Environmental Services
Requested Budget Summary
FY 2016-17

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Bureau of Environmental Services
March 29, 2016
Bureau Priorities and Perspective

Cornerstone Priorities:

• Reliable service
  • Health and safety
  • Watershed quality
  • Regulatory compliance
• Maintaining and repairing aging infrastructure
• Equity initiatives
• Resilience — preparing for future events
Bureau in Transition

• Combined sewer overflow control (Big Pipe)
• Grey and green innovations
• Transition to new leadership and public oversight
Future Challenges

• Asset inventory and condition assessment
  • Treatment plants
  • Pump stations
  • Stormwater System Plan (SWSP)

• Meeting administrative service expectations
  • OMF/central service resource reductions
  • Equity/recruitment/training/development
  • Transparency

• Proactive regulatory compliance

• Strategic planning
FY 2016-17 Budget Summary

The BES requested budget:

• Addresses immediate needs
  • Maintaining and repairing aging infrastructure
  • Regulatory compliance
  • Emergency preparedness

• Begins to address future challenges
  • Condition assessment and strategic planning
  • Stormwater system improvements
  • Service reliability

• Manages responsibly by requiring a rate increase that is the lowest in over a decade
Environmental Services FY 2016-17
Requested Budget — $473.4 million

- $30.0 million
  Cash Funding of Capital Improvements and Rate Stabilization Transfers

- $112.7 million
  Capital Improvements

- $122.9 million
  Operations and Maintenance (including Portland Harbor Superfund)

- $181.9 million
  Debt Service

- $25.9 million
  GF Central Services, Utility License Fee, Pension Obligation Bonds
5-Year Capital Improvement Program

<table>
<thead>
<tr>
<th>Year</th>
<th>DOLLARS IN MILLIONS</th>
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<tbody>
<tr>
<td>FY 2017</td>
<td>$120 million</td>
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<tr>
<td>FY 2018</td>
<td>$112.5 million</td>
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<tr>
<td>FY 2019</td>
<td>$112.1 million</td>
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<tr>
<td>FY 2020</td>
<td>$110.3 million</td>
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<tr>
<td>FY 2021</td>
<td>$112.6 million</td>
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Legend:
- **Pink**: Systems Development
- **Green**: Surface Water Management
- **Orange**: Sewage Treatment
- **Blue**: Maintenance and Reliability
Fixing aging and failing infrastructure

- A third of the 2,500 miles of public sewer pipes are more than 80 years old
- Nearly 100 pumping stations, many of which will need major upgrades

Capital Program Support (ES_05)
- Adding CIP support for maintenance projects
Operating and maintaining the system

- Requirements to collect and treat increased sewage and stormwater volume has increased assets and equipment
- Increased service expectations have not always been matched by increased resources

Support for Continued Levels of Service (ES_04):
- Treatment plant maintenance and operational staff to match changes in necessary equipment
- Add position to support increased administrative responsibilities
- Convert seasonal Tree Program positions to FTE
- Add position to support hazardous waste management and mitigation
- Restore Water Pollution Control Lab facility and landscape maintenance
- Support for IT mobilization and efficiency
Complying with regulatory requirements

• Significant regulatory requirements continue to apply
• Permittees are more frequently expected to be proactive in determining compliance solutions

Regulatory and Permit Compliance (ES_03):
• Add position to support NPDES permit management
• Resources to meet increased sampling requirements
• Private property retrofits related to regulatory requirements in Columbia Slough
Building a resilient future

• Preparing staff to operate in challenging times
• Ensuring reliable operation of critical system assets

Emergency Preparedness (ES_06)

• Emergency generators for pump stations and critical assets
• Employee emergency kits to facilitate response to system needs in an emergency event
Accommodate General Fund reduction

- 6,600+ street trees planted in FY 2013-14 through FY 2015-16 using GF resources

Tree Program Reduction (ES_07)
- Reduce funding provided by General Fund to Tree Program
Review asset inventory and condition

- The bureau has not invested sufficiently to reliably assess the condition of many assets
- A comprehensive inventory of stormwater system assets will inform future decisions

**Condition Assessment (ES_01)**

- Add Stormwater Planning position to begin SWSP effort
- Private property stormwater work to aid SWSP
- Add positions to develop and manage asset condition program for treatment plants and pump stations
- Flow meters, digester gas piping and outfall system improvements to monitor need for future repairs/investment
Prepare the bureau for future success

• Bureau strategic plan expires and the bureau will develop a new plan in FY 2016-17
• Work has already begun to identify system weaknesses and future priorities

Strategic Planning (ES_02)
• Add capital planning and asset management position to accommodate asset growth
• Improve contract support for SWSP
• Add position to accommodate long-term management of bureau-wide data systems
2016–2017 Requested Average Residential Monthly Bill

$34.15
Prior CIP Debt Service Payments (Principal + Interest)

$24.05
Sewer/Stormwater System Operations And Maintenance

$7.70
Current CIP Debt Service and CIP Cash Contribution

$4.03
OTHER:
Rate Stabilization and Fund Balances (-$1.09)
Utility License Fees and GF Central Services ($4.52)
Portland Harbor Superfund ($0.60)

$69.93
SEWER/STORMWATER/SUPERFUND
Typical Single-family Residential Water and Sewer/Stormwater Monthly Bill

Current Bill: $99.21
- Water: $31.61
- Sewer/Stormwater: $67.60

Proposed Bill: $103.76
- Water: $33.83
- Sewer/Stormwater: $69.93

Combined requested rate increase of 4.59%