



# CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Suite 613, Portland, Oregon 97204 ■ Ted Wheeler, Mayor ■ Michael Jordan, Director

Date September 9, 2020

TO: Jessica Kinard, Director  
City Budget Office

FROM: Michael Jordan, Director  
Bureau of Environmental Services

SUBJECT: FY 2020-21 Fall Budget Monitoring Report

Attached please find the Bureau of Environmental Services Budget Monitoring Report for the Fall of FY 2020-21. A high-level summary is included below with additional detail contained in the enclosed submittal.

Overall changes to the Bureau's operating and capital programs require a reduction in contingency of \$18,319,430 to support carryover of funds from the prior fiscal year. The carryover items include:

- \$12.4 million (67.7%) for Portland Building construction costs not completed in the prior fiscal year.
- \$3.3 million (18.2%) for fleet vehicles ordered in the prior fiscal year, but not yet received.
- \$2.6 million (14.1%) for items previously approved and were at varying levels of completion at the end of the previous fiscal year.

Based upon the current economic climate and with a lens geared towards the needs of our customers, the Bureau has positioned itself to fund any new or unforeseen items within existing appropriation and as a result has no new items requiring a draw from contingency in this submittal.

In addition to the carryover items highlighted above, the Bureau requests adjustments to align beginning fund balances across the BES family of funds to citywide financial reports, and to provide adjustments that more appropriately align existing budgeted resources with requirements to allow for better internal tracking.

Please don't hesitate to contact me or BES Financial Planning staff with questions.



# **BUDGET AMENDMENT REQUEST REPORT**



**ES - Bureau of Environmental Services      DP Type      Contingency**

**Request Name: 11035 -Carryover**

**Package Description**

This decision package for carryover reflects items that were previously approved, but incomplete at the end of the prior fiscal year.

**Service Impacts**

Carryover items requested total \$18,319,430 excluding a \$183,738 revenue accrual offset from the prior year. The carryover items include the following:

\$12.4 million (67.7%) for Portland Building construction costs not completed in the prior fiscal year.

\$3.3 million (18.2%) for fleet vehicles ordered in the prior fiscal year, but not yet received.

The remaining \$2.6 million (14.1%) reflects a variety of items including:

\$333,985 for Info-works software contract that was delayed.

\$50,000 for the Pump Station Design manual consultant contract.

\$50,000 for lab instrument purchase.

\$15,000 due to a delay in execution of the contract with Columbia Land Trust for Backyard Habitat stormwater mitigation.

\$45,000 for delayed contract payment for the Sediment Program.

\$25,026 for COVID-related delays for Community Watershed Stewardship Grant Program.

\$13,500 for payment to Metro for the beaver translocation facility design agreement.

\$408,000 for asset condition monitoring consultant contract and software.

\$17,300 for delayed lagoon boat acquisition.

\$500,000 for cleaning of four digesters at the Columbia Boulevard Wastewater Treatment Plant that was scheduled to occur in FY 2019-20 but did not begin due to contract delays and necessary treatment operations.

\$467,500 for force main condition assessment work began in the prior year.

\$25,139 for Parks interagency work not charged in the prior year.

\$110,000 for rate study consultant contract slowed by COVID-19 impacts.

\$90,602 for a portion of the Peninsula Drainage District #1 delayed to the current fiscal year.

\$436,133 for Clean Water Services invoice not processed in the prior fiscal year.

**Equity Impacts**

This decision package reflects previously funded items that went unspent during the FY 2019-20 fiscal year or were delayed due to a variety of circumstances. The equity impacts of items included in this package were previously considered and approved under the bureau's Adopted Budget.

2020-21 FALL Requested Adj	
Capital Outlay	15,799,545
Contingency	-5,735,692
External Materials and Services	2,494,746
Internal Materials and Services	25,139
Contingency	-12,400,000

**F4 - BMP Amendment Request Report (Fall Requested)**

Run Date: 9/9/20

BMP Amendment Request Report

Run Time: 12:44:04 PM

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**2020-21 FALL Requested Adj**

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Charges for Services	183,738
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**ES - Bureau of Environmental Services      DP Type      Contingency**

**Request Name: 11036 -Fund Level Adjustments**

**Package Description**

True up of fund balances from the prior year to align with actuals to be published in the City's Comprehensive Annual Financial Report.

**Service Impacts**

The adjustments contained in this package align beginning fund balances across the BES family of funds to citywide financial reports. Offsetting adjustments are made to the contingency of each fund impacted:

21,774,944 – Sewer System Operating Fund - The fund balance was higher than projected as a result of lower spending due to COVID-19 impacts. Also, the Bureau took a conservative stance and held back transfers to the Construction Fund to allow for the potential of a greater cash need in the Operating Fund due to COVID-19 impacts. Those impacts did not materialize as expected resulting in a higher balance.

