

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Duane Peterson		2. Telephone No. 503-823-7141	3. Bureau/Office/Dept. BES
4a. To be filed (hearing date): October 24, 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: October 17, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Authorize Wholesale Sewer Services Agreement with Clean Water Services (Ordinance).

2) Purpose of the Proposed Legislation:

Authorize Wholesale Sewer Services Agreement with Clean Water Services.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|---|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input checked="" type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT**4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

Generally, no revenue impact. But if by chance the area of CWS/Beaverton whose sewage is treated by Portland should (re)develop much faster than the area of the City whose sewage is treated by CWS, there would be a reversal of the existing situation such that the City would see revenue from CWS.

5) 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. If there is a project estimate, please identify the level of confidence.)

The City will pay CWS \$7 million in System Development Charges (SDC) for the purchase of temporary capacity, based on CWS ordinance for temporary connections, for approximately 47 months between the period July 1, 2008 through June 30, 2013, when CWS treated City flows while the Fanno Basin Pump Station and pressure lines were inoperable.

6) Staffing Requirements:

- **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.)*

None

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

None

(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 center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

The agreement was prepared by CWS and City staff without direct public input. But the needs of the public were addressed in the agreement to allow the creation of a Citizen's Advisory Committee (CAC) to discuss the impacts of the pump station expansion on stakeholders in the area.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

This Council item governs the wastewater conveyance and treatment relationship between CWS and the City. This update to the agreement has two impacts relevant to residents in the unincorporated Garden Home area. One indirect impact is the continuing relationship between CWS and the City regarding wastewater management. Residents in this area of unincorporated Washington County will continue to interact with both agencies at various times. One direct impact is the creation of a Citizen's Advisory Committee to address construction and operations issues at the BES pump stations.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

This agreement was cooperatively developed through the efforts of CWS and City staff. The neighborhood association CPO-3, Garden Home Residents, Patrons of Tualatin Hills Park and Recreation District, and advocates for Fanno Creek have routinely been involved in discussions related to Fanno Creek Basin facilities and will continue to be involved in the future.

c) How did public involvement shape the outcome of this Council item?

While this Council item is related to the administrative governance of wastewater facilities, City staff will continue to engage community stakeholders that are interested in BES projects in areas governed by this Agreement.

d) Who designed and implemented the public involvement related to this Council item?

Stephen Sykes, Sr. Community Outreach and Public Involvement Rep., is the primary point of contact for public involvement and community outreach for BES in this area of the city.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Stephen Sykes, Sr. Community Outreach and Public Involvement Rep., 503-823-7898,
stephen.sykes@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Future public involvement efforts related to operational and construction issues of the Fanno Basin Pump Station and the new 86th Ave. Pump Station (such as noise, odor, vibration, maintenance, landscaping, public notification, emergency response, and complaint resolution) will be addressed formally in a Citizens Advisory Committee to be convened by spring 2013.


Dean Marriott


APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

185708

City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Dan Saltzman
THROUGH: Matt Grumm or Amy Trieu

FROM: Jim Hagerman

DATE: 10/16/12

RE: Wholesale Sewer Service Agreement with Clean Water Services

Requested Council Hearing Date: 10/24/12

I. RECOMMENDATION

Approve and Forward for Council action a new wholesale sewer services agreement with Clean Water Services (CWS).

II. BACKGROUND

The City and CWS (then known as the Unified Sewerage Agency) first entered into a wholesale sewer service agreement in April 1978, and signed a second agreement in May 1998 (Ordinance #172285), which was amended in 2000 for pretreatment issues and 2002 for clarification of flow diversion language. Since the Fanno Basin Pump Station was completed in 1999, the station and associated pressure lines have had numerous interruptions in service, in part due to persistent vacuum surges that continue to damage the pressure lines. There is also a need to increase capacity of the pump station through the construction of an adjacent station (the 86th Ave. Pump Station.)

Clean Water Services argued that the 1998 agreement did not contemplate the extended pump station shutdowns recently experienced. They also specifically objected to the estimated amount of 12,000 gallons of flow defined to be one equivalent dwelling unit. This was an amount carried forward from the original 1978 agreement, when metering of basin-wide flows was not available. Discussions began in 2009 to replace the 1998 agreement, using a different metric for calculating charges; resulting in a staff agreement that unfortunately never reached the CWS board for a vote. Meanwhile, the land use review for the new 86th Ave. pump station brought a condition that the City and CWS reach a new agreement before construction permits would be allowed. Discussions begun in the summer of 2012 resulted in the attached agreement.

III. FINANCIAL IMPACT

The agreement stipulates that BES will pay CWS \$7 million for providing temporary capacity to their conveyance and treatment system for roughly 47 months between the dates of July 1, 2008 and June 30, 2013, when upcoming repairs to the pressure line and installation of temporary surge tanks are scheduled to be completed. The purchase of temporary capacity is deemed a capital expense and will be charged to the CIP. In exchange, CWS agrees to fix the City's costs for conveyance and treatment from 12/1/12 to 6/30/13. After that date, future payments to CWS for conveyance and treatment will be similar to the existing wholesale agreement while the Fanno Basin Pump Station is operating. But the agreement also allows for equitable charges for partial or total diversion of City flows to CWS for conveyance and treatment.

IV. LEGAL ISSUES

Although the land use review was granted by Washington County, an appeal has been filed. The project is allowed to proceed, with the understanding that if the City loses the appeal, it may have to undo what work has been done.

V. CONTROVERSIAL ISSUES

The new 86th Ave Pump Station is not popular in the Washington County neighborhood in which the Fanno Basin Pump Station is located. Also a condition of the Land Use Review, this agreement will create a Citizens' Advisory Committee (CAC) to discuss construction and operational issues around the two pump stations.

VI. LINK TO CURRENT CITY POLICIES

VII. CITIZEN PARTICIPATION

The Bureau of Environmental Services has an active public information program for the repair and improvement of the Fanno Pump Station and force main. Although no direct citizen participation was included in the agreement, participants in the negotiations have attended related public hearings and meetings and are well aware of issues and concerns of the neighborhood and the broader public. This agreement does create a Citizens Advisory Committee for the pump station for the period of construction and after it is operational.

VIII. OTHER GOVERNMENT PARTICIPATION

Only Clean Water Services staff.

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION – None for the agreement.

IF THIS ACTION IS CONTRACT-RELATED, PROVIDE INFORMATION ON M/W/ESB PARTICIPATION (NUMBER AND PERCENTAGE)

X. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? ____ WHAT IS THEIR BUSINESS LICENSE NUMBER? ____ IS

THEIR ACCOUNT WITH THE CITY CURRENT? _____ IF NOT, HOW MUCH IS
OWING? _____

' 85708