WATER BUREAU BUDGET ADVISORY COMMITTEE MEETING February 16, 2011

SUMMARY NOTES

Attendees: Water Bureau: David G. Shaff, Dave Hasson, Michael Stuhr, Edward Campbell, Susan Bailey, Stan VandeBergh, Greg Drechsler, Chris Wanner, Kathy Koch, Jeff Leighton, Kelly Mulholland; Water Bureau Budget Support Staff: Cecelia Huynh, Jan Warner, Mary Leung, Jamie Seaquist, Jan Warner, Jimmy Brown, Jeff Winner and Robin Hagedorn (recorder); Water Bureau Labor Representative–DCTU: Mark Gipson. PURB: John T. Gibbon; Community Members: Charles McGee II, Josiah Hill III Clinic, Kay Durtschi, Grace Bailey and Jenny O'Connor. Others in attendance: Seth Reeser, OMF and Patti Howard, Office of Commissioner Fritz.

Agenda:

- Introductions
- Water Rate requested for FY 2011-12
- Bill Impact
- Risk – Economic Factor update
- BAC member(s) Budget Week participation with Council
- Discussion, Questions and Comments

Welcome and Introductions

David Shaff:
David called the meeting to order, followed by introductions and a review of the day's agenda.

Water Rate requested for FY 2011-12

David Shaff:
David gave a brief review of budget process since the January meeting for FY 2011-12. David noted the changes ordered by Commissioner Leonard to the proposed budget including a decision to keep the Low Income Program as is. Commissioner Leonard is willing to explore savings for the Benson Bubblers. The updated budget packet has now been submitted to OMF.

Water Rate Update

David Shaff:
David reviewed the impact of the rate increase on the typical residential bill. A handout was provided to those in attendance.

Risk – Economic Factor Update

David Shaff:
David reported that there are additional risk and budgetary factors that could impact next year's budget. The new Consumer Price Index (CPI) data is expected to be announced either February 17th or 18th. The CPI will determine if there will be an increase for the Cost of Living Adjustment (COLA). There was no

COLA in FY 2010/11 and there is a minimum of 1% with a maximum of 5% possible for the FY 2011/12. The proposed budget has the COLA set at 1%.

BAC member(s) participation during Council Budget Work Session

David Shaff:
David reviewed the dates for the Community Forums and encouraged members of the BAC to attend if possible. David has not received information on how the forums will be conducted but expects to have the information soon.

The Community Forum dates are:

Thursday, February 24th, David Douglas High School, 1001 SE 135th St, 6:30 to 8:30 pm
Tuesday, March 1st, Wilson High School, 1151 SW Vermont St, 6:30 to 8:30 pm

David announced the date the Water Bureau will make its presentation to Council and asked for participation from members of the BAC. David and Finance staff members will be attending. Kay Durtschi and Jenny O'Connor volunteered to attend the Council session. David noted that PURB members are also expected to be present for the work session.

The date for the Budget Work Session with Council for the Water Bureau is:

Monday, March 14th, 2:00 to 3:30 pm, City Hall Council Chambers

Discussion, Questions and Comments

David Shaff:
David asked BAC members to comment, discuss and ask questions about the 2011/12 budget. Kay Durtschi noted that the proposed rate increase of 13.9% was the rate level that she had recommended earlier and was pleased that Commissioner Leonard supported that rate as well. Jenny O'Connor noted the work that senior managers had done to identify and prioritize missions and projects that are core to the bureau versus projects and tasks added by City Commissioners.

Kay asked for an update on acquiring the Sgt. Jerome Sears US Army Reserve property in SW Portland for a west side staging area. David reported that the Portland Office of Emergency Management (POEM) is the lead agency in charge of the project and the Water Bureau does not currently have any money budgeted for FY 2011/12 or in the 5-Year CIP nor is there any master plan for the property.

PURB member John T. Gibbon relayed a question on behalf of member Michael Crean on whether wholesale customers will be charged for their portion of the new UV Treatment facilities. Dave Hasson noted that these customers will be charged a proportional amount based on each contract. David noted that some wholesale customers have expressed interest in pre-paying and that option is being explored.

Next Committee Meeting and Agenda

The next Budget Advisory Committee meeting is tentatively scheduled for March 16, 2011 if needed. An announcement will be sent if the meeting is to proceed.