

| <p align="center"><b>PORTLAND CITY COUNCIL AGENDA<br/>City Hall - 1221 SW Fourth Avenue<br/>WEDNESDAY, 9:30 AM, AUGUST 16, 2017</b></p>                                                                                                                                                                                                                                                                                                                                                       | <p align="center"><b>Disposition:</b></p>                                                                                                                                                                                       |
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| <p align="center"><b>TIMES CERTAIN</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                 |
| <p><b>904 TIME CERTAIN: 9:45 AM</b> – Accept Year Two Report on the \$68,000,000 Parks 2014 General Obligation Bond (Report introduced by Commissioner Fritz) 20 minutes requested</p>                                                                                                                                                                                                                                                                                                        | <p>No fiscal impact.</p>                                                                                                                                                                                                        |
| <p><b>905 TIME CERTAIN: 10:15 AM</b> – Approve findings to authorize an exemption to the competitive bidding requirements and authorize competitive solicitation using the alternative contracting method of Design-Build, and authorize payment for construction related to the Columbia Boulevard Wastewater Treatment Plant Wash Water and Hypochlorite Piping Replacement Project for an estimated amount of \$4,000,000 (Ordinance introduced by Mayor Wheeler) 15 minutes requested</p> | <p>The total project budget is \$5.4 million and includes costs for a Design-Build contractor, internal and administrative costs, and contingency. Funding is available in the bureau's five-year capital improvement plan.</p> |
| <p><b>906 TIME CERTAIN: 10:30 AM</b> – Authorize a Service and Maintenance Agreement with Portland General Electric Company in the amount of \$1,000,000 for transmission maintenance services for the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish) 30 minutes requested for items 906-908</p>                                                                                                                                                                  | <p>See below.</p>                                                                                                                                                                                                               |
| <p><b>907</b> Authorize an Intergovernmental Agreement with Eugene Water &amp; Electric Board in the amount of \$420,000 for scheduling services for the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish)</p>                                                                                                                                                                                                                                                       | <p>See below.</p>                                                                                                                                                                                                               |
| <p><b>908</b> Authorize a Power Purchase and Sales Agreement with Portland General Electric Company for the sale of hydroelectric power generated by the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish)</p>                                                                                                                                                                                                                                                       | <p>See below.</p>                                                                                                                                                                                                               |

**CONSENT AGENDA – NO DISCUSSION**

**Commissioner Dan Saltzman**

**Bureau of Transportation**

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| <p><b>*909</b> Authorize an agreement with the Union Pacific Railroad Company to provide design engineering services in the amount of \$25,000 for the NW Naito Parkway Pedestrian Crossing Improvement Project (Ordinance)</p> | <p>This work is part of the NW Flanders Bikeway Project, which is funded through System Development Charges. There is a low confidence level for the cost estimate, as the necessary design engineering has not yet been completed.</p> |
| <p><b>*910</b> Amend contract with EcoNorthwest for additional implementation work for the local transportation infrastructure charge project phase III not to exceed \$50,000 (Ordinance; amend Contract No. 30004500)</p>     | <p>General Transportation Revenue has been budgeted for this purpose in the bureau's current budget.</p>                                                                                                                                |
| <p><b>911</b> Revoke ordinance allowing Meier &amp; Frank use along the south side of SW Alder Street between SW 6th and 5th Avenues for loading and unloading operations (Ordinance; revoke Ordinance No. 147912)</p>          | <p>No fiscal impact to the City.</p>                                                                                                                                                                                                    |
| <p><b>912</b> Authorize an Intergovernmental Agreement with Peninsula Drainage District No. 1 and Multnomah County Drainage District No. 1 for flood control stop log closure structures (Second Reading Agenda 884)</p>        | <p>Funding for this work has been allocated in the bureau's FY 2017-18 budget.</p>                                                                                                                                                      |

