

The Oregonian

Portlanders for Water Reform submits 50,213 signatures in effort to make May ballot

By Brad Schmidt

Portland voters in May will likely decide if the City Council should maintain oversight of water and sewer operations, as proponents of a ballot measure submitted 50,213 signatures Tuesday as part of their attempt to qualify for the May 20 election.

Portlanders for Water Reform, the group pushing the initiative, needs 29,786 valid signatures to advance.

City officials will now turn over a sampling of signatures to Multnomah County for verification. The city has until Feb. 20 to determine if the initiative effort qualifies.

"We're confident that this is going to make the ballot," said Kent Craford, a co-petitioner for the initiative who for years has criticized the City Council and Portland utilities while lobbying for big industrial water users.

Portlanders for Water Reform has proposed a sweeping restructuring of utility oversight.

Right now, the City Council sets water, sewer and stormwater rates annually. Commissioner Nick Fish oversees both the Water and Environmental Services bureaus, which collectively have about 1,100 employees.

The proposal would create a Portland Public Water District. The district would take control of water and sewer/stormwater services and a seven-member board elected by geographic regions would govern it.

City officials, including Fish and Mayor Charlie Hales, have already criticized the proposal as dangerous.

"Voters will have the final say," Craford said. "But based on the 50,000 people who signed this petition, we think there's a market for reform."

Craford pointed to increasing utility rates, spending on pet projects and cronyism as the motivation for changes.

Portlanders for Water Reform raised about \$155,000 in cash contributions last year. The list of contributors includes Siltronic Corporation (\$55,000), Portland Bottling Company (\$50,000), American Property Management (\$25,000), 735 St. Clair Apartments (\$10,000) and Commerce Properties (\$10,000).

The campaign reports about \$128,000 in expenditures to Encore Political Services for signature-gathering work.

On Tuesday, the group turned in seven bankers boxes full of petition sheets with signatures. Among those who were carrying boxes into City Hall: John DiLorenzo, the attorney suing the city over allegations of improper utility spending.

The Portland Tribune

Water district petitions filed

By Jim Redden

Supporters of an independently elected Portland Public Water District filed 50,213 voter signatures with the City Auditor's Office on Tuesday morning.

They need around 30,000 valid signatures to place their initiative measure on the May Primary Election ballot. The verification process could take several weeks.

"We are confident we are going to make it," said Kent Craford, a former lobbyist and chief co-petitioner.

Craford and Floy Jones, the other chief co-petitioner, said the district is needed to rein in rate increases for the Water Bureau and Bureau of Environmental Services, which operates the city sewer system and stormwater management programs.

"We need to take the bureaus away from professional politicians and put it under the control of citizens who will not spend ratepayer money on their cronies and pet projects," said Craford.

Commissioner Nick Fish, who is in charge of both bureaus, said he would welcome the debate if the measure makes it on the ballot.

"The bureaus are already under new management," said Fish, who was assigned them by Mayor Charlie Hales last July.

According to Fish, since Hales became mayor, rate increases for the bureaus have been trimmed from double-digits to around 5 percent. Fish said he has also taken steps to rein in spending since being assigned the bureaus.

Among other things, Fish sold the controversial Water House demonstration project and helped convince the City Council to enter into a five-year agreement with the statewide Citizens Utility Board to review the bureaus' budgets and recommend savings.

"Portlanders will need to decide if they want an additional, unproven layer of government running the bureaus" if the measure qualifies for the ballot," Fish said.

In some respects, the campaign is already underway. A number of environmental groups have already come out against the measure. Hales and Fish have publicly criticized it. And Craford has responded to the criticisms by saying most of it comes from City Hall insiders.

The petition campaign was financed by Portlanders for Water Reform. It reports over \$160,000 in contributions so far. Major donations include \$55,000 from the Siltronic Corporation, \$50,000 from the Portland Bottling Company, and \$25,000 from Amercian Property Management.

The Willamette Week

Steve Novick Trash-Talks The Oregonian, Dubs City Hall the "Council of Boom"

City commissioner goes Richard Sherman on the daily paper

By Aaron Mesh

Don't you open your mouth about the Novick.

Portland City Commissioner Steve Novick today struck back at The Oregonian and its recent criticism of City Hall. His response is an homage to Seattle Seahawks corner back Richard Sherman—whose post-victory trash talking has been the subject of some media attention.

Novick's rant, posted on his city blog, takes a personal shot at Oregonian publisher N. Christian Anderson III (much as Sherman called out San Francisco 49ers receiver Michael Crabtree). Novick calls Anderson "some sorry Orange County right-wing publisher."

Then Novick gets vicious.

