



CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Nick Fish, Commissioner ■ Michael Jordan, Director

DATE: March 21, 2018

TO: Portland City Council
Auditor Mary Hull Caballero

FROM: Mike Jordan, Director
Dawn Uchiyama, Assistant Director

CC: Council Clerk

SUBJECT: Accept Report About Bureau of Environmental Services Ten-Year Strategic Plan

Attached is a report on the completion of the Bureau of Environmental Services' ten-year strategic plan including:

- A review of what was learned through the external stakeholder engagement process;
- An overview of the plan's strategic framework, including the goals and strategic initiatives;
- A discussion of the plan's link to the Bureau's annual budget.

This strategic plan is the culmination of an 18-month planning process by BES leadership, employees, and external stakeholders. The plan sets a strategic direction for the Bureau for the next 10 years, during which time it will focus and guide the Bureau's work and provide a structure for evaluating and improving service delivery for all Portlanders. Throughout the planning process, our goal was to develop a Strategic Plan that truly responds to the needs of our community, employees, and city, while guiding improvements throughout the Bureau. This strategic plan will guide the Bureau's budget and priorities in the coming years, and set BES on the path to becoming a fully sustainable utility in the next 10 years.

Our 10-Year Vision

The Bureau of Environmental Services is a mission-driven, high-performance organization, leading the City in preserving and restoring the health of Portland's watersheds.

As the City's wastewater and stormwater utility, we serve more than 625,000 customers every day. In 2017, we took the opportunity to look forward and envision the future of BES. As a bureau, we created a 10-year strategic plan to guide us as we address new challenges, make decisions, and develop our programs and budgets during the next decade.

Repeated assessment, accountability and realignment will keep the plan a living document. During the coming decade, we will modify the plan and continue our stakeholder engagement to ensure the plan remains responsive to the community's needs.



Our 10-year strategic plan:

- Will help us work together as a unified organization delivering high-quality services to the community.
- Reinforces our commitment to cost-effective, green infrastructure solutions.
- Includes our commitment to equity, diversity and inclusion in how we work together and how we deliver services.
- Puts us on a path to becoming a fully sustainable utility in 10 years to meet the needs of current customers and future generations.



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Nick Fish, Commissioner • Michael Jordan, Director

What we do



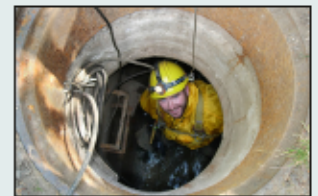
30 billion gallons
Sewage processed annually



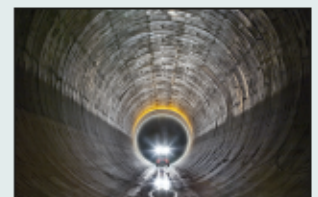
2.3 billion gallons
Stormwater runoff captured and filtered by Portland's green infrastructure annually



\$114 million
Capital budget



\$129 million
Operating budget



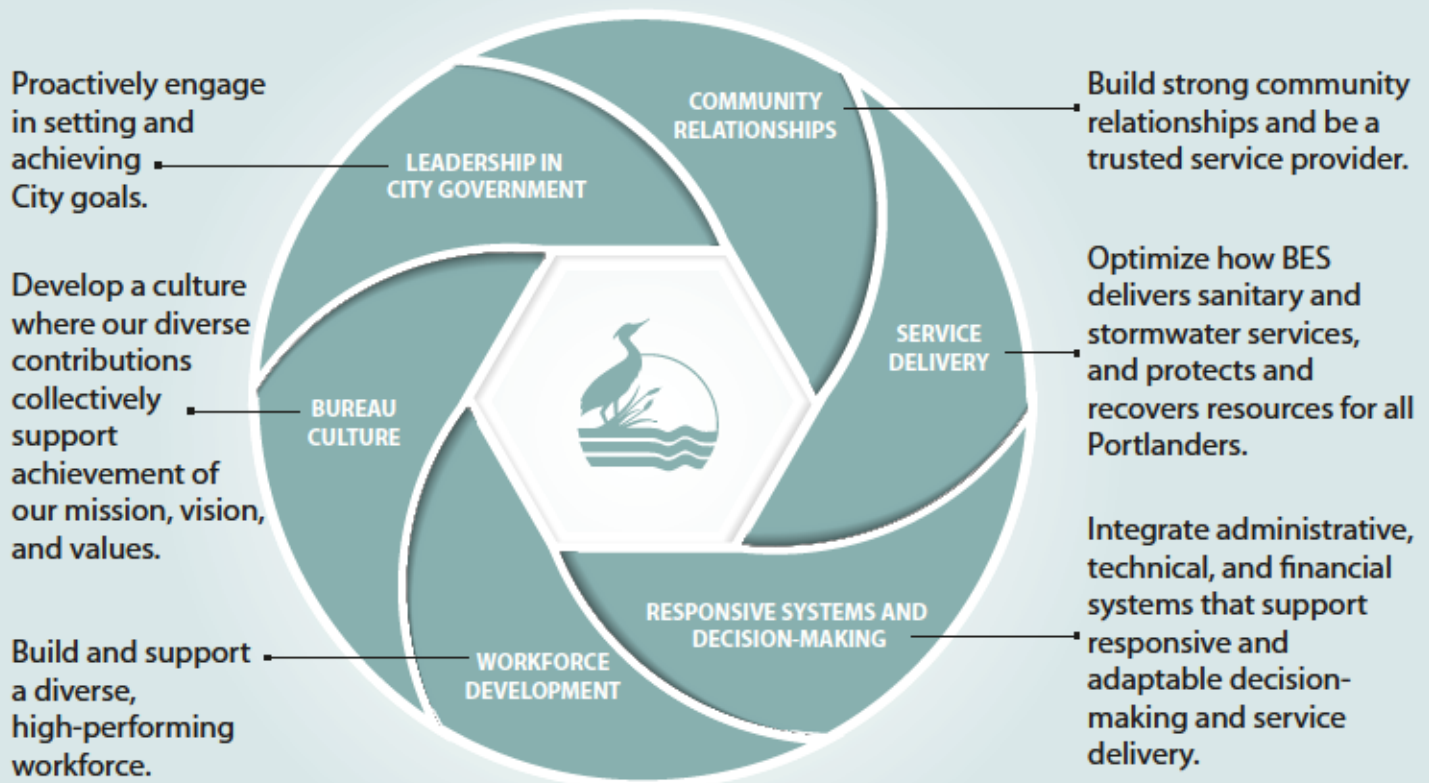
2500 miles
Sewer and stormwater pipe



280 miles
Open stream channel

Portland's high-performance wastewater and stormwater utility

The six goals of our strategic plan reflect our commitment to grow and learn in the face of challenges, harness innovation, work more collaboratively, and equitably serve our customers, residents, visitors, and employees.