\$3,062,172 – Sewer Debt Redemption Fund. Beginning fund balance was higher than estimated due to a budget error in the non-cash interest accrual.

(\$245,591) – Environmental Remediation Fund. The lower balance is due to higher spending in FY 2019-20 as a result of increased activity related to Portland Harbor Superfund.

\$18,051,153 – Sewer Construction Fund. Lower CIP expenditures in FY 2019-20 resulted in higher fund balance than expected.

\$899,167 – Sewer Rate Stabilization Fund. The higher fund balance adjustment was as a result of budgeting conservatively.

**Equity Impacts**

These are budget adjustments to align the current fiscal year estimated balances in line with prior year actual and only impact fund balance and contingency. There is no equity impact.

2020-21 FALL Requested Adj	
Contingency	21,774,944
Contingency	-245,591
Debt Service Reserves	3,062,172
Contingency	18,051,153
Fund Transfers - Expense	12,400,000
Contingency	899,167

2020-21 FALL Requested Adj	
Beginning Fund Balance	21,774,944
Fund Transfers - Revenue	12,400,000
Beginning Fund Balance	-245,591
Beginning Fund Balance	3,062,172
Beginning Fund Balance	18,051,153
Beginning Fund Balance	899,167





**ES - Bureau of Environmental Services      DP Type      Technical Adjustments**

**Request Name: 11037 -Technical Adjustments**

**Package Description**

This package aligns existing budget to current expectations.

**Service Impacts**

The changes in this package reflect internal adjustments and realignments. All increases are offset by a corresponding reduction such that there is no fund level change in appropriation nor draws from contingency. The adjustments move existing appropriation to support bureau transition related changes or aligns the budget to the appropriate general ledger accounts to match actual expenditures.

**Equity Impacts**

The changes contained in this package are in alignment with the equity considerations that developed the adopted budget. These technical adjustments are moving resources to accommodate accounting or transitional changes. There are no changes to equity impacts.

2020-21 FALL Requested Adj	
Capital Outlay	71,000
External Materials and Services	-38,000
Internal Materials and Services	-33,000
Debt Service	-50,000
External Materials and Services	50,000



## **PRIOR YEAR FUND RECONCILIATIONS**



## Prior Year Fund Reconciliation Report

Bureau of Environmental Services

### 600 - Sewer System Operating Fund

<b>EXPENDITURES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Personnel	86,174,736	82,164,109	95.35%
External Materials and Services	82,352,431	74,562,021	90.54%
Internal Materials and Services	50,967,914	47,982,375	94.14%
Capital Outlay	127,114,812	83,290,710	65.52%
Debt Service	4,001,990	4,001,990	100%
Contingency	57,555,113	0	0%
Fund Transfers - Expense	273,770,331	255,974,480	93.5%
Debt Service Reserves	180,000	0	0%
<b>TOTAL EXPENDITURES</b>	<b>682,117,327</b>	<b>547,975,684</b>	<b>80.33%</b>

<b>REVENUES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Licenses & Permits	1,995,000	2,029,443	101.73%
Charges for Services	388,808,600	377,689,790	97.14%
Intergovernmental	180,000	179,642	99.8%
Miscellaneous	4,738,000	2,107,205	44.47%
Fund Transfers - Revenue	206,657,886	183,616,102	88.85%
Interagency Revenue	2,105,827	1,429,141	67.87%
Beginning Fund Balance	77,632,014	0	0%
<b>TOTAL REVENUES</b>	<b>682,117,327</b>	<b>567,051,322</b>	<b>83.13%</b>

### Expenditure Discussion

# Prior Year Fund Reconciliation Report

## Bureau of Environmental Services

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Most revenue and expenditure major object codes were within the 10% variance threshold, except those noted below.

Capital outlay expenditures were 66% of budget due to under-expenditure in capital improvement projects by approximately \$56.3 million (53% of CIP budget), but only by \$20.7 million (75% of budget) if BES's share of the Portland Building Renovation project is excluded. The bureau budgeted \$37 million for the Portland Building to a CIP project, but due to a unique situation, BES's share of the project to date (\$21.7 million) was charged to an operating cost center in order to correctly transfer the asset to BES. Beyond the Portland Building impacts, capital outlay for vehicle and equipment replacements were under-expended by \$3.25 million (58% of budget). It is often the case that the specialized vehicles which BES orders take longer than 12 months to build and deliver. Appropriation is established in the year ordered, but charged in the year it is received, which results in required carryover of prior year budget. For example, FY 2019-2020 Adopted Budget included \$7.3 million of vehicle purchases, with \$4.3 million (58%) of the revised total budget was spent, and over \$3 million was carried over in the Fall BMP.

