

Parsons, Susan

From: Dee White <deewhite1@mindspring.com>
Sent: Wednesday, May 27, 2015 11:24 AM
To: Council Clerk – Testimony
Subject: Testimony for Agenda 516, Authorize the rates and charges for water and water-related services

Karla or Sue, Please include this in the record for this agenda item. I testified with this last Thursday and understand that I can submit for the record before they vote next week. Thank you. Please let me know that you have received this.
Dee White

516 Authorize the rates and charges for water and water-related services

I oppose the 7% water rate increase. And I oppose the 7% increase on the Base Charge, which is not part of the water rate. It seems that raising the Base Charge every year is an arbitrary decision that the public has no knowledge of and therefore is unable to voice their opinion.

From the Portland Water Bureau web site:

<https://www.portlandoregon.gov/water/article/27451>

The Base Charge covers the cost of reading and inspecting meters, servicing customer accounts, and billing.

The Base Charge on our water bills has gone up an eye-popping 62% over the past 10 years. And it is going up 7% this year, according to figures on city's web site.

<http://www.portlandonline.com/auditor/index.cfm?a=128877&c=41644>

The Base Charge is quickly approaching the cost of water on my bill. I went to the Rate Review meeting in March. Here is the printout of the PowerPoint presentation that the Water Bureau gave and nowhere is the Base Charge increase of 7% mentioned. In fact, the words Base Charge are nowhere in the presentation.

Is the Base Charge paying for the billing system fiasco? Is this why the Base Charge is escalating at this very troubling rate? Why is no information available to the public justifying these increases?

In 2005 we paid \$6.16 per month for the Base Charge, this year we will be paying \$11.91 per month and there is nothing anywhere that explains or justifies these increases. Are we supposed to believe that these fixed costs have gone up 62% over the past 10 years?

Portland's population increased by about 9% over the past decade.

<https://suburbanstats.org/population/oregon/how-many-people-live-in-portland>

The cumulative rate of inflation over the past decade is 20.9%

<http://www.usinflationcalculator.com/>

The Portland Water Bureau's Base Charge has increased 62% over the past decade. This does not make sense.

I would like to make a request of the City Auditor, and I will do this in writing to her directly, to take a quick look at what I believe is a Base Charge issue.

This is yet another example why the Water Bureau and implicitly the City of Portland cannot be trusted by the citizens. This is why ratepayers continuously complain about the lack of transparency and accountability from our elected officials.

Commissioner Fish, as the commissioner in charge of the Water Bureau, perhaps you could explain to us today why the Base Charge has doubled in the past 10 years? And why does billing and reading my water meter cost almost as much as I pay monthly for water? Here is my last bill: I paid \$33.14 for water and \$31.17 for the Base Charge.

Dee White
3836 SE 49th Ave.
Portland OR 97206

From: floy jones <floy21@msn.com>
Sent: Thursday, May 21, 2015 2:23 PM
To: Council Clerk – Testimony; Hales, Mayor
Subject: For the record, 515,516 May 21, 2015
Attachments: Item 515,516 May 21 utility hearing.pdf

Attached and copied below submitted for the rate review hearing.
Item 515, 516 May 21, 2015 Water and Sewer rate increase hearing

Friends of the Reservoirs opposes next week's approval of additional water and sewer rate increases. The Water Bureau's proposed 7% increase comes on top of continual massive rate increases under the Leonard/Fish/Shaff Water Bureau leadership. Further rate increases inordinately burden the already strapped middle class ratepayer, and primarily benefits the wealthy- global engineering firms, construction companies and the many wealthy Water Bureau employees.

While water demand is lower than it was in 1988, large wholesale customers like Tigard and TVWD are exiting or dramatically limiting purchases from Portland, Portland's Water Bureau has increased personnel numbers by 40% from their historical average. Large classes of Water Bureau employees saw large salary increases during the recession and have been the beneficiary's of "vacation perks"¹ and creation of supervisor positions for only 3 employees (span of control)http://www.wweek.com/portland/blog-31344-city_hall_study_says_portland_utilities_crowded_wi.html, the middle class ratepayer has seen stagnate or lower incomes and massive water and sewer bill increases. Over 70 Water Bureau employees now earn \$100,000 or more with some like Randy Leonard's staffer Ty Kovatch having received a \$30,000 increase in salary.

Budget Committee failure to provide oversight- Ratepayers are again the victim of yet another year of no comprehensive, independent line-item independent oversight of the Water Bureau budget. The Water Bureau's budget committee's composition of folks with ethical issues with the only change being a CUB position created by City Council to parrot the Bureau's interests rather than support spending cuts.

Contingency fund must be distributed to reduce rate increase - The increases in the contingency fund beginning in 2006 was sold as a way to minimize Portland ratepayer rate increases associated with EPA Long-term² Enhanced Surface Water projects (which have been accesssively costly and by all accounts provide no measurable public health benefit). This money should not be held by the Bureau but applied to reduce/eliminate the rate increase.

While CUB was absent during for these 2006+ discussions, CUB should work in service of reducing the costs to the middle class ratepayer as opposed to parroting the Water Bureau's interest in keeping a burgeoned budget burgeoned.

Ratepayer subsidy to developers brought to light by WATR-

The misuse of ratepayer dollars to provide system development charge exemptions for wealthy developers is not an issue that should be a surprise to CUB's Janice Thompson. This issue was first brought to public light in the lawsuit filing in 2011 by Water Accountability Trust and Reform the organization addressing the City's Charter violation with regard to use of segregated Water and Sewer funds.

Why was CUB silent on illegal ratepayer developer subsidy's last year when the very same developers and other money grabbers such as the global engineering firm CH2MHill were financing the effort to avoid reform (creation of an independent city utility oversight board) in order to keep the money flowing their way? Why is CUB not advocating returning the misused funds in year's past for a rate reduction.

Ratepayer dollars should not be used to finance the Portland Building remodel.

The Water Bureau and the City Council use duplicitis argument with regard to land ownership and use of ratepayer dollars to finance selected project. The CoP now conveniently argues contrary to previous CoP legal opinions that the Water Bureau does not own property at Washington Park or Mt. Tabor Park because BDS has allowed the Water Bureau to fail to follow the law in their effort to demolish historical resources despite their March 30, 2015 Historic Landmark Commission meeting admission (recorded meeting) that a new 15 million gallon \$76 million tank built in a historical landslide zone at Washington Park will trigger a landslide, require ongoing landslide mitigation, and likely would not withstand a significant earthquake.

However, when wanting to force water ratepayers to finance the excessively costly remodel of the much newer Portland Building David Shaff says that the Water Bureau "owns" floors of the Water Bureau.

Which is does the Water Bureau "own" property (assets) or not? What evidence is there of the Water Bureau's "ownership" of two floors of the Portland Building? Where is the Mult. Co filing of this "ownership".

Easily anticipated massive increased PERS costs on the way- ratepayer should not be punished for mismanagement

The outcome of the PERS lawsuit is something anyone could have anticipated. The Water Bureau's bulking up of employee numbers during Shaff reign, the bulking up of salaries, and vacation perks, and unnecessary massive accumulation of debt since 2005 must be addressed to deal with the anticipated increased PERS costs without further burdening the middle class ratepayer.

Why is the Water Bureau City Council / CUB silent on this issue?

Avoid waste of \$76 million for Washington Park Reservoirs Demolition project

Aside from the Demolition Review LU case, the City must avoid the waste of \$76 million on an unnecessary and unsupported project when numerous alternatives exist – See attached under separate cover. Over 30 community organizations including public

health, environmental, business, and neighborhood coalitions and associations have supported retaining all of Portland's open reservoirs as a functional part of the system joining Rochester New York, NYC and others. After being told they could not speak on alternatives to demolition only what happens after the demolition, Arlington Heights and Goose Hollow submitted letters of concern, not support for demolition two of the city's most significant historical resources, most significant water system assets. Sent under separate cover are comments addressing the true folly of wasting \$76 million .

The Water Bureau indeed did admit at the recorded March 30, 2015 Historic Landmark Commission meeting that digging at Washington Park will trigger landslides, that a new \$76 million tank would likely not survive an earthquake, and that storage is not needed at Washington Park.

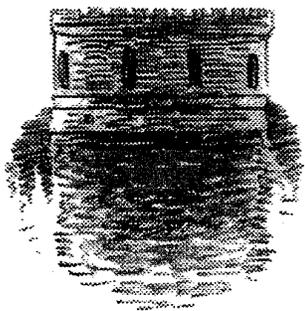
1"The largesse was especially striking in the Water Bureau, which is responsible for those **legendary utility bills** that make Portland ratepayers gasp and clutch their chests every quarter. Not only did the director get an extra two weeks of vacation, but about 140 Water Bureau employees received an average of 60 hours of extra vacation time, too " Oregonian August 12, 2013

Parsons, Susan

From: floy jones <floy21@msn.com>
Sent: Thursday, May 21, 2015 3:18 PM
To: Council Clerk – Testimony; Hales, Mayor
Subject: Supplemental 515, 516 water rate increase docs
Attachments: Reservoirs Council2015.pdf; HLC MatarazzoReservoir Evaluation.pdf; DM Washington Park Testimony File 2.pdf

The attached documents supplement referenced in May 21, 2015 comments submitted addressing May 21 Council agenda items 515, 516, the Water Bureau proposed 7% water rate increase scheduled for a second reading and vote in 1 week.

- 1) April 19, 2015 letter to City Council addressing public record request revelations and plan to avoid degradation of water system and waste of an additional close to \$90 million.
- 2) Historic Landmark Commissioner Harris Matarazzo's opposition to the ill-planned demolition of water bureau assets.
- 3) Comments addressing alternatives to demolition of city's significant water system and historic resource assets.



FRIENDS *of the* RESERVOIRS

Citizens joining to protect Portland's historic reservoirs and water system

3534 S.E. Main Street, Portland, OR 97214 www.friendsofreservoirs.org

www.lists.pdx.edu/mttabor

April 19, 2015

Sent by e-mail 4/19/2015

Mayor Hales and Commissioners

1221 S.W. 4th Ave.

Portland, OR 972014-1926

Dear Mayor Hales and Commissioners Fish, Fritz, Novick and Saltzman,

While the Portland Water Bureau has written many bad chapters over the last several decades related to their pursuit of highly controversial, costly and unnecessary reservoir and treatment plant engineering projects, there remains an opportunity for City Council to write a much better end chapter – **an opportunity to support community interests over corporate interests**. City Council can immediately put on hold the current Mt. Tabor reservoir disconnection project and the Washington Park reservoir demolition project.

As you know, in light of Senator Chuck Schumer's success with forcing the EPA to include LT2 review and revision as part of EPA's compliance with Obama's Executive Order 13563 (requiring agencies to review, revise and repeal onerous regulations), EPA has committed to complete their LT2 review and revision by the end of 2016. We offer a multi-pronged approach such that the community can see the result of EPA's LT2 review and revision before any unnecessary "cutting and plugging" of pipes takes place

at Mt. Tabor and before City Council takes any Land Use steps to support demolition of the historic and fully functional open reservoirs at Washington Park.

The first prong of this new approach would be to work with the Oregon Health Authority (OHA) to approve a "temporary" disconnection of all of the Mt. Tabor reservoirs, thus meeting the Water Bureau's self-imposed December 2015 Tabor compliance deadline, and avoiding the unsupported and degrading "cutting and plugging" of pipes throughout Mt. Tabor park. The OHA has already approved (5 years ago) a "temporary" disconnection of a Tabor reservoir, allowing the Water Bureau to keep Tabor's Reservoir 6 offline since September 2010 . A similar "temporary" disconnection of all of the reservoirs at Mt. Tabor would not only avoid all of the "cutting and plugging" of pipes throughout the park but would also provide opportunity for Oregon's Congressional delegation to join forces with Senator Schumer and others to reinstate the "risk mitigation" reservoir compliance option included in the draft EPA LT2 rule but inexplicably removed from the "onerous" final rule. Senator Merkley has advised community stakeholders many times that he would join forces with Senator Schumer and others, if Portland City Council secured a deferral or other such alternative.

Concurrently, Portland would collaborate with the Oregon Health Authority to secure a deferral of the Water Bureau's self-imposed time line of compliance with LT2 reservoir requirements. As confirmed by the Oregonian, our new Governor has asked the Oregon Health Authority to review the community request for a deferral, but as we know, there will be no further supportive action without the active support of the Portland City Council.

A Friends of the Reservoirs public records request of OHA's documents and communications related to Commissioner Novick's 2013 reservoir deferral request revealed that:

1. David Leland confirmed in an internal email that there is no limit to the number of times a request for deferral can be made.

2. The Portland Water Bureau failed to provide necessary supportive documents to back up Commissioner Novick's deferral request.
3. The Portland Water Bureau used a surrogate to send the message to OHA that they wanted to proceed with build projects. Dave Leland stated, "... now we know what the Water Bureau wants." (This messenger is the same person Mayor Katz publicly chastised at the 2004 Reservoir Panel Council meeting when that person admitted to anonymously contacting the Urban League member at the end of the 3 months of panel work.)
4. There was no proactive collaboration between the City of Portland and OHA, as was the case between the Rochester water department and their health authority when Rochester successfully secured a 10-year deferral of their low-cost compliance plan for their 1876 open reservoirs, which are also set in city parks. Portland failed to engage in any follow-up advocacy or lobbying to secure a deferral such as Rochester's. A relevant aside to this point is that even if the EPA fails to revise the onerous unsupported requirements, Rochester plans on retaining their historic open reservoirs as functional open reservoirs spending but \$22 million to add UV bulbs, which makes clear that lower costs options exist if the utility works in service of community interests.

We request that the Portland City Council direct the Portland Water Bureau to prepare a deferral request that will succeed. The City must then advocate for success and collaborate with OHA, engaging the support of our Governor such that the decision is not made by low level OHA bureaucrats. OHA internal communications revealed that then Director Goldberg was supportive of finding alternatives to enforcing the fast-track compliance schedule, but Dave Leland, who led the decision-making process was not. With a deferral the Congressional delegation can then join forces with others to ensure that the revised EPA LT2 rule reinstates the "risk mitigation" option and that *Cryptosporidium* sampling distinguishes the majority harmless species from the few harmful species.

With regard to the demolition of the Washington Park reservoirs, the current process has not fulfilled the Demolition Land Use requirement "...*that there is an opportunity for the community to fully consider alternatives to demolition.*" The community has never been afforded a meaningful opportunity to fully consider the multiple alternatives to demolition of the Washington Park reservoirs, a project that is scheduled to last for four years. Further, Council Resolution No. 36237 requires that stakeholders be brought together utilizing the *City's adopted Principles of Good Public Involvement in any actions related to the open reservoirs*. The Water Bureau has explicitly defied this Council ordinance. At the March 30, 2015 Historic Landmark Commission (HLC) meeting the PWB lead engineer on this project refused to respond to a member's question as to why the unneeded storage wasn't being built elsewhere. As explained by the Water Bureau to the HLC, the current project will result in four years of zero water storage at Washington Park. This HLC member expressed that clearly, there is no reason to demolish these significant historic assets.

LT2 compliance can be achieved in alternate ways. A new *Independent Reservoir Panel* should be convened, one that does not exclude stakeholders such as Friends of the Reservoirs, to fully consider the many alternatives to demolition. Fully preserving the well functioning and irreplaceable reservoirs at Washington Park preserves Portland's heritage, beautifies the city, enhances civic identity, and supports economic vitality by recognizing and maintaining the significant recent investments made at the reservoirs and by avoiding the waste of the \$80 million associated with demolition and construction.

We implore the City Council to support and take immediate action on our request to put these two massive projects on hold and pursue these recommendations so that there will be a better ending to this decades long struggle between our City administrators and the citizens and ratepayers of Portland. We suggest meeting to discuss further and please contact us with any questions.

Sincerely,

Floy Jones on behalf of
Friends of the Reservoirs

April 17, 2015

Hon. Charlie Hales, Mayor and Portland City Council Members
Portland City Hall
1221 SW 4th Avenue
Portland, OR 97204

RE:LU 14-249689 DM (PC#14-139549)
Demolition of Washington Park Reservoirs Nos. 3 and 4

Dear Mayor Hales and City Council Members:

On March 30, 2015, a majority of the four attending Portland Historic Landmarks Commission (PHLC) members voted to support the demolition of Washington Park Reservoirs 3 and 4, as well as the associated Weir Building. As the lone dissenting Commissioner, I was invited to explain my opinion in a document containing the majority decision, which was to be forwarded for your consideration. Unfortunately, my written comments were not included in the Commission's April 13, 2015 letter. That document was most recently provided to you on April 16, 2015. As PHLC is tasked to supply you with advice in historic resource demolition matters, the purpose of this correspondence is to provide the Council with the basis of my opinion, and in my own words.

