



CITY OF BEND

# Utility Operations Funds

**Mike Buettner, Utility Director**

**Ryan Oster, Engineering & Infrastructure Planning Director**

May 22, 2023

# Utility Department

**Water, Water Reclamation, Stormwater and Utility Laboratory Funds**

# About the Utility Department



120 Full Time Employees (FTE)



**WATER FUND**  
\$125.8 million



**WATER RECLAMATION FUND**  
\$196.5 million



**STORMWATER FUND**  
\$29.2 million



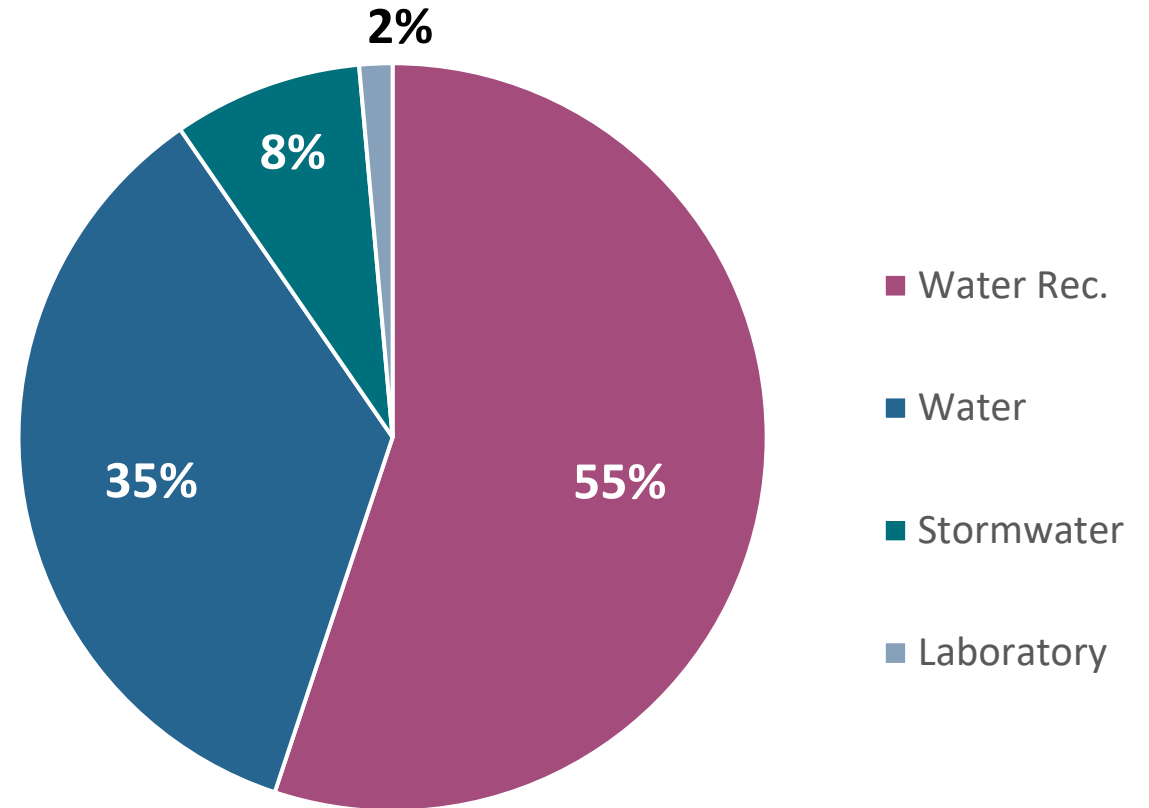
**UTILITY LABORATORY FUND**  
\$5.1 million



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\$356.6 Million Biennial Budget

3 Utilities • 2 Treatment Plants • 4 Service Areas • 17 Programs



# Key Budget Drivers

## Environment & Climate Are Top Priority

- Revised Environmental Protection Agency Lead and Copper Rules
- Water Conservation Program and drought measures
- Water reuse and resource recovery

## Ripple Effects of the Pandemic

- Electricity
- Consumables and chemicals
- Inflation and supply chain

## Keeping Utility Rates Low

- 3.5% overall increase
- Delayed capital purchases and projects



# Council Goal: Environment & Climate

## Watershed protection through conservation and water stewardship

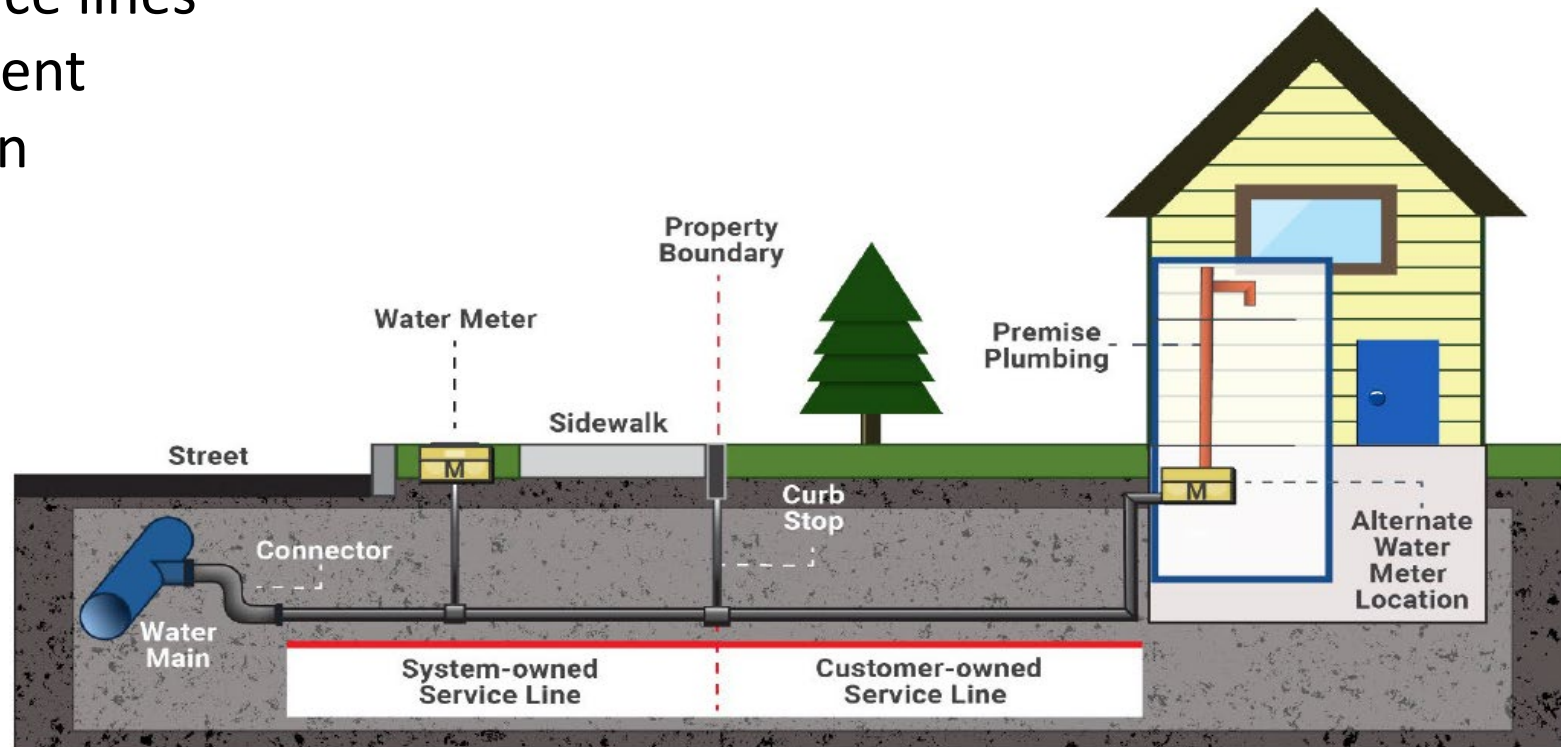
- Implement conservation goals in the Water Management and Conservation Plan
- Continue participation in the Deschutes Basin Water Collaborative
- Promote long-term water supply resiliency through water reuse and resource recovery

