



Bull Run
TREATMENT
PROJECTS

*Our water: Safe and abundant
for generations to come*

PORTLAND WATER BUREAU

Bull Run Treatment Program

Annual Report to Council

June 23, 2021



Bull Run Treatment Projects will help keep our water **safe and abundant** for the next century and beyond



**For our
health**

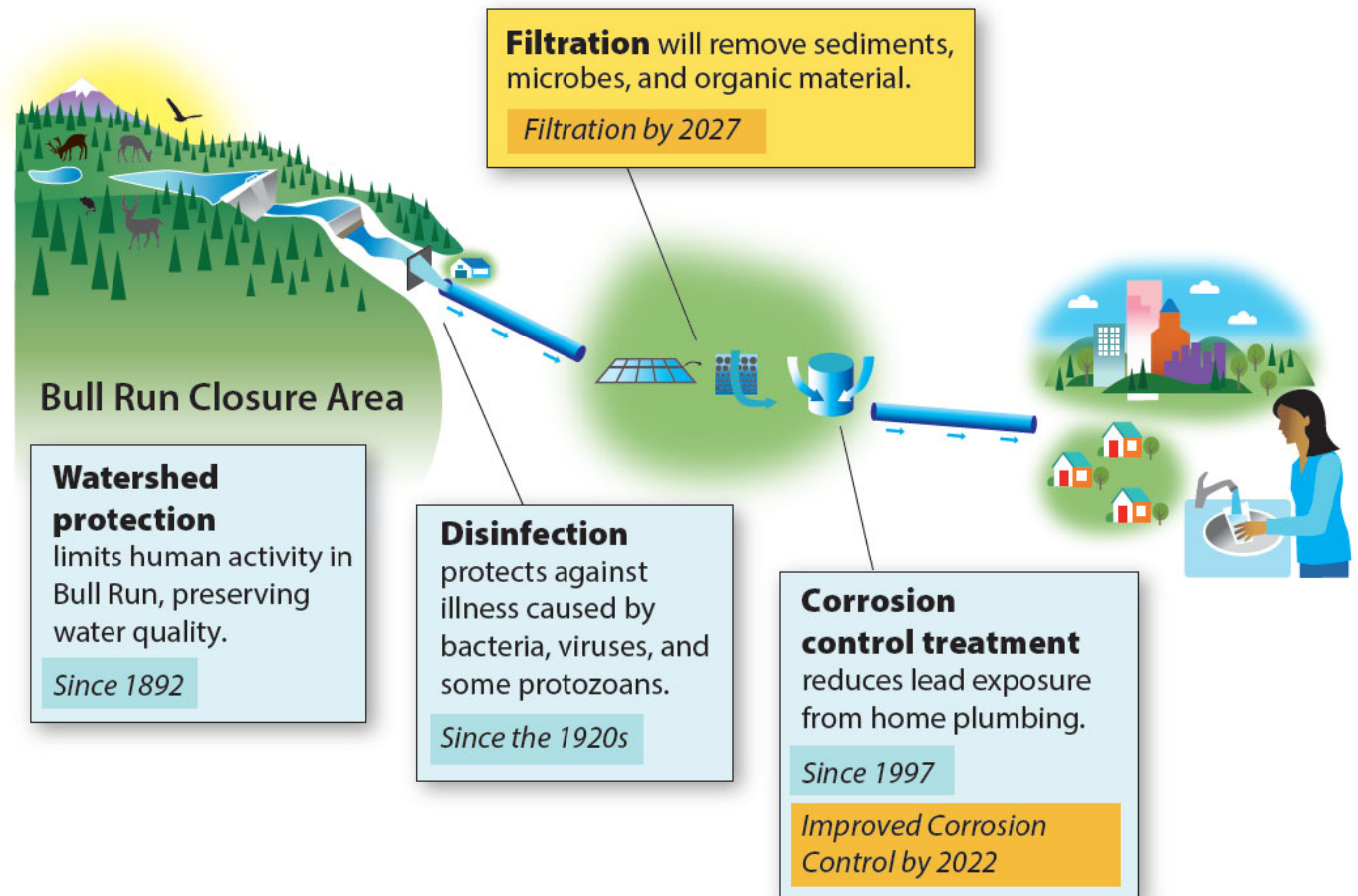


**For our
economy**



**For our
future**

Improvements
to our system
are needed to
meet national
drinking water
standards



COMING APRIL 2022

Improved Corrosion Control Treatment (ICCT)

