



Oregon Citizens' Utility Board

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To: Todd Lofgren, Office of Commissioner Nick Fish
Mike Stuhr and Gabe Solmer, Portland Water Bureau (PWB)
Mike Jordan and Jonas Biery, Bureau of Environmental Services (BES)
cc: Public Utility Board (PUB) members c/o Melissa Merrell
cc: Shannon Fairchild, City Budget Office (CBO) BES and PWB analyst

From: Janice Thompson, Oregon Citizens' Utility Board (CUB)

Re: CUB input on development of requested BES and PWB budgets

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INTRODUCTION and GENERAL OBSERVATIONS

This memo summarizes CUB's initial observations, suggestions, and clarification requests regarding development of the FY 2018-19 requested budgets from both BES and PWB. Since a significant portion of this memo addresses issues pertinent to both Bureaus, CUB is submitting only one memo rather than separate memos for BES and PWB. The primary audience is for this memo is Commissioner-in-Charge Nick Fish and leadership at BES and PWB, though it is shared with other interested parties.

Thanks to both Bureaus for providing information, particularly draft decision packages, earlier in the budget process than had been feasible in previous budget discussions. We want to emphasize our understanding, however, that the earlier Bureaus provide information in the budget process, the more likely it is to change. To be clear, earlier information is not inaccurate or disingenuous; rather, by definition, earlier numbers cannot be as definitive. For this reason, CUB appreciates ongoing updates on budget refinements and adjustments, especially late in the budget process.

In early November, BES projected increases in average residential monthly bills of 2.95% for the next five years. In early December, however, notice was provided that this increase might nudge up as high as 3%. This still reflects relatively low rate increases on a long-term basis. Given that the sewer and stormwater management services provided by BES comprise two-thirds of the combined public utility bill, this low BES rate increase trajectory is helpful in combined rate increase determinations. That PWB is in the midst of major seismic resiliency projects is a major factor in its early November projection of a 6.7% retail rate increase for FY 2018-19.

These projections will comply with Commissioner Fish's rate guidance directive to not exceed a combined 5% rate increase. In dollars, a combined rate increase of exactly 5% represents a \$5.40 increase in average monthly residential bills. A combined rate increase of 4% would come to a \$4.32 increase in monthly residential bills.

As discussed during last summer's hearing on treatment options, rate impacts linked to filtration treatment will be significant, though this cost should not be compared to zero since building a UV plant for approximately \$100 million was the alternative and not ignoring regulatory requirements for *Cryptosporidium* treatment. Dr. Paul Lewis's description of UV treatment as a "one trick pony" was the most succinct comment that conveyed the broader range of issues addressed by filtration and its greater effectiveness in building towards long-term water system resiliency. Last summer PWB provided rate impact estimates due to filtration construction and though they were understandably preliminary, these estimates still add up to higher future costs for PWB customers.

PWB's projected 6.7% rate increase for FY 2018-19 does not include longer term filtration construction costs, since this project is in the early planning stages. Since the filtration construction is on the horizon, however, careful assessment of current and near-term PWB budgets is all the more important. However, that doesn't mean that cuts in upcoming requested budgets can be expected to cover filtration costs. Instead, the upcoming filtration costs have prompted CUB to identify what we call a "three Portlands" approach to evaluating rate impacts in our current environment of growing economic inequality.

"THREE PORTLANDS" and RATE IMPACT EVALUATION

For all of Portland, it is essential for the City Council to make prudent and strategic investments that bring value to ensure that Portland's water, sewer, and stormwater management systems will safely and effectively carry our community into the 22nd century. After all, many of the investments made by our public utilities will last more than 100 years. Meeting regulatory requirements is an important driver for investment, but one that also adds value, especially in a city like Portland that particularly recognizes the benefits of protecting our environmental resources. Maintaining and building infrastructure for the long term also seems consistent with Mayor Wheeler's budget interests.

Evaluating the rate and cost impacts of these investments within a municipal setting, however, can consider economic inequalities and the growing divide between "haves" and "have nots". This is in contrast to private investor-owned utilities where shareholders pay for major capital investments and customer rates only begin to reflect constructions costs once the major investment goes into operation. Municipalities, however, do not have shareholders and it is possible for elected leaders to consider public utility rates within the context of their community's economic dynamics.

