

Portland Utility Board

Thursday, February 16, 2023, 11:00 a.m.

Virtual meeting using Zoom platform

Meeting #145

Attendees:

PUB Members:

Alexis Rife
Bob Sallinger (~arrived 11:20, departed ~12:00)
Christopher Richard
Heather Day-Melgar
Joe Spada, ex officio
Karen Williams
Lorraine Wilson
Robin Castro
Sarah Messier, ex officio
Theresa Huang
Tom Liptan

Absent:

Julia DeGraw*

*Notice of absence provided prior to meeting

Staff:

Amy Archer-Masters, Portland Utility Board Analyst, City Budget Office
Anthony Locke, City Budget Office
Cecelia Huynh, Portland Water Bureau
Eliza Lindsay, Portland Utility Board Coordinator, City Budget Office
Farshad Allahdadi, Bureau of Environmental Services
Ken Bartocci, Bureau of Environmental Services

Public:

Carol Cushman, League of Women Voters
Paul Schwartz, Campaign for Lead Free Water

Items Discussed, Action Items, Decisions

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

The video of the meeting as well as supporting documents can be found here:

<https://www.portland.gov/pub/events/2023/2/16/portland-utility-board-meeting>

In the below notes the **blue timestamp** indicates the approximate place in the video where a particular topic begins. 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.

The Board continued its work developing questions and recommendations related to this year's budget.

I. Call to Order

The Co-Chair called the meeting to order at approximately 11:00 a.m.

II. Disclosure of communications

There was no disclosure of communications.

III. Public Comment ~5:00

Paul Schwartz with the Campaign for Lead Free Water gave public comment. He noted that the Campaign for Lead Free Water was founded in 2016 to work with communities like his in Washington DC who have been poisoned by lead in the water or may be wondering if they are being exposed at the tap. They focus on helping to determine what can be done about the issue privately within the home as well as what can be done about the issue from a policy perspective. They have been working with Portland Advocates for Lead free Water.

He discussed issues of lead in drinking water and health. He shared that there seems to be a reluctance on part of PWB to admit the lead data. He stated that one cannot stop lead exposure with corrosion control alone. It is necessary but not sufficient. He referenced an interview with OPB. He said people need to know that test results are so cannot be relied on. He said people need to know about the filter program. He emphasized that prevention is key. He said the City is not prioritizing the most vulnerable and the free filters program should be more robust.

IV. Budget Work Discussion ~12:00

Budget Updates

Updated details on the budget work timeline were shared:

- Public Utilities Budget Work Session with Council (PBOT, BES, PWB) is March 16, 2:00-5:00pm
- PUB needs to develop verbal testimony priorities for approval by March 7 meeting
 - PUB volunteer speakers
 - Typically, up to 5 minutes testimony
- Written letter – continue development and finalize by March 16 meeting (possibly April 4)

Discussion

The focus for the conversation was:

- What information does the Board still need to inform recommendations for testimony and a written letter
- Recommendation proposals for the full Board's consideration

The document worked from along with notes added during the meeting, can be found at the end of this document.

The Co-Chair proposed next steps. At the next meeting about 30 minutes could be devoted to the bureaus responding, where feasible, to questions/content requested by the Board. There were a lot of asks so they will need to prioritize. The rest of the time would be devoted to finding agreement among the Board on recommendations to highlight as talking points for the work session, which recommendations to hold for the second budget letter, and which the Board might want to table. Today's discussion included some potential recommendations that can be drafted as a starting place for the next meeting.

The Co-Chair requested the rough draft list with notes from today's meeting prior to read-ahead as the resource would be useful in thinking about the budget letter.

V. Announcements and Next Meeting ~1:32:00

After discussion, the Board members present agreed to extend the March 7 meeting by a half hour to 5:30 p.m.

Next meeting Tuesday, March 7, 2023, 3:30 p.m. – 5:30 p.m.

The meeting adjourned at approximately ~12:35.