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| <p><b>913</b> Amend contract with Oregon Department of Transportation for NE Columbia Blvd: Cully Blvd &amp; Alderwood Rd project (Second Reading Agenda 885; amend Contract No. 30005594)</p>                                                                                                                                                                                                                                                                          | <p>No fiscal impact. This amendment extends some project milestones without changing the project scope or budget. The bureau has a medium level of confidence for current cost estimates at this early stage of the project.</p>                                                                                                                                                                                                                                                                                |
| <p style="text-align: center;"><b>Commissioner Nick Fish</b></p> <p style="text-align: center;"><b>Bureau of Environmental Services</b></p> <p><b>*914</b> Authorize funding of the supplemental environmental investigation and remediation work at River Mile 11 East in the Portland Harbor Superfund site required under the Administrative Settlement Agreement and Order On Consent with the U.S. Environmental Protection Agency up to \$300,000 (Ordinance)</p> | <p>This ordinance continues to fund work required under the Administrative Settlement Agreement and Order on Consent (AOC) with the EPA for supplemental remedial investigation at Mile 11 East in the Portland Harbor Superfund site. The total cost is \$1.2 million; \$300,000 is the estimated cost to fund the remaining work. Funding is available in the FY 2017-18 budget of the Environmental Remediation Fund; the Water Bureau and PBOT will repay a portion of the work through cash transfers.</p> |
| <p><b>REGULAR AGENDA</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>*915</b> Adopt new Portland City Code to define pedestrian plazas and establish prohibited conduct; amend associated codes for sidewalk cafes, sidewalk vendors and sidewalk use (Ordinance introduced by Mayor Wheeler and Commissioner Saltzman; create Code Section 17.43; amend 17.25.020, 17.26.020 and 14A.50) 10 minutes requested</p>                                                                                                                     | <p>No fiscal impact.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Mayor Ted Wheeler</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>916</b> Appoint Sonia Marie Leikam and Christine Wallace Caldwell to the Human Rights Commission for terms to expire August 15, 2020 (Report)</p>                                                                                                                                                                                                                                                                                                                 | <p>No fiscal impact.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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| <b>Bureau of Police</b>                 |                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                   |
| <b>917</b>                              | Amend an agreement with San Diego Police Equipment Co. in the amount of \$2,000,000 to provide training ammunition for the Police Bureau (Second Reading Agenda 813; amend Contract No. 31000502)                                                                                | This action increases the not-to-exceed amount on the contract from \$2,000,000 to \$4,000,000. The bureau has noted that there is sufficient budget in FY 2017-18 to fund this increase.                                         |
| <b>Office of Management and Finance</b> |                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                   |
| <b>918</b>                              | Grant a franchise to LCP Oregon Holdings, LLC to construct, operate and maintain pipeline facilities under City streets for a period of 20 years (Second Reading Agenda 815)                                                                                                     | The City will receive a flat rate of \$35,000 per year for franchise fees under this franchise agreement (adjusted annually by CPI). Authorization and compensation for any infrastructure expansion must be approved by Council. |
| <b>Commissioner Dan Saltzman</b>        |                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                   |
| <b>Bureau of Transportation</b>         |                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                   |
| <b>*919</b>                             | Authorize application to Carbon Neutral Cities Alliance Innovation Fund for a grant in the amount of \$100,000 for evaluation of congestion pricing mechanisms in an autonomous vehicle technology pilot to decrease carbon pollution emissions (Ordinance) 30 minutes requested | If successful, grant application could result in \$100,000 in new revenue. No matching funds are required for this grant.                                                                                                         |
| <b>Portland Fire &amp; Rescue</b>       |                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                   |
| <b>*920</b>                             | Authorize Intergovernmental Agreement with Portland State University to conduct a cultural assessment and develop an equity plan for Portland Fire & Rescue at a not-to-exceed amount of \$120,000 (Previous Agenda 886) 15 minutes requested                                    | \$120,000 has been allocated for this contract in the bureau's FY 2017-18 budget. Specific task orders and associated budgets will be developed upon request of the bureau.                                                       |
| <b>Commissioner Chloe Eudaly</b>        |                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                   |
| <b>*921</b>                             | Amend Portland Renter Additional Protections to correct the inadvertent exemption of the 90-day notice requirements (Ordinance; amend Code Section 30.01.085) 20 minutes requested                                                                                               | No fiscal impact.                                                                                                                                                                                                                 |

**2:00 PM WEDNESDAY/THURSDAY AUGUST 16-17, 2017**

**DUE TO LACK OF AGENDA THERE WILL BE NO  
WEDNESDAY OR THURSDAY 2:00 PM MEETINGS**

**906 TIME CERTAIN: 10:30 AM** – Authorize a Service and Maintenance Agreement with Portland General Electric Company in the amount of \$1,000,000 for transmission maintenance services for the Portland Hydroelectric Project

Since 1982, the power generated from the hydroelectric facilities has been purchased by Portland General Electric (PGE) under a Power Sales Agreement (PSA). Under the terms of the agreement, PGE also operated, maintained, and distributed the power generated at the facilities. The sales agreement with PGE ends August 31, 2017. The expiring agreement will be replaced by four agreements to generate, sell and deliver power: a new Power Purchase Agreement (PPA), an Operations and Maintenance Agreement, a new Power Transmission Agreement, and a Scheduler Agreement to optimize the sale of the power to PGE. The ordinance for the intergovernmental agreement (IGA) with Energy Northwest to operate and maintain the two hydroelectric power generating facilities was approved by Council on July 20, 2017. Ordinances for PPA, Power Transmission Agreement and Scheduler Agreement are discussed below.