**Budget impacts:** Additional budget proposed for Water Resources Program



# Water Quality - Revised Lead and Copper Rule

- Lead service line inventory
- Physical inspections
- Public and private service lines
- Potential line replacement
- Outreach and education



# Water Quality – PFAS\*: The Forever Chemical

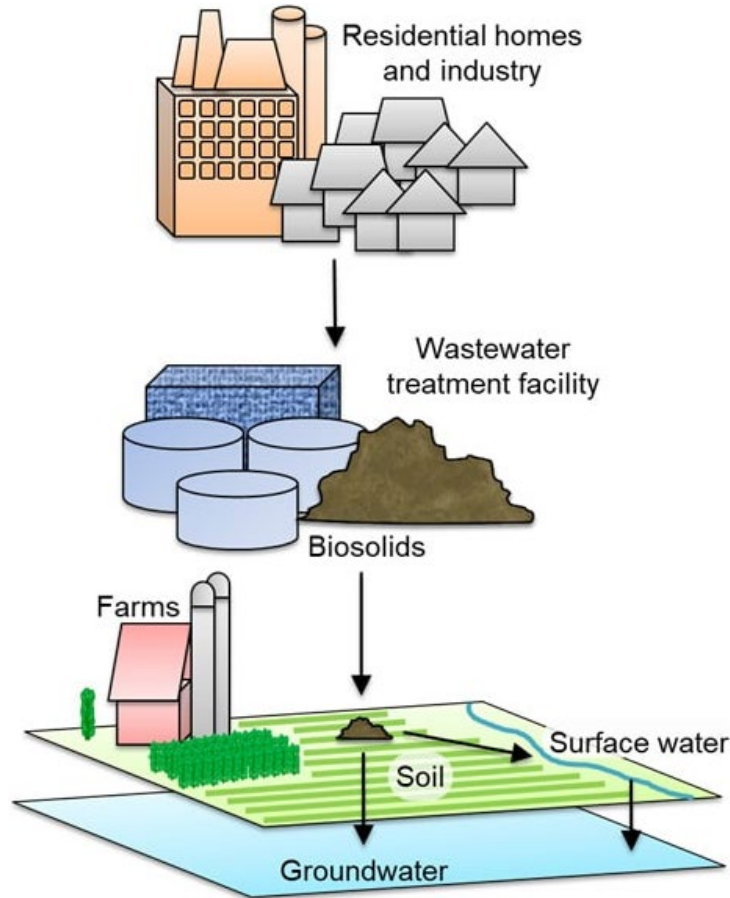


Image: Diana Oviedo-Vargas, Ph.D., Stroud Water Research Center

## What we know today

- PFAS can be highly toxic
- Lack of utility-specific data related to PFAS
- High degree of regulatory uncertainty

## Unregulated Contaminant Monitoring Rule

- Every five years
- EPA requirements to test for new contaminants
- Testing for PFAS in 2023 - 2025
- No detection in Bend's water source (2014)

