



CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Nick Fish, Commissioner ■ Michael Jordan, Director

Portland Utility Board: Capital Improvement Program Overview (11/17/16)

Questions we heard from PUB members:

1. What has changed in the 5-year CIP?
2. What is the process to “feed” the CIP?
3. Are we keeping up with our long-term maintenance investment or are we creating a backlog?
4. Are there policy issues that the PUB can affect?
5. Are there “discretionary” projects? Nice to have vs. necessary?
6. Are there any high profile projects that might attract media or other attention?

What’s changed between the current FY17-21 5-year plan and the draft for FY18-22?

- The most significant changes are at CBWTP where there are several new projects from the update to the Facilities Plan, in anticipation of the renewal of our permit. The Facilities Plan update has a major focus on the planned expansion to secondary treatment capacity. New projects include the need to relocate functions currently located on the secondary expansion site. There are also several projects to address the condition of facilities on site.
- There are some risks / unknowns in the draft 5-year plan:
 - The plan assumes a two-year time extension from DEQ for expansion of secondary treatment.
 - It does not include a potentially significant increase for what is likely to be the preferred alternative for the TCWTP Headworks Improvements. The apparent preferred alternative has lower long term operating costs. This project includes cost sharing with Lake Oswego.

Long-term maintenance:

- Over \$13 billion (estimated replacement cost) in constructed assets. Over \$2 billion in poor or very poor condition.
- CIP projects address condition, but also capacity, regulatory compliance, watershed health, and system expansion to un-sewered areas.
- Invest to reduce risk – emergencies cost three times the cost of a similar planned investment.
- If anything, we are not investing enough. We are using asset management, looking at all our systems, to identify the “right” level of investment. We expect to begin to significantly increase our annual investment in the near future.

Policy issues for future discussion:

- Level of service – convey the 25-year storm without overflowing onto streets or into basements.
- Subsidize corrections to non-conforming sewers and extensions to un-sewered areas.

“Elective” projects in the CIP?

- Biogas; Food Waste Receiving Facility

High profile: TCWTP Improvements; Terwilliger Sewer Extension; pipe rehabilitation in the downtown