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City of Portland
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Report to Council

Date: October 1, 2025

To: Mayor Keith Wilson
Councilor Candace Avalos
Councilor Jamie Dunphy
Councilor Loretta Smith
Councilor Angelita Morillo
Councilor Steve Novick
Councilor Tiffany Koyama Lane
Councilor Dan Ryan
Councilor Elana Pirtle-Guiney
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Councilor Eric Zimmerman
Councilor Mitch Green
Councilor Olivia Clark

Lauren Rosenkranz, Portland Utility Board Co-Chair
Kyle Chipman, Portland Utility Board Incoming Co-Chair

From: Priya Dhanapal, Deputy City Administrator
Quisha Light, Portland Water Bureau Interim Director
Ken Ackerman, P.E., Portland Water Bureau Interim Chief Engineer

Subject: Bull Run Treatment Projects Annual Report

The Portland Water Bureau's Bull Run Treatment Projects will provide cleaner, safer water that benefits the health of our communities for generations. In this report, we update City Council on the status of these water system improvements and progress we've made over the past fiscal year, including:

- ☑ Starting construction on the new water filtration facility and pipelines that will make our water system more resilient.
- ☑ Securing a second low-interest federal loan to help fund these long-term investments in the future of our drinking water.
- ☑ Getting Multnomah County's reapproval of our land use permits and putting hundreds of skilled crafts people back to work.

We recognize there will be challenges ahead and remain dedicated to carefully managing costs and risks. Our focus is on delivering these critical projects which are needed to meet safe drinking water regulations and continue serving excellent water every minute of every day.

Bull Run TREATMENT PROJECTS

Our water: Safe and abundant for generations to come

The Water Bureau is making lasting improvements to the Bull Run water system to help secure cleaner, safer water for generations of Portland customers. The Bull Run Treatment Projects will protect public health, comply with state and federal safe drinking water regulations, and improve reliability and resilience of our water system.

For our health

Making sure our water is safe for everyone.

- Improved treatment is making Bull Run water less corrosive to lead found in some home and building plumbing.
- Filtration will remove *Cryptosporidium* from our drinking water starting in 2027.
- Treatment will reduce regulated compounds that can cause cancer (disinfection byproducts) by removing organics in the water.

For our economy

Creating jobs and investing in infrastructure to help our community thrive.

- The Bull Run Treatment Projects are estimated to generate $1.59 billion in economic activity through construction.
- Construction projects include workforce commitments to create career path opportunities for people in the construction trades.
- Filtration will allow us to more consistently deliver the high-quality water that our industries and local businesses depend on.

For our future

Providing a more resilient water system and greater protection.

- Filtration will significantly reduce the risk of a disruption to our Bull Run supply from a wildfire or extreme weather event in our watershed.
- New facilities will maintain use of gravity flow to carry filtered water to town, which is more reliable and energy-efficient than pumped systems.
- Improved treatment will prepare us to better respond to future water quality regulations and a changing climate.

Project status

The Bull Run Treatment Projects are needed to protect public health and comply with state and federal drinking water regulations. We continue to see strong results from our investment in improved corrosion control, which has been further reducing levels of lead at the tap since April 2022. This past fiscal year, we also started construction on our water filtration facility and pipelines.

The Water Bureau's current funding for these projects is $2.134 billion. This includes dollars spent on completed phases of planning, design, and construction, as well as dollars budgeted to finish filtration facility and pipeline construction. These projects are funded with federal loans, bonds, and water revenues from rates, fees, and charges.

In operation since April 2022

Improved corrosion control

Adjusts the chemistry of Bull Run water to make it less corrosive to lead and other metals found in some home and building plumbing.

Schedule: Completed in April 2022 by the Oregon Health Authority compliance deadline.

Budget: $20.2M final cost.

Results: Since 2022, improved treatment has reduced lead levels by 50 percent in homes with lead components. Portland's lead levels are now well below the Environmental Protection Agency's proposed, lower regulatory level for lead in drinking water.

Construction broke ground June 2024

Filtration facility

Removes *Cryptosporidium* and other potential contaminants from the Bull Run supply and makes the water system more resilient to future water quality risks.

Schedule: Moving forward with multi-year construction.

Budget: $1,532.7M ($365.4M spent to date as of June 2025).

Filtration pipelines

Connects the water filtration facility to the existing Bull Run water system and improves resilience by retiring aging pipelines.

Schedule: Moving forward with multi-year construction.

Budget: $475.3M ($127.7M spent to date as of June 2025).

Important filtration milestones

Filtration is needed to remove *Cryptosporidium* from our water and will also enhance our water system's resilience, reduce future risks, and better protect our customers.

In 2017, the City of Portland signed a Bilateral Compliance Agreement with the Oregon Health Authority that requires us to begin delivering filtered water by September 2027. We completed the first two Oregon Health Authority milestones and are working toward our final compliance deadline.

