

Closed Captioning/Transcript for the April 2, 2024 Portland Utility Board meeting

(auto-generated by YouTube with minor edits)

welcome everyone to the Portland utility board's first meeting of April uh under Portland city code and state law the Portland Utility Board is holding this meeting electronically board members and relevant City staff are attending remotely or by phone and the city has made it available for the public to listen to the audio broadcast of this meeting this meeting is being recorded and the public will have an opportunity to provide comments during the public comment portion of the agenda and can also provide written testimony to the board by emailing UtilityBoard@portlandoregon.gov

PUB believes and acts upon anti-racist principles in our meeting spaces and interactions with PUB while every person has the right to share their personal perspective we stand against wrongful conduct particularly any conduct that is targeted towards people who are made vulnerable by systemic inequity and that means stepping up with as a community when there is wrongful conduct and fostering a space of learning and

growth and the way that we do that is we speak up and we speak out uh each per each person on this board is empowered to maintain the culture of the utility board and we will focus on the individual or population the impacted individual or population condemning the conduct not the

person hi my name is Amy Archer Masters and I'll quickly run through the meeting guidelines please state your name before you speak and if appropriate who you're addressing or that you're addressing the group the chat box is only viewable by me so please limit to Technical and logistical issues including if you wish to sign up for public comment asking for technical assistance or reminding us if you've been waiting to speak and have not been called on the raised hand function is primarily used by the board I may lower your hand once you begin speaking just to maintain the flow of conversation um during public comment periods public can raise your hand and you'll be called on when appropriate uh if connecting by phone you may need to press star 9 to raise your hand videos may be turned on when speaking if desired it is not required please mute your microphone when not speaking members of the public will be muted except when giving public comment if connecting by phone you may need to press star six to mute unmute yourself as mentioned public comment will be taken during the comment period early in the meeting you can sign up through chat with me or raise your hand uh During the period it's also available just prior to a board vote after been made and seconded by board members as mentioned this is being recorded I'll pass so thank you Amy uh so today's agenda uh time permitting we will have a brief update on the natural resources is uh committee from Bob and then the main portion of the conversation today will be an update on the Portland

Water bureau's fil filtration project uh that will be a presentation and hopeful discussion and then we're going to round out the meeting um working on our continued uh budget recommendations that we will be hopefully sending uh to the bureaus and Council uh so with that let's go on to the disclosure of uh

Communications all right I'm not seeing anyone raising their hand or unmuting so we can continue on to the next

portion all right so now is the public comment portion uh Amy has anyone submitted written uh testimony

beforehand I do not have written testimony but I did receive a request to give public comment um prior to the meeting uh I'm not sure if they're in the room but Charlie Ciecko if you're in the room you can unmute and begin

speaking and if Charlie is not in the room I also had a message from a Terry Ciecko if you are in the

room

I have not received any requests by chat um and I have not seen uh anybody respond so we'll just go with who's in the room so uh we can go with the first hand raised John Sieling

ceiling sure thanks for letting me speak um my own my comment with regards to this entire project is and really just focused on one thing that I think a lot of us have concern about is um Public Safety uh maintenance of the roads repair of the roads out here we've uh obviously got not only uh rural residents here but we've got a significant amount of agricultural traffic um School traffic etc etc what I've never seen in the presentation at least to my satisfaction um from pwb with regards to the Filtration plant are um their you know specific plans on um how to mitigate the impact their vehicles will have the thousands of truck runs that are going to be done here um you know I've I've I've heard stories and you know maybe they're wrong maybe they're right um with regards to uh if there's an emergency in the area that they'll they just need a 20-minute heads up to remove steel plates from the road which is wholly inadequate so

um you know my comment here is I I hope the PUB looks at um and demands more accountability but for M mitigation uh or at least a plan for mitigation on the road uh impact for us out here in East Multnomah County thank

you thank you for that John uh anyone else who's present in the room want to raise their hand for the public comment

portion

all right I'm not seeing any so then we will move along Amy: I did receive one uh via chat so I will share this on behalf of the individual um I don't know their name um it is somebody who's connecting by phone uh they stated that they are concerned about the outlandish cost to rate payers from 300 million when the project was approved to almost 2 billion now and growing when will it stop almost all of the water bureau's wholesale customers are leaving by 2026 resulting in a 30% rate payer loss this makes it more expensive for the remaining rate payers and that is the end of the comment that was

provided and thank you for that public comment last call anyone else have a comment to

share all right so with that let's move to the next

portion all right so we had a natural resources Service delivery project team come together Bob are you available to give us an update on the first meeting that was held a week or so ago um sure we had that pre- meeting then we had the first meeting uh it was without Bureau directors uh with a lot of Staff it was it was pretty well attended um I was the only one there on behalf of the pub um but uh um basically we had a discussion uh kind of an overview and um uh some discussion about what our goal actually was which is not entirely clear um and so I think there was a fairly robust discussion around uh you know where are we trying to get to and if we're just developing a process you know we've been here several times before we're now kind of in the fourth incarnation of this discussion since began and we're still doing a process for a process so uh that was uh most of the meeting and then we did an exercise uh where we put sticky notes up on boards thinking about some of the issues that people wanted to raise uh so I think fairly preliminary at this point um uh and and I think I would say I still have some questions of of really

are are what what is a good question to ask us and what is what is a staff decision I think that was probably the most interesting part of the conversation for me which is if you're asking sort of us uh how do you how do you organize yourselves within the bureaus uh you know which which positions go where and should you have a unit in this this area or that area I'm not sure that any of us are qualified to really answer that question that's really about internal organization and what makes sense uh if you ask us what should they do uh you know what do we want out of a natural resource Bureau you know what are they doing now what would we like them to do how would we like them to intersect with the public uh what kinds of um uh goals should they prioritize I think that's a great question for the public and I think the challenge for us is to tease those out and at least I was trying to kick some of it back to staff and saying look we can't tell you which Bureau a position should be in per se or which Bureau a program should be in or whether they should all be Consolidated or some of them should be we all have our perspectives but at some point that really is for you all City staff Bureau directors and so on to sort out among yourselves uh because to some degree we're making it up as we go you know um so that's where we're at um I think some good quinary questions were teed up and I think the next meetings will probably be um pretty interesting thank you for that Bob and do you or Amy know when the next meeting is scheduled uh I think I do um go on and I'll see if I can find it I'll put it in chat if I can find it thank you and yeah just send it in chat if you could sure all right so uh with that brief update I think we can move to our uh first part of the agenda today which is the Portland Water bureau's update on their water filtration project so I would just like to welcome Jodie Inman the chief engineer at the Portland Water Bureau thank you for coming Jodie thank you for having us and good afternoon um I'm going to try sharing the presentation so bear with me because it's not the same location as it is

on um all right so I need need approval to start

sharing apologies you should be able to now

okay all right can we all see

that we can although it's not in a full view so it's kind of shrunk down all right there we go did we get there all right thank you uh for the opportunity to meet with you all this afternoon I'm going to give you an update on the status of the bull run treatment projects and then also an update on what we are bringing to Council next week the afternoon of April

10 so I just talked about the agenda but we're going to talk a little bit do a brief overview of filtration the requirements the benefits some of the workforce components we're going to touch on cost and we're going to confirm um and explicitly discuss what is coming to council what the specific actions are that will be coming to Council next week which include our guaranteed maximum price prices for the second phases of the work for the facility and the pipelines as well as our annual

report so I just wanted to take this moment to sort of reflect back on the importance and the legacy of the system that the water Bureau customers, our community both residential business and our um single family customers currently enjoy in that between the late 1800s and early 1900 the Portland Water Bureau the Portland Water committee war was created they spent a lot of time investing in a long-term investment they didn't just choose the fast source of taking into it they chose to look long-term to build a system that would benefit all customers from a very long of time which is to go up into - Go 25 miles east of town look for a protected watershed build that 25 miles of infrastructure to connect to that watershed and then since then they have spent um centuries working to ensure that there are Protections in place through the federal government, with that there's no logging there's no pollution and that watershed is protected for its

ability to deliver clean and clear water can I interrupt just for a moment I've had a message from a couple folks who said that it's kind of hard to hear and understand you so I'm just wondering if you can just move a little closer to the microphone while you're speaking apologize for my face getting big but I will try to talk loudly and articulate something of today um anyway we have been um uh the Portland Community and those who drink Portland Water have really been benefiting from that Legacy for Generations uh we are at a point in our time where we have the opportunity to make a similar level of investment that will give that same Legacy to the Future generations to our children and our children's children um to be able to have that security of access to clean and safe drinking water from the Watershed but certainly the forest that that's much to protect

our so just to touch on the bull run filtration treatment program and what is in it there are multiple components that are part of the bull run filtration treatment project that includes the facility itself it is 135 million gallon um conventional treatment facility it also includes seven miles of large diameter seismically resilient pipeline that is pipeline that is currently in some of that pipeline is some of the worst condition of our conduit in the system it is also pipeline that would be replaced as part of our seismic implementation program which we would be endeavoring to embark upon as this started so there are a lot of components within the program itself in addition to those two pieces it also includes the corrosion control facility which

is a \$20 million investment that was made that was brought online and has been successfully helping to reduce the exposure of lead at the customer's tap since it was brought online two years ago 2022 so I think sometimes we talk a lot about just the filtration facility itself again it's 135 million gallon per day (mgd) facility it is on a 95 acre parcel with east multnomah County that is owned and was purchased for this purpose in 1975 by the Portland water bureau but again it's a facility and it's also an extensive system investment with a large network seismically resilient

so one of the pieces to remember with filtration is a regulatory requirement there's a lot of words on the slide but what we really want to mention is that it we've had a variance for treatment for cryptosporidium that in 2017 it was revoked because we had too many cryptosporidium hits in our water shed as part of that process we need to enter into an compliance agreement with the Oregon Health Authority for how we were going to address cryptosporidium because our variance was no longer a viable alternative at that point in time the city council struggled and took a lot of time to really think about the impacts of the types of treatment that were available for cryptosporidium

including UV they recognized the costs for were more uh they recognized that the cost of filtration were more but the benefits that filtration provided far exceeded the one thing that UV could help us do which was treat or disinfect from cryptosporidium and then part of that once that Council made the decision in the summit of 2017 to go with filtration over UV because of the additional benefits that decision was used to enter into a bilateral compliance agreement with Oregon health authority this is not just a general agreement or a contract this is a legal requirement for us to do filtration so in 2017 the consideration of benefits and cost was made a decision was made by city council and we are now legally required to build filtration as part of that bilateral compliance agreement it specifically states that cost is not a reason for the revisiting of the compliance agreement so it is we do not have the ability to renegotiate the terms of that bilateral compliance agreement

