

Portland Utility Board

March 22, 2018 11am – 1pm
8th Floor Conference Room 111 SW Columbia St.
Meeting #43

Attendees:

PUB Members: Alice Brawley-Chesworth, ex officio
Ana Brophy, ex officio
Allan Warman
Colleen Johnson
Dan Peterson
Lee Moore
Micah Meskel
Mike Weedall
Robert Martineau
Ted Labbe
Scott Robinson
Van Le, ex officio

Absent:

* Meredith Connolly
* Hilda Stevens

*Notice of absence provided prior to meeting

Staff: Gabe Solmer (Communications Director, Water)
Cecelia Huynh (Director of Finance and Support Services, Water)
Jonas Biery (Business Services Manager, BES)
Jeff Winner (Capital Improvement Program Planning Supervisor, Portland Water Bureau)
Todd Lofgren (Senior Policy Advisor, Commissioner Fish)
Liam Frost (Management Analyst, Portland Water Bureau)

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

Public: Carol Cushman, League of Women Voters of Portland

I. Call to Order

Allan called the meeting to order. He reminded everyone that the meeting was of citizen volunteers tasked to advise City Council on items related to the Water Bureau and the Bureau of Environmental Services. He gave an overview of the agenda.

II. Prior Meeting Minutes

Members considered the meeting minutes from the March 15 board meeting. Members did not have changes; the minutes were accepted as submitted.

III. Disclosure of Communications

Rob is participating on PBOT advisory committee and testified before Council. He'd like the board to talk about a proposal for BES to pay for street cleaning. Allan talked with Chris Wanner about non-PUB business.

IV. Public Comment

Allan opened public comment.

Carol Cushman, League of Women Voters of Portland, commented on the Low-Income Discount program. She said this was a need identified by auditor and the program is supported by multiple people. The League is happy with the proposal. They think it's important for staff to be recommended for the program to be implemented and evaluated or success could be risked.

Carol Cushman, representing herself, commenting on the use of rate stabilization fund. She has questions. Why are you looking at it this year? She knows that as the board, it can't make any recommendations for future years. Why this year? Why not when interest rates start climbing so there is a different reason for increased interest rates which may be coming soon. Or why not when there is the impact of the filtration plant?

V. Board Discussion and Vote on Recommendations

Allan began the conversation on the bureau budget requests. He referred to the [results](#) of the member survey that Melissa conducted. There were a number of requests where there was already consensus and another group where the survey responses indicate there was a majority. Allan suggested the board discuss those items first which should take less time and then return to the items in each decision package where they needed more discussion. He noted there were many non-FTE items that hadn't been discussed at previously meetings. With the exception of the high priority non-FTE items (Financial Assistance, Tabor, Fountains, Parks, and BES rate), he suggested the board hold those until the end and make recommendations on them if time permitted. He said the goal was to move as many of items where there isn't consensus into the consensus bucket. He said he hoped there could be some give and take here to reach agreement on as many items as possible. The board would follow past precedent of straw polls for individual items and a formal vote on the final recommendation. There will be time for public comment before a final recommendation vote.

Melissa referred members to two handouts – a poll response [tracker](#) by question and a response tracker [categorized](#) by consensus, majority, and mixed results.

PWB

The board began with the Portland Water Bureau requests and those where there was consensus (9 members supporting the request, no members not supporting the request, and no members wanting more discussion). Those were:

WA_01 Water Treatment FTE - Principal Engineer
WA_01 Water Treatment FTE - Engineering Associate
WA_01 Water Treatment FTE - Management Analyst (contracts)
WA_03 Workforce Management FTE - Public Works Inspector
WA_04 Asset Management FTE -Management Analyst (Water Loss)

Allan asked if there any member discussion on those items. Rob raised a question about WA_03 which includes a request for 2 Public Works Inspectors (member consensus was only for 1). There was a conversation about the difference between the contracted inspectors who are subcategorized as specialty or general and a city employee classification of Public Works Inspectors. Rob said those employees do both.

There was no further discussion on the consensus items.

The board then began consideration of the items where the survey results indicate there was a majority of members supporting the same outcome – either recommending or not recommending a position request. The board opted to begin with the requests where 8 members were of the same mind.

In WA_02 – there were three positions related to UniDirectional Flushing where there was close to consensus to support the request.

Ted suggested the board consider a consensus outcome for those three positions that would give the Water Bureau two complete flushing teams.

