

Portland Utility Board

May 7, 2019 4:00pm – 6:30pm
1900 SW Fourth Avenue, 1900 Building, Room 2500C
Meeting #67

Attendees:

PUB Members: Heidi Bullock
Allan Warman
Colleen Johnson
Dory Robinson
Micah Meskel
Mike Weedall
Robert Martineau
Ted Labbe
Ana Brophy, ex officio

Absent:
Van Le, ex officio

*Notice of absence provided prior to meeting

Staff: Dawn Uchiyama (Deputy Director, Bureau of Environmental Services)
Gabe Solmer (Deputy Director, Portland Water Bureau)
Jonas Biery (Business Services Manager, Bureau of Environmental Services)
Cecelia Huynh (Director of Finance and Support Services, Portland Water Bureau)
Jeff Winner (Capital Improvement Program Planning Supervisor, Portland Water Bureau)
Cristina Nieves (Representative, Commissioner Fritz's Office)
Cinthia Diaz Calvo (PUB Coordinator, City Budget Office)
Amy Archer-Masters (PUB Analyst, City Budget Office)
Ken Bartocci (Principal Financial Analyst, BES)

Public: Carol Cushman, League of Women Voters
Janice Thompson, Citizens' Utility Board

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

Colleen sent Cinthia edits which included edits to page 4. Correction goes as follows - As a possible meeting scenario, we could revert back to 1-3 hour PUB meeting (3:30-6:30) and then deploy 'subcommittees' to look at specific issues in neighborhood meetings.

Allan said minutes have been corrected and approved.

III. Public Comment

No public comment.

IV. Disclosure of Communications

Ted mentioned his usual BES interactions related to the non profit.
Colleen and Allan met with the Mayor to talk about the budget proposal.
Heidi BES staff regarding the Portland Harbor Superfund.
Allan mentioned meeting with PWB to talk about the annual report from PGE with Chris Warner and Danny Allison.
Ted mentioned his interaction with BES about budget.

V. BES Equity Manager Introductions

Dawn introduced Angela Henderson and Shyvonne Williams. BES is excited to have them both on board and to have finalized a very competitive process. They have done assessments and meetings with staff and are working on a plan for the year.

Angela introduced her background in BES, her work was on environmental compliance and policy development. Her focus as it relates to Equity has been to ensure that the bureau is advancing their equity plan goals and also the nexus to her work has been environmental justice and ensuring the delivery of services, programs as well as policy development and that the bureau is engaging the right community members in those discussions.

Shyvonne introduced herself and her background with the Portland Police Bureau and the City of Hillsboro doing Equity work. Her focus is to intergrate equity in all systems to benefit both internal and external stakeholders.

Angela added that they are starting with a bureau assessment and learning that different employees are at different stages and their focus is to establish a general understand of what Equity is and how it it manifests in the work that the bureau conducts and their interactions with the community. Although they are the sheperds they will need the support of bureau leadership to move the work forward.

Shyvonne mentioned the focus is called Equity Literacy as a first step and plan to their work. This will require one on one, interpersonal discussions to build understanding.

Heidi asked who they will be meeting with.

Angela said the training will be customized to the various programs. So groups and divisions and taking a look at the deliverables of those programs and the communities with whom they engage. The programs themselves or the members of the bureau who implement those programs have an understanding of how to view their work/program through an equity lense.

Allan asked about the gap Angela and Shyvonne face between those that with fresh eyes and otherwise as it relates to equity.

Shyvonne said that the need to have a clear definition of Equity for each group is apparent. They have not met with everyone yet so it is hard to tell where everyone is at.

Allan wanted an idea of how much work and how big the gap for the equity managers to get Equity to where they want it to be.

Angela explained that the gap is broad. There are members within the bureau that are at either end of the spectrum. Organization around equity needs to be created to implement the equity plan. There are clear expectations and they also understand that the work will not happen over night.

Shyvonne said that it is important to understand that the work around equity is not a *solution* but it is a *process* and as the process develops, things will come up and they will need to be addressed. This process is ongoing. Angela added that the bar will keep moving.

Ted asked about the work being internal focused. He asked at what point will the community be engaged to know how the bureau is perceived and using that to advance your efforts.

