




Mingus Mapps, Commissioner
Gabriel Solmer, Director

1120 SW Fifth Avenue, Room 405
Portland, Oregon 97204-1926
Information: 503-823-7404
portlandoregon.gov/water



Date: September 7, 2022
To: Jessica Kinard, City Budget Office
From: Gabriel Solmer, Director 
Subject: Executive Summary for the FY 2022-23 Fall BMP

Enclosed is the Portland Water Bureau's FY 2022-23 Fall BMP Report that includes the status of the funds. The following is a summary of the Bureau's requests for the Fall BMP:

- **Cash Transfers**
 - Adjust cash transfers between Water Division funds for capital revenue received in the prior year that will be transferred to the Construction Fund and capital expenditures incurred in the prior year that will be transferred to the Operating Fund.
- **Carryover of Funds**
 - Carryover funds received from the General Fund for Mt. Tabor Historic Preservation Project in the amount of \$240,542.
 - Carryover funds received from the General Fund for installation of solar panels at Groundwater Pump Station in the amount of \$55,640.
 - Carryover funds received from the General Fund for the removal of ADA barriers identified in the 2014 Citywide Transition Plan in the amount of \$409,065.
- **Technical Adjustments**
 - Move Bonded Debt Retirement principal and interest budgets to the correct accounts.
- **Interagency Adjustments**
 - Revenue - New interagency with Portland Fire & Rescue for \$36,768 for lease of a designated space on the eastern half of the building located at 12350 SE Powell Blvd, Portland, OR 97236.
 - Revenue - New interagency with BES for \$77,300 for ongoing costs and \$52,830 for one-time costs to configure Cayenta to automate special tax assessments for delinquent sewer only (sewer & stormwater user charges) utility accounts.
 - Expenditure - New interagency with PBOT for funding in the amount of \$62,500 for Water's portion of an Infrastructure Development Services Manager who will lead and supervise the four infrastructure development review managers (each of these managers all supervise development teams in their respective bureaus – Water, BES, PBOT and Parks)
- **CIP Adjustments**
 - Reduce the CIP by \$9.7 million based on updated construction schedules and cash flow estimates.

There were no prior year Budget Notes. If you have any questions regarding this report, please contact Elizabeth Hilt at x3-7531.

Attachments
Water Bureau BMP report

c. Cecelia Huynh, Finance & Support Services Director
Anthony Locke, CBO Budget Analyst,
Portland Utility Board (PUB)

Please contact us for translation or interpretation, or for accommodations for people with disabilities.
More information · Más información · Дополнительная информация · Thêm thông tin · 欲了解更多信息
Mai multe informații · Macluumaad dheeri ah · Подробности · Tichikin Poraus · अधिक सूचना

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

WA - Portland Water Bureau

DP Type

Technical Adjustments & True-ups

Request Name: 14368 -Interagency Adjustments

Package Description

- Revenue - New interagency with Portland Fire & Rescue for \$36,768 for lease of a designated space on the eastern half of the building located at 12350 SE Powell Blvd, Portland, OR 97236.
- Revenue - New interagency with BES for \$77,300 for ongoing costs and \$52,830 for one-time costs to configure Cayenta to automate special tax assessments for delinquent sewer only (sewer & stormwater user charges) utility accounts.

Service Impacts

N/A

Equity Impacts

N/A

2022-23 FALL Requested Adj		
Expense	Contingency	\$166,898
	Internal Materials and Services	\$0
Expense	Sum:	\$166,898

2022-23 FALL Requested Adj		
Revenue	Interagency Revenue	\$166,898
Revenue	Sum:	\$166,898

WA - Portland Water Bureau

DP Type

Technical Adjustments & True-ups

Request Name: 14369 -CIP Adjustments

Package Description

Reduce the CIP by \$9.7 million based on updated construction schedules and cash flow estimates.