Planning for success

To achieve these goals, we've defined success in the plan as **"desired outcomes."** The **"strategic initiatives"** identify what we will do to achieve those outcomes, and the plan's **"action items"** are specific steps that will bring us closer to reaching this 10-year vision for BES.

Next, we begin implementation. This includes developing **metrics** to track our progress; inform our budget and investment decisions; and report back to stakeholders, employees, and the community.

The plan is the start of an ongoing conversation about how BES can best protect public health and the environment as we work together to create a more sustainable future for the people of Portland. Find the full plan and more information at www.portlandoregon.gov/bes/StrategicPlan.

FOR MORE INFORMATION

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City of Portland Bureau of Environmental Services **10-YEAR STRATEGIC PLAN** 2018–2027

OUR MISSION

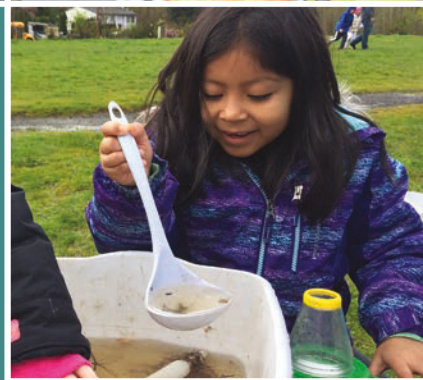
BES manages Portland's wastewater and stormwater infrastructure to protect public health and the environment.

OUR VISION

BES is a mission-driven, high-performance organization, leading the City in preserving and restoring the health of Portland's watersheds.



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WE VALUE

Our **customers and partners**

Portlanders' sense of **connection to their waterways**

Conscientious **stewardship** of our watersheds, wastewater and stormwater infrastructure, and financial resources

A diverse, collaborative, healthy, and engaged **workforce**

Leadership among our employees and in our City and community

Equity in our workplace, business practices, and service delivery

Clear **communication** and transparency

Innovative, sustainable, and resilient solutions

A Letter from Commissioner Nick Fish and Director Michael Jordan



Nick Fish, Commissioner



Michael Jordan, Director

The Bureau of Environmental Services is at an inflection point. As the City's wastewater and stormwater utility, we can rightly be proud of our accomplishments: managing infrastructure that serves more than 625,000 customers every day, completing the combined sewer overflow (CSO) construction projects, and developing innovative, green solutions that help protect water quality, reduce flooding, and improve habitat. Yet Portland's built and natural environments are changing rapidly, and we face new challenges.

Our wastewater and stormwater infrastructure is aging, and this adds to the difficulty of managing stormwater runoff and wastewater in the midst of a population boom, continued urban development, and a changing climate. We need to prepare for potential emergencies and stay on top of quickly advancing technology. Attrition and upcoming retirements at BES are accelerating turnover in our workforce. To serve all Portlanders in our increasingly diverse city, we must achieve equity in all of our business practices. Financially, we need to balance keeping costs down with delivering high levels of service and preparing for future needs.

With this complex and ever-changing environment, we are ready for a new strategic plan: a transparent framework that will guide us as we make decisions and develop our programs and budgets during the next decade. Although we chose a 10-year timeframe, in truth our work will be implemented in the greater context of a 50- to 100-year planning horizon. This requires us to predict capital investments needed not just for ourselves, but for future generations.

Crafted over the course of more than a year, this 10-year strategic plan reflects the insight and feedback of our customers, employees, partners, and community members who participated in an extensive stakeholder involvement process. The resulting plan is consistent with our stakeholders' values. It presents high-level goals, specific initiatives, and ultimately measurable desired outcomes for use in evaluating and improving our performance. The strategic plan will help us step up to our challenges, and to communicate—and stick to—our most important priorities. And it's flexible enough to allow us to respond strategically to unexpected challenges and opportunities. Most critically, the strategic

plan will put us on a path to becoming a fully sustainable utility in 10 years to meet the needs of current customers and future generations.

The final plan reflects important Bureau and community concerns, including equity. As described by the City’s Office of Equity and Human Rights, “equity is achieved when one’s identity cannot predict the outcome.” The strategic plan includes initiatives related to equity, diversity, and inclusion in every relevant goal area, addressing both how we work together and how the Bureau delivers services to the community. Several of these initiatives are prioritized for implementation during the next one to two years and BES has hired an Equity Manager to lead implementation of these high-priority strategic initiatives.

We want to thank all of our BES employees, whose commitment has made this strategic plan possible,

and whose continued efforts will transform it from “just a plan” to meaningful changes on the ground and in the community. We also appreciate how the process of developing this strategic plan has energized the Bureau. Staff are eager to work together as “one BES”—as a unified organization that works together to deliver high-quality services to the community, with a shared sense of ownership and responsibility. Additionally, they see opportunities for BES to play a role in helping City bureaus begin to act more as “one City.” These aspirations show up in the goals and initiatives of the strategic plan, as do desires to grow and learn in the face of challenges, harness innovation, work more collaboratively, and equitably serve our customers, residents, visitors, and employees.

This plan is the start of an ongoing conversation about how BES can best protect public health and the environment as we work together to create a more sustainable future for the people of Portland.

Inside the plan

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Nick Fish, Commissioner



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Michael Jordan, Director

BES values our community partnerships and Portlanders' sense of connection to their waterways. Picture from the Columbia Slough Watershed Council's Annual Columbia Slough Regatta



SECTION 1: INTRODUCTION

This Strategic Plan is the culmination of an 18-month planning process by BES leadership, employees, and external stakeholders. The plan sets a strategic direction for the Bureau for the next 10 years, from 2018-2027, during which time it will serve to focus and guide the Bureau's work and provide a structure for evaluating and improving service delivery for all Portlanders. Throughout the planning process, our goal was to develop a Strategic Plan that truly responds to the needs of our community, employees, and city, while guiding improvements throughout the Bureau.

This Strategic Plan commenced with dialogue and listening. It was developed with broad employee involvement—from all levels of the organization—and extensive input from external stakeholders. The many people who participated in the planning process identified key opportunities and challenges and made meaningful recommendations that we incorporated into the plan.

BES' desired future condition is one with a diverse and empowered workforce, a culture of creativity and learning, fully integrated and adaptable business processes, and resilient systems. BES aspires to be a leader in watershed health and in building partnerships to implement common community goals. This strategic plan will set BES on the path to achieving these goals and to becoming a fully sustainable utility in the next 10 years.

The Planning Process

Strategic Plan Steering Committee

BES' Strategic Plan Steering Committee oversaw development of this plan. The committee was made up of a cross-section of employees representing all Bureau work groups, with a range of functions and responsibilities. Together, committee members drafted the charter for the Strategic Plan, determined the planning process, marshalled the necessary resources, provided guidance at key points, and ensured that the work of the planning process came to fruition in the form of a final Strategic Plan. The committee facilitated a number of work sessions with subject matter experts and made recommendations to the Bureau Leadership Team (BLT).

