

Portland Utility Board

June 5, 2018 3:30pm – 6:30pm

World Trade Center Building One, Training Room*

SW 2nd and Salmon Streets on the Bridge level (2nd Floor)

Meeting #47

Attendees:

PUB Members:

Allan Warman
Ana Brophy, ex officio
Colleen Johnson
Dan Peterson
Robert Martineau
Lee Moore
Micah Meskel
Mike Weedall
Scott Robinson
Ted Labbe
Van Le, ex officio

Absent:

* Alice Brawley-Chesworth, ex officio
* Meredith Connolly
* Hilda Stevens

*Notice of absence provided prior to meeting

Staff:

Gabe Solmer (Deputy Director, Portland Water Bureau)
Dawn Uchiyama (Deputy Director, Bureau of Environmental Services)
Maiya Delgoda (Principal Management Analyst, Bureau of Environmental Services)
Doug Stewart (Senior Engineer, Portland Water Bureau)
Todd Lofgren (Senior Policy Advisor, Commissioner Fish)

Melissa Merrell (Principal Analyst, City Budget Office)

Public:

Carol Cushman, League of Women Voters of Portland
Chris Wallace Caldwell (Catalysis)

I. Call to Order

Allan called the meeting to order. He reminded everyone that the meeting was of community 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

Allan asked if there were any changes for the [minutes](#) of the May 8 meeting. The meeting minutes were accepted as submitted.

III. Disclosure of Communications

Rob spoke with Mike Stuhr in the general course of his role with AFSCME.

IV. Public Comment

Allan asked if there was any public comment. Shedrick Wilkins commented on the use of the Columbia Wellfield water source and said he supports the reelection of Commissioner Nick Fish.

V. Water Bureau Update: Water Quality and Cyanotoxins

The co-chairs invited Gabe Solmer, Deputy Director of the Water Bureau, to give an overview of the water quality issues happening in Salem and how the likelihood of a similar situation in Portland. Gabe said that PWB has never had any concentration of blue-green algae in Bull Run. Blue green algae are the source of cyanotoxins. She said that Bull Run has on occasion had non-toxic algae which could affect the water's taste or odor. If they were to detect cyanotoxins would switch to their groundwater source, which has no risk of algae.

Gabe said that PWB does have a mutual aid agreement with Salem and have been providing assistance and two 1,000 gallon water containers.

Meredith asked about Salem, its filtration system, and what it could or couldn't clean. She asked how this factors into what Portland is considering. Gabe responded that Salem has slow sand filtration. Portland hasn't made a decision but the ability for the system to handle blooms like Salem is a factor in decisions. PWB's approach is to stop algae before the cyanotoxins dissolve.

Lee said that Salem is sourcing out of Detroit Lake which has standing water. He said blue green algae blooms are not normally an issue with fast running water like in the Bull Run system.

After the meeting, PWB released a new [page](#) on its website address cyanotoxin concerns.

VI. Board Discussion: Outreach for Monthly Statements

Colleen summarized Commissioner Fritz' comments at the rate utility hearing related to monthly statements. The commissioner asked why the participation in monthly statements was so low (about 12%) and if the PUB had any suggestions for increasing awareness of the billing option. Colleen opened the conversation up to board member thoughts and suggested this could be a potential topic for the Communication Subcommittee.

Mike Weedall expressed uncertainty about whether this is something the board should get involved in. He thinks people should have the choice. He also talked about the cash flow implications.

Meredith said that she had experience with this program and it was difficult to opt into. She said there was a small window within which one needs to contact the bureau and the process was onerous. She encouraged the rest of the members to learn about the billing process and this option for making quarterly bills more manageable for all Portland residents.

Dan thinks it would be helpful for the board to have a presentation about billing process from the bureau. Lee agreed. Rob said he's like to know more about Commissioner Fritz' interest.

VII. **Water Bureau Strategic Business Plan**, Doug Stewart, Senior Engineer, Asset Management, Portland Water Bureau, and Chris Wallace Caldwell, Catalysis

Doug provided an [overview](#) of the process, timeline, and the risk workshop for the day. He said the first phase would be complete this summary and included talking with staff and stakeholders. He also said the bureau had hired the two consultant groups that would help the bureau through the process. He said the bureau had begun Phase Two which is the identification of strategic risks. He said that staff would be working through August to develop a rating scheme for ranking all of the risks once identified. The bureau will examine the risks through that lens in the fall to see which rise to the top as the most critical for the bureau to address over the next five years.

