

Portland Utility Board

July 19, 2018 2pm – 4:30pm

111 SW Columbia Street, 8th Floor Conference Room

Meeting # 48 Minutes

Attendees:

PUB Members:

- Ana Brophy, ex officio
- Allan Warman
- Colleen Johnson
- Dan Peterson
- Dory Robinson
- Heidi Bullock
- Micah Meskel
- Mike Weedall
- Robert Martineau
- Scott Robinson
- Ted Labbe
- Van Le, ex officio
- Vera Zaharova, ex-officio

Absent:

* Lee Moore

*Notice of absence provided prior to meeting

Staff:

- Mike Jordan (Director, Bureau of Environmental Services)
- Dawn Uchiyama (Deputy Director, Bureau of Environmental Services)
- Gabe Solmer (Deputy Director, Portland Water Bureau)
- Cecelia Huynh (Director of Finance and Support Services, Portland Water Bureau)
- Jonas Biery (Business Services Manager, Bureau of Environmental Services)
- Megan Callahan (Communications Director, Bureau of Environmental Services)
- Tony Andersen (Strategic Communications, Portland Water Bureau)
- Maiya Dolgado (Principal Management Analyst, Bureau of Environmental Services)
- Kathy Koch (Customer Service Group Manager, Portland Water Bureau)
- Chris Wanner (Operations Manager, Portland Water Bureau)
- Todd Lofgren (Senior Policy Advisor, Commissioner Fish)
- Jeff Winner (Capital Improvement Program Planning Supervisor, Portland Water Bureau)
- Annie Von Burg (Environmental Policy Manager, Bureau of Environmental Services)
- Doug Wise (Water Resources Program Manager, Portland Water Bureau)
- Melissa Merrell (Principal Analyst, City Budget Office)
- Shannon Fairchild (Financial Analyst, City Budget Office)
- Alexandra Martin (Executive Assistant, City Budget Office)

Public: Janice Thompson (Citizens Utility Board)
Carol Cushman (League of Women Voters)

I. Call to Order

Colleen called the meeting to order. She 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. She gave an overview of the [agenda](#).

II. Prior Meeting Minutes

Colleen asked if there were any changes to the minutes of the June 5 meeting. Gabe offered a suggested change to her description of the cyanotoxins in the Bull Run watershed. The [minutes](#) were accepted with the revision.

III. Public Comment

There was no public comment.

IV. Disclosure of Communications

Ted disclosed his regular interaction with BES staff through his work and the nonprofit Depave.

Micah said he had meetings with BES related to the new Central City Plan.

Colleen and Allan met with new members to give them background, duties information, etc. last week. Melissa added that the new member trainings included a session with the City Attorney's Office regarding ethics and roles as public officials.

Rob had a labor issues discussion with Mike Stuhr and Gabe Solmer. Rob added later in the meeting that that Mike Jordan requested a meeting. The topic was labor reorganization.

Allan reiterated Colleen's disclosure of communications.

V. PUB Co-Chair Board Discussion and Vote on Recommendation

Melissa gave an overview of the co-chair voting process. The board has two co-chairs and they are appointed by the Mayor for staggered two-year terms.

Micah asked if a candidate can vote for themselves. Melissa said yes.

Ted gave a summary of his thoughts on the role of the board and the co-chair position. He said candidates need to increase involvement with the bureaus they advise, represent many varied voices, and focus on rate and affordability issues. He indicated that filtration is an example of how PUB can work together. The role of the co-chair is not just to add value to the work of elected officials but to engage all Portland residents (not just ratepayers). PUB should grow into this. PUB should use social media, support the city's green spaces generally, move beyond the water district proposal, and grow into a facilitation role between bureaus. PUB should consider how they provide meeting access. PUB should support Mike Weedall's spotlight tracker. PUB should revisit the charter with the mayor's and commissioners' offices to expand the public engagement piece. PUB should look at the decision-making process of the board. Ted addressed the questions about the non-profit Depave. He is a board member and gives annually to organization. He doesn't get paid and rather is losing money. He is involved in the direction of

the group. They receive about \$10,000 a year from BES. He indicated that he discloses this every meeting.

