

Portland Utility Board

December 4, 2018 4pm - 6:30pm
1900 SW 4th Avenue, Room 2500C
Meeting #58

Attendees:

PUB Members: Ana Brophy, ex officio
Allan Warman
Dory Robinson
Micah Meskel
Mike Weedall
Ted Labbe
Lee Moore
Robert Martineau
Dan Peterson

Absent:

*Colleen Johnson
*Heidi Bullock
*Scott Robinson
*Vera Zaharova, ex-officio
Van Le, ex officio

*Notice of absence provided prior to meeting

Staff: Dawn Uchiyama (Deputy Director, Bureau of Environmental Services)
Ken Bartocci (Principal Financial Analyst, Bureau of Environmental Services)
Steve Hansen (Capital Program and Controls Manager, Bureau of Environmental Services)
Dawn Sanders (Portland Harbor Technical Manager, Bureau of Environmental Services)
Gabe Solmer (Deputy Director, Portland Water Bureau)
Cecelia Huynh (Director of Finance and Support Services, Portland Water Bureau)
Jeff Winner (Capital Improvement Program Planning Supervisor, Portland Water Bureau)
Ryan Kinsella (Principal Financial Analyst, City Budget Office)
Alexandra Martin (Executive Assistant, City Budget Office)
Yung Ouyang (Senior Financial Analyst, City Budget Office)

Public: Carol Cushman, League of Women Voters

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](#) which including the capital projects and processes for the bureaus.

Allan noted the sign-up sheet for public comment. He noted comments were limited to three minutes.

II. Prior Meeting Minutes

Melissa had circulated the draft minutes from the November 15th meeting. Allan asked if there were changes or correction to the minutes.

Seeing none, the minutes were accepted.

III. Public Comment

There was no public comment.

IV. Disclosure of Communications

Allan referenced talking with Tony Andersen, PWB's Director of Communications, and said he was hopeful the bureau would do more events like the Community Water Forum.

There were no further disclosures.

V. Board Discussion: Staffing

Allan said Jessica has been reaching out to stakeholders.

The letter in the packet stresses how important proper staffing of the Board is. Colleen drafted the letter. They would like to get approval to send it to Jessica, cc'ing bureau staff and commissioners. The letter talks about how important it is to staff correctly, noting Melissa spent little time on analysis though she was hired for analysis and not admin work.

Allan said they would like to draw a line in the sand and say it is important for PUB's success that staffing the vacancy is run efficiently.

Ted asked about the contents of the letter, he acknowledged they wanted two FTEs to staff PUB; he asked if they can only get one, which is the preference.

Allan said the original intent of the Blue Ribbon Commission was to have two positions. He said they can be a better board with better analytics. He said two positions is what they should stress.

Ted repeated his question on which role is more important to fill first.

Ryan Kinsella said Jessica could not be at the meeting but wanted to be sure PUB feels supported. Ryan said he staffed PUB in its early stages. In the FY 2015-16 adopted budget, one

FTE was dedicated to supporting PUB with a recognized need to revisit this in the future. With Melissa's departure there is an opportunity to assess the appropriate staffing level. The Budget Office is open to hearing feedback and recognizes the analytical and administrative needs. They need to find the right position description and support the goals of PUB in the work. Jessica is planning on doing more stakeholder engagement and PUB will be involved in the recruitment process.

Lee asked if they were recruiting or interviewing.

Allan said it will be a while before they are staffing the position. He said he wasn't sure it would be done before the fiscal year ends.

Ryan said it takes about 90 days for BHR to process a new hire. They have time to think about the exact needs. The City is not known for quick recruitment timelines.

Allan said the gap will require more responsibility from the board members.

Lee asked if they were recruiting for an analyst.

Ryan said they want to get feedback and that will help them define the position description and recruitment to identify the best candidate.

Lee said they are not recruiting and are still waiting for input.

Ryan said Jessica is reaching out.

Lee asked if PUB has communicated what they are looking for.

Allan said they are looking for more.

Dory added they are looking for more support in both in administrative support and analysis.

Robert said they are two distinct positions and should be staffed separately.

