

1984 - 2014



Citizens' Utility Board

30 Years and Counting

of Oregon

August 12, 2015

To: Public Utility Board interim leaders
City Council and utility bureau liaisons to the PUB
CBO representatives helping with PUB establishment

From: Janice Thompson, Consumer Advocate for Portland Public Utilities at CUB

Re: PUB process and getting up to speed suggestions

Introduction

The Public Utility Board (PUB) ordinance makes clear that the City Council did not see PUB replacing CUB or vice versa. Rather PUB and CUB will "provide two independent sources of utility analysis and oversight for the public and the Council" while recognizing that both groups "will strive towards collaboration and coordination."

CUB is committed to building a collaborative relationship with the PUB to facilitate a coordinated approach to oversight of the Portland Water Bureau (PBW) and Bureau of Environmental Services (BES). The independence of PUB and CUB may at times result in respectful disagreements. Though the City Council will benefit from possibly conflicting input from CUB and PUB, I would anticipate that far more frequently CUB and PUB will concur and work in partnership to ensure effective oversight of the utility bureaus and City Council decisions. At all times CUB will strive to avoid duplication and though PUB and CUB actions may take different approaches we will also strive towards complementary efforts. Attached is an oversight triangle that reflects CUB's current thinking about key elements of interactions between CUB, PUB, and the City Council.

Sorting out the most effective ways for collaboration between Council liaisons, utility bureau staff, CUB and PUB will be a work in progress. As a beginning step in collaboration and coordination, however, CUB is preparing three memos for discussion with PUB interim leadership. This memo focuses on ideas for PUB meeting procedures and "getting up to speed" approaches. This memo is informed by discussions with utility bureau staff and council liaisons prior to the PUB's formation with the goal of facilitating its prompt and successful launch.

The second memo will outline CUB's thinking on short, medium, and long term priorities regarding oversight of the utility bureaus and is a first step in an ongoing process to ensure coordination between CUB and PUB so that our efforts are complementary and not duplicative. The third memo will focus on the utility bureau's use of administrative review committees (ARC) that hear appeals of administrative decisions and the background on how in the past a PURB member served on ARCs and the possibility of the PUB continuing to play this role. These memos will be shared with Council liaisons and utility bureau staff, but their primary target audience is the PUB.

PUB Compared to Utility Bureau BACs and PURB - Meeting Process Suggestions

The PURB followed a standard agenda outlined in its bylaws rather than developing meeting specific agendas that made clear to City Council liaisons and utility bureaus PURB's interests in terms of

information, and reports. Occasionally a topic was identified in advance by the PURB and in those cases the utility bureaus responded with the requested information. But this was the exception and not the rule at the PURB meetings I attended over the last year. Also when the PURB specified an agenda topic, it did not request the bureau(s) to provide information prior to the meeting to facilitate advance preparation by PURB members. This meant that more meeting time was typically spent on a presentation with less time available for questions and discussion.

The BACs are formed by each city bureau and though input is requested from utility BAC participants, agenda development at these sessions has a history of primarily being determined by the bureaus with significant meeting time devoted for presentations. Given that so much of the utility budgets are driven by capital improvement projects, a BAC that met for a few months out of the year couldn't meaningfully participate in the major driver of utility budgets, capital improvement planning. The PUB can more effectively serve as the BACs for the utility bureaus due to its year-round presence and by more proactive involvement in setting the agenda for utility budget discussions.

CUB suggests that the PUB consider establishing a culture of proactive agenda development with background material required for any particular meeting provided in advance. This approach, appropriately in CUB's view, will be significantly different from PURB and BAC meetings and allow meeting time to focus more on questions and discussion. Presentations will have their place at PUB meetings. PUB effectiveness and independence will be enhanced, however, if the relative balance between reactive presentations and proactive questions and discussion changes from past practice. This seems feasible since the PUB recruitment process conveyed that this will be a hard working board with at least some time needed for preparation between meetings.

Resources – BRC approach not completely applicable

Obviously the materials prepared for the Utility Oversight Blue Ribbon Commission (BRC) should be reviewed for their applicability in briefing the PUB. There may also be PUB members who want a binder(s) and paper copies. The BRC, however, was a time limited group that only needed an overview of utility bureau operations.

The PUB is an ongoing group that will delve into utility bureau details and receive information on an ongoing basis. An emphasis on electronic copies in a web based PUB "library" may be a better approach. Instead of handing the PUB a potentially overwhelming binder, materials can be distributed on a more timely basis linked to PUB information requests. This approach also facilitates the distribution of advance agendas and preparatory reading material.

What, Where, Who, Why, How Orientation Approach

The most effective "getting up to speed" meeting I had shortly after I started at CUB was with two BES staffers in front of a map with them describing the varied elements of Portland sewer and stormwater systems in a setting where I could readily ask questions. This approach facilitated significant discussion and seems feasible even with nine member group so I recommend it as an element in a "what and where" component of an initial PUB meeting. Advance reading of targeted "what and where" memos from each of the groups that comprise the two bureaus would also enhance the discussion around system maps. The "who" can also be provided in advance by providing the PUB organizational charts for each of the major groups within the two utility bureaus.

