



June 8, 2015

The Honorable Commissioner Nick Fish  
City of Portland  
1221 SW 4th Avenue, Suite 240  
Portland OR 97204

Re: Portland Utility Board

Dear Commissioner Fish,

On behalf of the Portland Business Alliance ("Alliance"), thank you for creating the Portland Utility Board (PUB) to strengthen oversight functions for city water, sewer and stormwater services.

While we did not support the initiative for an independent water district, we have long maintained that the management structure of the Bureau of Environmental Services and the Water Bureau is in need of significant reform. You took proactive measures to address our concerns with the formation of the Blue Ribbon Commission (BRC). We appreciated the opportunity to participate in that process and supported the recommendations the BRC developed and presented to Council.

We are pleased to support approval of the ordinance that implements the BRC's recommendation to establish the PUB as a new dedicated oversight body with expanded functions from those previously provided by the Public Utility Review Board (PURB). The PUB will regularly advise city council on the operation of the water and sewer bureaus and while not responsible for rate setting will be invited parties to utility rate review presentations and city council budget work sessions. The PUB will enhance accountability and transparency of rate setting and financial decisions related to the management of the two bureaus.

We look forward to tracking the work of the PUB and continuing to work with you to improve the city's oversight of water and sewer utilities to ensure a fair and fiscally prudent system.

Sincerely,

Sandra McDonough  
President and CEO

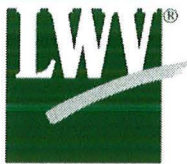
cc: Portland City Council

Greater Portland's Chamber of Commerce

CREATE PORTLAND UTILITY BOARD

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ Winston Michael Ray	\$ upon \$ at way June 6-2015 BURNSIDE Homeless ONECS BARACK OBAMA BURNSIDE DUMFRIES	(206) 939-0797 cell silvernray1958@yahoo.com
✓ Mike Houck URBAN Greenspaces Institute	PO BOX 6903 PORTLAND 97228	mikehouck@ urbangreenspaces.org
✓ Floy Jones Friends of the Keservoirs		chcrail@aol.com
✓ Carol Lushman - LWW Portland		



## The League of Women Voters of Portland

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### **City Council Testimony Public Utilities Board June 3, 2015**

The League of Women Voters of Portland supports creation of the proposed Public Utilities Board. As an organization that values transparency and public involvement, we believe that eliminating the Public Utilities Review Board and the two Budget Advisory Committees will streamline bureau oversight and provide the public with a single entry point through which it can learn about and become involved in the work of the complex bureaus that manage our water and environmental services.

The League was an active participant in the campaign to defeat Measure 26-156, attended a number of the Blue Ribbon Commission meetings, and commented on the Commission's draft reports. In our view, implementation of its key recommendations will strengthen the oversight process and improve public trust.

Broadening the scope of the PUB to include the full range of the bureaus' activities, capital improvement projects, policies, finances, and budgets will insure that the board's recommendations are based on a full understanding of bureau functions and the costs of implementation. Furthermore, having dedicated staff from the budget office with expertise in utilities will make the PUB more effective than the current advisory bodies by insuring that its recommendations are supported by reliable information. We fully support the proposed practices that provide meaningful opportunities for the PUB to participate in and influence the city's budget process.

The League recommended reconvening the Blue Ribbon Commission in several years to evaluate implementation. We are pleased to see that the resolution calls for an independent review or audit in a few years to assess the board's effectiveness. Furthermore, the Citizens' Utility Board's continued involvement will provide an independent voice and play a critical role in insuring effective implementation of this new approach to oversight.

Finally, however, we are concerned that there is no mention in the resolution of the importance of protecting and enhancing our environment or promoting innovation, risk taking, and piloting new approaches by the city's utility bureaus. Over the years Portland has been a leader in this regard and the city should continue to build on its past successes.

The League appreciates the Blue Ribbon Commission's work on this challenging issue and its willingness to consider the public's suggestions. We are pleased to offer our support, along with our recommendation that innovation and environmental protections must continue to be a priority.





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June 3, 2015

Charlie Hales, Mayor  
City Council  
City Hall  
1220 SW Fourth Avenue  
Portland, OR 97204

Mayor Hales and Commissioners,

I am here representing the Urban Greenspaces Institute regarding proposed ordinance 554, which will create the Public Utility Board. As you know we were actively involved in fighting the ill-considered, badly flawed attempt to take the Water Bureau and Bureau of Environmental Services (BES) from the city, an effort that was resoundingly rejected by Portland residents.