Allan indicated he would like to continue his role as PUB co-chair, working with Colleen and providing continuity of leadership. He said he brings several unique strengths to the role. He has a Masters degree in economics and finance expertise. He brings levels of knowledge and analysis that are important when considering and making recommendations regarding the bureaus' budgets. He indicated that his work experience also makes him a strong candidate and provides a unique and valuable perspective. He has a good relationship with commissioners and city leadership and would like to continue his role. He has a broad knowledge of city issues and utilities including PGE. He would continue to recruit new members. He enjoys being a part of committee meetings and attending neighborhood meetings, for example going to Lents as a PUB member. He represents PUB and builds rapport with citizens and engages with officials like Commissioner Fish and Mayor Wheeler. He agrees with Ted that the Board needs to engage the community and take meetings to neighborhoods. PUB should be thoughtful about water and sewer rates and rate affordability. He said he takes the role seriously.

Heidi asked how long each has been on the PUB.

Ted said he has been a member for one and a half years, since winter of 2017.

Melissa said Allan has been a member since the beginning of PUB (about three years).

Mike asserted his support of Allan and said that this group has grown since gestation. He explained that the experience of Allan and Colleen cannot be replicated. He encouraged the members to consider Allan, allowing him to continue to grow in the role.

Scott asked Ted to elaborate on his charter comments.

Ted explained that the charter was developed out of an initiative to support public engagement and communication, but it is secondary to the budget watchdog role. It has been a few years and it is time to revisit the charter with the commissioner and ensure it is a good fit.

Ana asked what public engagement looks like for Ted.

Ted suggested PUB hold the meeting in each of the five parts of the city. He suggested engaging with neighborhood groups to increase public participation. He said PUB should consider at what stage to include public comment.

Colleen said she supports Allan and that she really enjoyed working with Allan. She said she did not know prior to her involvement in PUB how much work, including other meetings, there would be as a chair. She said that Allan has been really dedicated.

Micah said he goes to lots of community groups and that it is important to be an advocate for other communities and residents of different regions in the city. He understands that Allan has different relationships with other bureaus. Micah asked Allan to elaborate on his other advocacy work for diverse constituents and groups.

Allan explained that getting PUB connected to more associations was important to help them understand some of the basic needs with regards to sewer and water. He went to four neighborhood meetings to explain the filtration conversation. He explained they were irritated because the water bureau was coming to them after the decision was made. He said that PUB could step up their communication efforts so residents can understand the issues. He went to the Lents association where that asked why the rates were so high. This was after an approval for an increase of nearly 5%. He went to the meetings in Madison and the Rocky Butte associations as well.

VOTE:

Ted--5 (Ted, Micah, Dory, Rob and Heidi)

Allan—5 (Allan, Colleen, Mike, Scott and Dan)

Melissa announced that the Board didn't have the votes to make a recommendation for a second co-chair. She said there will be a revote at a future meeting. Colleen continues as solo chair. Micah asked if Lee was reachable. Melissa said Lee was not reachable today.

VI. **Acceptance of Quarterly Reports**

Colleen gave an overview of the two updates from PWB; one will be on [filtration](#) and one will be on [corrosion](#). There is also an update on the Portland Harbor [superfund](#) site. The reports were circulated to board members last week.

Scott asked if the filtration and corrosion control item would go before PUB before the August City Council calendar date. Melissa said it will be on the agenda for the August 7 meeting. She said that the council work session will be on August 14 and the board will have an opportunity to provide feedback before contracts are brought to City Council.

Scott noted there is design work going on before the CMCG contract is approved by City Council. Scott asked about the timing lag between the design work which was $\frac{3}{4}$ of a year under way. He said this is unusual since it was before the general contractor was in play. Gabe said she'd provide more information.