\*Per- and Polyfluorinated Substances

# Questions?



# Engineering and Infrastructure Planning Department

Capital Improvement Program - Utilities

# About the Engineering Department



32 Full Time Employees (FTE)



**WATER**  
\$37 million



**STORMWATER**  
\$8 million



**WATER RECLAMATION**  
\$48 million

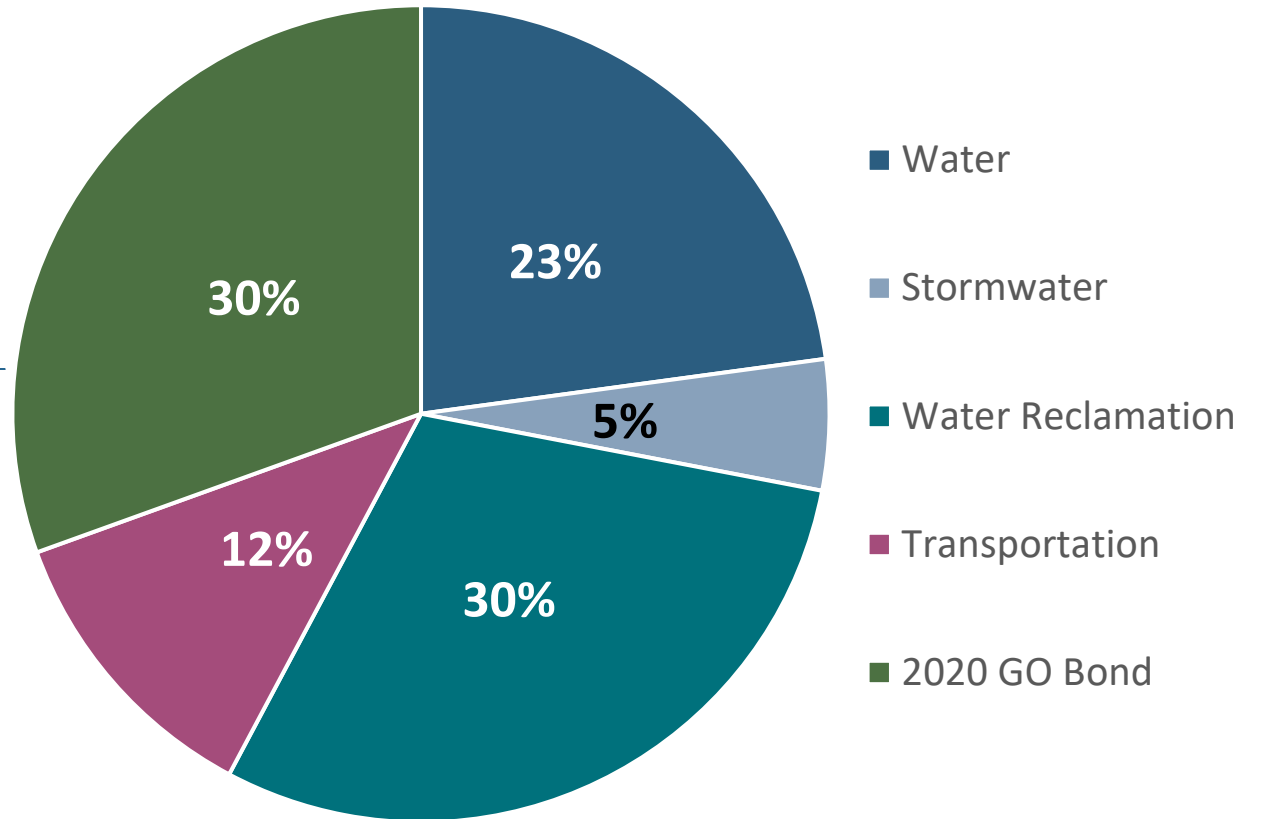


**TRANSPORTATION**  
\$19 million



**GENERAL OBLIGATION BOND**  
\$49 million

\$161 Million Biennial Budget



CITY OF BEND

# CAPITAL IMPROVEMENT PROGRAM (CIP) LAYOUT AND NAVIGATION\*

City of Bend, Oregon  
2021-2023 Proposed Biennial Budget

## Capital Improvement Program

### Overview

The Capital Improvement Program (CIP) identifies infrastructure improvement projects for the next five years. The CIP is updated annually and is coordinated with the City's long-term financial plan. The 5-year CIP is updated annually and is coordinated with the City's long-term financial plan.

The City continues to refine its CIP process as a means to enhance management decisions. Construction, repair, replacement and addition projects are considered as departments developed lists of proposed projects. The City also looks at both staffing resources needed to complete the projects and financial impacts to utility rates along with available funds to pay for projects.

A number of CIP projects were identified for funding in the 2022-2026 CIP. The CIP is a complex, multi-year project involving improvements to stormwater and transportation infrastructure. Examples of these projects include Corridor Improvements, Wilson Avenue Corridor Improvements, Murphey & Purcell Intersection, Ansbey Butte Distribution and Outback Facility. The City of Bend looks for opportunities to align multiple projects to achieve economic impacts to the community.

This CIP includes projects in the Water, Water Reclamation, Stormwater Accessibility Construction, 2020 General Obligation Bond, BURA, Crossing, and Airport Funds as well as the Facilities Management division - City Wide Administration.

The Capital Improvement Program process provides the City with a process and timing of capital projects, thus allowing enhanced communication. The CIP provides sound financial planning and management.

- Preserve existing publicly owned property and infrastructure.
- Provide new facilities and infrastructure to accommodate an orderly community consistent with Statewide Planning Goals.
- Enhance livability within the community.

The 2022-2026 CIP is an integral part of the overall City financial plan. It shows total estimated cost of the project, the annual budgeted costs and is a budget document.

### Water Capital Budget

The City is nearing completion on an update to the Water System Master Plan over the next five years in system improvements to the surface system and repair and replacement improvements to reservoirs, ground water and security. The proposed budget includes \$6.5 million in projects.

City of Bend, Oregon  
2021-2023 Proposed Biennial Budget

Water Fund Five Year Capital Improvement Program (CIP) Schedule						
Code	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total
1RFGU Franklin & Greenwood Underpass	\$ -	\$ -	\$ 145,000	\$ -	\$ -	\$ 145,000
Water Reclamation	\$ 2,263,000	\$ 794,000	\$ -	\$ -	\$ -	\$ 3,057,000
Water Reclamation	\$ 315,000	\$ -	\$ -	\$ -	\$ -	\$ 315,000
Water Reclamation	\$ 59,000	\$ -	\$ -	\$ -	\$ -	\$ 59,000
Water Reclamation	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000
Water Reclamation	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Water Reclamation	\$ 1,045,000	\$ 5,937,000	\$ 3,312,000	\$ -	\$ -	\$ 10,294,000
Water Reclamation	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 1,500,000
Water Reclamation	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Water Reclamation	\$ 3,450,000	\$ 3,450,000	\$ 4,000,000	\$ -	\$ -	\$ 10,900,000
Water Reclamation	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000
Water Reclamation	\$ -	\$ -	\$ 300,000	\$ 400,000	\$ -	\$ 700,000
Water Reclamation	\$ -	\$ -	\$ 1,480,000	\$ -	\$ -	\$ 1,480,000
Water Reclamation	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 100,000
Water Reclamation	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Water Reclamation	\$ 7,827,000	\$ 10,999,000	\$ 16,307,000	\$ -	\$ -	\$ 35,133,000

\*The City's cost estimate classification system is based on standards developed by the AACE International Recommended

Estimate Class	Purpose	Project Definition Level	Cost Estimate
Class 1	Concept or Feasibility	Expressed as % of completion definition.	±30% or less
Class 2	Preliminary Engineering	1% to 15%	±30% to ±25%
Class 3	Design	15% to 40%	±20% to ±15%
Class 4	Design	40% to 75%	±15% to ±10%
Class 5	Final Design	75% to 100%	±10% to ±5%
Class 6	Not Applicable	Not Applicable	Not Applicable



Engineering & Infrastructure Planning Department  
Capital Improvement Program Project Summary  
2022 - 2026 CIP | 2021 - 2023 Biennial Budget

## 1RFGU Franklin & Greenwood Underpass

Fund: Water  
Project Manager: Unassigned  
Project Status: Pending  
Project Ph: Est. Start Date: Oct 2023, Est. End Date: D

City of Bend, Oregon  
2021-2023 Proposed Biennial Budget

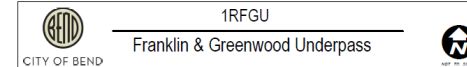
**Description & Background**  
Construction of surface water swales to reduce the volume of water entering the un capacity storm drains and a pump station to move water from the underpass to an off-and an infiltration swale to retain and infiltrate stormwater.

**Need/Justification**  
Both Franklin Ave and Greenwood Ave are vital east-west corridors providing access to the west side. The underpasses close during moderate rainfall events blocking all of the underpasses create a barrier for emergency vehicles and the general public as a public safety hazard and burden upon the City Staff to respond.

Financial Summary	
Total Project Spending by Fund	Consequence of Delaying or
Accessibility Construction	\$ - Higher potential for system over
Transportation Construction	\$ - capacities in other areas in
Water	\$ \$145,000 increased project costs due to
Water Reclamation	\$ -
Stormwater	\$ \$3,750,000
2020 General Obligation Bond	\$ -
Other (see below)	\$ -
Impact on Operating Budget:	None

Method of Financing: Synergy projects partially funded by Stormwater, Water Reclamation, Accessibility Construction, 2020 General Obligation Bond and/or Transportation Construction

Project Lifecycle Spending Projection					
PRIOR	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
\$ -	\$ -	\$ -	\$ -	\$ 145,000	\$ 750,000
Total Project Cost Estimate:					