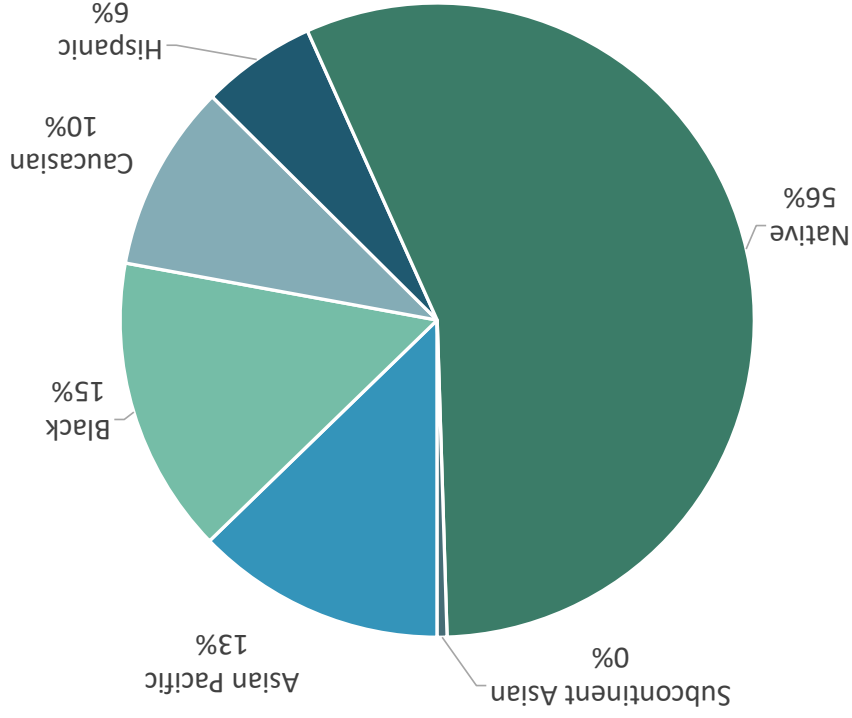
- On track to achieve **compliance deadline** in April 2022
- **Mid-way through construction**, new soda ash silos just delivered
- **\$3M** committed to COBID-certified firms for construction
- Community Equity & Inclusion Plan



Construction activities at Lusted Hill facility.

ICCT construction COBID-certified firms

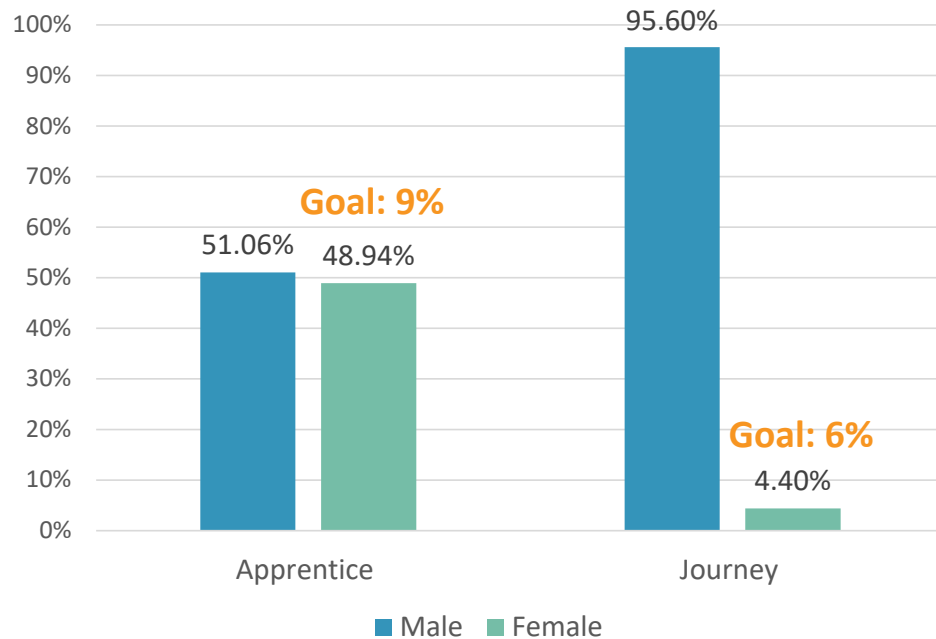
Certified Firms by Owner Ethnicity



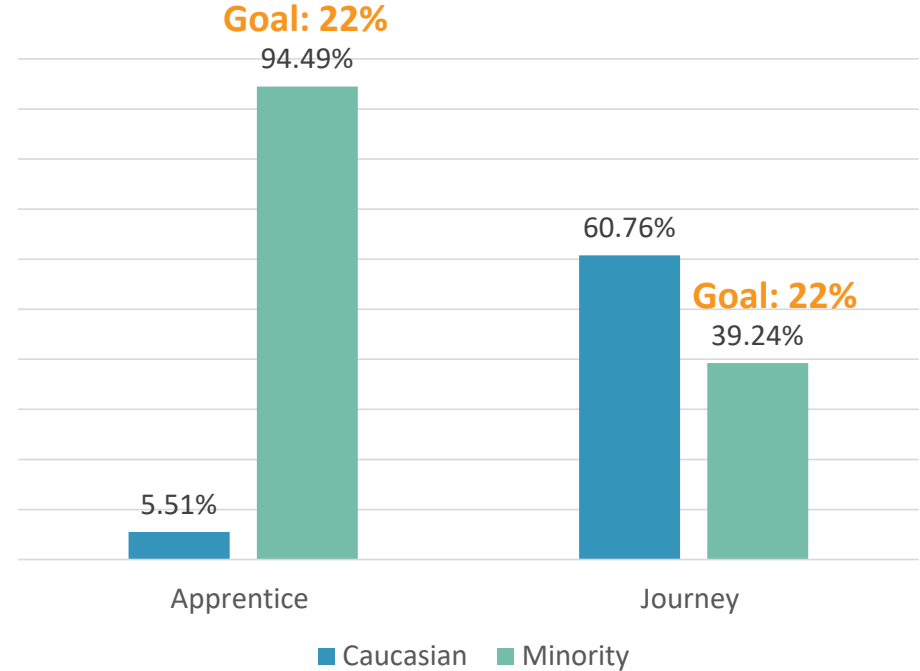
Community Equity and Inclusion Committee Reporting (May 2021)