part of the reason in 2017 why we all but the choice to make it filtration was the right one is because filtration is not a one trick pony for filtration filtration provides multiple benefits to our customers that will set us up to be able to address events that are happening and we're seeing today and long into the future filtration will give us the ability to deal with climate change in that it gives us the ability to deal with increase turbidity or sediment moving into our water system it will allow us a response tool in case of a forest fire in 2017 right before we were and the council was debating the decision to go to filtration we had had a forest fire the eagle creek fire which is on the edge of our water shed that was a reminder of how fragile our water shed is and how critical it is to our ability to serve our customers in in last fall in 2023 we had a worse

event we actually had a fire in our watershed within a couple of miles of our headworks treatment facility we were extremely fortunate we had a lot of help in the response um for the forest service and to and local communities as well and fighting out higher we had a lot of help from the weather but it is really demonstrating the risk and increasing risk of a forest fire in our watershed which will even if we had it would not be able to help would not deal with the additional sediments we acquire and filtration is one of the only tools there are other tools or other events that or other risks out there that filtration helps us address it helps us address potential algae it helps us address turbidity from inclement storm events which we see in Portland with climate change and it also uh help remove Organics from our water which will require less disinfectant which reduces the amount of chemical disinfection byproducts which

are not normal so why not switch to UV this is a question that comes up a lot just to reiterate switching to UV is no longer an option we are under a compliance order from the Oregon Health Authority to build filtration we made that decision in 2017 to go for the greater or to build a treatment tool that will allow us and our future generations to address the risk that we are seeing today and unknown risks that we may not see and we know about potentially coming filtration is not an if it's a when we are going to have to build it at some point and so it is in our best interest to build it now when it is cheaper than it would be to build in 20 years

if we built UV we would remain in unfiltered status which would be

problematic so costs so market conditions have impacted the costs across the country for Water waste water transportation multiple other type of infrastructure improvements Costs for projects or cost for treatment programs are going up from as you can see Nationwide cost averages from the estimate to the GMP are around 44% the Portland Water filtration facility which is third from the right is about a 47% increase estimate to the GMP this is a point where we are happy to do somewhat of the average and we are delivering an excellent project with excellent participation from the community and we are doing that at the average rate of increase in cost what is driving this cost up?

first we want to talk about water rate affordability so with these increases in cost that are coming with the gmps and an annual report to Council next week there will not be an additional increase to the rate forecast we have been we will be addressing cost increases and will be staying at the Maximum or the 8.1% that is in our rate forecast that includes about a third of the rate third of the bill going to maintaining our current service level about a third of the bill we go to the Bull Run Filtration projects and about a third of the goes to capital program or other capital work

so what are the key drivers that are driving up the cost it's probably most like one of the factors that is driving up the cost on this project is schedule compression we had anticipated or hoped to be starting construction last fall however the land use process has taken longer than we had hoped and we have just started or are starting construction now that means that we have to get our end date Remains the Same so we have had to compress the schedule for construction which increases the cost for having multiple folks out at the site at the same time Market capacity this is probably one of the large events that has impacted the cost of there is a lot of work going in the market right now and including in the area in addition there is a lot of infrastructure funding coming from the federal government that is also pouring into infrastructure projects that are competing for a lot of the same resources so there's a question I see one question in the chat um is it possible to wait until we get to the end?

all right I'll keep going and then we'll come back to questions if that's okay another factor that really is driving up the cost is labor shortages in the area between or between 2015 and 2020 the average unfilled construction worker job is about 200,000 or about 200,000 of the jobs since 2022 that number has increased to over 400,000 there is a general reduction in folks going into the construction trades and yet we are seeing that with an increased demand for construction trade workers um that means that in order to get the qualified staff that we want to be with on those projects we are having to pay folks more and that is consistent across a lot of different service Industries and that does Drive up the cost for all the work there is also continued escalation in supply chain issues there was a pandemic that is part of what has driven up the cost it's by about 37% in addition to that there still continues to be supply chain and other issues there are um challenges with droughts in the Panama Canal we have seen war and other worldwide conflicts that have made it really difficult um that have impacted supply chain especially water so that is another component of the cost impact for

construction proactive cost management we understand that this work is expensive um and we have been working to manage the costs since we started the project we did a lot of value engineering through multiple of the early phases of design and reduced pre-estimated construction costs by over 200 million we are looking for external funding wherever we can we have obtained about 7300 and expect to qualify for over 500,000 additional project Energy Efficiency related incentives for energy trust of Oregon. We have revised the five-year and in fact we have revised the 10-year Capital plan in order to be able to offset those cost increases we continue to seek other external funding and we are going to be applying for a second water infrastructural finance and Innovation act or WIFIA loan to help smooth the bill impacts over time and then also maintaining momentum on construction is our best opportunity to achieve the compliance deadline and control cost increases cost estimates or construction escalation in

recent years has been anywhere from 10 to 20% if we assume the 5% estimation which would be around average we will be looking in the order of \$80 million dollars a year just in escalation without any other factors or impacts

