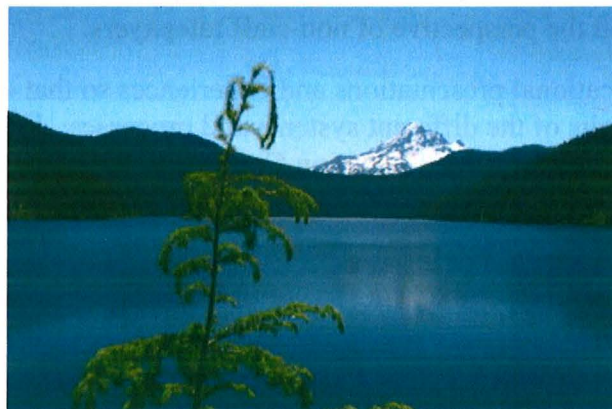


# Portland Utility Review Board Annual Report

## June 2015

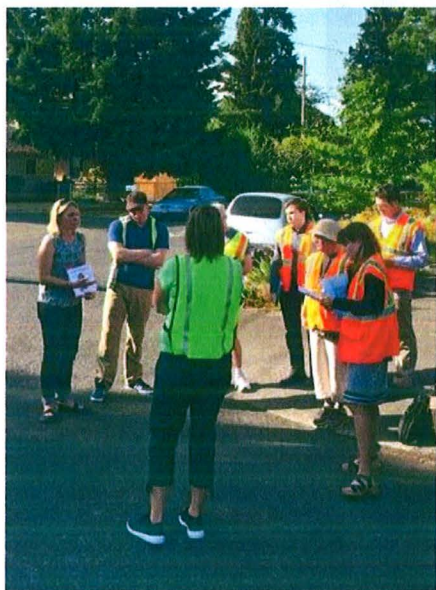


The Portland Utility Review Board was originally created in August 1994 and revised into its current state in 2003. The Board's purpose is to advise the City Council, on behalf of and for the benefit of the citizens of Portland, on water, sewer, stormwater and solid waste financial plans and rates. The PURB advises Council on the establishment of fair and equitable rates, consistent with customer needs, legal mandates, existing public policies, operational requirements, and the long-term financial stability and viability of the utilities.

The mission of the Portland Utility Review Board is to provide equitable, reasonable and balanced representation of the community when advising the Mayor and the City Council on water, sewer, stormwater and solid waste financial plans and rates.

The PURB has four standing committees; the Environmental Services Committee, the Solid Waste Committee, the Water Committee and the Communications Committee. Throughout each year they work with the three corresponding bureaus, with the primary function being to participate in the annual budget process and provide a recommendation on each bureau's budget and rates to Council. The PURB addresses other issues and performs other functions related to the operation of the City's municipal utility functions. In addition to contributing to the budget and rate making process, PURB members sit on ARC hearings with representatives from the BES and PWB to represent the perspective of non-staff ratepayers.

The PURB schedules educational presentations and experiences so that we may better understand the nuts and bolts of the different systems and processes. Here, the PURB are joined by City staff to learn about Underground Injection Controls (UIC's) and the Foster Floodplain Natural Area.



## **Committees and Budget Process**

### **Water Committee**

The PURB Water Committee reviewed the proposed draft FY 2015-16 budget. Members of the committee attended the Budget Advisory Committee (BAC) as non-voting members. As part of our recommendation to Council, we thanked the Portland Water Bureau staff who presented a substantial amount of information for the committee to review. The Portland Water Bureau staff was well prepared for this process, was very responsive to the requests from both the BAC members and the members of the public who attended, and was transparent with information presented. Materials presented included the 5 year Capital Improvement Plan, the 2015-2016 budget and rate proposal, a 5 year rate forecast, Key Service Levels and a report presented by CUB on the Rate Stabilization Account.