ICCT building capacity through apprentice hours

% Female Trade Hours



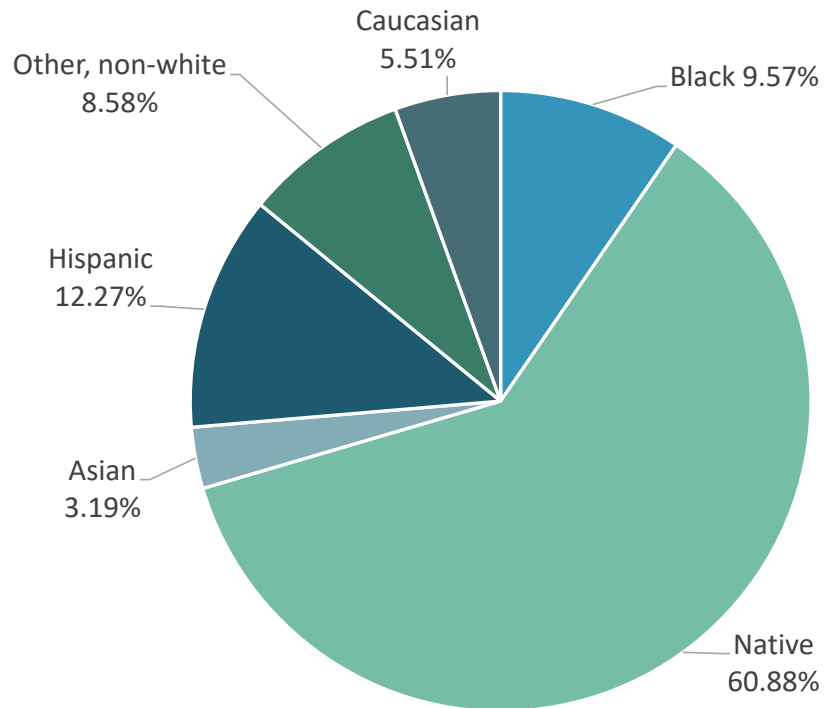
% Minority Trade Hours



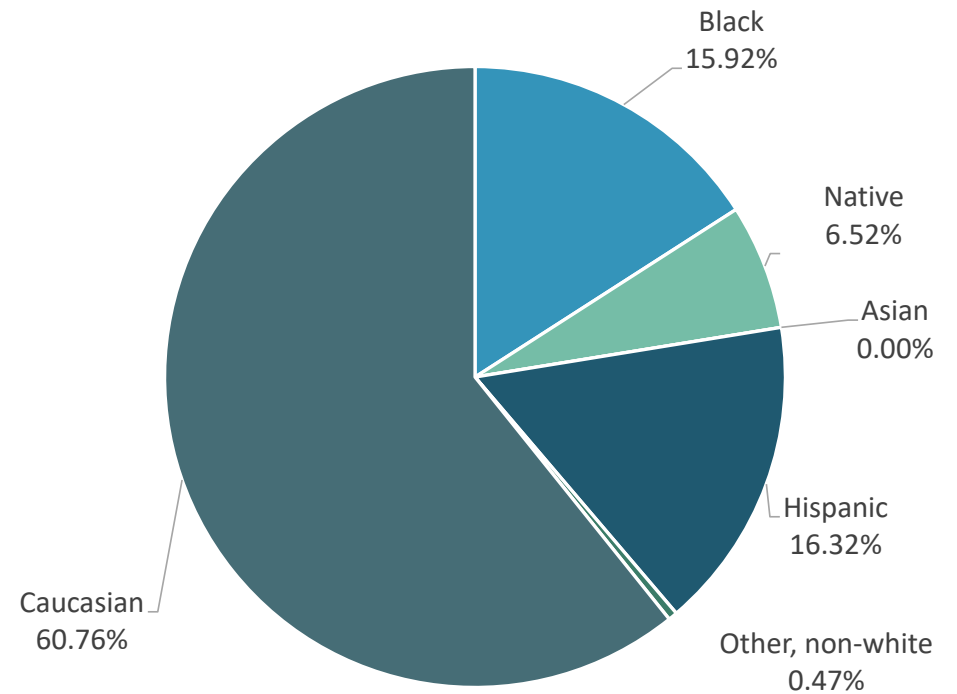
Community Equity and Inclusion Committee Reporting (May 2021)

ICCT trade hours by ethnicity

Apprentice Hours by Ethnicity



Journey Hours by Ethnicity



RISE Up training for a safe work environment

- Training, tools, and support for managers and laborers
- Create and maintain a safe, inclusive, and productive environment
- Encourage retention of minorities and women in the construction trades
- Implemented for ICCT construction, planned for facility and pipeline construction