Rob raised a question about process, saying he wanted to consider each decision package as a whole and but it seemed like the board was going to have a robust conversation about all of the items. He said he had no interest in doing an up or down vote on each FTE. He didn't correct prior meeting notes about it but wanted to do this by decision package.

Mike responded that this was discussed at the last meeting and it was decided that members wanted to talk about each position to allow for more nuanced deliberation.

Lee suggested they get back to the items with 8 members supporting.

Rob said that with consideration of the UniDirectional Flushing requests, this is the second year the bureau has requested at least one position. In his opinion, if the board doesn't recommend these items, it would be saying the board thinks that unidirectional flushing is not a priority.

Micah agreed with Rob and said he would support all the positions, giving the bureau a better chance at regular system wide flushing would optimize filtration and corrosion programs in the future. He supported all three teams.

Ted said he also supported all FTE for flushing but was trying to get agreement on the two teams to have a focused conversation for the third team. He said he didn't hear the bureau say they could use contract workers for this.

Dan said in the materials provided PWB said they could supplement w/ contract or occasional staff to reach the 10-year goal. The requests in this year's budget represents the permanent teams.

Mike said the members were supposed to be representing the rate payers and that the Water Bureau was asking for a lot.

Rob said the bureau was a year behind. He felt this request showed bureau restraint. It wasn't a pony but a bare minimum need.

Mike said with that line of reasoning, the board should recommend all bureau request.

Rob agreed.

Van suggested the board could identify the high consensus items. Lee agreed and said they could parking lot other issues for later.

The group agreed to support the three FTE that would give the bureau 2 full teams and wait on further discussion of the third team.

The board then took the next closest to consensus item which was the Program Coordinator for the Water Treatment Program. Allan asked if there was any discussion. Colleen said she supported this position because she thought of it as part of the leadership team for filtration. Melissa asked if any members objected to moving this item to consensus and no one did.

The next item considered was the Safety and Risk Officer in WA_03. Members agreed to recommend this on consensus as well.

The next items where there was the most agreement was a component of WA_07 Financial Assistance package. Rob said he thought that package should be considered all together and members agreed.

Lee suggested they consider the WA_05 request for a tech writer next since only one member supported it. Ted said he supported the tech writer and is ok not recommending it. Rob said he actually supported it. (Melissa checked the responses and Ted responded undecided and wanted more discussion). Members agreed with consensus for not recommending that position.

The board then turned back to WA_01 Water Treatment. Six members responded supportive of the second requested Engineering Associate. Colleen said she did not support this position and the operators. She felt it was best to put a leadership team in place.

Rob asked if there were any operator vacancies at headworks. Cecelia said the bureau has vacancies in operators for which they are recruiting. Rob said these were difficult to hire positions. Ted referred to the CBO recommendation that some of the treatment team could be contracted but said it wouldn't be good to have contractors supervising contractors. Shannon corrected the record that the CBO recommendation did not suggest contracting operators. Ana said there was national security concern with operators and she felt they need to be permanent employees.

Scott raised the issue that this is a large, complex project that will take a long time. His dispute is more with the timing and the core team that is being proposed. He said this was an overarching comment for both bureaus. There are so many vacancies at the bureaus; one of them going through a cultural shift and another with a ton of huge projects. For the bureaus to absorb this many new positions is unlikely.

Mike reiterated that he has been saying this at every meeting, the requested positions are not sustainable amount of new staff. He said he will likely be on the wrong end of 6-3 recommendations.

Lee said he first looked at the requests with a bias toward direct labor. He agrees with Mike though. It's a question of how much more can these organizations swallow. There should also be a consideration of retirements which will create even more vacancies and potential impacts from state legislators messing with the retirement system.

Alice said as an engineer she knows the operators are needed to make sure the engineers get it right, but the conversation should be about timing. She worries about how long it takes to hire people. Perhaps the recommendation could be to not support the request now but being open to the request in the BMP if progress has been made on the project.

Rob said he thinks it is all or nothing with operators; zero or two. He said if the bureau were to come with this request in the BMP, the board would say why they didn't ask for it in the budget process.

Scott suggested the concerns be articulated that in the notes that once progress is made and the timing of the need is apparent, the board would reconsider if the positions were requested at a later time.

There was a straw poll on the second engineering associate position and the two operator positions. A majority of members support not recommending the second engineering associate position and a majority of members support recommending one of the operators. There was no agreement on the second operator.