Chris talked with the board members about PWB's guiding [statements](#) that were developed prior to the identifications of risk and the statements could be changed along the way. Chris said they had held a series of internal focus groups in PWB asking how staff felt about the existing statements. Most said they weren't familiar with the statements but saw this as an opportunity to clarify how they work with each other and the communities.

The vision statement focuses on what the bureau can accomplish. Chris then asked members for feedback on the statements. The mission statement is aspirational.

Members questioned the word 'Portlanders' in the vision statement since PWB provides water to residents outside the Portland limits.

Chris highlighted the bureau's inclusion of equity as a guiding commitment.

Lee commented on the word 'excellent' in the mission. He said it is undefined. When he thinks of water he thinks words describing safety, taste, smell, and appearance are better descriptors. He thinks because it's a consumable product - all of those things go into what people mean with excellent.

Meredith said she liked the succinctness of the mission statement but feels like the 'for whom' is missing. 'Serve' is there which starts to capture service of people is important.

Mike W. commented on the phrase like 'use money wisely' and said he would suggest quality, reliable, affordable, or lowest cost possible. The bureau doesn't operate in a competitive environment. He said 'make affordable' could work but thinks it needs more rigor. He suggested something that demonstrates rigor or focus on rate payers. Affordability needs to be a focus.

Chris commented that affordability depends on where one sits and that had been part of the conversation. The outcome piece of using money wisely is lowest cost/highest value possible. Mike said the focus should be lowest cost for everyone not only low income. He suggested reliable service at lowest cost possible.

Ana noted that the 'Serve our Community' statement didn't have anything about outreach to community and neither did the 'Building Relationships' statement. Chris said the statement was crafted to show that outreach wasn't one direction but wanted to show PWB was listening and shifting how outreach happens and gathering input. Ana thinks it should incorporate both.

Ana also stated that while skills and experience are important for the 'Work well together' statement, life experiences also well contribute to working well as a team and whole person.

Van suggested everyone scan the statements and see that they are all specifically about PWB and not too general.

Doug told the group they are open to comments at any time.

He then shifted to defining strategic business risk – an action or inaction that will adversely affect an organization's ability to achieve its business objectives and execute its strategies successfully. Doug said this definition allows conversations across the organization and with elected officials. It gives everyone a chance to get thoughts heard.

Doug said the bureau has a well-defined process for identifying risk to assets and potential failures. They have processed for operational risks on a day to day basis and do a pretty good job in program project management.

Strategic Risks are those that keep the bureau from fulfilling its mission. He listed some as future regulations, lack of new technology or data analytics. One thing that has already been identified is the ability or inability the city to use new technologies.

Some questions to frame the conversation are: What keeps you up at night? What keeps the water bureau from serving excellent water? What stands in the way?

Doug and Chris walked the members through some tools including definitions and invited members to take some time to identify risks. PUB will be doing work that is similar to the work done internally by staff.

Van said that every few years, the bureau goes through a bureau wide activity to think about what they do and how they can do them better. This time there are more outreach opportunities internally and externally, including groups, committees, and individuals. This added new jargon of risk and adds different lens. She said just the activity itself has been useful to the staff.

Dan raised the first risk - lack of workforce development. He said from his experience this includes retirements and backfill but also defined processes for getting people to move through positions and keeping institutional knowledge. This could be two risks: employee development and knowledge management.

Mike W. raised the risk of earthquake or other hazard that could result in systemic damaged and potential loss of control to the state or rationing of water and other resources.

Colleen added climate change and availability of water.

Meredith raised concerns about loss of access to Bull Run and not enough capacity at the well field.

Allan noted the risks posed by future treatment decisions and implementation.

Lee raised the concern of more demand than financial and staff resources to fund them. PWB has to continually make trade-offs due to resource constraints.

Micah added potential contamination of wellfield aquifer.

Ana raised operational concerns. What will the bureau use to manage capital projects? This is a question of technologies and also difficulties of bureaus using different platforms. She also noted risks with inconsistencies in business practices, communications, and training. She said the risks of public perception, injury, inefficiencies, and financial risks.

Scott raised the investment profile related to resiliency, the cost of services, and willingness and ability to pay. He also mentioned the subset of customers who are wholesalers and related risks. He also added the risk posed by political posturing for use of funds. Stress on the general fund raises the possibility of tapping the cost structure for water and PWB. He noted this was happening in a cycle of excess and will continue in a downturn. He added the specific example of using rate payer funds through IAs for street cleaning.

Rob added the risk posed by political uncertainty. Portland has a history of single term mayors and serial commissioner reassignments. It adds instability and risk of changing priorities. It also adds challenges of lack of understanding of the bureaus. Short term decisions can derail long term vision.