Regarding capital outlay within the CIP, some of the projects (excluding the Portland Building described above) that make up the \$20.7 million include:

- E10696 NW Thurman St. Sewer Reconstruction (under budget \$3.5 million): coordination with other bureaus and delays in approval of procurement process have delayed the schedule.
- E10941 Hillsdale Crest Rainfall Derived Inflow and Infiltration Rehabilitation (under budget \$3.0 million): approval of contractor have delayed the schedule.
- E10897 Columbia Blvd. Wastewater Treatment Plant (CBWTP) Substation Replacement (under budget \$2.7 million): delays in the large equipment procurement and realignment of the overall schedule have pushed expenditures out.
- E10028 South Tanner Reconstruction (under budget \$2.6 million): put on hold to accommodate other urgent projects, particularly the CBWTP Secondary Treatment Expansion Project (STEP); anticipate restart in FY 2023-24 or FY 2024-25.
- E10804 CBWTP Organic Waste Receiving Facility (under budget by \$2.3 million): delays in design completion have led to pushing out construction date.
- E08656 Beech-Essex Combined Sewer Reconstruction, segment CP-J (under budget by \$2.3 million): put on hold to accommodate other urgent projects, particularly the CBWTP Secondary Treatment Expansion Project (STEP); anticipate restart in FY 2023-24 or FY 2024-25.
- E06072 CBWTP Lagoon (under budget \$2.2 million): on-site conditions were more severe than anticipated so construction was halted; a new project will address the concerns.

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## Revenue Discussion

Miscellaneous revenues were only 44% of budget (\$2.1 million received of a \$4.7 million budget) due mostly to delays in completion of the Renewable Compressed Natural Gas (RCNG) facility for which resulted in the loss of 6 months (\$1.63 million) worth of potential gas sales. In addition, interest on investments were only 66% (-\$682,000) of budget due to lower interest rates received on city funds, and proceeds of the sale of vehicles, lands and equipment came in at \$251,000 out of a budget of \$700,000 (36%) due to fewer auctions held at year end.

Because of CIP under-spending, fund transfer revenues were down by \$23 million or 89% of budget. Typically, transfer revenues would track similar to CIP spending, but because the \$21.7 million in Portland Building Renovation project costs were not charged to a capital project, the CIP appears understated, but the Portland Building renovation costs were still eligible for capital reimbursement transfer.

Interagency revenues ended the year at 69% (-\$677,000) of revised budget, of which over half of the shortfall was in Materials Testing Lab services, as requests for services slowed after the pandemic shutdowns in mid-March.

Although charges for services revenues were within the reporting threshold, they were below budget by about \$11 million (97% of budget). The largest portion of this was in System Development Charge (SDC) revenues, which were down \$6.7 million (76% of budget) as SDC revenues slowed dramatically due to the pandemic shutdowns. Comparatively, Utility Charge revenues were down only \$3.1 million (99.1% of budget) because they were running slightly ahead of plan prior to the pandemic shutdowns. It wasn't until June when the impacts of the pandemic became visible with billings 10% under plan for that month. Revenues in April and May were down 1.6% and 1.3% of plan, respectively.

## Prior Year Fund Reconciliation Report

Bureau of Environmental Services

### 217 - Grants Fund

<b>EXPENDITURES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Personnel	220,164	104,612	47.52%
External Materials and Services	463,400	365,059	78.78%
Internal Materials and Services	475,219	94,457	19.88%
Capital Outlay	2,091,938	1,925,129	92.03%
<b>TOTAL EXPENDITURES</b>	<b>3,250,721</b>	<b>2,489,256</b>	<b>76.58%</b>

<b>REVENUES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Intergovernmental	3,250,721	501,756	15.44%
Miscellaneous	0	-1,253	
<b>TOTAL REVENUES</b>	<b>3,250,721</b>	<b>500,503</b>	<b>15.40%</b>

#### Expenditure Discussion

Personnel expenses in Grants projects were \$115,500 lower than budget (48% of budget) due to no charges made to the citywide FEMA COVID 2020 grant, for which \$100,000 was budgeted.

