

Portland Utility Board

January 16, 2020, 11:00 a.m.
1900 SW Fourth Avenue, 1900 Building, 2500C

Meeting #77

Attendees:

PUB Members:

- Ana Brophy, ex-officio (arrived ~11:35)
- Brian Laurent, ex-officio
- Dory Robinson, co-chair
- Heidi Bullock, co-chair
- Gabriela Saldaña-López (arrived ~11:25)
- Kaliska Day
- Karen Y. Spencer
- Karen Williams
- Mia Sabanovic (by phone)
- Micah Meskel
- Robert Martineau (by phone)
- Sara Petrocine, ex-officio (by phone)
- Ted Labbe (arrived ~11:25)

Absent:

Staff:

- Amy Archer-Masters, Portland Utility Board Analyst, City Budget Office (by phone)
- Angela Henderson, Equity Manager, Bureau of Environmental Services
- Asena Lawrence, Senior Policy Advisor, Commissioner Fish's Office
- Cecelia Huynh, Director of Finance and Support Services, Portland Water Bureau
- Cristina Nieves, Senior Policy Advisor, Commissioner Fritz's Office
- Dawn Uchiyama, Deputy Director, Bureau of Environmental Services
- Eliza Lindsay, Portland Utility Board Coordinator, City Budget Office
- Erich Pacheco, Equity Manager, Portland Water Bureau
- Gabriel Solmer, Deputy Director, Portland Water Bureau
- Jonas Biery, Business Services Manager, Bureau of Environmental Services
- Ken Bartocci, Financial Analyst, Bureau of Environmental Services
- Shyvonne Williams, Equity Manager, Bureau of Environmental Services
- Yung Ouyang, Senior Financial Analyst, City Budget Office

Public:

- Carol Cushman, League of Women Voters
- Janice Thompson, Citizens Utility Board

Synopsis, Action Items, Decisions

In these notes the acronym, PUB, stands for the Portland Utility Board; BES for the Bureau of Environmental Services, and PWB for the Portland Water Bureau.

The discussion of draft PWB program offers begun at the January 7 meeting continued. The draft initial budget letter circulated prior to the meeting was discussed. Most of the discussion focused on the lenses and values PUB would be applying to budget work this season.

VOTE A vote was taken to finalize the initial budget letter based on the conversation and to delegate the finalization to Ana and Mia with Ted as backup.

All present voting members, Mia, Karen YS, Ted, Micah, Dory, Karen W, voted yes.

I. Call to Order

The co-chair called the meeting to order at approximately 11:10 a.m.

II. Disclosure of Communications

Heidi had a conference call with BES staff regarding Portland Harbor.

Micah had conversations with Portland Parks and Recreation and BES staff regarding the Tree Code.

III. Public Comment

There was no public comment.

IV. Announcements

PUB-Council work session

The co-chair reported that she had heard nothing but positive feedback. She thanked those who participated, those who attended in support, and those who couldn't make it but were there in spirit. The positive energy was felt.

V. Continuation of discussion of draft PWB program offers

The draft PWB program offers discussed can be found [here](#).

The discussion of the PWB draft program offers begun at the January 7, 2020 meeting continued. A PUB member shared that having the added section of PUB lenses was very helpful.

Treatment program offer

PWB staff began by asking if there was any additional feedback or questions for the Treatment program offer.

PUB feedback included:

- As this program goes forward, make sure that with community outreach you are hearing not just from the loudest voices but also actively seeking out the quieter voices and those you're not hearing from.
- Continue to implement risk framework and benefit-cost analysis in design and construction.

Conduits/Transmission Mains program offer

PWB staff shared that there are three main conduits. The goal is to keep them in service. The related performance measure is to have no unplanned outages for both conduit and transmission mains. The PWB Equity Manager shared that they realized equity impacts boil down to resiliency. Any disruption to water service impacts vulnerable communities harder, for example, if there is a need to get bottled water.

A PUB member mentioned that it was puzzling that this program offer was marked as not connected to the strategic plan. PWB staff shared that the strategic plan focused on risk assessment and risk-related work that is not already part of ongoing work. Transmissions/mains are ongoing work and their associated risks are already being addressed in ongoing work.

