

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Scott T. Gibson		2. Telephone No. (503) 823-7615	3. Bureau/Office/Dept. BES/Engineering Services
4a. To be filed (hearing date): January 16, 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 FPD Budget Analyst:
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 contract and provide for payment for the construction of the Upper Hillsdale Sub-Basin RDII Pilot Project , BES Project No. E10472 (Ordinance)

2) Purpose of the Proposed Legislation:

To authorize the Commissioner of Public Utilities and Auditor to execute a contract with the lowest responsible bidder for construction of the Upper Hillsdale Sub-Basin RDII Pilot Project , BES Project No. E10472.

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 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 checked="" 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.

This action will neither generate nor reduce current or future revenue.

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 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 estimated cost is \$2,350,000. The level of confidence in this estimate is "High". Funds are available in the Sewer System Operating Fund, FY 2012-2013 Budget, Bureau of Environmental Services, WBS E10472.C60 and the current & future years requested Sewer System Operating Fund Budget.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this

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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 new positions will be created by this action.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No positions will be created or eliminated in future years as a result of this action.

(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

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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?

There will be typical construction impacts, including potential traffic delays on SW Hamilton Street and SW Dosch Road and associated neighborhood streets, equipment parked on the streets at night, and normal construction noise during working hours. Additionally, BES staff will engage property owners directly to solicit participation in these pilot projects. Participation in the pilot projects will require sewer rehabilitation activities on private properties.

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?

BES public involvement staff is preparing a robust outreach and involvement plan that will engage property owners, representatives of SWNI, Hayhurst neighborhood association, and Hillsdale neighborhood association.

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

When public involvement and outreach for this pilot project is substantially underway, the feedback from stakeholders will inform the project team as to the effectiveness of the messaging and communications, the relevance of the incentives to participate, feedback on construction impacts, and opportunities for improvement of the program for future projects.

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

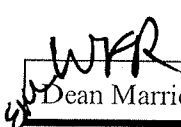
Stephen Sykes, BES Public Involvement, designed and will implement the public involvement for this Council item.

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

Stephen Sykes, Sr. Community Outreach and Public Involvement Rep., 503-823-7898, stephen.sykes@portlandoregon.gov

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

Yes, an extensive public involvement program has began in November of 2012 and will continue that aims to educate about, promote, mitigate, and communicate project development, goals, and impacts.

 Dean Marriott, Director, Bureau of Environmental Services

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Dan Saltzman
THROUGH: Matt Grumm or Amy Trieu

FROM: Scott T. Gibson, P.E.

DATE: December 21, 2012

RE: Upper Hillsdale Sub-Basin RDII Pilot Project, BES Project No. E10472

Requested Council Hearing Date: January 16, 2013

I. RECOMMENDATION

Approve the resolution to authorize the Commissioner of Public Utilities and Auditor to execute a contract with the lowest responsible bidder for construction of the Upper Hillsdale Sub-Basin RDII Pilot Project.

II. BACKGROUND

BES has performed extensive analysis of its sanitary sewer collection system and determined that RDII causes significant problems in southwest Portland's sanitary sewer basins, most significantly in the Fanno Creek and Burlingame sanitary basins as documented in the "Recommended Plan for Fanno Creek and Burlingame Sanitary Basins," March 21, 2012.

BES has initiated a RDII program to reduce the inflow of stormwater from the sanitary system in the Fanno Creek, Tryon Creek and Burlingame sanitary sewer basins. This program has recommended three pilot projects, including approximately 360 residential properties, to investigate the effectiveness of various methods and approaches to resolving RDII from private property prior to developing a larger basin-wide program.

In 2012 Council adopted Resolution 36977 recognizing the negative impacts of Rainfall Derived Infiltration and Inflow (RDII), and endorsing implementation of RDII pilot projects.

Environmental Services has prepared plans and specifications for the first of the pilot projects to rehabilitate the deteriorated sewer pipes and service laterals from the sewer mainline to the house connection to mitigate RDII, and extending a portion of sewer to provide better service.

III. FINANCIAL IMPACT

The estimated cost for this construction project is \$2,350,000 which includes both the public and private portions of the pilot project. Of this amount \$1.8 million for the construction on public property is included in the BES Capital Improvement Program budget. The private property work estimate of \$ 600,000 is included in the current & next year's requested operating budgets. The source of funding is BES revenue from rates and bond proceeds. Our level of confidence in this estimate is "high". There is a lack of experience regarding the work of rehabilitating sewer laterals on private property and therefore our estimate is not based on prior experience and therefore our estimate confidence is less than "Optimal".

IV. LEGAL ISSUES

The City Attorney's Office foresees no legal issues with the pilot projects because property owner participation will be entirely voluntary and because the projects are not anticipated to conflict with City Charter or Code provisions.

V. CONTROVERSIAL ISSUES

Ratepayer funds will be used to rehabilitate or replace a certain number of private sewer laterals. However, BES has determined that the pilot projects are a cost-effective, time-limited method of obtaining data critical to understanding and mitigating the impact of private property RDII on the public sewer system.

VI. LINK TO CURRENT CITY POLICIES

This pilot project supports an asset management approach to reducing long term risk to the environment and to the bureau.

VII. CITIZEN PARTICIPATION

Property owners in the targeted pilot project area will be provided with background information by mail and canvassed one-on-one in order to have direct conversations about participation.

VIII. OTHER GOVERNMENT PARTICIPATION

Clean Water Services (CWS) has an interest in the BES RDII program. Reduction of RDII in southwest Portland will reduce the amount of wet weather flow directed to their system and is a requirement of our cooperative agreement.

Oregon DEQ is involved in the oversight of the MAO with BES to resolve sanitary sewer overflows in the Burlingame Sanitary Sewer Basin. This pilot project meets one of the stipulations in the MAO.

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION

This project will be publicly bid to qualified contractors. We estimate that this project work will create 20 jobs in the construction field.

IF THIS ACTION IS CONTRACT-RELATED, PROVIDE INFORMATION ON
M/W/ESB PARTICIPATION (NUMBER AND PERCENTAGE)

This project includes contract provisions for required M/W/ESB participation.

- X. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS
LICENSE? ____ WHAT IS THEIR BUSINESS LICENSE NUMBER? ____ IS
THEIR ACCOUNT WITH THE CITY CURRENT? ____ IF NOT, HOW MUCH IS
OWING? ____
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The construction contract contains provisions to comply with all applicable City
regulations and will not be executed without the lowest responsible bidder
meeting those requirements.