PUB Requests and Questions – PUB Meeting 2-16-23

Topic	Request/Questions	Notes
Rate Increases and Funds Available	<ul style="list-style-type: none"> Walk through how rate increase calculated for the bureau. Show relative contribution of the primary drivers to the increase. Highlight where choices were made (e.g., project delays) to reduce the rate increase. Show where stability fund reserves were used to lessen the increase. What are the bureaus doing to mitigate inflation outside of rate increases? How are they absorbing the hit and working within current budgets separate from rate increase? Are there any unspent funds that could be pushed into a one-time program or project? What are the financial impacts of the recent labor contract changes? Will there be additional rate impact or program/project changes proposed? Can it be divided by rate increase based on usage – one rate increase for higher use, another for lower usage? Can it be divided by income levels – (has this been looked into)? What would the bureaus not do/stop/delay in order to keep rates the same? What is not mandatory? How would this impact deferred maintenance? How many millions needed to reduce rate increase by 1%? Difference between operational and capital. Help understand decisions about where investments being made – how much of increase is operational vs capital. 	<p>Possible future proposal re: tiered rates (usage, income level)</p> <p>CR-Does board have information about deferred maintenance? There is a lot already deferred.</p> <p>KW - Varied level of background among members.</p> <p>SM- Rate increase is to maintain service level. One area PUB could provide input is on “what are service levels that could be reduced?”. Example of lengthening customer response times.</p>
Financial Assistance Programs	<ul style="list-style-type: none"> What are the communication efforts for outreach and awareness rising about financial assistance programs that do exist? Is the budget sufficient for what is needed? How do we find it in the budget document? What is the budget currently? <ul style="list-style-type: none"> Page 69 – Customer service includes financial assistance. Has table of perf measures. Page 70 has detail on program, including numbers. 	<p>BS - Realignment of programs makes it difficult to look at trends in budget, especially for public. Need to frame things in ways for public consumption.</p> <p>SM – provided details on where financial assistance is located in document.</p>
Workforce Development	<ul style="list-style-type: none"> Where are bureaus investing in workforce development, equity, safety and compensation? Show comparisons of investment in, for 	<p>Alignment with report on workforce, reference that report in recommendations.</p>

PUB Requests and Questions – PUB Meeting 2-16-23

Topic	Request/Questions	Notes
	<p>example: COLAs/benefits, training/internships/apprenticeships, building/office space renovation.</p>	<p>KW – talking about tradeoffs, operations and maintenance needs. How are these things weighed and how it impacts the outcome of rate increase.</p> <p>RC - Reduction in hiring impacts workforce development.</p>
<p>Climate Resilience/ Climate Justice and Seismic Resilience</p>	<ul style="list-style-type: none"> • Personal research indicates that the strict language that the Portland BES operates under, which does not allow the language of climate change mitigation, is a barrier to progress and change. How is BES planning on addressing climate resiliency planning with such strict language and apparent focus on watershed health and stormwater management? Can the charter be overhauled with change to government to fully address all environmental issues that Portland is and will continue to face? If so, what is the plan? • Highlight projects, program areas and investments in climate resilience/justice and seismic resilience. • Include FY 2023-24 costs and future plans for Willamette River Crossing in examples. • Map information if possible – capital/maintenance investments and watershed restoration/protection investments by area. • How staffing levels with watershed program is changing over time, changing with investment/focus. • What are the trends in investment (capital and operations) in green infrastructure? 	<p>Charter/code is broad in BES creation and mission but narrow focus in assigned responsibilities (sanitary and stormwater collection/transport and watershed management). Environment is mentioned broadly (public health, water quality and environment) but in specifics only clarifies water (natural waterways, sewage and stormwater).</p> <p>BS – green infrastructure an important component, hard to find in budget. Appears projects trailing off, disinvestment over time, but cannot see everything.</p> <p>RC - Important to touch on climate in recommendations – need to lead, climate change impacts wide range (equity, pipes, water etc)</p> <p>SM - PWB – pg 90 and 157</p> <p>TH – this is a huge umbrella topic and overlap with capital projects (and questions below).</p> <p>LW – what is goal, impact on budget process? Issues interconnected. May miss some core issues such as ability to pay for those struggling financially. How can PUB provide info on addressing root cause issues?</p>