Angela said that it is one of the goals to engage with communities with whom BES has not been engaging in the past to begin forming those relationships. They want to do that through those program representatives.

Dawn added that there is work to do with everyone in the community. There has been targeted efforts around construction but agrees that there is more work to be done with underserved communities to build that relationship.

Micah is excited to have them both onboard. He mentioned about the PUB workplan and interest in hearing from them about PUB's potential blindspots and things they should consider adding.

Colleen asked if the BES equity managers work with other equity mangers in other bureausto share a vision of the City's goals.

Angela said yes, there is an equity managers committee and an equity practitioners groups they belong to. They also work closely with OEHR and meet once a month. Their focus is to normalize discussions around equity, organize and operationalize that work to advance equity goals throughout the City.

Dawn added that equity managers along with bureau leadership attended a results based accountability training. That really helps with working together with other equity professionals in a meaningful way.

Allan introduced Cecelia.

VI. **Rate Hearing Preview**

Cecelia and Ken introduced themselves.

Ken shared about the 5 significant adjustments BES had:

- \$6 million from the environmental mediation fund for Portland Harbor; no rate impact because it's coming from fund balance.
- BES will get the \$1.5 million from the Anderson settlement; happening next fiscal year.
- \$262,000 added to the general fund over head, which happens every year.
- \$368,000 to pay Parks to maintain storm water facilities.
- \$75,000 for central services cost to pay OMF

[BES Presentation here.](#)

Proceeded with slide 1 explaining fewer SDC collections, and sanitary rate is bit higher.

The Mayor's Proposed reflects the rate increase of 2.9%, slightly lower than the 3 percent they projected.

BES continues to participate in the low income assistance program with the PWB. Approximately 7,000 accounts on the program this year. Low income discount is at 50% of the bill and extreme low income discount is 80% of the bill.

The Clean Water Rewards 34,300 participants with discount of \$9.25 cents for single family residential.

CDC and connection charges are 4% to 7%. Combined SDC for a single-family residential dwelling increases by 7.0% and combined SDC for an industrial park with 2 large buildings increases by 6.4%. The connection (line and branch) charges increase by an average of 3.3%.

Permits, Fees and other charges outlined in slide 8.

Colleen asked about cost recovery is being at 75% and if there is a plan to get it to a higher %.

- Ken said that topic had not been among their discussions but he will send the questions to Jonas.

Micah asked how many of the 7,000 participants in the low income program were multi-family.

- Ken said that the multi-family is the other program.

Cecelia mentioned the budget updates for PWB:

- \$250,000 added to general fund over head.
- Increase to centralized services from centralized bureaus.

Budget remained the same with those exceptions. Rates remain at 7.4% increase to the water rates.

Rate Methodology:

Cecelia said that they configure rates based on cost of service. The goal is to charge the people for the services that they receive only.

Each year rates are evaluated and they talk to the field crews as far as how much time it takes to install the service.

In total all revenue totals to about 200 million over 90% come from rates, \$2.8 million from delinquent revenue, capital revenues at \$7.8 million, public charges, permits and other fees amount to \$1.9 million.

Retail system development charge is fairly small. The city has an older system and a shared system therefore the charge is less per meter.

Cecelia mentioned that what the 7.4 rate increase means for PWB is that the portion of the bill is approximately \$2.90 increase.

Colleen asked if PWB has the same chart as BES showing the System Development charges.

- BES and PWB said they can certainly create one.

VII. Rate Hearing Talking Points

Colleen introduced the talking points, which were provided during the meeting. [Link to talking points here](#). As long as there everyone is ok with those talking points, we can approve them.

Allan suggested Rob, Micah or Heidi to present on May 15th because Allan has a conflict and cant make it. 2-4 ish. Colleen also said she could attend.

Any comments or edits can be sent to Amy.

VIII. Finalize PUB Workplan & Prioritization

Amy and PUB continued where they left off.

Proposed Levy ready district

- Micah said its likely to pass within the next week or two.
- Heidi asked how involved the bureau are on this topic.
 - Gabe said it is not a priority project for the PWB.
- Colleen suggested to talk about it after the legislation passes.
- PUB agreed to label it TBD.