November 30, 2020 (complete)

Submit pilot study and preliminary planning.

October 31, 2022 (complete)

Submit final filtration construction plans and schedule.

September 30, 2027 (underway)

Water being served meets all surface water and *Cryptosporidium* treatment requirements.

Taking big strides with construction

In summer 2024, we started the first of four years of planned project construction. Our construction efforts are creating meaningful opportunities for local subcontractors and skilled craft workers, including carpenters, electricians, masons, pipefitters, and equipment operators.

In this report, we highlight significant construction and permitting milestones achieved during the past fiscal year to bring us closer to compliance.

Our contractors wrapped up mass excavation and grading at the facility site and got rolling on concrete work for the treatment process basins. (Site in June 2024 on left and June 2025 on right.)

Safe shutdown, permit reapproval, and construction restart

We're continuing with the significant land use permit approval process that began in 2022. We initially received permit approvals in 2023 from both Multnomah and Clackamas counties. These approvals followed multi-step public processes and incorporated our extensive efforts to address community concerns.

The Multnomah County land use approval was appealed to the state Land Use Board of Appeals (LUBA). LUBA's decision on the appeal upheld several approvals and remanded one item back to the County. We paused construction during Multnomah County's 120-day remand proceedings.

In June 2025, the County's hearings officer issued a decision reapproving the project land use permits. This decision allowed us to get our contractors back to work. We're currently assessing cost and schedule impacts from the construction pause and continuing the multi-step process with LUBA.

Permitting commitments include:

- Rerouting construction traffic during school days to avoid specific roads with direct access to a school.
- Managing construction traffic impacts to prioritize and ensure farmers can access their fields as needed.
- Managing the amount of construction traffic accessing the facility site each hour.
- Improving pavement on local roads that will be used as haul or detour routes for project construction traffic.
- Restoring agricultural soils to return farm operations to pre-construction conditions after pipelines are installed.
- Restoring wildlife habitat by planting native trees, shrubs, and groundcover. This includes 3,306 trees at the facility site.
- Improving Johnson Creek aquatic habitat by managing stormwater and restoring a natural stream channel.

LAND USE PERMITTING:

3+ year
permitting process with multiple opportunities for public testimony

15,000+ page
land use permitting record

400+ pages
of decisions approving and reapproving project land use permits

2022 — October 2022
Applied for Multnomah County land use permits.

2023 — November 2023
Multnomah County approved the project land use permits.

2024 — June 2024
Construction broke ground.

2025 — January 2025
LUBA issued its decision remanding one item back to Multnomah County.

February 2025
Construction paused.

June 2025
Multnomah County reapproved the earlier land use approval, concluding that the project "will not adversely affect any category of natural resources."

July 2025
Construction restarted.

Facility construction progress

We're building a new water filtration facility designed to filter up to 135 million gallons of water per day. Filtration treatment involves moving water through a series of large concrete basins, including sedimentation basins where silt and small particles will settle out of the water and filtration basins where microorganisms like *Cryptosporidium* and any remaining silt or particles will be removed. The elevation of the facility site and the facility design will allow water to flow by gravity from the Bull Run Watershed to the filtration facility for treatment, and then on to town.

Recent milestones include:

- ☑ Completed "fix-it-first" road surface improvements to the facility site access off Carpenter Lane and to project area roadways identified as construction truck haul or detour routes.
- ☑ Completed mass excavation and grading at the facility site, including excavating nearly 600,000 cubic yards of soil.
- ☑ Mobilized equipment and established temporary utilities, roads, and facilities at the site to support multi-year construction.
- ☑ Installed underdrain piping and started concrete work for future treatment process basins, including pouring over 2,000 cubic yards of concrete.

CREATING JOBS & CAREER PATHS:

300+
craft workers currently involved in construction

20%
of workforce hours go to apprentices

GROWING OUR ECONOMY:

93
subcontractors, including local businesses

$294M
to COBID-certified firms supporting construction

Pipeline construction progress

We're building roughly seven miles of new seismically resilient pipelines to connect the filtration facility to our existing water system and retire older sections of existing pipelines. We're also building a local distribution main that will serve our current customers and four water districts in the area.

Recent milestones include:

- ☑ Completed clearing, grading, and other site preparations along the pipeline routes.
- ☑ Prepared for future pipeline construction by temporarily widening sections of road and moving existing utilities to make space in the right-of-way.
- ☑ Completed one of four existing water conduit explorations to plan for future water system tie-ins.
- ☑ Started excavating the pipeline connections to the filtration facility, including the tunnel to bring unfiltered water to the facility and the pipeline to carry filtered water from the clearwell storage.