The PURB Water Committee made a recommendation that the PURB endorse the Water Bureau's budget request for a 7% increase. The full PURB unanimously approved this recommendation. The committee also requested that budgets include not only the percentage increase but a dollar amount to ensure that the public fully understands the rate increase. In the 2015-2016 budget, the 7% increase would result in an increase to \$2.07 per month for a typical residential customer who uses 5 ccf, which would make their monthly water bill \$31.61. We think that adding dollar figures is a much more clear way to let the customers know how the rate impact will affect their lives.

Committee members: Tom Badrick, Catherine Howells

### **Environmental Services (BES) Committee**

PURB BES Committee members served on the BES Budget Advisory Committee as Non-voting members and received information from the Bureau that helped guide the BAC's endorsement of BES's budget request as part of the long-term economic plan for BES strikes a balance between fiscal responsibility and maintaining and protecting existing infrastructure. Committee members also agreed with the BAC's recommendations that in many cases, BES should replace grey infrastructure with green infrastructure in a cost effective manner, and that it is critical that BES make proactive investments to maintain our sewer, stormwater, and environmental infrastructure as the city moves forward. This endorsement of a 3.85% increase in rates was submitted to the full PURB, which unanimously approved the recommendation.

The committee recommends that BES budget review process offers a deeper look into the full budget in future years rather than being limited to decision packages presented by the Bureau Divisions, which represent a small portion of the overall budget.

Committee members: Gordon Feighner, John Gibbon

## **Solid Waste Committee**

Members of the Solid Waste committee also participated in the budget process. Because the Solid Waste budget is a small part of the Bureau of Planning and Sustainability's budget, the PURB response is a different process than the other two bureau budgets, and the focus is directed exclusively towards the rate setting process.

The Bureau of Planning & Sustainability works closely with the PURB Solid Waste committee and the local haulers to balance the needs and interests of the residential customers with operational needs of the haulers. After several years of discussion, the haulers agreed to adjust the schedule of financial reporting to BPS so that the PURB would have sufficient time to offer a position on the rates at the rate setting stage. This is a significant improvement that allows the PURB to perform its function for all three utility bureaus at essentially the same time, prior to completion of the Mayor's proposed budget.

The committee also continued its review of the extension of the clean fleet implementation schedule and stayed current on the status of food waste composting.

The PURB Solid Waste committee recommended adopting the Bureau of Planning and Sustainability recommended rates, which for the third year has remained flat or decreased.

Committee members: Tom Badrick, Laura James

## **Communications Committee**

The Communications Committee is focused on ensuring timely and useful information to the ratepayers. Projects included the PURB web page and creation of pamphlet to be used in recruiting new members.

### **Web page**

The PURB redesigned and updated the PURB web page, with support from the Portland Water Bureau and the City Budget Office. The updated version is more efficient and easier to use and can be found at: <http://www.portlandoregon.gov/cbo/63629>.

### **Recruitment Pamphlet**

The PURB created a membership recruitment pamphlet with the support of the City Budget Office and the Bureau of Environmental Services. This pamphlet was used in individual and group recruiting efforts, such as City Club meetings.

Committee members: Tom Badrick, Catherine Howells

## **PURB Activities**

### **Administrative Review Committee**

The PURB participates as one of the three members of the Administrative Review Committee for Water Bureau and the Bureau of Environmental Services. PURB members attended more than a dozen ARC hearings in the last year; this is an important function of the PURB, as we represent the position of ratepayers on the ARC.

### **Volunteer Time**

PURB is an all volunteer-based City committee although staff support is provided by both the City Office of Management and Finance as well as the Office of Planning and Sustainability, the Bureau of Environmental Services, and the Water Bureau. Over the course of the last year, PURB members contributed more than **500 hours** of their time as volunteers. This number is significant, considering the PURB was not at full membership throughout the entire year.