## Project Map

## Table of Contents

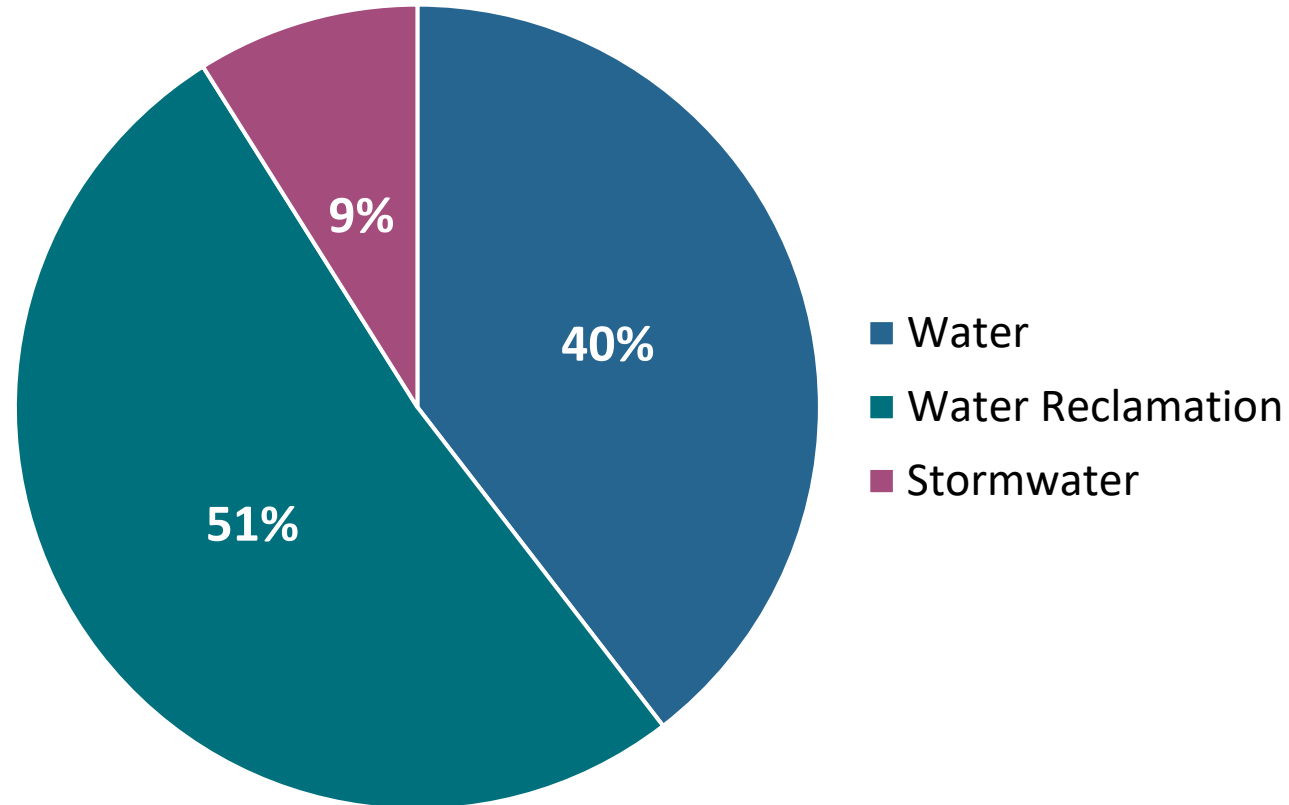
## Program CIPs

## Project Summary

\*starting on page 403 in the budget book

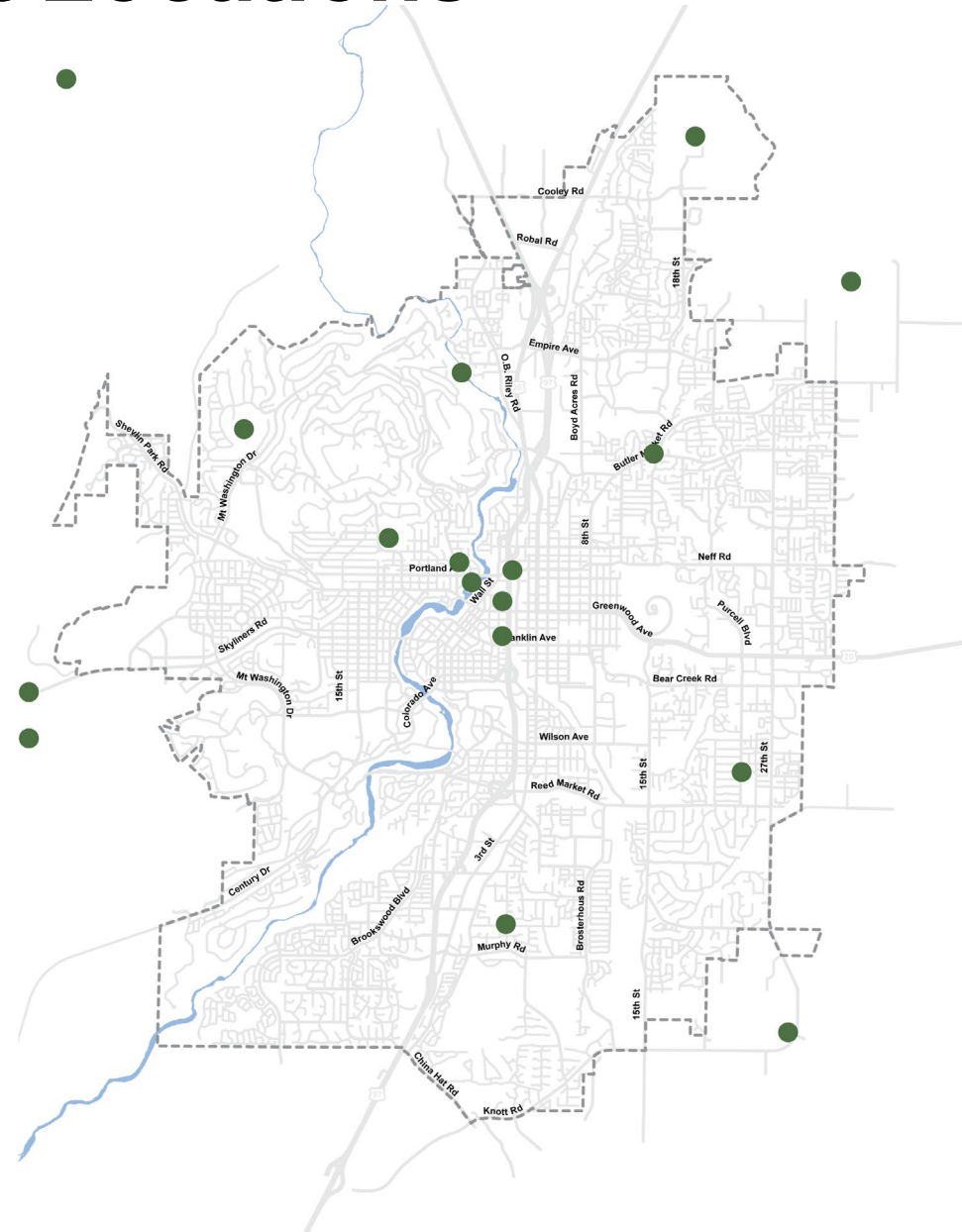
# Proposed Capital Expenditures - Utilities

Approximately \$93M



# 23-25 Utility CIP Project Locations

Franklin and Greenwood  
Awbrey Butte Distribution  
Outback Expansion  
Outback Facility Plan  
Fire Rock Bridge Removal  
In-Conduit Hydro  
Stormwater Master Plan  
SE Area Lift Station  
Pettigrew and Bayou  
Silver Sage  
WRF Primary Clarifier  
Awbrey Glen and Westside  
Butler Market and Wells Acres  
Olney Bike and Pedestrian  
Talus Sewer Trunk Line  
Collection System Master Plan  
Water Reclamation Facility Plan



# Questions?

# Community and Economic Development Department

# About CEDD



**120 Full Time Employees (FTE)**



**BUILDING FUND**  
\$28.6 million



**PLANNING FUND**  
\$12.5 million



**ENGINEERING FUND**  
\$12.2 million



**GROWTH MANAGEMENT**  
\$4.5 million

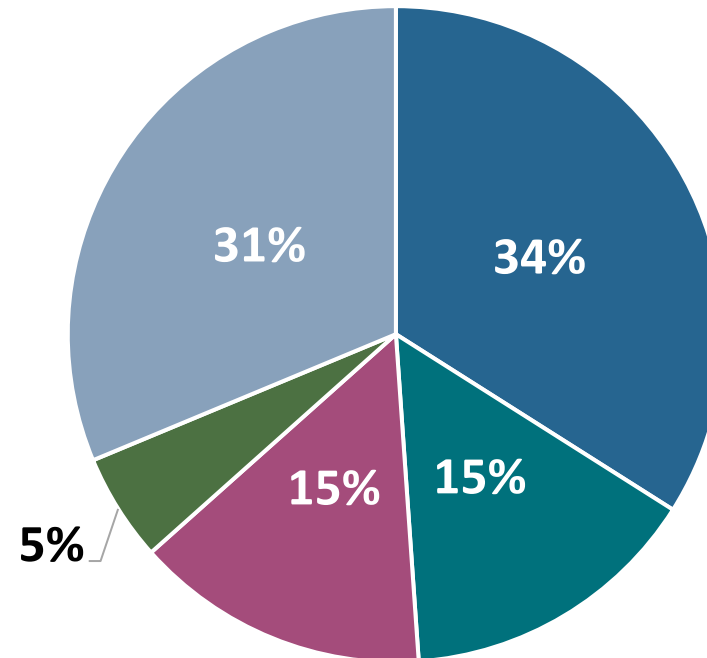


**OTHER PROGRAMS**  
\$26.3 million



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## \$84.1 Million Biennial Budget Funding by Program



■ Building Safety

■ Planning

■ Engineering

■ Growth Management

■ Other Programs



# Key Budget Drivers

## Cost of Providing Service Has Increased

- Personnel – department and Citywide

## 3 Out of The Last 5 years Have Had no Fee Increases

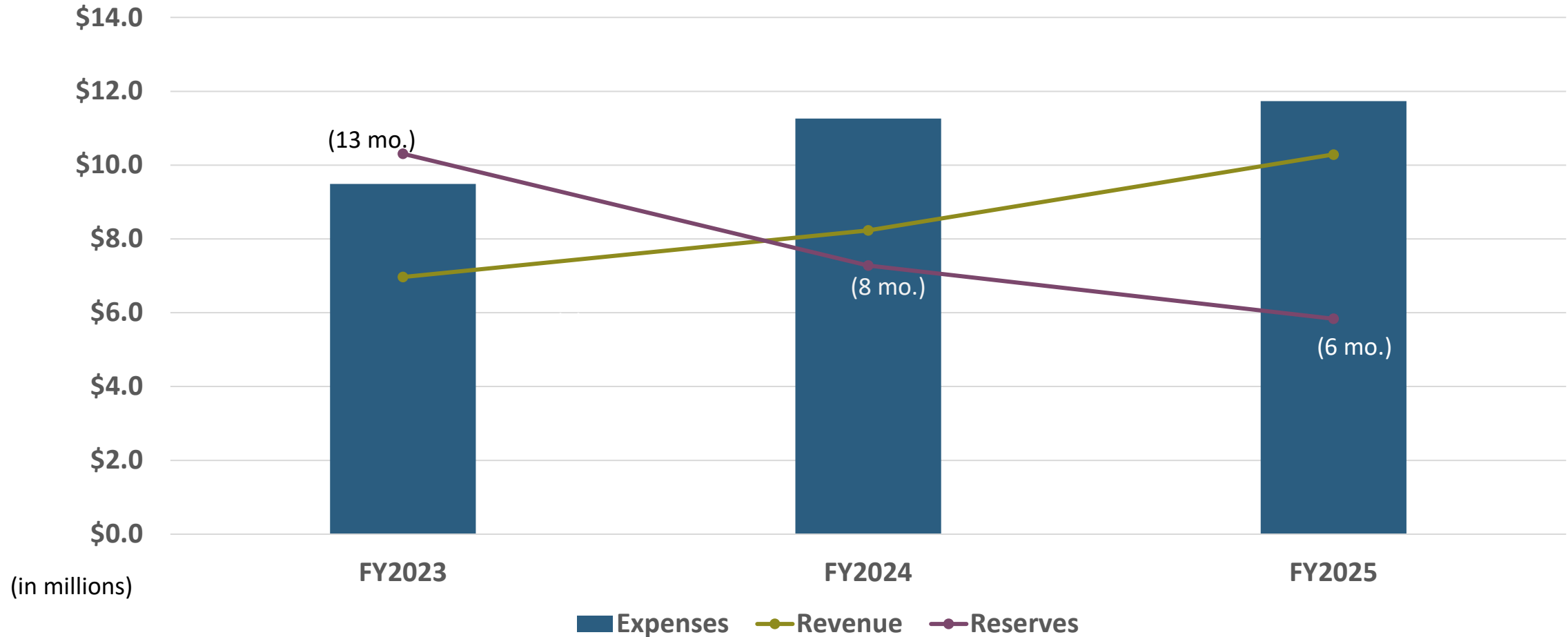
- Minimal fee increases over the last five years
- Reserves covered the difference between revenues and expenses, but they are depleting

