

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Steve Kucas		2. Telephone No. 503-823-6976	3. Bureau/Office/Dept. Water / Resource Protection and Planning
4a. To be filed (date): March 21, 2013	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: March 13, 2013
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 a Collection Agreement with U.S. Forest Service to contribute to the removal of the Sandy River Delta Dam as part of the Bull Run Water Supply Habitat Conservation Plan (Ordinance)

2) Purpose of the Proposed Legislation:

The Portland Water Bureau (PWB) is partnering with the U.S. Forest Service to fund a portion of the removal of the Sandy River Delta Dam on the Sandy River. The City of Portland committed to implement this action as Measure H-8 of the Bull Run Water Supply Habitat Conservation Plan (HCP) approved by City Council on October 1, 2008 (Ordinance No. 182235). The U.S. Forest Service, which has jurisdiction over the land where the dam is located, has entered into a separate agreement with the Army Corps of Engineers (USACE) to perform the dam removal. In order to fulfill the HCP requirements of Measure H-8, PWB has developed a collection agreement with the U.S. Forest Service to provide \$283,250 over two fiscal years to the USACE for a portion of the dam removal. Under the Agreement, all construction work, project management and costs of the project not associated with the City's portion will be the responsibility of the USACE. The total project cost is estimated to range from \$1,000,000 to \$1,600,000.

The purpose of the proposed restoration action is to improve habitat for juvenile salmonids (salmon and steelhead) in the Sandy River Delta, particularly those species listed under the Endangered Species Act (ESA), by restoring flow to the historic main channel of the Sandy River, and by restoring native riparian forest habitat. The work will advance the City's long-term interest in rebuilding fish stocks in the Sandy River Basin consistent with its commitments in the HCP.

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 type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input 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.

No.

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 year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. 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 has budgeted \$283,250 for this project as Measure H-8 of the Bull Run Water Supply Habitat Conservation Plan. The proposed action has authorized funding in the FY 2012-13 Budget and funding for next year has been included in the requested FY 2013-14 Budget.

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.)*

No.

- 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 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]

PUBLIC INVOLVEMENT

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.

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

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

The project is one of 49 measures the City committed to implement when it approved the Bull Run Water Supply Habitat Conservation Plan (HCP) in October 2008, Ordinance No. 182235. The HCP is a 50-year plan to protect and improve aquatic habitat in and around the Bull Run River while continuing to manage the Bull Run watershed as a water supply for the City of Portland.

The HCP served as the official application for a federal incidental take permit under the Endangered Species Act. The National Marine Fisheries Service (NMFS) granted the City an Incidental Take Permit for its water supply operations in spring 2009 on the basis of the restoration commitments described in the Bull Run HCP. Implementation of the projects defined in the HCP allows the City of Portland to be in full compliance with the federal Endangered Species and Clean Water acts.

Project impacts of the HCP include financial impacts to the rate-payers of the Portland Water Bureau and construction impacts from some measures on communities in the Sandy River basin where HCP projects will occur. Positive impacts include habitat improvements in the lower Bull Run River and Sandy River basin benefitting anadromous fish and other species, and long-term regulatory compliance with the federal Endangered Species and Clean Water acts for Portland's drinking water utility.

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?

Since 2002, the Portland Water Bureau and the NMFS have conducted multiple forms of public involvement related to the Bull Run HCP.

1) From 2002 to 2008, the Portland Water Bureau communicated with key stakeholders and the public about its application for an Incidental Take Permit, namely the draft Habitat Conservation Plan. Water Bureau staff:

- Presented or met with six local government agencies 10 times.
- Engaged 10 national and local non-profit organizations in discussions about the HCP.
- Presented to seven community, civic and advisory organizations.

- Conducted additional public education and outreach activities consisting of:
 - Four educational events about the HCP and the effects of the drinking water system on salmon (118 participants);
 - 71 water supply facility tours during which information on the HCP was presented (approximately 1,400 participants);
 - Three public open houses on the HCP (approximately 45 participants); and,
 - Sent out information on the HCP to 171,000 households and 15,000 commercial accounts (three separate times, as inserts in water bills).
- 2) As required by the National Environmental Policy Act, the NMFS conducted a public comment process for the draft HCP and the accompanying Draft Environmental Impact Statement. This involved:
- Two formal scoping meetings held in June 2006; 15 members of the public attended.
 - Two formal public comment meetings held in May 2008; 21 members of the public attended.
 - An extended 60-day public comment period; 14 comment letters were received.

Organizations and agencies that participated in the public involvement activities include: Portland Business Alliance; Columbia Corridor Association; Portland Water Bureau Wholesale Customers; Portland Utility Review Board; Portland Large Water Users Coalition; Bull Run Community Planning Organization; City of Troutdale; City of Sandy; City of Gresham; Metro Council; Clackamas County SWCD; East Multnomah SWCD; Oregon Congressional Delegation; Clackamas County Commission; Multnomah County Commission; State Representatives Dingfelder, Metzger, Smith, and Minnis; Clackamas County; Multnomah County; The Nature Conservancy; National Marine Fisheries Service; Northwest Steelheaders; Oregon Department of Fish & Wildlife; Oregon Department of Environmental Quality; Oregon Trout; Portland General Electric; Sandy Basin Watershed Council; Bureau of Land Management; Forest Service, Mt Hood National Forest; US Fish & Wildlife Service; Western Rivers Conservancy; American Rivers; Oregon Natural Resource Council; Native Fish Society; Trout Unlimited; NW Steelheaders - Sandy Chapter; Alder Creek Kayak & Canoe; Frank Gearhart, Citizens Interested in Bull Run Inc.; and Ed Hopper, Resort at the Mountain.

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

The proposed Bull Run HCP was shaped through a 10+ year planning process with the participation of a wide range of non-governmental agencies, public agencies and community interest groups. These groups provided key input that directly influenced the proposed set of measures the Water Bureau included in the proposed HCP which was then evaluated by NMFS through a federal National Environmental Policy Act (NEPA) process.

Under NEPA, the NMFS was required to prepare an Environmental Impact Statement (EIS) to examine the proposed Bull Run HCP. One of the key steps in the EIS process was NMFS's consultation with the public to obtain suggestions and information on the scope of issues to include in the EIS. When the EIS and Draft Habitat Conservation Plan were completed, there was an announcement and a public review and comment period for that draft.

NMFS received 14 comment letters and these comments were addressed when determining the environmental impacts of the final HCP.

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

The public involvement process for the Bull Run Water Supply Habitat Conservation Plan was conducted according to the regulations outlined in the National Environmental Policy Act (NEPA); and was conducted by the NMFS.

Additional public involvement was designed and conducted by outreach staff at the Portland Water Bureau and consisted of community education, watershed tours, community events, presentations to local special interest, neighborhood and community groups and agencies, and media outreach.

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

Terry Black, Sr. Community Outreach and Information Representative, (503) 823-1168, terry.black@portlandoregon.gov.

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

The USACE submitted a revised Environmental Assessment (EA) for public comment in late 2012. The original EA was issued in 2011 for public comment but with the addition of activity to occur on Forest Service land in connection with this project it was determined to go out for another EA and public comment period.

Once the project implementation date is determined, PWB Public Information staff will coordinate with the local USACE Public Affairs Office to notify scenic area users of the project, and perform a variety of outreach activities including field tours (before and after project implementation) for the media and affected stakeholders.

David G. Shaff, Administrator



APPROPRIATION UNIT HEAD (Typed name and signature)