Dan asked about the cost impact of the temporary corrosion control measures and if the cost estimate for filtration included costs for incorporating permanent measures. Micah asked if the estimate includes the cost savings. Gabe answered that the cost savings were included in the low-cost estimate, but it was not a one to one relationship.

Scott requested an update on the allocation process for Portland Harbor Superfund site.

Colleen asked if there was any public comment. There were none.

Colleen asked for a motion to accept the quarterly reports. Scott made the motion; seconded by Dan. All members voted aye.

VII. **PWB Groundwater and Water Quality Update**

Gabe Solmer, Deputy Director; Chris Wanner, Operations Manager; and Doug Wise, Water Resources Program Manager, Portland Water Bureau

Gabe, Chris, and Doug presented the PWB Groundwater and Water Quality Update.

Gabe reminded the board that Melissa had circulated a notice in mid-June that PWB was activating the Columbia South Shore Wellfield to supplement the water from Bull Run. PUB members had a prior [presentation](#) on the wellfield as read ahead materials. The bureau wanted to take this time to remind members about the role of the wells and its interaction with surface water supply from Bull Run.

Chris said that members can see the up-to-the-minute drawdown with all the timely information on the PWB [website](#).

Doug said that this topic has a 100 million-year history and he was explaining the 70 million-year version. He provided a diagram of the [aquifers](#). He said that regional ground water is different in different regions. The well field does not have a boundary like a watershed does. Water in the wellfield has a 30-year timeline of travel. The boundary is determined by the infrastructure used to extract it and put it into the system. He reminded PUB about two issues the infrastructure was designed to resolve. In winter, turbidity events require a backup supply when Bull Run is offline. In other seasons when it is not raining and there is no water coming into Bull Run, groundwater is used to augment the supply.

They have activated the wellfield for this issue 15 times in the 34-year history. It will continue to help address challenges such as climate change in the future.

Micah asked about the difference between overbank and confining units and Doug explained the difference.

Micah asked how vulnerable the Blue Lake aquifer is to contamination. Doug explained that Blue lake is most vulnerable to contamination because of the depth of the lake. He explained that there relatively few contamination sources. Efforts to prevent contamination include working with Metro on fertilizer and pesticide use in Blue Lake Park, outreach, working with the Columbia Slough Watershed Council. The Blue Lake source is distinct from surface units. In 1992 when a contamination bloom was found in Gresham they were ordered to curtail the bloom. With proactive protections there was no impact. There was an environmental agreement with DEQ to prioritize the source and speed up remediation.

Heidi asked if drawdown is monitored in groundwater. Doug said transducers are used to give continuous readings at 50 distinct points. The level is monitored on a weekly basis to see the effect of the water levels. The levels are compared to past heavy pumping events, like in 2003 and 2006. Drawdown in reservoirs is different than drawdown in an aquifer; they are measuring pressure over the field and not measuring absolute water level.

Ted asked how aquifers recharge and what was the ultimate source of the supply and renewal period. Doug responded, saying the aquifers recharge from the sands below Columbia River and from precipitation. He pointed out the Portland map and explained that Portland is a basin and

the Gorge area is the watershed. Water moves about a city block a year when it's not pumped. The sands maintain the pressure.

Heidi asked about contaminant monitoring. Doug explained that there are eighty monitoring sites. They use continuous monitoring and ramp up when pumping water. They identify blooms and monitor the clean-up.