Since the 1980s, approximately \$14 million in total net revenue from power sales (a few hundred thousand dollars a year) has gone to the General Fund. Due to the ending of the existing PGE PSA and the uncertainty of future cash needs of the Hydropower Operating Fund, the Spring 2016-17 BMP ended those transfers; they are not currently included in the City's five-year forecast. Over the life of the 15-year PPA with PGE, the Bureau of Hydroelectric Power expects revenues to exceed expenses by \$3.0-8.5 million. The bureau estimates that total expenses will range between \$2.2-\$2.8 million a year and will grow with inflation to \$4.2 million in the last year of the PPA (2031). The bureau's expense estimates assume that the bureau will not reach the maximum contract amounts for the Operation and Maintenance Agreement and the Power Transmission Agreement. Both contracts will be managed on a work order basis.

During the August 8, 2017, Hydroelectric Power Contracting Work Session, the bureau provided financial analysis for two scenarios: Stress Test-Base Case and Stress Test-Worst Case. Both scenarios assume median annual revenue and estimate annual losses for the same three-year period: 2018, 2019, and 2020. In the base scenario, the \$1.8 million beginning fund balance offsets the three years of early annual losses. In this scenario, the fund balance remains positive for the entire 15-year PPA. In the Stress-Test Worst Case scenario, the bureau's estimate assumes three bad water years early in the contract and consequently lower revenues and higher under delivery charges are likely than under the base case scenario in 2018, 2019, and 2020. This results in larger annual losses for the same three-year period. In the worst-case scenario, the fund balance falls below zero, -\$404,537 in 2020, before it returns to a positive fund balance in 2021. Under the worst-case scenario, the bureau estimates \$5.9 million in net revenue by 2031. This is approximately \$1.7 million less in net revenue than the bureau's base-case scenario of \$7.6 million by 2031.

CBO notes that the Stress-Test Worst Case scenario presented at the work session was based on a Monte Carlo model reflecting the likely results if the area experienced three bad water years early in the contract period and median annual revenues thereafter. If the analysis instead used the bureau's Low (20th Percentile) Annual Revenue estimate for the length of the contract, the negative fund balance would be larger and last longer.

**906** Authorize a Service and Maintenance Agreement with Portland General Electric Company in the amount of \$1,000,000 for transmission maintenance services for the Portland Hydroelectric Project

This ordinance authorizes a Service and Maintenance Agreement with Portland General Electric (PGE) for the not exceed amount of \$1 million. The agreement will provide maintenance, replacement and repair services to the City's portion of the overhead electrical transmission line that interconnects the Hydroelectric Project on the Bull Run River with PGE's Dunns' Corner Substation. The length of the agreement is 5 years,

plus two 5-year renewals. Funds to support the agreement are available in the Bureau of Hydroelectric Power's FY 2017-18 Budget. Additional funding will be requested in future budgets.

**907** Authorize an Intergovernmental Agreement with Eugene Water & Electric Board in the amount of \$420,000 for scheduling services for the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish)

This ordinance authorizes an Intergovernmental Agreement with Eugene Water & Electric Board for power scheduling services. The length of the agreement is 5 years with annual renewals thereafter. The total amount of the agreement is \$420,000. Funds to support the agreement are available in the Bureau of Hydroelectric Power's FY 2017-18 Budget. Additional funding will be requested in future budgets.

**908** \*Authorize a Power Purchase and Sales Agreement with Portland General Electric Company for the sale of hydroelectric power generated by the Portland Hydroelectric Project (Ordinance introduced by Commissioner Fish)

This ordinance authorizes a Power Purchase Agreement (PPA) with Portland General Electric (PGE) for the sale of hydroelectric power generated by the Portland Hydroelectric Project. The PPA is one of four agreements that will replace the expiring Power Sales Agreement (PSA) with PGE. Some of the features of the agreement are highlighted below.

- The length of the PPA is 15 years.
- The value of the agreement is variable; annual revenue will vary with power generation and market conditions. Because the City and PGE have a non-disclosure agreement, the contract prices are not publicly available. The bureau asserts that the City is receiving favorable competitive rates.
- Over the life of the 15-year PPA with PGE, the bureau expects revenues to exceed expenses by \$3.0-8.5 million. Excess revenue will be used for repair, rehabilitation, and "sunny day" funds.
- The bureau is at the greatest risk for "under delivery damages" when energy prices are high during a low water year. These damages apply when the bureau cannot deliver the promised amount and the wholesale price exceeds contract prices. These damages can be mitigated by selling extra ("as-available") energy into the market at the higher market price.