

Portland Utility Board
November 24, 2015, 3:30 - 5pm
Room C, Portland Building
Meeting #5 Minutes

Attendees:

PUB Members: Alice Brawley-Chesworth, ex officio
Allan Warman
Cindy Dietz, ex officio
Julia Person
Kendra Smith
Lee Moore
Marie Walkiewicz, ex officio
Meredith Connolly
Michael Harrison

Staff: Mike Jordan (Director, Bureau of Environmental Services)
Mike Stuhr (Director, Portland Water Bureau)
Teresa Elliott (Chief Engineer, Portland Water Bureau)
Cecelia Huynh (Director of Finance and Support Services, Water)
Jonas Biery (Business Services Manager, BES)
Susan Aldrich (Program Management & Controls Division Manager, BES)
Gabe Solmer (Communications Director, Water)
Liam Frost (Policy Director, Commissioner Fish's Office)
Claudio Campuzano (Principal Analyst, City Budget Office)
Ryan Kinsella (Senior Analyst, City Budget Office)

Public: Janice Thompson (Citizen Utility Board)
Carol Cushman (League of Women Voters)

I. Call to Order, Introduction of Any Audience Members

II. Budget Development Update

Jonas provided a brief update on BES

Over the past five to six weeks, BES had its budget retreat to discuss long-term priorities, operational and capital concerns, and brainstorm decision-making. Finance staff and the BES director met with group managers to review update staffing issues and general operational expectations, and to set budget priorities for the group. They gave direction to maintain current service levels within inflation-increased appropriation. Maintenance and facilities management, for example, are two areas that may require additional resources in order to meet current demands.

Based on the first cut of Capital Improvement Plan (CIP) and operations, it seems that the expected rate increase is consistent with last year's forecasted rate increase.

Over the coming weeks, the bureau will prioritize expenditures and consider how any budget adjustments in the current year will impact outyears. By the December 15 meeting, BES should provide another update on potential specific cuts or additions and a refined rate estimate.

Cecelia reported that the Water Bureau is at a similar place in their process.

III. CIP Discussion

PUB members discussed impressions, issues, and concerns after reading the BES and the Water Bureau CIP Annual Reports (CIPAR).

Cindy asked if all projects were available on a Citywide Map. Susan Aldridge responded that all of the projects were mapped on PortlandMaps.

Michael said that he was thinking about how public process was incorporated into decisions that were included in the CIPAR. For larger projects, the bureau creates a public input process. Other projects only receive public input via the Council hearing on the procurement process. He thought that PUB's role and process for providing input could differ depending upon the project.

Meredith also expressed interest in discussing how the PUB could be more effectively involved in the development of the CIP.

Marie thought that PUB should further consider how decisions made in the near-term would impact the long-term CIP and the overall needs of the bureau.

Lee suggested the PUB should consider the difference between projects that are routine issues and projects that have significant policy and programmatic implications. He thought that PUB should focus on projects and capital programs that have significant policy implications.

Kendra also thought about where PUB could offer valuable input in the CIP development process. She agreed with Lee that PUB should focus on projects with significant policy and programmatic implications in addition to strategic planning documents because of how they might impact CIP development.

Kendra said that she would like more information on the Fanno Creek project; specifically the cost and scope of the project. She also requested more information on the Washington Park Reservoir and Willamette River Crossing project.

Members of the PUB then considered whether they should dive into details on specific projects or create subcommittees to look into these projects.

Susan Aldridge noted that the Fanno Creek project is nearly complete. Jonas noted that some of the projects fit into larger capital programs or initiatives. Jonas also suggested that PUB dive into project with large fiscal impact in outyears.

Lee suggested that PUB also focus on projects that will receive considerable public attention, which is not necessarily projects that have large budget. He asked that staff members flag these projects.

IV. Bill Affordability

Cecelia provided an overview of bill affordability. She showed how rates compare to regional and national water and sewer services, as well as other utilities. She also noted the EPA's measure of affordability--the annual combined bill should be less than 4.5 percent of median household income (MHI). She noticed that combined monthly bill for the average user is currently 2.1 percent of MHI (\$99.21 bill of \$4,637).

Michael thought that it was important for PUB to come to terms with the affordability of our local rates.

Lee asked about how the affordability measure was communicated to the public. Jonas noted that the measure is currently on the bureau's dashboard and within the Five-year Financial Plan in the Water's requested budget.

Kendra suggested that it be helpful to get a sense of what the percent of MHI means for different income distributions.

Several PUB members agreed that communicating the affordability of the bills was important to the public, particularly in the context of rate increases.

Michael suggested that CBO might take a look into the issue and report back to PUB.

Mike Jordan suggested that PUB consider why this issue is important for them. Mike Harrison responded that as representatives of the public that this information would be helpful for their understanding.

Marie thought that it would be helpful to look affordability in terms of income distribution (quartile, for example).

Lee thought that PUB should consider what information would be helpful to (and can be digested by) the public and how this information is best communicated to them.

At tonight's PUB meeting, Michael tasked Melissa with looking into rate affordability and also meeting with each member.

V. Bylaws

There was a brief discussion of changes tracked in bylaws draft. Further work was held over for next meeting.

VI. Workplan Review

Kendra suggested that PUB come to a consensus on adopting the work plan so that they could send an adopted copy to Council.

Michael suggested moving bylaws and co-chair election to January.

This motion was approved unanimously.

PUB members agreed to move meeting to once-a-month for 3 hours (3:30pm to 6:30pm).

Items for the December 15th agenda include a discussion of bylaws, Review of Draft CIPs (including major projects and changes from prior CI) and operating budget

Microphones also were requested for future meetings.

VII. Public Comment

Carol Cushman offered comments on behalf of the League of Women Voters. She also asked that PUB post meeting materials prior to the meeting. The PUB agreed to post meeting materials posted 10 days prior to meeting.

Janice thought that the bylaws should be less prescriptive in how PUB receives testimony. She also offered several other comments on the PUB bylaws which are included in a written memo from CUB to PUB.

The meeting adjourned at 5:00PM.