Lee asked if they are also looking for administrative support.

Allan said they hired a very good analyst who was tasked with administrative work to the point that she wanted to continue her analyst career elsewhere.

Carol Cushman of the League of Women voters asked if they are reaching out to stakeholders and the community.

Ryan said yes.

Carol asked if the community could contact the Budget Office.

Ryan said they are reaching out to PUB, bureau staff, commissioners, and the public as well.

Carol asked about the route for public comment and asked if Jessica should receive the communication.

Allan said yes, Jessica should receive the comments.

Ryan said yes.

Allan said Jessica has a significant workload and is short on staff.

Carol said the public are often the last ones contacted and she wanted to be proactive.

Lee said if they hire for an admin position they won't have a gap while they decide what they want the analyst position to do.

Allan said they should take this feedback in the letter and ask the City to start staffing on the admin role.

Dan said he agrees that should be included in the letter and they should act on the letter now.

Allan asked if they had any other additions to the letter.

Ryan said PUB is currently staffed by Council at one FTE and Council may be open to having additional FTEs. There will be additional costs that have not been budgeted for. If they hire an admin, Ryan wanted to flag the possibility for conflict.

Allan brought a motion to approve the letter with the addition to move directly to hiring the admin position.

Micah said yes. They should state directly and strongly that they need both now.

Dory said yes, she seconded the motion.

Allan said hearing no exceptions they would vote to send the letter with the change noted.

All aye.

None were opposed.

VI. Board Discussion: Community Water Forum

Allan transitioned to discussing the Community Water Forum.

Rob said Commissioner Fritz gave information as did Dana Peters. He didn't see any information PUB has not already seen.

He said there was an assertion from a community member that implied the work was contracted with a no-bid contract. Rob said it was a CNGC, which is different than no-bid.

People also had questions around what the noise and construction impacts would be. People living adjacent to the carpenter lane had concerns. People asked about the impacts to taste and water quality. He said the bureau said they were working to have people taste test to see the difference. The quality would be the same.

Rob said that was the general discussion. People offered Peters feedback. Commissioner Fritz solicited comments and said this is the public's time to provide ideas and concerns.

He said overall the open house was informative. They had information on conservation, maps of the watershed, and high level drawings about what the space could look like.

Rob said Allan, Dan, and Micah also attended.

Rob asked if anyone else had feedback. He said he would like to see more events like that planned. Allan was introduced by the commissioner and she recognized PUB was in attendance.

Rob said 40-50 people were there.

Micah said he hoped they could have continued conversations with local stakeholders and water staff. The brief summaries were useful.

Rob said they should invite Gabe to provide her input.

Gabe said an important group of stakeholders are neighbors of the site. They met with a group of eight neighbors who were interested in all meeting together. They were concerned with traffic, odor, screening, and buffering. It is a 95-acre site. If plans move forward as expected the plant has a footprint of 30 acres. There are many options in screening it off from the neighborhood. On December 12 they have time certain at 10:45 at Council to hear a resolution on the foundation issues. They invited the neighbors to attend as well.

Allan asked if there will be additional communication on this.

Gabe said yes, they expect more communication. It is a 10-year project. They will talk about the long-term communications plan to offer advice and what communications strategies they should be including.

VII. Ken Bartocci (Principal Financial Analyst, Bureau of Environmental Services)

Ken gave a brief update on where they are at with budget changes.

The functional areas, which they are calling program areas, will change next year.

The week of November 12 they hired temporary help. The week of November 19 they distributed program narratives to program owners to input information in the new format. They are working with owners to populate the forms. CBO and Shannon Fairchild provided guidance. December 18 is the target for program narratives. They expect to share them at the December 20 meeting. They are finishing populating the details. They will do internal quality control in January. They expect to refine and revise in FY 2020-21 to align with their operational structure.

Regarding the budget development process, the leadership team had two all day information sharing sessions. They are having weekly check-ins. To date, based on discussions, they have found internal reductions to eliminate \$7 million from group level requests. They are continuing to sort out the details to get the operating forecast aligned better. The FY 2019-20 results will be explained on December 20. They will give a rough idea of the total increase; it will be around \$6.8 million. There is a mix of ongoing and one-time including nondiscretionary. The increase will be offset by a reduction of \$5 million. \$1.8 million is in revenue and there are 15-20 in FTE. This is in line with prior year expectations. As previously indicated they will stay within the rate forecast of 3% or less increase for 19-20. They expect no surprises.