As a result of my review of the written and oral evidence presented at the hearing, in my opinion, Applicant Portland Water Bureau (PWB) did not meet its burden to support the demolition of Reservoirs 3 and 4. This opinion is based upon the following:

- 1) "It is without question that the Washington Park Reservoirs, along with the Mt. Tabor Reservoirs, are among the City of Portland's most significant historic resources." (BDS staff report presented to PHLC, p.15);
- 2) The City of Portland has determined that it must comply with federal mandates to cover open reservoirs. As such, Reservoirs 3 and 4 shall be disconnected from Portland's water distribution system. Federal law does not require "demolition" of the resource;
- 3) The Water Bureau (PWB) is tasked with the delivery of clean water to the residents of Portland, not in maintaining historic sites. (March 30, 2015 PHLC Hearing);

- 4) As evident in its name, the creation of the “Washington Park Reservoirs Historic District” was premised upon the existence of the reservoirs themselves. (March 30, 2015 PHLC Hearing) Demolition would significantly alter the area’s desired character;
- 5) The Reservoirs are located on a fault which runs through Portland’s West Hills. Upon demolition and removal of the historic resource, the Applicant will install a new water containment vessel within the same general location. Although it is anticipated that the replacement will have greater structural integrity than the existing resource, it too is unlikely to survive a significant seismic event. A resulting release of water, whether directly from the vessel or via the damaged, unmodified, water distribution network will occur. (March 30, 2015 PHLC Hearing) Under these circumstances, demolition of the historic resource in a known seismic area, in order to accommodate another, expensive, vulnerable replacement in the same location, seems ill-advised, and not supportive of the cited goals for removal;
- 6) Evidence presented indicated that the existing reservoirs are located in an active, although slow moving, landslide area. Because of this movement, which has occurred since construction in 1894, ongoing mitigation is required. However, this problem will not be solved if the existing resource is removed. Upon its demolition, a buried replacement will be installed in the same location. This too will require continuing mitigation efforts. (BDS staff report, p. 18; PWB testimony);
- 7) Testimony received from the Water Bureau indicated that it periodically drains the Reservoirs for extended periods of time, and has the existing capacity to provide water to the City without them. The lengthy construction period to replace the historic resource is premised upon this capacity. As such, the Reservoirs could be disconnected and retained in place, while other non-seismic and active landslide sites, if needed, are either expanded or developed to provide for the City’s water needs within new federal mandates. The historic resources could then be restored as an aesthetic destination within Washington Park. This could include the reduction of the depth of each bowl, allowing only a few feet of water to be retained;
- 8) Although originally constructed as both a utility and aesthetic destination for citizens, through longstanding neglect, the Reservoirs have deteriorated and are essentially no longer accessible by residents. The substantially deteriorated condition of the resource, resulting during the Applicant’s many years of stewardship, is being cited as one reason to demolish it. (March 30, 2015 PHLC Hearing) However, no evidence was presented that once improved or restored, the Water Bureau would better maintain the remaining, non-demolished, historic artifacts;
- 9) The proposed demolition of Reservoirs 3 and 4 was described as a loss of only two of eleven contributing resources at the site. The Reservoirs however, are the primary resource, and comprise virtually the entire location. Given their status as “one of Portland’s most significant historic resources” their demolition must be carefully considered. Similar to the ancient aqueducts of Rome and the Venetian canals, the Reservoirs were constructed to provide both beauty and utility. Destruction of the aqueducts (even though no longer used as a water source) or canals, for replacement by more modern systems, would be unthinkable. To remove the Reservoirs under the circumstances proposed, and leave mere small, associated, remnants or interpretive

materials, would be inappropriate. In this context, the remaining objects would have little meaning.

Unlike the Portland Historic Landmarks Commission, Portland City Council has previously determined that it has substantial discretion in establishing how to balance applicable comprehensive plan goals and policies. (See LU 09-171259 DM/ Demolition Review of Kieran Building) Even if the Commission had such authority though, my opinion would remain unchanged. The best of government leads by example. Periodically, the Commission has to deny citizen requests to alter the exterior of their homes, even if the proposed modification appears relatively minor. In my opinion, to allow the Water Bureau to demolish one of the City's "most significant historic resources" under the circumstances presented is not warranted, and arguably demonstrates that government does not hold itself to the standards it sets for its citizens. In so doing, the value of our public, and privately held, historic resources are compromised.

While the Applicant's proposed replacement project is an attractive one, in my opinion it cannot justify approval of the requested demolition. The project, if approved, would be constructed in a known landslide zone and require ongoing maintenance. The existing reservoirs have been deemed as among Portland's most historic resources. The Water Bureau has the capacity to remove the resource from its delivery system. No evidence was presented to indicate that the non-demolished resources would be better maintained over time. In fact, the opposite view was better supported. Balancing the goal of the Applicant with the mandate of the Commission, I found the Applicant's proposal unpersuasive.

Thank you for your consideration of this minority view.

Very truly yours,

Harris S. Matarazzo, Commissioner
Portland Historic Landmarks Commission

HSM:mm

To: Portland City Council
Re: Washington Park Reservoir Demolition LUR Review, April 23, 2015
Submitted by Floy Jones on behalf of Friends of the Reservoirs
2204 SE 59th Ave., Portland, OR 97215

Numerous supporting documents referenced in these comments have been submitted via separate e-mails.

The Friends of the Reservoirs strongly opposes the proposal to demolish Reservoir 3 and Reservoir 4 and the Weir buildings at Washington Park. Demolition is not required by the onerous EPA LT2 regulation nor is it necessary for any other reason. The Water Bureau's Demolition Land Use Review process has not met code regulations including the intended purpose to "ensure that there is opportunity for the community to fully consider alternatives to demolition". The Water Bureau has intentionally defied City Council Resolution 36237 that requires bringing stakeholders together to determine what action to take if a "risk mitigation" reservoir option is not available. Contrary to the Bureau of Development Service's (BDS) staff report, Land Use criteria is not met by this demolition plan. The **Portland Water Bureau's Cascade Design Professionals, Robert Dortignacq, 2010 Historic Structures Report**, which reaffirms that the reservoir structures are for the most part in good condition, was withheld from the Historic Landmark Commission. Landslide and earthquake concerns are overstated. Eliminating Portland's recently upgraded and well-functioning historic open reservoirs will create new and unique cancer-causing public health risks.

33.445.330 Demolition of Historic Resources in a Historic District

Historic Landmarks in a Historic District are subject to the regulations of Section 33.445.150. Demolition of other historic resources within a Historic District requires demolition review to ensure their historic value is considered. The review period also ensures that there is an opportunity for the community to fully consider alternatives to demolition.

Documentation of reservoir infrastructure and other upgrades including the 2006 Council Resolution and press release submitted via separate e-mail communication. Ratepayers are presently financing the Washington Park reservoir upgrades (that included 2006 opening up of the reservoir sites to the public) completed between 2003 and 2010 (Black & Veatch contract #36297, Natt McDougal # 334785, HDR, and others) – with debt costs increasing over time - The Water Bureau long ago abandoned the better practice of pay-as-you go outlined for Mayor Katz in the Water Bureau's October 3, 2003 reservoir project letter.

EPA LT2 COMPLIANCE

There has been no meaningful public involvement process. The IRP Reservoir Resolution 36237 requires utilizing the city's adopted Principles of Good Public Involvement when taking action related to the open reservoirs- full consideration of alternatives to demolition which include installation of covers, UV "treatment at the outlet", disconnection and building storage elsewhere, and **the community supported option of reapplying for an Oregon Health Authority deferral while working with other communities to reinstate the "risk mitigation" option inexplicably removed from the final LT2 rule.**

The Portland Water Bureau can continue to use both of Washington Parks open reservoirs, Reservoirs 3 and 4, as part of the drinking water system and be in compliance with federal regulations if Portland installs reservoir covers on the already installed grill work.

Prior to construction of the new \$120 million Powell Butte II underground tank, Portland had an excess of in-town storage at Mt. Tabor and Washington Park as reported by the PWB to the Oregon Health Authority and the EPA - 50 million gallons of excessive storage - thus the Water Bureau has not been utilizing all of the storage at Washington Park (or at Mt. Tabor) while not being honest with the public about this fact. The issue of unneeded storage was discussed at the March 30, 2015 Historic Landmark Commission meeting where the lead engineer Teresa Elliot confirmed that there would be no storage at Washington Park for four years as the Water Bureau intends to demolish both of the reservoirs simultaneously. The follow-up question from a

Commissioner, "Why don't you build the storage that is clearly unneeded elsewhere?" The Water Bureau refused to answer, having already avoided affording the community it's right to fully consider alternatives, the Water Bureau refused to answer. Video and audio links provided separately.

RESERVOIR COVERS

In 2002/03 the Water Bureau, absent any public process or regulatory requirement, installed grill work for floating reservoir covers at the Washington Park reservoirs. The Water Bureau also installed a white liner on the upper Washington Park reservoir, which was intended to last 25 years as represented by an onsite PWB engineer at the time. In a February 19, 2003 Power Point to City Council referring to the "Washington Park Solution" of covers, the Water Bureau said that this "eliminated regulatory modification" and that the "historic structures are not affected" , "trees remain in place", and "roads remain open."The cover material (hypalon) intended to attach to the installed grill work was purchased by the Portland Water Bureau but never installed. When the 2004 *Independent Reservoir Panel* did not support "treating or covering" Portland's open reservoirs (the PWB's arguments failed to hold water) and City Council ordered the Water Bureau to terminate covering the Washington Park reservoirs, the Water Bureau attempted to sell the hypalon reservoir covers on eBay. According to the Oregonian's September 21, 2004 article the cost of the covers and hardware was \$398,000. " However, at the close of bidding on eBay Thursday, the highest offer for the whole package was a mere \$18,000 to an anonymous bidder." It was subsequently revealed that Water Bureau employees were the anonymous bidders. <http://www.wwdmag.com/portlands-water-bureau-lists-reservoir-covers-ebay-bids-itself-then-balks>

Commissioner Saltzman stopped the sale but the final disposition of those covers has remained hidden. The cover grill work has remained in place at the Washington Park Reservoirs 3 and 4. The estimated cost of replacement of the floating covers would be somewhere in the vicinity of \$1 million compared to the Water Bureau's plan for demolition and replacement that could reach \$100 million (current estimate \$80 million).

While covering the reservoirs was absolutely not supported years ago for many reasons including the fact that a "risk mitigation" option was included in the draft 2003 LT2 regulation, it is still not ideal. This option does meet regulatory requirements and would provide opportunity for the Congressional delegation to work in support of revising the poorly crafted LT2 rule such that "risk mitigation" is again a compliance option. In that the Water Bureau's self-imposed compliance deadline for Washington Park is 2020, the covers might never need be installed if the "risk mitigation" option is restored as has been requested by New York's water department, Rochester's water department and others. Oregon's Congressional delegation members have indicated that they would join forces with Senator Schumer and others to support rule revision if demolition/disconnection projects were placed on hold.

Or

"TREATMENT AT THE OUTLET"

The community has never had opportunity to fully consider the EPA LT2 "treatment at the outlet" compliance option. In 2004 the PWB made no argument to City Council that "treatment at the outlet" would be costly or otherwise difficult to install. Their February 19, 2004 PowerPoint to City Council presented at a Council hearing included "treatment at the outlet" as a viable option. MWH's Reservoir Study Contract 30491, a contract that was amended and extended nine times indicated that **"treatment at the outlet" was a viable option. Montgomery, Watson Harza Open Reservoir Study Tech Memorandum 2.7-Water Quality Evaluation, November 2001.**

Since then the costs of UV "treatment at the outlet" have dramatically declined. **Rochester** New York has two historic open reservoirs set in city parks. Rochester initially planned on building underground storage after learning of the EPA LT2 rule but in response to **strong community opposition** they investigated installing UV radiation bulbs and found that costs had dramatically dropped. Responsive to Senator Chuck Schumer's success in including revision of the EPA LT2 regulation as part of Obama's order to revise "onerous "regulations, Rochester sought and secured a 10-year deferral of reservoir projects until 2022. Rochester's deferral was supported by their Mayor and the Governor of New York supports rule revision.

Rochester is concurrently working in support of revising the EPA rule to avoid wasting money on "treatment at the outlet", a project that will provide no measurable public health benefit. In

recent years the Portland Water Bureau has said that they have only done a "back of the napkin" look at treatment at the outlet (documents supplied by the PWB confirm the lack of a comprehensive, independent examination of this option), thus this alternative to demolition has never been fully considered by the community.

Or

BUILDING STORAGE ELSEWHERE

The Water Bureau has not produced a recent alternative site analysis having submitted to BDS an out-of-date 13-year old analysis conducted by Joe Glicker and others with MWH Global. On March 30, 2015 a Historic Landmark Commissioner asked the obvious question of the Portland Water Bureau engineer Teresa Elliott, why would you demolish significant historic resources when it is clear that storage is not needed and digging will destabilize the land. The Water Bureau confirmed that the plan involved eliminating all storage at Washington Park for four years, but refused to respond to the inquiry regarding alternative siting of the unneeded storage.

While the 100-year 1996 flood did not destabilize the historical landslide that has been stable for years, onsite digging will cause problems. Links to both audio and video documentation of Water Bureau statements at the HLC meeting has been submitted for the record separately.

NO SCIENTIFIC BASIS FOR "TREATING OR COVERING"

Just as with demolition there is no scientific or on balance any reason for employing any LT2 compliance option beyond the lowest cost option. Scientific sampling of 7,000 liters from the open reservoir outlets as part of the American Water Works Association Research Foundation # 3021 study confirms, as did Portland's costly, intensive Bull Run EPA LT2 variance application study, the 100% absence of infectious *Cryptosporidium* in Portland's drinking water. Bacteria found in both covered and open reservoirs is treated with chlorine. Portland's bacteria detections are documented in the Oregon Health Authority online water system data (**copy of the recent 36 positives at the covered Nevada tank submitted via separate e-mail**). Subsequent to the 36 covered tank positives and the Water Bureau's failure to resolve the problem the Water Bureau simply stopped sampling at this site accepting the violation but leaving the public at risk. The public is unable to determine at the OHA site where the Water Bureau is not sampling.

Buried tanks do not prevent contamination as is evident by the break-in and contamination of a WB buried tank – Tabors buried Reservoir 7, where a bottle of Hydrochloric acid and other debris was tossed in after the breach. The public was not notified until limited exposure of the incident by watchdogs. Documentation submitted separately via e-mail.

By all accounts there will be no measurable public health benefit from either "treating or covering" open reservoirs. All EPA documented distribution storage tank public health problems have been with covered storage.

The compliance option with the broadest public support is to secure a deferral of reservoir projects while concurrently working in conjunction with Oregon's Congressional delegation, Senator Schumer and others to ensure reinstatement of the EPA LT2 "risk mitigation" compliance option.

SECURE A DEFERRAL

Friends of the Reservoirs has requested that our new Governor Kate Brown, head of the Oregon Health Authority (OHA), direct that bureau to approve a deferral of projects. If the Portland Water Bureau worked in support of, rather than against community interests, a deferral of projects minimally in line with Rochester's deferral could be approved by OHA. Previously, the Water Bureau failed to submit adequate supportive documentation to back up a deferral request, used a surrogate to send OHA a message that they wanted to pursue burial projects, and the City failed

to lobby OHA to support the deferral request.

LANDSLIDE & EARTHQUAKE RISK OVERSTATED

The community has had no opportunity to comprehensively examine the Water Bureau's overstated claim with regard to landslide risk. After a public presentation on Mt. Tabor geology in 2012, I spoke with a PSU geologist (and Water Bureau consultant) regarding the plans for the Washington Park reservoirs. He advised that as long as there was no digging at Washington Park there should be no serious threat of landslides based on historical study. PSU landslide analysis confirms little recent movement. **See graph showing diminished slippage, submitted separately.** Note that this information was withheld from BDS and the HLC. At the end of the 2004 *Independent Reservoir Panel* process the Water Bureau knew that they had failed to convince the Panel majority (a panel that excluded every single NA in the city and every single neighborhood coalition) to support their demolition/disconnection plans. In the final week of the long-running panel process an anonymous phone call was made (by a woman subsequently chastized publicly by Mayor Katz) to the Urban League panel member suggesting that the reservoirs were an earthquake threat. Friends of the Reservoirs spent hundreds of hours the following week researching Water Bureau consultant documents, PSU geology maps, Water Bureau documents, geological records and other information that showed that a serious earthquake was expected to cause only minor leaking at the reservoirs. Many of these documents have since been shared with Commissioner Amanda Fritz.

Research confirmed that the Water Bureau's backup source, the Columbia South Shore Well Field would likely be lost or severely damaged due to having been sited in a high liquefaction zone.

