

To: Jonas Biery, Business Services Manager, Bureau of Environmental Services  
Cecelia Huynh, Director of Finance and Support Services, Portland Water Bureau

CC: Portland Utility Board Members  
Michael Jordan, Director, Bureau of Environmental Services  
Mike Stuhr, Director, Portland Water Bureau  
Dawn Uchiyama, Deputy Director, Bureau of Environmental Services  
Gabriel Solmer, Deputy Director, Portland Water Bureau  
Todd Lofgren, Senior Policy Director, Commissioner Nick Fish

From: Melissa Merrell, PUB Analyst

Re: Consolidated Board Questions regarding Draft Budget Development Information

On: December 19, 2017

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The members of the board submit the following questions related to the draft budget submissions submitted so far in the process and requests information prior to its January 9 board meeting.

### **Both Bureaus**

1. Often when proposed reduction targets are posed, it is typical that programs as a whole get prioritized. Another approach is to pose a scenario where all program areas and categories get a slight budget decrease. Given Rob's point today about setting a target for a rate increase equal to inflation or CPI, please explain why a 3% rate cap for each Bureau could not be spread across all programs, cost centers, etc., so the resulting reduction would occur more on the margins versus cutting programs whole cloth or making dramatic reductions in a few programs? For example, perhaps a few vehicles, travel, or such might absorb such a 3% cap leaving the program or other activity largely intact.
2. For each Bureau, assume the requested FTEs are reduced by 50%. How would each of the remaining FTE be allocated among Bureau programs and activities? What reductions would be made to programs/activities in 2018/19 for those programs that don't receive the new FTEs? Which activities might still be continued using temporary contract labor instead of adding city FTE?

## **Portland Water Bureau**

### Capital Improvement Plan

3. The capital plan presented to the board included a long-term plan to incorporate the seismic resiliency work over 30 years instead of the state deadline of 50 years. Please explain why the bureau would chose to accelerate this work and how the funding requirements and rate impacts would differ between the 30-year and 50-year plans. What are the trade-offs between the two timelines?
  
4. The capital plan also included two paths related to the failure rate of the distribution mains and the bureau's investment in replacement. Please provide an updated analysis of the impact on failure and sustainability of the system if the increased investment in the program were to be delayed until 2030.

### Staff Requests/Decision Packages

5. Please provide job descriptions as available for the newly requested positions.

### Financial Assistance Expansion

#### General Comments and Questions:

- We still need a clearer picture of what it will cost, total rate impact, and what level of service/outreach it will provide.
6. The audit raised several questions about the connection between customer data and assistance provided. How did data about customers inform this request? How does this package address the equity concerns raised in the audit that using an across the board assistance amount (currently \$150) regardless of the size of the bill or household, provides inequitable assistance? Has the bureau considered a percent of bill discount instead? Has the bureau done an analysis as to how this would change the assistance provided to individual customers and the effect on foregone revenue?
  
  7. The audit also recommended that the bureau take steps to ensure that general information about payment assistance is easy to find and understandable. How are those concerns being addressed?
  
  8. For the items that included estimates of cost provided at the subcommittee meeting, were those total costs or only costs to the Water Bureau? If the costs were the Water Bureau portion, what is the BES cost for each item?

#### A) Low Income Service Teams

9. What is the current call load of the customer service staff?
10. What is the estimate of the percent of those calls that would be transferred to the low-income service team?
11. What is the basis for recommending two new FTE rather than dedicating existing staff?
12. If 2 new staff are approved, why would the exiting number of customer service-staff need to remain the same with decreased work-load?
13. Please provide the framework for the database mentioned during the Low-Income Subcommittee meeting. How will this information specifically be used to refine assistance programs?

#### B) Crises Voucher Increase

14. The submitted proposal in the decision package is to increase the crises voucher from \$150 to \$300. In the Low-Income subcommittee, Liam provided data that the increase to \$300 roughly corresponded to increases in fees since the voucher was last raised.

An alternative proposal was to increase the crises voucher to \$500. This proposal didn't appear to be connected to customer use data or demonstration of need. Please provide that information or how the \$500 proposal was created.

15. Concerns were raised in the subcommittee meeting that raising this across the board without a connection to need or bill amount also seems in contrast to the audit recommendations to use individual customer data to refine assistance. How does the proposal address these concerns?
16. The information provided to the subcommittee assumed 3,000 people would participate. How was that number determined?

#### C) Income Guidelines to Reflect Local Incomes

17. There is currently no estimate of how changing this guideline would affect participation or foregone revenue. Please provide those estimates.

#### D) New Discount for Extremely Low-Income Customers

18. There is currently no estimate of how this new discount would affect participation or foregone revenue. Please provide those estimates.

19. By how much does the bureau think this will reduce annual shutoffs? Has the bureau analyzed what portion of shutoffs currently are for customer in this very low-income band?

#### E) Multifamily Rent Assistance

20. Please provide more information on how the multi-family crisis assistance program passes the 'Anderson test.'
21. If asked, can you track the \$500 assistance backwards to water bills or forward from Home Forward to community organizations to renters.
22. The estimate of the multifamily households that would receive assistance is 1,200. This is the same number currently served by Home Forward as presented at the subcommittee meeting. Would this proposal increase the number of people receiving eviction assistance or would it increase the amount of assistance received by the same people? If it increases the amount of assistance for the same number of people, what data do you have that supports the need for an increase in the amount of assistance provided?
23. Several members have raised concerns about how the costs for this assistance which would benefit a small number of residents would increase the cost burden on the low-income residents who do not receive assistance. How has the bureau addressed this concern?
24. Members also raised concerns about setting performance metrics for accountability. How are those suggestions being incorporated?
25. Will there be money provided to Home forward for administration of the assistance? How much will that be, how is the amount determined, and what will the source of the funds be?

### **Bureau of Environmental Services**

#### **General Request**

26. Would BES provide its prioritization summary in the same format as the Water Bureau submission?

### Capital Improvement Plan

27. At the December 5 board meeting, Director Jordan told PUB that while last year the bureau initially thought it could double capital output to \$150 million in 5 years, with better information, they now think the glide path looks more like 10-year to that level. The initial draft CIP proposals includes capital requests of roughly \$150 million starting in 2020. Does this reflect the new thinking on how long it will take double capital spending?

### Staff Requests/ Decision Packages

28. What would the impact be of hiring 1 Tech II, seeing how the workload changes, and then considering another Tech II position next year?
29. What would be the (negative?) service effects of only hiring 3 Pollution Prevention position and 1 Wastewater position in Service Delivery?
30. What would be the (negative?) effects of hiring only 3 engineers, 1 watershed position, and 1 wastewater position in CIP Planning and Delivery Improvements?
31. The Affordability 2.0 line item appears to only include the changes related to multifamily assistance. How will the bureau budget for the foregone revenue related to the other components of the Water Bureau plan?