Allan asked how many days in advance would they be able to have the materials to support this information.

Ken said he didn't know.

VIII. **BES FY 2019-20 Capital Improvement Plan (Steve Hansen, Capital Program and Controls Manager, Bureau of Environmental Services)**

Steve said for the last couple of years, they have heard about the increasing backlog of deferred maintenance and that they need to increase capital project throughput. He is here to talk about how they are preparing to ramp up to do more capital work.

He said much of the hard assets are deteriorating. The pipes are caving in and wearing out, they are decades old. The treatment plants are past the design life. There are problems every week. The service water systems, culverts, and ditches are in poor condition. Non-process facilities are also deteriorating, buildings need new HVAC, there is mold. There is a lot of deferred maintenance. Hundreds of miles of pipe have an undefined condition. The pictures in the presentation show how much a pipe can deteriorate in ten years and leak.

The bureau is also conducting strategic planning and SIP prep. They have a multiprong approach to prepare for the ramp up.

They are developing improved project identification. They are funding projects when they are ready to be worked on rather than having many unknowns in the project and funding projects when they are not ready to move into certain design phases.

They are seeing technology improvements and that is helping.

Other improvements are coming out of CIP prep.

They are getting better internally.

They are on a mission to do better in how they do business.

A few months ago, they reviewed zombie projects. These are projects where they didn't know the scope or why they were in the CIP. They didn't find zombie projects, but they found 60 projects that were completed and ready to be closed. This freed up \$12 million. When projects are open when they should be closed, or they will continue to incur costs year after year. They were incurring costs for 60 projects.

The top to bottom review also gives a different and broader representation of how the bureau prioritizes work. Historically, there has been a narrow group within engineering group identifying and scoring projects. It has expanded to a cross bureau effort. This has expanded the evaluation approach. It helps them look at what projects they should do and what should be prioritized. They discovered some of the most urgent and high-risk projects had not started work. They are shifting priorities to reduce most the urgent risks.

Some projects requests have been identified. There are deteriorating culverts, landslide risks, and flooding risks. The Columbia Boulevard treatment plant work will reveal additional things to be fixed as a result of the updated project review approach. After the projects are vetted for delivery-readiness that will be \$43 million. In the past a lot of the projects would have been initiated. They would have tied up money in and gone into the CIP. The efficiency improvement is part of how they are trying to get better.

They have a lot of efficiency improvements. They have 400 projects and they are updating project schedules. Each has a schedule and they range from good to those that don't seem realistic. They have more accurate schedules and will do better in resource planning and tracking projects.

They are using Heron project management software, it is E-Builder based.

They are tweaking on the edges. Processing vendor invoices is 30 plus days faster. They are laying groundwork to be more effective and efficient.

Technology helps them get better. One reason projects are not completed efficiently is they don't often don't have good information on the scope of the project; they don't have good detail on stretches of pipe. Scoping the pipe with video is time consuming and it is easy to miss details. Now they take readings through a high-pressure line. As it moves through, every inch of pipe is evaluated for cracks and weak places in the pipe. They can go through a mile of pipe in minutes.

Another example of technology is directional drilling; drilling sideways instead of digging a pit is more efficient.

They also use poured in place pipeline. The pipe is inflated with steam and then hardens.

Spiral wound lining technology has potential. This structural component can reinforce instead of sealing off leaks.

There are new materials in handling manhole leaks.

The SLRT technology has helped.

They can use telemetry in pipes, which comes to a centralized point and can analyze if it is too full or if there is a clog.

Allan ask if they own Smart Pigs today. He asked if they have used a smart launcher that goes under the river.

Rob said they are only use them in reinforced areas.

Steve said yes, they do have that technology. Sewer Snakes are a low-pressure version of Smart Pigs.

Allan asked if they use the spiral wound lining.

