

Portland Utility Board
March 1, 3:30 – 6:30pm
Room C, Portland Building
Meeting # 9 Minutes

Attendees:

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

Absent:
Gwynn Johnson*

*Notice of absence provided prior to meeting

Staff: Mike Jordan (Director, Bureau of Environmental Services)
Mike Stuhr (Director, Portland Water Bureau)
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)
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. Approval of Prior Meeting Minutes and Disclosure of Communications.

Approval of minutes delayed for lack of quorum.

Michael H. said he had a meeting with Water Bureau staff to discuss a water meter discrepancy for OHSU. He also had reached out to Commissioner Fish's office about permits for OSHU.

Kendra was contacted by the Audubon Society. Allan met with BES employees regarding PGE programs.

With a quorum of members present, the minutes were unanimously approved with no amendments.

III. Staff Update

CBO reviews will be sent to PUB members no later than Monday.

Ryan reminded PUB members that the council work sessions for BES and Water are March 29. These meetings are open to the public and PUB will have 5 minutes on the agenda. Michael H. and Kendra will represent the PUB and provide comment at a high level based on the PUB budget letter.

IV. CBO Reviews

Ryan provided PUB with an overview of his review of the Water Bureau budget submission.

- The budget includes a 7% increase in rates for FY 2016-17 and rate increases of between 8% and 10% for the next four years. Capital projects and employee costs drive the increases.
- Major changes from the last budget include increased costs for Washington Park and the Willamette River Crossing, as well as \$15 million in new capital projects.
- The decision packages represent an expansion of capacity need. The project listed as their top priority is to add two new staff for an in-house cryptosporidium lab.
- Another package to highlight would add communication staff. The commissioner has emphasized increased communication and outreach for all capital projects. The position also would support the low-income discount program.
- There is a decision package requesting \$750,000 in general fund revenues for initial project work for Mt. Tabor. The city committed to allocating \$4 million of the next four years so CBO is recommending it. CBO notes however that there are many competing needs for one-time general fund increases, including critical maintenance needs.
- Parks Bureau has a proposal for Water to pay \$600,000 for the maintenance of decorative fountains. While the city has initially won on the question of whether water rate funds can be used for the fountains, there is still the question of who is best suited to run the program. CBO is recommending the program be transferred to the Water Bureau.

V. CUB Update on Biogas Project

Janice Thompson provided a [memo](#) and overview on the Biogas project at the Columbia Boulevard Waste Treatment Plant (CBWTP). She thanked the bureau for their cooperation and talked through the highlights of her memo, emphasizing that the project details are changing and this memo represents that best information at this time. Digesters produced methane which is flared. CBWTP has found productive uses for all but 23 percent of the methane produced. The proposed CIP includes two projects - biogas and organic waste facility. The high cost for storage makes the biogas project alone cost prohibitive. Adding an organic waste project would stabilize the methane supply. These projects are linked.

Some of the produced compressed gas would be used for a fueling station. There are opportunities to work with other partners, including Waste Management and Metro for the organic waste facility component. NW Natural is a potential partner but they are changing their involvement. BES is looking at other partners. This project would require skills not typically found at BES.

Michael H. thanked Janice for the memo.

Rob asked about whether there is concern with the City getting into the business of what has previously been a Metro function. Janice responded that there is already a city-owned facility in the area.

Julia asked to what extent the bureau has considered increasing electricity generation. Allan responded that there are regulations limiting BES to producing up to 2 megawatts.

Lee asked if there are any legal concerns with using rate funds to do this project. Janice said she didn't think so. Water systems across the country are doing similar things. Clean Water Services in the area is looking into RNG as well. She sees a nexus if it works out in an economic business case. There are direct sale complexities - selling renewable identification numbers (RINs), not gas, and carbon credits.

Lee cautioned the group to think about the appropriate function of BES. He said it's important to distinguish between the merits of the project and whether this project is part of the core mission of the bureau. He asked if it is possible to outsource this function.

Kendra asked if BES was producing all the power needed at current plants and pump stations. If so, what is the benefit-cost analysis of developing this power production in-house?

Michael H. said that Lee asks an important question, "is this part of the bureau's purview?" It's also important to evaluate whether the benefits will be realized.

VI. Budget Discussion with Bureaus

BES

Jonas responded to several questions from PUB.

The first questions were about Key Performance Measures: What KPIs/metrics are they using currently to track the CIP work, such as % of projects on time, on budget? Are those multi-year capital projects in the current budget submissions that may be over-budget or off scheduled called out in the budget submission?