External materials and services charges were approximately \$98,000 lower than budget due to less than \$10,000 of expenditures on the citywide FEMA COVID 2020 grant, with a budget of \$91,400. Another \$14,500 was underspent (87% of budget) on the FEMA Winter Storm 2015 grant, as work is winding down on this grant.

Internal materials and services charges were less than 20% of budget due an over-budgeting of allocated bureau overhead charges to the FEMA Winter Storm 2015 Emergency grant, with \$450,000 budgeted, but only \$84,000 actually allocated. Excluding these, all other internal materials and services were \$10,000 out of about \$25,000, or 40% of budget.

#### Revenue Discussion

Grant revenues were \$502,000 (15% of budget) and reflect the delay in processing grant reimbursements due to the long review process by the granting agencies (especially the FEMA Winter Storm 2015 Emergency grant) and subsequent submission by the City Grants Office.

Miscellaneous revenues reflect negative interest earnings on the Brownfield Loan grant as work is performed to remediate brownfields but grant proceeds are not received until after a project is deemed complete, thus the sub-fund runs a small negative cash balance in any fiscal year.

## Prior Year Fund Reconciliation Report

Bureau of Environmental Services

### 608 - Environmental Remediation Fund

EXPENDITURES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
Personnel	699,298	667,561	95.46%
External Materials and Services	4,033,893	3,994,542	99.02%
Internal Materials and Services	2,080,174	2,012,614	96.75%
Capital Outlay	0	0	
Debt Service	1,774	1,774	100%
Contingency	5,804,464	0	0%
Fund Transfers - Expense	6,060,582	6,060,582	100%
<b>TOTAL EXPENDITURES</b>	<b>18,680,185</b>	<b>12,737,073</b>	<b>68.18%</b>

REVENUES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
Charges for Services	5,414,200	5,196,875	95.99%
Miscellaneous	188,800	153,413	81.26%
Fund Transfers - Revenue	704	704	100%
Interagency Revenue	414,900	478,908	115.43%
Beginning Fund Balance	12,661,581	0	0%
<b>TOTAL REVENUES</b>	<b>18,680,185</b>	<b>5,829,900</b>	<b>31.21%</b>

#### Expenditure Discussion

This fund includes costs for two main programs, the City's response to the Portland Harbor Superfund listing, and management of the Guilds Lake property, the site of a former municipal incinerator which was purchased and remediated by the City in the 1990's.

Expenditures were all within the reporting threshold for all categories, with the total (including Contingency/CAFR Ending Fund Balance) being 99.0% of the revised budget.

#### Revenue Discussion

Miscellaneous Revenues were 81% of budget (-\$35,400) due to lower than anticipated interest earnings rates for the year.



## Prior Year Fund Reconciliation Report

Bureau of Environmental Services

### 609 - Sewer System Debt Redemption Fund

<b>EXPENDITURES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Debt Service	180,746,591	473,212,449	261.81%
Debt Service Reserves	71,253,409	0	0%
<b>TOTAL EXPENDITURES</b>	<b>252,000,000</b>	<b>473,212,449</b>	<b>187.78%</b>

<b>REVENUES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Bond & Note Proceeds	1,100,000	264,600,279	24,054.57%
Miscellaneous	1,500,000	1,090,012	72.67%
Fund Transfers - Revenue	187,250,000	179,454,149	95.84%
Beginning Fund Balance	62,150,000	0	0%
<b>TOTAL REVENUES</b>	<b>252,000,000</b>	<b>445,144,440</b>	<b>176.64%</b>

#### Expenditure Discussion

Debt Service payments on Sewer revenue bonds, were 262% of budget due to the refunding last fall of the 2010 sewer revenue bonds which added \$310.4 million of non-budgetary expenditures to retire the old debt. Excluding these non-budgetary expenses, debt service payments were 90.1% of budget, with the difference (\$18.0 million) being the savings on the new bond issue.

Debt Service Reserves, required by various outstanding bond issues, ended the year at 48% of budget, as the \$27.9 million cash reserve held for the 2010 bonds was used as part of its refunding.

#### Revenue Discussion

Bureau of Environmental Services

Miscellaneous revenue was 73% of plan due to lower cash balances as a result of the 2019 refunding bonds and lower Treasury interest earnings rates.