## Not a Want, But a Need

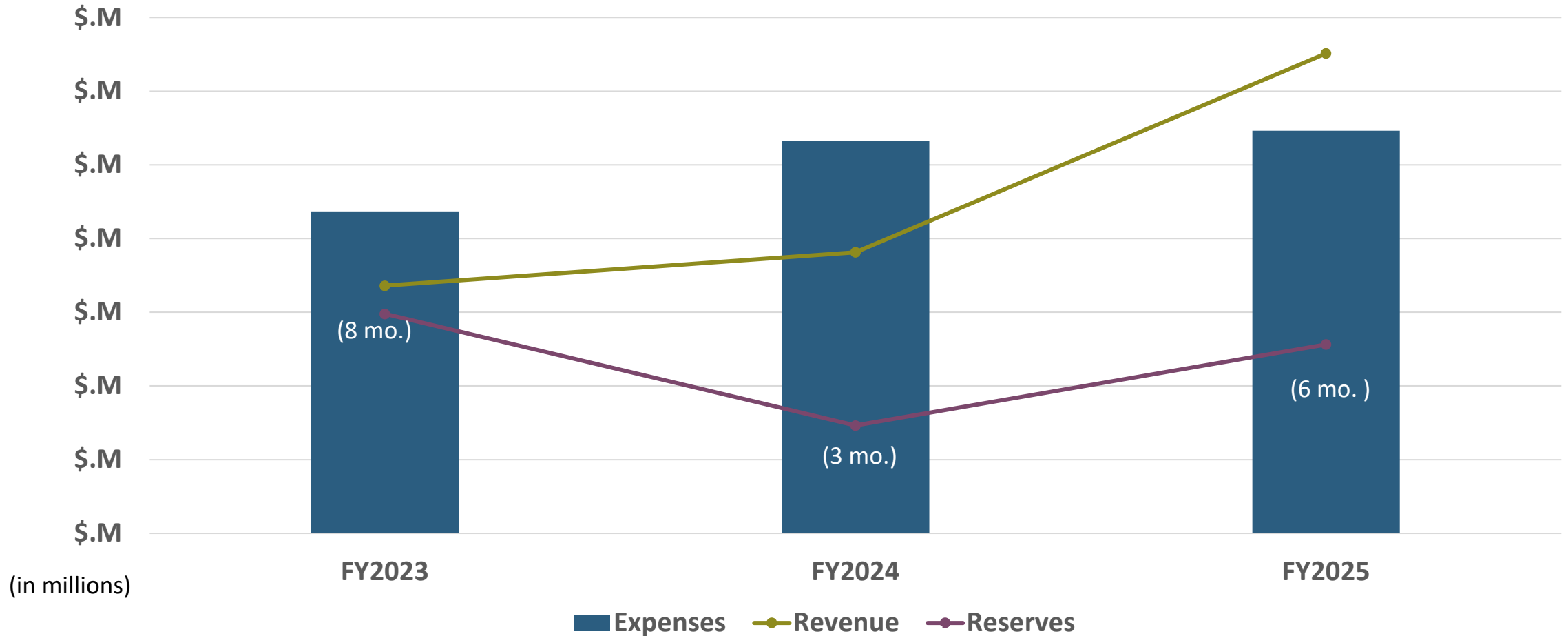
- Maintain existing staff levels in Building, Planning and Engineering



# Building Safety – 6 Months Reserves by FY25



# Planning – 6 Months Reserves by FY25



(in millions)