COMING SEPTEMBER 2027

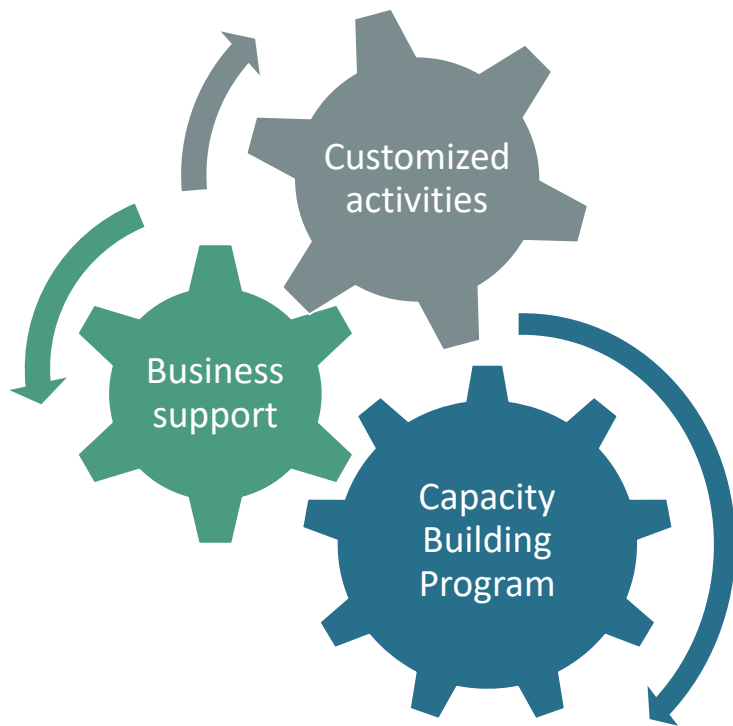
Bull Run Filtration Projects

- Achieved first of three major **compliance milestones**
- Received approval of **pilot study** from Oregon Health Authority
- Completed basis of **design for filtration facility**
- Continued work on basis of **design for pipelines**, including 65 geotechnical borings along pipe routes
- Meeting COBID-certified firm **equity participation** goals



Conceptual site design for filtration facility.

Investment in equity contracting partners



“The Capacity-Building Program has supercharged our business development by keeping us on track, helping us find answers, and pulling us in new directions we may not have realized we needed to explore.”

—David Goodyke, NNA Landscape Architecture

“We have received coaching, marketing assistance, genuine tips for growth, and real support that has been invaluable to the growth of our small business. The Capacity-Building Program is a valuable asset to small businesses!”

—Carlos Banks, BanksCuesta Translations LLC

Equity as we move towards construction



Construction
2023-2027

- Continue outreach to contracting community and workforce community groups
- Development of construction procurement and subcontracting plans
- Collaboration with Labor Management Community Oversight Committee, late 2021

Balancing program values

- Improve **long-term reliability** and resilience
- Looking to **future needs**
- Continue to **deliver excellent water** every day to nearly 1 million customers
- Maintaining **affordability**
- **Community** and **economy**



