



[Home](#) / [Council Documents](#)

561-2023

Report

Accept the Bull Run Treatment Projects 2023 Annual Report

Accepted

June 28, 2023

Accept the Bull Run Treatment Projects 2023 Annual Report

TO THE COUNCIL:

In fulfillment of the requirements of Resolution 37309 (Bull Run Watershed filtration plant to treat drinking water), the Portland Water Bureau hereby submits the attached annual report, which highlights the current project status of the Bull Run Treatment Projects for filtration and corrosion control.

The filtration and corrosion control projects are needed to protect public health and comply with federal safe drinking water regulations. The attached report demonstrates that the Water Bureau is meeting Oregon Health Authority (OHA) compliance milestones for these projects.

In FY 2022–23, the Water Bureau met the second of three major compliance milestones for the Bull Run Filtration Projects and submitted final design and construction plans to OHA ahead of schedule. The Water Bureau also achieved significant design milestones for the planned water filtration facility and related pipelines that will be key components of a more resilient water system. The Water Bureau is working to maintain schedule momentum for a fall 2023 construction start.

The attached report details additional progress and notable milestones for the Bull Run Treatment Projects. This includes continued expansive and inclusive efforts on outreach, strong fiscal management and cost control efforts, emphasis on maximizing equity in contracting, and using project values to guide decisions.

The Commissioner of the Portland Water Bureau concurs with the above Report to Council and Exhibit A, and;

RECOMMENDS

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Water](#)

Contact

David Peters

Engineering Manager - Special Projects

✉ david.peters@portlandoregon.gov

📞 [503-823-2003](tel:503-823-2003)

Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

June 28, 2023

Requested Start Time

2:45 pm

Time Requested


1 hour (1 of 6)

That the Council accepts the Bull Run Treatment Projects 2023 Annual Report.

Respectfully submitted,

Commissioner Mingus Mapps

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/bull-run-treatment-projects-2023-annual-report-to-council.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2023/bull-run-treatment-projects-2023-annual-report-to-council.pdf), 8.08 MB

Impact Statement

Purpose of Proposed Legislation and Background Information

The purpose of this legislation is to allow Council the opportunity to review and accept the Bull Run Treatment Projects 2023 Annual Report to Council. This report informs Council of progress made over the 2022–23 Fiscal Year.

The Portland Water Bureau is responsible for delivering the Bull Run Treatment Projects, which include the Improved Corrosion Control Treatment (ICCT) Project and the Bull Run Filtration Projects (Filtration). These projects will protect public health and bring the City of Portland into compliance with federal drinking water regulations—the Lead and Copper Rule (LCR) and the Long Term 2 Enhanced Surface Water Treatment Rule (LT2). The Water Bureau has two compliance agreements with the Oregon Health Authority (OHA) that establish schedules for complying with the LCR and LT2. In April 2022, the Water Bureau successfully met the ICCT Project's OHA compliance deadline. September 30, 2027, is the final compliance deadline for Filtration, which includes both the planned water Bull Run Filtration Facility Project (Filtration Facility) and Bull Run Filtration Pipelines Project (Filtration Pipelines).

Together these projects will provide multiple benefits to the nearly 1 million people currently served by the Water Bureau, including protecting public health, improving water quality, and enhancing water system reliability. With the ICCT Project now online, the Water Bureau has its strongest tool yet to improve everyone's health outcomes by further reducing potential exposure to lead in drinking water from some home and building plumbing. Additionally, once complete, Filtration will remove *Cryptosporidium* and enhance resilience of the Bull Run water supply to potential water quality impacts from fires, landslides, large storms, and other potential risks.

The Annual Report to Council is one way to share progress with the community and City Council. The 2023 annual report is the 6th Annual Report to Council (the first being submitted in June 2018).