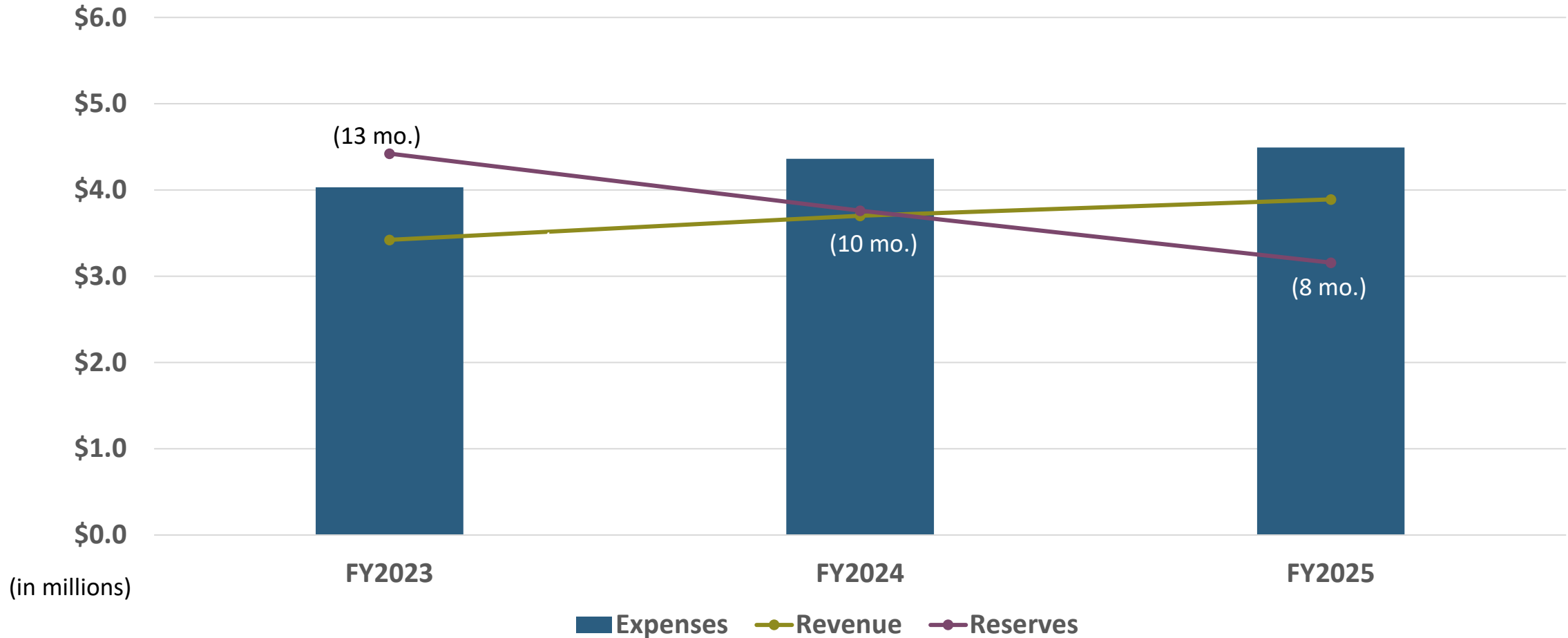
FY2023

FY2024

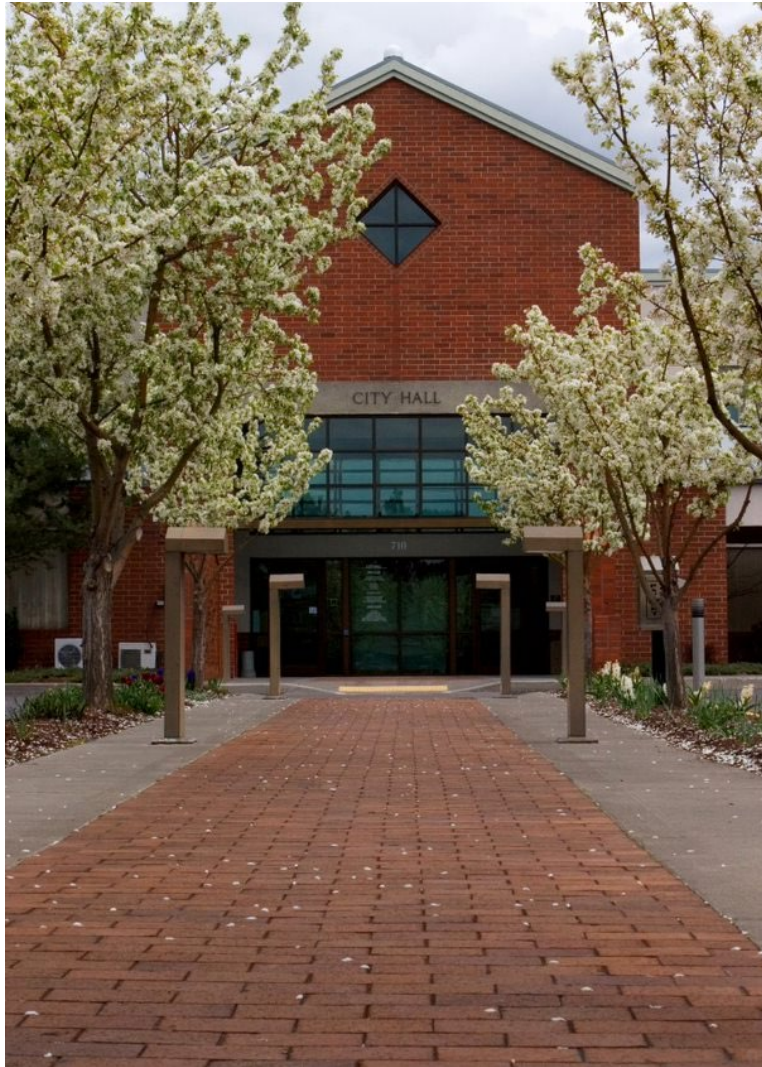
FY2025

■ Expenses    ● Revenue    ● Reserves

# Engineering – Maintain 8 Months of Reserves



# Goals: Permit Review



## Streamline Permitting Processes

- Prescreen process
- Create review tracks based on complexity
- Pre- and post-permit consultation
- Residential Master Reissue Program

## Accountability for Turnaround Times

- Public reporting and monitoring of established turnaround times
- Continuous improvement of permitting process to meet or exceed timeline expectations





# Goals: Growth Management

## Funding

- Long Range Planning surcharge (4%)
- General Fund
- Transportation

## Goals

- Stevens Road Urban Growth Boundary Expansion
- Update Growth Plan
  - Climate Friendly and Equitable Communities (CFEC) rules
  - Economic Opportunities Analysis
  - Housing Capacity Analysis



# Goals: Tax Increment Finance (TIF) Districts



## Strategic Investment in the Core Area

- Business Assistance
- Development Assistance
- Infrastructure Development



## Update Murphy Crossing Plan Prioritize:

- Infrastructure (US 97)
- Housing Development



## Leverage City-owned Land in Juniper Ridge

- Employment Center
- Infrastructure Development
- Housing Development

# Questions?





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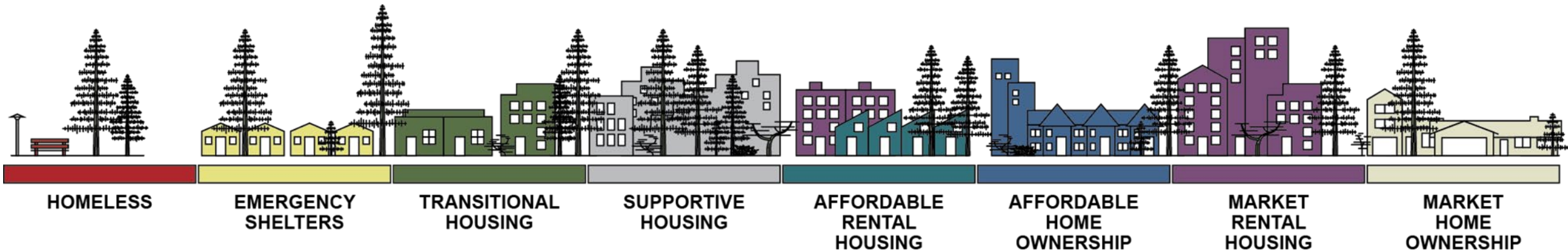
# **Housing Department Budget**

**Lynne McConnell, Housing Director**

May 22, 2023

# Affordability

The City of Bend's Housing Department budget supports housing affordability for all members of our community.



# About Housing



8 Full Time Employees (FTE)



**COMMUNITY DEVELOPMENT  
BLOCK GRANT (CDBG) FUND**  
\$2.1 million



**AFFORDABLE HOUSING FUND**  
\$4.3 million



**COMMERICAL & INDUSTRIAL  
CONSTRUCTION TAX (CICT)**  
\$1.3 million



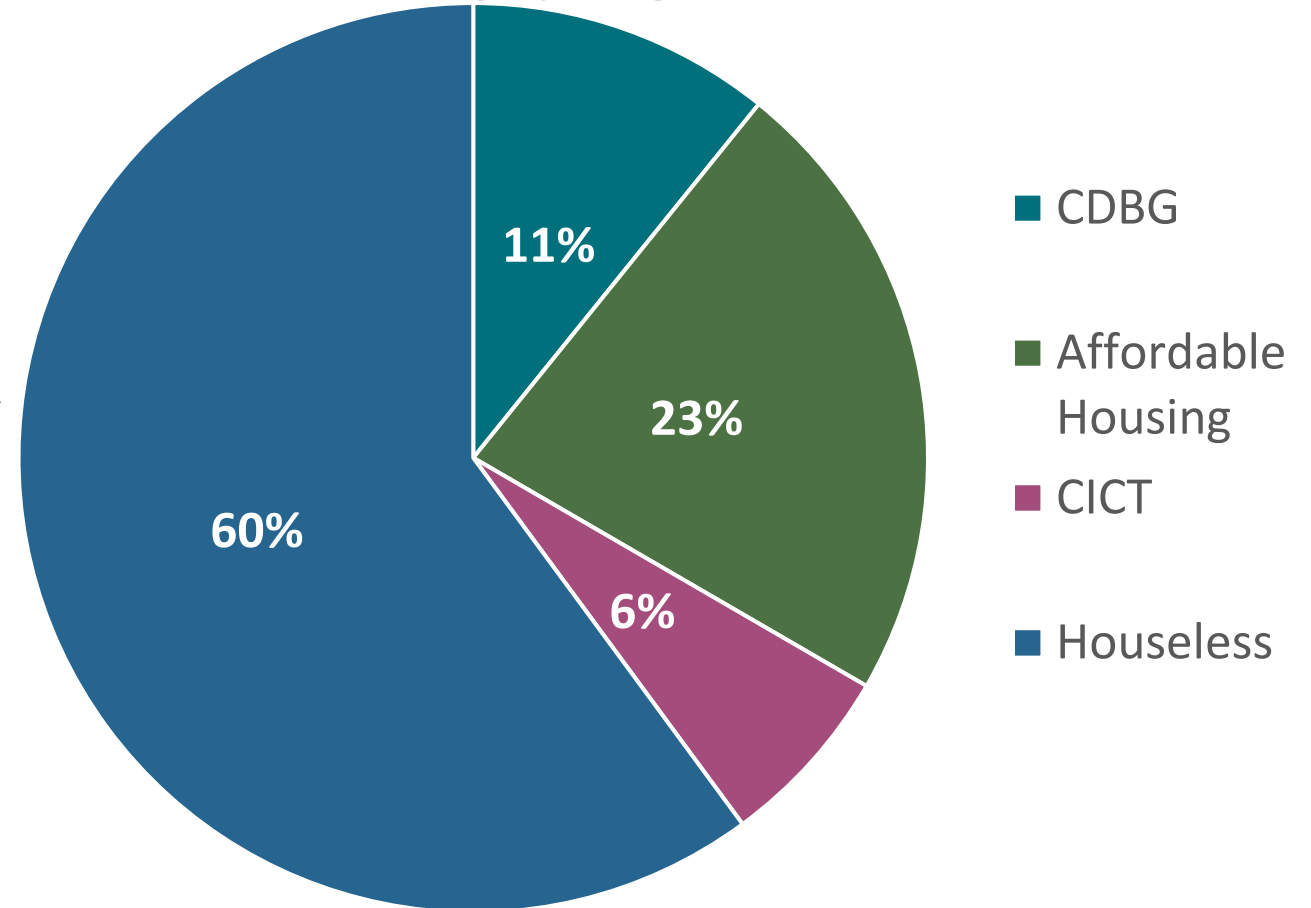
**HOUSELESS FUND**  
\$11.5 million



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\$19.2 Million Biennial Budget