## Prior Year Fund Reconciliation Report

Bureau of Environmental Services

### 614 - Sewer System Construction Fund

EXPENDITURES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
Debt Service	2,000,000	424,003	21.2%
Contingency	210,261,212	0	0%
Fund Transfers - Expense	161,000,000	137,993,650	85.71%
<b>TOTAL EXPENDITURES</b>	<b>373,261,212</b>	<b>138,417,653</b>	<b>37.08%</b>

REVENUES	2019-20 Revised Budget	2019-20 Actuals	Percent of Actuals to Revised
Charges for Services	550,000	802,025	145.82%
Bond & Note Proceeds	176,000,000	433,471	0.25%
Miscellaneous	3,100,000	1,622,097	52.33%
Fund Transfers - Revenue	80,000,000	70,000,000	87.5%
Beginning Fund Balance	113,611,212	0	0%
<b>TOTAL REVENUES</b>	<b>373,261,212</b>	<b>72,857,593</b>	<b>19.52%</b>

#### Expenditure Discussion

Debt service expenditures in this fund (which are actually bond issuance costs) were 21% of budget, as the budget anticipated a new money bond sale in the Spring of 2020, but which was delayed until this coming November. The actual costs expended were from the refunding bond sale that happened in December 2019.

Fund transfers expense was 86% of budget due to lower than expected CIP expenditures requiring reimbursement. Excluding the Portland Building Renovation project, which was an unusual situation and treated differently at the guidance of the City's Central Accounting Office, CIP expenditures were 77% of budget.

Contingency (or ending fund balance) ended at only 23% of budget (\$48.5 million), because of the delay of the bond sale from FY 2019-20 into FY 2020-21.

#### Revenue Discussion

Charges for services revenues were approximately \$257,000 higher than budget (146% of budget) due to Line and Branch revenues dependent upon new connections to the City's sewer system. These revenues had been declining in recent years, but this year a few large commercial projects resulted in \$229,000 of the \$257,000 variance.

Bond and note proceeds again reflect the delay of the new money bond sale into FY2020-21, with the only proceeds received coming from the December 2019 refunding to pay issuance costs of that sale.

Miscellaneous revenues were 52% (-\$1.5 million) of budget due to lower cash balances in the fund without the bond sale, and lower interest earnings rates in the market.

Fund transfers revenue were \$10 million lower than budgeted (88% of budget) due to anticipated higher cash needs in the Sewer System Operating Fund that ultimately didn't materialize. The cash transfer must be made early in the June closing process, before all revenues, expenditures and cash balances are known. To be conservative, the transfer was not made up to the full appropriation available.

## Prior Year Fund Reconciliation Report

Bureau of Environmental Services

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### 617 - Sewer System Rate Stabilization Fund

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<b>EXPENDITURES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Contingency	125,817,775	0	0%
Fund Transfers - Expense	44,000,000	44,000,000	100%
<b>TOTAL EXPENDITURES</b>	<b>169,817,775</b>	<b>44,000,000</b>	<b>25.91%</b>

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<b>REVENUES</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Actuals</b>	<b>Percent of Actuals to Revised</b>
Miscellaneous	4,400,000	3,481,392	79.12%
Fund Transfers - Revenue	0	0	
Beginning Fund Balance	165,417,775	0	0%
<b>TOTAL REVENUES</b>	<b>169,817,775</b>	<b>3,481,392</b>	<b>2.05%</b>

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#### Expenditure Discussion

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FY 2019-20 contingency (or ending fund balance) will be \$124.9 million, 99.3% of the revised budget.

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#### Revenue Discussion

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Miscellaneous revenues were approximately \$918,000 less than budget (79%) due to lower interest earnings from lower than budgeted interest rates on City funds. Beginning fund balance was 100% of budget, as it was trued up earlier in the fiscal year.



# **PRIOR YEAR PERFORMANCE MEASURES**



**Bureau Performance Narrative**

The bureau is currently undergoing a thorough examination and update of all performance measures. In FY 2019-20, the bureau added 4 new measures. Though we are facing data limitations from the Bureau of Development Services for one of our new measures, our effort to more accurately reflect the work we do and the way we do it is moving forward. There are a variety of factors that contributed to meeting or exceeding our performance measure targets in FY 2019-20. The bureau generally exceeded performance expectations, but the COVID-19 public health and economic crisis did reduce our ability to serve residents. Contributing factors to our performance measures are sometimes within our control and other times outside of our control. The following are some highlights:

- The COVID-19 crisis heavily impacted our ability to conduct outreach. We exceeded permit requirements for outreach, outreach was far below recent averages. However, we increased our education program activity from the prior year if the COVID-19 pandemic is excluded and exceed our expectations for our newest public engagement measure.
- The crisis also impacted construction schedules. We planted more trees than expected but did not restore as much streambank or repair and replace as much pipe.
- Weather impacts several performance measures. Last year was a dry year, resulting in fewer stormwater flooding events, fewer combined sewer overflow events, and less wastewater processed.
- Our cost to treat wastewater is close to expected based on the combination of low total flows from a dry year (upward pressure on metric) and lower staff availability due to the COVID-19 crisis.
- The bureau continues our strong financial management, exceeding our debt service coverage requirements, meeting construction management cost percentage targets, and falling below our target for the household bill as a percent of median income.