Service Impacts

N/A

Equity Impacts

N/A

2022-23 FALL Requested Adj

Expense	Capital Outlay	(\$9,650,000)
	Contingency	\$9,650,000
Expense	Sum:	\$0

WA - Portland Water Bureau

DP Type

Technical Adjustments & True-ups

Request Name: 14370 -Technical Adjustments

Package Description

Move Bonded Debt Retirement principal and interest budgets to the correct accounts.

Service Impacts

N/A

Equity Impacts

N/A

2022-23 FALL Requested Adj		
Expense	Debt Service	\$0
Expense	Sum:	\$0

Expense	Debt Service	\$0
Expense	Sum:	\$0

WA - Portland Water Bureau

DP Type

Technical Adjustments & True-ups

Request Name: 14455 -Cash Transfers

Package Description

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

Service Impacts

N/A

Equity Impacts

N/A

2022-23 FALL Requested Adj		
Expense	Contingency	(\$5,822,673)
	Ending Fund Balance	\$5,822,673
	Fund Transfers - Expense	(\$1,707,917)
Expense	Sum:	(\$1,707,917)

2022-23 FALL Requested Adj		
Revenue	Fund Transfers - Revenue	(\$1,707,917)
Revenue	Sum:	(\$1,707,917)

WA - Portland Water Bureau

DP Type

Technical Adjustments & True-ups

Request Name: 14532 -Water Bureau: Infrastructure Development Services Manager

Package Description

PBOT is requesting funding in the amount of \$250,000 for an Infrastructure Development Services Manager who will lead and supervise the four infrastructure development review managers (each of these managers all supervise development teams in their respective bureaus – Water, BES, PBOT and Parks - \$62,500 each)

Service Impacts

NA

Equity Impacts

NA

2022-23 FALL Requested Adj		
Expense	Contingency	(\$62,500)
	Internal Materials and Services	\$62,500
Expense	Sum:	\$0

Expense	Contingency	(\$62,500)
	Internal Materials and Services	\$62,500
Expense	Sum:	\$0

WA - Portland Water Bureau

DP Type

Technical Adjustments & True-ups

Request Name: 14538 -Carryover of Funds

Package Description

a. Mt. Tabor Historic Preservation Project:

Resolution No. 37146 was adopted by City Council on July 15, 2015 to maintain, repair, and preserve the Mount Tabor Reservoirs following disconnection. The Water Bureau would be given \$4.0 million for the maintenance, repair, and preservation work identified in the 2009 Mt. Tabor Reservoirs Historic Structures Report. As of FY 2021-22, \$3,509,458 had been spent of the \$3.75 million transferred from the General Fund. This request is to carry over the unspent General Fund amount of \$240,542 from FY 2021-22.

b. Solar at Groundwater Pumpstation

Carryover \$55,640 from the General Fund that was unspent in FY 2021-22 due to the roof replacement that must be completed prior to installation of the solar panels.

c. ADA Barrier Removal at Hydroparks

The 2014 Citywide Transition Plan identified 580 barriers at the bureau's facilities accessed by the public. The FY 2021-22 Adopted budget included funding of \$410,718 to be provided by the General Fund for the removal of ADA barriers identified in the plan except Dodge Park. As of FY 2021-22, \$1,653 had been spent. This request is to carry over \$409,065 of the unspent funds.

Service Impacts

NA

Equity Impacts

NA

2022-23 FALL Requested Adj		
Expense	Contingency	(\$705,247)
	External Materials and Services	\$705,247
Expense	Sum:	\$0

Prior Year Fund Reconciliation Report

Portland Water Bureau

217 - Grants Fund

EXPENDITURES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Personnel	51,000	39,368	77.19%
External Materials and Services	2,669,000	2,599,958	97.41%
Internal Materials and Services	4,605	45,676	991.87%
TOTAL EXPENDITURES	2,724,605	2,685,002	98.55%

REVENUES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Intergovernmental	2,724,605	2,709,799	99.46%
TOTAL REVENUES	2,724,605	2,709,799	99.46%

Expenditure Discussion

Personnel - \$11,632 variance due to lower than expected labor allocation.