Program Performance

Schedule

- Projects are on schedule



Scope

- One change to Council approved scope – 135 vs 145 mgd



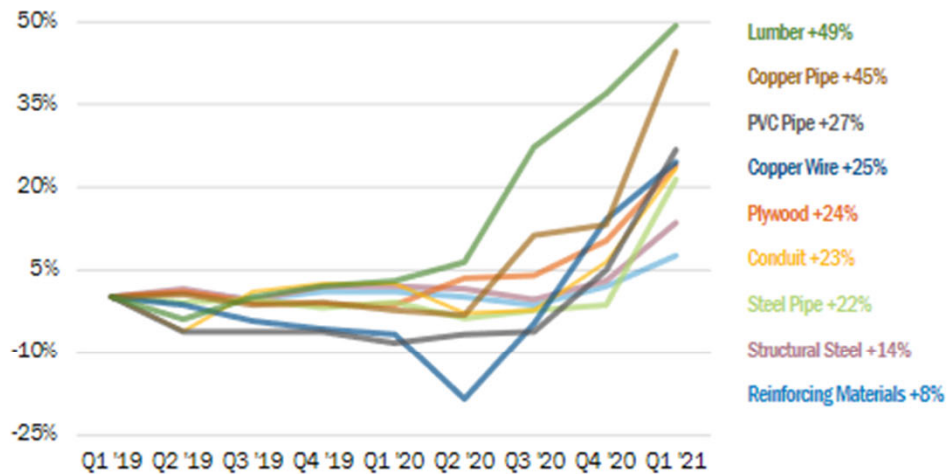
Budget

- Costs are increasing, but **within amount funded in rate forecast**

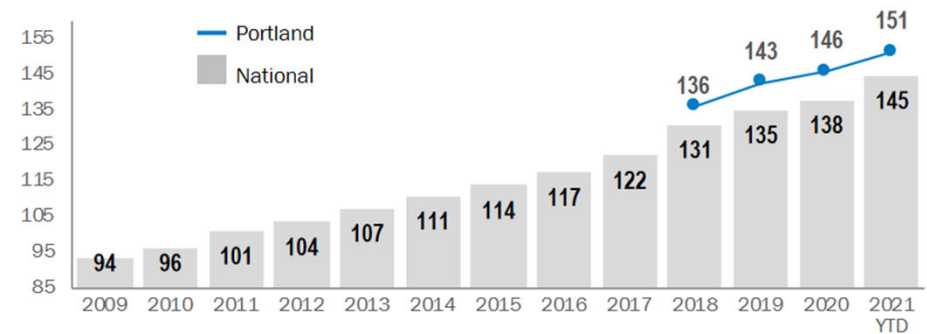


Pressures on estimated cost

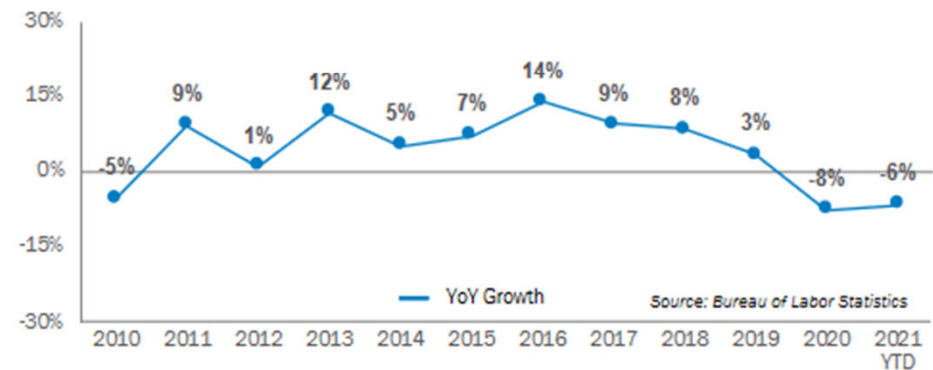
MATERIAL PRICING CHANGES
(Cumulative 2019 to Q1 2021)





CONSTRUCTION COST INDEX
(January 2009 = 100)



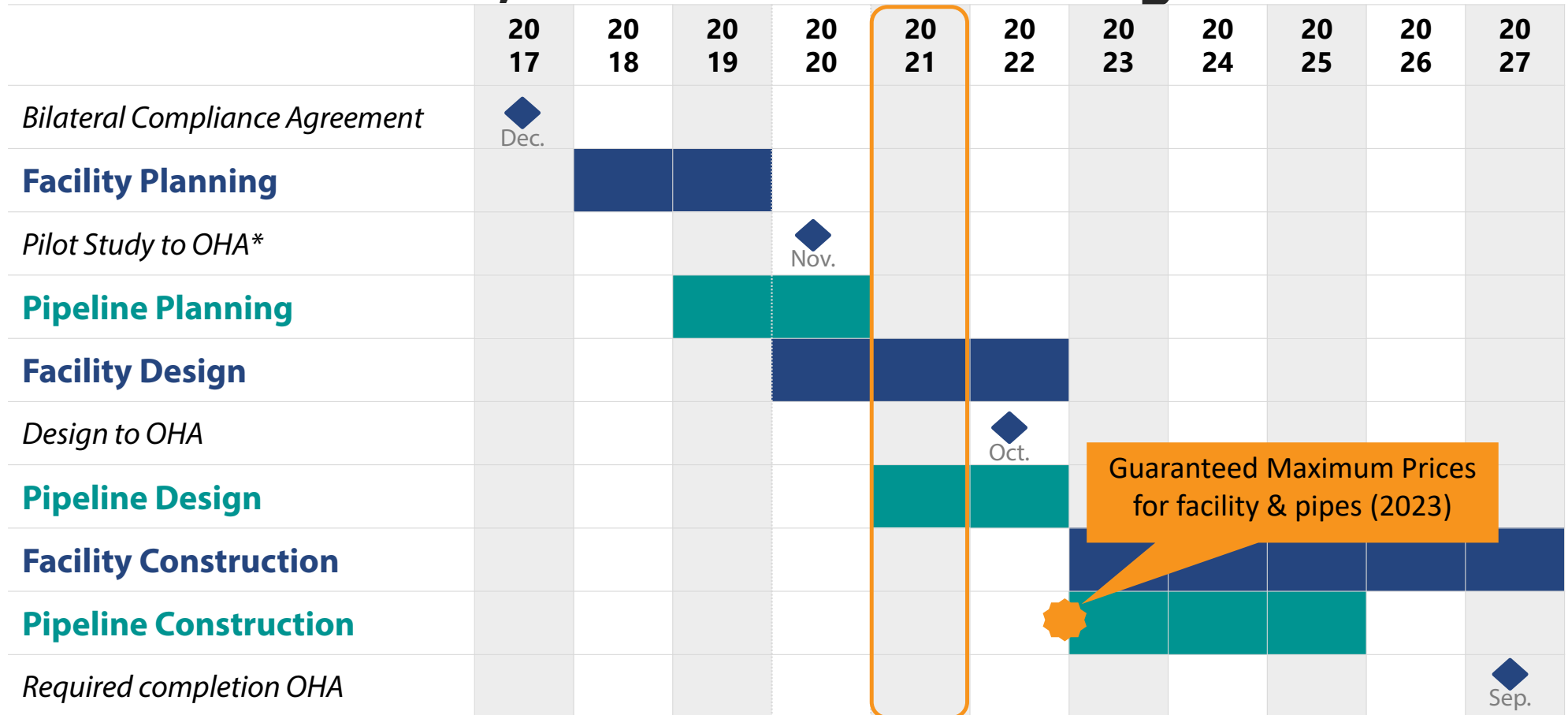
PORTLAND CONSTRUCTION EMPLOYMENT GROWTH
(an indicator of future wage and activity trends)



Current estimated program costs

	WIFIA Application & Funding Plan	Estimated Costs
Capital Costs	\$840M	\$1,024M 
Other WIFIA-eligible Costs (financing costs, inflation, overhead, and interest)	\$233M	\$255M 
Available Contingency	\$410M	\$204M
TOTAL PROGRAM FUNDING	\$1,483M	\$1,483M

Continued value engineering through 30%, 60% and 90% design



*OHA = Oregon Health Authority

Cost management throughout design



Design
2020-2022

- As part of basis of design, used value engineering to identify **cost control** opportunities
 - **Reduced** facility capacity by 10 million gallons per day to reflect current supply planning
 - **Optimized** the treatment processes
- Input from multiple parties
- Additional value engineering at upcoming design milestones

Keeping the community informed and involved

- Sharing **regular updates** through project e-news, online events, social media, and more...
- Providing **project briefings** to cultural organizations, local tribes, watershed councils, neighboring water utilities, and more...
- Using **community values** to inform project decisions
- Using input from facility neighbors to develop a **Good Neighbor Agreement**



Tribal nation and urban Indigenous outreach

- Started Urban Tribal Engagement Circle
- Reached out to eight Tribal nations
- Assessing Indigenous Traditional Ecological and Cultural Knowledge (ITECK) opportunities for the project

“I’m super excited and thankful for the opportunity to work with the Bull Run Filtration project team... they are working to build genuine relationships and support the goals of Indigenous community members. The implications of what could emerge from this work is inspiring.”