the in the course of happy news we are very excited with the general maximum price packages that we'll be bringing next week we have exceptional COBID firm participation for the uh uh for the facility itself we have almost 300 million that is going to COBID firms that is over 26% of the project of the facility that is going to COBID participation which exceeds the 25% that is part of the regional Workforce equity agreement and far exceeds the 20% that was part of the

old principle used at the City so this was a large project we were concerned about how we were going to be able to achieve new larger goals with the their volume of this work and the team was able to do that and exceed them and I think our Contracting Community while we've had a few a few stumbles along the way will be there in support of this project with us next week and they are very excited to start the work another very another key success in the co participation is the high percentage that is actually to minority owned firms so that's 300 million on the facility itself, for pipelines that also has a wonderful success story when it comes to COBID participation with over a 100 million going to the COBID community and that equals 34% of the total contract dollars and again for this project we have exceptional minority businesses that are part of that COBID participation not only do we have large participation the program and these projects have also made it Incorporated some of our non-typical COBID firms we typically see lagging or Trucking are some of the ones that are more common on our type of infrastructure work but we also have electrical we have building and we have we do Trucking and we have a control for those folks who all who participate on this project which gives them the opportunity to grow their businesses to be able to compete in this area which is part of the intent of investing in the COBID firms

this project we have been working to keep the community informed and engaged um we have multiple different Avenues which we to try to reach the community about the project we have specific efforts that we make with the community where the project will be occurring in east County we have other Communications that we do on on the water bureau website on the city website and to the general ratepayer. As we move into Construction we will be also updating our engagement to have opportunities for the community to meet specifically with our contractors we will have a construction hotline so that we are able to hear identify address and mitigate concerns that come up as we move into construction and then other methods for the community to be informed on the project

so what specifically is coming to council? We have three reports coming to council the first is a report that's led by the water Bureau which is the bull run treatment project annual report this is a report that in 2017 was established and required for the Portland water bureau to bring back the status of the bull run treatment program to city council once a year that is coming back to Council next Wednesday we also have two additional reports to council a report to council for the filtration guaranteed maximum price too for the balance of the work as well as a report to council for the pipelines guaranteed maximum price too. You may or may not remember but when we went to council last year we received authority to not only Grant uh the notice to proceed for early work in our June Bond packages but also the authority to come back to council after we had gone out to bid to request um approval or report to grant the maximum guaranteed price too. that is those two packages that will be part of the overall

presentation um all of those reports are something that city council will have the opportunity to ask questions on

excuse me it's getting really garbled again um well that was the end so sorry about that um if there's a piece so I'm open to questions I'm gonna get this out of my full screen cause I cant see everybody or you can just let me know what the questions

are and I think Karen Williams had the first question go ahead Karen so my question is pretty basic it's about so if I understand one of those or the earlier slides with the um green and blue bar chart with the 40, 47% so I'm I'm first of all I'm just want to make sure I'm interpreting that correctly so does that mean that the the guaranteed maximum price is not quite twice what was originally

estimated the total project cost have gone up

47% okay okay so yeah so it's not quite all right so 100% I guess would be a if it had doubled so it hasn't quite doubled but it's still a lot so um I am just grappling with how given that very large um increase how is it possible that the forecast that the planned rate increases could cover that you know yeah so this these increases are included in the rate forecast as well as the upcoming um operational components or the operational the cost of operating the plant is also in rate forecast uh when to our rate forecasting will go beyond 10 years and so we have been tracking this and this was part of the consideration when we did the last rate increase so we are able to accommodate this increase through cost offset in that 10year capital plan

or it is already in the rate that we took to Council or

did that answer the question? Jodie if I may I would add um that as we um what we have also done Karen is to look at the 10-year Capital plan and make adjustments to accommodate for the increase that we're experiencing in this project and we're also going to be pursuing a second WIFIA loan on the additional amount that is increasing so that you know WIFIA funds up to 49% of the project so 49% of the increase uh we're hoping that will be funded with a second WIFIA loan and with a second WIFIA loan the repayment of that loan comes many years after the completion of the project so in the near term and when I say near term because we look so far out uh over the next five years our rate forecast is not expected to change as a

result uh Karen Williams again can I do a quick follow-up to that? yeah um so is is the rest of that uh sort of the second sentence that comes after that Cecilia is that but after five years that's when we would see I guess the cost you know I mean we have to pay for that increase in cost somehow and I guess I'm understanding that that might not show up in the next five years but it will show up eventually right? yes and as well and as Jodie indicated we have been planning for this project over you know a long over a long period of time so you know with the first WIFIA loan we have already incorporated that repayment we are making changes to the capital plan so that our issuance of revenue bonds to support the capital program will not be changing significantly so is in essence as far as our revenue bonds to be issued to fund project and the rest of the capital plan will remain roughly the same so the impact on rates from that will not be there and then you're correct with the WIFIA loan you know starting later in the forecast we are seeing an increase to the rates we are projecting that rates will come down so we're able to absorb sort of the the additional cost or the additional increase from the WIFIA loan and then of course we're able to smooth that impact over much longer period as

did you have any follow-up to that Karen uh no I'm I'm good for now thank you you and we did have a Community member submit question asking uh what is today's estimated cost for the

project

so the estimated oh thanks um so we're putting all of those specific numbers together for the council presentation so we can share those as soon as that's been filed and ready to go for the council so we're happy to share it just need to get that all into the council first