PUB feedback included:

- Prioritize maintenance of easements in communities historically underserved by the City.
- An interest in building resiliency by developing two-way agreements to share water if an issue arises. There was related interest in fostering a regional conversation on resiliency.
 - PWB indicated that there is no other water provider big enough to serve Portland, if one of the conduits is down.
 - There are conversations amongst wholesale customers about how this kind of resiliency could be done region wide. It was noted that this might be a topic for the Regional Water Consortium.
- Get creative about what hardening means in terms of resiliency. It is not just about replacing pipe and making sure a foundation is poured to bedrock. It is also about how to get spare parts, e.g., through agreements with the manufacturer, other providers, or from a non-backbone section of the system. It is also cross training so everyone can respond.
- Use data to prioritize replacements. Identify single points of failure and develop strategies to address this.

Customer Service program offer

Low-income assistance program

A PUB member shared that a strategic goal would be to close the gap between monies allocated and monies disbursed in the low-income assistance program. PWB staff explained that the total amount allocated was a guess, so they would be cautious about tying a goal to this number.

PUB feedback included:

- How can we close the gap between those who are qualified to receive this assistance and those who are receiving it?
- Concern about the accessibility of the program
- Issues of capacity for Home Forward and STRA agencies and the related:
 - Question of whether spending more on administration would get more financial assistance money into the hands of those who need it and the related of question of, if so, where best to house that extra administrative work.
- What does the low-income assistance program need to succeed?
- Collecting demographic data of who low-income assistance is serving. Who are the stipends going to? Who calls? Who doesn't? Etc.

Discussion of how late fees accumulate and impact customers

There was a discussion about how late fees might be impacting customers. PUB feedback included:

- Suggestion that late fees be looked at through an equity lens and not be punitive. If it is not a burden can late fees be waived?
 - PWB shared it is a balancing act. When they don't recover costs, this is a cost to all rate payers.
 - Suggestion to track what percentage of stipends and fees (all sorts of fees, not just late fees) are for service, e.g., water, versus for administrative costs.
- Suggestion to take the burden of contact off the customer with a late bill. Can PWB proactively contact customers with late bills to discuss options?

Deputy Director noted before PWB began proactively contacting customers about their low-income discount, people who were still eligible were simply losing the discount when it expired (good for two years). Now that they proactively contact people this is happening much less.

Permitting fees

Permitting fees were discussed. A PUB member gave an example of a playground revitalization project in the Centennial School District at a Title 1 school where the required replacement of a meter raised the cost of the project significantly.

PUB feedback included:

- Would be good to know how permitting fees might be disparately impacting communities around the City. Who is being cost-burdened by them?
- Might also be good to know the cost of permitting compared to the total cost of projects.

Employee Investment program offer

PWB staff shared that they have a formal multi-year apprenticeship program in accordance with Oregon Bureau of Labor and Industry (BOLI). This program has helped tremendously in diversifying the workforce. Often folks don't finish the apprenticeship program because they have already found a different job within the City. PWB staff are asking to bring in a bigger pool of apprentices in order to keep things going. The Equity Manager noted that, although not yet reflective of the population as a whole, they are hiring people of color and women at higher rates than the applicant pool, itself. They are also working on a special water utility worker classification (as opposed to city-wide utility worker classification) which will widen the pay range.

The Equity Manager also mentioned recruitment, retention, leadership development, and less hierarchical decision-making to increase job engagement as part of the Employee Investment program offer. The training development officer is part of this program and 99% of what she does is through an equity lens. BES and PWB Equity Managers are working together on these employee related issues across bureaus.

PUB feedback included:

- General interest in learning more about the apprenticeship programs and hearing directly from staff who run the program and someone in the program about the benefits and challenges.
- Interest in metrics around demographics. Who is completing the program and who isn't and why? Does the program work well for certain communities and not as well for others?

- Exit interviews important.
- Thought about partnering with MHCC or PCC as a potential way to shift some of the training costs to an educational facility.
- People leaving the apprentice program for another bureau or a higher paying internal job. Is this really an issue or is it a success?
- Are there measures that can tell the story of the success of this program in diversifying the workforce? PWB staff noted that OEHR has a workforce dashboard.

Bureau Support program offer

PWB explained that this program offer includes a lot of things they do bureau wide. PWB does not expect the filtration project to impact bond rating.

PUB feedback included:

- Discussion of pros and cons of City-wide standardized capital project management software.
- Discussion of providing adequate equity training to employees and including equity in performance evaluations.

Planning program offer

PWB included this program offer because of its connection to asset management. There was no time to discuss it.

VI. Drafting initial budget letter

The draft budget letter discussed can be found [here](#).

General discussion

PUB staff explained that the draft budget letter was modeled on last year's initial budget letter. It does not include recommendations. It functions as a bit of a preview of where you are going. The final budget letter reports out and gives recommendations.