Information Gathering

Internally, we connected with employees across the Bureau to learn about their needs, challenges, and priorities. All BES employees were invited to participate in an anonymous survey about the



BES aspires to be a leader in watershed health and in building partnerships to implement common community goals like a cleaner Willamette River. Picture from Human Access Project's 2017 Big Float

Bureau and their work, and nearly 75 percent did so. We held dozens of face-to-face meetings with employees and provided additional opportunities—both online and in person—for them to offer feedback on plan elements and contribute to the development of strategic initiatives and associated

action items. In addition, the BES Committee for Equity and Diversity (CED) provided input on the Strategic Plan on an ongoing basis.

To better understand how we serve our community, we gathered input from a wide range of external stakeholders. We met with representatives

of community and conservation groups, business and industry associations, government partners, and regulators to discuss their concerns, values, and interests. We talked with elected officials and employees at other City Bureaus, and we conducted focus groups with BES customers from all areas of Portland. Throughout the planning process, the Portland Utility Board (PUB) and Oregon Citizens' Utility Board (CUB) served as important partners, critics, and evaluators.

Engaging in robust internal dialogue and bringing in external perspectives helped us to understand emerging considerations, challenges, and opportunities related to the needs of our various stakeholders.

We also completed an organizational assessment. For this effort, we reviewed existing BES documents (i.e., plans, budgets, and reports), consulted with staff to obtain background information and clarify technical issues, and participated in a series of facilitated workshops in which we discussed Bureau history, key issues and challenges, and BES' strengths, weaknesses, opportunities, and threats. We also researched the services, size, scope, and challenges of wastewater utilities in other, comparable U.S. cities.

What we learned from the organizational assessment and stakeholder engagement process (see Section 3) served as the basis for the goals and initiatives that are at the core of the Strategic Plan.



The BES Committee for Equity and Diversity, winners of the 2016 Blue Heron award, provided input on the Strategic Plan on an ongoing basis.



BES employees from all levels of the organization were extensively involved in creating this plan.



Developing Goals, Outcomes, and Strategic Initiatives

From our information gathering we developed six goal areas for the Bureau to pursue over the next decade:

- **Service delivery:** Optimize how BES delivers sanitary and stormwater services, and protects and recovers resources for all Portlanders.
- **Responsive systems and decision-making:** Integrate administrative, technical, and financial systems that support responsive and adaptable decision-making and service delivery.
- **Workforce development:** Build and support a diverse, high-performing workforce.
- **Bureau culture:** Develop a culture where our diverse contributions collectively support achievement of our mission, vision, and values.
- **Leadership in City government:** Proactively engage in setting and achieving City goals.
- **Community relationships:** Build strong community relationships and be a trusted service provider.

For each goal, we identified tangible and measurable outcomes. We crafted a total of 29 strategic initiatives—informed by the input of our internal and external stakeholders—to help us get there. The goals, strategic initiatives, and outcomes are presented in Section 4.



BES will pursue these six goal areas over the next decade.

How We Will Use This Strategic Plan

The Strategic Plan defines and helps prioritize our future work efforts around service delivery, organizational structure and efficiency, workforce development, and culture by establishing a framework of larger Bureau goals that we are striving to achieve. As part of our annual financial planning process, the framework and implementation strategy will provide the basis for the Bureau to make informed choices about when and where we make investments in people, products, and other resources.

Repeated assessment, accountability, and realignment will keep this Strategic Plan a “living” document, so that it remains relevant and up-to-date in the midst of a changing world. With specific outcomes clearly identified, we can periodically perform a strengths and weaknesses analysis to identify opportunities and risk to achieving our goals. Preparing for the annual budget cycle will serve as a natural driver to assess and evaluate progress.

During the coming decade, we will continue to modify the Strategic Plan and engage with stakeholders to ensure that it remains responsive to their needs.

Preparing for the Annual Budget Cycle: Questions We Will Ask Ourselves

- How are we doing at achieving our desired outcomes?
- How do we need to modify and strengthen elements of the plan so that we stay on track?
- How should we modify resource requests so that they address strategic priorities?
- How accurate are the performance metrics in measuring success?

Plan Structure

In the following sections of this plan, you can read about the following:

- Who we are and what we do (Section 2)
- What we learned from looking closely at the Bureau and talking with our internal and external stakeholders (Section 3)
- The goals, desired outcomes, and strategic initiatives that will guide our work during the coming decade (Section 4)
- Next steps for plan implementation (Section 5)





Fourth graders from Boise-Eliot/Humboldt School took part in a Clean Rivers Education field trip to clear debris from storm drains and raise awareness of stormwater pollution.

SECTION 2: ABOUT BES

BES is one of the largest bureaus in the City of Portland. We are responsible for planning, operating, maintaining and improving all aspects of the city's wastewater and stormwater systems and restoring streams and watersheds to protect water quality, public health, and the environment. In recent decades we have completed major technical accomplishments, such as the 20-year effort to control combined sewer overflows into the Willamette River and Columbia Slough. But we also have re-imagined ourselves, shifting from a traditional sewer bureau to a service-oriented utility that implements innovative, cost-effective, green solutions that help protect water quality. Together with Portland residents and businesses, we are solving practical wastewater and stormwater management problems at the same time as we work to meet the City of Portland's broader watershed goals for the benefit of all Portlanders.

Major Service Areas

Wastewater Collection and Treatment

We plan, design, construct, monitor, operate, and maintain 98 sewage pump stations, the Columbia Boulevard and Tryon Creek wastewater treatment plants, and more than 2,500 miles of pipes and other assets that collect and treat wastewater and stormwater.

Stormwater Management and Conveyance

We plan, design, construct, monitor, and maintain various types of stormwater infrastructure, both constructed and natural, including 550 miles of pipes and more than 2,000 stormwater facilities. Together, these assets reduce pollution, help manage stormwater flow, and contribute to watershed health.

Environmental Compliance, Pollution Prevention, and Investigation Services

We regulate commercial, industrial, and residential customers and provide them with services focused on reducing and preventing pollution and degradation of our watersheds. We collect and evaluate environmental data and also ensure compliance with permits and environmental regulations.