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		<p>AR – echo above, also want info on big picture. Opportunity for synergy, efficiency and communication across the two. Think about PUB priorities and recommendations to ensure those priorities are incorporated.</p> <p>KW – goal to set up to make influential recommendations by 3/16, not only for current budget under review but to inform bureau deliberations and prioritization and engagement with PUB for next year’s budget development.</p> <p>TL – seismic resilience – recommend being innovative about how they approach the Willamette river crossing. Lake Oswego & Tigard as potential water source in emergency. Are there ways to reduce cost? Budgets are proposed and not final until June – if PUB makes a strong recommendation it could still impact.</p>
Capital Projects and Investment trends	<ul style="list-style-type: none"> Compare prior year 5-year plans to reality/actuals. (may not be worth the time investment, following questions more relevant) Can large projects be slowed down or delayed until inflation and world events stabilize? (AMI, PWB Filtration plant, BES STEP). What are non-mandated projects that could be delayed or cut back? (e.g., AMI, Broadway corridor project) 	<p>May be hard to make comparisons year to year due to realignment/changes over time.</p> <p>CR - How much in cost savings is needed to impact the rates sufficiently? Cost vs benefit. How many millions needed to reduce by 1%</p>
	<p>Columbia Slough</p> <ul style="list-style-type: none"> Would like to have more information/discussion on the 15-year plan 	<p>AR – statement in budget about delay, as new member haven’t heard general information yet.</p>
	<p>Tryon Creek –</p> <ul style="list-style-type: none"> copy of BES 2014 study of the TCWTP which includes analysis of retrofitting the plant with the NEREDA technology that BES gave to Lake Oswego. 	<p>Recommendation proposal received from TL summarized separately may result in more questions if pursued.</p>

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	<ul style="list-style-type: none"> • Documentation of the rationale used to determine that sale of the existing treatment plant is in Portland’s best interest. • Written confirmation that the city of Portland Tribal Program has signed off on the sale of the land. Confirmation that BES checked with other bureaus regarding the sale of the land. 	
	<p>Automated Meter Infrastructure</p> <ul style="list-style-type: none"> • confirmation of the following: new meters will help WB identify leaks from the meter toward the property but will not help WB find leaks in its system. AMI will also not help BES make its average impervious area calculations any more accurate than they already are. BES assumption of winter use vs. summer use will still be based on the same hypothetical use as is currently used. AMI will not help BES find leaks in its system or the sewer pipes on private property. • What is the payback date on the \$92 million investment? • Is an automated system vulnerable to hackers and other vandalism? What if someone starts damaging the antennas, etc? 	
	<p>Filtration Plant</p> <ul style="list-style-type: none"> • Would like more information about the cost increases. 	
	<p>Willamette River Crossing</p> <ul style="list-style-type: none"> • Does WB have a plan today for emergency water sources should the big quake happen tomorrow? • Also once the new crossing pipe is completed what about the many miles of pipe that lead to it? 	

PUB Requests and Questions – PUB Meeting 2-16-23

Topic	Potential Recommendation	Notes
Capital Projects -	<p>Tryon Creek</p> <ul style="list-style-type: none">• Recommend allocation be consistent with the cost allocations for design and construction of the new plant at 70% Lake Oswego and 30% Portland: purchase of land and demolition cost should also be allocated 70%/30%, Portland should retain 30% ownership of the new plant.• Recommend tribal input to ensure values relating to equity and reparative actions are considered.• Recommend coordination with other bureaus, especially Water and Prosper Portland, to make sure the land decision is considered from all possible angles of benefit to Portland's goals and interests with an eye toward being a good neighbor and partner with the City of Lake Oswego	<p>More detail/background in TL document on 6 issues: Design and construction, property purchase, disposition of existing plant, equity and innovation.</p> <p>If supported, may want to ask what the cost implications and risks would be to financial plans of the proposed change (change from 50/50 for purchase, addition of demolition cost that is currently 100% Lake Oswego, ongoing new expense if Portland retains 30% ownership)</p>