Many Portlanders are benefiting from our city's growth boom and robust economy and this group is a growing percentage of our city's population. Higher income households may complain about Portland utility rates, but another \$5.40 added to their monthly bill for stormwater, sewer, and water services seems unlikely to be a financial deal breaker. One illustration of this dynamic is that relatively few public utility customers have opted into monthly billing where the cost determined by a quarterly meter read is separated into three monthly bills. As of November 2017, only 11.9% of quarterly accounts had requested monthly bills and slightly more than half of these customers had previous budget plans that had been converted to the monthly billing option. This means that since the monthly billing option began in early 2014, only 5.6% of quarterly customers have requested this change.

CUB supports more outreach on the monthly billing option. Even if the participation rate quadrupled, though, there would still be many public utility customers whose quarterly bill preference indicates they can deal with higher rates even when the bills come in those larger quarterly amounts. A question to consider regarding this group of Portland public utility customers, is whether the service level reductions likely to result from a 4% compared to a 5% combined rate increase, can be justified when

the difference in the average monthly bill increase is \$1.08. (The \$1.08 figure is the amount of money that would remain in average household coffers each month if the \$5.40 monthly increase due to a 5% combined rate increase were reduced to the \$4.32 monthly increase due to a 4% combined rate increase.)

At the other extreme, there are low-income residents for whom any utility cost increase is a challenging burden. These customers are why Portland has a longstanding and robust low-income discount program and other assistance options such as crisis vouchers. These customers are why CUB supports the decision package on low-income program expansion, as we discuss below.

In the middle are those Portlanders who can make ends meet but dealing with large quarterly bills is a struggle. These are the customers for who tools to manage household expenses like monthly billing and flexible bill pay options are particularly helpful. CUB supports targeted efforts to increase use of these tools, as we discuss below.

This section's introductory comments bear repeating: It is vitally important that utility investments are prudent, strategic, and provide good value for all customers. Beyond that baseline, however, it seems appropriate to target rate-relief mitigation efforts on two groups: low-income residents who either routinely or regularly cannot pay public utility costs and customers who can pay their utility bills but might benefit from household finance management tools.

LOW-INCOME PROGRAM EXPANSION and OUTREACH ON HOUSEHOLD FINANCES MANAGEMENT TOOLS

Messaging note

CUB supports PWB's decision package #7 summarizing an expansion of low-income program options. A higher profile for the role of BES in providing financial support for this effort, however, is a messaging suggestion. Having one customer service and low-income program for both PWB and BES is obviously more efficient than each Bureau providing these services separately. Housing those functions at PWB is an appropriate legacy of sewage treatment beginning many years after the City began providing water services. CUB is not recommending any structural changes in this regard. We are also aware and pleased that BES was involved in discussions about program expansions and supports PWB's decision package #7. Continued BES involvement in low-income program discussions, however, is essential. CUB also recommends that budget presentations and public outreach about low-income programs include more frequent references to BES. Indeed, use of the affordability 2.0-multi-family eviction prevention terminology used in the BES decision package is worthy of consideration by PWB. In general, consistency in terminology between BES and PWB is recommended.

To be clear, this is not a suggestion to shift low income program administration away from PWB. Rather, more visibility for BES financial support of these programs would help educate that Portland utility bills are not just for water and that sewer and stormwater management services comprise two-thirds of a typical bill. Indeed, a major reason CUB decided to prepare one memo is the pertinence of our low-income program expansion comments to both BES and PWB.

Household financial management tools

CUB recommends targeted outreach on household financial management tools: monthly billing and flexible bill pay. The outreach emphasis would be on customers who can cover their utility costs, but receiving smaller monthly bills and/or setting up flexible payment arrangements would facilitate achieving that bill paying capacity. A caution about monthly billing, though, is that this option increases the numbers of time a customer can miss a payment deadline, resulting in late fees that add to payment

struggles. Therefore, monthly billing is often not a good option for low-income customers for whom the problem is just not having enough money. PWB has determined that only assessing one late fee per quarter is not feasible for monthly billing customers.

Monthly billing may be an effective option if the payment issue is as basic as needing smaller, more frequent bills. A similar option is flexible bill pay or facilitating bill payment arrangements. There are limits to how long bill payments can be delayed, but developing a payment plan based on a timing helpful for the customer is possible. CUB understands why the decision package emphasizes low-income program expansion. It would be helpful, though, to add a short discussion of the role that household finance management tools can play for customers whose major challenge is dealing with the larger bills that come with quarterly billing.