Steve said they must do structural testing first.

Lee asked about the staff learning curve. He asked if the City employees are equipped to use this technology or if they contract.

Steve said both. They have a vendor do the training and pay the vendor to do the first round while employees train. They pay for the demonstration. For example, with spiral wound lining, part of the contract is training employees.

Lee asked if the training results in certification or just awareness.

Steve was not sure.

Lee said it should provide a certification. That will help them in the future when interfacing with the technology.

Steve noted oversight of new technology deployment is required. He assumes certifications are required to oversee the work.

Lee said that is critical.

Steve said he would like to talk about the ramp up of work. For three or four years they have delivered \$88 million dollars of work. They are at an \$88 million delivery plateau. They have also had an almost flat staff level in engineering. A few people manage most of the capital delivery. Some organizations would deliver that amount with more with 100 people in engineering. Obviously if they to do more work they will need more resources though it doesn't have to be all staff. They need to find the ratio and they will see an increase in construction contracts. They need to analyze to find the right ratio of construction work constructs. This doesn't mean they will double staff; there is an economy of scale as they increase. They must wrap up staff PTE and contract development. If they go too far into professional services and contract employees, they send a message that they are privatizing work which is inappropriate. They don't know the right ratio, they will have to talk about it and they would be interested in PUB's thoughts.

Lee said coming into this year's budget is challenging. People are moving from design to project management. That is a significant skill shift. The challenge is how do you do it in a way while also smoothing out the work. He asked how they are addressing that issue.

Steve said one of the transition teams are looking at the organization and restructuring the established project management office. They will also have to transfer those skills to new hires and train current employees. Steve said he is leading the effort to establish PMO. That is part of the planning and intent.

Lee said he had to do that work at the state. It was a five year move and a huge undertaking.

Steve said it will take time; they will have an incremental rollout of the PMO.

Lee said the job design will look different.

Steve said they must sort out different categories to make sure they are doing it right.

Mike said he agreed with Lee. Even when they bring in new people there is a huge gap before they can perform, and he didn't see that in the chart.

Steve said it depends on who they hire. A lot of PTE contractors are very good and there is a learning curve they have struggled with. Even though the level of staffing in engineering is flat, there has been a massive turnover in senior staff. Steve said he has been there for two years and he is the most senior division manager. It is a challenge, they try to be competitive, and hire very good people. The economy is strong and they struggle in recruiting.

Mike said even if they have skills, it takes 6-24 months to be acclimated to the public-sector environment.

Allan commented on the gap in the budget versus what is delivered. He asked Steve to clarify that point.

Steve said the CIP budget is going to address CIP maintainance. They have not spent all the capital funds; they don't have enough resources, they have projects that shouldn't have been funded yet and have been tying up money. Better design and characterization will help. Some projects might not mature. Project management software and efficiencies provide improvements of 5-10%. This will add up over time and be part of doing business better.

Lee said part of the need is slowing the rate of attrition; when bringing in people with new skill sets, current staff think they are not needed and may leave. These changes are a major undertaking.

Steve said he agreed and people get hired and trained and then go to the private sector to make more money. Part of what they are doing with the PMO concept is hiring a full-time project management trainer. They are getting ready and feeling more confident.

Rob asked why deferred maintainance is in the CIP and not the base budget. He also asked how much is in deferred maintainance. He asked about the increase in the cap. \$200,000 may mean no work is done inhouse. He wanted to know how that happens with inhouse with employees versus having everything contracted out and having the bureau mainly left with construction inspectors.

Steve said on the first point about deferred maintenance, Rob was right. As they catch up on deferred maintenance there will be less reactionary work spending capital dollars to get caught up. That gets them into a cycle of extending assets rather than reacting to problems. Right now, they are in a reverse spiral. There is an uptick in calls on broken pipes.

Rob asked for clarification on if deferred maintenance is addressed by the base budget and is not CIP work.

Steve said how they address the issue is what makes it different.

Rob reiterated that how they address is what makes a project accounted for in CIP versus base.

Steve said they are shifting to higher risk work where there are potential failures and high consequences.

Dawn said the issues should be up for discussion and it is a good point.