Key Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ES_0028	Number of sanitary sewer overflows	168	187	135	174	135	0	The SSO Strategic Target is 5 SSOs/100 miles of sewer infrastructure. By tracking SSOs per 100 miles of sewer, BES has a succinct metric for gauging overall success toward minimizing SSOs. In FY20, the City owned and operated 2,640 miles of collection system and had 174 SSOs, equating to 6.6 SSOs/100 miles, which is a very slight positive trend over the past 2 years.  "The PAWMAP data on which the Portland Water Quality Index are based are collected with 4-year rotational panel. The index scores are due to be updated again in late 2022/early 2023. The Strategy Group will be discussing the possibility of using a 4-year rolling mean and will try to switch to that approach next fiscal year.
ES_0030	Watershed Health Index for water quality	5.50	5.60	5.90	5.60	5.50	8.00	

Bureau of Environmental Services

Prior Year Performance Reporting

Run Date: 9/14/20

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ES_0031	Number of combined sewer overflow events	OUTCOME	3	1	4	1	4	0	<p>The CSO Strategic Target is 4/year in accordance with the number of Permitted CSOs/winter. Meeting this target is highly dependent on rainfall and weather patterns. System rainfall was below average during FY20. In FY 2019-2020, four storms (three winter and one summer) were large enough to have caused a permitted CSO, however, the system only experienced one overflow.</p> <p>NOTE: Updated FY 2018-19 Actual for final actual 2018 MHI; FY2019-20 updated with new estimated MHI based on actual MHI; FY 2020-21 Q1 Est'd based on new MHI estimate for 2% decrease due to COVID pandemic.</p>
ES_0032	Average single family household bill as a percent of median income	OUTCOME	1.40%	1.39%	1.42%	1.34%	1.38%	0	
ES_0033	Percentage of urgent public health and safety related service requests responded to within two-hour timeframe	EFFICIENCY	96%	95%	90%	98%	90%	0	

Other Performance Measures		Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ES_0001	Maintain the bureaus first lien debt service coverage ratio at 1.5 or greater	OUTPUT	2.63	2.77	2.85	3.39	3.36	0	<p>FY20 Actual figure above FY20 Adopted figure due to add'l RSF transfers in added in Spring BMP.</p>
ES_0002	Amount of time loss, in hours per employee, due to injuries and illnesses	EFFICIENCY	2.40	2.20	2.00	2.54	2.65	3.10	<p>There were 15 OSHA recordable injuries/ illnesses in FY19-20. BES started performing hearing tests for the O&amp;M group.</p>



Bureau of Environmental Services

Prior Year Performance Reporting

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Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details	
ES_0005	Construction management costs as a percentage of total construction costs	EFFICIENCY	14%	10%	12%	12%	12%	12%	Performance Metric was met.
ES_0010	Number of lab analyses performed each year	WORKLOAD	53,340	59,577	60,000	58,026	60,000	0	There are annual variations in total bank feet managed as new projects enter the active phase, and old projects are completed.
ES_0011	Percentage of industrial enforcement tests in full compliance	OUTCOME	99.1%	99.1%	99.0%	98.8%	99.0%	0	FY 19-20 actuals were only 0.2% below the target. This PM typically bounces above and below the target.
ES_0013	Amount of wastewater processed annually (in million gallons)	WORKLOAD	28,901	25,807	29,400	24,236	29,200	0	Less than 25 billion gallons treated qualifies as an exceptionally dry year. For reference, the annual target is based on a 15 year average.
ES_0014	Percentage of biochemical oxygen demand removed	OUTPUT	96.3%	96.0%	85.0%	95.3%	85.0%	0	The target of 85% is mandated by the NPDES permit. The higher removal percentage is due to efforts by wastewater treatment operators and economy of scale.
ES_0021	Maintain bureaus combined first and second lien debt service coverage ratio at 1.3 or greater	OUTPUT	1.51	1.35	1.40	1.66	1.44	1.40	FY20 Actual figure above FY20 Adopted figure due to add'l RSF transfers in added in Spring BMP.
ES_0022	Cost to operate and maintain the treatment plants per million gallons treated	EFFICIENCY	\$677	\$1,071	\$900	\$912	\$860	0	The final \$/MG was negatively impacted by the total flows being so low. However, the final figure would have been higher, but was positively impacted by the COVID-19 emergency (less staff availability to complete work, etc.).
ES_0024	Number of trees planted	OUTPUT	22,795	10,073	12,600	13,088	12,600	0	