Chris said he has been around for every groundwater run. The source used to be artisan (under positive pressure so the water would push to the surface) but that is not the case anymore as more people pull from the aquifers. Chris said they expect to pull from groundwater for the rest of the summer. He referenced the 2018 [drawdown](#) sheet and 2018 curve of supply in the watershed. The left axis shows 9.9 billion gallons of usable storage. That demarcation is related to the elevations. At dam two, at an elevation of 840, water quality suffers, making it hard to maintain water in tributaries and pulling fine silts. When fall rains arrive, if the level is drawn further there is an increased possibility of a turbidity event. In water manager discussions, it is important to get to full pool before the drawdown. The effect in May was that there were five to seven days of drawdown before they got to full pool. It stopped raining earlier than expected. On May 20, drawdown began, meaning PWB were extracting more water than was going in. There are also requirements for habitat conservation. The goal is to meet the habitat demand and the city demands. PWB has tiers of supply and augment by adding groundwater into the system.

Chris said PWB develops a summer supply [plan](#) every year. There are various tiers of supply. Chris referenced the graph. The supply plan considers forecasts and analysis. This summer they started using groundwater in June for industrial users. For other consumers, they used a blend of both groundwater and Bull Run. As demand goes up they will make up the difference with Bull Run. There is 36 million gallon per day curve.

Chris explained that they are on target to start on two main units. That plan depends on the precipitation forecast, however. They cannot use forecasts beyond a few days.

Ted asked a clarifying question about the two main units of groundwater. Chris said they have 26 wells that feed into two large tanks and feed six main units. There are also two smaller pumps. The six main units produce 18 million gallons a day apiece. He described the dynamics of water flow, saying the more you turn on the less you get. This is related to friction loss.

Chris said there were tiers of contingency resources. Scott asked if interruptible water was a component and Gabe said yes. Scott also asked if conservation measures were included in tier one and Chris said yes. Chris said that voluntary curtailment is part of tier one.

Scott asked if there was an effort to step up conservation. Chris said they work with a consortium and they do that conservation work for them. Conservation measures have decreased demand over the last 20 years, including in baseline demands. Curtailment is a different issue. The regional group does proactive conservation messaging. The bureau does not do conservation messaging.

Gabe added that is important because in different jurisdictions there are different pressures. For example, wholesalers are under different pressures so they need to communicate through the consortium. Since there is one big media network having a consistent message is important.

Scott asked about contingency planning for more acute events and more regionalized events due to global warming. He said the conservation message could be emphasized and conservation is less expensive than building new capacity.

Gabe mentioned that item was an issue with the risk profile the bureau was building.

Dory asked if oversight is from DEQ or another regulatory body was involved. She asked if there are other existing underground injection units. Doug explained particularly in relation to contaminant remediation. There is an intergovernmental agreement with DEQ to allow information sharing and to speed up remediation. Doug explained that DEQ doesn't apply specifically to Blue Lake but contaminant remediation for the area in general. There is an agreement that goes back about 15 years.

Doug continued to explain that the underground injection controls are easier because they have BES partners that help. Outside Portland they do training on spill response, etc. Contamination issues are typically legacy issues and involve some form of control and remediation. On the private side, they look at the wellhead injection program. The program covers 30 years of travel outside of the municipal ground water.

Mike referenced the chart. He said that this is a regional issue. He asked at what point in the chart do they do something more dramatic about curtailment. He gave the example of adopting a law managing watering lawns. He described an echo point in long range planning. He referred to working at BPA and studying climate change in the Northwest. Chris said the summer supply information outlines and addresses some of the questions and lays out curtailment efforts. As they move through baseline augmentation to cessation of baseline augmentation the supply tiers down into curtailment modes. They look at tier two more and more. They consider this issue yearly and consider long-term climate change. This is part of the efforts of the bureau.

Melissa asked for information about maintenance. Chris explained that there is \$500,000 per year in maintenance built in. The wells are 34 years old. They must go down to rehabilitate the well casings. The equipment also needs to be maintained, for example cleaning the screens to maintain the amount of inflow. The pumps themselves are also old. Some of the wells have been rehabilitated. All of the mercury seals have been replaced. There is a 15% built-in failure rate; there are 15% out of service. Three wells are down. They are looking at the failure rate and doing the best they can with asset management. Performance and predictive analytics are considered. They preload a set amount and look at it year by year to meet the 85% running capacity.

