

Portland Utility Board

January 19, 2016, 3:30 – 6:30pm

Room B, Portland Building

Meeting # 7 Minutes

Attendees:

PUB Members: Alice Brawley-Chesworth, ex officio
Cindy Dietz, ex officio
Gwynn Johnson
Janet Hawkins
Kendra Smith
Lee Moore
Meredith Connolly
Michael Harrison
Robert Martineau

Absent:

Allan Warman*
Julia Person*
Marie Walkiewicz, ex officio*

*Notice of absence provided prior to meeting

Staff: Mike Stuhr (Director, Portland Water Bureau)
Cecelia Huynh (Director of Finance and Support Services, Water)
Jonas Biery (Business Services Manager, BES)
Gabe Solmer (Communications Director, Water)
Megan Callahan (Public Affairs Manager, BES)
Jim Blackwood (Senior Policy Director, Commissioner Fish's Office)
Liam Frost (Policy Director, Commissioner Fish's Office)
Claudio Campuzano (Principal Analyst, City Budget Office)
Ryan Kinsella (Senior Analyst, City Budget Office)
Melissa Merrell (Principal Analyst, City Budget Office)

Public: Janice Thompson (Citizen Utility Board)
Carol Cushman (League of Women Voters)
Elliot Levin (COPPEA)
Amy Bowles (COPPEA)

I. Call to Order, Introduction of Any Audience Members

Minutes approved as drafted.

Melissa noted that there may be a scheduling conflict for the July 5th meeting, depending upon board members vacation calendar. PUB voted to move the July meeting to July 12th.

II. PUB Bylaws

Melissa provided clarification, based on the interpretation of the City Attorney's Office, that ex officio members will only be involved with PUB during the budget development and review process. PUB members also briefly discussed, clarified, and agreed upon the following items:

- The number of members on a subcommittee
- The term limits of board members and co-chairs. PUB agreed that being elected to a term as co-chair does not necessitate that you will be reappointed to another term by the Mayor if the term of chair extends beyond the term of a board members appointment.
- Board members need to declare when they are testifying on behalf of PUB and when their testimony represents their own opinion.

These amendments were captured in the final set of bylaws that PUB approved by consensus. The bylaws require approval by 2/3 of the Members. All seven Members in attendance voted in the affirmative.

III. Water Bureau Budget Presentation

Cecelia Huynh provided an overview of the Water Bureau's requested budget, including a 6.3% rate increase (not including decision packages) and five decision package totaling \$2.0 million and 10.5 FTE. The rate increase with decision packages would be 7.0%. The details of the packages and the overview of the requested rate can be found in the document "[FY 2016-17 Preliminary Budget/Rate – Water Bureau](#)" available on PUB's website.

Kendra asked whether there are current vacant positions that could be reclassified to fill the lab techs of the requested cryptosporidium lab. Cecelia said that all vacant positions will be recruited and there are no positions available to be reclassified.

Gwynn asked whether the bureau had conducted cost-benefit analysis on the development of the lab. Cecelia said that a detailed analysis has not been completed but that some savings are expected based on initial analysis. Mike Stuhr added that there are fewer testing labs and that if the Water Bureau cannot adequately test water samples, then the bureau may fall out of compliance with the bureau's LT2 variance.

Meredith asked whether it was possible that the LT2 variance would not be extended. Mike said that a formal risk analysis has not been conducted, but that they would expect some notice if it were not be extended.

Cecelia noted that the forecasted rates do not include any items that may be added through the budget process that have rate impacts, for example, funding the fountains with water rates or the construction of a new city data center.

Gwynn asked whether the forecasted budget includes cost of living increases for employees. Cecelia said that this was the case.

BES Budget Update

Jonas provided an overview of the BES' requested budget, including a 3.45% rate increase (including decision packages). Jonas also provided information on six decision package areas and current service level additions to the base totaling \$4.4 million and 16 FTE (including 4 contract conversions). The details of the packages and the overview of the requested rate can be found in the document "[FY 2016-17 Preliminary Budget/Rate - BES](#)" available on PUB's website.

Lee asked whether there was a difference between rating agencies' expectations for city-owned utilities and special district utilities in terms of the rate stabilization account. Jonas and Cecelia were not sure if there were any key differences.

Meredith asked whether it was reasonable for the bureaus to expect no staffing increase in out years. Cecelia responded that the bureaus were not expecting any out year changes but that they reevaluate position needs each year in the budget process. Jonas said that it's possible, and potentially likely, that additional positions will be needed in out years but that they tend to only ask for positions as absolutely needed.

Jonas also provided further clarity on the current vacancies in the bureau. There are approximately 40 positions currently vacant and that 20 are under active recruitment. The length of the recruitment is time-consuming (approximately 3-6 months), thus further impeding the bureau's to fill positions.

Lee asked how the bureau budgets the one-time costs of the project. Jonas explained that the project costs, including position costs, are budgeted on a one-time basis and that depending upon the capital needs at the completion of the project, position costs may be transferred to other projects and extended.

IV. Water Bureau Budget Presentation

Kendra began the discussion by walking through the introductory sections of the letter and asking members for any comments.

PUB members agreed that key performance measures should be considered as part of the bureau's strategic planning efforts. Members also agreed that they would like to be involved in the strategic planning efforts of both bureaus, and that they would like to acknowledge the bureaus current planning efforts. The bureaus should also engaged critical stakeholders.

Kendra and Janice then discussed what is meant by the "new normal" and "true emergency situations." Kendra provided the clarity.

PUB strongly supports Council and bureau actions and discussions in the past few years about identifying the critical importance of resiliency, and thinks that the bureau should continue to prioritize these resiliency planning efforts.

Alice suggested that PUB address concerns raised in Janice's comments by adding a sentence that explains PUB will also be further looking into these topics over the coming year.

Meredith introduced an additional paragraph regarding PUB's position on the low income discount program. Several changes were made to this paragraph based on comments by PUB members.

PUB also agreed to update the section on the Water Bureau's projects about Mt. Tabor Preservation, and that they would remove language about how BES should use vacancies.

Letter approved with amendments by consensus. Five remaining Members (Rob and Gwynn were no longer in attendance) voted in the affirmative. No votes in opposition.

V. Next Meeting

- Continue budget briefings including five-year financial plans
- Co-chairs adoption

VI. Public Comment

No public comment.

The meeting adjourned at 6:45PM.