Low-income services team, Auditor report, data analysis, and need for PWB management of Cayenta billing system

An important element of PWB decision package #7 is forming a low-income services team. Culturally sensitive outreach will be an important function of this team, but data analysis will be another important task. These low-income services team functions can't be addressed by current customer service representatives, but it is important that those representatives be considered important allies to this proposed team.

The PWB decision package #7 addresses concerns raised in the October 2017 *Utility Payment Assistance* report from the City Auditor's office. More specifically, data analysis by the low-income services team addresses a specific Auditor recommendation for improved analysis of customer payment trends. The Auditor's report, however, identified lack of PWB control of its Cayenta billing system as one barrier to PWB conducting this analysis. For several years now, CUB has advocated for management of the Cayenta billing system to move from the Revenue Bureau to PWB since this is not the first time PWB's ability to respond to questions or conduct analysis has been hindered by lack of control of its own billing system. We once again identify the need for this change because of this finding in the Auditor's report. This issue is particularly frustrating since PWB is paying the Revenue Bureau and not getting timely service. Continued inaction on moving full control of the Cayenta billing system to PWB must not hamstring the data analysis function of the low-income services team.

Increase value of crisis voucher

CUB supports updating the voucher amount from \$150 set in 2004 to \$300 given increased costs over the last 13 years.

Adjust income guidelines to reflect Portland rather than statewide costs

CUB understands and agrees with the logic of this proposal, but the results of a thorough vetting this adjustment's feasibility are requested before we can fully support this recommendation. Of particular concern is that administrative costs and hassles could increase if this proposed approach to Portland income guidelines is challenging for the partner organizations that conduct income verification for multiple assistance programs. For example, what if only Portland's low-income program used these adjusted income guidelines while all the other assistance programs used another set of income guidelines? Discussing the administrative feasibility of this proposal in the final budget narrative is suggested so CUB can make a more definitive recommendation on this proposal.

Higher discount for extreme low-income

Adding this element to the low-income discount program is consistent with CUB's rate impact evaluation approach that focuses on addressing Portland's growing income inequality and the reality

that there are residents, particularly disabled and elderly Portlanders, who live on very low levels of fixed income.

Multi-family low income crisis assistance

The Auditor's *Utility Payment Assistance* report cites the 20-year history of Portland's elusive search for a method to provide a low-income discount to low-income renters who don't get a water or sewer bill and instead these utility costs are included in their rent. Indeed, CUB has found no evidence that any utility has figured out how to deal with this issue. The result is a problematic inequity in how low-income renters are treated in terms of relief from Portland's public utility rates. This indicates the need to find another approach, and this is exactly what PWB has done with its multi-family crisis assistance proposal.

Using the existing Home Forward Short-Term Rent Assistance (STRA) Program as a vehicle to support rental households in crisis is strategic use of an existing program. The legal analysis about the suitability of using ratepayer funds for this purpose seems sound and this approach should be bolstered by the recent settlement of the Anderson lawsuit. The proposed level of financial support is appropriate for a pilot effort and evaluation after the first year of implementation is very important. If proven effective, however, devoting considerably more resources to this approach is warranted.

Connect low-income program expansion with water smart low-income conservation pilot

The low-income program is a function of the PWB's Customer Service group while a water smart conservation pilot project for low-income single-family home customers is housed with the other conservation efforts of the Resource Protection and Planning unit. The water smart pilot has an online focus which means its website portal operates parallel with the online portal of the Customer Services group for all customers. Key results from the water smart pilot will be available in March 2018 and CUB will make our recommendation about the merits of possible expansion of this program at that time.

The backdrop for conservation discussions is that in Portland, and across the country, water use has significantly declined over the past 10 to 15 years. Therefore, conservation cannot solve bill payment issues facing low-income customers. However, replacing old toilets and other appliances with the now-standard low flow options is challenging for low-income residents. This exemplifies the value of exploring low-income conservation options like water smart. Assuming it is prudent to continue the water smart program, though, the most appropriate location within PWB should be assessed.

PWB OBSERVATIONS & SUGGESTIONS

Capital Improvement Planning (CIP)

The following comments focus on proposed CIP items that are of particular concern to CUB. As has been our past practice, this typically means we are focused on projects that appear for the first time in the proposed five-year plan or are in their early planning stages.