A PUB member asked why there are two letters. PUB staff explained that the initial letter is required by City code. There are some requirements about what needs to be done by Budget Advisory Committees (BACs). Most BAC's are engaged only up to the submission of the budget letter. PUB is much more formally involved in the process. PUB participates in the budget work session, has opportunity to give the Mayor feedback on the Mayor's proposed budget, and speaks at the rate hearing. There is a longer time frame for the PUB to understand the bureaus' requested budgets which is why the second letter includes formal recommendations.

A PUB member asked about whether it made sense to highlight particular program offers the PUB is especially excited by. PUB staff explained that because PUB is so early in the conversation, in drafting the letter they didn't want to make any assumptions about where the board would land. After today's conversation, if things rise to the top, PUB could choose to highlight certain things, e.g., equity goals in the employee investment program.

A PUB member suggested building a table out of the first paragraph on page two and having columns for the lenses and outcomes/metrics/things PUB is looking for. There was general agreement to take the lengthy paragraph and turn it into some sort of chart or table.

There was discussion about whether something was a lens, value, or outcome. PUB staff suggested many items could be more than one thing and not to worry too much about the categorization. Council won't be tracking whether, in the initial letter, PUB said equity was a lens, value, outcome, or all of the above. More, Council will be focusing on the actual equity related recommendations PUB provides.

It was noted that at the PUB-Council work session the Mayor mentioned sustainability, resiliency, and bureau cooperation.

Lenses

The list of lenses in the draft letter were discussed. There was general agreement to indicate that the list of lenses was not in priority order.

Commonality across bureaus; Goals, metrics, and strategic alignment

A PUB member suggested that commonality across bureaus may not be a useful lens and may create an erroneous expectation about what PUB will be evaluating.

A PUB member added that though 'commonality' might not be the right word it might still make some sense to look at best practices and lessons learned across the bureaus.

PUB staff wondered if the theme of sharing best practices across bureaus was more a general theme than a budget focus, e.g., as in "Outside of budget, looking at commonalities and ways to leverage best practices..."

A PUB member mentioned that if best practices means strategic alignment and values then it makes sense to look at this across bureaus. If it is more business operations, those would be different across the bureaus in which case it wouldn't make as much sense to look across the bureaus.

A PUB member liked the concept of strategic alignment. Another PUB member noted that strategic alignment is closely tied to goals and metrics and recommended combining them.

There was general agreement to remove commonality across bureaus from the list of lenses and to create a combined lens of "Goals, metrics, and strategic alignment."

Equity

There was general agreement to make equity broader than just racial equity.

Significant change

It was noted that significant change might simply reflect a reorganization, not a change in operations, so might not be the best focus. Others felt significant changes should at least be looked at. After some discussion, there was agreement to list 'Significant change in program and/or significant investment.'

Resiliency

There was some discussion about whether resiliency should specifically call out the climate crisis as something over-arching and separate from seismic resiliency. There was not a clear final agreement.

Walk through and agreement of lenses, as worded, to list in initial budget letter:

- Equity
- Goals, metrics, and strategic alignment
- Rate impacts
- Significant change in program and/or significant investment

- Sustainability
- Resiliency
- Accountability and credibility

Values

The list of values in the draft budget letter was pulled directly from the previous year's budget letter. PUB staff asked if there were values PUB wanted to remove, add, or change. There was not time to fully discuss the list. However, some values were discussed.

Affordability and assistance to low-income residents.

A PUB member wondered about combining affordability and assistance to low-income residents, noting that when thinking about affordability, they are particularly thinking about affordability to low-income residents.

It was noted that previous board members felt very strongly that the two should not be combined. It was noted that it felt like something had just been unboxed/let go that was carry-over from previous prior board discussions.

PUB staff shared that as a person who doesn't know the previous board and has been reading some literature on affordability, though they may be getting some of it wrong, they felt that you want to be careful about how you can connect affordability and assistance to low-income residents. For instance, let's say you make \$200,000/year there is still a question about what you consider affordable. That doesn't bear on whether it is affordable to someone who is low-income.

A PUB member suggested perhaps we combine them in a way that says we're deriving affordability from those most impacted and centering low-income assistance.

PUB staff asked for a show of hands who liked this formulation, there was much agreement in the approach. However, as the discussion continued things got complicated.

A PUB member shared that affordability is tied to rate increases and what's sustainable and they understood the connection to low-income assistance. They also felt affordability does get to something bigger. They shared they don't feel strongly about combining the two.

Another PUB member shared that they also don't feel strongly about whether to combine the two. What bothered them in the past was the prioritization of affordability. They shared that, in the past, for a lot of board members, keeping rates low was not the top priority. They shared that the list of values comes from the original charter. It's just a list with no priority.

