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IMPACT STATEMENT

- Date:** August 19, 2020
- Council Date:** September 30, 2020
- Legislation Title:** Declare intent to initiate local improvement district formation proceedings to construct water main improvements in the SW Quail Post Road Local Improvement District (Resolution; C-10070)
- Contact Names:** Andrew Aebi, City of Portland Local Improvement District Administrator
Dave Evonuk, Water Bureau Engineering Supervisor
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- Presenter Name:** Andrew Aebi, LID Administrator
Gabriel Solmer, Director
Dave Evonuk, Engineering Supervisor

Purpose of proposed legislation and background information:

The purpose of this legislation is to initiate local improvement district formation proceedings as a pre-requisite to the beginning design engineering and construction of the water main improvements in the proposed SW Quail Post Rd Local Improvement District.

Discussions have been underway with Quail Park homeowners since June 2019 to develop a long-term solution to address vulnerabilities with the existing private water system. A local improvement district (LID) proposal has been developed that enables the private system to be replaced with a new public system for which the Water Bureau would assume maintenance responsibility after the LID is formed.

This Resolution is the first of three Council items if the Resolution is approved. An Ordinance to form the LID would be considered in November and a Final Assessment Ordinance would be brought to Council after the construction work is complete. The Resolution would bring the Quail Park homeowners water system into compliance with OAR 333 Chapter 61 pertaining to safe drinking water.

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Financial and budgetary impacts:

This LID will fully fund the costs of replacing Quail Park's private system with a public system. Completion of the Project will add to the Water Bureau's asset base, thereby requiring ongoing maintenance.

Formation of this LID avoids potentially higher costs of emergency repairs and financially prepares property owners for a predictable expense in becoming part of the publicly maintained water system. This legislation budgets new capital improvement costs with a mix of LID and Water Bureau funding, and expenditures will draw first against LID funding before the Water Bureau funding. Given two phases of construction, no impact on Water Bureau rates is expected over the next five years.

The Local Improvement District Administrator's level of confidence in the cost estimates for this project as of the filing date of this resolution is "Low" per Exhibit A of Resolution No. 36430 adopted by City Council on July 26, 2006, given that project specifications are preliminary.

Passage of this Resolution and a subsequent Ordinance will increase Water Bureau costs by \$6,109,928.64 with \$4,305,450.24 of those costs accepted by the LID and \$1,804,478.40 of the costs accepted by the Water Bureau, reflecting a 30% credit for remaining life on the existing private water system.

This legislation does not change current staffing levels and results in a \$95,000 budget tie to the Portland Bureau of Transportation for LID Administration. These costs have been included in the \$6.1 million cost total.

Community impacts and community involvement:

The project will address vulnerabilities of the current private system and will significantly reduce financial risk to property owners in Quail Park, while also offering them financial certainty in becoming part of the public water system.

- The combined equity score is low with a score of two on a two-to-ten scale.
- However, by property owners getting individual meters in lieu of paying their HOA for their ongoing utility bill, any low-income property owners will be potentially eligible for a low-income discount.
- This project is in the Markham Neighborhood within the Southwest Neighborhoods, Inc. neighborhood coalition.
- The LID is entirely residential.

- This LID is being initiated by Council prerogative in lieu of by property owner petition; however, there is not significant opposition to the project.
- Water Bureau developed the project proposal to respond to engineering and financial risks of the current private water system in response to property owner concerns; note that a potholing analysis performed by the Water Bureau led to a condition assessment and discussion of additional private system vulnerabilities that were not known when the conversation was initiated by the community.
- City representatives (Andrew Aebi and Dave Evonuk) met with members of the Quail Park Homeowner’s Association on July 16, 2020 to review findings of the potholing report and discuss options, including the formation of the LID.
- The exact group of testifiers is not yet known pending notification of the Council hearing to property owners; however, it is expected that property owners currently serving as Quail Park Homeowners’ Association Board are most likely to testify.

100% Renewable Goal:

Not applicable.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

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

Gabriel Solmer

8/25/2020

Gabriel Solmer, Director