## **Recommendations for the PUB and the City of Portland rate review process**

### **Administrative Review Committee (ARC)**

The ARC is an important function of the PURB, often forgotten in the focus on budgets and rates. This is an opportunity for the public to have a fair hearing on billing issues. The ARC consists of 2 staff, one from BES and the other from the Water Bureau, and one member of the PURB who represents rate payers. As the only members of the Committee who are not city employees, PURB members provide a relatable presence on the board and an objective eye towards the case at hand. This is an important role, one which offers transparency as well as protecting all rate payers, not just those asking for a hearing. Each case involves devoting time in advance to prepare for the hearing, and the PURB feels strongly that the ARC is an important function that should continue. Future PUB members should be made aware of the function and the amount of work potentially involved.

### **Solid waste ratemaking not being orphaned**

Solid Waste rate making is somewhat different than the rate making process for the other utility rates and a natural conclusion might be to remove it from the jurisdiction of the PUB. We feel this is not necessarily the best course of action. Although we have great respect for the Planning and Sustainability Commission (PSC), rate making is a very different process than their purpose and focus. There is a significant amount of time and effort put into the rate process by staff, the hauling community and by the PURB in reviewing and participating in the rate proposal each year. Given the already significant workload of the PSC, it is not clear that an appropriate amount of time will be devoted to this issue.

## Comprehensive Plan

As part of the comprehensive plan update process PURB submitted testimony that asked the Planning and Sustainability Commission to recognize maintaining adequate stormwater infrastructure for existing development in all areas of the city will require a very substantial capital improvement investment by BES. PURB told the PSC that the reports PURB has received indicated that building these projects with green street components could result in savings for these projects, especially when coordinated with stormwater improvements required of PBOT when TSP projects are implemented.

PURB reported to date that such projects occurring in CSO areas, when coordinated with new development meeting or exceeding mandated stormwater requirements, have resulted in substantial savings compared to BES project estimates. It noted that such BES project are designed in a manner to assure that densities envisioned by METRO's 2040 plan will be served by the sewer replacement projects planned for the CSO area (the maintenance and reliability program) and it encouraged the PSC to evaluate the implication of any changes, plus or minus, from those densities. PURB noted that in areas of the City where BES stormwater service is provided through MS4 arrangements or where the City, through BES, operates UIC systems serving the right of ways, the challenges of providing infrastructure adequate for higher densities or employment opportunities appears to create even greater need co-ordination of BES and PBOT planning and infrastructure development.

PURB urged the PSC to strive for stormwater transportation **concurrency** reflecting the aspiration of the PBOT- BES Co-ordination Charter as the best way the City's citizens and ratepayers their municipal government was committed to assuring they would be provided cost effective infrastructure.

This will be the final annual report from the PURB to City Council. This PURB would like to thank all of the volunteers and staff who have worked so hard for many years to provide Utility Oversight

## **PORTLAND UTILITY REVIEW BOARD MEMBERS 2003-2015**

Janis Adler	Thomas Badrick	Peter Cogswell	Roger Cole
Michael Crean	Bill Dayton	Andrea Debnam	Brook Drew
Gordon Feighner	Scott Fernandez	Jay Formick	John Gibbon
Catherine Howells	Laura James	David Johnson	Sharon Kelly
Deborah Raye Lark	Dennis Leland	Amber Lewis	Loren Lutzenhiser
Tracy Marks	Frank Ray	Charles Rosenthal	Paulette Rossi
Charles Porcelli	Vincent Sliwoski	Catherine Todd	John Tyler
Mark Charles Van Rossen		Lila Wickham	Martin Wilson

Current PURB members in grey

## **Bureau of Environmental Services Budget Advisory Committee Members**

2014-15

Angie Tomlinson	Bob Sallinger	Charles Van Rossen	Gordon Feighner,
Janice Thompson	Michael Harrison	Susan Steward	William Wilcoxon
John Gibbon			

2013-14

Bob Sallinger	Charles Van Rossen	Gordon Feighner	Jeff Bissonette
John Gibbon	Julia Person	Karyn Hanson	Michael Harrison
Neil Mullane	Susan Steward	William Wilcoxon	

