

Portland Utility Board
October 6, 2020, 3:30 p.m.
Virtual meeting using Zoom platform
Meeting #88

Attendees:

PUB Members:

- Amy Chomowicz, ex-officio
- Brian Laurent, ex-officio
- Dory Robinson, co-chair
- Gabriela Saldaña-López
- Heidi Bullock, co-chair
- Kaliska Day
- Karen Y. Spencer
- Karen Williams
- Mia Sabanovic
- Micah Meskel
- Robert Martineau
- Sara Petrocine, ex-officio
- Ted Labbe

Absent:

*Notice of absence provided prior to meeting

Staff:

- Amy Archer-Masters, Portland Utility Board Analyst, City Budget Office
- Astrid Dragoy, Senior Policy Advisor, Commissioner Fritz's Office
- Cecelia Huynh, Director of Finance and Support Services, Portland Water Bureau
- Dawn Uchiyama, Deputy Director, Bureau of Environmental Services
- Eli Rosborough, Bureau of Environmental Services
- Eliza Lindsay, Portland Utility Board Coordinator, City Budget Office
- Gabriel Solmer, Director, Portland Water Bureau
- Jeff Winner, Capital Improvement Program Planning Supervisor, Portland Water Bureau
- Muriel Gueissaz-Teufel, Project Management Office, Portland Water Bureau
- Steve Hansen, Group Manager, Project Management Office, Portland Water Bureau
- Sarah Santner, Portland Water Bureau
- Robert Cheney, City Budget Office
- Yung Ouyang, Senior Financial Analyst, City Budget Office

Public:

- Carol Cushman, League of Women Voters
- Dave Green

Ezra Hammer, Home Builders Association of Metropolitan Portland
Janice Thompson, Citizens Utility Board
An additional community member

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.

Key meeting materials can be found in the calendar item for this meeting on PUB's website:
<https://www.portland.gov/pub/events/2020/10/6/portland-utility-board-meeting>

The Board reviewed the Fall Budget Monitoring Process (BMP) submissions of BES and PWB; briefly discussed Title 21 and the upcoming work session; and began a review of PWB performance measures.

Decisions made include:

- If PUB receives less than 7 applications, then extend recruitment until Thursday, October 22, 11:59 p.m. at which time the recruitment team proceeds with review and interviews regardless of the number of applications...1, 3, 10, or 50.

Details on the individual decisions can be found below.

I. Call to Order

The Co-Chair called the meeting to order at approximately 3:31 p.m.

Virtual meeting guidelines were briefly reviewed.

II. Disclosure of Communications

Heidi had a couple of conversations with BES staff related to the Portland Harbor Superfund site.

Karen W had two conversations with potential applicants to the PUB.

Karen YS had small communications related to the Small Business Program for Utility Relief (SPUR) and PWB's equity analyst position.

Ted had several conversations getting the word out about PUB openings and the usual interactions with BES staff related to his non-profit work.

III. Public Comment

Ezra Hammer, Vice President, Policy & Government Affairs with the Home Builders Association of Metropolitan Portland provided public comment regarding the proposed updates to Title 21 individual metering. He highlighted the significant costs. The current estimate is that this proposal would add tens of thousands of dollars to the cost of constructing smaller scale multi-family housing and particularly housing developed under the residential infill project. This is extremely detrimental especially at a time when the City is moving to support "middle housing" construction. The Home Builders Association hopes the Water Bureau will consider revising the current proposal so that it does not present undue costs and burdens. Importantly, Oregon's HB 2001 passed in 2019 specifically prohibits jurisdictions putting in place regulations that would have adverse impact on "middle housing." He pointed out that the PWB applies only to dwellings with 9 units or less, thus it seems to target middle housing which they believe is in violation of HB 2001. He also mentioned that they have heard that this proposal would

serve low-income residents but have not heard how many or over what period of time. They feel this information is important for City Council to consider when making a policy decision that could be extremely impactful. Without being able to effectively balance the pros and cons the City Council is being asked to consider a proposal with incomplete information. He mentioned that neither the PUB nor other interested organizations were given an opportunity to weigh in a significant way before the proposal went to Council. While the proposal was released for public comment it was done so in a way that limited the ways to give meaningful feedback. It is disappointing that despite the overwhelming opposition to the sections that significantly increase costs to housing the Bureau did not make any substantive changes to the proposal before bringing it to City Council. The many organizations that work in non-profit development are worth listening to. He concluded by saying that he recommends that PUB both author a letter raising concerns and authorize a Board member to participate in the work session to share those concerns.

