

Portland Utility Board

Tuesday, January 6th, 2026, 3:30 p.m.
Virtual meeting using Zoom platform
Meeting #219

Attendees

PUB Members

Kyle Chipman, Co-chair
Lauren Rosenkranz, Co-chair
Cormac Burke
Alexis Rife
Bruk Berhanu
Lorraine Wilson
Darrel Bobb
Joanne Johnson, Ex-Officio

Absent

Dr. Myra Khushbakht*
Julia DeGraw*
Jenny O'Connor*
**Notice of absence provided prior to meeting*

Staff

Amy Archer-Masters, Portland Utility Board Analyst, City Budget Office
Jonna Lynn Bransford, Portland Utility Board Coordinator, City Budget Office
Ting Lu, Director, Portland Utility
Cecelia Huynh, Water Bureau
Shannon Reynolds, Environmental Services
Farshad Allahdadi, Environment Services
Brandon Zero, Water Bureau

Public

Carol Cushman, League of Women Voters
Diane Henkels
Michael

Background & Video

Acronyms & Definitions

In these notes PWB stands for Portland Water Bureau, BES for the Bureau of Environmental Services, PWSA for Public Works Service Area, and PUB for the Portland Utility Board.

Video Recording

The [video of the meeting](https://www.portland.gov/pub/events/2026/1/6/portland-utility-board-meeting) as well as supporting documents can be found here:
<https://www.portland.gov/pub/events/2026/1/6/portland-utility-board-meeting>.

In the below notes the **blue timestamp** indicates the approximate place in the video where a particular topic begins as well as providing a link to that portion of the video. For example, **3:45** indicates that this topic begins at approximately 3 minutes and 45 seconds into the

video. Closed captioning is available by clicking on the CC symbol in the lower right side of the video tool bar.

Discussion, Action Items, Decisions

Meeting Summary

Summary

Call to Order

Kyle Chipman, PUB co-chair, called the meeting to order at approximately 3:30 p.m.

Disclosure of Communications

There were no disclosures.

Public Comment

None was offered.

Review of Minutes

Draft minutes from December 18th were distributed and accepted as written.

Updates [5:11](#)

Budget Calendar

Updates to budget calendar were shared, with some dates not finalized.

Utility Bureaus Budget Discussion [8:01](#)

1. How are the budgets of the two bureaus being integrated and how are they distinct?
 - a. Some things need to remain distinct due to restricted funding; for example, Water Bureau funds need to fund Water services. While some things need to remain distinct, there are integrations that may occur, especially as the two bureaus merge and also fall under the Public Works Service Area (PWSA) umbrella.
 - b. Since coming together under the PWSA, the two bureaus have been working more collaboratively in coordinating on budget development, validating and having consistency of assumptions and planning procedures. While they have distinct expenditure packages (i.e. the budgets) their approaches are increasingly coming into alignment, so there's more consistency when planning and presenting to Council. So there are some integrations happening in a less formal way that are changing how the Bureaus budget and the impacts of their budget, but the actual technical development of the budget is going to be distinct for the foreseeable future.

2. Speculative question: has there been thought given, or is there benefit to have a comprehensive risk assessment a comprehensive risk assessment that looks at combined risk over the two Bureaus, which could allow for exploration of alternate funding sources based on combined risk profile?
 - a. It's a great idea, but they did not have the organizational support structure to do that until they reorganized into their current state. Even for BES alone to do the strategic risk assessment has been a massive effort. Doing that across all of Public Works is an even bigger lift. It's certainly doable, but it would need to be coordinated and prioritized.
3. As the PUB, which performs oversight, as we move forward in this budget process, we want to know what is being proposed as a rate increase and its impact on the community. In years past, PUB would have some information about what the likely rate would be. Wondering if there is any information about what is proposed as far as rate increase.
 - a. Farshad Allahdadi acknowledged that the schedule in which the utilities are having to budget is not ideal, and information that in the past the bureaus attempted to share earlier in the process, has not been available due to logistics of budget development and various workstreams.
 - b. Specific to rate increase: they have produced a rate profile that goes out 5 years, and that has largely been unchanged from what was presented last year. They are currently forecasting the need to increase rates (jointly) by 6.34% (8.1% for Water and 5.15% for BES). That has not changed and is still part of the assumptions that they are working from for this year. Those rate increases are not guaranteed, and if they come in lower they will have to account for that. BES is allocating 2-3 work sessions of 2-3 hours each to work through the information that's needed so that it will be in a format that is shareable. But it's an active body of work – and their revenue assumptions have remained the same.
4. Question related with rate review and rate impacts: hoping that PUB could see a version of the rate package that is a little more distinguished so that we can see what is influencing rate increases, if they occur. If there could be a breakdown of whether rates are increasing due to timing or policy choices, or if they are based on unavoidable cost increases.
 - a. Cecelia said they will plan to include information about impacts to rates in their budget presentations.
5. Clarification: does *status quo* start us off as a reduction.
 - a. We will be able to show what the status quo is and what the impact will be to rates, without changes in service or personnel.
6. Are the vacancies and deferred hiring still part of what they have to work with for reductions for this year, or were those effectuated last year?
 - a. Whatever reductions were made in the last budget process are what we're starting with. We have been under the hiring freeze, so we will be looking at those vacancies as potential for cuts next year as well.