The Water Bureau has a well-documented history of overstating risks when intent on pushing costly and often controversial build projects over "boring" maintenance that protects assets and keeps rates low. The Federal Energy Regulatory System that regulated the small hydro plant located at the Mt. Tabor reservoirs (unaware for several years that the Water Bureau had taken Reservoir 6 offline since 2010 without notifying them) called out the PWB for overestimating inundation in the event of a catastrophic dam break event (**FERC letter documenting such submitted separately**). The Washington Park reservoirs like the Mt. Tabor reservoirs are very well built as documented in many Water Bureau documents including the 2010 Dortinacq Historic Structures Report thus are unlikely to completely fail even in a strong seismic event. And given the small size of the Washington Park reservoirs the inundation area would be small.

The Water Bureau advised the Historic Landmark Commission on March 30, 2015 that onsite digging could trigger a landslide.

System-wide leaking including the Washington Park reservoirs is limited as has been repeatedly reported by the PWB to their budget committee including when I was a member of that committee. The Washington Park reservoirs have not been leaking anywhere close to the leaking at the newly constructed costly \$121 million Powell Butte II tank, which was leaking as a result of massive number (3200) of cracks as reported by KOIN 6 TV investigators in 2014. KOIN's report came after their hard-fought public records requests subsequent to backroom industry discussion of the serious problem with the new tank, <http://koin.com/2014/05/20/powell-butte-ii-reservoir-design-contract-balloons/>. The new \$121 million Powell Butte II underground tank project was leaking enough to fill an Olympic sized pool every day. Note that the cozy CH2MHill design contract for that project when last checked was 45% over budget.

The Powell Butte tank Land Use decision acknowledged concerns with flooding of homes associated with a 50 million gallon underground tank, confirming that flooding risk is not eliminated with new *seismically* upgraded underground tank when compared with the substantively built open reservoirs.

The Portland Water Bureau has not met the requirements for compliance with Chapters 33.445 and 33.846

The Portland Water Bureau has **not** demonstrated that they considered the historic value of Portland's open reservoir resources when making their backroom and unsupported decision to demolish the Washington Park open reservoirs. As stated above the community was never

afforded the opportunity to fully consider the alternatives to demolition. The Water Bureau's selected so called "Sounding Board" does not represent broad-based community stakeholders, and does not fit the intent of City Council Reservoir Resolution 36237. **The PWB's "Sounding Board" was not established to "allow the community to fully consider alternatives to demolition", but for the Water Bureau and their army of consultants to focus the conversation about what happens after the demolition.** In 2002 the "What goes on top" process was exponentially lengthier with greater community involvement, but of a similar nature wherein the consultant Joe Glicker (then with MWH Global, now with CH2MHill) told the community the only thing they could talk about is what happens after the degradation of the open reservoir system. The "What goes on Top" committee ultimately challenged the Water Bureau's limiting of the scope of the community discussion.

Only a handful of people were aware of the Water Bureau's "Sounding Board" meetings. Private meetings with selected individuals is not a meaningful public process for meeting the City's adopted Principles of Good Public Involvement.

The Portland Water Bureau and their cozy revolving-door consultants have been trying for decades to force "fun" (as described in 2013 by Water Bureau engineer Stan Vanderberg at a wholesale customer water managers meeting) tank burial projects. In 2004 Water Bureau Administrator Mort Anoushirivani when asked at a public infrastructure meeting why the Water Bureau was spending so much money on revolving-door consultant studies while deferred maintenance (as referenced by a 2004 City Auditor report) was avoided, responded by saying "designing and building is glamorous and maintenance is boring."

The 2002 MWH Global/ PWB Reservoir burial Permitting Strategy document delineates tactics and strategies for thwarting community opposition to burying the reservoirs via manipulation of Land Use laws. **Document submitted separately via e-mail.**

When trying to force unsupported reservoir demolition and covering projects between 2001 and 2004, PWB PR staff including Tim Hall repeatedly told the public that the reservoirs were not historic resources. It was not the Water Bureau that worked to place the reservoirs on the National Register of Historic Places in 2004 but several members of the Friends of the Reservoirs that dedicated the better part of a year toward the effort. Friends of the Reservoirs is a Water Bureau watchdog organization with members representing both sides of the river that formed in response to 2001 line-item budget decisions to cover Washington Park reservoirs and demolish the Mt. Tabor reservoirs.

At a budget presentation in March 2015 the Portland Water Bureau failed to include the historic open reservoirs as Water Bureau assets, let alone as the significant water system assets they have been and remain today. Chet Orloff suggested in his June 2006 letter to Council supporting reservoir upgrades and opening up the reservoirs to the public (better alternative to demolition) that the Water Bureau install permanent exhibit boards that would "thoroughly inform citizens of, and deepen pride in these great assets", wrongly believing that the Water Bureau had abandoned "still born" plans to demolish. I was present at this Council hearing. **Orloff's letter, the 2006 Council Resolution and associated press release were submitted for the record in a separate e-mail.**

The Portland Water Bureau was the only utility in the entire nation that was secretly seated at the table serving on the EPA LT2 Federal Advisory Committee. They brought with them a revolving-door consultant, Joe Glicker, a former PWB engineer, whose associated global engineering firms have profited from the onerous one-size-fits-all regulation that by all accounts will provide no measurable public health benefit to systems like Portland's Bull Run open reservoir water system. A list of some of the contracts awarded to Glicker's associated corporations was provided to the HLC in the Mt. Tabor Disconnect LU case and has been provided City Council in the past. It was the Water Bureau in isolation and/or in backroom consultation with consultants who set the fast-track schedule for reservoir compliance. There is no deadline in the LT2 rule for reservoir compliance (**See e-mail from EPA Region 10 representative copied below**)

Demolition Criteria: Demolition of the resource has been evaluated against and, on balance, has been found supportive of the goals and policies of the Comprehensive Plan, and any relevant area plans

DEMOLITION DOES NOT MEET COMPREHENSIVE PLAN GOALS

GOAL 1: This goal is best met by installing "covers" or "treating at the outlet" or by an Oregon Health Authority deferral, an EPA waiver or a variance which is allowed by the Safe Drinking Water Act for "treatment techniques" such as the "treat or cover" EPA LT2 requirement- See additional comments above.

Goal not met by demolition

GOAL 2: The land around the reservoirs was opened up to the public in 2006 during daylight hours after extensive upgrades were completed including upgrading and reopening the grand entry staircase. Friends of the Reservoirs participated in the subsequent celebration which took place on the day Randy Leonard announced that his staffer David Shaff would be permanently appointed as Water Bureau director. **2006 Council Resolution, press release and other documentation provided separately.**

The value to the community will be significantly diminished not improved by demolition of the open reservoirs.

Goal not met by demolition

GOAL 3 NEIGHBORHOOD: The PWB specifically avoided opportunity for the public to fully consider options to avoid demolition. **See comments above and documentation provided separately.** It was public opposition to the lack of public process in 2001 that led to the 2004 "Independent Reservoir Panel" which after opportunity to consider all of the options (with much of the significant information provided the panel by the Friends of the Reservoirs), they could not support the Water Bureau's proposed demolition of the Tabor reservoirs and covering Washington Park reservoirs.

Additionally, the WB failed to notify stakeholders of meetings associated with this Washington Park reservoir demolition case, including conferences with the Historic Landmark Commission. In order to make significant participation including research difficult they brought this Demolition LU case forward over the Christmas holiday overlapping the Mt. Tabor LU process. See information above and below.

The Water Bureau failed to provide the Historic Landmark Commission the 2010 70-page Historic Structure Report that documents, as does the referenced MWH nine -year study report, that the reservoirs are in relatively good condition. See documentation and comments above and sent separately.

The Washington Park Reservoirs are significant, unique and irreplaceable community assets.

Goal not meet by demolition.

GOAL 6 TRANSPORTATION: The promenade around the reservoirs was opened up following costly upgrades in 2006 including the upgrade construction of the grand entry staircase, new wrought iron fencing, etc.. **See comments above and documentation 2006 Council Resolution, press release, Chet Orloff letter submitted separately.** **The significant value of the historic open** reservoirs by far supersedes the minimal night entry restrictions. Goal not met.

GOAL 8 ENVIRONMENT: The onerous EPA LT2 regulation is under review and revision. Landslide risk is overstated. See comments above and documentation submitted separately. Goal not met by demolition

GOAL 9: CITIZEN INVOLVEMENT – PUBLIC INVOLVEMENT AVOIDED; COUNCIL ORDINANCE REQUIRING PUBLIC INVOLVEMENT DEFIED There has been no citizen involvement in the decision-making process as required by the Independent Reservoir Review Panel **Ordinance # 36237** (attached for the record). A meaningful public process would have thoughtfully and publicly considered all EPA compliance options with all community stakeholders seated at the table. All stakeholders would have equal access to all pertinent information without having to deal with the Water Bureau's stonewalling public records requests or having to go to other utilities for factual information as has been the case over and over for decades. The Portland Water Bureau made all significant land use decisions backroom in **defiance of the reservoir City Council Ordinance # 36267** which required bringing community stakeholders together to determine what

action to take if the LT2 "risk mitigation" option could not be met. Friends of the Reservoirs was present when this ordinance was negotiated with Commissioner Saltzman in 2004. Mayor Potter was very supportive, insisting on inclusion of all community stakeholders in ANY future decisions/actions impacting the open reservoirs.

The relevant sections of the ordinance include but are not limited to: "BE IT FURTHER RESOLVED, that the City Council directs the Water Bureau to work with Portland Parks and Recreation, the Police Bureau and members of the public representing commercial and residential ratepayers, neighbors and stakeholders, to develop and submit to the appropriate state or federal regulator agency a risk mitigation proposal for the City's open finished drinking water reservoirs after the LT2ESWTR is promulgated in final form using a process consistent with the City's adopted Principles of Good Public Involvement"; and **BE IT FURTHER RESOLVED**utilizing meaningful public process consistent with the City's adopted Principles of Good Public Involvement, in future actions related to the open reservoirs. Inexplicably the EPA removed the "risk mitigation" option that was included in the draft 2003 regulation from the onerous and scientifically unsupported final LT2 rule released in 2006. Community stakeholders (including Friends of the Reservoirs) should have been brought together prior to the Portland Water Bureau's development of any reservoir compliance plan.

Friend of the Reservoirs has devoted tens of thousands of volunteer hours over the last 12 plus years working to protect the significant and well-functioning resources that are Portland's historic open reservoirs. We have worked with a broad base of community stakeholders including many neighborhood associations, neighborhood coalitions, public health organizations, businesses and business coalitions, environmental and social justice organizations - all of whom have written to City Council and/or the Congressional delegation in support of alternatives to the current reservoir plan. Over 30 community organizations have opposed the Water Bureau's burial and covering plans since 2002. At least 22 of these organizations have written to City Council, the Congressional delegation and/or testified in support of alternatives since 2010.

Forty (40) members of the public attended the Water Bureau's first public meeting (2014) related to the Washington Park demolition plans. No information was presented on any of the viable options that would avoid demolition. Overwhelmingly, everyone in attendance at this meeting save one opposed the Water Bureau's demolition plans. By design the Water Bureau has avoided providing opportunity for the community to fully consider alternatives to demolition. Just as in 2002 the Water Bureau wants to limit ratepayer discussion to what happens after the degradation of Portland's significant water system and community assets.

All other meetings were poorly attended as the community was not informed. See comments above.

Goal not met

GOAL 11 PUBLIC UTILITIES

Goal not met- See comments above addressing grill work and Water Bureau plan to go four years without any storage at Washington Park.

BDS and the Portland Water Bureau again incorrectly reports,

In addition, staff notes that the reservoirs are currently restricted from public access due to liability concerns. Significant ratepayer dollars were invested in opening up the Washington Park reservoirs to the public and upgrading the infrastructure (Mt. Tabor reservoirs have always been open to the public). **June 2006 Council Resolution, press release and letter from Historian Chet Orloff supporting the opening up of the reservoir sites to the public and budgeting for infrastructure upgrades submitted separately for the record.** This occurred after the finalization of the LT2 regulation.

GOAL URBAN DESIGN

Enhance Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations

By demolishing Reservoirs 3 and 4 and the Weir building that have served the city for more than 100 years and have been upgraded to provide safe water for another 50 years, the city is failing to preserve Portland's heritage, beauty, civic identity and its economic vitality is greatly diminished.

BDS staff report is incorrect. *Unfortunately, the overwhelming forces of nature have not been kind to these structures and the preservation of these facilities has been an ongoing challenge since*

April 23, 2016

414 TIME CERTAIN: 2:00 PM – Consider proposal of the City of Portland Water Bureau for Demolition Review and the Bureau of Development Services staff and Portland Historic Landmarks Commission recommendation of approval for the demolition of 1894 Reservoir #3, 1894 Reservoir #4 and the 1946 Weir Building, all contributing resources in the Washington Park Historic District at 2403 SW Jefferson St (Hearing introduced by Commissioner Fritz; LU 14-249689 DM) 3 hours requested

Good Afternoon Mayor and City Commissioner:

For the record my name is Mary Ann Schwab. I serve on the SE Uplift Board of Directors, working on the Comp Plan 2035, Street Fees, Housing Demolitions Regulations, and preserving beautiful sequoia trees, for a few examples. Today I speak to you as a private individual, however, as SE Uplift has not taken a stand on this particular issue. Today I am here specifically to address the lack of adequate outreach to the impacted neighborhood, and to ask you to table this process until real outreach has been done.

Saturday, March 28th, my friend and I rang doorbells, talked with homeowners, and hung door hangers on their neighbor's front doors.

The homeowners we spoke to were surprised to learn that 30,000 truck loads* would be rumbling in front of their houses over a four year period, in addition to the other construction challenges - public safety impacts, limited access to site for deliveries and materials removal, worker parking on narrow streets, noise issues (1,000 pile drivers) truck traffic, concrete/materials deliveries.

Why were the neighboring homeowners so poorly informed? The BDS public notification signs were placed along busy Burnside Street, hidden by berry vines, and one was at the entrance to the tennis court parking lot. Surely there were better places to place them - surely more neighbors would have read them if they had been placed next to the MAX/Tri-met bus stop or on the path toward the park's water fountain. But really, no one driving East on Burnside Street stops to read a legal posting. These signs came up pretty short of the City that Works truck with red lights flashing.

So, what might go wrong next? Cement trucks squeezing down heavily parked residential streets where students ride skateboards around blind corners...

Door hanger attached:

Save the Open Reservoirs and the Washington Historic Olmsted Landscape. Did you know that this proposed project would bring four years of construction and 30,000 trucks going up Jefferson/Burnside Streets and through you neighborhood? RES 3, mobilize/shoring/excavation 8,000 trucks, Res 3, MSE walls, 3, trucks, Res 3 Tank construction 7,000 trucks, Res 4 area construction 6,000 trucks and finally, Rest 3/4 visible features 6,000 trucks.

Due to the lack of adequate public outreach, I'm requesting this be tabled until a REAL OUTREACH has been concluded.

"We each have a duty to the land in which we live. We have all come from the earth. On death we return back to the ground. And in the cycle of life, everything that is born always is connected with water, Water is the giver of life."

-- Pierson Mitchell, Washat Religious Leader

A handwritten signature in cursive script, reading "Mary Ann Schwab". The signature is written in black ink and is positioned above the printed name.

