

MATTERS TO BE CONSIDERED BY THE COUNCIL AT THE MEETING  
TO BE HELD WEDNESDAY, June 9, 2010 AT 9:30 A.M.

FOUR-FIFTHS AGENDA

Commissioner Randy Leonard

Bureau of Water

Agenda No.

Title

- \*858-1      Accept a \$30,000 grant from the Oregon Department of Energy's State Energy Program to help pay for Vernon Micro Hydro Turbine at the Portland Water Bureau Vernon Tank Site (Ordinance)

## FINANCIAL IMPACT STATEMENT For Council Action Items

INITIATOR'S SUMMARY OF COUNCIL ACTION (Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Bryan Robinson	2. Telephone No. 503-823-7221	3. Bureau/Office/Dept. Water Bureau / Public Safety
4a. To be filed (date) June 7, 2010	4b. Calendar (Check One) Regular    Consent    4/5ths <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: June 7, 2010

**1) Legislation Title:** Accept a \$30,000 grant from the Oregon Department of Energy's State Energy Program (SEP) to help pay for Vernon Micro Hydro Turbine at the Portland Water Bureau Vernon Tank Site (Ordinance)

**2) Purpose of the Proposed Legislation:** Accept a grant from the Oregon Department of Energy to help pay for a turbine at the Portland Water Bureau Vernon Tank Site.

**3) Revenue:**

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated, please identify the source.

Once operational, the project is expected to generate between \$5,000 and \$10,000 in revenue from Pacific Power Corp.

**4) Expense:**

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years.) (If the action is related to a grant or contract, please include the local contribution or match required.)

The cost of the Vernon Micro Hydro Turbine project is \$250,000. \$30,000 in Grant money is available from the Oregon Department of Energy. The remaining \$220,000 will be provided by a combination of additional grants and PWB CIP Budget.

**Staffing Requirements:**

**5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** (If new positions are created, please include whether they will be part-time, full-time, limited-term or permanent positions. If the position is limited-term, please indicate the end of the term.)

No.

**6) Will positions be created or eliminated in future years as a result of this legislation?**

No.

COMPLETE THE FOLLOWING SECTION ONLY IF AN AMENDMENT TO THE BUDGET IS PROPOSED.

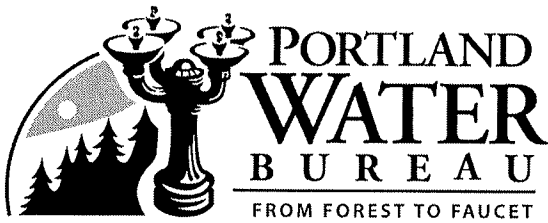
**7) Change in Appropriations:** (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new cost element needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

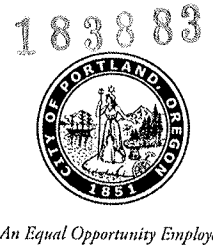
David G. Shaff, Administrator



APPROPRIATION UNIT HEAD



Randy Leonard, Commissioner  
David G. Shaff, Administrator  
1120 SW 5th Avenue, Room 600  
Portland, Oregon 97204-1926  
Information: 503-823-7404  
www.portlandonline.com/water



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**DATE:** June 4, 2010

**TO:** Commissioner Randy Leonard

**FROM:** David G. Shaff, Administrator

**RE:** \*Accept a \$30,000 grant from the Oregon Department of Energy's State Energy Program (SEP) to help pay for Vernon Micro Hydro Turbine at the Portland Water Bureau Vernon Tank Site (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** June 7, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** June 9, 2010
3. **CONTACT NAME AND NUMBER:** Bryan Robinson, (503) 823-7221
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Y** ☐ **N** ☐ **N/A**
6. **ONE (1) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY**  
**ATTACHED:** ☒ **Yes** ☐ **No** ☐ **N/A**

**7. BACKGROUND/ANALYSIS:**

The Portland Water Bureau (PWB) values sustainability principles and stewardship of the natural environment. One of the PWB's sustainability goals is to develop renewable energy to offset power usage. This project will help reach that goal by installing a micro hydro-turbine at the Vernon Tank Site. The hydro turbine will recover the potential energy from the pressure differential between Mt. Tabor Reservoir 5 and the Vernon Tank. This turbine will convert the potential energy into useful electrical energy at an estimated rate of 150,000 kWh per year (0.6% of the PWB's total energy use). In addition this project will help offset approximately 50 metric tons of Carbon per year. At 1 pound CO2 per kWh, the lifetime carbon reductions of this proposal will be 1,360 metric tons of CO2.

The mechanical components for the project will be housed in an existing utility vault at Vernon Tank. Using an existing vault minimizes the environmental, social, and financial impact of installing an energy recovery system.

**8. FINANCIAL IMPACT:**

The cost of the Vernon Micro Hydro Turbine project is \$335,000. \$30,000 in grant money is available from the Oregon Department of Energy. The remaining \$305,000 will be provided by a combination of additional grants and PWB CIP Budget.

**9. RECOMMENDATION/ACTION REQUESTED:**

Authorize the acceptance of a grant from the State of Oregon, acting by and through Oregon Department of Energy, for the installation of a micro hydro turbine at the Vernon Tank Site.

Funds are available

BW



Michael P. Stuhr, P.E., Chief Engineer



David G. Shaff, Administrator