- b. We will create the budget scenarios, demonstrate the tradeoffs of not increasing rates further or potentially having lower rate increases.
 - c. Our bureaus do work through people – if we are needing to make budget reductions that impact people, it will impact the level of service we provide to the community.
 - d. Clarify terminology: a lot of things being used interchangeably is around core services. The services provided in our budget are current service levels; every service we're currently providing to our community. To provide those same levels of service to our community over time costs more. Wanting to move away from core services, since it implies that there are services that are not core services. Everything that we budget for has a direct or indirect relationship to regulatory demands, capital improvement plan and delivering capital projects, safe & effective operation of those assets, and ultimately to the long-term financial sustainability of the organization. When we talk about cuts, we are talking about cutting direct services to community, doing less mandatory work, incurring risks to our compliance or to the health and safety of our employees or the community. There isn't a lot of fat on the bone here, if any. Reductions will have real and severe consequences somewhere in the organization.
7. Does it make sense for PUB to amplify or provide additional context or weight to incurred risk or the cost of reduced services through our decision making?
- a. Staff declined to make suggestions as to what PUB's message for Council should be. The opportunities would be somewhat narrow due to how accelerated things are, but there will be hearings and opportunities to share PUB's perspectives.
8. Going back to the mayor's guidance for the budget, what information was taken under consideration to come up with his guidance? In years past, one of the things that impacted rate increases was that income didn't match prediction. What was taken under consideration in the development of budget guidance?
- a. PUB staff began by sharing that the City's financial forecast is taken into consideration, which is part of the reason things are later now. PUB analyst provided feedback based on what they know about PUB's position, but the guidance does have a lot of focus on general fund.
 - b. Cecelia shared that she was not part of the conversation, but believes that there is a desire to achieve a lower increase to rates, to be more affordable, so that is probably what is guiding it.
9. Many members of PUB have mentioned the importance of community engagement, and it is imperative that this information is communicated early, simply, and clearly to community so they understand what is proposed and or being enacted. Both utilities have seen challenges in terms of collecting rates because communities are hurting. Running into tight deadline in terms of budget. Seems now that expectations have shifted and expediency could be become detrimental to the community.

10. Tying into previous comment, and perhaps the answer to it can be used as examples or evidence in crafting a message to the public. What would residents most notice if rates are not increased or reductions move forward? And how can we as a board articulate the dangers?
 - a. Farshad referenced the rate restrictions that were part of the mayor's guidance last year, maybe motivated by the same intent as was indicated earlier. The reduction in the rate seemed quite modest, but even so it would have had about ~\$.50 impact on customers' bills, whereas the impact to the utility bureaus would've been multiple millions of dollars.
 - b. With blanket rate reductions, the impact is generally severe to the bureaus to hold service levels and have health and safety risks to the community. Can also impact ability to maintain affordability. Financially most customers won't even feel the difference, but the challenge for the Bureaus is to demonstrate the value of the services they are getting for their rates.
 - c. Director Lu articulated that they are faced with a trade-off between the long-term investment with the aging infrastructure, default maintenance, capital investment, and at the same time, how can we keep the rates stable, predictable, and affordable, too? 80% of Portlanders can afford to pay to rates that maintain service levels, but they are working on how they can provide more access to the 20% who cannot afford them. The bureaus are working on outreach and connecting with communities, to connect those eligible with financial assistance programs. So they have two communications goals: to educate and communicate the value of services, as well to increase awareness of affordability programs.
 - d. Shannon Reynolds further iterated that there is an equity component in terms of the long term investments and needs – if we are not able to do those in a timely manner, we push that burden to future generations, to figure out how to bridge that gap, which would be a bigger gap. Impacts intergenerational equity concerns. So they are taking into consideration multiple generations of affordability, not just the current generation.
11. On the BES asset management plan and the asset management – how far along is that? Is there a plan to roll out across public works.
 - a. We are in the middle of the implementation plan for BES; but it is a shared information system that we've invested in. As it was conceived and acquired at the time, we were not under the public works service area, although there was a pretty big effort to look at Parks & PBOT to see what they were doing in terms of asset management. What we came to was the PWB & BES had the most ability to collaborate across the system. It is not likely that we would have as a public works system as a whole , but we are in the middle of implementation in PWB/BES.
12. When IPS is configured and deployed, what kind of real time reporting would be available to the public?
 - a. Don't have a good answer for this, since they're still working on the business processes that they need to bring online for this.