Internal Materials and Services - \$41,071 variance driven by higher Capital Overhead than expected.

Revenue Discussion

Other Notes

Prior Year Fund Reconciliation Report

Portland Water Bureau

601 - Hydroelectric Power Operating Fund

EXPENDITURES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Personnel	426,563	361,772	84.81%
External Materials and Services	2,707,300	2,470,559	91.26%
Internal Materials and Services	299,234	284,689	95.14%
Debt Service	32,749	32,749	100%
Contingency	293,544	0	0%
Fund Transfers - Expense	93,746	93,746	100%
TOTAL EXPENDITURES	3,853,136	3,243,514	84.18%

REVENUES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Miscellaneous	3,277,895	3,515,831	107.26%
Interagency Revenue	175,000	163,546	93.45%
Beginning Fund Balance	400,241	0	0%
TOTAL REVENUES	3,853,136	3,679,376	95.49%

Expenditure Discussion

Personnel- \$64,791 savings from less than expected charges from Engineering staff for dam safety work.

Revenue Discussion

Other Notes

Prior Year Fund Reconciliation Report

Portland Water Bureau

602 - Water Fund

EXPENDITURES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Personnel	88,841,351	81,997,498	92.3%
External Materials and Services	41,734,138	35,872,682	85.96%
Internal Materials and Services	23,694,167	22,965,676	96.93%
Capital Outlay	77,816,864	73,791,857	94.83%
Debt Service	5,227,568	4,828,159	92.36%
Contingency	253,314,164	0	0%
Fund Transfers - Expense	102,997,259	99,840,145	96.93%
TOTAL EXPENDITURES	593,625,511	319,296,017	53.79%

REVENUES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Charges for Services	223,280,126	219,288,041	98.21%
Intergovernmental	605,000	618,767	102.28%
Miscellaneous	1,822,018	3,071,170	168.56%
Fund Transfers - Revenue	200,938,018	128,223,894	63.81%
Interagency Revenue	4,663,671	3,910,269	83.85%
Beginning Fund Balance	162,316,678	0	0%
TOTAL REVENUES	593,625,511	355,112,142	59.82%

Expenditure Discussion

External Materials and Services: The \$5.9 million total underspend is driven by \$4.8 million of operating expense underspend and \$1.1 million of capital project underspend. The operating expense savings are primarily driven by professional services, miscellaneous services and utility license fees. The capital project underspend is driven by project timeline shifts of budgeted capital projects.

Revenue Discussion

Miscellaneous- \$1.2 million above plan is driven by \$1.0 million gain on sale of assets and \$0.5 million earnings on interest offset by (\$0.3) million new central accounting software recording of rent on cell tower leases.

Fund Transfers - Revenue- \$72.7 million below plan is driven by capital spending being less than planned with timing and shifting of capital projects.

Interagency Revenue - \$0.8 million less than plan driven by less than expected capital projects billed.

Other Notes

Prior Year Fund Reconciliation Report

Portland Water Bureau

612 - Water Bond Sinking Fund

EXPENDITURES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Debt Service	60,311,402	112,095,244	185.86%
Debt Service Reserves	26,511,500	0	0%
TOTAL EXPENDITURES	86,822,902	112,095,244	129.11%

REVENUES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Bond & Note Proceeds	7,179,000	48,573,697	676.61%
Miscellaneous	129,883	102,990	79.29%
Fund Transfers - Revenue	60,181,519	58,890,701	97.86%
Beginning Fund Balance	19,332,500	0	0%
TOTAL REVENUES	86,822,902	107,567,389	123.89%

Expenditure Discussion

Debt Service- \$51.8 million variance due to the retirement of the 2012A bonds.