CUB supports the PWB's approach to conduit assessment and rehabilitation. The age of the conduits is of obvious concern, but the significantly higher cost to replace versus rehab the conduits highlight the importance of continued condition assessment and taking the rehabilitation approach. Analysis, based on information provided in PWB's 11/21 CIP power point, indicates that 66% of conduit footage (320,000 feet or 60.6 miles) will be inspected either visually (25 miles) or through electromagnetic analysis (15 miles) over the 5-year plan. Helpful information to include in the requested budget narrative is background on how the 40 miles currently targeted for inspection were selected and when

the remaining 34% of the conduits will occur or if those inspections are not deemed necessary. Finally, more background on the estimate that rehabilitation would add 50 years of useful life would be helpful.

CUB supports taking a 30-year rather than 50-year approach to transmission mains seismic improvements since the cost of this project is the same under either timing scenario. However, CUB requests consideration of delaying the start date of this 30-year project by approximately 10 years. This would mean that transmission mains CIP spending would begin after completion of other major construction projects, particularly the filtration treatment plant. This spaces out the rate impacts of these projects. To be clear, these seismic improvements would still be made in 30 years, but the completion line just moves approximately 10 years to the right on the chart on page 22 of PWB's 11/21 CIP power point.

Even with this adjusted completion date, these seismic improvements would still be made before the state plan deadline. A longer delay in starting this 30-year project so it meets, but does not beat, the state plan deadline isn't suggested, however, since that would result a greater mismatch between completion of the transmission mains seismic improvements with the already or soon-to-be completed reservoir projects and Willamette River Crossing. In other words, system wide seismic resiliency is achieved when all key portions of the system have been strengthened and delaying transmission mains improvements would make them the weak link. CUB recognizes that our 10-year delay suggestion also raises this mismatch-between-seismic-projects-completion-dates concern, though to a lesser extent. This could mean that PWB retains its current timing for transmission mains seismic improvements, but in this case a short discussion of their rationale for disagreeing with this 10-year delay suggestion is requested. This will inform our thinking on whether or not we suggest this delay idea to the Mayor's office later in the budget process when the Mayor is developing his PWB budget.

CUB sees the logic of moving from a 30,000 to a 60,000-foot annual replacement schedule for distribution mains replacement as discussed on pages 18 and 19 of PWB's 11/21 CIP power point. The five-year financial plan, however, does not include this change and PWB is determining the best timeline for this possible change. Appropriately, that timing will be informed by the timing of filtration plant construction rate impacts. Determining the strategic timeline, however, should ensure that PWB keeps ahead of the replacement curve and prevents the falling-behind-so-much-we-can't-catch up dynamic that is a challenge in other settings.

CUB's final CIP suggestion at this time is to consider delaying facilities evaluation and planning of the Sandy River Station. This Station is located where conduits cross the Sandy River so there are flooding concerns and, though the buildings are in reasonably good shape for their age, seismic improvements are likely warranted. However, the RFP to evaluate the Sandy River Station in terms of location and facility improvements was developed before the loss of the *Cryptosporidium* treatment waiver and subsequent City Council decision to build a filtration treatment plant. The fast timeline of the filtration decision means that earlier thinking about the timing of Sandy River Station facility evaluation was understandable, but now the backdrop for this assessment is significantly different. For this reason, CUB suggests revisiting the timing of the Sandy River Station facilities evaluation to ensure that it dovetails with facilities location discussions linked to filtration treatment planning.

Decision Packages

Decision package #7 is discussed above because, though it is in PWB's draft budget document, it is a program that must be viewed more broadly. The following comments focus on proposed items in PWB's other decision packages.

Package #1 – Water Treatment: CUB supports decision package #1 that focuses on new staffing needs due to the rigorous ten-year requirement for filtration plant construction. Adding several of these positions in FY 2018-19 is also linked to the corrosion control treatment effort. The new filtration project manager and program coordinator positions are appropriately high priorities. However, discussion in the budget narrative on the role for these staff people after the planning and construction phase is suggested. A continued role for a new filtration-focused position in the Contract Administration Branch (CAB) seems clearer since ongoing PWB capacity for effective interaction with the procurement staff within the Office of Management of Finance (OMF) seems likely, but discussion on this point would also be helpful. At the same time, caution is needed to ensure that this new staff person doesn't end up doing work that should be done by OMF procurement staff.

That an engineer associate position is requested in both Engineering and Operations reflects a critical feature of treatment plant planning and construction: You have to make sure that what you build can be effectively operated at the standards required by public health regulators. This is in contrast to the minimal role that operational considerations play in the planning and construction of an office building and many other types of facilities. In terms of the filtration plant, it may be that the Operations Engineer Associate could be brought on a bit later, but the corrosion control element of this position's work is a strong argument against such a delay.