so you don't have the ability to give us an estimate before that's reported to council? well we've been asked to give deliver the information to council um so we're putting that final piece together this week and then it'll be out at Council so if there is anything that that's been filed before then we will get that to you at latest Wednesday of next week

any board members have any

questions? This is Robin I actually just want a clarification in one of the slides it said COBID I just wanted to clarify what that acronym was for oh yeah um So COBID is the Community office of business inclusion and diversity it is a state certification so it is your um you may also heard of DMWESB division of diverse minority contractors or women owned business emerging small business and disadvantaged business

so it's a state certification okay thank you for that uh

go ahead Bob

Bob are you out there I am sorry my computer died and then it went on mute so I had to come back so sorry I missed a little bit um so thank you for the presentation that was really helpful um but two questions um one I'm just curious about the site I mean you're up by Oxbow Park farmland and you know it seems like a big and and I know this is water under the bridge so maybe it's a moot but I know I've heard questions about this, why are we building out in this you know area where a big treatment plant of the scope seems very inconsistent with the land use patterns and two, as I mentioned it got a little garbled right at the end so I'm curious you're going to council with a couple of with several reports but is there a decision point right in front of us is there a place for the public to weigh in I mean what are what are the next big decisions that really have to be made as we you know move along this process and you know what what's still at play so Jodie do you want to take that first question and then I can answer the council question thanks um yeah so the water Bureau had purchased this piece of property which is an allowed use on the property it is not exclusive farm land zoned so we purchased this property because we anticipated something like filtration coming up in the future I mean most other utilities Nationwide have been on filtration for decades so this has been something that has been coming for a long time the piece of property is fairly unique in the criteria that we need to be able to um it has access to our current conduits so it is within proximity of the

existing water system that saves the community a ton of money and disruption and dollars for having to build on a site that is not near the existing piping system which would be a huge disruption particularly along some of the most populated or most congested thoroughfare like Division it also needed to be added a specific elevation and we wanted it this property that was large enough to be able to accommodate the facility as well as to provide some buffer around it from the community so for all of those reasons in 1975 this was a piece of property that met the criteria and it still an allowed use on the property

which has been confirmed with land use approvals from both Multnomah and Clackamas County

then you had asked about what's coming to Council on Wednesday on the 10th um so it's three actions uh there is a report to council it's just our annual report so this is the one that was required in 2017 we've come through annually it will be voted on by Council to accept the report um and certainly testimony will be allowed but it's just accepting or not accepting the report uh that we're required to bring um I think it'll be informational a lot of the same information that you heard today will be in that um I think it's five or six page report annual report and then the two other reports to council um they are actionable it is Council it's not a rubber Council will have to decide whether they want to um accept those guaranteed maximum prices this is for the balance of the work for both um the filtration facility itself and for the pipelines so they can determine um as Jodie presented there's a pretty compelling case to move forward but if Council does not want doesn't see that case or wants to go in a different direction um understanding the trade-offs that will that will happen there they certainly could that that will be a decision for council with a staff presentation also with testimony from the public there will also be testimony from Oregon Health Authority they'll weigh in on the way that they see the regulations um and then I believe some of the COVID contractors the participants and subcontractors who would be doing some of this work will also be there to testify so certainly the public is welcome on Wednesday. Thank you. All right so we'll throw it back to Karen and then it looks like we might have a member of the public that wants to ask a question so go ahead

Karen thanks Robin, Karen Williams voting member I guess one more one more follow-up to my earlier questions and I just would like a clarification on again kind of in lay person's terms you know what adjustments to the capital plan means. Like as an example does that I mean, are we talking, so it made me think about this when I think Gabe you use the word tradeoffs and not in this context but you know are we talking about as an adjustment to a capital plan say just very simply like not doing other Capital Improvements too because the cost of this project has been or will be so much more than was originally estimated is that kind of what an adjustment to the

capital plan means? Yes, for the most part and I can give you even a little more specifics on what I guess tradeoffs we're making. Primarily in two areas Karen, one is we have a Mains replacement program where we're out there replacing our Mains to minimize main brakes, right? Pipes get old so we need to be replacing them. We do have in our Capital, ten-year capital plan, plans to step up on the replacement toward the end of the 10year forecast. So what we have done with that is not do the Step Up of the replacement but delaying that a few more years out so that allows us to reduce that program within that 10year window to help fund the increase. The other is in the area of seismic plan implementation. We have a goal to be implementing our seismic plan within 30 years. The state suggests 50, and we are now looking at implementing the seismic plan over a 40-year period, again well within the goal that we have set or that the state would like us to be doing. So that's what we're talking about when we say we are adjusting the CIP to accommodate for the increase to the, to this project.