Mary Ann Schwab, Community Advocate

605 SE 38th Avenue

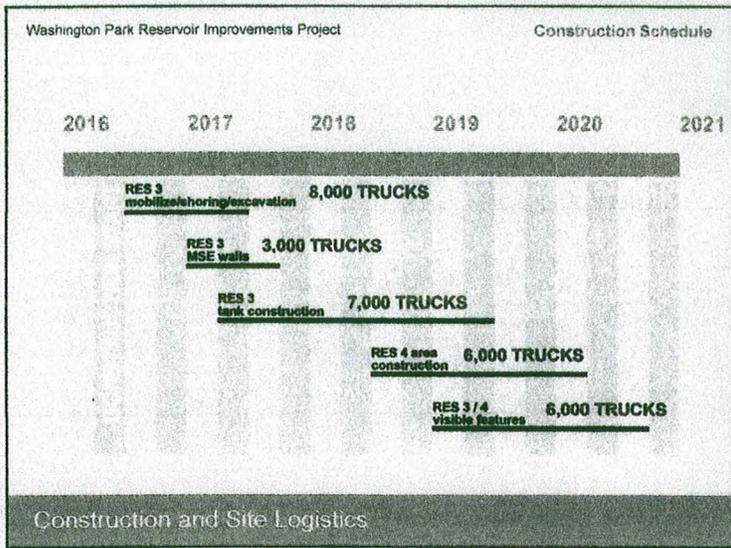
Portland, OR 97214-3203

(503 236-3522

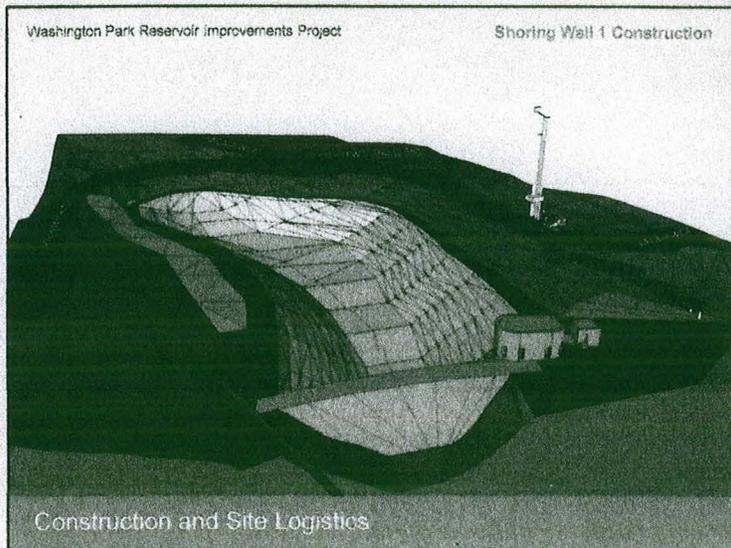
e33maschwab@gmail.com

Save the Open Reservoirs and the Washington Park Historic Olmsted Landscape

Did you know that this proposed project will bring four years of construction and 30,000 trucks going up Jefferson/Burnside Streets and through your neighborhood?



(Illustrations: Washington Park Improvements Project 10/29/2014)



New York has worked for their community, and received a reprieve from the EPA LT2 until 2028. NY is working with EPA for a Waiver as is New Jersey. Our city has instead moved forward on costly projects. We must insist our council ask for a Waiver, to be good stewards of our Bull Run Water System and parks. Read why Open Reservoirs need to remain fully functioning as a vital component of our water system:

www.bullrunwaiver.org

Washington Park is a crown jewel park of our city. What will happen to this historic park and your neighborhood?

Project cost: \$76 million.

Construction challenges: Public Safety, Limited access to site for deliveries and materials removal, worker parking, noise mitigation, truck traffic, concrete/materials deliveries.

Meetings to attend:

Historical Landmarks Commission

March 30 - 1:30pm - 1900 SW 4th Ave. 2nd fl.

City Council Hearing on Washington Park

Reservoirs Demolition April 23 - 2:00pm



Submitted by
Chris Kent
4/23/2015

Washington Park Reservoir Improvements Project Community Sounding Board

To: Historic Landmarks Commission

From: Washington Park Reservoir Improvements Project
Community Sounding Board Members

Date: January 27, 2014

Subject: Community Sounding Board Input on Washington Park Reservoir concepts

The Community Sounding Board for the Washington Park Reservoir Improvements Project would like to express our support for the proposed concept for visible features for this project.

Over the past six months, our group has met seven times to advise the project team on community issues. Our Sounding Board is composed of park neighbors, park users, neighborhood association representatives, historic advocacy organizations, and staff from Portland Parks & Recreation. We have advised the team on the formation of Goals and Objectives (Attachment 1), helped brainstorm potential elements to be included in concept alternatives, and helped refine the concepts and identify the most viable alternatives.

Throughout the process, the Goals and Objectives have been used as a foundation to ensure the concepts reflect the values and priorities of the community. Based on these Goals and Objectives, the Community Sounding Board supports the **Cascades** concept for the upper reservoir area (Reservoir 3).

For the lower area (Reservoir 4), the preferences of our members were initially split fairly evenly between the **Lowland Habitat** and the **Reflecting Pool** concepts, although all participants expressed acceptance of either concept. We believe the subsequent **Hybrid** concept successfully blends the best of each of the previous concepts.

Beyond preferences for concepts, there are several themes that were consistently voiced by the sounding board:

- **Provide a large expanse of water** – This value has been consistently and almost universally raised throughout the process and through all forms of outreach and consultation.
- **Retain historic character** – Aside from the expanse of water, we value several historic aspects, including: *elements*, such as the fence and buildings; the tranquil *character*, and the *function* as part of the city's highly regarded water system.

- **Provide habitat** – Our group has also expressed interest in using this project as a means of addressing the city’s goals for increasing native habitat.
- **Be responsible with ratepayers’ money** – This value has been consistently raised through all forms of outreach. While we support the visible features design process and results, we want to ensure spending is kept within reason.

Specifically in regards to the proposed concepts, the Sounding Board recommends that **sections of new fencing be as low profile as possible** so as not to detract from the expanse of water and to allow for better views.

Finally, the Community Sounding Board supports the project’s public process and the direction in which the design team is moving with the visible features of the project.

CSB Members

- Charlie Clark – *Northwest Heights NA*
- Nicolas Clark – *Neighbors West Northwest*
- Terri Davis – *Portland Parks & Recreation*
- Chris Kent – *Goose Hollow NA*
- Annie Mahoney – *Historic Group Representative*
- Dave Malcolm – *Sylvan-Highlands NA*
- Eric Nagle – *Arlington Heights NA*
- Bill Welch – *Northwest District Association*

Attachment 1:

Visible Features Goals and Objectives *Final Draft*

While the Purpose of the Project articulates the fundamental “*why*” of the project, the Goals and Objectives describe “*how*.” They identify what is important to consider in developing concepts for the visible features, and provide a framework for evaluating those concepts.

Be Good Stewards of Public Funds

- Ensure costs are focused on the greatest benefits to the community
- Spend public money prudently and limit impact on ratepayers
- Keep maintenance and operating costs low

Respect Historic Resources

- Minimize impacts to historic structures and features
- Maintain historic character of the site
- Honor the historic function of the Washington Park reservoirs in the context of the overall Portland water system

Be a Good Neighbor

- Reduce use of neighborhood parking by park visitors
- Avoid attraction of nuisance and illegal activities into the park and surrounding neighborhoods
- Enhance the quality of the park as an amenity for neighbors, as well as visitors
- Minimize construction impacts

Enhance Park Experience

- Provide public access to the area with opportunities for low-intensity recreation
- Retain the reflective and tranquil character of the site that is now created and heightened by the visual connection to an expanse of water.
- Enhance views into and from the area
- Provide people with ability to connect with nature in the city
- Maintain security of the park and water facilities
- Ensure the new visible features enhance current park uses and are compatible with future park uses

Support Sustainability

- Create sustainable landscapes that provide habitat for birds and other native wildlife
- Minimize climate change impacts due to construction, operations and maintenance.
- Promote wise use of our water resources through design, maintenance and education.



Via email to Hillary.Adam@portlandoregon.gov, confirmation copy by U.S. Mail

Hillary Adam
Land Use Services, Bureau of Development Services
RE: LU 14-249689
1900 SW Fourth Avenue, Suite 4500
Portland, OR 97201

Dear Ms. Adam,

The Arlington Heights Neighborhood Association (AHNA) is concerned about impacts to our neighborhood from the Water Bureau's proposed Washington Park Reservoir Improvement Project. Specifically, we have significant concerns about the routing of trucks through our neighborhood, and the closure of the Sacagawea Circle, which is one of only two entrances to the North End of Arlington Heights. We would like the Hearings Office to request that the Water Bureau mitigate truck traffic as much as possible, and ensure that the Sacagawea Circle remains open to neighborhood traffic as part of this Improvement Project.

On February 9, 2015, Lindsay Wochnick from the Water Bureau and Jerry Moore presented the plans for renovation of the Washington Park Reservoirs to AHNA. It is our understanding that construction is slated to begin summer 2016. The storage facility at Reservoir 3 will be completed at the end of 2019, and Reservoir 4 will be decommissioned by 2020. Most intense construction activity will occur in the first three years. We were informed that Sacagawea Circle would be completely closed to at least eastbound traffic (and possibly westbound traffic) for a minimum of nine to twelve continuous months during construction. The closure of Sacagawea Circle will result in major problems getting in and out of the Arlington Heights neighborhood for residents, Washington Park visitors, and commuters who use this route from Highway 26.

Sacagawea Circle is a main route for access to downtown, I-405 S, and I-5 S. Currently, West Burnside at Tichner is very congested during rush hour precluding right-hand (in-bound) turns on red and backing up traffic on Tichner. In addition, traffic is already "stop and go" on West Burnside at rush hour. Forcing ALL traffic from the Park and the Arlington Heights neighborhood to use the intersection at Burnside and Tichner is not acceptable. There are many events and concerts in Washington Park, especially during the summer. The closure of Sacagawea Circle will significantly increase neighborhood congestion during these events, because there will now only be one point of access (Tichner) to the Rose Garden, amphitheater and Japanese Garden. Furthermore, the Water Bureau plan will add to traffic congestion by

2257 NW Raleigh Street, Portland OR 97210

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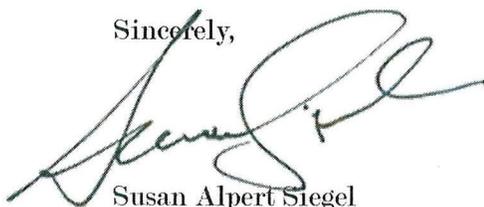


proposing that all of their trucks use the one available access point on Tichner (see below). AHNA has proposed several alternatives to the Water Bureau, including making the north half of Sacagawea Circle two way (by the use of signals, striping, and temporary widening) and reopening of Stearns Drive to one-way traffic. We would like to ensure that this concern is addressed as part of the Land Use Approval.

The Water Bureau proposes that all of their truck traffic access the site by Burnside via Tichner, Marconi, and Park. Even after efforts to reduce truck traffic (by using a conveyer for moving material from the upper to lower reservoir sites), the Water Bureau has acknowledged that there will be heavy trucks traversing the neighborhood, and has informed us the average rate will be one truck every 4-5 minutes throughout the day. This will cause considerable impact to residences along those roads in the form of noise, congestion, and vibration. AHNA would like consideration of more use of Hwy 26 via Kingston Drive, more use of Jefferson/Madison to access the site, and further consideration of alternatives for moving materials to the Reservoir 3 site from access via Jefferson (e.g., cranes, conveyers, concrete pumps, temporary roads) by the Water Bureau.

Please have the Water Bureau to allow two-way traffic on Sacagawea Circle, or provide another access point at the north end of Arlington Heights, as a condition for approval. Please also ensure that the routing of truck traffic is addressed before this application is approved. We appreciate your consideration. Please do not hesitate to contact me if you have any questions about these neighborhood impacts.

Sincerely,



Susan Alpert Siegel

President

2257 NW Raleigh Street, Portland OR 97210

503.823.4288

board@arlingtonheightspdx.org

www.arlingtonheightspdx.org



Hillary Adam
City of Portland, Land Use Services
1900 SW 4th Ave, Suite 5000
Portland, Oregon 97201

March 24, 2014⁵

Dear Ms. Adam:

The Arlington Heights Neighborhood Association would like this letter to be included as testimony in the record for the Historic Landmarks Commission hearing on Case File LU 14-249689 DM (PC# 14-139549), Demolition Review for Washington Park Reservoirs #3 and #4 and the Weir Building.

There has been concern expressed in our neighborhood that the historic preservation and restoration activities described in the attachments to the public notice are not sufficiently linked to the demolition approval. After carefully reviewing the notice and attached drawings, the Arlington Heights Neighborhood Association Board agrees.

Included in the notice is a *Service Bureau note* that states "If the Demolition Review is approved by Portland City Council, a Type 3 Land Use Review is still required, as well as building permit issuance for the new development, before a demolition permit will be released." This does not, however, link the approval to specific preservation and restoration activities.

The key elements of the notice relevant to our concerns are the Proposed Demolition drawing and the Preliminary Design Concept drawing. Both of these are marked "Preliminary" which makes it ambiguous as to whether they describe the activities that will actually take place. Developing a position on the proposed demolition is impossible for our Neighborhood Association unless specific (not "preliminary") plans are provided.

To remove this ambiguity, we request the following be required for approval:

A) Demolition of historic structures shall be limited to activities shown on, and listed in Sheet Keynotes of, the Proposed Demolition drawing included in the Historic Landmarks Commission hearing notice of February 27, 2015.

B) A demolition permit shall not be released unless the required building permit for new development includes all of the historic preservation and restoration activities shown on, and listed in the Sheet Keynotes of, the Preliminary Design Concept drawing in the Historic Landmarks Commission hearing notice of February 27, 2015.

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The Arlington Heights Neighborhood Association appreciates the efforts to which the Water Bureau has gone to include public input in the design process, and their efforts to preserve the historic character of Washington Park. We believe the requirements we request for approval of a demolition permit are reasonable and in keeping with the spirit of the project.

Thank you for your consideration.

Sincerely,



Susan Alpert Siegel, Ph.D.

President, Arlington Heights Neighborhood Association



Arlington Heights Neighborhood Association



2257 NW Raleigh Street - Portland, Oregon 97210
Voice: 503-823-4288 - Coalition@nwnw.org
www.nwnw.org

December 16, 2013

Commissioner Nick Fish
Portland City Hall
1221 SW Fifth Ave., Room 240
Portland OR 97204

Re: Clean diesel specification for Washington Park Reservoir Improvement Project

Dear Commissioner Fish:

Over the past year, the Arlington Heights Neighborhood Association has engaged closely with the Water Bureau as it develops options for covering the reservoirs in Washington Park. Because the neighborhood is so close to the reservoirs, we have a keen interest in both the project design and the construction process. The Water Bureau's public outreach efforts for this project have been commendable, and we are hopeful that, whatever design option is ultimately selected, the project will enhance Washington Park.

We write to urge that the contract specifications for the project include a "clean diesel" provision, requiring that heavy equipment meet EPA Tier IV emissions standards. According to the Oregon Department of Environmental Quality's 2006 Portland Area Toxics Assessment, diesel particulate matter is "one of the top three sources of adverse health effects and cancer risk in the Portland area." DEQ found that these emissions pose a significant risk across the area. Studies show that diesel emissions create a cancer risk *seven times greater* than the combined risk of all 181 other air toxics tracked by EPA, and children and seniors are the most vulnerable to health effects of diesel pollution. DEQ has estimated that the annual public health and environmental cost of diesel emissions to Oregonians is up to \$2 billion.

Moreover, the main component of diesel particulate emissions is black carbon, which contributes significantly to global climate change, and which locally contributes to loss of snowpack in the Cascades, reducing stream flows and impairing water quality. Limiting these emissions would thus help achieve the 2009 Portland/Multnomah County Climate Action Plan's goal of reducing the city's contribution to climate change. Emissions from Tier IV-compliant diesel equipment are vastly cleaner than those from equipment that doesn't meet the standard.

Portland's Sustainable Procurement Policy, which Council adopted by Resolution 36814 on September 8, 2010, also supports a clean diesel specification. The Policy states:

The City recognizes that the types of products and services the City buys have inherent social, human health, environmental and economic impacts, and that the City should make procurement decisions that embody the City's commitment to sustainability.

Section 2.2 of the Policy requires that city employees incorporate "pollutant releases" and "toxicity" when writing specifications for procurement of services.

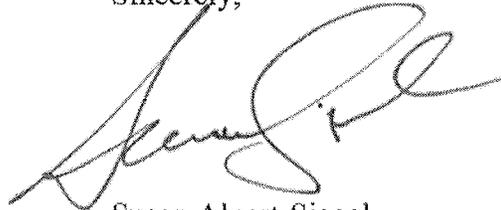
Similarly, Goal 8 of Portland's Comprehensive Plan and Policies, adopted in November 2011, calls for the city to "maintain and improve the quality of Portland's air."

Of course, these policies only have meaning if the city bureaus carry them out, as cities elsewhere in the country are doing. Chicago, Pittsburgh, and New York City all mandate use of Tier IV equipment in their publicly-funded construction projects. Such mandates are not difficult for contractors to meet. Diesel equipment sold since 2007 already meets Tier IV standards, and older equipment can be retrofitted to do so. In Portland, the Northwest District Association recently negotiated an agreement with C.E. John Company, the developer of the Con-way project, to use Tier IV construction equipment.

Finally, an important consideration is that this project will be carried out in Washington Park, a crown jewel of Portland's park system, and a major attraction for residents and visitors alike. If there's any place that deserves protection of its air quality, it's this green refuge.

For all of these reasons, we ask that you direct the Water Bureau to include a specification requiring Tier IV clean diesel equipment in the contract for the reservoir project.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Alpert-Siegel". The signature is fluid and cursive, with a large initial "S" and "A".