PUB then considered WA_06, the request for the Equity Manager.

Micah reiterated that he thinks it is important to have someone in the bureau fully dedicated to this work, not have the job split between several FTEs. He doesn't think the bureaus can have a combined equity manager at this point. That consideration is a bigger discussion.

Ted said they heard from several people that having an equity manager outside of the bureau is not effective.

Mike said he thinks this position would be nice but he thinks this is a tradeoff. He said it's not ideal, but PWB can still make significant progress on their equity plan without this position.

Colleen said the bureau already has four people working on it. She thinks that should wait on this position and see how much progress is made next year and maybe reconsider a request in the future.

Micah strongly supports this requested position, and disagrees with Mike that this should be on the losing end of a tradeoff, given the current inequities in our community. He thinks it makes a strong statement of our lack of prioritization of this issue if the board does not support the request.

Dan reminded members this was ranked as a low priority by the bureau who said they would continue the work regardless of the position.

Rob said he would be happy to support not recommending the position because council will do it anyways. They are very supportive of it.

Lee said he wasn't convinced that this couldn't be a position that could be shared by the two bureaus. At some point in time the board and the bureaus need to break down the paradigm and talk about how the two bureaus can share resources.

Ana said she thinks BES doesn't have time to share resources. She's working with BES's new equity manager and there is no way he is going to have time. This is very important to the bureau; important to the public; this is not the current staff's work.

Lee said possession is 90% of the law. If the position is located in a particular bureau, that bureau will get more of the attention. He suggested that perhaps can sit in the Commissioner's office.

Scott said equity is a high priority and it should be a high priority. The one thing he heard with his work and comments from the community is that they don't want multiple points of contact. There needs to be a level of coordination that can't be achieved with a separate manager in each bureau. However, he thinks Rob is likely correct; Council will support this regardless of the PUB's recommendation.

Board members agreed to include a note on this in the letter to Council.

Micah said the train has left the station for the possibility of a combined position; BES already hired an equity manager and has a workplan.

Lee said that may be the case but they have one master in the Commissioner's office.

The board then began discussion of the Low-Income Program, starting with the FTE requests.

Rob said he viewed this as a two-person lift. He recommended supporting both positions. He said the proposal is a ground-breaking program.

Ted asked if anyone on PUB a renter. Micah said he is a renter of a single-family home.

Ted said he thinks about 40 percent Portland's population lives in multi-family households.

Mike said he used to run these programs for a living and they don't just shoot out of the box. They take time to develop. He supports one position. The bureau has a manager who is also just being hired. Together they can get the program started.

Colleen said she doesn't support the positions. Her view isn't to deny anyone assistance who needs. Her concern is the program is undeveloped and the bureau should take its time and not try to do it all at once.

Mike said he supported letting the new manager and one position getting on board and having time to design the program.

Rob said the bureau did that when they hired Liam Frost.

A majority of members supported recommending one of the FTE but not two.

A majority of members also supported raising the crises voucher, adjusting the income guidelines, and creating the new discount for the lowest income residents.

They then talked about the multi-family assistance proposal. Several members reiterated concerns mentioned in the CBO recommendations. Lee said he had been undecided but having reflected on it more, he thinks it goes together as a package. Dan agreed.

Scott asked for clarification if this was a pilot of ongoing program. Liam said ongoing.

Scott said he thought it was important to reflect in the input to Council that this is an unbaked cake. He suggested the board request and suggest the council also request an annual report and consideration of adjustments as the program develops. Colleen said she supports the idea but agrees with CBO's comments. She endorses a request that the bureau come back with a progress report. Scott also suggested the bureau needs to work with other utilities.

The board then considered the request for Mount Tabor.

Scott said he has concerns about cost that will be more than the amount the Council agreed to for preservation and the other associated costs of maintaining the reservoirs.

Ted added that it was a prior Council that agreed to the preservation work.

Melissa summarized the idea for a note in the input to Council that should reflect concerns about ongoing costs and raising it as an issue that should be reconsidered by council.

Rob suggested the board not weigh in on it because the source is general fund.

Micah wondered if the board could prioritize their input for the general fund request. He would rather have the General Fund pay for parks maintenance and fountains.

Ted views the PUB mandate a little broader and thinks this is a huge commitment by council. He thinks PUB should recommend that they reassess but not take a position either way on the request.

