

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Kevin Larson		2. Telephone No. (503) 823-7210	3. Bureau/Office/Dept. Water Bureau/Public Safety
4a. To be filed (date): November 21, 2011	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: November 21, 2011
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: Amend contract with Black & Veatch Corporation to increase compensation and scope of work for Bull Run Dam No. 2 Tower Improvements (Ordinance; amend Contract No. 37587)

2) Purpose of the Proposed Legislation: Amend Contract No. 37587 with Black & Veatch Corporation to provide for changes to the design of the Dam 2 Towers project. The project was to make improvements to both the North and South Towers. The Guaranteed Maximum Price for construction of the project was greater than the \$30 million budgeted. The Water Bureau has decided to only make modifications to the North Tower and complete minor access improvements to the South Tower in order to keep the project within budget.

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 | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

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 related to 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 current construction contract cost estimate is \$27.1 million and the total project cost is \$35 million. About \$4 million has been expended through June 30, 2011 for the design of the

improvements. The project is part of the Water Quality and Regulatory Compliance budget program that has \$16.5 million in FY 2011-12 and over \$43 million in the 5 year CIP. \$30.1 million is allocated to this project in the FY 2011-16 CIP, and the expected total expense over the period is now estimated at \$31.1 million. Though the project now requires \$1 million more than the current plan, this proposed action will not result in a net change in the forecast water rates as future CIP requests will remain within available planned resources. There is currently a high level of confidence for the project.

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 benefiting 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 (approx. 1,400 participants)
 - three public open houses on the HCP (approx. 45 participants)
 - 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 (NEPA), the NMFS conducted a public comment process for the draft HCP and the accompanying Draft Environmental Impact Statement (EIS). 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; Ed Hopper; and 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 NEPA process.

Under NEPA, the NMFS was required to prepare an EIS to examine the proposed Bull Run HCP. One of the key steps in the EIS process was NMFS' consultation with the public to obtain suggestions and information on the scope of issues to include in the EIS.

When the EIS and Draft HCP 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 NEPA; and was conducted by the NMFS.

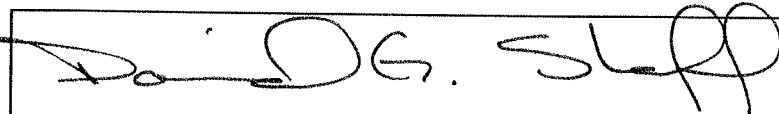
Additional public involvement was designed and conducted by outreach staff at the Portland Water Bureau and consisted of community education, watershed tours, community events, presentations to local special interest, neighborhood and community groups and agencies, and media outreach.

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.

No. The Council item is a contract amendment and no further public involvement is necessary.



David G. Shaff, Administrator

BUREAU DIRECTOR