

ORDINANCE NO. 188530 As Amended

*Authorize an Intergovernmental Agreement with Energy Northwest in the amount of \$8,000,000 for the Operations and Maintenance of Portland Hydroelectric Project (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Portland Hydroelectric Project (Project) is located on the Bull Run River, approximately 10 miles north-east of the City of Sandy, Oregon. The Project falls under the jurisdiction of the Federal Energy Regulatory Commission (FERC).
2. In 1982 the City of Portland entered into a Power Sales Agreement (PSA) with Portland General Electric (PGE). Operating under the PSA, PGE has operated, maintained and purchased all power generated from the Project.
3. PGE no longer desires to operate and maintain the Project.
4. PGE does desire to purchase the power generated by the Project.
5. The City of Portland does not have operators certified to operate hydroelectric generating facilities. Energy Northwest has the expertise necessary to operate and maintain hydroelectric generating facilities.
6. City Code allows the Bureau of Hydroelectric Power to work directly with PGE and Energy Northwest under the conditions described in Code Section 3.110.010, Ordinance No. 147822.
7. Energy Northwest is a non-profit governmental agency in the State of Washington, set up under Revised Code of Washington (RCW) Chapters 43.52, as a joint operating agency to provide energy services. Energy Northwest provides operating and maintenance services for generating facilities owned by other utilities.
8. Energy Northwest will be required to comply with City of Portland standard operating procedures covering work in the Bull Run Watershed.
9. Energy Northwest will operate the Project on the City's behalf, doing all aspects (directly or with contracted services) required to ensure the safe and reliable operation of the Project, in accordance with requirements and limitations set forth by the City, subject to applicable laws, permits, and prudent utility practices.
10. The not to exceed amount of the Agreement will be \$8,000,000 for the five-year term. The first-year costs are estimated to be \$2,000,000. The total cost for subsequent years may fluctuate per fiscal year. Work release orders will be used to authorize services, amend services or add services and will reference the source of funding in the authorized annual budget for the Project.

11. Funding for the Agreement is available in the FY 2017-18 Budget and additional funding will be requested in the future Bureau of Hydroelectric Power Budgets.

NOW, THEREFORE, the Council directs:

- a. That the Water Bureau Administrator is authorized to execute on behalf of the City an Intergovernmental Agreement with Energy Northwest to provide service to operate and maintain the Portland Hydroelectric Project, in a form substantially similar to the attached Exhibit A and as approved by the City Attorney's Office.
- b. That the Water Bureau Administrator is authorized to execute on behalf of the City the annual work release orders to Energy Northwest for the Project.
- c. Amendments increasing the total compensation to the Agreement may be agreed to and executed by the Portland Water Bureau Administrator up to twenty-five percent of the total Agreement amount. Any increase exceeding twenty-five percent of the total compensation would need City Council approval.
- d. The Mayor and Auditor are hereby authorized to pay for the contract from the future Bureau of Hydroelectric Fund when demand is presented and approved by the proper authorities.

Section 2. The Council declares that an emergency exists to allow continuous and uninterrupted operation of the City's Hydroelectric Project in compliance with its FERC license; therefore this ordinance shall be in full force and effect from and after its passage by Council.

Passed by the Council, JUL 20 2017

Commissioner Nick Fish
Glenn Pratt
May 9, 2017

Mary Hull Caballero
Auditor of the City of Portland

By  Deputy

Agenda No.

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Title

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INTRODUCED BY <i>Commissioner Fish</i>	CLERK USE: DATE FILED <u>JUN 27 2017</u>
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland
Mayor—Finance & Administration - Wheeler	By: <u><i>[Signature]</i></u> Deputy
Position 1/Utilities - Fritz	ACTION TAKEN:
Position 2/Works - Fish	JUL 05 2017 PASSED TO SECOND READING JUL 12 2017 9:30 A.M.
Position 3/Affairs - Saltzman	JUL 12 2017 CONTINUED TO JUL 20 2017 2 P.M.
Position 4/Safety - Eudaly	
BUREAU APPROVAL	
Bureau: Water	
Bureau Head: Michael Stuh	
Prepared by: Glenn Pratt	
Date Prepared: May 9, 2017	
Impact Statement	
Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document	
If "Yes" requires City Policy paragraph stated in document.	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>cf</i>	
Council Meeting Date July 5, 2017	

AGENDA
TIME CERTAIN <input type="checkbox"/>
Start time: _____
Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/>
Total amount of time needed: 10 minutes (for presentation, testimony and discussion)

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