It may seem odd to not start with "why," but an understanding of the components of Portland's public utilities is needed to put into context the "why" documents like vision and mission statements, long range planning documents, as well as background on environmental regulations, service level goals, benchmarking studies, and asset management planning procedures.

The "how" is when money comes into the discussion. Again, it may seem odd to not start with the money but this order emphasizes that the PUB has "upstream" oversight authority since "what" decisions set the stage for budget and rate requests.

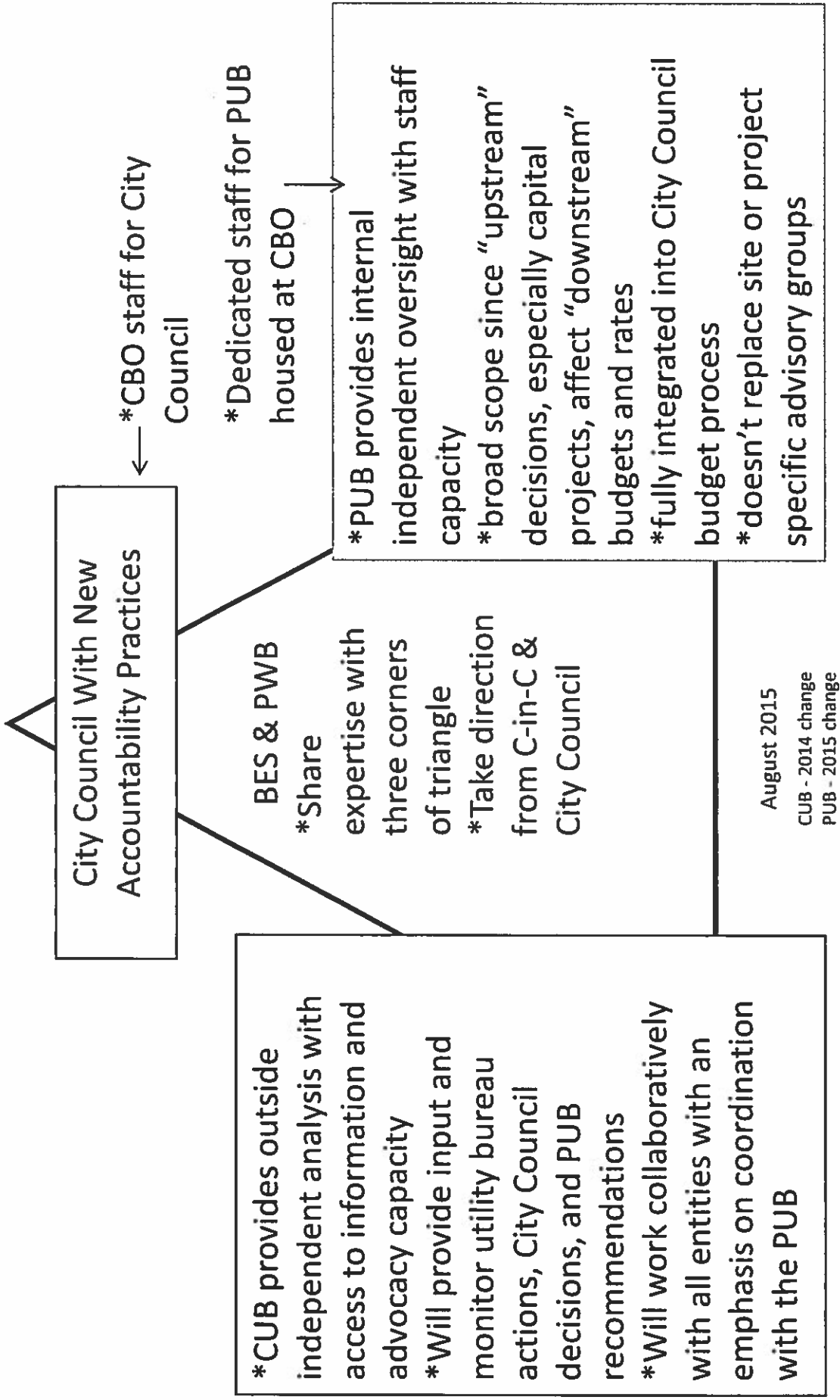
Attached is CUB's current thinking on a set of "getting up to speed" agendas for PUB's consideration. Previous materials were discussion items so the attachments to this memo are the latest versions and presented here with more background. The agendas are detailed, not because I think every detail suggested should be incorporated into the PUB agendas, but because I want to exemplify a different approach from either PURB or BAC agenda development; an approach that clarifies to city council liaisons and utility bureaus that PUB is going to be charting a different course towards being an effective and independent oversight group.