River, Stream, and Water Resource Protection and Restoration

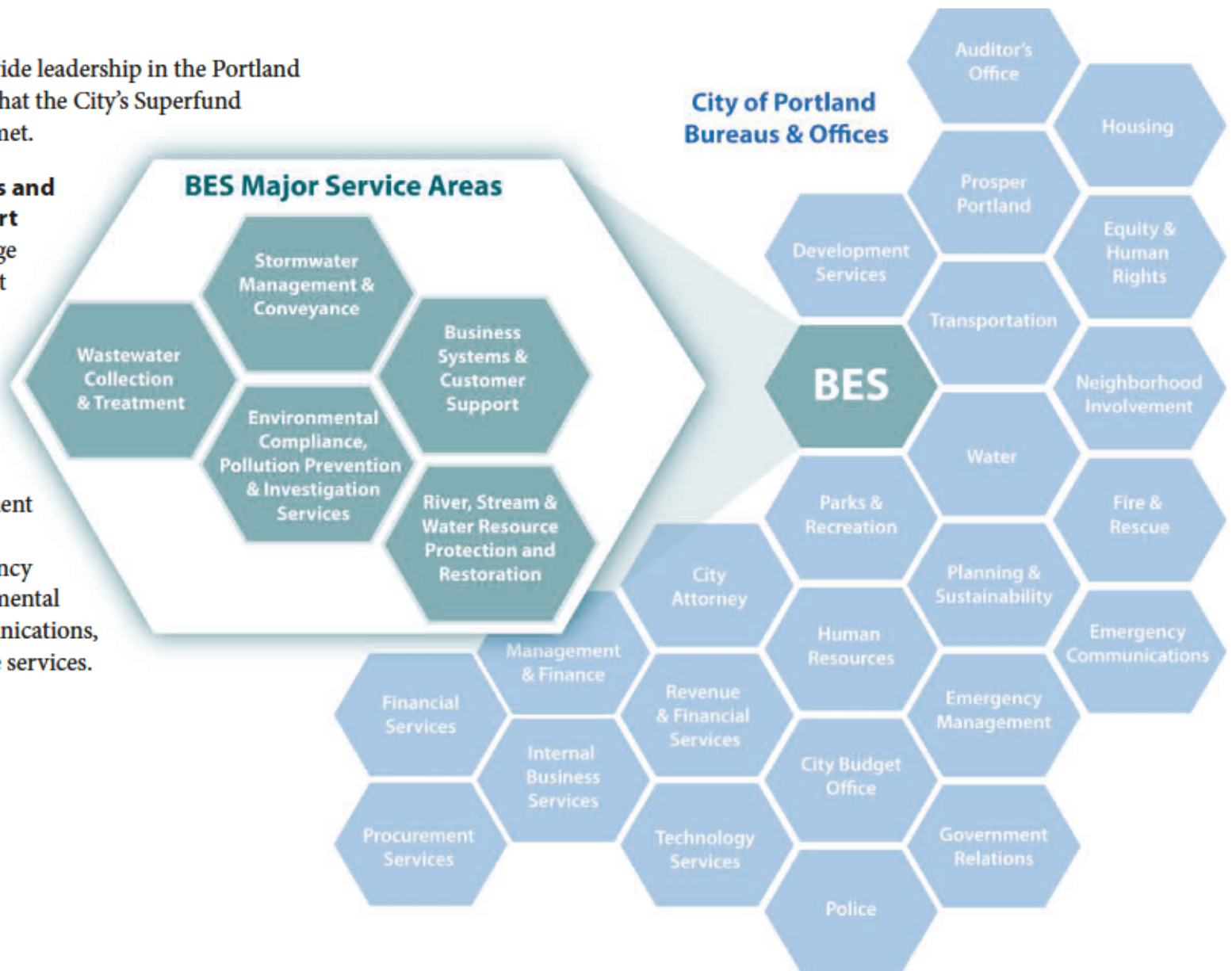
We help protect and restore thousands of acres of natural areas and hundreds of miles of urban waterways, and we enhance watershed health through urban tree planting. We work to protect and recover endangered species in



Portland, and provide leadership in the Portland Harbor to ensure that the City's Superfund cleanup goals are met.

Business Systems and Customer Support

We use a wide range of business support systems to deliver our services and serve our customers. Examples include planning, project delivery, development review, financial assistance, emergency response, environmental education, communications, and administrative services.



BES works in collaboration with the City's other bureaus and offices to provide services from these five major service areas to Portland residents, businesses, and industries.

BES by the Numbers

\$494 million

Total budget
(includes debt service and transfers)*

625,000

Number of people
BES serves

\$129 million

Operating
budget

\$114 million

Capital
budget

181,738

Number of
customer accounts
(in Portland, as of 9/1/17)

30 billion gallons

Sewage BES processes per year



572

Full-time equivalent
employees

280 miles

Open stream channels

2.3 billion gallons

Stormwater runoff that
Portland's green infrastructure
captures and filters annually

More than 2,000

Green streets



Numbers from FY 2017-18 (July 2017 through June 2018) Adopted Budget



The Columbia Boulevard Wastewater Treatment Plant is Portland's largest infrastructure asset. More than 150 BES staff work on the plant campus, which operates around the clock recovering renewable resources from Portland's wastewater.



SECTION 3: WHAT WE'VE LEARNED



“BES has ‘arrived’
as a credible player
and instigator
of innovation around
green infrastructure.”

*Bureau of Planning and
Sustainability (BPS) Staff*

The Strategic Planning process provided an opportunity for BES leadership and the Steering Committee to self-reflect via an organizational assessment, and to connect with internal and external stakeholders to better understand their priorities and perceptions of the Bureau.

This is what we learned.

Organizational Assessment

The organizational assessment analyzed the challenges and opportunities facing the Bureau and explored whether our business activities and relationships with stakeholders align with our mission, vision, and values. The following key challenges and opportunities emerged from the organizational assessment:

- **Planning and managing our stormwater system is a complex challenge.** We need a strategy for planning, managing, and investing in our stormwater system, which includes thousands of inlets; hundreds of miles of pipes, ditches, and natural streams; thousands of acres of wetlands; and thousands of flow control and pollution reduction facilities. The extent and connectivity of the system vary greatly, and we do not have an inventory and associated condition information. Furthermore, some of the system is composed of privately owned assets that provide important stormwater service delivery functions (e.g., conveyance, detention, treatment, and habitat) but that are neither owned nor controlled by BES.
- **Our infrastructure is aging.** We manage assets that have a replacement value of more than \$13.5 billion. The sanitary and combined sewer pipe systems alone represent roughly \$7 billion of those assets. Of the 1,900 miles of pipes in those systems, more than 30 percent are 80 years old or older, approaching or beyond their average life expectancy. More than \$2 billion of BES assets are in poor or very poor condition, and more than \$2 billion are in unknown condition. We must prioritize our investments to bring all BES assets to an acceptable condition in the next 10 years. This will require increased investment in the Bureau’s Capital Improvement Program (CIP).
- **We have a backlog in system maintenance and repairs.** A concerted focus on the Willamette River Combined Sewer Overflow Control Program, often referred to as the Big Pipe, represented a considerable share of the Capital Program budget until we completed the program’s construction phase in 2011. As a result, we deferred other important system maintenance and repairs. They now require equal attention.