IV. Approval of prior meeting minutes

The draft minutes for the September 1, 2020 meeting were approved as submitted.

V. Fall Budget Monitoring Process – BES

Presentation

Presentation link: <https://www.portland.gov/pub/events/2020/10/6/portland-utility-board-meeting>

Ken Bartocci with BES summarized BES' fall BMP request. Given the uncertainty of the pandemic, there are no new requests. Most of the technical adjustments are related to BES' reorganization. Carry-over items are primarily related to the fleet which happens every year. The other carry over item is related to The Portland Building which is pushed out a fiscal year. The other items are things that were previously approved and are at various levels of completion. The fund level adjustments are something they do every year. The construction fund balance is a result of lower than expected CIP expenditures.

Yung Ouyang, City Budget Office analyst assigned to BES, shared that the fact that there were no requests and that the three items were pretty routine: true-up; technical, moving money within the budget; and carry-over meant that the BES Fall BMP request raised no questions for CBO.

Question and Answer

A PUB member asked whether Council's recent adoption of the safety net program ordinance would have impact on financial forecasts. BES staff said they would need to investigate it and get back to PUB.

A PUB member noted that the operating funds contingency decreased and asked if that was something they would see in the future in the form of deferred maintenance and operations costs. BES answered that the carry-over impacts had a decrease on the contingency which was effectively replenished by the operating funds in the fund level adjustments.

A PUB member asked for clarification on the use of term 'non-controversial,' asking if they meant it is appropriate under the City's current budget policies. The CBO analyst explained that since BES is not increasing appropriations and the budget requests are based on established guidelines, CBO does not deem them to require a lot of attention.

A PUB member said they are excited about the integrated planning program BES is developing and the allocation of funds to it. They felt this will help BES be more strategic and long-term thinking in projects.

VI. Fall Budget Monitoring Process – PWB

Presentation

Presentation link: <https://www.portland.gov/pub/events/2020/10/6/portland-utility-board-meeting>

Cecelia Huynh with PWB summarized PWB's Fall BMP request, covering the five main categories of requests:

- Carry-over funds are unspent monies from the previous year that temporarily go into contingency funding and then in the Fall BMP get pulled into carry over resulting in a reduction in the contingency fund. This year's carry-over includes funding for Mt Tabor and installation of solar panels at the pumping station from the general funding. The solar panel funding was approved several years ago and has been delayed because it doesn't make sense to install the panels until the roof is replaced.
- Interagency adjustments including, notably, the Washington Park project providing money to the Office of Management and Finance (OMF) for Community Opportunities and Enhancements Program (COEP).
- Technical adjustments involve moving money within the budget in order to reflect where the money will be spent, e.g., delays in Willamette River Crossing project have resulted in technical adjustments. The Washington Park and Powell Butte projects have also had budget adjustments.
- New requests are expenses that are unforeseen. There was both an increase and a decrease for a net zero.
- Fund level adjustments are a truing up of last year's capital expenses.

Robert Cheney, City Budget analyst assigned to PWB, explained that the Fall BMP has two major functions: a summary of the prior year's activity and an adjustment to the current year budget. PWB Fall BMP submission were all within the requested parameters. The CBO analyst noted that if the current Ballot measure passes then there is a potential for Council, should Council choose, to make changes in allocation of general funds to PWB.

Question and Answer

A PUB member asked if the Bureau would continue to see reduced operating expenses due to staff teleworking and asked if there is a vision for some of the buildings, e.g., rent, operating expenses, etc.