Disability issues

- Heidi suggested adding it to the equity discussion.
- There was general consensus to add it to Equity.

Rate methodology

- Micah advocates for high priority, so PUB can learn and be engaged and deliberate in future discussions and decisions.
- Ted agrees that understading the base charge is necessary and how that impacts the rest would be helpful.
- Timeline would be after July – Fall timeline works.

- Rob said that his intent to understanding rate methodology is to understand more the equation of how it works and understand the ups and downs of it, essentially to understand what goes in the stew to arrive at 7.4%. Any underspending could go to a rate reduction.
- Cecelia said that there is a lot that goes into rate methodology. The manual she has is large and provides things that should be considered to set the rate, and it's not straight forward. There are rate structures, seasonal rates, who pays, and other moving pieces.
- There was general consensus to get an overview and not go into a granular piece by piece study on rate methodology. Cecelia agreed to create a list of possible topic areas within this category for PUB to consider where their interest may lie for a deeper dive into those topics before proceeding.

Premium Pay

- City-wide issue that Commissioner Fritz introduced and not sure on the PUBs level of interest. It's regarding identifying positions/employees with bilingual capacity and paying for that skill set, which current HR rules don't allow. This would connect to PUB through budget, and having a potential impact on rates if implemented.
- Cristina clarified that what their office is interested in is getting direction on policy development.
- Colleen asked clarification on what the PUB will be doing, whether the city should implement or not.
 - Cristina said both voting to support or not support and provide input on policy development.
- Dory supports that the city is prioritizing this, but she also thinks that this topic is slightly outside of the PUB's scope and therefore would rate it as a low priority.
- Rob agreed with Dory and suggested it would be appropriate for PUB to take a policy direction and tell the Commissioner that. He adds that this premium pay is at least a decade if not two over due and that PUB should do what they can to help the City catch up. He said that he can have a conversation with those who disagree offline or within PUB. He would opt to remove it completely off the list after voting on recommending that the City move forward with an implementation as soon as possible.
- Ted said that it is still unclear for him if Commissioner Fritz wants PUB to weigh in on this topic.
- Amy clarified that the Commissioner appreciates feedback from advisory bodies.
- Rob would be willing to write a recommendation to present at the next meeting.
- Dory supports getting it off the list and moving forward with Rob's idea.

Procurement - changes and rate impacts

- Amy said that updates can come in writing or in presentation form. OMF through interagency agreement charges to manage contracts.
- There was general consensus with a written update first and then seeing if there is a need for follow up.

Economic pressures/Forecast BES/PWB ratings and impacts

- Cecelia said these topics were different.
- Heidi said that all of this would be good to know but not really something PUB can influence.
- Ted agreed with Heidi that this would be to build up PUB knowledge.

- Rob takes credit for having this on the chart. He agrees that it is its own topic and its good to know. He adds that if this topic is important to the board, then the topic is important for him.
- Colleen asks if the direction is to lead with rate methodology to decide what they want to learn and do and then choose one of these topics to deep dive into it.
- There was general consensus to set it as low priority for now and discuss further after the decisions are made about what to pursue for rate methodology.

Strategic Plan

- This would be an update on the bureaus' progress. Bureaus would come and present or provide a written report. Understanding what the forward look is is important to the PUB.
- Dawn added that it would be a very highlevel report.
- Colleen said that the high priority for her is the connection between performance measures and the strategic plan.
- Rob agrees with Colleen.
- There was general consensus to rank this as a high priority

Performance Measures

- There was general consensus to rank this as a high priority

Equity Plan and Issues

- There is a distinct plan even though it is part of their strategic plan and the performance measures.
- Heidi suggested quarterly verbal updates on the work and then moving to a written report.
- Dory agrees with Heidi and that she would also like to meet the PWB's new equity manager.
- Rob suggested to have PUB receive a written update and then have a discussion or have a presentation, and suggests staying away from duplicating efforts.
- Ted suggested getting a written update and then having a discussion with the presenter to ask questions and establish dialogue.
- There was general consensus to have the update in the Fall.