CREATING JOBS & CAREER PATHS:

50+
craft workers currently involved in construction

20%
of workforce hours go to apprentices

GROWING OUR ECONOMY:

30+
subcontractors, including local businesses

$102M
to COBID-certified firms supporting construction

Partnering with Pleasant Home Water District (PHWD) to improve local water infrastructure

PHWD has been our wholesale customer since the 1940s and receives its entire water supply from the Bull Run source. Many project neighbors get their water from PHWD.

As part of this project, we're working with PHWD to:

- Relocate existing PHWD water mains within the right-of-way to clear space and reduce potential conflicts with our pipelines.
- Install roughly 5,000 linear feet of 6-inch and 8-inch diameter PHWD water mains. The new ductile mains will have increased longevity and reduced likelihood of corrosion from the soil.

Investing in safe, reliable water

We're working diligently to meet our regulatory obligation and successfully steward this investment in public health and system resilience.

We continue to take steps to manage project schedule and budget, including:

- ☑ Secured federal funding that significantly lowers the cost of investment for ratepayers to build these projects and allows us to smooth rate impacts over time.
- ☑ Used value engineering at multiple points during design to identify scope adjustments and reduce estimated costs.
- ☑ Developed two-phase construction contracting approach to allow early work to move forward.
- ☑ Revised the 10-year Capital Improvement Plan to absorb project cost increases resulting from construction escalation, supply chain issues, labor shortages, and schedule compression.

Securing low-interest federal funding that benefits our ratepayers

WIFIA PROGRAM

In 2024, we secured a second low-interest Water Infrastructure Finance and Innovation Act (WIFIA) loan to help us build these long-term investments in safe, reliable drinking water.

WIFIA provides significant ratepayer benefits:

- ☑ Very low interest rates are locked in for the life of the loans.
- ☑ Saves ratepayers $387M+ of debt service over the loan term.
- ☑ Flexible repayment schedule means loan payments can begin after customers are getting facility benefits.

"Securing another major WIFIA loan for the Bull Run Treatment Program is a huge step forward in our work to ensure clean, safe, and reliable water for Oregonians."
— Senator Jeff Merkley
(December 2024 WIFIA loan celebration)

Looking forward

We value the public health benefits filtration will provide to everyone in our community and are working to build the filtration facility and pipelines as efficiently as possible. Our plan is to fully mobilize our workforce of 460 craft workers in the coming year to keep momentum on critical milestones, including:

- Installing the pipeline tunnel and seven miles of new pipelines.
- Constructing the filtration facility basins and buildings to support the drinking water treatment process, operations, maintenance, dewatering and other critical functions.

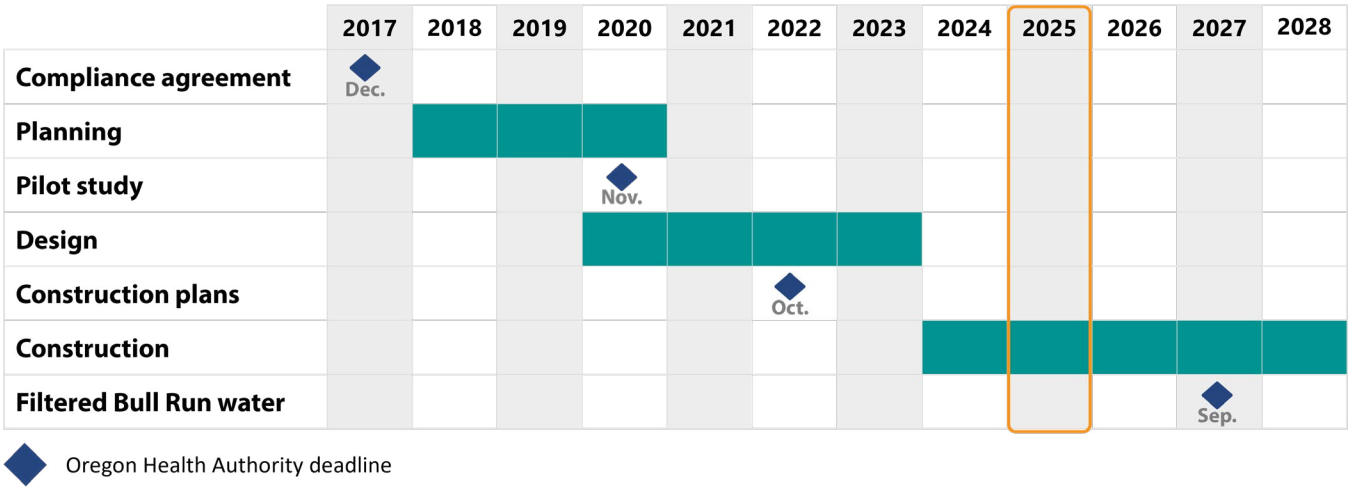
Throughout, we'll continue engaging customers, site neighbors, and interested parties. We'll also continue to monitor and manage risks to the project schedule and budget, including:

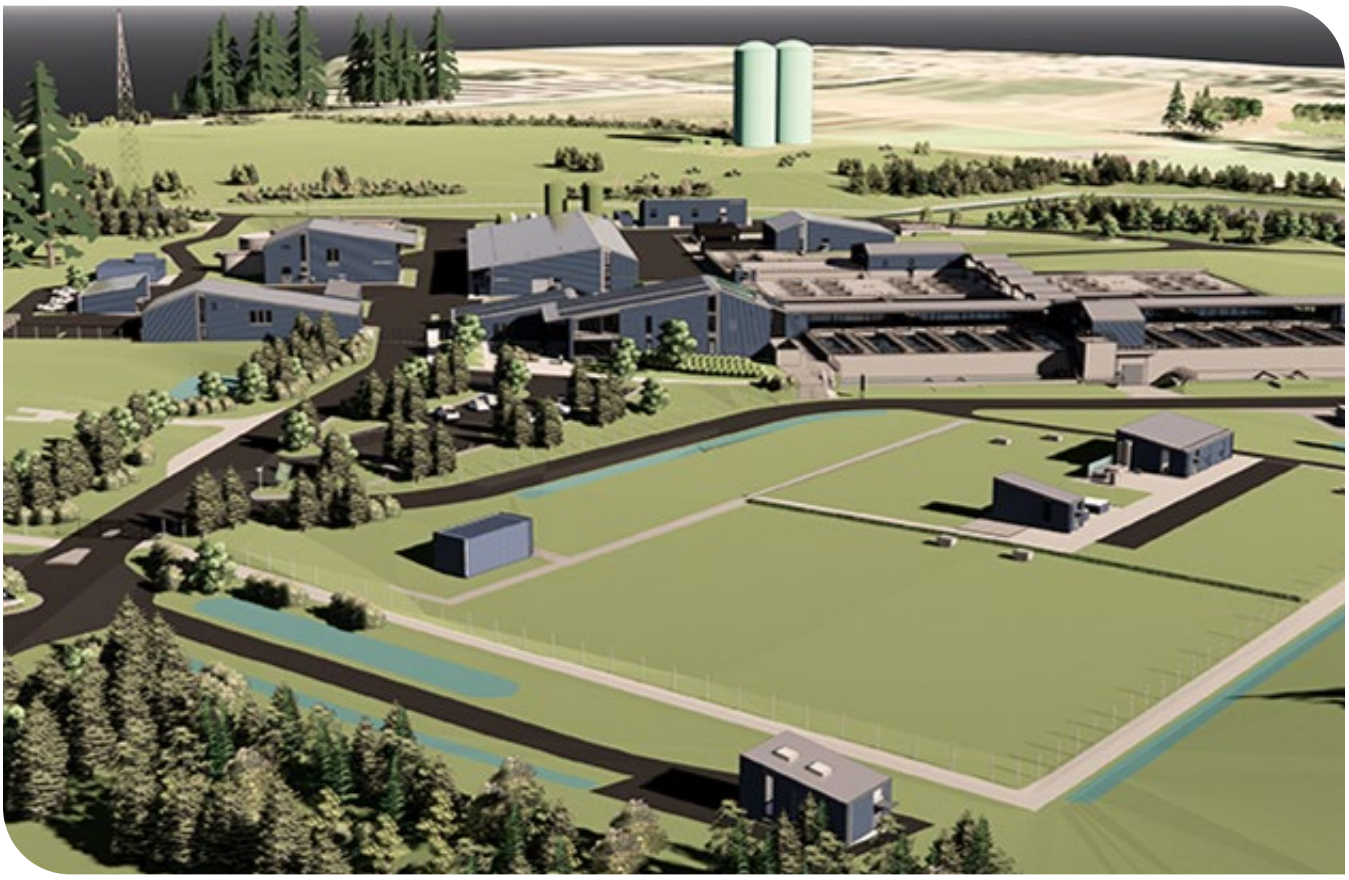
- Assessing and responding to cost and schedule pressures from the suspension of work.
- Maintaining project delivery momentum within the land use permit constraints.
- Responding to the new appeal to LUBA of our reapproved land use permit.
- Managing economic challenges such as tariff impacts on construction material costs.

Project schedule

We're working toward substantial completion of the water filtration facility and pipelines by September 2027. We anticipate some work continuing at the facility site into 2028.

Our final schedule and project completion date will be informed by resolution of land use appeals.





Concept rendering of completed filtration facility with existing water towers in background.

Design complete 2020-23

Construction underway 2024-28

Filtered water Sept. 2027

Learn more: portland.gov/filtration

PORTLAND WATER BUREAU
FROM FOREST TO FAUCET

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