Bureau of Environmental Services

Prior Year Performance Reporting

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Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ES_0027	Feet of streambank restored (not cumulative)	22,311	22,340	12,000	5,100	12,000	0	Portfolio of BES vegetation mgmt sites has diversified and focuses on numerous ecosystem services beyond creation of new canopy. BES focused on areas that have been previously restored last year. Tree canopy is one of many options pursued to revitalize streambanks.
ES_0029	Number of stormwater flooding events due to system capacity	60	49	100	38	100	0	Drier than normal rainfall (about 33 inches vs. average 37-40 inches). Heavier storms tended to avoid most of the city during the reporting period.
ES_0035	Number of participants in community events, workshops, stewardship, and restoration events	19,140	27,238	10,000	10,821	10,000	10,000	Likely decrease during COVID. Medium reliability due to inability to capture all attendees for each event.
ES_0036	Number of bureau education programs delivered	431	498	400	295	400	400	Due to Covid-19, in person education programs were suspended on 03/13/2020. Comparing the same time frame to FY19, programming for FY20 was up by 27 programs.
ES_0037	Linear feet of sanitary and combined sewer pipe repaired or replaced to improve condition and capacity	93,006	107,751	57,000	49,081	65,000	0	Fell short of our goal by 7,919.47 feet because Construction's work slowed down due to the Covid-19 (pandemic) emergency.

Bureau of Environmental Services

Prior Year Performance Reporting

Run Date: 9/14/20

Run Time: 11:20:54 AM

Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ES_0038	Percent of dollars awarded to disadvantaged, minority-owned and women-owned(D/M/W) firms in professional services	0	0	0	25.0%	30.0%	30%	<p>Several contracts awarded were price agreements for on-call services. DMW utilization is not included, and therefor not counted, in the award. This skews the summary reporting because the total contracted amount is included in the denominoator, but the % DMWESB is not captured in the numerator. A better metric for future development will be actual % DMWESB utilization on contracts. This metric will be more difficult to calculate but central Procurement, with infastructure bureaus' input, is developing a new dashboard to track actual utilization.</p>

Bureau of Environmental Services

Prior Year Performance Reporting

Run Date: 9/14/20

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Other Performance Measures	Measure Type Name	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Target	FY 2019-20 Actuals	FY 2020-21 Target	Strategic Target	Details
ES_0039	Number of education and engagement activities and events about Portland Harbor Superfund	0	0	0	19	25	22	The Portland Harbor program outcome was higher than projected for the budget due to the collaborative approach we took with community grantees. This approach was determined after the estimated outcome for the budget was submitted. While COVID resulted in the cancellation of in-person meetings and summer events, we continued to engage Portland Harbor community involvement program grantees, their constituents, and other Portlanders disproportionately affected by the Superfund cleanup through virtual meetings, workshops, presentations, and other engagement and educational activities.
ES_0040	Percent of BES building permit reviews that meet the City's turnaround goals for reviewing permits	0	0	0	999,999.0%	95.0%	95%	Dependent on BDS for the data, which has yet to be updated.
ES_0041	Percentage of Level I/Phase I Environmental Assessments completed on time	0	0	0	88.0%	80.0%	90%	

# **CAPITAL PROGRAM STATUS REPORT**



## Capital Program Status Report

### Bureau of Environmental Services

CIP Program Name	2019-20 Adopted Budget	2019-20 Revised Budget	2019-20 Actuals	PY Variance	PY Percent of Actuals to Revised	2020-21 Adopted Budget	2020-21 FALL Requested Total	2020-21 July Actuals	Fall Req. to Adopted Variance	Fall Req. to Adopted % Variance
Citywide Projects	0	0	0	0		500,000	500,000	0	0	0%
Maintenance and Reliability	61,590,000	62,065,000	50,395,700	-11,669,300	81.2%	57,921,000	57,921,000	-289,911.32	0	0%
Preservation & Rehabilitation	37,000,000	37,000,000	1,386,700	-35,613,300	3.75%	0	0	0	0	#DIV/0
Sewage Treatment Systems	57,314,000	53,461,755	37,162,118	-16,299,637	69.51%	71,053,000	71,053,000	-1,600,363.96	0	0%
Surface Water Management	16,341,000	20,266,000	12,005,964	-8,260,036	59.24%	31,613,532	31,613,532	683,596.53	0	0%
Systems Development	5,352,980	5,705,225	8,864,032	3,158,807	155.37%	9,457,000	9,457,000	-483,668.19	0	0%
<b>Sum:</b>	<b>177,597,980</b>	<b>178,497,980</b>	<b>109,814,515</b>	<b>-68,683,465</b>	<b>-38.48%</b>	<b>170,544,532</b>	<b>170,544,532</b>		<b>0</b>	<b>0%</b>

### Prior Year Variance Description

The program explanations below are based on the Bureau's FY 2019-20 expenditure data and describe the primary variances impacting BES CIP spending.