Today, you will be acting on a pledge made to Portlanders to establish a Public Utility Board, and action we support. My only caveat, one I have shared with Council and the Blue Ribbon Commission in the past, is one PUB to monitor two complex bureaus with different, but admittedly complementary missions, may be problematic. Nonetheless, we support the proposal before you today, with a couple additional caveats or restatements of previous concerns.

First and foremost, if I never hear the Bureau of Environmental Services referred to again, by Council, the media, or others as the "sewer bureau" it will be too soon. BES is the city's preeminent environmental bureau. BES's mission includes responding to the Endangered Species Act, including salmon recovery; improving watershed health which was the subject of the recent briefing you received from BES regarding watershed scorecards; and other programs that go far beyond sewage and stormwater management.

I bring this issue up again because it's critical that these initiatives be represented by individuals you appoint to the PUB. My specific comments on the Ordinance include:

1). #1, page one: I am pleased to see your recognitions that the bureaus are run by dedicated staff. While we do not always see eye to eye with some bureau decisions, it is my opinion that BES in particular, whose programs I am familiar, is staffed with highly skilled, dedicated staff. BES has one of, if not the most, knowledgeable ecological staffs in the region.

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**Lynn Youngbar**, Organizational  
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2). #7 If I were to ask you to add to the language in point 7 of the Ordinance I would add the following: The BRC undertook an extensive and thoughtful review of the public utilities. The BRC determined that water, sewer, and stormwater rates are influenced by multiple factors, including maintaining and operating an aging system, complying with state and federal mandates, **implementing city commitments and policies to protect and improve watershed and ecosystem health of the city, respond to climate change through mitigation and adaptation**, and expanding the system to accommodate growth.

3). Exhibit A: Created-Purpose: I would reword to read, "A Portland Utility Board is hereby created.....for the City's water, sewer, and stormwater **and watershed services.**" The Board will advise Council.....legal mandates, **city policies relating to improving watershed and ecosystem health throughout the city**, and existing and existing public policies." I realize you may wish to use the more generic "and existing public policies." I feel strongly, however, that the broader watershed health mission of BES is so central to its mission that it warrants more explicit mention so that the future PUB(s) will understand that BES mission is far broader than many understand.

C: Participate.....and development processes for water, sanitary sewer, stormwater **and watershed and ecosystem health.**"

Appointments—Composition: I am pleased to see you will be seeking individuals with expertise in watershed health issues, conservation, green infrastructure and the environment. I suggested the BRC add "**innovation**" to this list and am hopeful that whether it's listed as such that you will look for individuals who will push the envelope regarding use of green solutions, particularly at BES where I believe the recent political turmoil has led to a chilling effect on some of their most innovative programs. We need PUB members who will push back on that conservative attitude that seems to have overtaken BES in an effort to be "below the radar" politically.

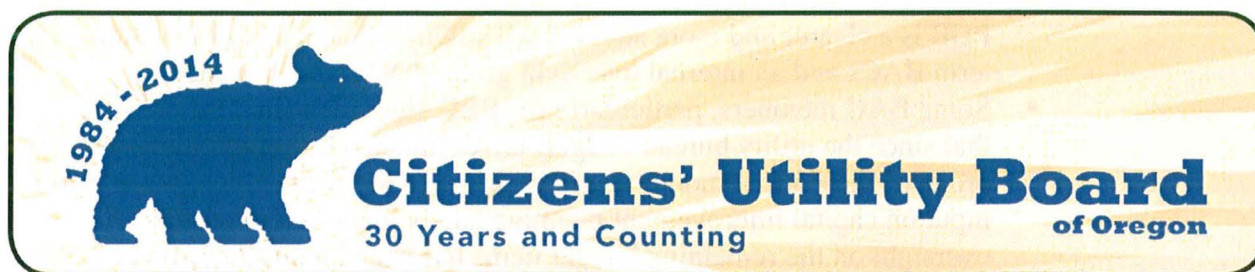
I am also pleased that the language advises the Mayor and Council to appoint a PUB that includes individuals with experience in conservation, environmental sciences, ecosystem science, environmental protection, and communications. I would add that it's critical, particularly with the first appointments, that at least some of the PUB appointees will have had extensive, deep experience with the inner workings of the bureaus, including their programs and budgeting. I fear that there will be a tendency to discount those individuals who have dedicated years of commitment to understanding the bureau's missions and budgets, particularly BES. I urge you not to exclude experienced advocates from your appointments and, in fact, seek them out.

