

## TVWD Comments to Portland Utility Board

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### Mark's Speaking Points

1. Introduction
  - a. CEO of TVWD
  - b. PE with over 35 years of experience in planning, design, operation and management of large water systems
2. About TVWD
  - a. TVWD is Portland's largest customer (water & revenue) – pays Portland ~ \$8 million/yr
3. Comments on behalf of TVWD
  - a. Input from TVWD's 5 publicly-elected commissioners; represent 220,000 residents
  - b. Not speaking on behalf of all wholesale customers; many agree with my comments
4. TVWD supports a filtration treatment option rather than UV only
5. WHY Filtration - For all the reasons Mike Stuhr presented in comments to Council on June 27<sup>th</sup>
  - a. Addresses crypto issue – compliance with LT2
  - b. Improved reliability
    - i. Access to additional storage from Bull Run
    - ii. Winter turbidity events
  - c. Improved resiliency – recovery from events such as
    - i. Watershed fire
    - ii. Earthquake
    - iii. Landslides
  - d. Improved water quality
    - i. Lower disinfection by products
    - ii. Eliminates the seasonal colored water we experience each fall
  - e. Future proofs the Bull Run supply – addresses what we don't know
    - i. Future regulations
    - ii. Impacts of climate change
6. We recommend against construction of UV only at Bull Run Headworks
  - a. Building UV at Headworks would effectively be a long-term commitment to UV only. It's been suggested that it would be necessary to replace a UV facility in 25 years.
    - i. A water treatment system isn't a 'drive it until it drops' asset. Over the next 20 years, the Water Bureau will do exactly what they do so well, which is to maintain critical assets. With ongoing essential maintenance, future replacement of a Headworks UV facility may not be needed in 20 years
    - ii. In 20 years, a future council will likely find it's cheaper to update a 20-year old Headworks UV facility rather than build a new filtration plant; filtration deferred again
  - b. TVWD recommends building a consolidated treatment facility outside of the watershed
    - i. Avoids the cost premium for construction inside the watershed
    - ii. Opportunity to put treatment all at one site rather than having multiple facilities at multiple sites
    - iii. Improves access to power & utilities, simplifies vendor deliveries
    - iv. Translates to long-term operational efficiencies, reliability & cost savings

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7. Filtration will cost more ... TVWD supports the higher cost given the significantly greater value & benefits filtration would provide. And we think it might not be that much more. During the council work session, the Bureau outlined one possible strategy to establish a capital reserve fund to help pay for a future filtration plant. We think that's an intriguing idea, with some caveats:
  - a. First – these are long-term investments; we have yet to see an economic evaluation comparing the long-term economics and rate impacts of the options
  - b. Second - If you're going to charge customers for both UV and a capital accumulation fund for future filtration, it seems like it may ultimately cost less to build filtration now and not spend money on UV
  - c. Third – we believe the City would not be able to charge wholesale customers for a reserve fund for future filtration under the current wholesale contract; this would leave only retail customers to pay for the capital accumulation fund
  - d. Finally – it wouldn't be surprising that 20 years from now a future council will find a different purpose for the accumulated treatment reserve fund rather than filtration
8. Additional time is needed
  - a. Time will be required to generate better cost estimates, complete an economic evaluation, and assess rate impacts of all the options
  - b. At the council work session, Dr. Lewis commented that crypto does not pose immediate health threat to community. As a public health professional, Dr. Lewis's comments seem to justify taking the time needed to find the 'best' long-term solution rather than simply accepting the expedient solution with the lowest initial cost
9. TVWD suggests the City provide a response to OHA that:
  - a. Commits to completing treatment improvements in the same 6-year period to comply the City would have had when LT2 was first implemented in 2009
  - b. To not commit to single technology or solution or facility at this time
  - c. Instead, the City should commit to providing OHA with final treatment decision after the additional planning, economic analysis, and rate impacts have been completed
10. In summary
  - a. The city has a unique opportunity to think long-term; to be proactive and plan a treatment system to meet current and future needs of the city and wholesale customers
  - b. TVWD encourages the City pursue a filtration option rather than UV at Headworks
  - c. City take full advantage of this opportunity to make a long-term investment in filtration to improve the reliability, resiliency and water quality of the water supply for region

Thank you for the opportunity to comment.