Revenue Discussion

Bond & Note Proceeds- \$41.4 million variance due to \$48.6 million 2022 Bond Refunding proceeds.

Miscellaneous- \$26.9 million variance due to lower than expected interest earnings on investments.

Other Notes

Prior Year Fund Reconciliation Report

Portland Water Bureau

615 - Water Construction Fund

EXPENDITURES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Contingency	106,908,828	0	0%
Fund Transfers - Expense	199,322,782	126,833,658	63.63%
Ending Fund Balance	41,065,657	0	0%
TOTAL EXPENDITURES	347,297,267	126,833,658	36.52%

REVENUES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Charges for Services	3,250,000	5,784,751	177.99%
Bond & Note Proceeds	153,126,000	380,870	0.25%
Miscellaneous	229,223	779,030	339.86%
Fund Transfers - Revenue	36,288,521	34,442,215	94.91%
Beginning Fund Balance	154,403,523	0	0%
TOTAL REVENUES	347,297,267	41,386,866	11.92%

Expenditure Discussion

Fund Transfers- Expense: \$72.5 million below plan driven by less than expected capital spending from project timeline shifts of planned capital projects.

Revenue Discussion

Charges for Services: The \$2.5 million above plan is driven by higher than expected system development charges.

Bond & Note Proceeds- \$152.7 million below plan is driven by delay in bond sale until Fall FY 2022-23. Further, \$0.4 million of actuals from a bond refunding were used for debt issuance costs.

Miscellaneous- \$0.5 million increase driven by higher interest on investments.

Other Notes

Prior Year Fund Reconciliation Report

Portland Water Bureau

618 - Hydroelectric Power Renewal Replacement Fund

EXPENDITURES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Contingency	111,457	0	0%
TOTAL EXPENDITURES	111,457	0	0.00%

REVENUES	2021-22 Revised Budget	2021-22 Actuals	Percent of Actuals to Revised
Beginning Fund Balance	111,457	0	0%
TOTAL REVENUES	111,457	0	0.00%

Expenditure Discussion

There was no activity in this fund during FY 2021-22

Revenue Discussion

There was no activity in this fund during FY 2021-22

Other Notes

Bureau Performance Narrative

The Portland Water Bureau continues to report positive results in the Key Performance Measures. The measures are aimed at reporting how well the bureau upholds the values of honoring our responsibility to comply with state and federal drinking water quality and environmental standards, and maintaining high standards in managing the bureau finances.

The bureau has not made changes to performance measures in the last year, but is currently working on aligning performance measures to the Strategic Plan, Equity Plan, and Asset Management Plan. This endeavor is in its early stages. Although the bureau has done well at maintaining the level of service during the ongoing pandemic, vacancies continue to be difficult to fill, hindering the bureau's ability to complete special projects in addition to delivering water and maintaining the system.

Key Performance Measures	Measure Type Name	FY 2019-20 Actuals	FY 2020-21 Actuals	FY 2021-22 Target	FY 2021-22 Actuals	FY 2022-23 Target	Strategic Target	Details
WA_0058 Number of violations of state and federal drinking water quality regulations	OUTCOME	0	0	0	0	0	0	We are fortunate to have 2 high quality sources of water and the bureau works hard to ensure we meet all state and federal drinking water regulations.
WA_0059 Number of violations of state and federal environmental regulations	OUTCOME	0	0	0	0	0	0	No violatons
WA_0115 Maintain the current rating for Water first lien revenue bonds	OUTCOME	0	100%	100%	100%	0	100%	No variation to target or historical trends.

Other Performance Measures	Measure Type Name	FY 2019-20 Actuals	FY 2020-21 Actuals	FY 2021-22 Target	FY 2021-22 Actuals	FY 2022-23 Target	Strategic Target	Details
WA_0041 Amount of power sold to Portland General Electric in megawatt hours	OUTPUT	76,344	70,952	86,600	95,007	0	84,800	
WA_0047 Percentage of projects completed within three months of the current planned date.	EFFICIENCY	20%	67%	80%	38%	0	80%	
WA_0048 Percentage of current budgeted Capital Improvement Plan expended	EFFICIENCY	66%	83%	100%	90%	0	100%	
WA_0051 Percentage of calls answered within 60 seconds	EFFICIENCY	66%	79%	80%	70%	0	80%	
WA_0077 Percentage of city's water supply provided by Bull Run watershed under normal operating conditions	OUTPUT	92.50%	98.80%	100.00%	95.00%	0	100.00%	

Portland Water Bureau
 Prior Year Performance Reporting

Run Date: 9/6/22
 Run Time: 11:49:28 AM

Other Performance Measures	Measure Type Name	FY 2019-20 Actuals	FY 2020-21 Actuals	FY 2021-22 Target	FY 2021-22 Actuals	FY 2022-23 Target	Strategic Target	Details
WA_0091 Days total reservoir storage is above 6.9 billion gallons (the reservoirs' baseline storage threshold)	OUTPUT	366	365	365	365	0	365	
WA_0092 Days Bull Run supply is available, excluding regulatory compliance events (such as turbidity events that exceed regulatory limits)	OUTPUT	366	365	365	365	0	365	
WA_0093 Number of unplanned conduit outages	OUTCOME	0	0	0	1	0	0	
WA_0094 Number of unplanned transmission outages.	OUTCOME	0	0	0	0	0	0	
WA_0095 Work orders the Maintenance and Construction group completes each year	WORKLOAD	3,700	3,855	4,000	3,890	0	4,000	
WA_0096 Percent of fountains operational	WORKLOAD	89%	93%	95%	98%	0	95%	
WA_0097 Groundwater capacity for 60 days of well use	OUTPUT	90	80	73	62	0	73	
WA_0098 Percentage of hydrants in service at any point	OUTCOME	100.0000%	99.8000%	99.5000%	99.8100%	0	99.5000%	
WA_0100 Days any pump station in service does not meet system demand (lower number is better)	OUTCOME	0	0	0	1	0	0	
WA_0101 Service line incidents that cause water users to not have service for more than 12 hours (lower number is better)	OUTCOME	0	0	0	0	0	0	
WA_0102 Percent of services installed more than 15 days for residential and 60 days for commercials after the permit was issued (lower number is better)	EFFICIENCY	92.0%	89.0%	90.0%	90.0%	0	90%	
WA_0103 Maintain minimum daily water level in reservoirs that are in use	OUTCOME	69.00%	99.40%	60.00%	60.20%	0	60.00%	
WA_0104 Number of valves exercised/operated	OUTPUT	430	245	750	712	0	750	
WA_0106 Number of main leaks and breaks per 100 miles per year.	OUTCOME	5.70	7.70	9.00	7.10	0	9.00	Main leaks & breaks remained low throughout most months of the year