Respectfully,



Mike Houck,  
Executive Director





June 3, 2015

To: Portland City Council  
 From: Janice Thompson, Portland Public Utilities Consumer Advocate  
 Re: Public Utility Board ordinance

The Citizens' Utility Board of Oregon (CUB) urges passage of the ordinance before you today establishing the Public Utility Board (PUB).

I was pleased to have been invited to participate on the Utility Oversight Blue Ribbon Commission (BRC) and highlight the need for a three pronged approach to effective oversight of Portland's public utilities. The PUB ordinance is a critical step to carry out the BRC's recommendation to streamline and strengthen internal oversight of the Portland Water Bureau (PWB) and Bureau of Environmental Services (BES) as well as City Council decisions regarding the utility bureaus.

- Replace the Public Utility Review Board (PURB) and the Budget Advisory Committees (BAC) of PWB and BES with one group, the Public Utility Board (PUB) that will be stronger than the previous internal oversight structure for several reasons including:
  - The PUB's membership will not be limited by the PURB's emphasis on designated seats based on customer type and geographic distribution. This approach may have been good in theory but has at times contributed to divisiveness rather than effectiveness. The membership criterion in the PUB ordinance takes a broader approach and reflects extensive discussion of the BRC.
  - The PUB will have dedicated staff so it won't have to rely on analysis by the utility bureaus it is monitoring. A historical note is that independent staffing was an original element of the PURB and ending this practice seems to have contributed to the decline in the effectiveness of that group.
  - Staff liaisons to the utility bureaus from the Commissioner(s)-in-charge are clearly identified as resources to the PUB. This ensures access to the utility bureaus and the Commissioner(s)-in-charge since their expertise is needed, but their involvement is controlled by the PUB.
  - The PUB's replacement of PWB and BES BACs addresses two concerns:
    - The BAC process created in 2005 did not adequately clarify the respective roles of the PURB and the utility bureau BACs. This issue was resolved informally by PURB members sitting on PWB and BES BACs, but the

PUB is a clearer and more streamlined solution than having both short-term BACs and an internal oversight group that meets year round.

- Some BAC members, particularly for BES, have identified the concern that since the utility bureau budgets are dominated by capital improvement projects, their 3 to 4 month tenure each year does not facilitate meaningful input on capital improvement planning and being asked to provide oversight on the remaining budget items has been an unsatisfactory exercise of giving input on relatively small budget questions.
- The PUB will clearly have the charge of providing input on capital improvement projects that are the major drivers of utility rate increases. In general the scope of PUB's oversight is appropriately broad and must not hinder innovation. The following words from the BRC report will guide CUB's monitoring of the breadth of PUB's efforts.

*A revamped approach to oversight must embrace innovative solutions, particularly increased reliance on green infrastructure to address serious water, wastewater and stormwater management challenges. To best appreciate and understand proposed innovation, the PUB will need to be fully integrated into the bureaus' thinking processes, thus the importance of its involvement in long-range visioning (systems plans) and both long (CIP) and short-term (annual) budget development.*

Two other BRC recommendations are also important to ensure that the PUB ordinance does not become stale words but implements a new utility oversight approach that is embraced by the City Council.

- The City Council must integrate the PUB into all steps of its budget process and adopt other new standards to ensure that this new oversight group is not ignored. For example, CUB's May 21<sup>st</sup> utility rate hearing testimony included a table outlining budget process steps intended to ensure timely and informed involvement of the PUB in utility bureau budget development and City Council consideration. Details about PUB involvement in City Council utility bureau deliberations will evolve, but these process decisions must be made with the goal of facilitating PUB effectiveness. In general, CUB will be monitoring the relationship between the PUB and the City Council to ensure that it is productive and meaningful and doesn't decline into pro forma exchanges.
- CUB should continue as residential ratepayer advocate providing independent analysis from outside City Hall. As was the intent of the BRC, the PUB ordinance makes clear that the PUB does not replace the CUB or vice versa. Rather the City Council seeks two sources of utility bureau oversight, one from outside but with full access to information – CUB – and one within inside City Hall– PUB – that is akin but stronger than oversight groups for other city agencies. CUB anticipates collaborative and coordinated interactions with the PUB, but we also won't hesitate to provide critique of its utility oversight recommendations if disagreements occur. In other words, just as CUB will monitor and advise on City Council's utility bureau decisions, we will monitor and advise on PUB's oversight recommendations.