

Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT**  
**For Council Action Items**

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

1. Name of Initiator Michelle Cheek		2. Telephone No. 503-823-4790	3. Bureau/Office/Dept. Water / Engineering Services / Design
4a. To be filed (date): March 13, 2014	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 CBO Budget Analyst: March 5, 2014
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 with Black & Veatch Corporation for a Water Quality Corrosion Study in the amount of \$240,000 (Ordinance)

**2) Purpose of the Proposed Legislation:**

The Water Bureau plans to conduct a Water Quality Corrosion Study to evaluate the impacts of water quality changes on lead corrosion in the distribution system. This study will help the Bureau determine if changes in the corrosion control program are needed to reduce lead levels and ensure compliance with the United States Environmental Protection Agency's Lead and Copper Rule.

Exposure to lead in drinking water in Portland is primarily from corrosion of household plumbing. The rate of lead corrosion is dependent on multiple water quality parameters including pH, alkalinity, water temperature, and disinfection residuals. The water system will be undergoing multiple system changes (physical and operational) over the next 10 to 15 years which may produce changes in these water quality parameters and lead corrosion rates.

The water system is also experiencing more pronounced seasonal changes in water quality that may influence lead corrosion. It is important to take a proactive approach to evaluating the combined water quality effects of these system changes. Evaluating the potential impacts of these system changes now will help ensure compliance with the Lead and Copper Rule during transition periods and after all system changes are in place. A proactive approach will establish solid baseline water quality data that will be used to identify potential water quality changes; evaluate the impact of water quality changes, either positive or negative, on lead corrosion; identify the need for any operational changes or adjustments to pH and alkalinity to control lead corrosion; and plan for and identify the proper timing for any recommended improvements.

**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)?**

- ☒ City-wide/Regional      ☐ Northeast      ☐ Northwest      ☐ North  
☐ Central Northeast      ☐ Southeast      ☐ Southwest      ☐ East  
☐ 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.

No.

**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 year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. 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 total not to exceed value of the contract is \$240,000. This project will be funded through the Capital Planning Program Regulatory Monitoring/Compliance Program. Partial funding of \$50,000 is available in the FY 2013-14 Budget. Additional funding of \$128,000 has been requested in the FY 2014-15 Budget and \$62,000 in the FY 2015-16 Budget. The total project cost including internal costs is \$380,000. This action will not result in a change to the forecast water 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.
- **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.

The project is a water quality study and does not require public involvement.

**9) If "YES," please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

**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?**

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

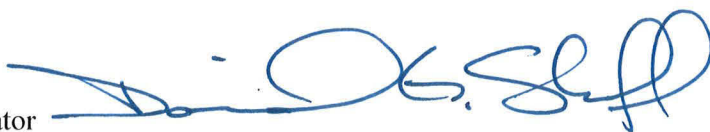
**d) Who designed and implemented the public involvement related to this Council item?**

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

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

If this study results in recommended changes to the Water Bureau's corrosion control strategies, a public information notice may be necessary prior to implementation of the recommended changes.

David G. Shaff, Administrator



APPROPRIATION UNIT HEAD (Typed name and signature)