Funding by Program



# Key Budget Drivers

## Cost of providing service has increased

- Personnel – department and Citywide

## Council Goals are Ambitious

- Council added a shelter program and middle-income program last biennium without dedicated, sustainable revenue

## External Factors

- Exceptional market pressures from lack of supply and escalating interest rates have caused staff to make conservative revenue projections based on stable permit activity and limited loan repayments
- Growth in program direct result of community needs

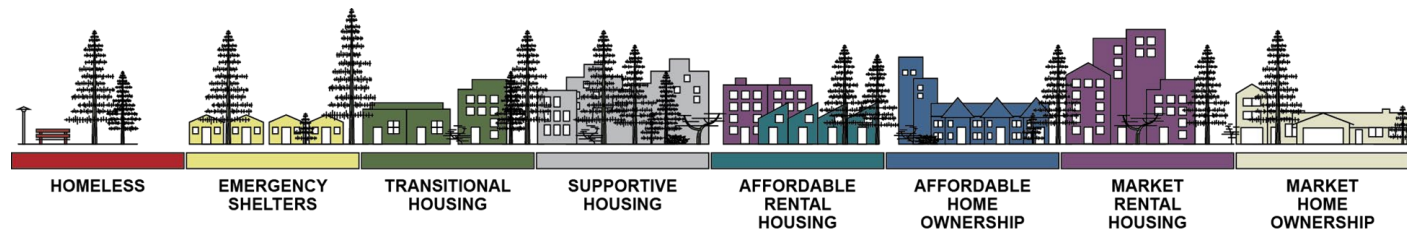


# Affordable Housing Fee

## By The Numbers

- \$4.3M budget
- Served 268 households with rental, ownership, and transitional housing last biennium
- 1:5 leverage ratio

## Housing Spectrum Served:



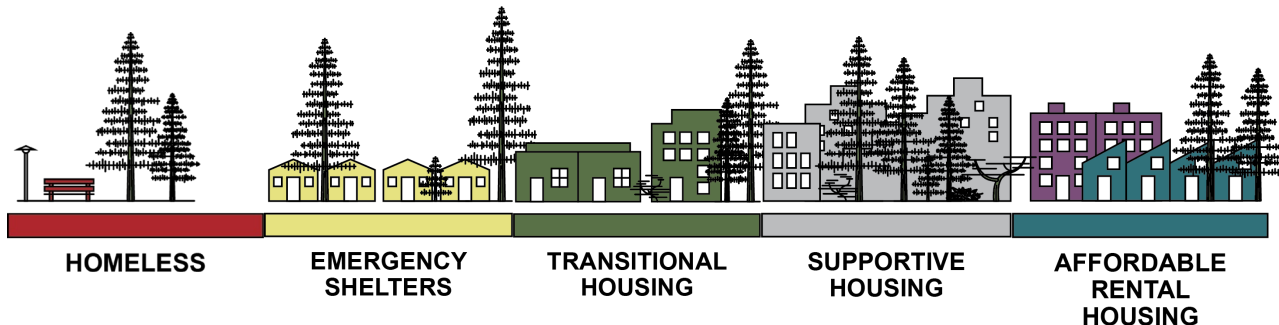


# Construction Excise Tax / Commercial and Industrial Construction Tax

## By The Numbers

- \$1.3M budget based on increase to 1.2%
- Fund created in 2020
- First funding awards approved March 2023
- 2023 awards expected to serve 17,804 low-income Bend residents

## Housing Spectrum Served:

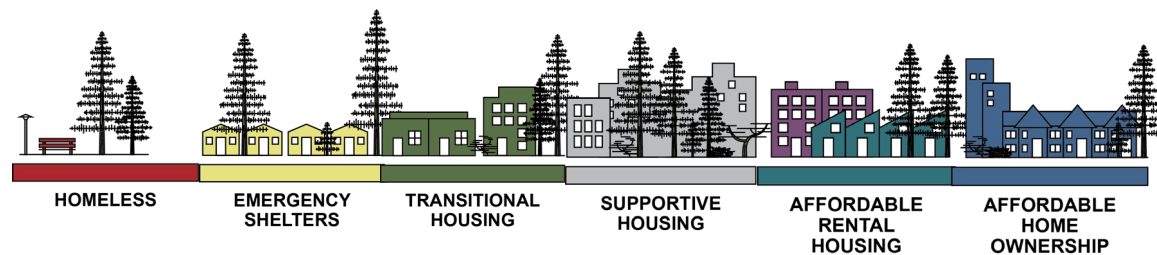


# Community Development Block Grant

## By The Numbers

- \$2.1M budget
- Direct allocation from federal government
- Supported 6,851 low- and moderate-income Bend households last biennium
- 1:9 leverage ratio

## Housing Spectrum Served:





# Houselessness Fund

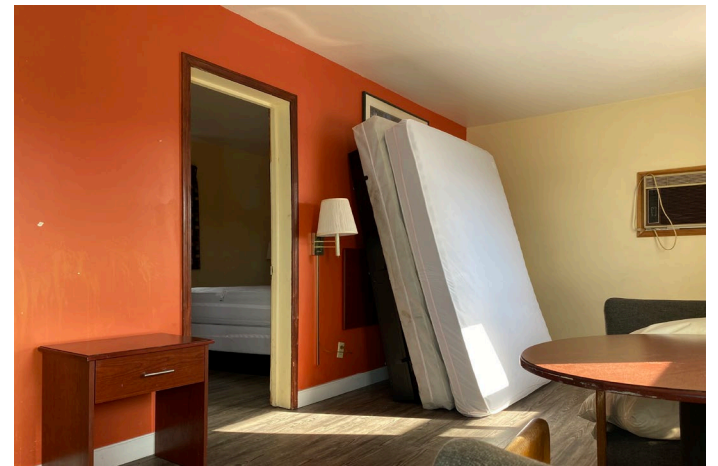
## By The Numbers

- \$11.5M budget
- Program created in 2020
- Fund created in 2022
- 128 shelter beds created
- 6 safe parking sites
- 1 outdoor shelter village
- Over 40,000 shelter nights provided last biennium

## Housing Spectrum Served:



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# Questions?

# Accommodation Information for People with Disabilities



To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact Sharon Wojda at [swojda@bendoregon.gov](mailto:swojda@bendoregon.gov) or (541) 388-5505; Relay Users Dial 7-1-1.