Board Development

- Amy explained that this is how group operates, goals as a group, workplan development.
- Heidi suggested creating a set of questions that are asked periodically for check in; is PUB accomplishing what they want to accomplish, reviewing the workplan. It should be a topic on the agenda. Checking their alignment.
- Rob suggested the chairs should provide a base suggestion with a general direction as they are the leaders.
- Colleen said a subcommittee should be formed to draft it.
- Amy said this was captured during the check ins that CBO staff had with PUB members. One of the challenges with board development is that is there was no closure or check in process, it leaves uncertainty whether things will change or improve. Amy suggests a recurring check in so there is opportunity for that feedback. There is also a benefit to the survey too.

- There was general consensus to add this as the ongoing/high priority.

Code and Bylaws updates

- There was general consensus to add this as the ongoing/high priority. Same as the board development.

Community Engagement

- Almost everybody has mentioned this topic at some point with the interest in broadening community engagement and logistics being established by a subcommittee with the support of the PUB coordinator. Commissioner Fritz is interested in ensuring representation of Native Tribal Community on PUB. This one will require meetings and possibly a subcommittee.
- Colleen suggests this is a high priority. The interest of the board is to get the meetings out into the community. Coordination would fall on the staff.
- Amy clarified the intent of the outcome or purpose is what PUB would need to identify. This would take focused work.
- Dory asked about the Commissioner's interest of ensuring representation of Native Tribal Community on PUB and if this had been done for this year's recruitment.
 - Allan suggested that if the PUB is going down that path the bylaws would need to change, adjusting the makeup of the board.
 - Dory asked for clarification.
 - Allan said clarified that if PUB was going to pick out one community and target a board member for that then it would need to be stated in the bylaws.
 - Amy clarified, that only if PUB was looking to limit the seats. CBO has had this conversation before with the Commissioner's office, because initially there was a potential interest in designating a seat and through the conversation we found that we can achieve similar end results through recruitment and outreach efforts, by looking at skill sets and experience of existing and potential board members.
 - Colleen thinks Allan is right, that if a position is going to assigned then it would require a bylaws change.
 - Amy agrees that only if a position is to be assigned or limited.
- Dory asks for clarification, is Commissioner Fritz looking to get someone from the tribal council or someone who represents tribal lands.
 - Cristina clarifies that this is all in the context of equity and trying to acknowledge all tribal communities not just the council. It really is about resource, water is a resource and having this perspective on the board would be valued.
- Allan thinks it would be great to have PUB be in the community with topics such as "water", maybe in the NE, N, SE, this would benefit the people PUB is trying to represent.

Amy said the list will be reorganized based on rank.

Micah said the a topic that was missed was Bull Run filtration system to protect the watershed. A charter review might be a discussion PUB should be having. Start it with a presentation and some discussion.

- There was general consensus to rank it as high priority.

Colleen asked if PUB wanted to come back to one meeting a month. She suggested a subcommittee focused on a particular topic and not have them assigned as they were before. There is a meeting scheduled for May 16th.

Ted likes the idea of having a subcommittee that focuses on a specific topic. He suggested a joint meeting and leveraging other committee's forums to promote and talk about items.

Colleen said that maybe neighborhood associations would be a good place to start because they already have a place.

There was general consensus to have the May 16th as a subcommittee to lay out the schedule.

Recruitment update:

Cynthia mentioned that PUB received 13 applications and the reviewing committee will be receiving a packet soon with an overview of PUB and the process, the board composition and an outline of the recruitment process. She said this email to the subcommittee will include a due date for Monday May 13th to receive the committee's ranking of the candidate. The candidates will then be selected and invited for an interview. Interviews will take place Friday May 17th.

- Heidi mentioned that she still has that conflict and will have to leave at 2:30pm.
- Colleen asked if it can be in the morning.
- Amy said it could happen but it's a little hard coordinating with a big group. Amy suggested starting at 9:30 am with a break and end it by 2:30pm and provide lunch to the reviewing subcommittee.
- Heidi said that would work for her. Cynthia will confirm with other participants and shift time.

IX. Discuss next Meeting Agenda

PUB Subcommittee meeting scheduled for May 16, 2019, 11am, 400 SW 6th Ave, Portland OR, 97204, Fifth Floor, Suite 507

The meeting adjourned at 6:05.