— Serina Fast Horse, Kimimela Consulting



Developed Good Neighbor Agreement with input from facility neighbors

The Good Neighbor Agreement details steps we're taking to:

- Design a filtration facility that adapts to the community
- Minimize impacts during construction
- Continue to be a good neighbor once the facility is operating
- Keep neighbors informed



Joint Water Commission facility tour with Site Advisors and other community members

Public opinion research to assess project awareness and information needs

Objective

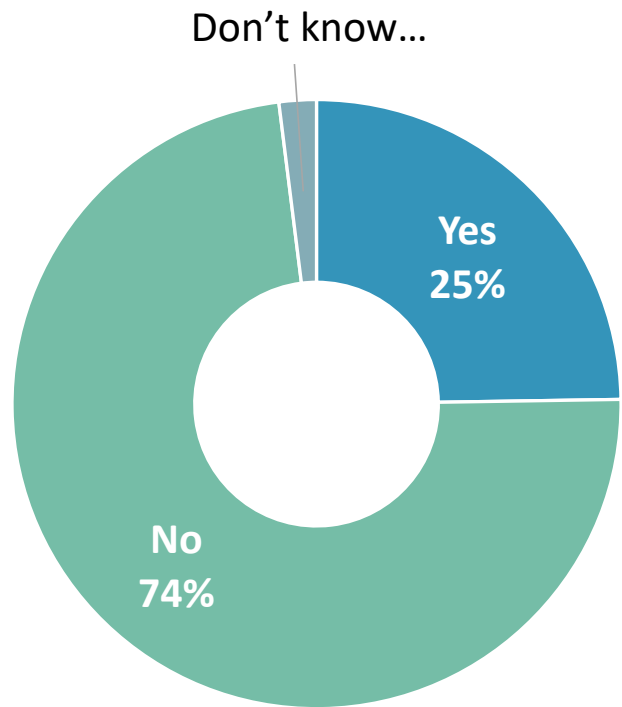
- Collect representative view and advance equity assessment

Methodology

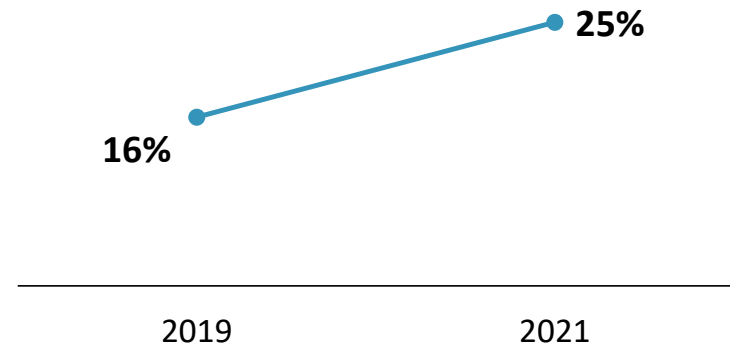
- 600 Portland residents
- 221 people of color
- Weighting by race, age, gender, education, household income, and homeownership status
- Margin of error: $\pm 4.0\%$