Revisiting a topic from the previous meeting, Colleen asked about the OHA temporary testing protocol for cyanotoxins. Gabe answered that Salem was just finishing up with the advisory process. OHA decided to issue a temporary ruling different from the permanent rule. The temporary rule includes surface systems and not ground water systems. There is monitoring of surface water every two weeks. The monitoring began July 15th and will be in place until October

- covering the range of time when blooms most likely would happen. About 100 systems follow the temporary rule. This data will be used for permanent decision making at the end of the year.

Micah asked if they are testing in Ross Island where levels were dangerous for recreation.

Gabe answered no, explaining that the rule is only for drinking water systems. Bull Run has specific factors that do not make it vulnerable to a bloom. Gabe emphasized it was not susceptible to a bloom but could have a detection.

VIII. **PWB Customer Service and Monthly Statement Process**

Kathy Koch, Customer Service Group Manager, Portland Water Bureau

Colleen introduced the monthly statement topic. Commissioner Fritz had asked in the utility rate hearing if PUB had thought of ways to get more people to go from quarterly billing to monthly statements.

Kathy started by explaining that with monthly statements meters are still read quarterly. An example of a billing situation was described. For the billing period October to January the total due was 287.65. With quarterly billing, the invoice will be dated January 23 and be due February 23. With monthly billing, the invoices will be \$95, \$95, and \$95 over the next three months. She noted that there isn't a lot of flexibility in due dates with monthly statements. In quarterly billing, if a payment is late one collection stream is initiated. Customers have the flexibility of calling PWB and arranging payments that work for them. With monthly statements, it is a more manageable amount and customers do not need to call every time they want to change the payment schedule. However, there are there due dates, allowing for 12 times a collection stream could begin.

Kathy said about 22,000 customers are on monthly statements; less than 3% are known to be low-income customers. The monthly billing wasn't created as a low-income assistance option. The reason monthly billing was offered was to allow customers to compare their bill with PGE and other bills.

Kathy said they do promote very strongly the monthly statement option. The meter readers are trained to discuss options. They provide information in new customer welcome packets, messages, and newsletters.

Kathy explained the difference with an automated system that could allow customers to pick a due date; Kathy is a big proponent of automated system; it would be an expensive choice.

Ted brought up the issue that was part of an Administrative Review Committee in which he participated. He described a scenario for a low-income customer. If the customer had a leak in winter and didn't catch it in time, their bill would become unaffordable. Monthly reads for low-income customers could solve this problem. Ted asked if there were an automatic system, if there could be cost sharing the bill from the leak for a low-income person. He also suggested that when a customer buys their automated system, they could choose to pay for two more.

Kathy said the problem of a leak is not seasonal. Winter is the average setting period at BES.

She spoke about deploying the entire automated system versus just ones in low-income homes. The cellular system is an alternative where a slow roll out could happen. An option could be to get cellular reads for some people rather than investing in the whole system.

Colleen asked of the 170,000 customers that do quarterly statements how many request payment arrangements. Kathy said the bureau doesn't track that data but likely thousands. Colleen asked if the customer had to call each time they receive a quarterly bill and Kathy said yes.

Dan asked if there is a trend in monthly versus quarterly. Kathy said that there are 192,000 users, 170,000 do quarterly and 22,000 on monthly statements.

Mike said that at some point there will be a transition to digital. He asked if there was any kind of target timeline to go automated. Kathy responded that PGE and natural gas are ahead because a power source is needed for automation. Batteries don't do well in the ground with rainy weather, but other local jurisdictions have transitioned to automated readings.

Gabe said it's on the list with all of the other priorities, recognizing that regulatory requirements made them prioritize issues they wouldn't prioritize otherwise. Jeff Winner added that an automated system is part of the funding gap in the capital report.

