone does not drive where and when PWB decides to invest in any given budget program. To learn more about Water Bureau asset management, visit portlandoregon.gov/water/assets.

DRAFT

Water Bureau

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; seasonal supply planning; and wholesale customer coordination.

Measure Title	PM 2017-18 Actuals	PM 2018-19 Actuals	PM 2019-20 Target	PM 2020-21 Target	Strategic Target
Percentage of budget programs meeting performance measures				100%	
Percentage of employees representation involved in Strategic Plan Implementation					
Maintain Aaa Bond Rating				100%	

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 Program (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 ensure 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.

Seasonal supply planning: Many bureau staff work together, and with wholesale customers, to ensure reliable water supply in every season.

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.

PUB Lenses

Strategic Plan Alignment: This program will focus on implementing the newly developed Five-Year Strategic Plan. In the first year, the bureau will be forming Scoping Teams composed of staff from throughout the bureau that will work on plans to address the strategies to the objectives identified in the Plan. One of the 5 strategic risk management goals identified in the Strategic Plan is Organizational Processes. The bureau will be working on strategies to address Project Development and Delivery, Standards of Practice, and Financial Management.

Communication/Community Outreach: One of the 5 strategic risk management goals identified in the Strategic Plan is Community Relationships. The bureau will be working on strategies to the Community Connection Objective that include developing an external strategic communication plan, creating more ways for people from underrepresented communities to meaningfully inform bureau policies, programs, and projects.

Asset Management: Staff are updating Asset Management Plans to be used in future budget developments to ensure that resources and objectives for the assets are aligned and future resources needs are identified and included in the long-term financial planning process.

Employee Development/Investment: One of the 5 strategic risk management goals identified in the Strategic Plan is Workforce & Culture. The bureau will be working on strategies to address workplace communication and collaboration, recruitment and retention, and empowered employees.

Equity Plan Alignment/Goals: 42 of the 67 strategies in the Strategic Plan have been identified to have the high potential to advance equity. The bureau's comprehensive Equity Plan identifies outcomes, tasks, and performance measures for these 42 strategies, while incorporating the 2016 Racial Equity Plan, the affirmative action plan, and the ADA transition plan. Additionally, the equity guidelines are in place to ensure Scoping Teams integrate equity considerations as they develop the details for all other strategies.

Equity Impacts

The Planning program recognizes equity impacts in many areas:

- Asset management works to prevent deferred maintenance that could burden future generations. We identify Key Service Levels (KSLs) that have equity considerations and overlay them onto geographic/demographic data to identify areas where service levels may vary by community.
- The bureau recognizes that climate impacts to the water system could disproportionately affect vulnerable populations. We will communicate more with vulnerable communities about climate planning, work with partners to plan for climate-related changes in supply and demand, and continue to reduce carbon emissions of bureau facilities and fleet.
- The bureau's strategic plan development embeds equity throughout its process, identifying both

equity-focused issues within the bureau and equity impacts of every potential plan strategy. The bureau's updated Equity Plan identifies specific equity outcomes for strategies and determines performance measures so we can track and monitor our work over time.

This budget change does not have clear equity impacts.

Changes to Program

This budget includes converting a limited term position to a full time permanent Strategic Plan Program Manager for ongoing program management. It also includes a limited term Strategic Analyst position responsible to collaboratively collecting, analyzing, and managing organization wide data to successfully measure and inform the goals of both the Strategic Plan and Equity Master Plan.

A new full time Analyst I position to be added in Asset Management to assist with asset data compilation and will also assist with analyzing asset data and failure records and conduct risk assessments. Cost-based risk assessment is considered the best-in-class practice in the overall risk management framework.

Program Budget

	FY 2017-18 Actual	FY 2018- 19 Actual	FY 2019-20 Budget	FY 2020-21 Request
Bureau Expenses				
Capital Outlays	-2,588,536	-4,027,576	0	
External Materials and Services	1,303,647	1,384,940	1,825,431	
Internal Materials and Services	-15,103,861	-16,392,474	277,348	
Personnel	4,057,811	4,072,128	5,551,428	
Sum:	-12,330,939	-14,962,983	7,654,207	

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. Main operating costs include staffing, consultant services, and debt management.

Staffing: **20.1 (FTE)** operating and **10.7 (FTE)** capital positions support this program. These positions include engineers, analysts, and financial analysts, among others.

Assets and Liabilities: This program does not include assets.