A PUB member shared that they don't like seeing affordability as the first bullet point, especially since the list is not quite alphabetic. PUB staff mentioned that the list could be reverse alphabetic.

There was general agreement that it should be clear that the list was not in priority order; that affordability was not necessarily the top priority, and that the complexities of affordability, e.g., affordable to who, and connections to low-income assistance should be returned to.

Efficiency of Operations and Value to Customers

A PUB member suggested separating 'efficiency in operations' from 'value to customers' and changing 'value to customers' to '*long-term* value to customers' since often PUB is evaluating long-term impacts.

A PUB member shared that in the past there had been lots of discussion about whether it should be value to customers or community, i.e., value to whom?

A PUB member shared that they felt it should be of value to anyone who drinks the water so recommended it say, 'long-term value to residents.'

There was further discussion about whether this should be the Portland or the Portland region?

There was general agreement that it should be the region, i.e., 'long-term value to residents of the Portland region.'

System Resiliency

A PUB member suggested changing this value to 'System resilience and reliability' based on previous conversations regarding the difference between resiliency and reliability. There was general agreement to make this change.

There was some discussion of separating out the types of resiliency, e.g., seismic resiliency versus resiliency to climate crisis. It was noted that the bureaus don't separate them. This was discussed but not decided.

Equity

A PUB member mentioned how equity is a value in and of itself and is also a value that infuses all others, e.g., if we look at affordability or resiliency, we are looking at them through an equity lens. Since it is such an over-riding value, could it be called out up front, followed by the list of other values?

A PUB member shared that they heard what was being said. Equity is a lens we look at the others with. It has been called out as a stand-alone because it is relatively new to the City. The City is in the process of figuring out the full extent of equity. Until it is fully embedded, equity does need to be a stand-alone deliverable.

A PUB member mentioned that the board should not delve into the weeds, this is a list of values and that PUB shouldn't try to prioritize them. Equity runs through everything, so does resiliency. The list is connected to the original mandate/charter. If PUB is reconsidering the list, then PUB should also look at the original mandate/charter. Right now, it doesn't seem necessary to overthink things.

A PUB member suggested a compromise of something like: "This is an alphabetic list of values. Some of them cut across all others, for example, equity."

There was general agreement to this suggestion.

Transparency and Public Engagement

There was general agreement to change 'Transparency and Public Engagement' to 'Transparency and Inclusive Public Engagement.'

General wrap up

PUB staff mentioned that part of the work as a board is to look at the charter and reflect on how it matches where the board is. PUB staff also shared that this conversation was really important, and, in some sense, it was less about budget and more about who you are as a board and what values you hold. It ties into the earlier bylaws work.

The PUB co-chair asked that everyone, especially those new to the board, share what you think these values should be and what the best articulation of them is. They are tied to founding documents and these need to be kept as living documents.

In summary, during the discussion the list of values from the draft letter was amended as follows, with **CHANGES IN RED CAPS**:

- Transparency and **INCLUSIVE** public engagement
- System **RESILIENCE AND RELIABILITY**
- Service delivery
- Regulatory compliance
- Protection of public health and watershed health
- **LONG-TERM VALUE TO RESIDENTS OF THE PORTLAND REGION**
- Improvement and sustainability of infrastructure
- Equity
- Efficiency of operations (**SEPARATED FROM LONG-TERM VALUE...**)
- Assistance to low-income residents
- Affordability

Decision

PUB staff noted that there was not time to walk through the letter in as much detail as had been hoped for. Whoever signs up to help with the letter is going to have to synthesize the good and long conversation the board has had. The letter may not be perfect. Next time it can be better. PUB staff asked if everyone was okay with this. There was informal agreement.

VOTE Is everyone okay with the process for finalizing the initial budget letter, knowing that some of you won't see the final letter before it is submitted? And are you okay delegating the finalization of the letter to Ana and Mia with Ted as a backup?

All present voting members, Mia, Karen YS, Ted, Micah, Dory, Karen W, voted yes.

VII. Wrap-up

PUB staff noted that there was no time today to celebrate the success of the PUB-Council work session.

PUB staff shared that the low-income assistance program is of high priority to PUB and the Commissioner is wanting to move it forward. It is slated for the February meeting. Expect a follow-up email from PUB staff asking for any questions or specific areas PUB wants to dive into at the February discussion. A PUB member identified the general topic of how to close the gap between who is receiving assistance and who is qualified as well as how can we build efficiencies and advocate for a better system?

The meeting adjourned at approximately ~1:00 p.m.