I appreciate those examples that was that was really helpful Cecilia thank you. Sure. All right so I just want to get a quick clarification from the uh the member of the public calling from the phone number ending in 044 do you have a question for the staff or are you here for the public comment portion that you may have missed?

and I think it's star nine to unmute

we'll give them a few more seconds in case they're fumbling with their phone a bit

correction I think it's star six to unmute if you're having difficulty

all right not seeing any unmute yet we can wrap up the filtration update today. thank you all for presenting and for answering questions and if the person with their hand raised uh gets it figured out please just message in chat and we will try to give you a moment um so then let's see what we've got

here all right so with that let us actually move on to the uh the budget portion of today's uh work where we are deciding I believe if we want to um write a list of Demands or a subsequent recommendation letter for the bureaus and city council around how we can uh navigate the bureaus better as Pub members and so because I did miss the last conversation Amy is there anything that you can add

here yes thank you Robin sorry it's hard to get to the unmute sometimes um so I just a reminder of where we are in the process uh so this should look familiar to those of you who were at the last meeting um just provides what the rates were approved at uh kind of uh the documents that you've received so far the requested budgets the analysis um we had asked if there were any outstanding questions and I haven't received any uh directly so if there's any clarification questions if there's Bureau staff that are available they may be able to answer or I can still try to get answers to those um there are listening sessions coming up this month uh so those are open to the public and opportunities uh to speak directly um and the goal was based on what was discussed at the last meeting there was interest from Pub members in kind of doing a final document that uh captures a few key areas um and what we had discussed was a goal of trying to get that submitted to the mayor and Council before the mayor's proposed um and so the these are kind of the key categories that were mentioned uh at the last meeting and uh that I provided to you and read ahead um so the suggestion was including uh any proposed Investments That Pub supports some areas of concern and the one that's listed there was uh one that was flagged uh during that meeting um and a statement of the appropriateness of rate increases and uh the basis for that so at at this point the goal at least that I had in mind for today's meeting is to just kind of pinpoint down anything that you um have that falls into any of these areas that you want to make sure are part of that uh final letter so that we can work on drafting that and getting something uh for Pub to finalize uh at their next meeting um so just wanted to open the floor for comments from folks to see where you wanted to go with

that go ahead Bob well you mentioned it but I don't it up here I mean council did invite us to give them our recommendations on how we could intersect better with the process uh I think we should take him up on

that yes that's a good point Bob I wasn't sure whether that uh you want as part of this letter or a longer conversation would be needed so I guess I was had made an assumption and it may be an incorrect one um to have that be separate from this final but it may make sense for it to all be together we just haven't discussed much about uh what the process would look like so if you think that that is achievable um between this meeting and next meeting then certainly we would want to include that in the final document I that's a great question and and I don't know but I I think we should at least uh acknowledge it if we can't make recommendations I think we should make sure we have a little couple line in there that just say we we appreciate the council's uh request for feedback on this and we'll be providing that shortly or something like that just so we don't lose it great thank you say Robin uh I would like to speak in favor of writing writing kind of what Bob said were maybe we're throwing in a sentence or two saying that we will get to them but I do like the idea of having I'm going to call it our List of Demands um which is just how we want to be engaged with and by the bureaus throughout the budget process I do think it would be really uh helpful for us to craft a letter like that um I also feel like it doesn't

necessarily have to be submitted um immediately and that it's mostly for this next round of processing which is always going but we can at least focus on our current recommendations and send a separate letter of how we want to navigate the budget going forward um and then I just wanted to make a comment I do think we should really push the area of concern about environmental programs because the community budget budgets office uh recent report that was sent out as a read ahead also backed up the claim that a lot of these environmental programs are going to be cut um if there is limited funding as well as cuts to those eight training positions that we had successfully lobbied for and successfully funded last year but now they they're on the chopping block I think that's a big issue um there was one other thing I wanted to mention but I'm gonna let Bob chat and then I'll bring it up as a second

point just to follow up on thank you just follow up on the environmental thing I think there's two parts to the environmental uh issue the first is the actual cuts and the second is the statement that these are ancillary programs that they're lower priority for bees because that that's a new I don't know policy statement that to me came out of nowhere and I think we should question that and I think connected to that we ought to be saying uh you know we appreciate the conversation that's going on around a natural resource Bureau or a natural resource unit but for now the Bureau of Environmental Services is the Environmental Bureau of record and uh until these programs have a new place to go and these things are sorted out um you know we we I'm not being articulate here but B basically you can't start cutting them until we have a plan you know um because I think one of the dangers in this process that we're engaged in is that uh things are kind of being dismantled in one place before there's any uh new place to put them so Ian and I'm happy to work on some of that language if it's helpful

thank you for breaking that one down Bob um and with I kind of also wanted to comment on the appropriateness of the rate increases um the if I'm understanding correctly the bureaus have requested at least a 5% rate increase for the service development charges and it has me sorry they've they've requested that rate and it is to my understanding that the bureaus have essentially been paying for some of the cost to deliver rather than putting that on the the businesses that receive our services and so it has me wondering essentially like in the past 10 years how much how much of the service delivery charges has the bureau been paying and not been pushing onto for-profit businesses and it has me thinking should we be should we be asking for a specific number for that percentage um I don't know if we have the background of knowledge for it but it has me wondering if if we've been essentially subsidizing some of those Service delivery charges we've been losing money for a minute now and so it would be nice to know how much we've been subsidizing that and is it necessary to now ask for a 10% increase to make up for to make up what we have been paying for and for what we've lost previously