Jonas said that BES has provided at an earlier meeting a list of all CIP projects with costs that were included in last year and the current request. PUB members could identify changes that way. That information isn't specifically included in the budget but he could track and share it. Getting all of the information would be a heavy lift but he asked PUB members to let him know if there are specific issues or questions.

Kendra asked how current plans account for changes in climate.

Jonas said BES is working to incorporate better modeling into plans, specifically the resiliency plan. He said that the Bureau currently lacks solid data but is looking for ways to incorporate more. Alice noted that there is modeling for the pacific northwest for changes in weather patterns but its taking time to scale that information to the local level. The bureau needs that local level modeling to incorporate into its plans.

Kendra noted that there are new facilities in the proposed CIP to be constructed in next two years. If this analysis hasn't been done yet, should they be pushed out to accommodate some of the anticipated modeling that incorporates climate change? Lee pointed out that as water utilities tackle specific projects, they incorporate known information to make sure facilities we do put in meet resiliency needs for durability of, say, pipes. That information is factored into specific projects. The question is: Do you have enough data to put together a full resiliency policy?

There were other questions submitted to the Bureau about fish habitats, culverts, and revegetation projects that the Bureaus is still working to answer. Written responses will be provided.

Meredith asked how the EPA decision regarding the Portland Harbor Superfund site would impact BES. Michael J. responded that the EPA will release a proposed plan for comment in April and the Record of Decision for the Portland Harbor is expected by the end of 2016. There will likely be a mix of alternative technologies to address certain problems. A draft feasibility study included costs that range from \$750 million to more than \$3.5 billion. A final feasibility study should be out in April and could include more costly alternatives. The final costs are unknown, as is how these costs might be distributed across the Potentially Responsible Parties.

Meredith followed up by asking if the bureau is anticipating an increase in communications needs as a result of the decision. Michael J. said, yes, the bureau does anticipate an increased level of communication.

If there are any more questions for BES, PUB members should send them to Ryan.

Water

Jeff Winner responded to questions about Water's budget.

The bureau performance measures are available on the CBO website as key performance measures. Additionally, the bureau tracks key service levels in some of the projects. Jeff also pointed out that it's possible to track how final project costs compare to initial costs in the capital section of the requested budget. Capital budgets are also adjusted through the supplemental budget process (BMP).

Michael H. asked if the bureau ever assesses the reasons behind schedule and scope creep. Jeff responded that each project has its own story.

Mike Stuhr responded to the question about whether major projects were peer reviewed. Yes, for example, Washington Park was reviewed for value engineering at different stages of the project. There are certain projects that are better for peer review or value engineering.

There was also a question about the fountains. The bureau believes that operations of the fountains should remain with Parks until the Anderson suit is finalized.

The Habitat Conservation Plan has not been reviewed by peer jurisdictions; however, the plan was reviewed and approved by the federal government. There are a number of projects within the plan, some of which have been reviewed by the peers. Eddie Campbell would be available to further discuss the plan at a future meeting.

Meredith asked if Tabor was funded. Mike S. responded that the bureau requested a portion of the funding in its Requested Budget, and that he anticipated that funding would be approved.

VII. Board Rules and Co-Chair Nomination Process

The group then turned to general meetings rules and specifically a process for recommending their co-chairs. While the group had previously decided to hold off on nominating co-chairs until July, with Michael H.'s pending resignation, the group decided to do this first. Per the bylaws, the co-chairs have three specific responsibilities: scheduling additional meetings as necessary during budget season, creating the agenda for circulation to other board members, and acting as the liaisons to City Council and others. Kendra shared that the co-chairs should be prepared to facilitate meetings.

No other board members had suggestions for other roles that the co-chairs should do.

Ryan then laid out a potential process that the board might follow. Members could be nominated by someone else or nominate themselves. They would share with the board why they are interested in being chair and their vision for the board. For this first recommendation, interested parties would declare if they wanted to serve a one-year term or a two-year term. Voting could be facilitated by staff. If more than two people run, there would be a run-off vote if no one had received a majority of votes. Votes must be public and can be voice votes or roll call votes if requested.

The board then discussed a number of issues and it was noted that both Kendra and Rob have expressed interest so far in being co-chairs.

Allan expressed concern having a co-chair who is a City employee. Rob responded that the institutional memory he has may be helpful. He wants the board to be high-functioning. Lee also said that the perception of an employee co-chair may be problematic. Rob said that he thought the board would be making him a second class member by limiting the represented position from being co-chair. The position is co-chair, meaning there would be another co-chair to balance.

Michael H. said he would not support a rule that distinguished between public and employee members.

Meredith said that each person was nominated to represent certain issues. It may limit the combination of co-chairs if the board chose to restrict members. Janet noted that the responsibilities of the co-chairs are fairly administrative.

Lee asked in his role as union officer, could Rob testify before Council on budget issues of the bureaus that may impact unions? Rob responded that it's possible. If ever the case, he would ask another union officer to testify. If ever compelled to testify, he would distinguish between his roles in testimony.

Michael H. suggested they get back to the question of process. Michael H. summed up the conversation: Those interested in being chair would prepare a statement and state their preference for 1 or 2 year term. They will notify staff at least 10 days before the next meetings and staff will include their name on the agenda.

Each person will have three minutes to make a statement. There will be time for public comment and board discussion. Positions will be elected individually. Votes will take place in alphabetic order by last name. If a candidate gets the majority of votes, they will be recommended. If not a majority, then there will be a run-off vote between the top two.

The board members approved this process unanimously.

The conversation then turned to general meeting rules. Janet, Cindy, and Meredith expressed a preference for less structure to foster discussion. Meredith suggested using the [A Dozen Traditional Rules for an Orderly and Effective Meeting](#) as a starting point with some revisions. Specifically, she thought the person that facilitates the discussion should be allowed to vote. Alice stated that she thinks the rules should maintain flexibility and help draw out opinions of people who do not usually talk. Julia agreed that the rules foster more inclusion. Michael H. said he likes turning the name tent to indicate interest in speaking and asking for public comment prior to vote. Rob said that formal rules should be used to track votes but specifically Robert's rules are not needed. He thinks it's the job of co-chair to encourage comments. Kendra also likes using the 12 rules with changes: PO to co-chair, strike 11 (referring to paper ballots), and modify so the co-chair can vote. Allan agreed. Marie likes using the name tent and also requested that whenever someone speaks to PUB, they introduce themselves. She said habits have not yet been developed. Lee suggested against the group using Robert's Rules and thought the 12 Rules could be used as a guide. Rules should be part of co-chairs toolbox and are an important part of maintaining records.

Michael H. asked for feedback if the level of formality was appropriate in terms of engaging audience (both bureau staff and public). Alice said the current practices feel appropriate. Janet cautioned that public comment may need more structure if translators are present. Marie said it was helpful to hear from the public, but it may be good to get through the flow of a topic before soliciting public feedback. Periodic comments can be disruptive. Lee said it's the responsibility of co-chair to manage the meeting and include the audience as needed. The co-chair should let the members and audience know what the process is at the beginning of the meeting. Alice commented that discussions could be interrupted if factual clarification was needed from the public and bureau staff.

Carol commented that public members should introduce themselves and who they represent and that it is important for the co-chairs to enforce rules for contentious meetings. Janice agreed that factual clarification can be an exception to formal public comment and said that it would be helpful to ask all members for their opinion.

Cindy suggested that at the beginning of meeting, the board can decide whether to be formal or informal based on the level of public interest. Though Marie stated that the structure and building the habit is important for consistency.

Michael H. asked Melissa and Ryan to look at other City committees and see how formal they are in engaging members of the public. Are there committees that work well by balancing formality and informality?

VIII. **Public Comment**

Janice asked about the status of Water Bureau questions. She noted that BES had shared the questions and answers between the bureau and CBO. Ryan explained that he used a different process this year and scheduled discussions with program leads. He had over 10 hours of meetings with program and financial staff. He thought this led to better analysis on his end and allowed him to ask clarifying questions. However, this resulted in not having a formal response document similar to the one BES shared. Lee then asked if the public was using PUB to ask questions directly to the bureau. Michael H. responded we want to be responsive to the public.

IX. **Next Agenda**

Items for the next agenda include:

- Wrap-up rules
- Report on work session
- Follow-up strategic plan
- Low Income Discount Subcommittee

The board also agreed to create a subcommittee to discuss new member nominations. Michael, Kendra, Allan, and Rob agreed to serve. Melissa will also contact Gwynn to see if she'd like to participate.

Rob and Kendra's names will be added to the agenda as interested in running for the co-chair positions.

X. **Public Comment**

There was no other public comment.

The meeting adjourned at 6:30 PM.