Maintenance & Reliability:

This program resulted in year-end total expenditures of \$50.4 million, 81% of revised budget (-\$11.7 million.) Main drivers of this include:

## Capital Program Status Report

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E10500 Phase 3 Pipe Rehabilitation (under budget \$4.8M): working in new areas and additional scope has resulted in additional data gathering and decisions that have delayed schedule.

E10696 NW Thurman St. Sewer Reconstruction (under budget \$4.8M): coordination with other bureaus and delays in procurement process have delayed the schedule.

E10028 South Tanner Reconstruction (under budget \$4.0M): project put on hold to accommodate other urgent projects, particularly CBWTP Secondary Treatment Expansion; anticipate restarting in FY 2023-24 or FY 2024-25.

E10941 Hillsdale Crest Rain Derived Inflow and Infiltration (RDII) (under budget \$3.8M): delays in contractor approval have delayed the schedule.

### Sewage Treatment:

Year-end results for this program were \$37.2 million, or 70% of revised budget (-\$16.3 million.) Main drivers of this include:

E10897 Columbia Boulevard Wastewater Treatment Plant (CBWTP) Substation Replacement (under budget \$3.2M): delays in the large equipment procurement and overall schedule shift have delayed the project spending.

E10804 CBWTP Organic Waste Receiving Facility (under budget \$2.8M): delays in completion of design have led to a delayed construction date.

E07947 CBWTP Secondary Treatment Expansion Program (under budget \$2.6M): construction schedule delayed as further design and permitting were required.

E06072 CBWTP Lagoon (under budget \$2.1M): site conditions were more severe than anticipated so construction was halted; a new project will address new concerns.

E10582 Tryon Creek Wastewater Treatment Plant (TCWTP) Headworks Improvements (under budget \$1.2M): Tryon Creek projects were placed on hold while the City of Lake Oswego explores feasibility of constructing a new treatment plant nearby; Lake Oswego is currently reviewing Requests for Qualifications from firms proposing a Design-Build-Finance-Operate-Maintain agreement to determine the feasibility of a new treatment plant under Lake Oswego ownership.

E10976 Tryon Creek Interceptor Replacement (under budget \$1.2M): costs for construction were considered too high and risky. A future project is expected to address concerns. Also, Tryon Creek projects placed on hold while the Bureau and City of Lake Oswego jointly determine direction of the treatment plant.

### Surface Water Management:

Year-end results for this program were \$12.0 million, or 59% of revised budget (-\$8.3 million.) Main drivers of this include:

E10563 Columbia Slough Outfalls (under budget \$1.7M): project put on hold to accommodate other urgent projects, particularly CBWTP Secondary Treatment Expansion; anticipate restarting in FY 2023-24 or FY 2024-25.

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## Capital Program Status Report

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E10917 Errol Heights Stormwater LID (under budget \$1.5M): construction delayed due to required design modifications.

E10939 SW Capital Highway Stormwater Improvements (under budget \$1.1M): unsuccessful construction contract negotiation with GM/GC contractor results in need to re-bid the project.

E08782 Watershed Investment Program (Under budget \$0.9M): Delays in the negotiation of anticipated property acquisitions.

Systems Development:

Year-end results for this program were \$8.9 million, or 155% of revised budget (+\$3.2 million.) Main drivers of this include:

E08748 Party Sewers (over budget \$2.6M): project schedules were accelerated to take advantage of construction efficiencies in areas adjacent to budgeted projects.

Preservation & Rehabilitation:

Year-end results for this program were \$1.4 million, or 4% of revised budget (-\$35.6 million.) This program included a single project, the BES's share of the Portland Building Renovation project managed by the City's Facilities Services Fund, with a budget of \$37 million. But due to this unique situation of the bureau purchasing its share of the project, being an Enterprise fund, BES' share of costs up to that point (\$21.7 million) had to be charged to an operating cost center in order to correctly transfer the asset to the bureau. There remained \$1.4 million of costs that did hit BES' project but were subsequently reclassified as an operating expense code within the project.

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### Current Year Variance Description

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