

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

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| 1. Name of Initiator Scott Gibson | | 2. Telephone No. (503) 823-7615 | 3. Bureau/Office/Dept. BES/Engineering Services |
| 4a. To be filed (hearing date): June 12 , 2013 26 | 4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <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 the Director of the Bureau of Environmental Services or his designee to enter into agreements with private property owners for rehabilitation of private sewer service laterals to remove inflow and infiltration from the public sewer conveyance and treatment system. (Ordinance)

2) Purpose of the Proposed Legislation:

To meet the interim requirements of the Mutual Agreement and Order (MAO) WQ/M-NWR-11-091 with the Oregon Department of Environmental Quality (DEQ) to reduce Rain-Derived Inflow and Infiltration (RDII) to the system in order to eliminate sanitary sewer overflows on Dewitt St in the Burlingame sewer basin, and to reduce the infiltration of stormwater into public sewers conveyance and treatment system in the Fanno Creek and Burlingame Sanitary Sewer basins. The Participation Agreement allows BES to enter private property and perform rehabilitation work on private laterals as part of the pilot projects implementation.

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*.)

BES staff time will be used for outreach efforts and administrative processing of the agreements. BES will pay to record the easements granted as required by the agreements. BES will fund and construct private service

rehabilitation efforts on private property using funds available in the current & future years requested Sewer System Operating Fund Budget. In addition, because the agreements require the City to indemnify the property owners, BES could be required to pay legal and other costs associated with that obligation. The source of funding is BES revenue from rates.

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 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 |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
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[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?

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 associations.

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

When public involvement and outreach for these pilot projects 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?

Joseph Annett, 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):

Joseph Annett, Sr. Community Outreach and Public Involvement Rep., 503-823-2934,
Joseph.Annett@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 was begun in November of 2012 and will continue, that aims to educate about, promote, mitigate, and communicate project development, goals, and impacts.

 WTR
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 Nick Fish
THROUGH: Jim Blackwood

FROM: Scott T. Gibson, P.E.

DATE: May 21, 2013

RE: Ordinance authorizing the Bureau of Environmental Services to enter into agreements with private property owners for rehabilitation of private sewer service laterals to remove inflow and infiltration from the public sewer conveyance and treatment system.

Requested Council Hearing Date: June 26, 2013

I. RECOMMENDATION

Approve the ordinance authorizing the Director of the Bureau of Environmental Services or his designee to enter into agreements with private property owners for rehabilitation of private sewer service laterals to remove inflow and infiltration from the public sewer conveyance and treatment system.

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 an 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 pilot projects 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.

These agreements with private property owners will enable the rehabilitation of private sewer service laterals.

III. FINANCIAL IMPACT

BES staff time will be used for outreach efforts and administrative processing of the agreements. BES will pay to record the easements granted as required by the agreements. BES will fund and construct private service rehabilitation efforts on private property using funds available in the current & future years requested Sewer System Operating Fund Budget. In addition, because the agreements require the City to indemnify the property owners, BES could be required to pay legal and other costs associated with that obligation. The source of funding is BES revenue from rates.

IV. LEGAL ISSUES

The City Attorney's Office foresees no legal issues with the use of these agreements for these 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 these projects represent a cost-effective method of reducing excessive stormwater in the public sewer system and complying with the City's obligations under the MAO.

VI. LINK TO CURRENT CITY POLICIES

These projects support an asset-management approach to reducing long-term risk to the environment and to the City.

VII. CITIZEN PARTICIPATION

Property owners in the targeted project areas will be provided with background information by mail and canvassed one-on-one in order to have direct conversations about participation and entering into these agreements.

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. The Burlingame Sanitary Sewer Basin pilot projects help meet the requirements in the MAO.

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

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

These projects will not directly impact job creation. However, these projects will enable construction contracts to rehabilitate private sewer laterals that will be publicly bid out to qualified contractors, supporting jobs in each of those projects.

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

N/A

- 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? _____
-

N /A