- **We should remain a leader in green infrastructure.** In addition to our operational responsibilities to manage, improve, and maintain Portland’s traditional grey infrastructure, such as pipes and pump stations, we also are a leader in the implementation and stewardship of innovative, cost-effective green infrastructure (e.g., ecoroofs, street tree planting, stream restoration, and green streets). Key drivers of green infrastructure include shifts in environmental policies, evolving permit compliance requirements, and our interest in applying solutions that meet multiple objectives. Implementing both grey and green infrastructure is essential to making our stormwater system more resilient, improving watershed health, and contributing to broader City goals.
- **We need to improve our communications and relationships.** Communications and relationships, particularly with partner agencies and underrepresented populations and underserved portions of the city, will require greater focus. Possibilities include renewing and developing new engagement strategies, collaborating with other City and regional agencies, offering community education, and shifting more resources into these areas. We need to be able to adapt to a changing technological landscape to ensure that our messages reach our intended audiences.

- **A diverse workforce and skills will contribute to our success.** To better represent, engage with, and serve the community, we need to make a concerted commitment to diversity, equity, and inclusion in our staffing strategies. Many of the problems we face are complex, and their solution requires or would benefit from a multidisciplinary approach that encompasses engineering, trades, ecology, biology, community engagement, policy, and finance.
- **The future regulatory and political environment is uncertain.** The legislative and regulatory climate, particularly with respect to environmental policy, is unpredictable. As the public increasingly focuses on the environment, we will need to be flexible and resilient, so that we can anticipate changes and respond accordingly.

These findings—especially those related to the age, complexity, and condition of our infrastructure—raise questions about the Bureau’s financial future, and rightly so. It is clear that capital, operating and maintenance investments will need to grow over the life of this Strategic Plan. To accomplish the targeted asset replacement and system maintenance and repairs, the Capital Program will need to increase from \$114 million annually (in FY2017-18) to more than \$150 million annually (by FY2022-23). Successfully expanding the program will require significant process enhancements and adjustments to organizational capacity in terms of staffing, contracting, and project management. We will also need to assess ongoing operational requirements



“We need deeper conversations with the public about what they need and how they view our services.”

BES employee



“Applying equity in how risks are assessed and experienced by different communities needs to be part of the strategic plan.”

*Office of Equity and
Human Rights staff*

to support increased capital investments and a larger organization. However, current financial projections indicate that we can remain financially stable with modest rate increases. Keeping rates low is always a priority and could require that we reconsider financial projections in the future. But we currently maintain a strong financial position, with steady, modest growth in sewer rates and prudent fiscal management. Projections based on continuation of those assumptions show a strong funding base capable of addressing the Bureau’s critical needs in the coming decade.

Stakeholder Perspectives

By readily participating in the stakeholder engagement process, our employees and external stakeholders offered information and perspectives that the Bureau could not have obtained in any other way. The following key ideas emerged from conversations with our internal and external stakeholders:

- **We could be more proactive in reaching out to the community, soliciting feedback, and engaging in dialogue.** Community members want us to be good stewards of ratepayer dollars—to be transparent, stabilize rates, and use public funds judiciously. Both community members and our staff would like the Bureau to build stronger relationships and engage in more two-way dialogue with the people it serves, particularly in historically underserved portions of the city. Opportunities exist to engage the community through expanded

education and outreach, such as in local public schools and with adults and businesses. We also could communicate better with the community (such as by being clearer about billing, projects, and priorities), engage with community members to understand better how to meet the needs of historically underserved communities, and get input from the community about the Bureau, especially as new projects develop. Additionally, we can leverage relationships with the Portland Utility Board and Oregon Citizens’ Utility Board to inform our communications with the community.

- **To meet the needs of underserved communities, we need to focus on equity in our service delivery and diversity in our workforce.** There are many ways to improve equity and diversity in how we do business:
 - Hire staff with expertise in equity and engagement of historically underserved communities.
 - Provide leadership development opportunities for employees to prepare a diverse group of internal staff for promotion.
 - Expand grant funding opportunities with community partners.
 - Build ongoing relationships with underserved communities so that we can stay up to date on their needs and how our actions affect them.
 - Diversify our workforce.



- Continue to implement workforce development initiatives that focus on contracting with underrepresented communities; ensure representation from minority- and women-owned firms.
- Update our website so that it is a more effective resource for the community.
- **Workforce development would prepare our employees for future challenges.** We should expand training and educational opportunities for staff. Examples include improving the on-boarding of new employees and creating opportunities for employees to better understand the work of other work groups in the Bureau, as well as broader City goals. We could foster career advancement within the Bureau by creating more workforce entry points, designing career trajectories, disseminating information that promotes upward mobility, and offering career coaching. Developing the workforce now would ensure the transfer of institutional knowledge as employees retire.
- **We must improve system infrastructure and resiliency.** We need to update our infrastructure to address current and potential future challenges, including those associated with rapid growth and development, climate change, extreme weather events, and natural disasters, especially earthquakes. Internal and external stakeholders want to be assured of system resiliency. Possible measures include:
 - Upgrading City infrastructure in collaboration with other City bureaus.
 - Continuing to invest in green infrastructure.
 - Updating technology to include digital records, electronic systems for data tracking, asset management, and project tracking.
- **We should continue our support of collaborative partnerships.** Prioritizing inter-bureau collaboration and community partnerships would help us address City challenges. We could provide leadership in working with other bureaus to develop a “one City” approach, strengthen our existing relationships with the community, and build new partnerships. When making decisions about new projects, we should seek input and expertise from non-governmental organizations (NGOs) that represent community members, business alliances, and conservation groups.

“There should be a greater urgency by City leaders in developing community-based citywide solutions.”

Community member

Better Partners, Service Providers, Managers, and Stewards

The insight and feedback we received from our stakeholders, employees, and the community have deeply informed this Strategic Plan. Through our conversations, we learned how we can be better partners in the community and within City government, provide better service, be better managers for our employees, and be better stewards of the environment. We used our understanding to create a strategic framework (see Section 4) that will serve as a roadmap for our activities and investments over the next decade. We will regularly seek input from internal and external customers to continuously improve service delivery.

SECTION 4: STRATEGIC FRAMEWORK

The goals, desired outcomes, and strategic initiatives in this section are the heart of our Strategic Plan. They reveal where we have identified a need to apply resources, produce a work product, or address a lagging need. They will provide focus for areas of change and improvement. Together with outcome metrics and action items that currently are under development, they will guide our activities and investments, keep us pointed toward achieving our mission and vision, and provide very real criteria on which we can evaluate our effectiveness. This strategic framework is not intended to describe comprehensively all our work; rather, it highlights those activities that reflect our values and that are crucial to us improving how we achieve our mission and vision.