Dory mentioned the semantics regarding low-income customers and asked PWB who they partner with to provide access. Kathy spoke about the low-income financial expansion program. They have enhanced the entire low-income program in general. A \$150 to \$500 crisis voucher is offered. Kathy added they just added options for those at risk of homeless. They partnered with Home Forward. They have not been able to help multifamily users.

[Addendum – post meeting, Dory requested this be added to the minutes:

ADDENDUM: When I stated, "There are two main groups of low income", I've come to realize others may have interpreted my statement to mean that poverty could be measured into two (2) categories for Portland's low-income communities to receive certain rates. That is not an accurate structure, nor comprehensive. To be clear, poverty is a multilayered, systemic and insidious epidemic that infringes on our human right to live. I encourage the PUB, BES, PWB and City Council to broaden its understanding of poverty. The actions and statements I have reviewed may be a start, but do not do enough to deliver services equitably to those in most need.

In a nation that tout's one of its virtues as being "the land of opportunity," poverty is our greatest sin. It manifests in many complex experiences of suffering: it could be situational or generational, it can occur in both rural and metropolitan demographics. In the city of Portland, I have witnessed a marginalized group who live in "Absolute Poverty," the homeless: where there is a scarcity of basic necessities like shelter, food and running water.

When speaking with the Portland Water Bureau (PWB), I wanted to draw attention to this group since the current structure of PWB's low income program does not appear to adequately serve this population. They will especially be left out when the PWB transitions to advancing their bill payment and monitoring systems to electronic or iOs mobile systems. Kathy Koch's statement

“if they have access to a cellphone, computer or internet wielding device, they can use the soon-to-be new tech system” is not a sufficient work-around. People who live in absolute poverty do not have access to these advanced technologies and the PWB needs to actively pursue community engagement strategies that will increase said access.

PWB needs to do high level research and present to the Board the comprehensive steps and measures they will implement to empower these vulnerable populations. I recommend a strong training on systems of oppression, poverty, and intersectionality to help found our discussions and come to productive solutions.

End of addendum]

Scott said there was a fair amount of best practice work to be done. He encouraged a joint reading that could be conducted with other utilities (PGE, NW Natural). He asked if they have ever considered a true monthly bill based on historic usage with a true up at the end of the year.

Kathy said the current billing system would not allow them to do that. Kathy said they used to have equalized payments. The way billing was set up assumed billing monthly. They found the estimate was not accurate enough. During the one year true up there would be a large bill or a large credit.

Ted reiterated Scott’s joint reading question.

Kathy said NW natural approached them and then PGE and NW Natural changed reading technologies. She also explained there are concerns about sharing data and sharing infrastructure.

Scott said mentioned IMA and tiering of rates and that method is looking ahead to global warming.

Micah asked about the lifespan of current meters. Kathy said they follow best practices and they change meters based on usage versus age. Some have been in the ground for 40 years and others for three.

She also added that with monthly statements, the true up is per quarter.

Janice followed up on Scott’s point. IMA plays out in energy arena but is not applicable in water. In terms of low-income customers, how much would it cost to institute a more generous leak policy. If the leak happened in summer a customer would notice because the weather is dry. She said she had a leak and got a break on her bill.

Kathy said she is on several nationwide committees; Portland is very generous. The bill has the sewer component and water component. In cases where there is a leak, customers have gotten 100% of leak the written off. If it is an indoor leak into the sewer, they would share half. They make every effort to own part of issue.

IX. BES Strategic Plan and Performance Update

Michael Jordan, Director and Dawn Uchiyama, Deputy Director, Bureau of Environmental Services

Mike J. began by saying the BES leadership team is preparing in earnest for the budget summit in the first week of October. They will look at what they did well last year and where they didn't and why. They will then incorporate the strategic plan into the next year's budget.

They need a sustainable level of service; they need to get up to \$140 million out capital out the door to maintain the level of service that they are at now. They would like to increase the level of output which is right around \$80 million a year now.

Mike and Dawn presented the CIP PREP recap, the reorganizational process, and a metrics project update.

