

Portland Utility Board
May 2, 2017, 4:00– 6:30pm
Room C, Portland Building
Meeting # 23 Minutes

Attendees:

PUB Members: Alice Brawley-Chesworth, ex officio
Allan Warman
Cindy Dietz, ex officio
Colleen Johnson
Lee Moore
Meredith Connolly
Micah Meskel
Robert Martineau
Scott Robinson
Ted Labbe
Marie Walkiewicz, ex officio

Absent:

*Julia Person
*Mike Weedall
*Janet Hawkins

*Notice of absence provided prior to meeting

Staff: Mike Jordan (Director, Bureau of Environmental Services)
Gabe Solmer (Deputy Director, Water)
Dawn Uchiyama (Deputy Director, BES)
Jonas Biery (Business Services Manager, BES)
Cecelia Huynh (Director of Finance and Support Services, Water)
Megan Callahan (Public Affairs Manager, BES)
Liam Frost (Policy Director, Commissioner Fish's Office)
Ken Bartocci (Principal Financial Analyst, BES)
Steve Hansen (Capital Program Management & Controls Manager, BES)
Jeff Winner (Capital Improvement Program Planning Supervisor, Water)

Shannon Fairchild (Financial Analyst, City Budget Office)
Melissa Merrell (PUB Principal Analyst, City Budget Office)

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

**I. Call to Order, Disclosures of Communications, and Approval of Prior Meeting Minutes
Minutes Approval**

Disclosures

Colleen observed one of the BES focus groups. She also participated in an ARC hearing which heard 5 cases. Meredith had meetings with NWNatural about biogas and with the City about the 100% renewable energy goals. Allan participated on a hiring panel for the Water Bureau. He also represented the PUB views on the BMP submission at the council meeting last week and talked about the 2 positions requested for BES, the PUB’s general reservations about position requests in BMPs, and the risks association with the contract transitions for hydropower. Allan also met with Mayor Wheeler as part of the mayor’s budget considerations as he weighed the bureaus requests. Allan reiterated the reason for the board and presented PUB’s concurrence with the CBO recommendations with the exception of the records management work in the Water Bureau.

Approval of Prior Meeting Minutes

Rob moved to accept the [minutes](#) from the April 4 meetings as submitted. Colleen seconded the motion. All members voted in favor.

II. Budget Update and Mayor’s Request for Input

Melissa reminded the board of upcoming budget milestones:

May 9	Council meets as budget committee worksession on proposed
May 11	Public forum on mayor’s proposed budget
May 17	Council as budget committee approves budget
May 18	Rate hearing (PUB comments) will revisit shortly

Then there is a TSCC (Tax Supervising and Conservation Commission) oversight hearing and final adoption in June.

Melissa provided a high-level overview of what is included in the [Mayors Proposed Budget](#) Fact Sheets and [Tracker](#). There are two positions for the Water Bureau (Administrative Support for the Deputy Director and Records Management). There is also General Fund support for Dodge Park and Mt. Tabor.

There are 9 positions for BES as well as a reduction in General Fund transfers for the tree program. In the past, the program has received about \$1 million in General Fund resources. This fiscal year it would be funded all from the Sewer Operating Fund.

During the mayor’s consideration, Director Jordan [requested](#) two additional positions not previously included in the bureau’s request. The mayor is open to including the positions but has requested feedback from the PUB before making a final decision. Nathan Howard, Senior Policy Advisor for Mayor Wheeler, attended the PUB meeting.

Director Jordan presented the request and answered members’ questions. The director said the budget process is dynamic and needs may be identified after the submission date for requests

has passed. During the conversation with the Mayor, the director talked about the trees program and took the opportunity to talk with mayor about additional needs in the bureau. First, since he spoke with the PUB in November about the need for increased capital work, it has become evident that the size and scope of work for project production changes needs more human resources. Part of PUB and CBO's feedback on the bureau's initial budget request is that the bureau needs to do due diligence on those business processes. To do this, the bureau requests extra capacity to manage the change process. The second request is for a position to work half time on implementing the bureau's equity plan and half time on community engagement related to the Portland Harbor Superfund. The bureau expects letters from EPA related to the Record of Decision (ROD). These letters will likely compel actions such as an intense sampling plan of the City and identifying BES as a PRP (Potentially Responsible Party). Such letters will likely include tight timelines to respond and require intense public engagement. Prior to the ROD, 13 community groups were engaged. BES currently has one person who manages the Superfund work.

The board members had several questions.

- Colleen commented that while the bureau did include requests for equity and Portland Harbor work in the initial budget request, there were no staff requested for either body of work. She asked what had changed in the last three months. Mike J. replied that the need was always there but realization has changed.
- Micah remarked that the City is in the position of PRP. He asked about the separation of city business regarding cleanup of city responsibility and the City role as advocate for the area. The director responded that the Council takes its multiple roles seriously. Commissioner Fish and the Mayor want the city to be a leader in the cleanup effort and are also cognizant of financial liability of being a PRP. Everyone is working now on figuring out what it means be build and lead a coalition to get cleanup started and done.
- Scott asked, given size of superfund budget, is this fully staffed plan? Will BES need other positions? Does it make sense to fully vet staffing needs before requesting this position. Mike J. responded that it was too soon to tell the full form and function of the City's ongoing role. They do have resources as place holder and could use some of those resources in the Environmental Remediation Fund to pay for the harbor portion of this position.
- Meredith asked who else has a community engagement role? Mike J. said that EPA does community engagement as part of its role in CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act – AKA "Superfund.") However, in his experience, that engagement doesn't meet expectations of Portlanders to have input on decisions that affect their lives.
- Lee commented that he also expects that more community groups will want to be involved as the work progresses and is not surprised at the need for more resources. He recalls growing up and fishing in the harbor. Many cultures will be impacted by the cleanup and there is an added duty to involve the most vulnerable and affected groups.
- Colleen asked how the management analyst request was different from another management analyst in the requested budget. Mike J. responded that while the titles were similar the work was very different. The first position would support a specific work group. The new request would need the level of expertise to do change management across bureau.

- Allan asked if the Office of Equity and Human Rights (OEHR) could or should be doing the equity work for the bureau. Mike J. said they have helped the bureau and provided guidance and technical assistance in the equity plan creation. There does need to be a citywide conversation about how they City is managing human resources being invested in this work across the city.
- Cindy asked if CUB had also been asked to weigh in but no one knew.
- Scott asked if these requests could wait until the Fall BMP. The director responded that that was an initial thought, though there is concern about staff positions not getting fully vetted in the BMP process. The decision was better to add them late in this process rather than wait until the Fall.
- Rob asked about the timing of hiring. Mike J. responded that if the positions are included, the authorization to hire wouldn't come until July 1 and they'd hope to have the positions filled in the Fall.

Allan then asked the members if they support the positions. 5 members supported both positions, 1 member supported the change process position, 1 member supported the equity and superfund position, and 1 member supported no positions. Colleen said the problem is the process. Piecemealing positions outside of the annual budget process don't allow for consideration of the whole picture nor does it have the same level of rigor of scrutiny. She would prefer to have the request some through next year. Scott said he prefers to see resources tied to plans. He thinks the bureau should finish the strategic plan before dedicating resources to the change process work. That finished strategic plan would include comprehensive staffing requests. Likewise, the equity and harbor position also have unidentified work plans. If approved, he would hope the superfund work is funded with the ERF.

Alice added a perspective from inside the bureau. It takes a long time to hire and there is no question of the importance of the positions. Marie added that the work around equity is a big shift for BES – some places the bureau does a good job but there is a long way to go. Some bureaus do have dedicated staff but BES doesn't. BES has tried to manage with existing staff. This request for half an FTE shows the bureau's commitment to further their equity work.

Allan then invited public comment. Carol Cushman, League of Women Voters, told the board she had recently attended an EPA presentation and asked how the situation in Washington, D.C. might affect the work in the harbor. She relayed comments that the since the ROD is in place, the work in the harbor should be expected to proceed.

Allan asked the board if there was any further discussion and entertained a motion. Colleen suggested the board have Melissa draft a letter to the mayor conveying the board's support for inclusion of the positions in the FY 2017-18 budget and include concerns from individual members regarding process, the need for a city-wide conversation about coordination of equity work, and that the Portland Harbor work be funded from the ERF. Meredith seconded the motion.

All members voted in favor. No opposition; no abstains.

Mike J. thanked the board for the consideration and for 19 months of work and the deliberativeness of the body.

III. Rate Ordinance Previews

BES

Jonas presented the latest [update](#) on rates of increase for BES and told the board that since the initial rate of increase was calculated, the bureau has incorporated about \$1.5 million in additional expenses from the decision to fund the tree program entirely from BES resources and additional OMF costs. The new rate of increase is 2.95%, up from the initial 2.85%. He also presented some fee information: SDCs components will increase 5.8% to 21.6%; connection charges increase by an average of 2.8%; Building Plan Review and Land Use Review Fees decrease; Street Use Permit Fees increase; and Source Control and Stormwater Management Manual Fees are unchanged.

Micah asked about the 95 cents for Portland Harbor and if it is a flat fee. Jonas said it fluctuates based on costs for that year. Micah asked if the fee will go up once the cleanup starts. Jonas replied it depends on how the city pays for the work in the future.

Water

Cecelia reminded the board that the bureau produced the rate booklet and [presented](#) a preview of rate and fee changes expected at the rate hearing. The 6.7% rate of increase is the same as requested budget. She said the savings from the three requested positions that weren't included in the mayor's proposed were offset by additional OMF costs and overhead charges. Ted asked about the wholesale charges; some users experiencing more than 50% increase. Cecelia responded they are part of wholesale agreements. Every five years the bureau does an audit of charges and small water agencies need to be excluded from some calculations. Cecelia assured the board this was communicated.

Lee commented that at these rates, at the end of 5 years; bills will be over \$1500 a year. Allan reminded the board they have communicated concerns about the level of rate increases in the 5 year plans. The board can provide additional comments at the rate hearing on May 18. He then asked if there were any additional thoughts/comments/concerns that members would like to communicate as a board. There were no new suggestions.

IV. Recommendation of Board Chair

Melissa solicited interest from members and provided those on the agenda. Colleen has volunteered to serve. The process adopted is to give candidates 3 minutes to make a statement. The floor would then be open to board member questions and discussion. Once done, the floor would be open for public comment.

Colleen said as councilmember and Mayor of La Grande for 14 years she has experience conducting meetings and familiar with local government. La Grande's budget, however, is a fraction of either BES and Water. She believes in the value of citizen oversight. She has the time and thinks she could help. There are things she thinks the board needs to do. She'd like to have a board discussion on the budget process and has thoughts on how to make PUB's role more deliberative. She'd like to see the board look more at the interagency agreements, sewer lateral replacements, and other policy issues.

Allan asked if there were any questions from board members. Seeing none, he invited public comment. There was none.

Lee motioned for the board to recommend the appointment of Colleen Johnson to be co-chair of the PUB. Scott seconded the motion.

All members voted in favor; no opposed, no abstained.

V. Board Conversation – Strategic Direction of the bureaus

The board began a discussion on the strategic direction of the bureaus and what the board need to best engage in that process.

Ted commented that he wanted to make sure that the board include discussion of the Water Bureau. While BES has been doing most of the strategic work so far, he wants to make sure the board talks about the Water Bureau as well. Gabe provided the annual water report and told the board they were pursuing a limited term position for strategic planning. She hopes they will be doing internal work this summer and turn to external stakeholders later in the calendar year. Allan asked how Water is working with BES. Gabe said they expect to follow BES' lead and is in close and frequent contact with the bureau. She said having the same commissioner has helped. She also passed out the Portland Water Bureau 2016 Year in Review.

Melissa said she had talked with Dawn and a place for the board to engage may be in the levels of service. Colleen asked for more information. Mike J. gave the example of climate change; the bureau doesn't have a standard of service for sewer back-ups. PUB may be able to help the bureau think through the tradeoffs and consequences of setting particular target for some programs and services. Picking the target is a policy question.

Lee commented that he doesn't feel equipped to identify metrics. Colleen agreed but saw value in having conversations about tradeoffs and costs. Micah wants the PUB to think about how they can help inform proactive planning around population growth and long-term visions for green infrastructure. Marie pointed to the draft goal 6 about BES' role in the city – wide vision. Some of BES' work serves particular bureau goals but also contributes to citywide goals – for example, flooding mitigation in one area provides opportunity to development that fundamentally may change people's lives – positively and negatively.

Ted wants to see targets on how we measure green infrastructure citywide, including east Portland and asked how the bureau is thinking about that. Mike J. said that BES is going to be on point for flooding issues and economic development; e.g. SW capital highway issue and stormwater management. The bureau manages 4 very different areas – Downtown, West Hills, Slough, and East Portland. The tools used also vary across city but the stormwater systems plan has a citywide perspective.

Lee asked how the bureau ranks the needs of people and resources, communities and customers, and cost. Dawn replied that for many issues, the data hasn't been mature enough to rank competing needs against each other.

Micah sees the board engaging in two types of conversations – one is reactive – the bureau brings questions or issues and the board responds. The other is visionary. The bureaus have established and aging infrastructures and the city has big growth. How do you plan to be proactive?

Rob would like the board to be less reactive on the budget side; frustrated by focus on FTEs; and feels the board needs to get in front of staffing issues; He feels that if the board is to not recommend positions requested by the bureau either the bureau inflating needs or the result is that necessary work just won't get done. is work not getting done. He feels the board should be on the front end and supportive of every request by the time it gets in the budget submission by the bureau. He thinks there shouldn't be performance measures around regulatory compliance. Those just should be the standard; not a performance goal or measure.

Colleen disagrees with Rob but thinks the manner in which PUB engages in the budget is something for PUB to consider. Where should the board insert itself; what policy issues do they want to discuss. The metrics discussion is of value because it helps you consider tradeoffs. Rob looks forward to having that discussion.

Ted doesn't agree with everything that Rob said but appreciates the need to have a strategic discussion. He believes it's important to exercise an oversight role and feels the board is still working out its relationships with the bureaus, CUB, Council, and the public. The FTE count may not be as important as bringing the public along to think about and deliberate over issues. The board would have an opportunity to explain some of decisions of the bureaus when there are disagreements.

Lee asked how the bureaus are connected with the City. Has there been thoughtful discussion on street paving and putting in infrastructure where some may not want it. How do the bureaus reconcile those needs and pushes? Marie commented that BES had a role in developing the Portland Plan and the Comprehensive Plan Update; and is looking forward to PUB learning about the role in watershed management and touring some restoration work.

Alice also talked about prioritizing projects in the Stormwater Systems Plan and the risks and costs considered. She pointed out that many things aren't quantifiable in monetary terms. The question becomes how to rank the dollar value and the values value.

VI. New Board Members

Allan asked Melissa to reconvene the membership committee to review possible candidates to fill seats coming open at the beginning of the fiscal year.

VII. Public Comment

Dee White made comments to the board. The PUB was created for more transparency and she feels the base charge on the water bill is confusing and needs more transparency.

VIII. Items for next agenda

June 2, 2017, The Portland Building 4PM.

Biogas

Low Income Update

Begin discussion of work plan and annual report due in September – Board Strategic Discussion

Recommendations for members

--DRAFT--

Micah motioned for adjournment and Colleen seconded. All members voted in favor. The meeting adjourned at 6:28 PM.