- b. Would like to talk with the steering committee to see what the outlook on that would be to get that information and share with PUB.
- 13. Has the presentation from Shannon Reynolds been shared with Council or anyone from Council?
 - a. The presentation has not been shared with Council or any councilperson yet, but it has been shared with DCA Dhanapal, and there is awareness from Council (Councilmember Clark in particular, as chair of Transportation & Infrastructure Committee), about the reinvestment gap across the whole city, not just BES & Water Bureau. There was a resolution for the city to develop a citywide asset management strategy roadmap, and that's currently in development.
 - b. They have been referencing the \$6.7B funding gap, which was part of the reason they reversed the rate increase limit.
- 14. KC: Wants to know about receiving credentials they could share for the 6th edition copy of IPWEA's IIMM
 - a. They'll see if they can do that.
- 15. Now that we have a new City Manager and as we move forward with budgeting, there will be a conversation about restructure. How are we taking all this information into consideration in terms of how the restructure will be impacted by the new City Manager.
 - a. PUB staff will monitor and keep it on our queue to follow up. In thinking about reorganization, there is work that has already been directed by Council – that work is continuing to move forward. Some of it is happening with Budget development staff – that's part of the reason they're stretched so thin. Council has set the target for bureaus to achieve. We don't have all the details on what that means, so we will learn more in the coming months. IN the utility bureaus there was a timeline to have updates in April or May, prior to implementation of broader elements. Those can change at any time with new direction coming from Council or other leadership.

PUB Budget and Leadership Engagement Strategy [1:07:08](#)

Summary

The team discussed the timing and approach for upcoming engagement, deciding to postpone formal sessions to align with existing utility rate discussions rather than rushing to meet an artificial January deadline. There are several opportunities to engage with Council or Committees, including potential invited testimony or signing up for public comment. The planned for topic team report backs.

Discussion

PUB co-chair led the discussion of this, sharing that it did not seem feasible to request a work session for late January or early February, given the timing.

PUB staff echoed that capacity with Council is likely to be limited, especially with only 1 committee meeting in January. Even finding opportunities to meet with Council will be challenging.

Other opportunities:

- Asset management update, which had been flagged by Chair Clark as a natural touch-point with PUB, with important elements related to utility bureaus.
- Other budget meetings, which have been productive: other work sessions with transportation & infrastructure or finance committee, building toward the rate hearing on April 15th.

The work PUB has been doing in teams will inform the feedback, PUB staff can take that information and identify needs and gaps, fine tune them, then create feedback that can be shared with Council.

Deferred maintenance & unified asset management team: most of their information was from the 2024 asset management report. Many of the questions that the team leads came up with were addressed in Shannon Reynolds's presentation from 12/18/25.

One Water & Natural Resources Service Delivery team: Sent a request for some of the information they wanted from Ting and Quisha, and that led straight into the holiday season. They have not re-convened, but the angle they are approaching it with is directly tied to the mayor's budget guidance. Pulling from all the responses today, it sounds like working through the three scenarios, then honing in on the cost to every cut, mixed with the nature of accrual of costs across generations. Reduction scenarios won't be available until second February meeting.

Equitable Affordability: that team will try to meet as soon as possible.

PUB member wondered what can be advanced offline, asynchronously. What is possible to do offline so that they will be ready with a letter or talking points to be able to go to Council. PUB staff will work together to figure out the best way to catalog and share that information. Where it's been challenging for folks to find time to get together, we can use next week's meeting time to advance this work, or teams of two could meet together to discuss during that time.

Member requested that the read ahead for next week's meeting prepare when the committee meetings will be occurring, etc. Timeline with specific dates or a range of dates.

Statement Regarding World Events [1:27:05](#)

While not directly tied to PUB's current deliberations, a voting member shared valuable perspective about recent global events precipitated by U.S. military actions in Venezuela,

acknowledging that PUB’s work and advocating for equity happens within a broader context and has a real impact on individuals, communities, and even countries.

Announcements & Next PUB Meeting

- ARC meetings
 - Volunteer identified for January 13th.
 - Still need February 10th.

Closing

Meeting adjourned at 5:00 pm

The next meeting will be Thursday, January 15th, 2026.

Possible topics

- Carryover from this meeting
 - Budget and engagement planning

Likely future topics

- Solid waste rates
- Tryon Creek

Potential Future Topics: Carryover from prior meetings, One Water director hiring, Natural Resources Service Delivery, Permitting reorganization update, strategic & equity plans updates. STEP, PCEF updates, filtration update.