Portland Water Bureau
 Prior Year Performance Reporting

Run Date: 9/6/22
 Run Time: 11:49:28 AM

Other Performance Measures	Measure Type Name	FY 2019-20 Actuals	FY 2020-21 Actuals	FY 2021-22 Target	FY 2021-22 Actuals	FY 2022-23 Target	Strategic Target	Details
WA_0107 Percentage of community members who, in a statistically significant survey, say they have "good" or "very good" awareness of the services the bureau provides	OUTCOME	54%	89%	75%	89%	0	75%	
WA_0108 Percentage of employees reporting that they are "engaged" or "fully engaged" in their work (in employee survey done every other year)	OUTCOME	N/A	73%	78%	73%	0	78%	
WA_0109 Number of City of Portland Nuisance Activity violations (lower number is better)	OUTCOME	0	0	0	0	0	0	
WA_0110 Security incidents resulting in damage to facilities or harm to employees (reflects incidents logged in the Security budget program)	OUTCOME	3	5	6	6	4	6	
WA_0111 Compliance with meeting benchmarks of Water Management and Conservation Plan	OUTCOME	74%	95%	100%	100%	0	100%	
WA_0112 Percentage of files sent to records for archiving are filed in accordance with State of Oregon and City of Portland retention rules.	OUTCOME	100%	100%	100%	100%	100%	100%	16 records boxes processed for Archival storage and/or digitization for electronic records management system.
WA_0113 Percentage of Billed Revenue Collected	OUTCOME	98.9%	97.4%	98.0%	100.0%	0	98%	
WA_0114 Number of Assistance Program Information Events	OUTCOME	0	20	10	12	0	10	Our outreach and communications representatives attended six in-person and at six virtual workshops to promote financial assistance, water efficiency and water quality information.
WA_099 Percentage of meters tested each year for accuracy 6+ inch meters and meters with consumption over 1000 CCF/month	OUTPUT	50.70%	94.80%	90.00%	98.50%	90.00%	90.00%	

Capital Program Status Report

Water Bureau

CIP Program Name	2021-22 Adopted Budget	2021-22 Revised Budget	2021-22 Actuals	PY Variance	PY Percent of Actuals to Revised	2022-23 Adopted Budget	2022-23 FALL Requested Total	2022-23 July Actuals	Fall Req. to Adopted Variance	Fall Req. to Adopted % Variance
Customer Service	\$115,000	\$115,000	\$0	(\$115,000)		\$567,000	\$567,000	\$0	\$0	0%
Distribution	\$73,481,946	\$39,620,946	\$33,435,319	(\$6,185,627)	84.39%	\$88,159,000	\$77,859,000	\$419,092	(\$10,300,000)	-13.23%
Regulatory Compliance	\$200,000	\$150,000	\$47,152	(\$102,848)	31.43%	\$110,000	\$110,000	\$0	\$0	0%
Supply	\$5,383,675	\$3,980,675	\$3,123,527	(\$857,148)	78.47%	\$5,239,000	\$5,889,000	(\$12,620)	\$650,000	11.04%
Support	\$7,285,120	\$4,209,120	\$1,810,547	(\$2,398,573)	43.01%	\$5,670,000	\$5,670,000	\$73,564	\$0	0%
Transmission/Terminal Storage	\$30,661,664	\$29,711,664	\$28,418,870	(\$1,292,794)	95.65%	\$34,144,000	\$34,144,000	(\$606,711)	\$0	0%
Treatment	\$38,697,941	\$36,642,571	\$35,993,690	(\$648,881)	98.23%	\$19,348,000	\$19,348,000	\$125,976	\$0	0%
Sum:	\$155,825,346	\$114,429,976	\$102,829,105	(\$11,600,871)	-10.14%	\$153,237,000	\$143,587,000	(\$699)	(\$9,650,000)	-6.72%

Prior Year Variance Description

Portland Water Bureau

Overall CIP expenses are underreported by about \$0.4 million. This is due to including IA cost transfers that appear as credits against project expenditures. The total actual project spending for FY 2021-2022 is \$103.26 million, 90.3% of the revised CIP budget.

Customer Service: No small or emergency projects were needed in the program.

Distribution: Willamette River Crossing project schedule revised the timing of the cash flow. Expected delivery of project materials were delayed.

Regulatory Compliance: Work to maintain conservation easements was less than budgeted.

Supply: The Groundwater Pump Station Roof replacement was delayed by the wet spring and material delivery delays.

Support: Planned spending for non-CIP PTE for Conduit Inspection were delayed due to COVID.

In Total: Expensed work included

Capital Program Status Report

Current Year Variance Description

Distribution: Additional exploration has been performed and a revised construction method and alignment for the Willamette River Crossing have been proposed. Construction may proceed in the latter half of the fiscal year.