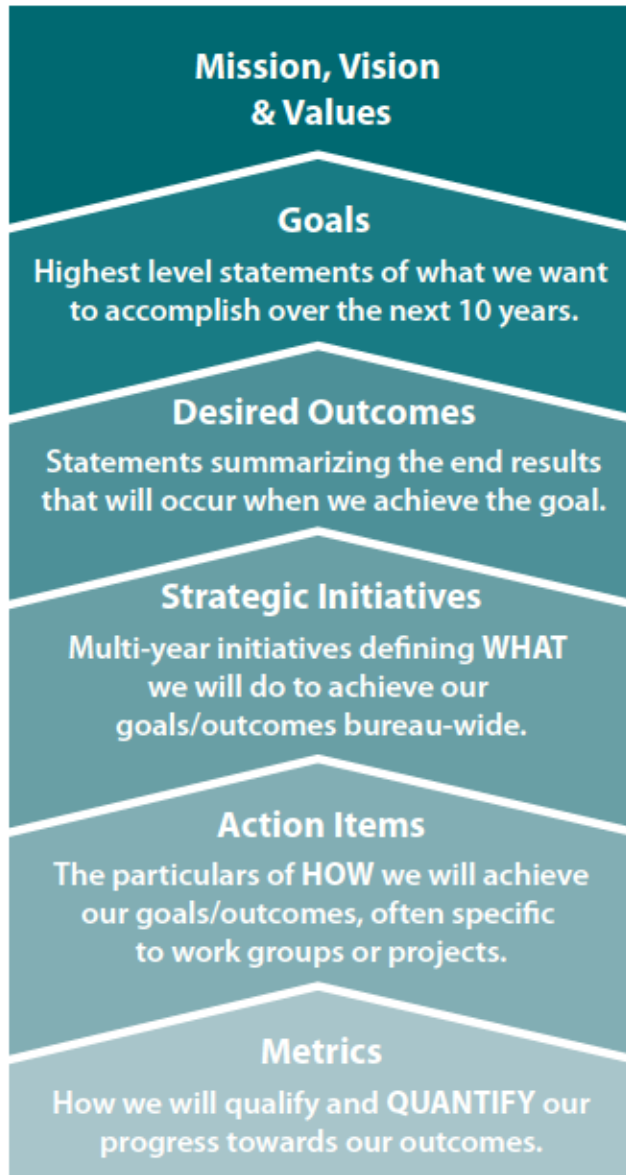
For each goal, this section provides a brief summary of context and the risks we aim to address, followed by desired outcomes and a set of strategic initiatives. The goals, outcomes, and strategic initiatives are not presented in priority order, as we consider all of them important. In fact, we recognize the synergy between them.



One strategic initiative of our workforce development goal is to implement professional development and cross-training opportunities to improve employee knowledge, skills, and leadership abilities at all levels.



Overall Plan Framework



GOALS

Over the next 10 years, we will focus our resources and energies on:

Service delivery: Optimize how BES delivers sanitary and stormwater services, and protects and recovers resources for all Portlanders.

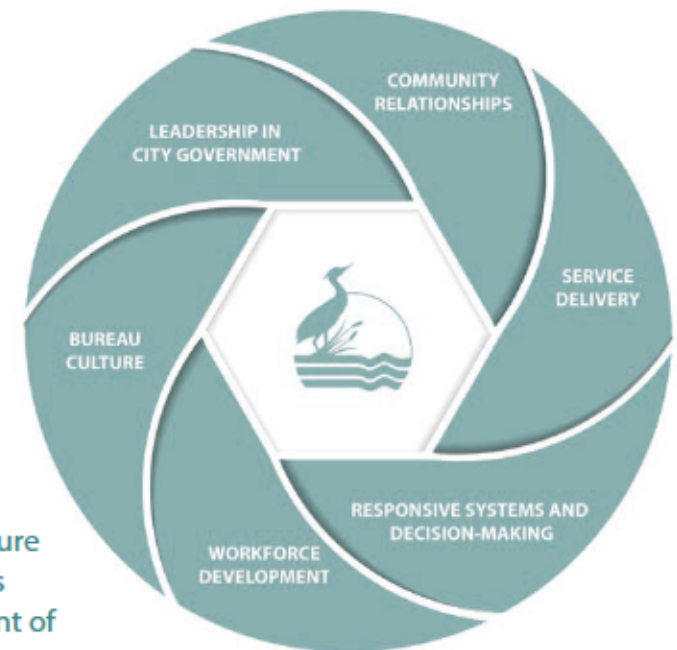
Responsive systems and decision-making: Integrate administrative, technical, and financial systems that support responsive and adaptable decision-making and service delivery.

Workforce development: Build and support a diverse, high-performing workforce.

Bureau culture: Develop a culture where our diverse contributions collectively support achievement of our mission, vision, and values.

Leadership in City government: Proactively engage in setting and achieving City goals.

Community relationships: Build strong community relationships and be a trusted service provider.



Service Delivery

"I feel optimistic of greater success for BES delivery of core services with the current leadership and the frank discussions that are taking place."

BES employee

THE CHALLENGE — The Bureau's \$13.5 billion in physical assets. Two-thirds of these assets are in good to very good condition, but one-third are in unknown, poor, or fair condition. The operations of the Bureau system lie at the heart of our ability to deliver high-quality services equitably and keep Portland's waterways healthy. The long-term sustainability of these assets, systems, and services requires a rapid expansion of our capital improvement program (CIP) budget to address deferred maintenance, deficiencies in stormwater systems, environmental protection, and overdue system improvements and become a sustainable utility in the next ten years. Some of those improvements address areas of critical need in emergency response, system resiliency, and the impacts of emergency and other events on the Portland community. To plan effectively for the long term, we need an up-to-date system condition inventory and a proactive asset management plan that puts reliability, equity, and environmental impact at the center of our operations and maintenance activities.



Goal: Optimize how BES delivers sanitary and stormwater services, and protects and recovers resources for all Portlanders.

Desired Outcomes

- We have long-term infrastructure system plans that will lead to becoming a sustainable utility in 10 years, including a prioritized list of improvements based on Levels of Service (LOS) and known conditions.
- We make sustainable and equitable investments in infrastructure systems and service delivery.
- Portland's built and natural systems are more resilient to climate change, emergencies, and other events.
- We are a leader in resource management, restoration, reuse, and recovery.
- Our work meets or exceeds local, state, and federal regulations.
- We lead and excel in customer service at all levels of our work.

