

# PORTLAND UTILITY BOARD

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To: Mayor Ted Wheeler  
Commissioner Mingus Mapps  
Commissioner Carmen Rubio  
Commissioner Dan Ryan  
Commissioner Jo Ann Hardesty  
Auditor Mary Hull Caballero

Re: Requested Budgets for FY 2022-23 for the Bureau of Environmental Services and the Portland Water Bureau

Date: January 26, 2022

The Portland Utility Board (PUB) serves as a community-based advisory board for the Bureau of Environmental Services (BES) and the Portland Water Bureau (PWB).

This initial budget letter, in compliance with City practice for budget advisory committees, is an early opportunity to share our preliminary planning and the considerations that will guide our next several months of budget work. This letter is the first of several of PUB's touch points with City Council throughout the annual budget and planning processes.

In reviewing the full budgets for both bureaus, the PUB will focus on those programs that affect four priority areas particularly important to us. This approach efficiently uses time, engages the PUB more effectively in the policy decisions that drive budget, and allows the PUB to provide more valuable and focused feedback to Council and the bureaus.

## **PUB's Priority Areas**

These priority areas come from our [FY2021-2022 Workplan](#) and apply to all our budget and policy work.

### ***Racial Equity***

Consistent with the [PUB's Beliefs, Values and Anti-Racist Principles](#), the Board centers racial equity in all its decision-making. Black, Indigenous, and People of Color (BIPOC) communities bear an inequitable burden due to the impacts of past and current policies and practices rooted in systemic racism. In developing recommendations, the Board will not only analyze the distribution of burdens and benefits, but also consider

how to advance reparative actions that address harm done by past inequitable policies, actions, and practices.

### ***The Climate Crisis and Climate Justice***

We are in a state of climate emergency, as declared by the City of Portland<sup>1</sup>. The PUB recognizes that marginalized communities are disproportionately impacted by climate change while contribute least to the problem and often benefit least from climate resiliency strategies. The Board will work to ensure the bureaus are taking an active stance on reducing their carbon footprint and takes a climate justice approach to addressing the climate crisis. The Board will work to ensure that the most impacted communities are included in the decision-making processes and that bureau climate policies equitably distribute benefits and burdens.

### ***Innovation and Efficiency***

The Board will ask how programs will use new technology and make existing systems and operations more efficient to ensure that innovations and efficiencies benefit communities, advance equity and do not happen at the expense of marginalized communities.

### ***Inter-Agency and Cross-Sector Collaboration***

The Board will look for opportunities for inter-bureau and inter-agency collaboration, cooperation, and sharing of resources such as staff expertise and equipment in ways that advance equity and enhance services.

Detailed versions of these priority areas can be found in the Board's Annual Report and Work Plan found here: <https://www.portland.gov/sites/default/files/2021/pub-fy-2020-21-annual-report-workplan.pdf>

### **PUB's Focus on Affordability, Financial Assistance and Budget Guidance**

The Mayor's budget guidance directs the bureaus to build their budgets within rates approved in the bureaus' FY 2021-22 multi-year financial plans, for a combined rate increase of approximately 4.86%. The PUB will weigh in on the rate increase further in the budget process. The Board supports the additional guidance for the utility bureaus to prioritize rate stability and predictability and to prioritize outreach about current and new financial assistance programs, seeking new and creative ways to provide access to those in need. The PUB will also provide recommendations about ratepayer exposure to costs associated with the City of Portland liability in the Portland Harbor Superfund Cleanup site. We also support the Mayor's guidance to increase investment in equity and inclusion, meaningful climate action, houselessness, and health and safety of employees.

The PUB continues to prioritize affordable water, wastewater and stormwater service for all Portlanders, particularly for people that bear the brunt of structural inequities. We also intend to develop detailed recommendations for the bureaus on developing equitable debt collection and financial assistance practices. The PUB will continue to question how revenue shortfalls may affect rates, the cost of ongoing service and the need to maintain and improve aging

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<sup>1</sup> [City of Portland Climate Emergency Resolution Number 37494, passed by Council June 30, 2020.](#)

infrastructure. In the interim, the Board provides the following recommendations regarding financial assistance programs, collections and debt recovery efforts.

**Center those most impacted** - The PUB recommends that collections, billing, and financial assistance programs center the needs of those most impacted by structural inequities and the cascading effects of the pandemic. At each design decision point ask: How will this benefit or burden those who are most vulnerable? Collection activities must not cause individuals and families who cannot pay their utility bill to lose their service or housing.

**Approach customers with compassion** – Approach customers with compassion. Assume first if a customer is not paying their bill, it is because they are struggling financially. The Board recommends that:

- Reminder notices be worded and designed so they do not feel punitive.
- Continue to offer extended payment plans. Continue to remind and authorize frontline staff to extend the payment period for up to a year and for there to be an accessible and equitable process by which a customer can be granted an even longer payback period.
- Explore additional debt forgiveness options within the current covenant restrictions with City Attorneys and Debt Managers beyond what is available through the “safety net program”, Administrative Review Committees and/or Financial Assistance Programs.

**Collaboration** – Pursue collaboration between BES, PWB, other City bureaus, agencies, and cross sector to increase efficiency, innovation, and equity in collections, billing/debt recovery, and financial assistance practices. Ensure that City debt collection efforts by various bureaus do not cause amplified and negative impacts on community. Continue to collaborate with peers nationwide in developing and improving financial assistance programs.

The PUB will strive to ensure that the bureaus are providing help to people in need.

### **Next steps**

Over the coming months the PUB anticipates more comprehensive review of the FY 2022-23 proposed operating budgets, program offers, and capital improvement plans. We look forward to analyzing and evaluating the bureau’s Requested Budgets and the City Budget Office (CBO) analysis and providing additional feedback to City Council. As the budget develops, the PUB will provide a letter with recommendations regarding the budgets, participate in the budget work sessions in March, the utility rate hearing in May, as well as discuss budget issues with the Mayor and City Council if requested.

The PUB is grateful for the significant support we receive from the bureaus’ directors, staff, ex-officio members; Council and their staff; the City Budget Office; and PUB staff. We welcome open communication with City Council and your feedback on our budget recommendations, our proposed approach or the values and frames that guide our work.