Dawn referred to the [presentation](#) and the strategic goals slide. All ideas nested in six categories with interwoven objectives. They will work on all fronts over time and use the plan for ten years. They are asking themselves what they are doing well and what do they need to do better.

Dawn reminded members of the strategic priorities within the six goal areas. For example, for the paired goals of service delivery and responsive business systems, the strategic priorities include performance metrics, CIP process improvements phase II, comprehensive data management strategy, asset management re-launch, and code, administrative rules and policy.

The second goal pair is workforce development and bureau culture. Dawn said recent hire Victor Cato was creating a plan on procurement related to equity and launched a bureau-wide job rotation program. He was the goal leader for this pair.

Dawn also touched on the third goal pair of city government and community relations. The strategic priorities in that group include proactive coordination and collaboration, PUB, Community Relations and Proactive Communications, Citywide Green Infrastructure Agenda, and convening city bureaus around green infrastructure discussion

Dawn then highlighted two goal areas. She talked about the metrics program that launched in March and reminded PUB members of Maiya's presentation from May. This will be a multi-year effort and take several iterations to get right. Dawn thought by December they will be in place to talk about key performance metrics. She also talked about the work on CIP PREP. They have been working on phase two in the last six months including key division managers in the bureau and BLT (bureau leadership team) to find alignment around project planning, integrated planning, project delivery, and governance.

Dawn said the organizational change is taking place from 2018 to 2020. Mike Jordan has directed the work be completed in two years. Organizational change is just one piece of this work. Workforce talent and business processes are also crucial. She discussed functional services areas and said there would be new teams around integrated system planning, portfolio management, and project management. The team has observed best practices in project management, and the client service provider relationship with people that are responsible for the system. They gained leadership alignment in areas identified in phase one and two.

Areas they want are still exploring are asset management, environmental monitoring, and integrated operations. There are outstanding questions about organizing this work.

Mike J. then talked about the transition implementation roadmap. He said it is easy to change organizational charts but how to support and assimilate and change culture will make this change successful. The organization is good at being accountable to bosses; they are a hierarchical organization. They are not as good at being accountable to customers (both internal and external). They must figure out how to instill a dual accountability. Every group should know their product and how they are going to measure performance.

Colleen asked Mike J. to describe the culture of the bureau. Mike responded, saying it is not necessarily transparent. The decision-making process is not clear. They must do a better job of understanding internal customer service. One phrase to describe the bureau is in transition.

Colleen stated that one of the general goals is to improve efficiency. She asked Mike J. to define that in this context. Mike spoke about reducing re-work. In the integrated planning example, it is not intentional to integrate them. The planners come up with plans, risks, and opportunities. Those items are turned into projects in the CIP. What goes in through a PRF is not robust or transparent. That is an illustration of rework. Dawn added there will need to be clearer decision-making and roles and responsibilities.

Ted asked about portfolio management versus asset management. Mike J. explained that portfolio management means that people in the bureau are going to create a risk register and then turn into actionable solution. Many of the solutions will be capital projects. One can see them as the chief staff of BLT. The chief informers using asset management principles. Asset management is in three different groups currently. They will consider if it is the right collection of functions, modelers are in ASM, and questions to be answered.

Scott observed there is 80% capital throughput and applauded the ambitiousness of doubling the capital output. He said organizational change can lead to a lack of productivity. He asked how BES will square that with goal of increasing CIP goals. Mike responded for the next few years the bulk of CIP funds will be for large projects at the treatments plants. They are using an operational model and bringing on consultants for those projects. He doesn't think they will lose traction at the treatment plants, but other parts might lose a little traction.

There were no other questions.

X. Board Meeting Agendas

Colleen previewed the upcoming agenda for the next board meetings.

August 7, 2018, 3:30pm Board Meeting

Location: 1900 SW 4th Avenue, Room 2500C

Agenda: Filtration, Board Procedures conversation

The meeting adjourned at 4:30 PM.