Bringing on water treatment operators this early may also seem unnecessary but the rationale for PWB's timing seems linked to the relatively two dynamics noted above. One, the role of these operators is linked to more immediate corrosion control treatment needs and isn't just due to the filtration plant. Two, planning and construction of a treatment plant needs to be fully integrated with operational testing both at the bench and pilot test levels. These points lead to CUB's support for these positions. Other positions in this package are a higher priority, but if these operator positions are not funded in FY 2018-19 CUB won't be surprised if they surface again as a BMP request.

A final note on this decision package is that CUB supports the prudence of PWB's interest in hiring staff rather than using consultants for the functions discussed in this decision package.

Package #2 – UniDirectional Flushing: CUB supported adding flushing staff during the current fiscal year but this request was denied. Indeed, we raised the possibility that more staff should have been included in that past request. Given the prudence of a quite robust unidirectional flushing effort before corrosion control improvements come on line, adding this capacity now is a need that should not continue to be denied. Another point is that more chemicals – and the expense of those chemicals – would be needed for corrosion control optimization implementation if the level of unidirectional flushing capacity proposed in package #2 is not added. Continued flushing in advance of filtration treatment coming online also seems likely and contributes to CUB's support of Decision Package #2. At the same time, CUB would appreciate a brief discussion of unidirectional flushing needs after both optimized corrosion control and filtration treatments are operational.

Package #3 – Workforce Management: CUB sees the requested safety officer position as being the top priority in this package, especially since not adding this position earlier is evidently linked to current safety staff working problematically long hours. Adding the other two positions, public works inspectors, also seem linked to significant regulatory and safety needs. Adding one inspector in FY 2018-19 and one in the following fiscal year is an idea we considered recommended. However, adding both positions during the current budget process is necessary for DCTU contract compliance. CUB supports union representation and understands the need to honor negotiated agreements.

Package #4 – Asset Management: CUB’s priority for the two positions requested in this package is the water loss control position. This is a reflection of CUB’s support for PWB’s FY 2017-18 request for added water loss staff capacity that was not honored. More importantly, though, as PWB will be spending more money on water treatment, there is an increased imperative to prevent water losses.

Adding the Reliability Centered Maintenance (RCM) position does seem like a logical next step in PWB’s ongoing data collection improvements within the Asset Management Branch (AMB) with the cost-saving opportunity for advancing use of that data in computerized maintenance and management systems (CMMS). This contributes to CUB’s inclination to support this position. In the budget narrative regarding this position, however, discussion of the cost consequences of delaying the addition of this position for a year would be appreciated to help us finalize our position on this staff request.

Package #5 – Communications: The value of clear communication in the wide range of technical documents prepared by PWB contributes to CUB’s understanding of Bureau’s rationale for adding a technical writing position. More information in the requested budget narrative about where the technical reporter would be housed within PWB and who manages their work load, however, is requested so CUB can take a definitive recommendation on this position. This discussion should address steps that would be taken to prevent a repeat of the previous technical writer’s work load shifting away to non-writing duties. Saving \$30,000 in professional services due to adding this technical writing position is noted, but information on whether or not those savings are linked to a scattershot approach to securing those services would be appreciated. In other words, could the professional services approach be more cost effective if a bureau-wide on-call contracting arrangement for technical writing services is feasible.

Package # 6 – Equity Manager: CUB supports the City’s equity emphasis and understands that the Office of Equity and Human Rights does not replace the need for bureau-specific leadership on this issue, especially for a large bureau like PWB. Therefore, CUB supports this decision package. At the same time we recommend that the equity manager be specified as a key player in PWB’s strategic planning effort, while recognizing that that process will be underway before the equity manager is hired.

Package # 8 – Tabor Preservation Project and Package # 9 – Parks Maintenance: Both these packages involve use of general fund dollars related to past City Council decisions. CUB believes these decisions by previous Councils should be honored by the current City Council and be implemented with general fund dollars.

BES OBSERVATIONS & SUGGESTIONS

Capital Improvement Planning (CIP)

The following comments focus on proposed CIP related items that are of particular concern to CUB. As has been our past practice, this typically means we are focused on projects that appear for the first time in the proposed five-year plan or are in their early planning stages.

