

COMMERCIAL - SOLID WASTE & RECYCLING RATES

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

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# CITY OF PORTLAND

## Portland Utility Review Board

**Janis Adler**  
Vice Chair & NE/SE  
Portland  
Representative

**Michael Crean**  
East Portland  
Representative

**Vacant**  
West Portland  
Representative

**Charles Van Rossen**  
Public Interest  
Advocacy

**Lila Wickham**  
Public Interest  
Advocacy

**Tracy Marks**  
Commercial/Industrial  
Representative

**Bill Dayton**  
Local Business  
Representative

**Sharon Kelly**  
At-Large Member

**Charles Rosenthal**  
At-Large Member

**Bob Tomlinson**  
Staff Liaison, OMF  
Financial Planning

Date: May 14, 2009

To: Mayor Sam Adams  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Randy Leonard  
Commissioner Dan Saltzman  
Auditor LaVonne Griffin-Valade

AUDITOR 05/14/10 PM 3:28

From: Portland Utility Review Board

Subject: PURB Testimony on FY 2010-11 Sewer, Solid Waste and Water Rates

On May 11, 2010, the Portland Utility Review Board (PURB) met to forward the following comments to Portland City Council concerning municipally regulated rates.

Members in attendance: Janis Adler, Vice Chair, Michael Crean, Bill Dayton, Sharon Kelly, Tracy Marks, Charles Rosenthal, Charles Van Rossen, and Lila Wickham. One vacancy.

### City Audit of Utility-Based Revenues

PURB thanks the City Auditor for scheduling a PURB-recommended audit of utility-based revenues collected by the Portland Water Bureau and BES to determine whether use of these revenues is utility-related. PURB looks forward to reviewing the audit results as soon as possible.

### Budget Note to Hire Consultant

PURB thanks the Mayor for including a PURB-recommended request in the Proposed Budget to spend \$30,000 for a consultant to report on best practices for the public utility rate-setting process. The Water Bureau portion of this cost is \$9,000 and the BES portion is \$21,000.

### Solid Waste and Recycling Rates

All PURB members support the rate increases as proposed, including enthusiastic support for the food scrap recycling program and purchase of durable lunch trays for use in Portland Public Schools.

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*To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.*

The Board does not support the purchase of public recycling containers. This proposal would spend \$720,000 over two years for the purchase of 400 containers at a unit cost of \$1,800 each.

### **Bureau of Environmental Services Rates**

One PURB member did not support the following PURB comments.

The Board appreciates that the increase in the average, single-family sewer and stormwater bill will be less than it might have been. However, the PURB does not believe that non-core mission expenditures have been removed from the BES budget and does not support any bill increases, including the forthcoming 6.1% increase, that are not more in line with current cost-of-living increases.

### **Water Bureau Rates**

The PURB continues to be concerned with Water Bureau efforts to mitigate large rate impacts by reducing internal costs. In 2006, the American Water Works Association completed a "QualServe Peer Review Report" for the PWB. The Report identified over 100 "opportunities for improvement" which, if implemented, could produce significant improvements in efficiency and effectiveness. Therefore, all PURB Board members support the following comment:

- Using the 2006 "*QualServe Peer Review Report*," the Water Bureau should expeditiously plan, design and execute a program that implements the most promising opportunities for improvement. The target goal would be a 15% reduction in controllable costs by 2015.<sup>1</sup> Results and progress on program goals should be periodically shared with such groups as the PURB and the Portland Water Bureau Budget Advisory Committee and should be included in the annual budget document. Sharing the PWB's progress will assure ratepayers that it is making every effort to operate in the most effective and efficient manner.

### **Other Comments**

#### **PURB Meeting Minutes**

The PURB is at a disadvantage because it doesn't get its meeting minutes in a timely manner. This makes it difficult for the PURB to be as effective as it would like. The PURB recommends it receive designated administrative support so it can receive meeting minutes from one month *before* its meeting the next month.

#### **PURB Appointments**

Three positions on the PURB will be open for appointment as of June 30, 2010. The current at-large member, Sharon Kelly, has agreed to remain on the Board. PURB subcommittees ideally have three members each. No recommendation can be made without a quorum of 5 members. The PURB recommends the City find replacements as soon as possible and hopefully by its July, meeting.

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<sup>1</sup> "Based on more than 100 water and wastewater utilities examined over the last five years, one firm reports that service delivery by public water and wastewater utilities is, on average, 24% more expensive than comparable private services." Association of Metropolitan Sewerage Agencies/Association of Metropolitan Water Agencies, Thinking, Getting, Staying Competitive: A Public Sector Handbook, Washington, DC, p. 3; EMA, Competiveness Assessment presentations, AMSA/AMWA, 1997