Susan Alpert-Siegel
Board President

Cc: Commissioner Amanda Fritz
David Shaff, Administrator, Water Bureau
Ty Kovach, Director of Maintenance and Construction
Teresa Elliott, Principal engineer

NEWTRADITIONAL ARCHITECTURE

*"All new things built with the idea of preserving the beauty of the city
and adding to it"*
A.E. Doyle, September 16, 1906

April 23, 2015

Portland City Council
Portland City Hall
1221 SW Fourth Avenue
Portland OR 97204

C: Hillary Adam, BDS

Re: Demolition Review for Washington Park Reservoirs
Washington Park,
LU 14-249689 DM (pc# 14-139549)

Dear Mayor Hales and Commissioners Fish, Fritz, Novick and Saltzman,

This written testimony strongly supports preserving the character of Reservoir 4 in the Washington Park Reservoirs Historic District.

I submit that approving the issuance of this permit for demolition runs counter to the intent of Title 33, Section 445.010: *"Historic preservation beautifies the city, promotes the city's economic health, and helps to preserve and enhance the value of historic properties."* It also runs counter to Approval Criterion 2.4 which requires evaluation in light of the Washington Park Reservoirs Historic District. The District Nomination of states that *"the most defining principle of Reservoirs 3 and 4 is the open expanse of water 40 feet deep. Because of the great depth and the towering firs that surround (them), the water is a rich, deep hue."*

Public purpose will be well served by maintaining integrity of the Washington Park Historic Reservoirs District, yet that integrity is threatened. Sensitive restoration and preservation of key elements is proposed, yet the central issue of demolishing Reservoir 4 remains.

This demolition does not set legal precedent. It does set precedent for the perception of value we bring to our publicly owned historic resources.

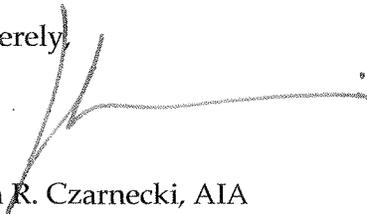
Improvement of public infrastructure is critical. Sometimes that improvement is surprising, and may not be evident. In order to maintain and enhance the character of both reservoirs and the district as a whole, I suggest that the council ask the applicant to return with a scheme for Reservoir 4 that enables it to hold water at historic levels.

Whether they are buildings, parks, or other public amenities, we should treat historic resources as we would any other resource, directly and as valuable precedent for successful future development. We should understand their extent and qualities, conserve them, and use them wisely to enhance our environment.

I ask you to deny the application for demolition of Reservoir 4. Please ensure that this precious resource is worthy of conservation for continued use to enhance the visual and atmospheric character historically intended for this portion of the park. The reflection of not just the wall and Pump House, but the sky and the depth of the water is more than a reminder of the past, but a continuity of critical public experience.

Thank you for your stewardship and forward thinking on behalf of us all.

Sincerely,

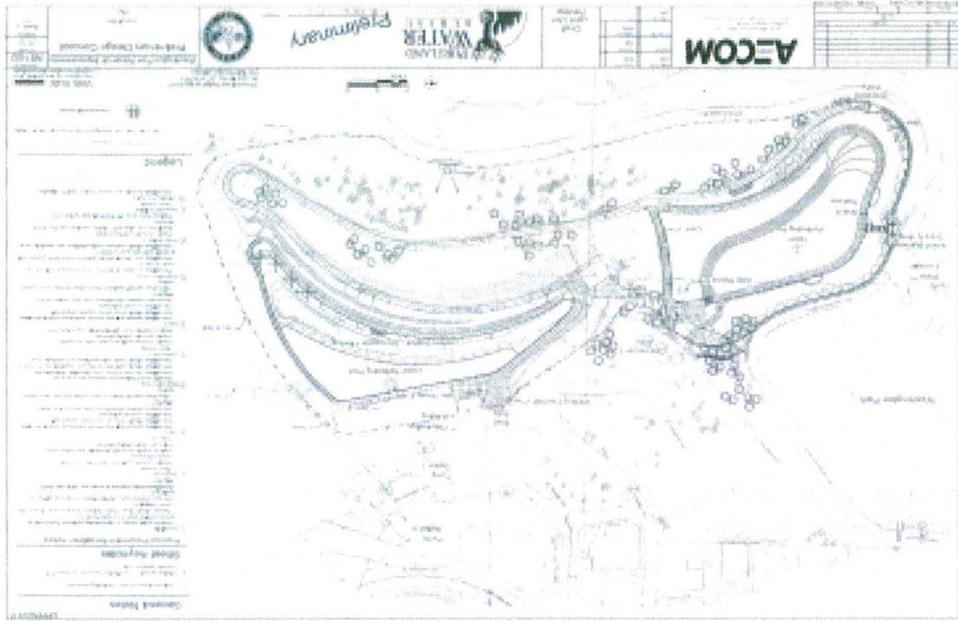


John R. Czarnecki, AIA
Past Chair of the Portland Historic Landmarks Commission

...attachments

"It is not simply to give the people of the city an opportunity for getting fresh air and exercise; ...It is not simply to make a place of amusement or for the gratification of curiosity, or for gaining knowledge. The main object and justification of the park is to produce a certain influence in the minds of people, and through this to make life in the city healthier and happier. "

Frederick Law Olmstead



LOWER REFLECTING POOL VIEW FROM SHERWOOD BLVD. PROPOSED

This photograph shows a proposed lower reflecting pool. The water is calm and reflects the surrounding greenery and sky. The pool is bordered by a low wall and is situated in a landscaped area with various plants and trees.

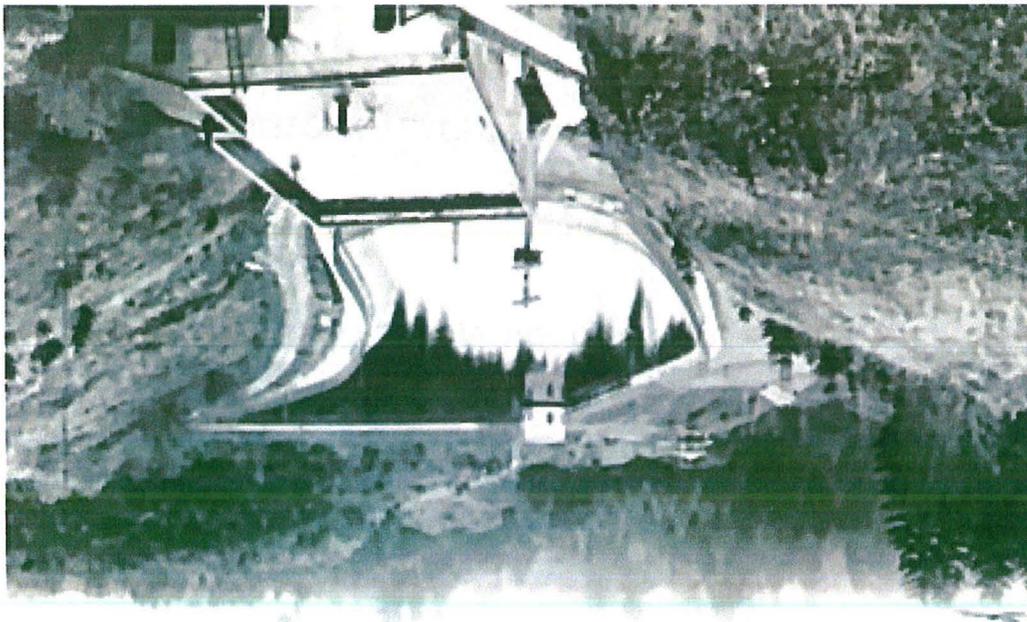


RESERVOIR VIEW FROM ABOVE AT SHERWOOD BLVD. EXISTING

This photograph provides an aerial view of the existing reservoir. The water is a deep blue color, and the surrounding area is densely wooded with green trees. The reservoir's shape is clearly visible from above.



Figure 11: Historic photo of Reservoir 4, ca 1897



NPS Form 10-900a
(8-86)

OMB No. 1024-0018

United States Department of the Interior
National Park Service

NATIONAL REGISTER OF HISTORIC PLACES
CONTINUATION SHEET

Washington Park Reservoirs Historic District
City of Portland, Multnomah County, Oregon

Section 7 Page 7

Associated Landscaping at Washington Park Reservoirs Historic District

The most defining landscape principle of Reservoirs 3 and 4 is the open expanse of water, 49 feet deep and 40 feet deep, respectively. Because of the great depth and the due to the reflection of the towering fir trees that surround them, the water is a rich, deep hue. Situated in a natural deep ravine, their irregular shape, rusticated concrete structures and ornate wrought iron detailing of fences and lampposts, the reservoirs are a striking and elegant addition to the serene forest that makes up this end of Washington Park. From the high point on Southwest Murray at the northwest end of Reservoir 3, a striking view is provided of the water and all of the features of the reservoir. Reservoir 4 offers a grand vista from a point south along southwest Murray above the southwest side of the reservoir, of the City skyline, Mount Hood, and the watershed area, 50 miles to the east. A chain link fence encircles most of the site and a foot path traces the boundary of the fence. On the east side, the pathway follows a series of historic steps. In place for more than three decades, the fence is softened by the English ivy *Hedera helix* that makes for the primary ground cover surrounding the embankments. Other introduced ground covers include St. Johnswort *Hypericum calycinum* and periwinkle *Vinca major*. All trailing ground covers have been kept trimmed off the sidewalks and other structures, making a neat appearance, though the ivy has been allowed to cover original concrete planters and steps at Reservoir 3. The surrounding forest, not within the nominated boundaries, is composed primarily of Douglas fir *Pseudotsuga Menziesii*, western red cedar *Thuja plicata*, and big leaf maple *Acer macrophyllum* all predominating native tree species of the Pacific Northwest. Under story shrubs include other natives, evergreen Oregon grape *Mahonia aquifolium / nervosa*, rhododendrons *Rhododendron species*, and a variety of deciduous shrubs such as snowberry *Symphoricarpos albus*.

Summary Statement of Integrity

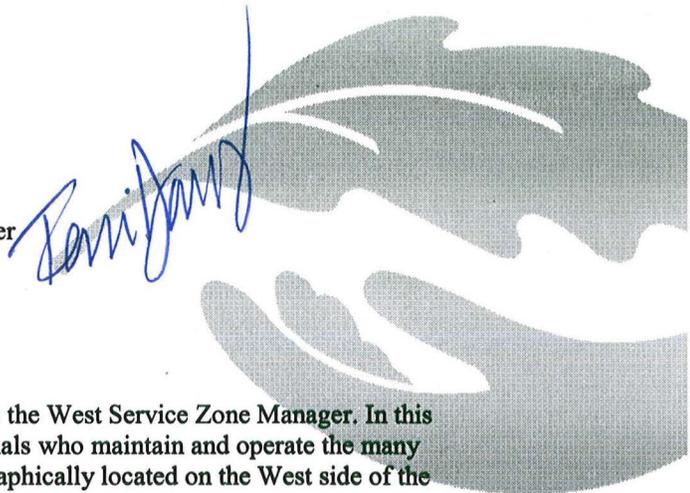
The Washington Park Reservoirs remain today largely intact and in as-built condition. While the basins have been relined numerous times, the character-defining elements such as deep open water, parapet walls, iron fences, lampposts, gatehouses and features exist today with minor modifications. These modern modifications have not been sensitive to the original architecture; full hollow-core metal doors replaced original wood doors in 1987, a gable roof (originally flat) now covers the Pump House and much of the original landscape elements are over grown. The 1980s era aluminum light fixtures surrounding the basins do not match the period, yet their illumination and reflection in the water after dark provides a connection with the original design that included light fixtures. The period lampposts should be refurbished and used to provide lighting. Newer buildings and structures are situated primarily in one area, limiting their visual impact on the historic resource.



PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

DATE: April 23, 2015
TO: Portland City Council
FROM: Terri Davis, West Service Zone Manager
Portland Parks and Recreation
RE: Washington Park Reservoir Project



I work for and represent Portland Parks and Recreation as the West Service Zone Manager. In this role, I support and oversee an amazing team of professionals who maintain and operate the many developed parks, facilities and recreation programs geographically located on the West side of the Willamette River.

Portland Parks and Recreation not only values but relies upon the participation, input and feedback we consistently receive from the public to ensure that the programs we offer, parks we develop and maintain and facilities we operate are reflective of the communities we serve. We view these public stakeholders as partners in our shared management and stewardship of our parks and facilities. As other bureaus, organizations and agencies have assets that are located in our parks, we also work to ensure that any projects or development related to those assets not only meet Parks goals, but also transparently and genuinely include those shared public stakeholders in providing guidance and input in these projects.

I have been the representative for our bureau to that public process for this Water Bureau Reservoir Project. This project to date has included an extensive public process that closely aligns with our own goals for outreach and community involvement. This process has included: Stakeholder Interviews; Project Briefings to neighborhood associations and coalitions; Open House events; Virtual Open House options; Tabling at community events; Press Releases; Tours of the Washington Park Reservoirs; Informational mailers, Web based updates and blogs on the project; and 9 Community Sounding Board meetings, with time allocated for public input at each meeting.

I participated as a member of the Community Sounding Board, along with representatives of the surrounding neighborhood associations and coalitions, and a representative from the Historic Resources Committee. In these meetings, we represented our respective organizations, but worked together to provide input into the development of the visible features design of this Reservoir project. I have participated on many such committees, and can state that this process was very collaborative, respectful of differing views and responsive to the input provided by the Sounding Board Members and public comment.

As the process goes forward, a project manager from our bureau has been assigned to liaise between Portland Parks and Recreation and the Water Bureau. I appreciate the high level of public involvement that the Water Bureau has taken, and anticipate that this will continue going forward.

Administration

1120 S.W. 5th Ave., Suite 1302
Portland, OR 97204
Tel: (503) 823-7529 Fax: (503) 823-6007



www.PortlandParks.org
Amanda Fritz, Commissioner
Mike Abbaté, Director

Sustaining a healthy park and recreation system to make Portland a great place to live, work and play.

April 23, 2015

To: Portland City Council

Washington Park Reservoir Case File- LU-14-249689 DM

Demolition review for Washington Park

From- Testimony of Scott Fernandez M.Sc. Biology/ microbiology, chemistry

Mayor appointed- Portland Utility Review Board 2001-2008

Water Quality Advisory Committee 1995-2000

The historic value of the Washington Park open reservoirs is based on structure and engineering foresight as well as public health benefits of no illnesses for over 100 years.

There is time and scientific basis to save our historic reservoirs and community health; and ask for EPA LT2 waiver as New York City and New Jersey have requested for their open reservoirs. We ask for a community wide discussion when submitting our scientifically supported request for a waiver from EPA LT2 regulation.

Portland Water Bureau comments have been misleading and are corrected below.

Seismic vulnerability--

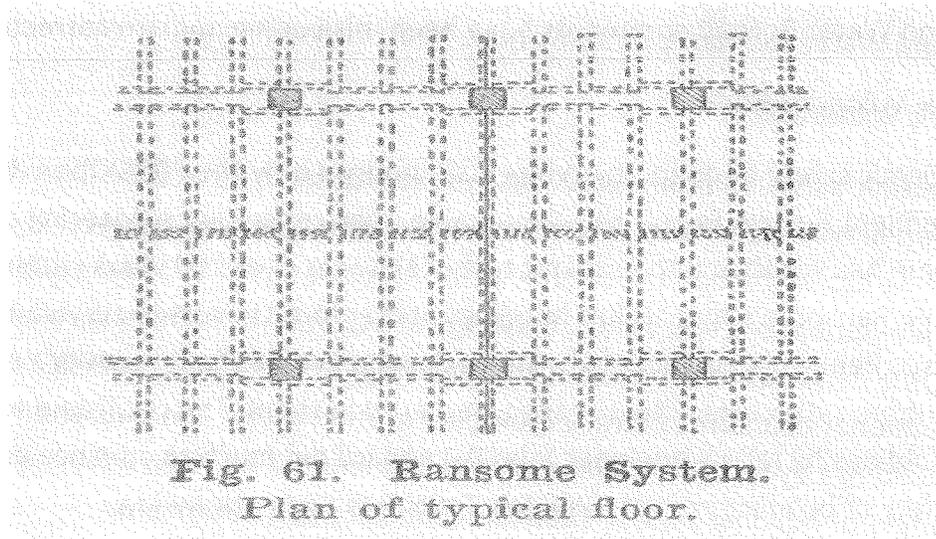
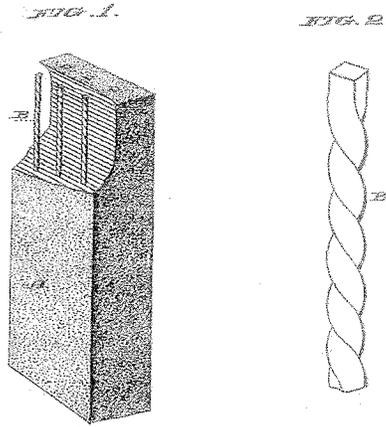
The seismic safety of open reservoirs was confirmed by the 2004 Open Reservoir Independent Review Panel. The remarkable open reservoir engineering of Ernest Ransome has withstood the seismic test of time for over 100 years without incident. As example-Ransome's two 1890's buildings at Stanford University survived the 1906 San Francisco Peninsula earthquake without damage; while the university's newer, conventional structures literally crumbled around them. The published analysis of these two buildings by fellow engineer John B. Leonard did much to advance engineering and the safety of building in post-1906 San Francisco and nationwide.