Lee added political and business structure decisions that limits innovation and efficiencies. He doesn't see the political will to collaborate and share.

Colleen elaborated that even within the bureau there are silos.

Meredith noted the risk of wholesale customers leaving and how that would increase rate pressure on residents.

Micah noted the risk of remaining lead fixtures and fittings. The corrosion control project mitigates but doesn't remove risk. He said changes to regulatory requirements could require action.

Lee added the risk of lack of diversity in leadership. He says he sees a good mix of employees in the middle of the bureau and sees it in the PUB. Nut he doesn't see it yet in the leadership tier. He thinks this will continue to grow as a risk.

Meredith added the risk of privatization. A few years ago the city retained control of the bureaus but she worries about the incentives if water is commodity instead of a public good or service.

Doug then talked with member about next steps and invited them to send additional risks if they thought of them.

Rob asked if regulatory agencies were being included in the outreach and Doug said not yet. Mike W. commented that talking with the regulators might give PWB a heads up for future requirements. Allan said external conversations are often different than internal staff ones. Lee said this raised an interesting question – he doesn't recall ever seeing PWB staff at area workgroups. Groups help set statewide standards and are important to influence if nothing else. Portland has been viewed as not playing well or participated.

VIII. **Acceptance of Recommendations of New Member Work Group. Board Discussion and Vote on Recommendations**

Mike Weedall presented the recommendations of the work group that reviewed applications for new members to the board. He thanked the members of the group, including board members Dan, Micah, Ted, Scott, and Ana, as well as community members Soumya Vongrassamy from Partners in Diversity and Akash Singh from Neighbors for Clean Air, and Jeff Selby from the Office of Equity and Human Rights. The group met by phone or in person five times to make recommendations to fill the spots from three voting members who will end their first term and two members who are ending their service early. Per the board procedures, the workgroup reviewed applications to identify the top candidates which included three incumbent members and five potential new members. The group met with three of the five potential new members and reached consensus in recommending the following individuals:

New Members:

Heidi Bullock
Dory Robinson

Continuing Members:

Colleen Johnson
Rob Martineau
Allan Warman

Melissa has circulated a [memo](#) with their bios and reasons for wanting to serve on the PUB.

Mike said that each of the new recommended members would bring to the board an important set of skills, experiences, and relationships that will add to our deliberations.

- Heidi Bullock currently works for the Port of Portland and has a background in science and environmental engineering. Her work with the Port includes the Portland Harbor Superfund Site.
- Dory Robinson currently works on water quality issues for DEQ and has a keen interest in broadening the board's reach and contacts with the communities of Portland.

Mike reminded members of the process: the board had recommendations from their workgroup for voting members. In addition, the bureaus directors are recommending that Ana Brophy and Van Le continue to be the ex-officio members from BES and PWB respectively. In addition, BES is recommending the Vera Zaharova join the PUB as an ex-officio member.

Mike made a motion that the board recommend Heidi Bullock, Colleen Johnson, Rob Martineau, Dory Robinson, and Allan Warman to the Mayor as voting members of the PUB and support the recommendations of Ana Brophy, Van Le, and Vera Zaharova as ex-officio members.

There was no public comment.

All members voted in favor of the motion. No members voted against and none abstained.

IX. Board Conversation, Spotlight Tracker, Mike Weedall, Boardmember

Mike W. provided an overview of the tracker. Ana commented that she wanted to be sure items that were no longer tracked on the sheet were preserved. Allan noted that he's like to see this evolve into a tool that can be sued by the public. Colleen suggested tying the categories to the PUB values. Scott noted a need to add major milestones for capital projects and markers for things that don't yet have dates. He also suggested adding a yellow cautionary coding. Portland Building, Corrosions Control, Filtration, and Willamette River Crossing were all suggested as items to add.

The board then talked about the pending potential reassignment of the bureaus among commissioners. Melissa reminded the members that as part of the budget process, the mayor took back all the bureaus and it was expected they'd be reassigned soon. The board talked about sending a letter to the mayor conveying the benefits of keeping the bureaus with one commissioner. Members expressed that it added stability to the management of the bureaus and opened the possibility of conversations about economies of scale and efficiencies. Meredith also said that from an affordability perspective it allows for holistic conversations has been instrumental in oversight.

Mike made a motion to task the chairs with writing a letter stating the benefits of a single commissioner and Dan seconded the motion. All members voted in favor.

[After the meeting, the [letter](#) was drafted and sent to Mayor Wheeler].

X. Board Meeting Agendas

Allan previewed the upcoming agenda for the next board meeting.

The meeting adjourned at 6:30 PM.