go ahead Karen uh Robin I'm sorry I just went wondered if um I could ask you to restate your your last question to us I I just didn't quite I just didn't quite follow and I didn't want a the the resounding s silence to be an indication of lack of Interest I just didn't quite follow okay so to reiterate it's my understanding that through the current service development charges we have not been able to recoup the amount of investment that the bureaus have been putting in to make those connections and so we are essentially letting the city bureaus pay for for a portion of the service development charges instead of putting that onto the business and wholesale customers if I'm stating that correctly and so the bureau is C the bureaus are currently asking for at least a 5% SDC rate increase and my question was to figure out is there a way to see how much the bureaus have paid for those sdc's in comparison to how much they have recouped from uh the businesses or wholesale clients that use them and should we be specifically requesting a specific percentage because they're asking for at least 5% do we have the Power Authority or knowledge to be asking for a specifically higher percent in order to recoup the funding that we have previously paid for on behalf of business interests go ahead Amy so I and actually I might call on Cecilia who's in the room and might be able to answer more clearly I just for point of clarification my recollection is that um well first of all that council did approve the SDC rates at the 5% rate so that is the rate that was approved um so at this point um it couldn't be at a at a different rate than what was approved uh but they can correct me if I'm wrong now I I think kind of what gets to the point of what you were questioning Robin is that last year they had asked for an increase to sdc's but sdc's Council froze um and so they did not increase sdc's last year and that may have happened in other years as well um but that is the one that I recall and it's the most recent one so the rate increase that would have been due uh last year is what was lost over uh this past year so they I'm not sure if they have a sense of what that impact was um but Cecilia correct me if I'm wrong or add anything that you think might address Robin's question uh yeah thanks um I think Robin what I'm understanding uh you to say is that perhaps our rates are not at full cost recovery for permits um and installation um and when they're not at full cost recovery um essentially the uh you know the the water rates are you know the income that's coming in um is subsidizing um those revenues as a result that's you know is short um that is only and as Amy mentioned last year uh our our fees and other charges were increased to full cost recovery the the only thing that was held um unchanged was the SDC and is SDC also at any time that it's not um at you know if we're not able to charge uh at the rate that we need them to be then you know development is been subsidized uh by our rate payers um so we do have one year where we fell behind on sdc's um this year we only asked for a 5% increase to our fees and other charges um we uh have not done the actual calculation of what uh the increase would have been at full cost recovery um and of course it also depends on the volume of work that we're receiving so um you're right that we're falling behind um as a result of what we um have went to council with this year um and that was also something that we have mentioned the council doing the rate hearing was that um as we start to fall behind we do need to catch up at some point um and we would like to be able to catch up at some point Karen does that help with what I think Karen uh Robin

this is Robin that does that does help I was wondering do you not necessarily on the spot but do you have in the near future the ability to get to provide us with a calculation of that full cost recovery

yes we we can do that um I will um need some time to work on having those calculations um completed and of course that would be water and then um you know I don't want to speak for bees um they will need to do the

same all right thank you and yes I would like to put that request out there unless someone else uh is really against that um because I think it would help us with those uh line by line items as we navigate how to equitably uh navigate the the budget so with that I will stop chatting is there anyone else that has any um recommendations areas of concern that we they would really like noted in this what I believe is our final budget recommendation before the the adopted

budget

let's go to Alexis and then Karen hi Alexis uh voting board member I just wanted to second or re-emphasize that um Bob's suggestion for us mentioning that other uh request um about improved processes and um mentioning in this letter that we are aware of that um and that we will be following up separately um but I think my suggestion would be that for this letter we keep it focused um on these budget recommendations and just elude um to the fact that we are aware of that and we'll be following up and if possible it would be great if we could agree on a date or a deadline for ourselves um so that they know when to expect that I don't know if you know end of May to give us a few meetings to be able to discuss make sense

thank you for that go ahead

Karen uh right just forgot what my oh my question um so uh first of all I want to say thank you Robin for um reiterating the uh the conversation about the SDC sdc's and I appreciate you restating that for me and I just agree I do think it is a really important line of um inquiry to understand you know how lack of um you know perhaps raising sdc's high enough to cover the true cost of development I I'm totally behind like inquiring more into that so thanks for that um

uh my question oh so my question was about the um I wanted to make sure I was understanding the analysis from the city budget office um and particularly around um the example that I'm remembering is round the water Bureau budget and um it I don't have it in front of me unfortunately but my recollection was it said something like the the um cost savings or the reductions that the um water Bureau had proposed like I think moving the um moving the water fountain maintenance I believe to general fund and I'm not quite remembering what the second item was but my is am I correct that the city B budget office analysis basically sort of said well not going to quite cover it because those cost savings won't be realized in this budget so therefore the water Bureau needs to do additional cuts and that's where we're getting to we're looking back again at the eight Apprentice positions um and yeah a couple other items am I interpreting that CBO analysis

correctly

may maybe I can jump in to help answer that question if that's okay okay yeah please um uh yeah so we um understanding that we will need to be absorbing the city transition cost we came up with um some proposals on how we could uh be doing that and that's a direction that we got from the uh City budget office um one of the proposal that you were hitting on is um Fountain maintenance uh we currently have an inter agency with Parks Bureau to maintain the decorative fountains um and our proposal was to have that funded uh by general fund um and that allows us um about 900,000 of savings that could be used for um any additional cost related to City transition that we would have to absorb uh I believe cbo's um analysis indicated that uh due to lack of general fund uh funds available um that's likely not to happen so our other options uh which includes uh eliminating um positions um would you know need to be considered uh for uh making up the the cost of transition that will be communicated to us as part of the mayor's uh proposed