(No Model.)

E. L. RANSOME.
BUILDING CONSTRUCTION.

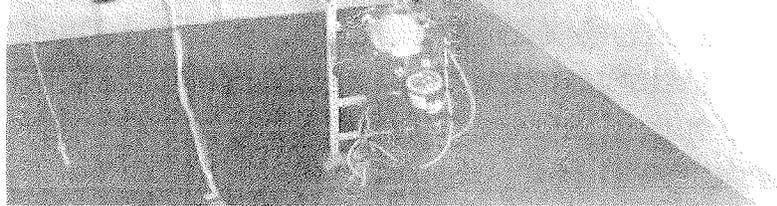
No. 305,226.

Patented Sept. 16, 1884.



Patented New Engineering Used in Open Reservoir Construction

**Photos: 50 million
gallons, 3,200 leaks**



PWB – First Weeks- Powell Butte Reservoir Engineering and Construction Defects

Aging infrastructure-

City of Portland Auditor’s Office- “Portland Water Bureau does not meet industry standards”. The Portland Water Bureau has not kept up with maintenance of the reservoirs as acknowledged by City of Portland Auditor reports in 2004, 2011, 2012. The open reservoirs can function for many more decades if maintained properly.

Open Reservoir Public Health and Engineering Assessments

“No waterborne disease outbreak or water quality incident of public significance has ever been recorded in connection with Portland's open reservoirs.”

Montgomery Watson Harza. Open Reservoir Study: Phase I Summary Report. City of Portland. January, 2002.

“All features in good condition. ...a detailed maintenance program could extend the useful life of the open reservoirs to the year 2050.”

Montgomery Watson Harza. Open Reservoir Study, Draft TM 5.7 Facilities Evaluation, City of Portland. August, 2001.

“All of the open reservoirs are historically significant, and thus are eligible for inclusion in the National Register of Historic Places and for local landmark status.”

Open Reservoir Study, Technical Memorandum, Montgomery Watson Harza, 2001.
Contracted by Portland Water Bureau (PWB)

“The reservoirs are historically significant as examples of early engineering, and serve as monuments to the social history of the City’s growth and development. They provide an early example of a planned landscape, including the views and vistas into and out of the landscape.”

Open Reservoir Study, Facilities Evaluation, City of Portland, 2001.

Landslides-

The Washington Park landslide was stabilized in the early years of reservoir construction by first utilizing pumps to draw down the water table; followed by digging tunnels along the slip surface to provide a network of interconnecting gravity drains. Being stabilized for decades, today the landslide creeps at only a fraction of an inch each year. It is not the catastrophic situation PWB wants us to believe exists. Engineering reports show 14/100 of an inch movement that is diminishing for the last few decades. The underground water mitigation programs have worked as they should, de-watering and impeding movement. The reservoirs have survived rain inundation from Christmas 1964, and more importantly the **100 year** “rain on snow” event lasting for many days in February 1996 all without landslide issue.

Table 1: Historical Slide Movements Since Reservoir Construction

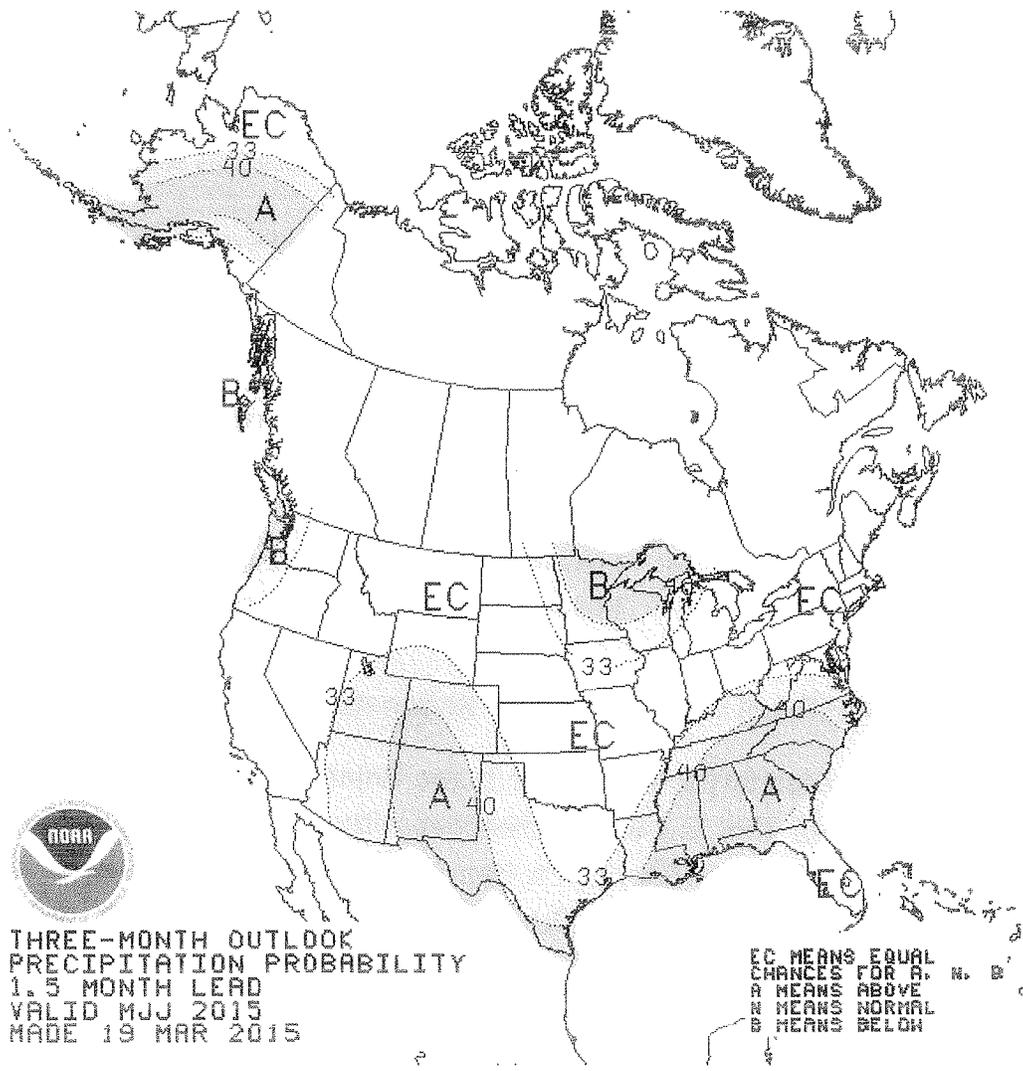
Date	Annual Rate of Movement	Description of Events
1893-1894	Unknown	Reservoirs constructed
1895-1896	15 inch/year	Water Bureau assessing cause of movements
1897-1898	1 1/2 inch/year	Pump dewatering of exploratory shafts reduces movement rate; focuses stabilization techniques on dewatering options
1899-1900	4 inch/year	Exploratory shafts completed; movement rates increase due to stoppage of dewatering pumps; survey grid installed
1901-1904	3 1/2 inch/year	Drainage tunnels constructed
1904-1906	1 1/2 inch/year	Movements increase; additional drainage tunnels are installed
1906-1916	1/2 inch/year	Detailed survey monitoring
1920-1970	1/2 inch/year	Continued survey monitoring
1975-1986	1/4 inch/year	Measurements obtained from 2 EDR casings
1987-2010	0.14 inch/year	Measurements obtained from 7 inclinometer casings

Public Health Benefits of Open Reservoirs- Radon removal

City of Portland secondary water source is the Columbia South Shore Well field (CSSW) groundwater that is highly radioactive with radon gas originating from uranium in the granite substrate. EPA is clear there is **“no safe level of exposure”** of radon and is the **“highest risk for cancer water contaminant”** they have registered. We need the open reservoirs to efficiently remove the gas as natural aeration of the water. Covered reservoirs cannot efficiently remove radon through their tiny vents. Radon gas kept in a closed and covered system without open reservoirs will end up in homes schools and work places; through our showers, toilets and washing machines generating 70% radon into the air leaving an additional 7 radioactive decay particles such as lead, polonium and bismuth.

Climate Change is producing less rain to depend on, moving us to use the CSSW radioactive groundwater as a supplemental source. Bull Run area will be drier (see NOAA) map. We need to retain open reservoirs in our system for historic value

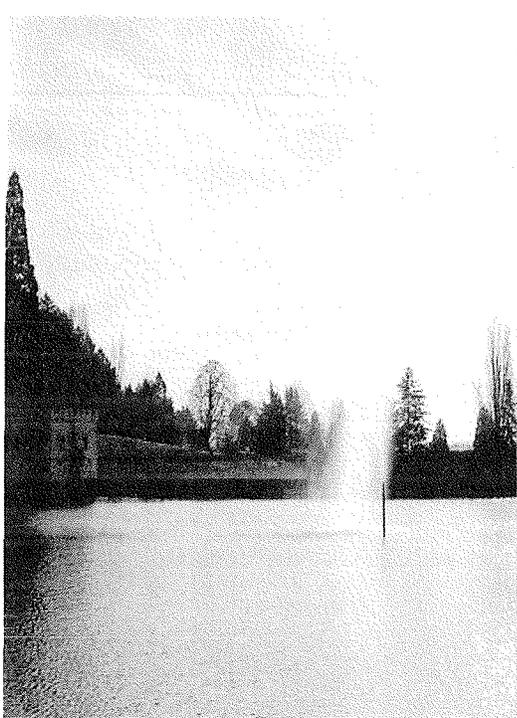
and for public health. Covered reservoirs waste millions of dollars for public health problem that does not exist.



Submitted by- Scott Fernandez

1821 NE 65th

Portland, Oregon 97213



SAVE

the Open Reservoirs

Our open reservoirs at Mount Tabor and Washington Park protect us from radioactive Radon and other toxic gases using aerated fountains and waterfalls.

Covered reservoirs cannot protect us from Radon. Is it worth the risk to remove our open reservoirs?

Because of lower precipitation and climate changes in our mountains and at Bull Run* we will rely more than ever before on the Radon contaminated radioactive Columbia South Shore Wellfield (CSSW) as a secondary source of our drinking water.

If the open reservoirs are removed ...we will lose all protection from radioactive Radon gas and the radioactive Radon decay products shown here that will enter and contaminate air quality in schools, homes and workplaces.

Radon gas through your soil can be easily removed. Radon gas from your water generates many permanent radioactive decay products that will contaminate your air, clothes, floors and dust particles. Every time you drink a glass of water, take a shower or wash clothes..... you, your family, children, pets, and garden vegetables will bio accumulate more and more radioactive decay materials every day.

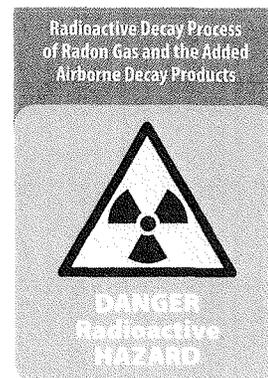
EPA is clear "there is no safe level of radioactive Radon" or Radon decay exposure. EPA recognizes "Radon is the highest risk cancer causing drinking water contaminant". Thousands of people die from Radon every year in the US.

EPA is reviewing the open reservoirs regulation through 2016. New York and New Jersey are working with EPA to keep their open reservoirs. We can too.

Keep our open reservoirs used for drinking water at Mount Tabor and Washington Park, saving over \$100 million in unnecessary disconnection and destruction that will increase our water bills for no public health benefit.

Open drinking water reservoirs..... for your safety and your health.

*US - National Oceanic and Atmospheric Administration (NOAA)



- Rn** Radon 222
- Po** Polonium 218
- Pb** Lead 214
- Bi** Bismuth 214
- Po** Polonium 214
- Pb** Lead 210
- Bi** Bismuth 210
- Po** Polonium 210
- Pb** Lead 206

► **Washington Park Reservoirs Demolition Hearing**
Please attend to **SAVE OPEN RESERVOIRS**
Portland City Council Chambers, City Hall
Thursday April 23, 2015 @ 2 PM

For more information see: www.bullrunwaiver.org
Contact us: bullrunwaiver@gmail.com
Citizens for Portland's Water 2015 ©

► Please write **Portland City Council**
Charlie Hales, mayor
1221 SW 4th Ave, Room 340, 97204
(503)823-4120
mayorhales@portlandoregon.gov
nick@portlandoregon.gov
amanda@portlandoregon.gov
novick@portlandoregon.gov
dan@portlandoregon.gov

April 22, 2015

To: Mayor Hales
Commissioner Fish
Commissioner Fritz
Commissioner Novick
Commissioner Saltzman

From: Annie Mahoney, AIA
7134 N. Oatman Ave.
Portland, OR 97217

Re: LU 14-249689 City Council Hearing 4/23/15
Washington Park Reservoir Improvements Project
Type 1V Demolition Permit Review

I am in support of the proposed work at the Washington Parks Reservoirs and in favor of the demolition of Reservoir #3 and #4 basins and the Weir building as proposed by the Portland Water Bureau.

As a member of the WPR Community Sounding Board my fellow board members and I met with the design team at public meetings nine times over the course of design. I personally came to the board as a practicing Architect with experience working on historic preservation projects. While we did ask questions regarding choice of site and necessity of the reservoirs, our task was focused on the design of the visible features of the project. The overwhelming direction from the advisory board was to keep as much as possible of the contributing structure and features. Additionally, we requested that interpretive programming on history and water conservation be included in the design.

I believe the Portland Water Bureau and the design team have listened and responded to the board and public comments while balancing issues of cost and constructability, and are meeting the applicable goals stated in the Comprehensive Plan. Including but not limited to:

Goal 3: Neighborhood. This project will create tourism with the interpretive programming and enhanced features and accessibility.

Goal 6: Transportation. The project will provide access for all citizens to the historic district.

Goal 8: Environment. Given the landslide and seismic considerations this is a matter of public safety. Removal of the reservoir basins is the responsible and right thing to do.

Goal 9: Citizen Involvement.

The team engaged stakeholders both local and city-wide at public meetings and open houses. I personally represented the viewpoint of historic preservation. The design team listened and responded to us at every step.

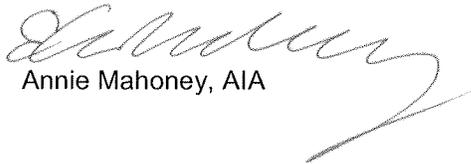
Goal 11: Public Facilities. It will increase public safety and enhance the park experience, providing a backdrop for a piece of Portland's history that is very important.

Goal 12: Urban Design. To visit Washington Park is to experience surprise and discovery. At every turn might be a hidden glen, a view of Mt. Hood, or a rose garden. Washington Park encompasses and provides many different types of experiences, except for a significant water feature. The reservoir project will provide a unique experience that has been unavailable since the 1970s.

If the Water Bureau is not allowed to proceed with this work what will become of these unique and vital elements of our history? Without the reservoir work there may be no impetus for any restoration of these important structures and they will fall further into disrepair and become a greater public hazard. An opportunity will be lost for the preservation of one of our greatest assets.

Even though the demolition of any historic structure is not preferred and should be avoided, it shouldn't be avoided at all cost. On balance it is affording the City an opportunity to create a safer utility, an amenity that is accessible to all citizens, and an enhanced resource for the history and culture of our city. This project will be a significant benefit to the public.

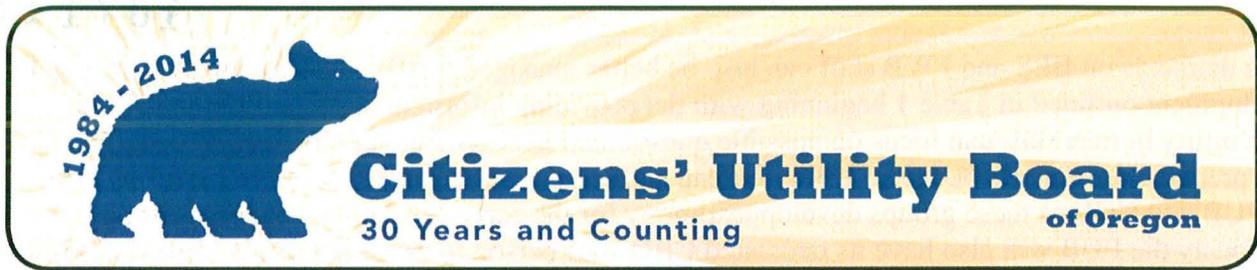
Thank you for your consideration in this matter.