Onward

I look forward to continued collaboration with utility bureau staff and Council liaisons and building a strong partnership with the PUB. My contact information is: janice@oregoncub.org, 503 227-1984x24, 503-890-9227

Current Portland Public Utility Oversight Triangle

All Entities Interact, Input From CUB and PUB, City Council Decides



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Possible PUB "Get Up To Speed" Meeting Agendas

These suggested agendas illustrate CUB's suggestion that the PUB establish a culture of agenda preparation in advance of meetings with reading materials provided to ensure preparation prior to meetings. The level of detail provided is intended to move from a general "the PUB will be different from the BAC and PURB" sentiment to potential specifics. It is great that the PUB recruitment specified that initial meetings are likely to occur more frequently once a month. These agendas are for 2.5 hour meetings which could be another way to address the challenge that the PUB faces in getting up to speed swiftly enough this fall to play a meaningful role in development of the utility bureau's FY 2016-17 budgets. A final note is that these agendas mention formation of subcommittees. A short term group could focus on bylaws development. There could also be ongoing PWB and BES subcommittees. This suggestion also came up during Blue Ribbon Commission discussions since a subcommittee approach addresses the challenge of having one oversight group monitor and make recommendations about two bureaus. Please note that these possible agendas include time for public comment.

Meeting #1 2.5 hour meeting – WHAT, WHERE, WHO

- 30 minutes – Welcome from Commissioner Fish, introductions, oversight triangle
- 110 minutes that focus on what, where, and who
 - 50 minutes for BES/50 minutes for PWB plus a 10 minute break
 - Use system maps to get an overview of what and where informed by advance reading of summary handouts
 - 15 minutes overview from each bureau
 - 35 minutes – discussion and questions
 - Summary handouts on what and where from each division manager
 - Brevity suggested so possible length is 4-8 pages per division/24-56 pages per bureau with focus on what and where
 - 7 BES divisions – Engineering, Wastewater, Pollution Prevention, Watershed Services, Office of Director, Financial Services
 - 6 PWB divisions – Engineering, Operations, Maintenance and Construction, Resource Protection and Planning, Customer Service, Financial and Support Services
 - No budget information at this stage.
 - Visuals can be helpful but with accompanying narrative to facilitate reading in advance of the meeting.
 - Who – Provide organizational charts for each division of BES and PWB
- 10 minutes – public comment

Meeting #2 2.5 hour meeting - WHY

- 25 minutes – organizational logistics – chair, timekeeper, bylaws subcommittee
- 85 minutes - focus on why – provide advance PWB and BES handouts on vision and mission statements, latest long range planning documents, environmental regulation summaries, service level goals, benchmarking studies, asset

management planning procedures, and other documents driving the why behind each bureau

- 40 minutes – BES
- 5 minute break
- 40 minutes – PWB
- 30 minutes – city wide resiliency overview – Carmen Merlo, director of Portland Bureau of Emergency Management
- 10 minutes – public comment

Meeting #3 **2.5 hour meeting – HOW – THE MONEY**

- 30 minute – budget process and capital improvement planning– Andrew Scott (introduce BES analyst Claudio Campuzano and PWB analyst Ryan Kinsella)
 - Budget process timing – FY 2015-16 summary or whatever CBO has prepared for FY 2016-17
 - Capital Project Reporting & Budgeting Requirements – BRC Tab 7 handout prepared by CBO
 - July 2006 Resolution No 36430 – project cost confidence level policy
- 15 minutes – debt management context – Jonas Biery
- 45 minutes – FY 2015-16 budgets and rates
 - base on handouts from May 2015 utility rate hearings but include BES rate study and PWB rate ordinance as advance reading
 - 20 minutes – PWB
 - 5 minute – break
 - 20 minutes – BES
- 50 minutes – capital improvement planning procedures
 - 25 minutes – PWB
 - 25 minutes – BES
- 10 minutes – public comment

Meeting #4 **2.5 hour meeting – FINANCIAL SUMMARY and NEXT STEPS**

- 30 minutes – Final 2014-15 fiscal year figures – available late Sept/early Oct
 - 15 minutes – BES
 - 15 minutes – PWB
- 15 minutes – Rate stabilization funds
 - CUB memo – analysis requested by Commissioner Fish in response to Willamette Week article that provides history and background
 - Jonas Biery and finance directors from PWB and BES
 - If finalizing FY 2014-15 financial figures involves any rate stabilization fund adjustments from previous estimates, this rate stabilization fund discussion is especially important since these adjustments, with minimal transparency, seems to have contributed to the Willamette Week article
- 95 minutes – Next steps
 - 15 minutes – Input from Commissioner Fish
 - 15 minutes – Input from other partners – CBO? CUB?
 - 5 minute break
 - 30 minutes – BES next step priorities and formation of BES subcommittee
 - 30 minutes – PWB next step priorities and formation of PWB subcommittee
- 10 minutes – public testimony