Strategic Initiatives for the Next 10 Years

- SD-1. Deliver services equitably.
- SD-2. Implement an Asset Management approach for all of our natural and built infrastructure systems.
- SD-3. Complete and implement a citywide Stormwater System Plan (SWSP) that is integrated with all other BES system plans.
- SD-4. Implement a framework for incorporating resiliency into event response, system planning, facility design, and project implementation.
- SD-5. Employ proactive pollution prevention measures to protect the health of Portland's waterways and natural environment.
- SD-6. Effectively and predictably deliver projects on an annual basis.
- SD-7. Implement customer service best practices throughout the Bureau to ensure that employees are effective representatives of the Bureau and the City.
- SD-8. Proactively engage with agencies that regulate our work to increase our effectiveness, our consistency, and the strategic direction of our interactions with those agencies.

Responsive Systems and Decision-making

THE CHALLENGE — New Bureau goals and strategies will require us to reexamine our business systems and decision-making processes to ensure that they advance our mission, vision, and values. Systems and processes must be responsive, equitable, clearly understood, efficient, integrated, and mutually compatible.

Funding and policy decisions must be supported by good data, support City policies, and reflect priorities in the Strategic Plan. Like our operations and physical systems, business systems must be resilient and adaptive to changing conditions. Management and staff must embrace essential innovations that improve service delivery.

Goal: Integrate administrative, technical, and financial systems that support responsive and adaptable decision-making and service delivery.

Desired Outcomes

- Our budget funds priorities in the Strategic Plan and advances the Bureau's mission, vision, and values.
- Technical, financial, and administrative systems are integrated and fully functional.
- Our systems and organizational structure support transparent decision-making at the lowest appropriate level, promote collaboration, and facilitate coordination of work.
- Our systems are adaptable to innovations, emergencies, and change.
- Our budget decisions, as well as program and policy development, are informed by the review and input of the Portland Utility Board and Oregon Citizens' Utility Board.

Strategic Initiatives for the Next 10 Years

- SYS-1. Reform the budget, CIP, and financial planning processes to prioritize funding requests so that they align with priorities in the Strategic Plan.
- SYS-2. Optimize information technology and data management systems to prioritize responsive governance, information access and sharing, employee support and training, and data security.
- SYS-3. Evaluate existing service delivery and decision-making systems and prioritize systems for re-engineering or reorganization to align with the Strategic Plan.
- SYS-4. Clarify and implement Emergency Preparedness Plans for event response.



Workforce Development

THE CHALLENGE — In order to achieve our strategic outcomes, we need a highly engaged and fully committed workforce. The success of this plan depends on the success of our employees, yet we face the loss of key talent and

organizational knowledge to retirements in coming years. It is essential that we take proactive measures to develop, retain, and attract highly skilled, diverse, and knowledgeable employees so that we can meet the challenges ahead.

Goal: Build and support a diverse, high-performing workforce.

Desired Outcomes

- Our employees feel valued and are encouraged to achieve their professional goals.
- We foster leadership and management excellence.
- We provide attractive incentives, and we advocate for competitive compensation.

Strategic Initiatives for the Next 10 Years

- WF-1. Expand options that enable all employees to realize a healthy work/life balance.
- WF-2. Lead the City in developing a workforce that reflects the diversity of the community we serve.
- WF-3. Implement professional development and cross-training opportunities to improve employee knowledge, skills, and leadership abilities at all levels of the organization.
- WF-4. Advocate for competitive employee compensation and benefits for both represented and non-represented employees.

Bureau Culture

THE CHALLENGE — Given our organization’s size, complexity, and responsibility to deliver multiple services to a large and diverse customer base, it can be challenging for us to coordinate, communicate, collaborate, and innovate effectively. We need to re-examine some of our business practices and cultural norms to ensure that our many programs work together to advance the shared goals and values of both the Bureau and the community and that we are creating a culture that emphasizes diversity, inclusion and equity.

Employees need to feel safe in their physical working environment and when expressing disagreement or new ideas. We aspire to create excitement around the concept of “one BES,” which emphasizes achieving the Bureau’s mission, vision, and values together instead of working in siloes, and collaborating routinely instead of rarely. With shared ownership and responsibility for outcomes, where each employee feels as supported and represented as any other, we can become an organization dedicated to learning and growth.

Goal: Develop a culture where our diverse contributions collectively support achievement of our mission, vision, and values.

Desired Outcomes

- We are “one BES” where employees understand the Bureau’s varied, interconnected work and how their work supports our mission.
- We are diverse, equitable, and inclusive in all that we do.
- Our employees are innovative, resilient, and responsive to change; they continuously improve.
- We have a safe, prepared, inclusive, healthy, and respectful workplace.

Strategic Initiatives for the Next 10 Years

- CUL-1. Create a culture of “one BES,” based on our values. Work together across groups to create and maintain a common identity and improve our work.
- CUL-2. Create a culture that supports continuous improvement, problem solving, innovation, and achievement.
- CUL-3. Provide a safe and healthy physical working environment.
- CUL-4. Provide a respectful working environment where employees can safely be themselves and communicate differences of opinion. Foster a culture of trust and appreciation.
- CUL-5. Create a culture of equity, diversity, and inclusion.



Leadership in City Government

THE CHALLENGE — As a publicly owned utility, we must fulfill our mission to manage wastewater and stormwater while operating within a larger city government. We are one of the largest City bureaus in terms of budget and staff, and the largest in terms of the City’s capital program. With proactive engagement and coordination, we can strategically leverage internal resources to develop mutually beneficial practices and improve service delivery citywide.

“If we can get the city infrastructure departments to work together our city will be stronger than the sum of our parts.”

County agency director

Goal: Proactively engage in setting and achieving City goals.

Desired Outcomes

- We are a leader in fostering collaboration with other bureaus.
- All of our employees understand the Bureau’s role in setting and achieving City goals.
- We leverage our organizational resources to improve citywide business practices and service delivery to achieve City goals.

Strategic Initiatives for the Next 10 Years

- CITY-1. Evaluate and improve existing inter-bureau partnerships to maximize efficiency and effectiveness of service delivery.
- CITY-2. Take a leadership role in developing new inter-bureau partnerships to advance the Bureau’s mission, improve service delivery, and achieve City goals.
- CITY-3. Integrate City goals into our culture, operations, and decision-making.

Community Relationships

THE CHALLENGE — We must build trust in the Portland community, including our customers and partners, by communicating transparently about our work and engaging in ongoing, two-way conversations with stakeholders. This includes working with a diversity of community groups such as neighborhood, business, and culturally-specific associations and organizations in order to ensure our programs, policies, and projects address community needs and our capital projects are implemented in a way that minimizes impact to the community. We must also show our commitment to the wellbeing of the community

by providing more equitable and comprehensive financial assistance programs. Finally, we can enhance community trust by building and leveraging strong relationships with businesses, residents, and like-minded organizations and expanding partnerships on projects that benefit the community and work toward our mission.

We cannot accomplish our work—and serve our customers—without strong relationships. We have established and rely on strong partnerships, yet we strive to do even better, both through individual interactions and Bureau-level relationships and communications.