Annie Mahoney, AIA

WATER RATES & CHARGES

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
Dee White	3836 SE 49th PDX 97206	deewhite1@mindspring.com



May 21, 2015

To: Portland City Council
 From: Janice Thompson, Portland Public Utilities Consumer Advocate
 Re: Utility Rate Hearing Comments - FY 2015-16 and Beyond

FY 2015-16 Budget

Thank you for adopting the recommendation by CUB to “true up” the sewer system development charges paid to the Bureau of Environmental Services (BES) to the full amount allowed under state law. In their February proposed budget, BES anticipated a 3.85% rate increase for an average residential household, though that was recently adjusted down to 3.8%. Carrying out CUB’s “true up” recommendation is anticipated to bring in enough additional revenue that the residential increase is now reduced to 3.6% which will leave more money in ratepayer pockets over the upcoming 2015-16 fiscal year.

The Portland Water Bureau rate increase of 7% along with the BES 3.6% increase results in combined increase of 4.66% for an average monthly household increase of \$4.42. To put this into perspective, residential rate increases for Oregon’s three natural gas utilities for the last year ranged from 2% to 7.8%. Rate increases for local electrical utilities were lower, but the overall upward trend in water and sewer rates is a dynamic seen in other utilities as well. CUB is pleased, therefore, to have helped rein in the BES rate increase and is committed to continue our monitoring and advocacy on behalf of ratepayers.

CUB also raised concerns about inadequate cost recovery of BES fees that pay for their review of building and land use plans regarding compliance with environmental regulations. The fee charged for industrial waste discharge permit holders was another cost recovery concern for CUB. Our understanding is that the upcoming Public Utility Board (PUB) will be asked to review these issues. This is appropriate and CUB will work with Commissioner Fish’s office and the PUB on this topic.

FY 2016-17 Budget Process

In 2016 I suggest that the first utility bureau budget hearing be held in early to mid-April, about a month later than the hearings held in March of 2014 and 2015. Obviously the estimated rate increase will be discussed, but this session is important to provide PWB and BES budget input during the window that the Mayoral budget is being developed.

An evening hearing held in City Hall would provide an appropriate balance between facilitating public input without the expense of an offsite location. In addition to presentations from the Portland Water Bureau (PWB) and BES, time should be allotted for more detailed discussion of testimony from PUB and CUB. This timing would allow both PUB and CUB to benefit from reports by the City Budget Office (CBO), typically released in early March, that assess the bureau’s proposed budgets released in February. (See Table 1.)

Time demands on BES and PWB staff can also be better managed by the sequential work on budget development outlined in Table 1 beginning with the providing information to the PUB in the fall. Then utility bureau staff can focus on possible questions from City Budget Office (CBO) staff as they prepare their reports budgets. Utility bureau staff could then focus on possible questions from the PUB and CUB as these groups develop testimony for the early April utility budget hearing. Obviously the PUB will also have its dedicated CBO staff person to assist at all times, but PWB and BES staff will also be called upon and sequencing their involvement seems prudent. A final note is that BES has indicated that the timeline in Table 1 better aligns with the availability of data they need for rate setting calculations.

Table 1 - Budget Process and Sequential Utility Oversight Review and Hearings

Oct-Jan (<i>replaces PURB and short term BACs with year round PUB with its own staff and clearer role in reviewing capital improvement plans and their budget impact.</i>)	Feb	March	Early April	Mid April	Late April	May
PUB input into PWB and BES budget development with Commissioner-in-Charge CUB attends and provides input but is monitoring both bureau and PUB activity Requested budgets due early February	CBO review for City Council	PUB and CUB review of CBO analysis	Hearing on proposed utility budget and average residential rate increase with PUB and CUB invited testimony informed by CBO analysis as well as public testimony	PUB is partner with City Council in PWB and BES budget work sessions	Mayor's budget	Utility rate hearings PUB and CUB testimony: agreements and disagreements and next steps

CUB was pleased to be asked to discuss its budget recommendations during 2015 City Council work sessions and would appreciate being afforded this opportunity in future years. Of particular importance, though, is fully integrating the PUB into the City Council work session on PWB and BES budgets. This involvement does not eliminate the need for the Citizen Advisory Board since the utility budgets do need to be discussed within the broader context of the entire city budget.

As occurred in 2015, at least one community budget forum is suggested between release of the Mayor's budget and the final utility rate hearing. CUB and PUB could make use of that opportunity for input on whatever adjustments have been made by the Mayor in the utility bureau budgets. Input could continue to be provided during the late May utility rate hearings, but by then the budgets and subsequent rate calculations are getting firm enough that changes can be problematic to make with adequate transparency and oversight.¹

¹ Another option, but one CUB does not suggest until experience is gained from using the timeline in Table 1, is to omit the early April budget hearing and just focus on CUB and PUB involvement in the City Council utility bureau budget work sessions. CUB does not recommend this for 2016 for two reasons. First, an early opportunity for public input is eliminated and though level of public interest in utility budgets waned this year that may not always be the case. Second, the utility bureaus and Commissioner-in-Charge could want time between a public hearing and the council budget work session to prepare additional material in response to PUB, CUB, or public testimony. For example, this happened in 2015 with BES being prepared to discuss CUB's suggestion to "true up" sewer system development charges at the budget work session because they had time to respond based on CUB's testimony at the public hearing. The bottom line, though, is that CUB is not offering Table 1 as permanent timeline but recognize that additional adjustments may be needed as we all sort out the changing dynamics of utility oversight in Portland.

Public Utility Board and Priorities for Both PWB and BES

CUB is committed to assist with PUB recruitment and will share with Commissioner Fish's office our suggestions regarding background information needs and a sequence that will assist with informed involvement in development of the fiscal year 2016-17 utility bureau budgets. CUB will also suggest other topics for possible consideration by the PUB with observations on relative priority. For example, one of the final suggestions from the PURB is to consider changing to multi-year rate setting but CUB views this as being a low priority² for the new PUB.

A much higher priority is educating the PUB about seismic resiliency planning underway in both bureaus. Seismic improvements will be expensive and PUB can be a valuable evaluation and public education partner, but only if they are fully engaged and play a meaningful oversight role. Briefings about the asset management programs of both bureaus should also be a PUB priority since they are a cornerstone of capital improvement planning. PUB oversight of capital improvement project planning was a priority recommendation from the Utility Oversight Blue Ribbon Commission so the utility bureaus must provide thorough explanations of their respective planning process, particularly the development of alternatives, project assessment methods, and any scoring and ranking procedures to determine project priorities.

Least Cost/Least Risk and Business Case Analytical Processes of Utility Bureaus

CUB often refers to taking a least cost/least risk approach to identify the need for a new investment and then conducting rigorous analysis of a broad range of options to meet that need. Understandably utility bureau staff wanted information on CUB's approach and I wanted to learn about the range of analytical tools used by PWB and BES to evaluate infrastructure assets, manage risk, and make financial and triple bottom line assessments of capital investment alternatives.

Least cost/least risk is a term of art in the energy utility world that in Oregon is dominated by private companies. CUB's history of advocating for residential ratepayers of private energy utilities is why this term is so frequently used by our organization. Private utilities are monopolies whose customers are protected through regulation of rates by utility commissions, with input by groups like CUB. The balance sought in private utility rate cases is between ensuring fair and reasonable rates for customers while allowing companies and their shareholders the opportunity for an adequate return on their investment. Oversight is important, however, since the motivation for profits could result in an emphasis on maximizing revenue without adequate concern for risk management to the detriment of customer service and unduly high rates. This sets the stage for CUB's focus on analyzing a wide range of capital investment alternatives that are as cost efficient as possible (least cost) while addressing risk so that customer needs are adequately met (least risk). CUB's efforts emphasize protecting residential ratepayers, but our focus is not solely on least cost since that approach can result in high risk and declines in customer service.

Public utilities don't have shareholders urging management to increase revenues. Indeed, political pressure to hold down public utility rates could reduce revenues below what is really needed for adequate risk management, capital improvements, and customer service. Public utilities definitely face rate pressures that push them to meet customer needs and manage risk with cost-conscious capital improvement planning and other strategies. Utility management that is too risk averse, however, could lead to capital improvements where the level of risk reduction may not justify the cost or there should be closer attention to a broader array of alternatives. Portland's utilities take

² This view is reinforced by CBO's discussion of PWB financial forecasting that identifies "value in addressing rate requirements each year rather than adopting two- or five-year rates. By adopting rates each year, the bureau is able to fully capture any prior year savings and adjust assumptions as required." Though written about PWB the same sentiment seems applicable to BES rate setting.

many steps that ensure meeting the underlying goals of CUB's least cost/least risk approach, but that terminology is not prevalent in public utilities.

Both PWB and BES develop business cases for risk management and capital improvement projects using a range of tools. The PWB, for example, has a Business Case Development Guidebook that outlines analytical options such as benefit-cost analysis and risk cost analysis with discussion of appropriate applications of those tools. BES uses a net benefit cost ratio (nBCR) methodology for pipes and is doing pioneering work on how to apply this methodology to green infrastructure. Both bureaus are recognized for their work in asset management. Another positive trend is their interest in linking business case analysis with levels of service goals. To summarize, Portland's public utilities use of these analytical tools are grounded in the same principles and methods CUB uses in its private energy utility least cost/least risk analysis.

Since the PUB has been given clear direction to provide oversight for capital improvement planning they need coaching on the analytical tools used by PWB and BES. The PUB should also be embraced as a group to consult with to review development of alternatives. Utility bureau documents frequently refer to stakeholder groups but at times members of these groups are only utility bureau staff. While agency involvement across internal organizational groupings is great, prudent use of outside stakeholders such as the PUB is also recommended. A balance will need to be found, given time limitations of the PUB but their early involvement even at a big picture level could ensure that a broader range of alternatives will be considered. Also the bureaus are likely to gain insight from the PUB –sooner rather than later– about the kinds of public concerns that may surface particularly in regard to potentially controversial projects.

BES – Upcoming Issues

This discussion is informed by the five year (fiscal years 2014-15 through 2019-20) capital improvement (CIP) planning discussed in the current budget documents as well as a discussion with BES staff about major drivers in financial planning for fiscal years 2021-2025. An obvious challenge is their preliminary nature of cost estimates for such future projects. But since so much of what is in the current five year CIP plan is already well underway, the PUB needs to be involved in longer term CIP discussions. The PUB should be briefed on the cost estimate confidence rating system established by the City Council and could be a helpful sounding board for possible development of additions or adjustments to that system, especially related to preliminary identification of possible projects beyond a five-year CIP planning horizon.

Columbia Boulevard Wastewater Treatment Plan (CBWTP)

Expanding the secondary treatment capacity at CBWTP is a possible need due to environmental permitting requirements that are already under discussion. Resolution of this issue will be informed by completion of the CBWTP Facilities Plan that is expected to be done by the end of 2016. Dollars allocated for this purpose are given as \$14,505,000 in the current five year plan with most of those dollars coming in fiscal years 2017-2020 with what, understandably, is a low confidence level designation. Depending on the CBWTP Facilities Plan and permit negotiations with the Environmental Protection Agency, the dollars allowed for the fiscal years 2021-25 could significantly increase. Keeping the PUB in the loop with the CBWTP Facilities Plan and environmental permitting should be a priority to ensure broad discussion of alternatives and public education about possibly significant construction costs.

It is important to note that the PUB does not replace current site-specific advisory groups like the CBWTP Citizen Advisory Committee (CAC) and this is made clear in the PUB ordinance. However, involvement of PUB in capital improvement planning at CBWTP must also occur because the PUB will be looking beyond just neighborhood concerns to broader budget concerns. A helpful distinction may be that the PUB provides bigger picture oversight with a focus on capital improvement budgets while on-going site advisory groups and short term project specific advisory groups focus on providing input on neighborhood concerns during design and implementation. This could also be an issue for the PWB and ensuring effective coordination of the PUB with these project and site-specific advisory groups will need to be a priority for Commissioner Fish.

Stormwater System Plan Development and Implementation

A significant point in the BES budget proposal is that statement that “the extent of stormwater system needs is unknown. The estimate [in the 2014 Citywide Assets Report that identifies an annual funding gap of \$12.4 million for BES] makes very broad assumptions from the Stephens Creek pilot for both rehabilitation and capacity needs.” Fortunately BES has been working on identifying the extent of stormwater system needs and the FY 2015-16 budget includes funding for a citywide Stormwater System Plan (SWSP).

Developing the SWSP plan will facilitate the application to natural systems the net benefit cost ratio (nBCR) asset management tool used to evaluate grey infrastructure projects. This may sound simple but it is challenging especially given the need to scale up from pilots and studies to ongoing and efficient efforts. For this reason the SWSP work plan is critically important and will inform the scope of grey projects along with future green infrastructure options for harnessing the power of nature to manage stormwater.

Appropriately, the SWSP work plan calls for active involvement of both CUB and the new PUB. Such involvement is vital, especially given some past misunderstandings about the value of green infrastructure and the important role that BES plays in Portland’s watershed health. Implementation of the SWSP plan will also be a major factor in future CIP planning.

Clean River Rewards

On June 30, 2017 the Clean River Rewards program is scheduled to end. This program provides a 35 percent discount for on-site stormwater charges³ if the landowner takes action to manage drainage from his/her private property. Approximately 20 percent of single family customers participate in this program and though it is a significant benefit to them, reduced revenue from these customers is a factor in calculating needed rate increases for the system as a whole. This seems like a medium priority for PUB with a briefing suggested in early 2016 to inform a significant level of discussion during the development of the fiscal year 2017-18 budget which needs to include a decision to either end, retain, or adjust the Clean River Rewards program. PUB involvement should be embraced since no matter what is decided, public education will be needed.

Rainfall Derived Inflow & Infiltration (RDII)

Pilot projects are still in progress and highlight the important role that monitoring plays in BES work, in this case gathering the needed information to develop the best option to meet environmental mandates from the Department of Environmental Quality regarding inflow and

³ Stormwater on-site charge is the portion of the bill that “pays for the construction, operation and maintenance of facilities that manage stormwater runoff from private property.”

infiltration, particularly into private sewer lines, due to rainfall. Careful evaluation of the problem and pilot project results about possible solutions is a key element of BES work that will continue beyond the current five year CIP plan. Since final recommendations might include requirements for evaluation of private sewers in targeted areas as part of property transactions, PUB involvement in public education could be particularly helpful. Ensuring pre-sale notification ensures that potential homeowners are not caught by surprise and financial arrangements for possible repairs of private lines can be resolved as part of sale transaction prior to purchase. Public education about such requirements, however, will be very important.

PWB – Upcoming Issues

An increase in capital improvement projects driven by regulatory requirements has been a major factor in recent PWB rate increases. This trend is declining though ongoing maintenance and infrastructure replacement projects, notably the Willamette River Crossing and Washington Park reservoir related work are continuing financial forecasting factors. There will also be rate pressures linked to losing the Tigard wholesale contract in 2016. These dynamics are the backdrop for the following discussions.

Longer term challenges

Beyond the current 5-year CIP plan, PWB identified the following long range planning updates and studies that have either begun or will be launched soon:

- Infrastructure Master Plan Update
- Water System Seismic Study
- System Vulnerability Study Update
- Natural Hazard Mitigation Plan
- Groundwater Expansion Improvements
- Eastside Supply Master Plan

PWB development of these documents should fully engage the new PUB to ensure transparency and facilitate public education about possible future major construction projects. Review of asset management plans, particularly those related to pipe replacement and conduit rehabilitation are also an important task for the PUB. Confidentiality about location about some PWB assets will need to be an educational item for the PUB. CUB has worked out with PWB how to handle access to confidential materials and this issue will also need to be resolved with the PUB.

Long term planning, particular discussion of any possible groundwater expansion, should also be informed by the 2018 Water Management and Conservation Plan mandated by the Oregon Department of Water Resources. Particularly important is linking capital improvement planning with an updated water system demand projection that will be done as part of a 2018 Water Management and Conservation Plan. This updated demand projection for the whole system – retail and wholesale - is particularly important since the previous water system demand study was completed in 2007 before the major economic downturn and is widely understood to have overestimated water needs.

Updated demand analysis will also inform discussions about possible adjustments to Portland's simple rate structure. The PWB has a project underway to increase its modeling capacity and completion of that step is also needed before rate structure discussions will be feasible.