CUB is impressed by the work to date on the CIP-PREP effort and looks forward to seeing the positive impact of this project on the efficiency and effectiveness of CIP planning and budgeting. A closer connection between CIP planning and organizational strategic planning also seems to be a goal that is coming closer to fruition. A final process point is that CIPAC, the committee charged with evaluating changes in CIP projects that in the past seemed to err on being a rubber stamp, has become a more effective venue for more rigorous review of project changes.

Regarding the six new project request forms (PRFs) submitted this year, scoring rigor seems adequate. For example, two of the six projects that did not move forward due to low scores. CUB shares the scoring concerns about the timing of a new Willamette building and remodeling the Dodd building at Columbia Boulevard Waste Treatment Plant (CBWTP), while recognizing that the secondary treatment expansion program includes appropriate replacement of some old, dilapidated buildings. CUB also concurs with the need for more discussion regarding purchasing additional property adjacent to CBWTP.

CUB supports experimenting with the idea, noted in the 11/21 BES power point, of creating an ‘unfunded’ list of projects. This addresses the prevalent pattern of BES not spending all of its allocated CIP dollars due to delays, though the CIP-PREP project should facilitate improved work flow. Even with CIP-PREP-related improvement, however, timeline glitches can occur. The list of ‘unfunded’ projects should only include projects that can be quickly activated and have gone through CIP approval procedures, but have not yet been allocated dollars. More details on how these criteria would be met should be outlined to ensure that this experiment doesn’t become a way to move unapproved or low ranked projects along without adequate vetting.

Decision Packages

Draft decision packages from BES were made available earlier in the budget process than in previous years and CUB finds them more clearly organized than in previous years. It would still be helpful, however, if there could be a clearer division between additional staff requests and non-personnel related requests in each category. Due to the length of the BES decision package, additional review may occur later in the budget process.

Service Delivery Package: CUB endorses BES identifying this category of spending as a high priority given its link to the provision of core services. Workload, particularly related to development growth, and regulatory demands are major drivers for the additional positions requested in this package. All the requests have merit but the descriptions don’t consistently discuss alternatives if staff is not added. This information regarding all staff requests in the final decision package is requested to help CUB make final recommendations as the budget process continues.

CIP Planning and Delivery Improvements Package: CUB sees three important themes regarding the requested positions in this package. The first theme is that BES continues to emphasize work on stormwater system planning (SWSP). Several budget cycles ago we recognized the importance of SWSP in ensuring more rigorous assessment of stormwater system needs that, in turn, provide more definitive information for planning, budgeting, and charging customers for stormwater management services. This work requires an interdisciplinary approach which is why it is good to see integrated planning and a business system analyst in this package. Several of the SWSP requests focus on condition assessment which is a second important theme also reflected in other requested positions. The third theme is that several positions reflect the work of the CIP-PREP project and demonstrate the Bureau’s interest in effective connections between CIP planning and budget and the strategic plan. As noted, above, however, not all of the position requests discuss alternatives if staff capacity is not added. That information in the final decision package is requested to help CUB make final recommendations as the budget process continues.

Workforce Development Package: CUB supports the limited-term training coordinator position because training is generally important, but of particular note is that the need for training has been identified in a “bottom up” fashion through the CIP-PREP and strategic planning processes.

Bureau Culture Package: CUB supports the equity plan implementation request and notes that it is a City priority. Hiring an Equity and Inclusion Manager needs to be accompanied by providing adequate resources for carrying out the equity work plan.

Responsive Business Systems Package: CUB supports this package because it facilitates organizational efficiencies ranging from addressing IT issues in a timely fashion, to ensuring capacity for effective interactions with OMF-Procurement Services, and increasing the capacity for financial analysis and monitoring that enhances oversight and builds toward the goal of a meaningful connection between the strategic plan and budgeting. An important note about the procurement assistant, however, is to be on the alert for not taking on responsibilities that should remain with OMF-Procurement Services. This position addresses the need for BES procurement related capacity but it should complement and not replace OMF's procurement work, especially since payments from BES to the general fund overhead fund pay for those centralized city services.

Community Relationships Package: CUB understands the City's stormwater collection and management obligations within the Multnomah County Drainage District (MCDD). This is managed on a contractual basis on an ongoing basis but with monitoring to ensure appropriate cost controls.

Leadership in City Government Package: CUB supports the purchase and equipping of disaster response team trailers. Such trailers are a valuable part of PWB emergency response capacity and we assume that suggestions have been gathered from that PWB team, but if this communication has not occurred it is recommended.