Goal: Build strong community relationships and be a trusted service provider.

Desired Outcomes

- Portlanders feel connected to and are comfortable swimming and recreating in their local waterways.
- We understand the priorities of all communities and stakeholders we serve.
- We recognize past inequities and current community needs when making decisions that affect our community and stakeholders.
- We have effective relationships with partner agencies and organizations, including those that represent historically underserved communities.

Strategic Initiatives for the Next 10 Years

- COMM-1. Communicate proactively, transparently, and effectively to inform our customers and the public about how our work benefits the communities we serve and improves the health of our waterways.
- COMM-2. Conduct ongoing stakeholder engagement to maintain communication and to receive input that shapes our work, particularly in communities most impacted by our projects.
- COMM-3. Streamline and improve the equity and accessibility of the financial assistance we offer for a suite of costs that customers incur, including monthly bills, mandatory and voluntary sewer connections, and costs for grease treatment.
- COMM-4. Use expertise in equity to inform our community relationships and communications.
- COMM-5. Work with businesses, residents, educational institutions, nonprofits, and agencies to partner on projects and support private activities that complement our work.



SECTION 5: NEXT STEPS

An implementation structure will be crucial for the successful delivery of this Strategic Plan. This includes finalizing our outcome metrics, assigning teams and creating work plans to implement priority action items, and creating a reporting structure with direct linkages to the budget process.

Prioritization

This plan puts forth 29 strategic initiatives to implement over the next decade. Because we cannot do everything immediately or all at once, implementation of this plan will be an ongoing and adaptive process as we manage risk, available resources, and an ever-changing landscape. We are working on prioritizing the strategic initiatives in the plan based on impact and feasibility, among other criteria. It is important to note that while we will need to prioritize to balance workloads and resource demands, we intend to advance all 29 strategic initiatives over the next ten years.

Metrics

We are developing metrics for each desired outcome so that we can measure our progress and correct course as necessary over the life of this 10-year plan. A metrics development team consisting of employees from across BES will complete this work in FY2017-18. Together they will define

Examples of Prioritization Criteria

Impact

- How many goals does the strategic initiative support?
- Will it create positive change over the current state?
- Does it promote the “one BES” concept through increased collaboration?
- Do customers express it as a priority?
- Does it promote equity?
- Does it have high downside risk (i.e., a high consequence of no action)?

Feasibility

- To what degree does implementation depend on external resources?
- Is the level of internal resources required for implementation low?
- Can we successfully complete this strategic initiative relatively independently of other initiatives?
- Can considerable progress be made over the plan’s 10-year span?

each metric, link the metric to the appropriate level of service, assign oversight and reporting responsibilities, and identify relevant data sources. The fully developed metrics will inform financial planning and budget requests. Beginning in FY2018-19, the metrics will be reviewed annually and revised as needed to ensure that BES is making progress toward achieving the desired outcomes in this plan.

Action Items

To support each strategic initiative, we drafted a range of detailed action items, many of which were recommended by external stakeholders, employees, and subject matter experts. Based on our prioritization, we will select action items ready for Year One implementation and establish a process for identifying future year action items. With executive sponsorship and supporting team resources, we will develop charters and workplans to implement the action items.

Reporting

We will also create an ongoing process and format to report our progress. With a range of communication and outreach tools and methods we will keep the bureau and public apprised of our efforts. The reporting structure will include specific processes and procedures for linking strategic plan priorities to the budget process.

Moving from Plan to Action

Transforming the strategic initiatives from idea to action will take time and commitment. But this work is necessary if we are to upgrade our aging wastewater and stormwater infrastructure, increase our resiliency in the face of change and growth, and provide equitable and high-quality services to all of the people of Portland. We are confident that this Strategic Plan, developed with a sound planning process and the participation of so many people, will resonate with stakeholders, be used by our employees, and guide priorities, decisions, and investments that will benefit all Portlanders now and into the future.





The Bureau of Environmental Services Strategic Plan was developed with the input of numerous external stakeholders, Bureau employees, and the leadership of the following teams:

STRATEGIC PLAN STEERING COMMITTEE

The Steering Committee consisted of employees from each of the Bureau's six work groups, representing a wide range of expertise and responsibilities.

- | | |
|-------------------------|-------------------------|
| Dawn Uchiyama, Chair | Gary Irwin |
| Shannah Anderson | Colin Kambak |
| Shannon Axtell | Liz Moorhead |
| Jenn Bildersee | Sherri Peterson |
| Alice Brawley-Chesworth | Elisabeth Reese Cadigan |
| Tammy Cleys | Taffy Spencer |
| Sarah Covington | Tonya Stephens |
| Andi Gresh | Kristen Thomas |
| Angela Henderson | Naomi Tsurumi |
| Baron Howe | Annie Von Burg |

CONSULTANTS

- Catalysis LLC, Chris Wallace Caldwell
- Innovative Growth Solutions, Gary Corbin
- Ann Sihler, technical writer

BUREAU LEADERSHIP TEAM

- Michael Jordan, Director
- Dawn Uchiyama, Assistant Director
- Jane Bacchieri, Watershed Services
- Steve Behrmdt, Wastewater Services
- Jonas Biery, Business Services
- Megan Callahan, Communications
- Marveita Redding, Pollution Prevention Services
- Bill Ryan, Engineering Services
- Victor Cato, Equity, Diversity & Inclusion Manager

BES COMMITTEE FOR EQUITY AND DIVERSITY

PORTLAND UTILITY BOARD

OREGON CITIZENS' UTILITY BOARD

FOR MORE INFORMATION

To review the Stakeholder Engagement Report and Organizational Assessment Report, please visit

www.portlandoregon.gov/bes/strategicplan

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The Bureau of Environmental Services is a mission-driven, high-performance organization, leading the City in preserving and restoring the health of Portland's watersheds.

THE BES VISION

Agenda No.
REPORT
Title

Accept ~~Report~~ About Bureau of Environmental Services Ten-Year Strategic Plan (Report)

<p>INTRODUCED BY Commissioner/Auditor: Commissioner Nick Fish</p>	<p>CLERK USE: DATE FILED <u>MAR 13 2018</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance & Administration - Wheeler</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish <i>SMS for Nick Fish</i></p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Office of Commissioner Fish Bureau Head: Mike Jordan <i>[Signature]</i></p> <p>Prepared by: Dawn Uchiyama Date Prepared: February 21, 2018</p>	<p>ACTION TAKEN:</p> <p>MAR 21 2018 ACCEPTED</p>
<p>Impact Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date March 21, 2018</p>	

AGENDA

TIME CERTAIN

Start time: _____

Total amount of time needed: _____
(for presentation, testimony and discussion)

CONSENT

REGULAR

Total amount of time needed: 15 Minutes
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	