Retail water use trends – a possible shorter term challenge

A significant national challenge is declining water demand, particularly by retail customers. This is illustrated for Portland in the Updated Retail Demand Plan (Handout #1) provided to the PWB BAC

at its December 17, 2014 meeting. The retail water demand dip between fiscal years 2012-13 and 2013-14 is particularly troubling since it was particularly dry during that time period and there had been some indication that retail demand was going to level off. The PWB tracks this information very closely and retail water use during the current 2014-15 fiscal year is on track to be about 25 million CCF. This is shown by the two red stars added by CUB in Handout #1 and is good news.

The projection that retail water demand will level off at 25.1 million CCF for fiscal year 2015-16 and beyond (dotted gray line in Handout #1) must be carefully tracked. The rate of demand decline definitely appears to be easing, but it seems possible that the downward trend, even if at a gentler rate, could continue.

For example, one finding from a February 2015 PWB analysis of 2006-2014 trends of retail consumption by customer groups is: “the rate of decline in per capita per day consumption metrics more than offsets the expected increase in consumption due to population growth.” This is illustrated by a compilation by CUB of PWB data in Handout #2. The top table breaks down by customer classes the blue line, actual retail, from Handout #1. From July 2006 through June 2014 water use declines by 16.43%. The greatest decline, 20.84%, occurred in the single family residential customer class, but all the retail customer classes saw significant declines in water use. The bottom table in Handout #2 summarizes changes in numbers of customers in each retail class from July 2006 through June 2014. Percentage increases in customer numbers range from 1.27 to 2.8%. The contrast between the percentages in the top and bottom parts of Handout #2 reinforces the finding that population growth won’t be enough to reverse the trend of reduced retail water use, at least for quite some time.

It should be noted that during development of the fiscal year 2015-16 budget, the retail demand projection for that year was reduced from 25.3 to 25.1 CCF as illustrated by the dotted gray lines in Handout #1. This change made sense but the process behind this shift was a bit troubling. Rather than ratcheting down the retail demand estimate because it seemed to be a more valid number, it was reduced because other factors such as a particularly favorable bond sale last fall enabled meeting a 7% average retail customer rate increase goal even with a lower retail revenue estimate. Partly this is the nature of financial forecasting but this approach, though it worked this time, could backfire if continued overly optimistic retail demand projections result in a larger PBW budget request than is appropriate.

In general, retail demand forecasting needs to be a topic for careful consideration by the PUB during development of the fiscal year 2016-17 budget. The best case scenario is that forecast for a leveling of retail demand in Handout #1 is what actually occurs. But if retail demand continues to decline, the PUB can help evaluate the appropriate balance between how much rates can increase and the possible need for more rigorous priority ranking of expenditures. In other words, there are lots of good and needed projects out there but it may not be possible to do all of them or all of them on an optimal timeline, especially if retail water use declines.

Residential monthly meter reads

Adopting automated meter reading technology could be an example of a project with a good business case, but one that drops in importance compared to the importance of other capital intensive projects such as seismic improvements, conduit rehabilitation, and pipe replacements.

The PWB did a business case evaluation of several monthly meter reading options in 2008 that would presumably be updated before taking future action on this topic. There seems to be an assumption, though, that eventually monthly meter reads will occur through adoption of some type

of automated meter reading system. CUB is not opposed to this move, but have some reservations about what seems to be an “eventually we will do this” assumption. We urge action only after updating the 2008 assessment and offer the following to inform that business case update.

Portland’s wet and relatively warm climate is quite different from cold weather locations where automated meter reading was a high priority to avoid the historical practice of meter readers needing to go into home basements. Having grown up in Minnesota it was a surprise to me to see water pipes in unheated crawl spaces and water meters along streets in Portland.

Quarterly water meter reading may seem odd given the prevalence of monthly reading of energy company meters. But gas and electric meters are typically above ground with ready access to a power source and they can be built to stay dry. Automation also doesn’t totally eliminate workers. Instead of walking from meter to meter, electrical and gas company workers drive along meter routes and pick up usage readings along the way. Those efficiencies are offset by cost of new technology and CUB has a history of making sure energy utilities carefully test automated meter reading systems and phase in new technology to ease the cost impact on ratepayers. We know this is also a priority for PWB and various testing has already occurred.

A smart meter approach like that seen with some energy utilities may not make sense because possible consumer response options are different regarding water use. While shifting energy consumption practices to off-peak times as identified by a smart meter can reduce an electric bill, the same dynamic does not apply to water which costs the same throughout the day.

Even without a smart meter though, an advantage of reading residential meters each month is that leaks or spikes in water use can be identified sooner. Right now the PWB provides some bill relief when leaks are identified and fixed. One option to consider is whether or not increasing the level of financial relief is a more cost effective way to meet customer concerns about leaks compared to installing capital intensive automated meter reading technology. Obviously this is a very low-tech approach but it would be targeted to addressing a major customer concern about a leak – paying for leaked water– in addition to paying for leak repair. This solution, however, would represent an ongoing expense compared to the costs of leaks eventually going down after installation of monthly reading technology. In other words the long term costs of this low-tech approach to helping customers deal with leaks, give them more of a break on paying for leaked water, must be assessed.

Evaluating use of the monthly statement option regardless of payment method will also provide insight into interests of residential customers. A soft launch of the monthly statement option began on November 25th last year followed by a media push in late January of this year. So it is too early to see definite trends from the penetration rate of the monthly statement option. But Handout #3 highlights the need to breakdown the 8.94% adoption rate of monthly statements before (6.39%) and after (2.55%) the change from only offering monthly statements linked to ebilling.

Obviously more time is needed to evaluate PWB residential customer interest in monthly statements. But if within the next year or so that demand doesn’t dramatically increase that also informs evaluation of how many PWB customers would really want monthly meter readings.

Customer service

Customer service is always important but given the decline in retail customer demand it seems particularly important. PWB adopted an Interactive Voice Response (IVR) system that allows customer to pay over the phone at any time of day without involvement of a customer service center employee in 2013 which has worked well. The PWB would like to adopt other customer self-

service (CSS) opportunities so that customers can use the PWB website to make payment arrangements, notify PWB about moves, and changes in mailing addresses.

There will still be customers who want to talk with a real person, but increasingly customers want online options for managing their own accounts and this is a win-win for the customer and the PWB. More information on customer interests and satisfaction will be available after an after-call survey option is installed with input from the Bureau of Technical Services.

A barrier for swift adoption of CSS options is that management of the Cayenta billing system is housed in the Revenue Bureau and not at PWB. This is a concern CUB has raised in the past and we urge the City Council take a harder look at changing this staffing configuration.

Quick Updates

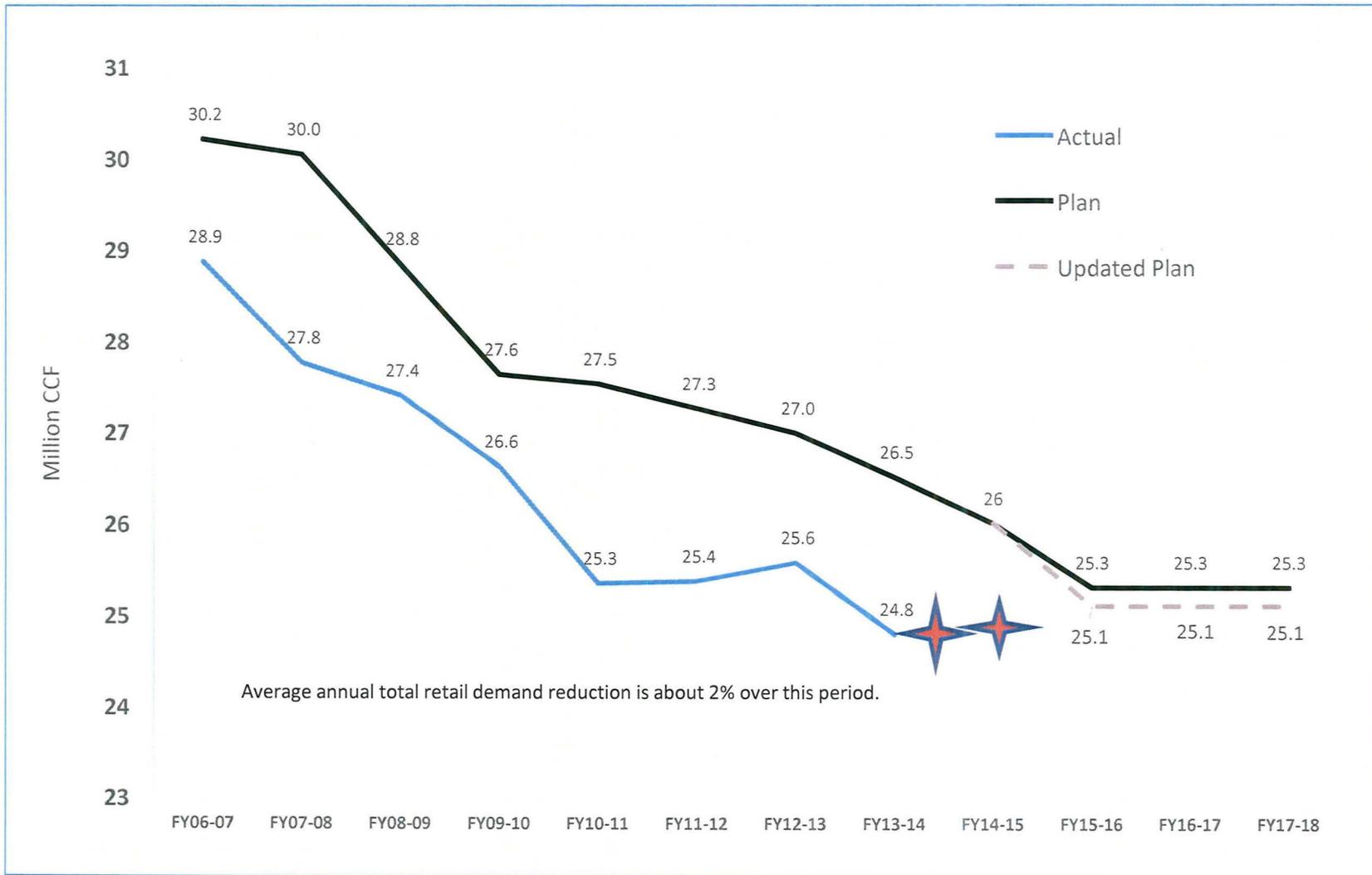
Here are quick updates on three items CUB mentioned at the 2014 utility rate hearing.

A year ago, the size of the BES communications department stood out in contrast to other bureaus. I have since learned that a significant portion of that work involves seeking public input on during project design and public education and other efforts to mitigate the impact of construction on neighborhoods. A significant portion of financial support for that department, then, is linked to those capital improvement projects. CUB's concerns are also eased due to Commissioner Fish's work with BES on strategic communication planning, a topic that could also involve the PUB in the future.

A longstanding topic that also surfaced last year is the extent to which PBOT street sweeping should be paid for by BES. CUB applauds CBO for planning a review of the interagency agreement between BES and PBOT's Maintenance Operations group and a follow up on a December 2010 City Auditor report that "found that there is sufficient evidence of potential cost reductions to warrant further study of the operational costs and benefits involved in ending the agreement with PBOT for sewer maintenance services." CUB will be requesting updates from CBO on their review and suggests briefings to the PBOT budget advisory committee and the PUB.

A year ago, I made an observation about the citywide proliferation of environmental education and raised a question about coordination of these efforts beyond just the utility bureaus that is CUB's focus. Since then we learned that CBO staff plan to reach out to program managers in all bureaus that conduct environmental education and facilitate sharing about opportunities, successes, and challenges. It is great that CBO has taken on this convening role that, appropriately, is a citywide endeavor and that the Office of Equity and Human Rights will also be involved.

Updated Retail Demand Plan – Handout #1



COMPILATION BY CUB OF PORTLAND WATER BUREAU DATA - Handout #2

The data by customer classes behind the Blue Line (Actual Retail) on the December 17, 2014 Graph

PWB water use in CCF by classes FY 2006-07 to FY 2013-14 (July 1, 2006 -June 30, 2014)									water use change
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	% change July 2006- June 2014
Residential Single Family	12,132,715	11,492,565	11,471,207	10,932,917	\$10,301,840	10,245,145	10,560,189	10,040,593	-20.84%
Residential Multifamily	4,840,700	4,707,172	4,667,997	4,560,972	\$4,471,975	4,423,546	4,399,514	4,318,931	-12.08%
Commercial, Industrial, & Institutional	11,889,461	11,560,719	11,258,783	11,123,401	\$10,569,434	10,700,098	10,611,309	10,431,060	-13.98%
TOTAL RETAIL USAGE	28,862,876	27,760,456	27,397,987	26,617,290	\$25,343,249	25,368,789	25,571,012	24,790,584	-16.43%

PWB customer numbers by classes FY 2006-07 to FY 2013-14 (July 1, 2006 -June 30, 2014)									customer #s change
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	% change July 2006- June 2014
Residential Single Family	150,400	152,100	152,700	153,500	\$150,700	150,700	152,700	152,800	1.57%
Residential Multifamily	10,400	10,550	10,600	10,600	\$10,600	10,500	10,650	10,700	2.80%
Commercial, Industrial, & Institutional	19,400	19,800	20,000	20,200	\$19,900	19,400	19,550	19,650	1.27%
TOTAL RETAIL CUSTOMERS	180,200	182,450	183,300	184,300	\$181,200	180,600	182,900	183,150	1.61%

PWB refined the reporting on the number of active services during FY 2010-11 which resulted in fewer services reported.

The change was related to counting accounts vs meters. There are accounts with multiple meters.

So, most of the reduction seen between FY 2009-10 and FY 2010-11 is not related to fewer customers.

Monthly Statements Enrollment Numbers from PWB - Breakdown of Participation %s Done by CUB - Handout #3

4,504

2.55% new MSTMNT from November 2014-April 2015

187146

176,692 Quarterly accounts (5/1/15)

11297

6.39% pre-Nov 2014 MSTMNT either with e-bill or budget plan converted to monthly paper bill

8.94% Current Adoption Rate of MSTMNT

15,801

8.94%

	Active MSTMNT accounts	Difference from last count	MSTMNT accounts on E-bill	Difference from last count	MSTMNT accounts with paper bill	Difference from last count	MSTMNT accounts with LINC	Difference from last count	MSTMNT accounts on Auto-pay	Difference from last count
April 15 - compiled 5/1/2015	15,801	611	7,454	25	8,347	586	653	23	4,531	212
March 15 - compiled 4/1/2015	15,190	800	7,429	81	7,761	719	630	41	4,319	236
Feb 15- compiled 3/1/2015	14,390	969	7,348	82	7,042	887	589	41	4,083	259
Jan 15 - compiled 2/1/2015	13,421	1,152	7,266	88	6,155	1,064	548	46	3,824	299
Dec 14 - compiled 1/1/2015	12,269	972	7,178	106	5,091	866	502	57	3,525	248
Nov 14 - compiled 12/1/2014	11,297	398	7,072	314	4,225	84	445	13	3,277	133
Oct 14 - compiled 11/1/2014	10,899	446	6,758	490	4,141	-44	432	1	3,144	155
Sept 14 - compiled 10/1/2014	10,453	460	6,268	491	4,185	-31	431	6	2,989	168
Aug 14 - compiled 9/1/2014	9,993	458	5,777	487	4,216	-29	425	18	2,821	137
July 14 - compiled 8/1/2014	9,535	535	5,290	563	4,245	-28	407	21	2,684	184
June 14 - compiled 7/1/2014	9,000	324	4,727	336	4,273	-12	386	8	2,500	103
May 14 - compiled 6/10/2014	8,676	902	4,391	934	4,285	-32	378	117	2,397	272
April 14- compiled 4/28/2014	7,774	1,785	3,457	1,813	4,317	-28	261	86	2,125	608
March 14 - compiled 4/1/2014	5,989	776	1,644	801	4,345	-25	175	18	1,517	213
Feb 13 - compiled 3/3/2014	5,213	437	843	452	4,370	-15	157	5	1,304	121
All before 2/11/2014	4,776		391		4,385		152		1,183	

1/29/2015	article about MSTMT in the Dispatch
1/28/2015	Press Release announcing removal of e-bill requirement
11/25/2014	Removed E-Bill requirement, changed online messaging
4/21/14 - 4/23/14	7,918 individual mailers sent to LINC custs
4/16/14	1,976 emails sent to ebill custs
4/15/14	1,995 emails sent to ebill custs
4/10/14	1,995 emails sent to ebill custs
4/3/14	1,995 emails sent to ebill custs
2/20/14	article about MSTMT in the Dispatch
2/12/14	information about MSTMT posted to the bureau's website
2/11/14	go-live date for MSTMT program, numbers of active accounts are for converted Budget Billing customers
1/31/14	"Coming soon" information about MSTMT posted to IVR and phone system