2012-13

Bob Sallinger	Charles Van Rossen	Gordon Feighner	Jennifer Sims
Karyn Hanson	Kevin Spellman	Neil Mullane	Richard Beetle
Steve Feree	Tom Badrick		

## **Portland Water Bureau Budget Advisory Committee Community Members**

Kellie Barnes	Grace Bayley	Linda Bauer	Jon Biemer
Glen Bridger	Kent Craford	Kay Durtschi	Micheal Ellis
Lisa Glancy	Marion Haynes	John Huffman	Floy Jones
Shelly LaBarre	Charles McGee II	Jenny O'Conner	Angela Parada
Bruce Soihhr	Janice Thompson	John Wih	

### **PURB Members**

Tom Badrick	Roger Cole	Micheal Crean	Scott Fernandez
John Gibbon	Catherine Howells	David Johnson	Lila Wickham

## **Acknowledgements**

There are many people who should be acknowledged for providing information to the PURB this past year and for the many years of its prior existence. The following City employees have contributed regularly and significantly to our continued education and by sharing information and technical expertise. Without them we would not be able to provide our recommendations to City Council:

Bureau of Planning and Sustainability (Bruce Walker, Arianne Sperry)  
Bureau of Environmental Services (James Hagerman, Sam Murray)  
Portland Water Bureau (David Shaff, Cecilia Huynh, David Hasson)  
City Budget Office (Daniel Trubman, Ryan Kinsella, Lisa Shaw, Tess Jordan, Bob Tomlinson)



Commissioner Nick Fish  
City of Portland

**DATE:** Wednesday, August 19, 2015

**TO:** Portland City Council

**FROM:** Commissioner Nick Fish

*sent  
for  
Nick Fish*

**SUBJECT:** Portland Utility Review Board

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I am pleased to submit for your consideration a report on the work of the Portland Utility Review Board (PURB), a volunteer group that has served the citizens and ratepayers of Portland since 1994.

The purpose of the PURB has been to provide citizen oversight of the public utilities in the City of Portland. Subsequent to the recommendations of a Utility Oversight Blue Ribbon Commission, the PURB has been dissolved and a new, successor body has been created to serve as both the Budget Advisory Committee and general oversight body for both public utilities. It will convene in September and will have its own professional staff from the independent City Budget Office.

As this will be the PURB's final report to Council, I would like to thank the members – current and past – for their service and for all the good work they've done on behalf of the citizens of Portland.

834

Agenda No.  
**REPORT**  
Title

Accept the Portland Utility Review Board 2015 Annual Report (Report)

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Commissioner Fish</b></p>	<p>CLERK USE: DATE FILED <u>AUG 14 2015</u></p>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish <i>AKEN for N</i></p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p style="text-align: center;"><i>[Signature]</i> Deputy</p>
<p><b>BUREAU APPROVAL</b></p> <p>Bureau:Comm for Public Works Bureau Head: Commissioner Fish</p>	<p><b>ACTION TAKEN:</b></p> <p><b>AUG 19 2015 ACCEPTED</b></p>
<p>Prepared by: Jim Blackwood Date Prepared:August 14, 2015</p>	
<p>Impact Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> required for Code Ordinances</p>	
<p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date <b>August 19, 2015</b></p>	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/></p> <p>Start time: <u>9:30am</u> <i>9:45</i></p> <p><b>Total amount of time needed: 15 minutes</b> (for presentation, testimony and discussion)</p>			
<p><b>CONSENT</b> <input type="checkbox"/></p>		YEAS	NAYS
<p><b>REGULAR</b> <input type="checkbox"/></p> <p><b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)</p>	<p>1. Fritz</p> <p>2. Fish</p> <p>3. Saltzman</p> <p>4. Novick</p> <p>Hales</p>	<p>1. Fritz</p> <p>2. Fish</p> <p><b>3.</b> Saltzman</p> <p>4. Novick</p> <p>Hales</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>