Rob asked if they have higher capacity with internal employees.

Lee said it is a canyon when looking at the slide from FTE to PTE. He thinks of infrastructure in terms of what needs to be fixed, what percent infrastructure is critical in terms of what needs to be fixed now, and what is long term.

Steve said they will never get caught up, but they want to get ahead of the worst of the worst.

They have \$2 billion in deferred maintenance. They need to think about how much is extreme versus moderate needs. He noted Columbia Boulevard. He showed the picture of the trunk line which was damaged around the circumference.

Steve said he does not know the split between extremely high and high need. The modelling team knows. The highest risk pipes total \$20 million. Those are the ones they are afraid of now. Columbia and Tryon have a massive amount being spent there. Secondary treatment expansion is another high need. All the supporting facilities need work. The administration building has mold. Buildings are 50-60 years old.

Lee said whether they are talking about buildings, chairs, or infrastructure, safety is the issue. Having a dangerous chair is just as bad as any other part of the infrastructure. Both water and sewer infrastructure are invisible from the surface. It is out of sight until it breaks. The tendency is political and supports cutting rates until the infrastructure goes to hell and something bad happens. Then the question is why someone didn't do something.

Steve said they need to be better at characterizing the danger of some of the issues.

Steve offered to go through the discussion handout; it tells about the dollar shifts against major CIP programs.

The first page emphasizes what they went through in the updated CIP. It is still a draft. The bar chart on the bottom hasn't balanced new funding levels against previous approved levels

against annual increases. They are getting close. Page two on the bottom shows the five-year comparison between major programs and deltas between where they are going.

Sewage treatment work increased as they found more problems. It went up \$38 million.

The chart incorporates delays at Tryon. It looks like Tryon will be on hold for a year or two.

Allan asked if everyone knows about the delay.

Steve pointed out the maintaince and reliability. Even though there are delays, funding went down. They have pipe work in the CIP funded and planned. This is a lower level risk. The shift to lower level risk work gets ramped up to higher level risk projects at \$55 million. It is a significant amount of work.

Sewer has the biggest percentage increase. They are increasing their understanding of the system and the work.

Culverts, while not as significant as sewer lines, get at land slide and funding risks. The sewer extension program is ramping up. They are accelerating the work so they can finish. There are major changes in big programs. The rest of the report reinforces and talks about some new projects. Page three has Columbia Boulevard which has experienced cost growth. There are continued maintaince issues. The digester domes have roof issues. The fiber rings are related to SLRT panels.

Page four has surface water work, another area of lower consequence of failure.

Allan asked where the sludge pond rehabilitation appears.

Steve said it is not a capital cost it is an operations cost.

Allan asked if that will be true when they go to centrifugal machines owned by the city.

Steve said yes and that will allow them to reduce levels in the lagoon sooner. There is capital work trying to accelerate the process.

Steve said page five is an example of one of trunk line. The crack is six inches. He noted the image and said they can see rocks and rip rap outside of the pipe. That is dangerous and can cause a sink hole. They are shifting work quickly to get rid of high risk projects.

The system is in development and they are evaluating programs to focus on the highest risks.

IX. Portland Harbor Year-End Report

Allan said they can review, discuss, and have a motion to approve the report.

Lee noted an article about the EPA and their assessment that the process has been slow.

Allan said the movement is glacial movement. There are multiple parties, it is difficult to get consensus, at best it is a tough project to get to final remediation.

Lee said he has been trying to follow it in the news; the Feds are getting traction on the idea that people are dragging their feet.

Micah said for sites on the east side there are plans to move cleanup plans forward. The EPA is concerned there are not more conversations and processes starting. They are hoping for more early action clean up.

Dawn Sanders said she works for BES on the Portland Harbor. The EPA is encouraging more responsible parties to come forward. Remediation involves design and implementation. They expect negotiations to start in January and end in June.

Allan asked if Dawn thought that was realistic.

Dawn said somewhat. She said the effort was impressive. The EPA had people from headquarters, invited many parties, and made a big push.

Allan said they can turn back to the Portland Harbor Year End Report.

