

PORTLAND UTILITY BOARD

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To: Mayor Ted Wheeler
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Chloe Eudaly
Commissioner Jo Ann Hardesty
Michael Stuhr, Portland Water Bureau

Re: Portland Utility Board Response to Resolution for Bull Run
Filtration Projects

Date: November 12, 2019

The Portland Utility Board (PUB) was created by the Portland City Council to serve as the advisory board for the Portland Water Bureau and the Bureau of Environmental Services. In this capacity, the PUB has been engaged to provide feedback on the Bull Run Filtration Projects in response to updates regarding costs and design considerations. This letter is the requested response to the Resolution.

The PUB is pleased to have been given the opportunity to comment on the Bull Run Filtration Projects. Since first learning of the projected cost updates along with City Council at the Sept 19th work session, the PUB has dedicated all subsequent meetings to the topic, done much individual research and analysis to understand the issues, and worked hard to come to agreement on recommendations.

The PUB was given an extremely difficult task with limited time and information. While additional time would have allowed for more comprehensive recommendations, the PUB was able to reach agreement on the following value statements, comments and recommendations to Council and the Portland Water Bureau in response to the Resolution (as of the November 5, 2019 draft provided to the PUB).

Cost Benefit Analysis

The PUB recommends that the bureau and Council continue to evaluate and communicate about costs and benefits throughout the design and implementation. The PUB, Council and the Water Bureau took costs and benefits under strong consideration in coming to the original decision to proceed with Bull Run Filtration. The costs have changed, and the board feels the current cost benefit analysis is unclear, thus

recommends more transparent and detailed cost benefit analyses of the overall project as well as the project elements. The board recommends that background assumptions and context be reported with each cost benefit analysis so that all audiences can understand what contributed to bureau decisions.

Cost Containment

The PUB recognizes that uncertainty remains around the cost projections for the Bull Run Filtration Projects and recommends that the bureau and Council be cautious about decisions that affect design and implementation costs. The board is concerned about affordability and recommends that the bureau monitor and control costs to minimize rate increases. The board believes that a Council decision to proceed should not be taken as approval for the bureau to incur costs up to \$1.2 billion or more. Cost containment, consideration of affordability and rate impacts, detailed cost benefit analyses, and balancing this project with other high priority capital projects should continue throughout the project.

Community and Environmental Impacts

The PUB endorses the priority to implement the project in a way that is sensitive to the surrounding community and environment but recommends more specificity to reflect broader values and more clearly communicate how this priority could be accomplished. Community and environmental impacts are intertwined in important ways and will take time to fully assess and address. More specific language that demonstrates the bureau's commitment would help the board and public understand the practical applications of this value. Such detail could also help build public and surrounding community trust that the bureau will follow through. The board suggests strong action to protect animal and plant life, attention to both short and long-term impacts, mitigating visual and noise intrusion, evaluating impacts on property values, and ensuring effective community involvement and consideration.

To fully assess and address community impacts requires robust, continued community engagement and the board recommends expanded community engagement. Some suggestions include outreach to neighbors beyond the site advisory group and the broader community, regular communications with project area watershed councils, an ombudsperson for neighbor complaints before/during/after implementation, and low-income and renters focus groups.

The PUB recommends exploring the possibility of a community benefits agreement. Depending on community interest, the agreement could include: use of facility space for community meetings; mitigation of potential impacts to wells in the area; use of renewable energy and energy efficiency at the facility; employment and job training opportunities; improvements to transportation infrastructure, particularly infrastructure impacted by construction; attention to minimizing night light pollution; interactive educational opportunities at the facility; and a buffer around facility to limit visual and environmental impacts.

Design Build and Recommended Option

Board members felt an obligation to provide substantive feedback on the options of what to build. Over the three meetings dedicated to the topic, the board discussed the importance of

the values and risks, how various options affected resiliency, and the balance between resiliency and projected cost increases. However, given the limited time, information-and the parameters placed around the requested feedback the board could not come to general agreement. There was not even consensus that the City should proceed with the filtration project. Some felt that if the current projected costs had been available during initial decision-making a different decision might have been made by PUB and perhaps Council. Some members felt that Council should revisit the foundational decisions.

Engagement with the Portland Utility Board

The PUB is eager to engage in planning and oversight of utility projects to ensure the most effective use of rate-payer dollars, with a focus on affordability and equity. As the PUB has stated in prior letters to Council, Council created a board of willing and able volunteers to help vet difficult policy and financial issues. A month is insufficient time for an advisory board like the PUB, whose work is done in public meetings, to analyze, discuss and come to agreement on complex issues such as this one. For the PUB to be of value to the City Council, the board must be included in future processes much sooner to allow sufficient time for information gathering, discussion, deliberation, and generation of recommendations.

In order to be effective as an advisory body, the board requests not only frequent, timely communication but also active engagement, collaboration, and partnership from the bureau and Council. In this vein, the board requests the following two specific revisions to the Resolution (additions noted in ***bold italics***):

BE IT FURTHER RESOLVED, City Council directs the Water Bureau to continue working with the Site Advisory Group ***and the Portland Utility Board*** to reduce Project impacts on the local community; and

BE IT FURTHER RESOLVED, City Council directs the Water Bureau to provide annual updates to Council ***and a minimum of biannual updates to and engagement with the Portland Utility Board*** as the Project is implemented.

Thank you for the opportunity to provide feedback on the Resolution. The PUB looks forward to continuing to engage with the public, the Portland Water Bureau and Council to monitor the design, implementation and costs of the Bull Run Filtration Project.