Previous key Council and government actions related to the Bull Run Treatment Projects:

- **May 2017:** OHA approved the Water Bureau's schedule to implement Improved Corrosion Control Treatment.
- **June 2017:** City Council held a work session on the variance revocation and treatment options, including comparative costs.
- **August 2017:** The Water Bureau provided additional analysis to City Council, and Council approved Resolution 37309 to submit a compliance plan for design and construction of a filtration facility.
- **September 2017:** City Council authorized the design contract for the ICCT Project (Ordinance 188620).
- **December 2017:** The Water Bureau signed a bilateral compliance agreement with OHA that requires the filtration facility be in operation by September 30, 2027.
- **June 2018:** Annual Report to Council.
- **August 2018:** City Council work session on Filtration.
- **August 2018:** City Council authorized the program management contract for Filtration (Ordinance 189147).
- **June 2019:** Annual Report to Council.
- **November 2019:** City Council approved Resolution 37460 that set priority values, expectations, and a Recommended Option to guide the design and implementation of Filtration. City Council also authorized the design contract for the Filtration Facility (Ordinance 189778).
- **April 2020:** City Council authorized the Water Bureau to acquire certain permanent and temporary property rights necessary for construction of ICCT through negotiation or the exercise of the City's Eminent Domain Authority.
- **April 2020:** City Council authorized water revenue bonds to finance water system capital improvements and refund water revenue bond to utilize Water Infrastructure Finance and Innovation Act (WIFIA) financing.
- **June 2020:** Annual Report to Council.
- **July 2020:** Report to Council recommending award of a Construction Manager General Contractor (CM/GC) contract and guaranteed maximum price (GMP) for construction of the ICCT Project.
- **December 2020:** City Council authorized the design contract for the Filtration Pipelines (Ordinance 190242).
- **March 2021:** City Council authorized purchase of two acres of real property.

- **June 2021:** Annual Report to Council.
- **July 2022:** Annual Report to Council.
- **November 2022:** City Council authorized the Water Bureau to acquire certain permanent and temporary property rights necessary for construction of the Bull Run Filtration Projects through negotiation or the exercise of the City's Eminent Domain Authority.

Financial and Budgetary Impacts

The attached Annual Report to the Portland City Council does not create, eliminate, or re-classify any positions now or in the future.

With construction anticipated to start this fall, the Water Bureau now has greater certainty about the anticipated costs to build the water filtration facility and pipelines. Current program funding needs have increased by about 24 percent from the \$1,483M funding plan due to several factors, including high construction cost escalation and limited labor market and bid competition.

The program funding includes:

- Final costs for the ICCT Project
- Updated scope and cost estimates for the Filtration Facility and Filtration Pipelines
- Other WIFIA-eligible costs, such as indirect and financing costs
- Contingency for cost-escalation given the uncertainty of the construction economy

The Water Bureau continues to take steps to manage project costs while meeting project water quality and resilience goals. This includes value engineering to reduce estimated construction costs and developing a two-phase GMP approach to avoid costly delays and maintain the compliance schedule.

Securing a WIFIA loan with a very low interest rate is another key step the Water Bureau has taken to maintain water rate affordability while making these important long-term investments in the future of the Bull Run water system. Information about the program funding and projected bill impacts have been shared previously through the project website, fact sheet, briefings to interested parties, and in response to media requests.

Funding for Filtration is from a combination of net proceeds from revenue bond sales, low-interest Environmental Protection Agency WIFIA loan, water sales revenue, and other construction fund revenues such as system development charges.

Community Impacts and Community Involvement

There are no new impacts to the community. The annual report provides updates on continued community outreach and involvement over the fiscal year. The Water Bureau is considering the full spectrum of impacts to neighbors, Indigenous peoples, underrepresented communities, low-income customers, and ratepayers.

Since 2017, the Water Bureau has been working to keep the community informed and engaged using multiple communication tools, including monthly e-newsletters, utility bill inserts, the annual water quality report, project videos, and social media. This fiscal year, the Water Bureau performed extensive outreach to local contracting and work force community groups including, including National Association of Minority Contractors, National Association of Women in Construction, Latino Built, Portland Youth Builders, Oregon Tradeswomen, and others.

100% Renewable Goal

Accepting the annual report does not increase or decrease the City's total energy use, nor does it increase or decrease the City's renewable energy use.

Although the new water filtration facility and pipelines are anticipated to increase the City's total energy usage, the project team is working within several sustainability-oriented frameworks including the Green Building Policy, LEED, and Envision to reduce energy needs and use greener energy alternatives where possible. Both holistic sustainability opportunities and specific design and operational opportunities have been identified to support City energy-efficiency goals when possible, such as designing the Filtration Facility and Filtration Pipelines to continue gravity operations.

Budget Office Financial Impact Analysis

No fiscal impact to adopt the report.

Agenda Items

561 Time Certain in [June 28, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/6/28)
(<https://www.portland.gov/council/agenda/2023/6/28>)

Accepted

Motion to accept the report: Moved by Mapps and seconded by Ryan.

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea