

Portland Utility Board
June 6, 2017, 4:00– 6:30pm
Room C, Portland Building
Meeting # 25 Minutes

Attendees:

PUB Members: Alice Brawley-Chesworth, ex officio
Allan Warman
Colleen Johnson
Janet Hawkins
Meredith Connolly
Micah Meskel
Robert Martineau
Julia Person
Scott Robinson
Ted Labbe
Marie Walkiewicz, ex officio
Mike Weedall

Absent:

*Lee Moore

*Notice of absence provided prior to meeting

Staff: Commissioner Nick Fish (Portland City Council)
Mike Jordan (Director, Bureau of Environmental Services)
Gabe Solmer (Deputy Director, Water)
Cecelia Huynh (Director of Finance and Support Services, Water)
Megan Callahan (Public Affairs Manager, BES)
Liam Frost (Portland Water Bureau)
[Jonas Biery \(Business Services Manager, BES\)](#)
Ken Bartocci (Principal Financial Analyst, BES)
Paul Suto (Supervising Engineer, BES)
Steve Hansen (Capital Program Management & Controls Manager, BES)
Jeff Winner (Capital Improvement Program Planning Supervisor, Water)
Yone Akagi (Principal Engineer, Water Bureau)
Todd Lofgren (Senior Policy Advisor, Commissioner Fish)

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

Allan called the meeting to order.

Approval of Prior Meeting Minutes

Scott proposed two grammatical changes to the draft minutes from last month.

The board paused consideration of the minutes when Commissioner Fish arrived. The Commissioner thanked departing board members Julia Person and Janet Hawkins for their service and was joined by Directors Jordan and Stuhr to recognize and thank departing e-officio members Maria Walkiewicz and Cindy Dietz.

There were no other proposed changes to the prior meeting minutes. Scott motioned to approve the minutes as amended; Rob seconded. On voice vote, the board approved the minutes with two members, Julia and Janet, abstaining.

Disclosures

Ted has worked with the water efficiency staff at the Water Bureau for a presentation. He also invited PUB members to join him for a tour on June 9. He'll send materials to Melissa to forward to the board. Scott has participated in meetings about the governance of area levees with Director Jordan. Meredith had conversations about the low income discount program and also questions about *cryptosporidium* came up in a meeting with the mayor about an unrelated topic. Allan had meetings with Director Stuhr and Director Jordan about PGE related issues.

II. Recommendation of Membership Subcommittee

Janet provided an overview of the process for recruiting and evaluating potential new members for the board. She brought forward the subcommittee recommendations of Dan Peterson and Hilda Stevens and provided a brief background for each candidate. Rob moved to accept the recommendation of the subcommittee; Meredith seconded. On voice vote, the board approved the recommendation with Scott abstaining.

Allan highlighted up an idea proposed by Rob during the subcommittee meeting. Rob proposed a subcommittee on communication to focus on how to engage with bureaus on budget and with the community. Rob motioned for the creation of a subcommittee; Janet seconded the motion. Scott asked if there could be an exploratory committee and requested Rob and Allan to come back with more information. The board had a discussion about the need for a formalized process for setting up subcommittees. Ted said he sees a need and offered to help as did Micah. The board voted to establish the subcommittee with 7 members voting for the subcommittee. Colleen and Mike voted against the motion and Scott abstained.

Colleen asked how many subcommittees the board currently has. Melissa responded four: budget, membership, low-income, and now communications.

III. Biogas Projects at BES Paul Suto, Supervising Engineer, BES

Paul [presented](#) information about the BES biogas project. The bureau has spent the past 2 to 3 years on the design process and are now essentially ready to start building. There are three components to the project: the RNG production, a fueling station, and an interconnection to the NW Natural network. The interconnection is the point at which the custody transfer will happen. NW Natural is building the interconnection and BES will repay the costs. BES is also contracting with NW Natural to build the fueling station. They have started design and ordering equipment for the station. 30% of the cost of station is expected to be paid for with state tax credit.

Paul then walked the members through the financials. Construction costs are estimated to be \$12 million and total project costs including design are \$15.5 million. He also talked about projected revenue. Most of the projected revenue comes from sales of credits or incentives from the federal RFS (renewable fuel standards) and state level low carbon fuel standards in California and Oregon. When thinking about RNG – there is the market or commodity price for the gas itself which is much lower compared to the value of the credit or incentive. However, there is also the credit price. Certain entities (obligated parties or oil producers and importers) are required to either produce renewable fuels or purchase the credits or incentives generated by renewable fuel producers. It's in this market as a renewable fuel producer where BES expects its revenue will be generated.

Scott asked about the length of the contract and Paul responded it's for 10 years. Mike W. asked who would be doing the selling and marketing. Paul said BES was contracting with Clean Energy Solutions who will be doing the marketing and selling the commodity to NW Natural. Paul then talked more about the renewable fuel standard market and that clean energy is sought out. Mike W. followed up with a question about the changing political climate and asked if there was a risk the credits would disappear. Paul said while there was risk, it's low. Green energy is creating jobs and while there may be uncertainty at the federal level, the states are driving the credit markets. Micah asked if it was possible for the bureau to reduce its flaring of methane to zero and Paul said yes. Micah asked if the bureau had pursued using the methane produced by the St. John's landfill to produce even more biogas. Paul said it had been considered years ago but not recently. Micah also asked about resiliency of the structures and Paul said they were not optimized structures but would be built to current building standards.

Meredith expressed excitement about the program and its potential to generate clean energy. She asked about community engagement and outreach. Paul responded that the Columbia Boulevard Wastewater Treatment Plant has monthly meetings with the neighborhood and community members.

Alice asked about the cost of the food waste facility costs as it seems roughly equivalent to the revenue and she wanted to know if the decision been made to move forward with that portion of the project. Paul said that they were looking beyond the financial benefits because the additional feed would get them to full production. Jonas also added that the revenue estimates on the presentation were very conservative and he expects those will go up as the bureau works with Waste Management to submit a Metro proposal. Rob asked if there was a point where the project isn't feasible and pointed to the earthquake standards issue.

The board agreed that they'd like to continue this conversation and asked Paul to return for a future meeting. Melissa will compile member questions for Paul's response.

IV. Follow up Discussion on Water Quality

Yone Akagi responded to the questions posed from board members before the meeting.

Q. Has OHA or Multnomah County Health documented any *cryptosporidium* impacts in Portland attributable to the Bull Run findings?

A. No. The county tracks outbreaks of cryptosporidiosis and Dr. Lewis, the Multnomah County Health Officer, has reported no increase in the number of cases reported this Spring.

Q. Are there different types of *cryptosporidium*?

A. Yes. There are many species of *cryptosporidium*.

Q. Which types are most harmful to humans

A. At this time, two species, *C. parvum* and *C. hominis*, have been linked to illness in humans.

Q. Which types do we currently test for?

A. The variance with OHA requires the Water Bureau to test for the presence of any species of *cryptosporidium*. Federal regulations don't distinguish between the species.

Q. What type was detected earlier this year?

A. As part of its own investigative work to try and identify the source of the *cryptosporidium* found this Spring, the bureau tried to genotype the found oocysts. Genotyping has a low success rate. Of 16 samples, they were able to genotype 4 samples which were identified as species common in wildlife (mouse) and not known to be harmful to humans. The bureau was unable to genotype 12 samples. There is a project underway at CDC to try and improve detection of *C. parvum* and *C. hominis* specifically.

There was one historical sample genotyped as *C. parvum* in the watershed.

Q. Has the Water Bureau diverged from EPA's suggested sampling location as per Scott Fernandez's comments at the May 31 PUB meeting?

A. Samples taken for observation or demonstration monitoring per the OHA variance are always taken at intake, in compliance with regulatory requirements. Testing protocols are routinely reviewed as part of the variance compliance.

Separate from the requirements of the variance, the bureau samples and tests at other areas of the reservoirs and watershed. For example, as part of its own investigative work following the positive samples this Spring, the bureau took samples from many areas to try and identify how and where the *cryptosporidium* was entering the reservoirs.

Q. What is currently on the footprint for potential treatment facilities at both Headworks and Lusted Hill sites?

A. If UV treatment is chosen, that facility would be built at Headworks. Screenhouse 3 would be removed and replaced with an operations building.

A filtration facility would be on land the bureau currently owns near Lusted Hill. Lusted Hill is also where the corrosion control facility will be build, pending council approval of a construction contract.

Q. What would the impacts of development be for the watershed?

A. Following up with Water Bureau

Q. Can you better layout what New York City, Tacoma, and other cities with similar water sources do for crypto treatment?

A. New York has one filtered source and one unfiltered source. The unfiltered source is treated with UV and they treat 2 billion gallons a day.

Tacoma began operating a filtration plant in 2015.

Seattle had two watersheds: Cedar River is unfiltered and uses ozone and UV for treatment.

San Francisco uses both UV and some water is filtered.

Boston uses UV treatment and is the only other large system that does not have a filtered source.

Portland and Boston (?) are the only systems without filtration options.

Q. What is the long term capacity and viability of the Columbia well-fields?

A. The projected long-term capacity of the wellfield is roughly 64 million gallons a day. This is averaged – the production capacity would be higher at the beginning and lower over time. Peak demand in both winter and summer exceeds this capacity. Peak demand in winter is 80 million gallons per day and in the summer this increases to 150 million gallons per day.

Follow-up Question: In the summer, how long can the bureau go using only the wellfield?

A. Absolute potential is unknown. The bureau used groundwater for 112 days at partial capacity in 2015. The longest draw on groundwater was this spring when the bureau used 100% groundwater for 31 days.

The long-term projections are based on modeling and use wells that aren't typically used because of undesirable characteristics.

Q. What will the bureau be presenting at the council work session on June 27?

A. Options and tradeoffs; not recommendations. The bureau will develop a plan after the council provides feedback and direction.

Q. Succinctly, what are the differences between filtration and UV?

A. Filtration takes out a lot of contaminants. It addresses turbidity which is an issue in reservoir. It would address the negative impacts of a potential wildfire in the watershed which could cause years of turbidity. It filters out organics which is a bigger quality concern when they interact with chlorine and disinfection by-products.

Micah commented that he hoped that the board will be included in the future when the bureau sends communications like the letter sent to OHA in March. Gabe replied that the

communication just stated facts and not decisions. Allan said that may be in the case but this was an issue of transparency and communication.

Allan also introduced Todd Lofgren to the board. Todd is the new policy advisor for Commission Fish working on issues related to the Water Bureau and BES.

V. Board Conversation – Strategic Direction of the Board

Colleen facilitated a discussion about the strategic direction of the board using these questions as a guide:

BUDGET:

- What actions should PUB take with regards to the bureau budgets?
- What does it mean to be involved “upstream?”
- Should PUB respond to CBO analysis in our budget letter?
 - In particular, should PUB review and react to CBO’s staffing analyses and recommendations?
- Is there a difference in how the PUB should review and recommend BMP requests and/or out-of-formal budget process requests?

REGULATORY COMPLIANCE

- Is the PUB’s role to understand those requirements or make recommendations about them?

LEVEL OF SERVICE

- What role does PUB have in helping the bureau’s craft metrics or targets? How are they chosen and set and should the PUB look at the tradeoffs?

Colleen provided an overview of the role of PUB as documented in the ordinance and asked members to respond to each of the questions. She began saying she feels PUB has role in budget. Alice said she feels input on levels of service is most important. It gets the PUB upstream so it can have real impact on budget. Scott said ideally he’d like to see PUB in a position to look out for public interest and to consider the opportunity costs and performance of the bureaus. Currently, the role seems reactionary and he would like to see the discussion at higher level of budget decisions rather than micro level. Scott thinks the board could help guide the discussion on trade-offs (for example, as they are with the crypto treatment discussion). Julia advised that she felt the PUB could be most impactful if it didn’t focus on single FTE issues.

Ted highlighted another role of PUB: City Council is going to make a decision on how to proceed with treatment of the water and he feels a lot more needs to be done educating the general public about the issues. The community is learning with the PUB. Meredith echoed that the PUB is representing public and she wants to see a focus on communication and outreach.

Janet added her views as a departing member. She advocates for more engaging with the community and having meetings outside of the Portland building to make sure the board is fully representative of all Portlanders.

Marie said she was encouraged to hear the desire to talk about policy issues, but that will be tough and thought it would be helpful to have a refresher on policy that is driving the work.

Micah said he considers the PUB as a conduit in both directions; as a way to get concerns and questions from the community to the bureaus but also as a board for the bureau and the staff to the community.

Mike said the board is positioned in a unique place; bandwidth is limited and he thinks the board needs to ask what's working and what isn't. From a planning perspective the board needs to identify priorities and where to dig in.

Rob said the role of the PUB is to be an advisor to council and the ordinance is intentionally vague. He wonders how much people care if they can't afford their bill? Communication is important around rate impact. He'd like to see the PUB defend and guide policies over time.

Colleen summarized the conversation saying she heard that members think the role of the PUB is to be more active in the community with outreach; to be more upstream in planning process; to be less reactive; and to better understand the policies that guide bureaus.

She then turned to the city budget process question. Micah said he was interested in staffing analysis and hearing the bureau and CBO recommendations together. Meredith concurred and said she didn't want the focus only to be on FTEs. Scott said he saw the role as balancing the bureaus' goals and public interest and cost; not arguing about single staff decisions. He considers CBO reviews as one piece of input. Allan commented on the FTE process that staffing is part of process, but not all of process.

Colleen said she also saw the value in considering the CBO analysis and Ted commented that by considering that analysis, it brings it into the public record for discussion.

Members agreed that this conversation should be continued at a future meeting.

VI. Public Comment

Scott Fernandez spoke about the history of the treatment issue and how the Bull Run system is different from other systems around the county. He passed around a photo of chemical residue from filtration processes and said the chemicals are carcinogenic and toxic. Rob asked if Scott's position was that the Water Bureau should take no action. Scott said that's right. There is no public health issue.

Floy Jones talked about the 30-year history of the water bureau and consideration of a treatment plant. She questioned why the city would build a treatment plant for a problem that doesn't exist.

VII. Items for next agenda

Corrosion Control
Biogas, continued
Water Quality, continued
Strategic discussion, continued

--DRAFT--

Scott motioned for adjournment and Meredith seconded. All members voted in favor.

The meeting adjourned at 6:35 PM.