"You want to talk about mediocre?" he writes. "A paper that only delivers four times a week, now that's mediocre. You want to question our commitment to jobs? Seriously? The paper that specializes in firing

people—good people like Ryan White and Scott Learn—wants to talk about jobs?"

Novick's post ends with a shout-out to "COB!" That would be short for "Council of Boom." (The Seahawks defense calls itself the Legion of Boom.)

All in all, this seems like an appropriate opening to The Oregonian's new tabloid era.

The Daily Journal of Commerce

Oregon eyeing performance-based contracting model

By Jeff McDonald

A proposed pilot project that would transfer more of the risk on select public projects in Oregon from the owner to the contracting team has rankled some construction industry stakeholders.

Via a draft bill introduced to the House Transportation and Economic Development Committee last week, a state agency would be created to screen all projects that receive more than \$20 million from the state and cost \$50 million or more.

The agency, called "Infrastructure, Innovation, Oregon," or I2O, would guide public agencies on how to structure performance-based contracts with a team consisting of a designer, a builder, a financier and a maintainer. The contract would be structured so that the team could be paid by meeting desired outcomes up to 40 years, said Karen Williams, staff director of the Innovation in Infrastructure Task Force that in December issued a report on the alternative contracting approach to the Legislature.

Performance failures in areas such as HVAC and elevator downtime during occupancy could result in payment deductions, according to the draft report.

"One of the big risks for owners in a typical bid approach is that they put a project out for bid and the contractor comes in (and) says, 'We need to make change orders to make this successful,'" Williams said. "Performance-based contracting is a more integrative process where you think about ... the costs of operating this building. When you think about the operating costs 35 to 40 years down the road, then you get a very different set of decisions at the front end."

The shared risk would likely draw confidence from private investors whose money is needed to help pay for numerous public projects that otherwise would not move forward, said Rep. Tobias Read, D-Beaverton, a co-chairman of the task force.

"The need is clear; there is significantly more infrastructure that needs to be built than our financing allows us," he said. "The opportunity is to stretch financing methods that allows us to stretch taxpayer dollars and deliver better results for taxpayers."

Performance-based contracting would be akin to giving a buyer's warranty on projects, Read said. For example, the city of Portland could have been protected against the cost of structural repairs – estimated at \$95 million – needed at the Portland Building, he said.

"The promise here is not the least amount of cost, but rather to think about the useful life of the building," Read said. "The city would still be in contract with the contractor."

Construction industry officials, though supportive of the goal to plug the financing gap, did not believe their voices were heard while the legislation was crafted.

“Based on our research, legislation proposed would be the most far-reaching government-run solution in any state in the union,” said Dee Burch, president and CEO of Portland-based Advanced American Construction Inc. “We don’t believe there’s been enough due diligence to support that approach.”

Burch is the legislative committee chairman of the Associated General Contractors’ Oregon-Columbia chapter, which said more time was needed to craft appropriate legislation.

With Oregon needing sizable public projects, including the Columbia River Crossing and liquefied natural gas facilities at the Port of Coos Bay, no more restrictions should be placed on the procurement process, Burch said.

“From what we see, the legislation would do nothing to assist any of those projects,” he said. “It could potentially add time and they are all at a standstill. We don’t believe that the legislation will get us there.”

The AGC chapter would like to see other models for creating public-private partnerships.

“If we want to look at strategies of bringing private capital into funding public projects, you should not limit yourself to one business model,” said John Rakowitz, AGC’s director of public and strategic affairs. “Oregon has very little understanding with public-private partnerships. That’s why we believe there is more due diligence that needs to be done.”

The task force drew lessons from Vancouver, British Columbia-based Partnerships BC, a private company that would play a critical role in the establishment of I2O, Williams said.

“They are an adviser who augments the owner’s project development team,” she said. “They provide a rigorous analysis of the project, and a result of the analysis is the optimum procurement method that might bring the highest value for the taxpayer dollars.”

Partnerships BC served as a consultant for Multnomah County, and performed a detailed screening and analysis of its county courthouse project.

In its screening completed last year, Partnerships BC determined that two options – building a new courthouse and relocating operations while the existing courthouse is renovated – would be viable for a public-private partnership, Williams said. The firm is conducting a business case analysis that will help the county determine whether to use traditional or performance-based contracting methods, she said.

Partnerships BC over 12 years has served 40 projects valued at \$17 billion, Williams said. Roughly \$7.5 billion of that funding was generated through private capital, she said. Every one of those projects has been on time and on budget, she added.

“The overriding value statement is to find a message to get the highest value for Oregon taxpayers on their infrastructure projects in a way that works for everyone,” Williams said. “The process would create an understanding about what works for the construction community as well as the taxpayers.”