

TO: Deputy City Administrator Priya Dhanapal
FROM: Portland Utilities Director Ting Lu
DATE: March 20, 2026
RE: Bull Run Filtration Project: Oversight and Accountability Framework

DCA Dhanapal,

The Bull Run Filtration Project remains one of the City's most complex and high-profile capital investments, requiring strong and sustained oversight to ensure accountability, transparency, and effective delivery. This memo outlines the comprehensive framework currently in place, as well as additional actions underway, to strengthen financial controls, project management, and public visibility as the project advances.

Summary of Current Measures and Next Steps

1. Bull Filtration Project Oversight and accountability measures currently in place include:

- The bureau worked with an independent value engineering firm to identify and implement a variety of concepts resulting in more than \$200 million in cost savings before construction began in June 2024.
- A [Project Delivery Advisory Team](#) that includes industry experts and Portland Utility Board members who are actively evaluating the project risks, staffing, communications, and operational readiness and providing recommendations to strengthen project delivery. The first report was shared at the February 2026 [Portland Utility Board meeting](#).
- An independent claims analysis team that reviews construction expenditures, evaluates cost impacts, advises on potential disputes, and ensures contract compliance.
- Annual [Bull Run Treatment Projects Annual Report to Council](#) from 2018
- Expanded public transparency through [regular project status](#) updates, including project cost and schedule, beginning March 2026.
- Enhanced executive oversight and internal reporting on project status, including budget, schedule, beginning March 2026.

In addition, I have directed several actions to further strengthen project controls and accountability, including requesting a supply chain audit and price volatility mitigation from contractors, a refreshed project governance structure with clear reporting and accountability, and strengthened project management controls to improve cost tracking and schedule performance.

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2. Independent Financial Oversight Panel: Preliminary Scope and Timeline

I am currently evaluating options for additional independent external financial oversight to further strengthen accountability in the form of a financial oversight panel. The scope of independent review will include project financial controls, cost management, and project delivery practices. Recruitment of qualified panel members will occur later this spring, with a target start date of early summer. We anticipate recruiting individuals with relevant experience in public works contracting, finance, construction management, legal, and public sector capital project delivery, including professionals from other public agencies and utilities, to serve on the volunteer panel.

I look forward to bringing forward formal recommendations and implementation plans to you, City Administrator Lee, and Council.