Lee said that all parks, including Tabor, are a citywide aesthetic. This shouldn't be a conversation of one neighborhood over another. The reservoirs are for everyone; it is a city council policy decision.

Scott said from a policy perspective; it could be viewed as a regional asset. He thought \$4 million is likely not adequate for the work needed.

Allan asked for members straw poll. Colleen said this is surprising, but she agreed with Rob.

There was no majority outcome - 5 members supported making a comment and 4 were not supportive.

The board then talked about the WA_10 request for Water rates to fund the Park maintenance cost for the fountains.

Scott raised the question about the cost difference of about \$600,000 now and the roughly \$400,000 cost when the Water Bureau did the work.

Rob said his recommendation is to have the Water Bureau do the work if they are going to pay for it.

Shannon and Scott discussed the format of the current request.

Colleen said the way it was presented was Parks would do the work and the Water Bureau would pay for it.

Alice noted that the conversation wasn't about whether Water Bureau should pay for it. Only that Water Bureau should pay for it if they do it.

Gabe said she didn't understand why the board would support a decision to increase rates .4%; when they aren't recommending some positions that have .1% or less of a rate impact.

Lee as a resident, one of his concerns is the trash is everywhere; the tendency of city bureaus to keep building amenities without money to maintain them.

Mike said he didn't think the City was going to shut off the fountain.

Lee asked if all the fountains are in parks and Rob said no – some of in public rights of way.

Ted suggested this is something that PUB could treat like Mount Tabor.

Colleen said she thinks it is a mistake to waffle on this; she thinks they should be unequivocal and say PUB does not support this package as proposed.

Rob asked if the Water Bureau could do the work for less.

Lee suggested the City explore a least cost analysis to determine how these fountains should be maintained.

Allan agreed and Van asked if he was saying that he support increasing rates. Allan said he would leave it silent as to the color of money.

After much discussion, there was consensus to not recommend the fountains decision package and members chose not to make any further comment.

The board then returned to discussion of public works inspectors. Rob said that the bureau gives away tens of thousands of dollars by hiring contract workers when it pays a 55% premium. Lee said that doesn't sounds right. Cecelia responded that specialty inspectors are a lot more expensive; general inspectors are about the same.

Rob asked for clarification about what is a majority and Melissa reminded members that per their bylaws, a majority opinion requires 6 members.

BES

The members accepted a consensus to support recommending the following positions:

ES_01 Service Delivery	FTE - Environmental Technician I (Maintenance Inspection Program)
ES_01 Service Delivery	FTE - Environmental Technician II (Plan Review)
ES_01 Service Delivery	FTE - Laboratory Analytical Specialist
ES_01 Service Delivery	FTE - Environmental Technician II (Industrial Stormwater)
ES_01 Service Delivery	FTE - Engineering Technician II (Facilities Management)
ES_01 Service Delivery	FTE - Wastewater Operator II
ES_03 Workforce	FTE - Training and Development Analyst (limited term)
ES_02 CIP Planning	FTE - Engineer (Pump Station Project and RR&M Project Management)
ES_02 CIP Planning	FTE - Engineer Sr. (Treatment Plant Project Management)
ES_02 CIP Planning	FTE - Principal Management Analyst (Project Cost Estimator)
ES_02 CIP Planning	FTE - Sr. Engineer (Project Management Stormwater Condition Assessment)
ES_02 CIP Planning	FTE - Business Systems Analyst (Stormwater Condition Assessment)

The members accepted a consensus to not recommend the second requested Environmental Technician II for Plan Review.

A majority of members supported recommending the Management Analyst (Procurement Assistance).

The members then discussed the request for the Millwright for the Wastewater Condition Assessment Group. Rob said this is an important position, the board should support condition assessment. Colleen said she agreed with CBO that the team hasn't yet hired a position that was authorized in the Fall and should wait for that to see how the program evolved.

Ted said he was reflecting back on presentations from the bureau on the large number of assets with unknown condition and agreed with Rob.

Lee said if it's a true millwright position, those are hard to fill. Utilities used to be able to hire this skillset out of the military; in Clackamas, it took them almost 14 months to find someone.

Rob said the city has its own apprentice program. He thinks it's long overdue and should be supported.

Melissa clarified that this position was for the treatment plant, not stormwater assets where most of the unknown condition exists.

Lee asked for clarification on the existing vacancy which Jonas said was a tech II which is being recruited.