budget and Karen Williams again quick follow-up is is that still yet to be decided I mean we we still don't know what the city what the transition costs are going to be so for the time being that's just that's an uncertainty we kind of have to live with is that my understanding yes so yes that's correct um the mayor will be making decisions on um you know the the the cost for City transition and that information will then get calculated and allocated to the bureaus we'll receive that information and at that time we'll be able to you know we'll be informed of how much uh we need to be absorbing and that will be part of the mayor's uh

budget so essentially uh yeah to your point we are in a a holding pattern until we get that

information any other questions or concerns about the budget process and our recommendations go ahead Karen yeah thank thanks Robin sorry just to sort of finish that thought there then I I might suggest then um putting this uh sort of uncertainty around City transition costs just I mean for me that's an area of concern I don't think there's nothing that we can do about it right now and I'm not you know suggesting that you know it's a bad thing that that there are costs associated with with transitioning to a different form of government but it does seem like that it that uncertainty I mean it will that will have real effects on real positions and you know people's jobs it it sounds like um and our we just don't quite know how much at this point um and yeah for me that's an area of concern um like I said I don't know that it's something that anybody can do anything about at this point but I just seems like we should sort of flag that that's something fairly unique to this year's budget that um is uh you know again will have a real effect on on people's jobs and the you know ability to provide certain services and opportunities for people

right

that would be my only addition I can think of right off the top of my

head all right so with that I think yep going to want to finalize our recommendations um is anyone available to volunteer uh maybe one or two uh board members to assist Amy uh in crafting these uh finalized recommendations uh in between now and the next meeting I did hear Bob volunteer uh just for that piece so I will follow up with you directly about uh making sure that we have some language that lines up with what you've stated uh and incorporate that related to the environmental pieces um so if I have questions uh like that for anybody else I will follow up but certainly if there's anybody else who wants to help in the overall drafting let me know this is Robin I can definitely uh throw some assistance into that as well and there's Bob me as

well this is Heather I would be happy to help as

well I have a question related to the suggestion that I was discussing the sdc's if Council has already locked in the 5% rate is this the is is this still a place is this letter still a place where we could say that we are interested in what those estimates for full cost recovery are in order to navigate going

forward you could although I don't know that that's necessary I I think think the bureaus we can follow up with directly they've both indicated that they can uh provide some information related to that so uh we can work on that Council I mean really the concern is about a decision Council already made last year right so um you can still State uh and perhaps I can craft something to put in the letter just that acknowledges that that happened and that it's a concern you know moving forward regardless of what the specific numbers are of what's lost but that it's a an on going concern into the future and making sure that um you know development is paid for by uh those who are impacting the system okay yeah that works for me all right so it looks like we got a handful of volunteers thank you all and then let me find my annotated thing I think we just have a little bit of announcements uh so you should have received uh some read ahead about about uh administrative rules being updated with bees uh I believe the information is open and available between April 1st and May 1 and that there should be uh three public comment portions I think that's what I have on my calendar I have Wednesday April 10th Saturday April 13th and then Monday May or April 15th are those the three dates for this one no those are for the I believe those dates that you just listed are the listening sessions I can double check on those oh okay sorry about that guys budget um so this is just the public comment period um and so if there's questions in looking at the materials that you have for the bureau certainly send those uh my way because if you want to discuss uh anything to provide during the come public comment period then uh we can prioritize that for the next agenda so just want wanted to flag and make sure that you saw the message that went out uh certainly reach out to me if you have specific questions for bees um and or to let me know uh if you want time dedicated to it at the upcoming meeting then uh we we have an arc meeting coming up next week one week from today I do believe that we still need to volunteer for so if you have availability in the morning hours of next Tuesday April 9th please send an email to Amy or shout into the void currently uh while we're all here and thank you to Joanne I'm not sure if she's still here but as uh your ex officio is is able to cover that if there's no Community member uh that can cover it so Joanne will be stepping in uh for that meeting if needed Joanne for

volunteering Julia remind me of the date it's April 9th 9 on the screen I'm sorry right um feel like I had a conflict but I will double check um oh yeah I definitely I can't do it sorry thanks for trying right and then um my uh aforementioned dates uh it does seem relevant so those are those are the proposed budget listening sessions that we have the ability to tend maybe like as individuals if we wanted to give our opinion do we see any need to be there as a

collective not seen any hand raises but I just want to say that those dates could be an opportunity at least if anyone is free to try to listen in virtually to see what the community is saying to better form our opinions on them H but other than that um I just wanted to say with

with the next meeting it might be actually good for us to spend some of the April 18th meeting uh writing down trying to form to trying to formulate that letter that commissioner Maps requested about how Pub wants to be engaged throughout the process like what are our demands what are expectations and how do we believe that we can be better um utilized in order to represent the public and just to be more knowledgeable because the previous issue has just been that we're were consistently engaged way too late in the game whereas the creation of the Portland Utility Board was to really get be there in the nitty-gritty of it throughout the year engaging um the budget and even being mindful that we might want to see if we have the capacity to seek like more outside resources when it comes to just budget knowledge and work as I for one mostly have my budget experience through this board but I just want to throw that in the

ring and it also looks like we're going to have a dot dot dot we're going to have one of those natural resources uh service projects uh me meetings on Friday April 12th I will try to be available for that um so I'll put my name down for that um but other than that are there any final announcements from the board before we sign off for the

day

all right so not hearing anything we've got our April 18th uh meeting at 11:00 am. and then May 7th at 3:30 p.m. uh thank you all for coming today and meeting adjourned