One in four Portlanders are aware of the projects, up from 16% in 2019

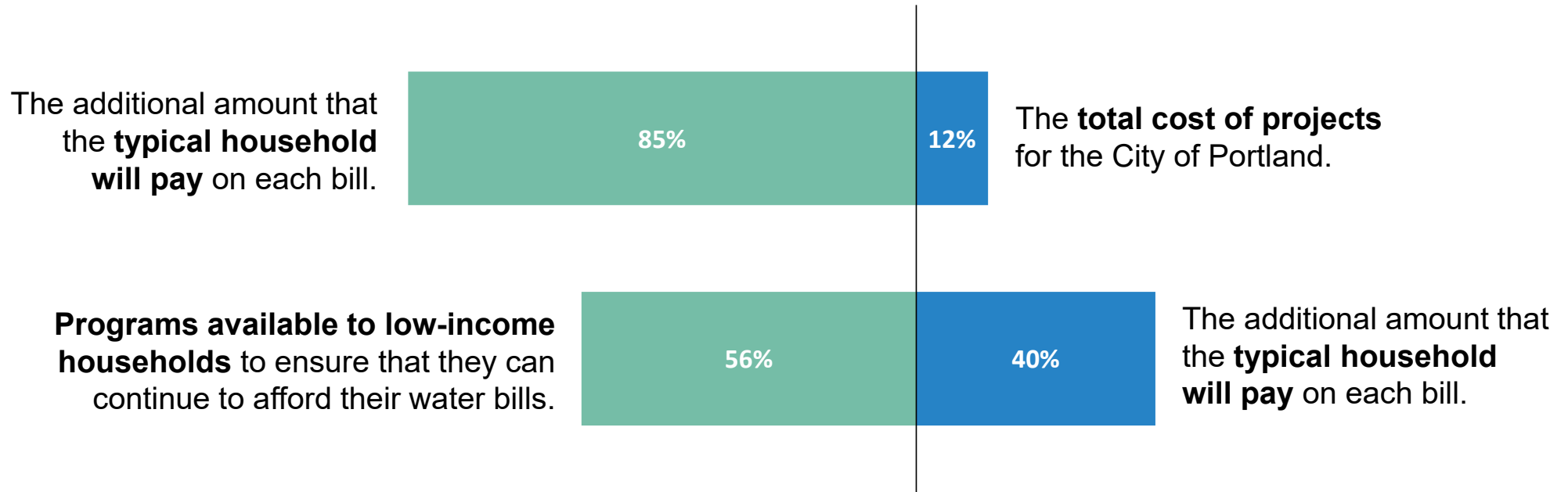


Have heard or read about facilities?



Bull Run Treatment Projects Public Opinion Research (March 2021)

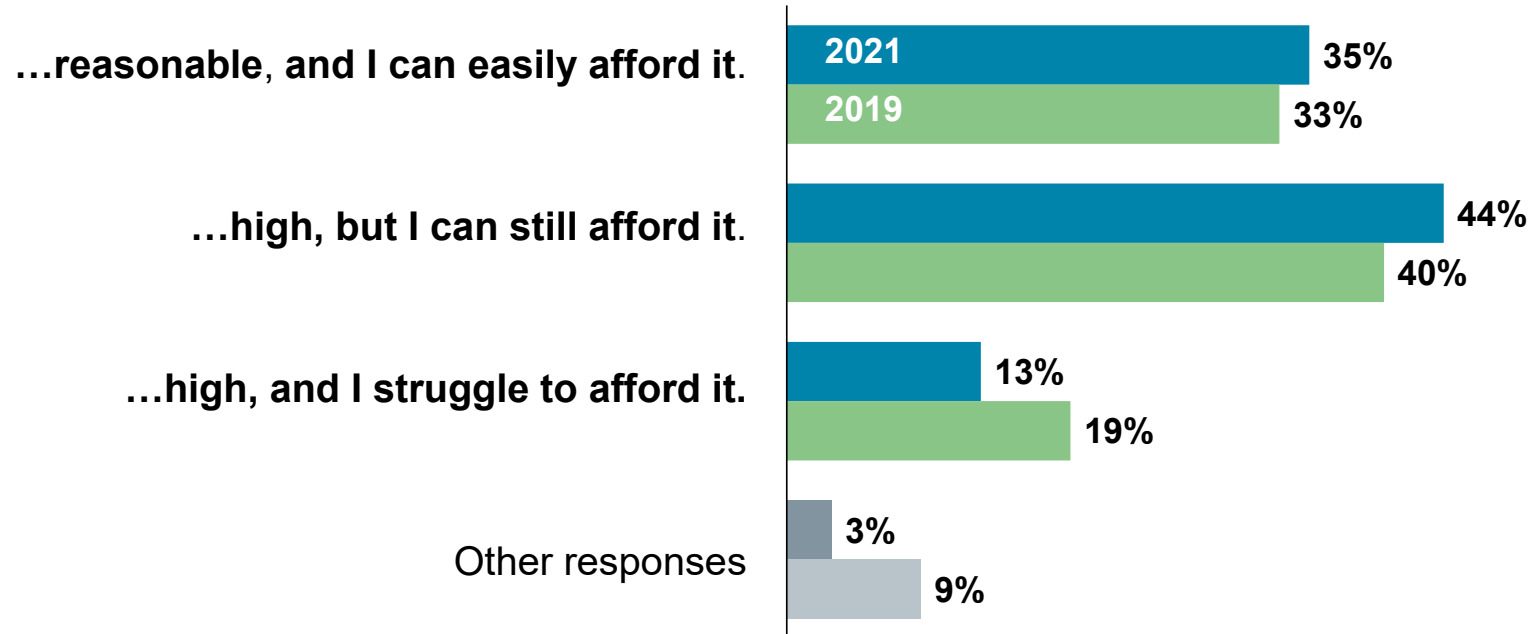
Portlanders are interested in typical household rates and low-income programs



Bull Run Treatment Projects Public Opinion Research (March 2021)