When polled, five members supported this position and four did not.

The board then discussed several other positions for which there was no majority support including:

ES_02 CIP Planning and Delivery Improvements	FTE - Engineer (Surface Water Project Management)
ES_02 CIP Planning and Delivery Improvements	FTE - Supervising Engineer (Wastewater Design)
ES_02 CIP Planning and Delivery Improvements	FTE - Engineer (Construction Management)
ES_02 CIP Planning and Delivery Improvements	FTE - Sr. Engineering Associate (Support for System Planning and Modeling)
ES_05 Responsive Business Systems	FTE - Business Systems Analyst (Investigations)

For each of these positions, 3 members supported recommended them and five members did not support such a recommendation.

Rob suggested handling the non-FTE as one group and Scott clarified that the non-FTE except the rate questions and all members agreed. Seven of eight members supported recommending the non-FTE requests.

The board then discussed the BES rate options. BES initially proposed a 3.0% rate of increase for all year of the forecast. Following CBO's recommendation to reconsider its use of cash, the bureau proposed other alternatives. Scenario B would have a rate of increase of 2.0% for FY 2018-19; 3.0% for FY 2019-2022; and 3.1% for the rest of the forecast. Scenario C would have 2.5% for the 5-year forecast followed by 3.45%.

Allan asked Jonas if the bureau would likely be able to do 2.0% in FY 2019-20 as well. Jonas said yes, as long as nothing significantly changed.

Rob asked again if BES could do 2.0% for two years in a row and Jonas said yes, it's possible.

Allan said he thinks the PUB should recommend Scenario B since they are advocates of lower rates.

Colleen said BES did what they asked and what CBO recommended. Jonas has said it wasn't going to affect the bond rating and she didn't understand why members wouldn't take this win.

Rob said but the out years went to 3.1% and Colleen responded that BES said they could manage to it to get it to 3.0%.

Micah said Cecelia may have an answer for this but when would they see rate pressures from filtration. He sees this as a card that should be held on to.

Cecelia said they have very conservative bond rate assumptions, and are assuming 7.4% over the next 10 years; assuming nothing else changes. She stressed the bond rate estimates are very conservative and the likely rate increases would probably be less as they get better interest rates on their bonds than they are forecasting. Rates of increase after FY 2018-19 are forecast to be less than FY 2018-19 so there wouldn't be a jump to mitigate.

Dan agree with Colleen and didn't understand why the board would leave this decrease in the rate of increase on the table when it would be a benefit to all rate payers.

Ted said he was agnostic between A and B and would change his vote if other members agreed to reconsider some of the Water positions. He advocating to use the decrease in BES rates to recommend more water positions.

Some members were uninterested in that sort of negotiating.

Mike said we have gone through all of the request on their merits and should consider this one separately as well.

Ted favored the higher rate of increase on customers but would support a lower one if other members recommended the last two positions in the WA 01 request.

Micah raised the concern of setting an expectation for the future. Would customers be angry when the rate was raised again after the temporary decrease?

Mike said he used to live with these types of projections, they are really only good a few years out. After that there is too much uncertainty.

Rob said he perceived the board as trying to chop every package but willing to take this one.

Mike countered it's no chopping but deliberating on what's the best option to recommend and how to speak up for customers of Portland.

In the end three members supported the Scenario A and five members supported Scenario B.

Ted asked about all the options that didn't get a majority of members. Melissa said the letter would reflect there was no recommendation on those items.

Allan summarized the process; Melissa will write this into the letter for circulation to City Council prior to the work session on Thursday. Melissa will capture as much of the deliberation as she can to reflect all sides.

Colleen reserved the right to write her own comments. Melissa said that any member could express their own personal opinions but only those agreed to tonight represent the input of the board.

Rob made a motion to have Melissa write a letter that reflects the night's proceedings, it was seconded by Colleen and all members voted in favor.

VI. Next Meeting Agendas and other items

April 12, 2018 (NOTE DATE – THIS IS A THURSDAY)

Location: Pettygrove Room, City Hall
4pm Board Meeting

Agenda Items:

Bureau Spring BMP requests and CBO recommendations
CIP Progress Reports
Water Strategic Business Plan Update (potential)

April 16, 2018 (NOTE DATE – THIS IS A MONDAY)

Location: Pettygrove Room, City Hall
11am Board Meeting

The meeting adjourned at 6:51 PM.