Carol said some League members were concerned about reductions. The League will do push back.

Allan saw an enormous amount of information come out ten years ago and then it became invisible.

Carol said the number of acres identified as Super Fund is being reduced because the chemical levels are not as bad as was thought.

Dawn said the EPA put out estimates and there is a record of changing decisions. That is separate from the Portland Harbor program. The program looks at the site over time. One month after that decision, other risk groups reevaluated one of the chemicals and found it was not as risky. The finding was that at the concentration present the risk is lower. The chemical was a petroleum compound. It is common to reevaluate the cleanup level. The EPA puts out requests for public comment.

Micah asked if the City is going to comment on the down listing of the chemical. If the City is a responsible party and advocate for the community it might reduce their overall liability. Some scientists say this reclass is not warranted, and the risks remain the same. Such comments might represent financial and community interests.

Dawn said it is a 4% reduction in acres that need to be cleaned. She noted North West Natural, and that there are many more petroleum products to consider.

Rob hasn't heard about the City not participating. The report clearly states they are working with the EPA.

Rob suggested they assert PUB's satisfaction and continued approval of the current work and noted it is important for BES and the City to move forward.

Allan asked if all accept the report.

All aye.

Rob moved to indicate they are pleased with and satisfied the City's performance on this issue.

Micah added the City should take the EPA's direction and continue to partner with the EPA in the cleanup.

Allan agreed and seconded the motion. He asked if there were any further comments.

Dory was intrigued by advocating for agencies working together to create outreach programs. She asked if they can have a representative from Multnomah County come to one of the meetings. The report noted the ombudsman for the EPA, City, and DEQ. The role is to distribute information to people from vulnerable populations. They help the community understand projects. Dory said she would like to learn about their strategies and if they have a formal plan and how they are handling the situation. Dory read the report as stating there is a program administrator with Multnomah County who is a FTE educator. Dory noted that is a big responsibility for one person. Dory would like more information from that person.

Lee suggested voting on this motion. He agreed he would like to hear more about the work of the educator and motioned to invite the employee to a meeting.

All aye to Rob's motion on to state PUB's support of the work of the Portland Harbor project and to invite the Multnomah county employee to a PUB meeting.

Dory requested to reach out to the representative from Multnomah County to provide more information.

Dawn said they can put the contacts in touch.

Ted said PUB would benefit from hearing from others on Portland Harbor.

X. Mayor Wheeler's Non-General Fund Guidance

Allan said the letter talks about Non-General Fund guidance. The letter states non-general fund is 86% of the total package.

Rob appreciates that they are looking at internal services and there is room to do inflation less 1%; he said that is a good start.

There was a conversation on the accessibility of the font.

Ana Brophy, ex officio, had to leave early.

XI. PWB Program Descriptions

Gabe said she would like to start by reviewing where they were since this this is a new part of the process. They spoke about what they should present with co-chairs and spoke last time

about the five parts of CBO program offers. They started with the first two sections of the 22 program offers.

Gabe said this is new and PUB's feedback will be valuable in tooling draft sections. They can provide direction on guidance. The program offers are meant to be accessible and written in plain language. They are designed this way so everyone can understand how the City is dividing money.

Cecelia said to give background on what they were trying to do they looked at the CBO guidance on program offers. They didn't follow the guidance exactly. They struggled and took it upon themselves to decide what made sense. They are trying to state the purpose of the programs and the related work.

The first program is Bull Run. Costs include the road maintenance and protection of boundaries. Below they include the magnitude of the work and describe what they do, including some details like working with the forest service to maintain the roads. They are waiting for more information on the specifics of program offers to fill in the last three sections. Cecelia noted there may be a space limitation or character count.

Ryan said the Budget Office is not enforcing a limit but will provide recommendations.

Cecelia said they wanted to take a pause to get feedback on what they included. She asked if PUB would like to see more or less information. She noted the budget kickoff is Monday. She will take the information and answers provided will be used to redraft work on the other sections. Another section is changes to program offers. This describes what is coming up. The first two sections are boiler plate and are on what they are doing and what the focus is. It shows how they are focusing energy and where money is allocated. It also describes dollar movements.

Yung noted staffing.

Cecelia said, yes, including staffing. They won't see big changes in staffing or dollar movements. Rates and charges are the resources.

Ryan noted the CBO Communication provided a link to resources.

Mike said giving feedback would be difficult until they see all the sections. He remembers all the discussions on the multifamily initiative. This will be covered in the last program area.

Cecelia said that's in customer service.

Mike would like to see line items there.

Micah asked about how they chose performance measures, for example in customer service that is a broad service program package. He asked how they represent the diversity in the program.

Gabe said they plan on using risk-based, strategic planning to inform the performance measure process. Some of the measures do not encapsulate the program well. Defining measures is not

easy but is necessary and some current measures don't give the breadth of the program. Gabe said she doesn't think they can change them this budget cycle.

Micah said he would like to see performance measures compared to prior years with the additions or new programs and following the metrics of programs brought on.

Gabe said as they are reviewing the sections they are considering what is too much and what is too little. They tried to bring the language to a 4th or 5th grade reading level to honor what CBO asked bureaus to do. Trying for that grade level didn't work well. The level of detail groups and individuals want when they follow the process wasn't high enough at a lower grade reading level. The online program Hemingway helped assess the reading level. They have versions at a grade 22 and grade four. The documents they brought to PUB are 9th / 10th grade level. That level encapsulates detail without losing accessibility.

Mike asked which program was a level 22.

Lee said what they tried to do is take a horizontal slice through all the programs and move through to find the end result. He asked if they have thought of taking a vertical slice. He asked if they have taken a representative program and run it through the sections and then gone back and do other programs. This view is all or nothing. If they find a representative program and it is run it through the process, they can evaluate the programs and then go the other way.

Cecelia said a challenge is they are still waiting for CBO examples of what it will look like. They gave guidance on what information to include. They budget system will compile reports based on fields. It will be based on details like the table of expenditures. Before they talk about what will be spent they will talk about what staffing looks like.

Ryan said they have an example posted online.

Cecelia said until they have numbers in a report they won't know exactly what it will look like.

Ryan said Friday, December 7th the budget system will be running and budget kickoff is Monday.

Cecelia said they will put in the information to create a report and then they can fill in the blanks. They are building their plane as they are flying it.

Lee said he has seen too many system failures when changes are made hastily.

Cecelia said this is not just formatting.

Lee said it will be difficult to do a system wide change at one time.

Rob said looking at the hydrants program as an example, he would like more information. He would like to go over the metrics. He sees they need to replace 225 hydrants per year. He asked if this is based on a risk assessment or on how many are a certain age. He would like to know how many are replaced in a certain amount of years. He sees they repair 150 hydrants each year. There are 300 that are broken. He asked if that was a good goal. It says when 95% of all hydrants are in service, that may be a working hydrant within 500 feet of all homes. Everyone

can get water from a fire truck. On inspections, from this information he is not sure it meets AWWA. For maintaince, if they repair half and only 100 get broken they won't meet their goal. For security the goal is zero people reaching property and zero people damaging property. It is hard to quantify the metric of, "We don't want anything bad to happen."

Gabe said it was helpful to hear feedback on performance measures. They don't want to slot new performance measures in this year. They would rather see trends over time and see how it develops. They have been cautious when trying to figure out the metrics; they are working on monitoring correctly and having the right incentives.

Rob asked what the previous key performance measures were. He asked if they have moved into programs. They have 100% compliance with drinking water. He asked if that should be a performance measure or the standard.

Gabe said that is part of the process of strategic planning. They may be making additions and edits to performance measures; CBO has provided helpful thinking.

Ted asked if CBO's guidance covers the section on the changes to the program and if it means changes for a few years.

Gabe said it was just a budget year.

Ted said some investments should be looked at over a longer period. He said he liked the format for showing the public what bureaus do. It would be good if there was a way to estimate the value of each program and to provide estimates of what the value of the system is to the city. For example, they can quantify the value of Bull Run as an asset to the city compared to what they are investing annually to maintain it. The public may not understand how valuable the assets are. It would be helpful to compare them across categories. It will be helpful to ask how Bull Run compares to other assets. Ted said he was curious how much it costs to deliver a gallon of water from Bull Run versus the Columbia well field. Bull Run provides cheap water. It would be helpful to do comparisons across categories. Ted asked if it that is in the CBO guidance now and in the future it would be helpful to see that additional information.

Cecelia said they are trying to capture the bulk of the programs, describe what activities they are doing, requirements to do the activities, staffing, and dollar levels. Cecelia asked if that was helpful.

Ted said they are making an annual investment in systems and it is important to understand the annual investments are small compared to the value of the assets to the city. If the system is worth \$1 billion, it makes sense to spend a couple million dollars over a couple of years. The bureaus could provide some evaluation, though they may not get there this year.

Dory said she supported Ted's comment. There is a value in providing context to the numbers. The context will not just support what is increasing but why it is important. The significance of the investments can be lost. It would be helpful to communicate how this was funded historically and highlight changes. That will be helpful for the average reader. They can see where the dollars are going and why it's important in the broader term. Providing more context for the numbers shows reflection and transparency and helps build trust.

Rob said since the inception of the board he has been saying both bureaus need to be better at telling their own story. He thinks they should have hired a technical writer. A project for data management would be allowing people to click a link and see one level of detail deeper. He also pointed out that none of the FY 2019-20 programs are onetime; he expects these are all ongoing. These documents can act as a cover sheet on bureau's sites and show how programs have evolved. That will give an opportunity to tell the story of the program.

Gabe said as programs become more robust, they can offer additional details like infographics, and other ways to connect. They are trying to fit within the narrow confines of the programs now. They need additional context in other areas, not just the budget process. They need to add more ways to communicate.

Lee said this is an internal tool that allows central administration to give guidance and create language so everyone within the City is speaking the same language on putting the budget together and making operating plans. There is a difference between that and talking to the public. The public is concerned about direct and indirect services. These are the things that affect water: what it looks like, smells like, tastes like, if it is healthy, and how much it costs. That's what the public wants to know. Racial equity has a value. They are spending energy putting together the document to communicate with themselves. This should not be confused with communicating to the public; it is not a public communication document. Lee was a general manager working in a water office for 10 years. People call and say things about the smell or if something else is wrong or if it costs too much.

Robert asked why they would write it in plain language if it is not meant for the public.

Lee said adults read at the 6th grade level.

Robert said he believes it is public facing.

Lee said his expertise is change management. When they had engineers writing technical manuals there were problems. They had to bring in technical writers to write at different levels for communication.

Mike said it is both. If they were selling something, organizations wouldn't use this. They would use more exciting, succinct language. The city as an organization needs to reach out to community groups. This is an important, complementary piece. This provides balance. They wouldn't lead with this. This is for people who do want to look at the details.

Lee said bureaus also must sell internally and this provides a common language organization-wide. There is a different emphasis in communication. He is not trying to diminish the effort but a lot of work is going into this and it is not for talking to the public.

Allan mentioned the Water Forum opportunity. Tony Anderson fits into this discussion on communication to different audiences.

Gabe said Tony's approach is like a layer cake. Some people want only the first part. This is the equivalent of a cocktail party. They are interested only in things that affect them. The second

layer would be for audiences with a specific connection, for example concern with habitat. The third layer is “in the weeds.” It is important to know what layer people want. They tried to follow the spirit of what CBO offered. Gabe said she is a proponent and would like to make something meaningful and accessible. It can be used as a front-facing document, but it will lose its value to groups like this or CBO. They put the information in plain language so far. They will need other layers to make a more compelling piece.

Dory said having a contextual piece where the values are stated benefits the staff internally. There is a time of transition and generational change in the workforce. This is part of succession planning. These documents contain institutional knowledge that goes away when people leave. It is also helpful as a public facing document.

XII. Discuss next Meeting Agenda

Next meeting:

December 20, 2018, 11am - 1pm

Portland State University Smith Memorial Student Union Room 327

1825 SW Broadway

Draft agenda:

- BES Program Budgets
- PWB Program Budgets

Lee will join by phone.

The meeting adjourned at 6:20.