PWB staff answered that they are looking to reduce costs where they can. The Union Bank building had been leased for the filtration project and they chose not to renew the lease which is up at the end of the month. They will assess how teleworking might continue. Will some staff continue to telework full time? Will some staff do so on a hybrid basis? There are places like the lab where people need to work in the facility. In the current environment PWB continues to limit both the number of people that enter the lab at the same time and limit who goes to the lab in order to limit the lab tech's exposure. There are similar protocols for other facilities, e.g., the treatment facilities.

VII. Logistics Title 21 work session

Ted shared that he and Karen YS had expressed interest in working on Title 21 and that the hope is there might be a third PUB member interested in joining in order to form a subcommittee to develop draft talking points to bring back to the full Board meeting on October 15th.

It was proposed that the subcommittee meet on Tuesday, October 13th for 60 minutes or less at a time slot that works well for those interested.

There was no opposition to a subcommittee focused on Title 21.

Rob expressed interest in joining Karen YS and Ted on a subcommittee. Rob encouraged others to join the subcommittee as well.

PUB staff asked the PUB members interested in the subcommittee to stay for a few minutes just after the meeting to compare schedules and set a time for the subcommittee meeting.

PUB staff will send a calendar invite for the subcommittee meeting no later than tomorrow morning.

VIII. PWB performance measures

Presentation link: <https://www.portland.gov/pub/events/2020/10/6/portland-utility-board-meeting>

PWB staff described the process the Bureau went through to develop performance measures. The relatively new program offer approach to budgeting includes performance measures within program offers. With the transition to program offers the Bureau first focused on developing the program offers themselves which left less time for fully developing the performance measures. The Bureau committed to developing performance measures as part of the FY 20-21 budget submission and spent several months developing them. The process was to start with the existing performance measures and categorize them into one of three types: workload performance measure that describe the amount of work done; efficiency measures that tell the bureau how efficient it is with resources; and outcome measures that describe whether the bureau is getting the desired results. Not all the performance measures were included in the program offers. They tried to select one or two performance measures that show whether they are meeting the goals, objectives, and levels of service for the program offer.

PWB still has some work to do with CBO to get performance measures into the program offers. PWB had hoped to hire a contractor to help refine the performance measures. However, given the need to reduce costs, this likely won't happen. PWB will work with CBO and PUB to improve performance measures. The goal was to come back to PUB last fall but given everything that has happened this was delayed. Some of the performance measures are better than others. This is an area where PWB would like PUB's feedback.

PWB closed the overview by noting that next time they would review the performance measures of the five program offers PUB prioritized for last year's budget, followed by discussion and PUB feedback.

A PUB member asked how the programmatic service levels related to the Bureau's strategic plan and goals. PWB staff answered that the strategic plan is risk based. There is not a one-to-one correlation and so not everything is reflected in the strategic plan. Where there is a connection it will be made.

IX. PUB Recruitment

Normally the recruitment subcommittee would make the decision about when/how to close recruitment. However, the subcommittee won't be meeting before the slated closing date, so the decision is being brought to the full Board.

A proposal was put forward that if PUB receives less than 7 applications, then recruitment would be extended until Thursday, October 22, 11:59 p.m. at which time the recruitment team would proceed with review and interviews regardless of the number of applications...1, 3, 10, or 50.

VOTE Dory made a motion to accept the proposal.

Heidi seconded the motion.

There was discussion about how this proposal was developed and how the figure of 7 was arrived at. PUB staff answered that it was based on past recruitment processes and the goal of having a good pool of applicants to choose from.

There was no public comment.

All present voted Yes: Heidi, Rob, Kaliska, Ted, Dory, Micah, Karen W, Karen YS, Gaby, and Mia.

X. Next Meeting

Potential agenda items for the October 15 meeting include STEP-CIP updates, Title 21 final prep, PWB performance measures, and BES reorganization and program offers.

BES staff noted that STEP-CIP has had a lot of developments since PUB was last updated. BES will be going to Council in a few weeks and will be asking for additional funds. So, they felt it important to brief PUB prior to going to Council.

The meeting adjourned at approximately ~5:00 p.m.