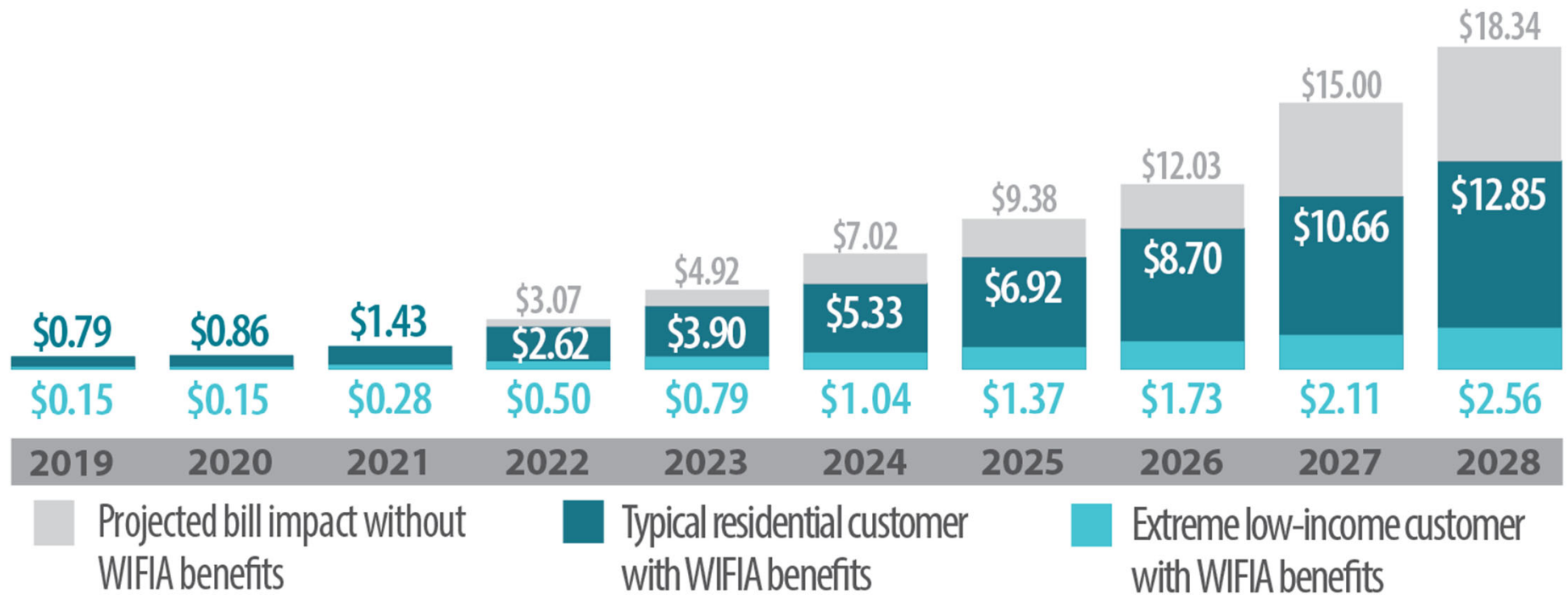
Portlanders perceptions about water rate affordability are similar to 2019

The drinking water portion of my utility bill is...



Bull Run Treatment Projects Public Opinion Research (March 2021)

WIFIA lowers projected monthly water bill impacts from the Bull Run Treatment Projects



Focus on affordability for most vulnerable

Financial Assistance Programs

- Bill Discounts
- Crisis Assistance
- Utility Safety Net Program
- Leak Repair Assistance
- Payment Plans and Temporary Waivers
- Emergency Rental Assistance



“A customer assistance program offered by Seattle Public Utilities and the Portland Water Bureau have easy-to-navigate websites, require little upfront documentation, accept online applications, and combine water bill assistance with other utilities like gas and electric.”

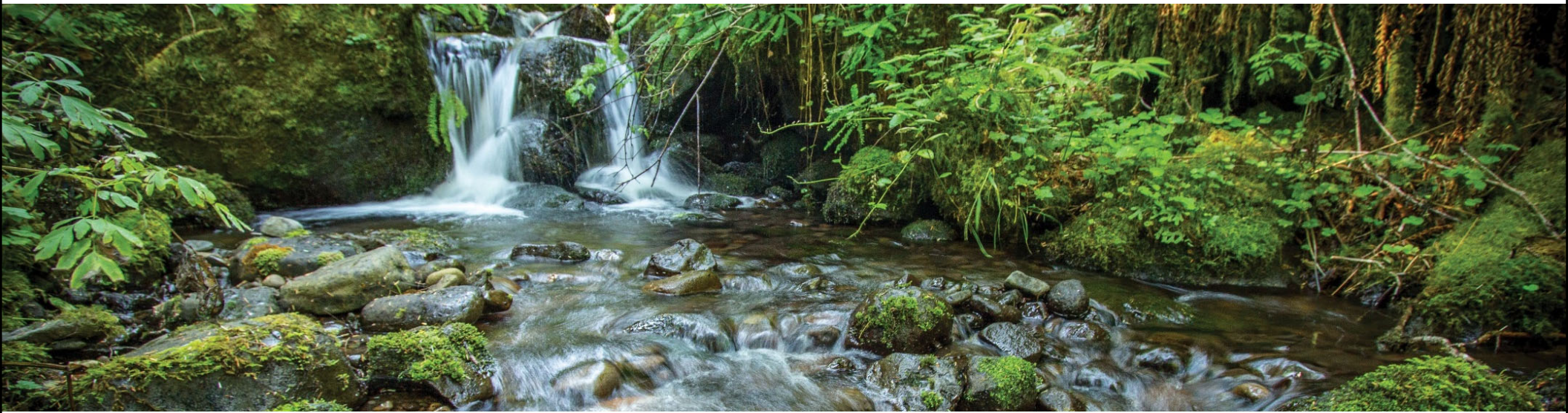
-Water Finance and Management, May 2021

Looking forward

- Designing facility and pipelines, working towards **guaranteed maximum prices**
- Submitting for **land use application in early 2022**
- Continued **cost management**, balanced with performance and reliability goals
- Commitment to **maintaining affordability**, including using WIFIA loan to maximize benefits for customers
- **Annual updates** to Council and PUB



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safe and abundant for the next century and beyond



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*Our water: Safe and abundant
for generations to come*

Learn More portland.gov/bullrunprojects

Thank you!