

PORTLAND UTILITY REVIEW BOARD

April 15, 2010 - Meeting Minutes

Attendees

PURB Members: Janis Adler, Michael Crean, Bill Dayton, Dave Johnson, Charles Rosenthal, and Lila Wickham

Excused Absence: Sharon Kelly, Tracy Marks, and Charles Van Rossen

Unexcused Absence: None

City Staff: Lisa Shaw and Bob Tomlinson (OMF - FPD)
Jim Hagerman (BES)
Greg Drechsler and Dave Hasson (Water)
David Shaff (Water/Comm. Leonard)
Bob Glascock (BPS)
Matt Grumm (Comm. Saltzman Staff)

Public: Floy Jones (Friends of the Reservoirs)
Robert Clark (Citizen)

Introductions

Everyone introduced themselves.

Review Meeting Agenda

No changes.

Citywide Asset Management Report

Bob Glascock from BPS distributed the asset management report and a PowerPoint slide show.

- The Asset Management Committee has led a collaborative project since 2003 for the five capital bureaus.
- Had been a prior concern about assessing aging infrastructure; need to track and monitor. Now the City provides this to the Council on an annual basis.
- The City needs to make repairs as infrastructure ages and breaks. The City knows from surveys that the public is interested in maintaining current assets as well as obtaining and creating new assets.
- Asset management is a tool. We are using international best practices and learning from other communities. It is the ability to conduct risk assessments on replacing / repairing assets or not.

Questions and Comments

- David Johnson: did you consider comparing / connecting with entities other than cities? For example private utilities or other private organizations. Bob G.: No, not on a citywide basis. Good idea.
- Charles Rosenthal: What about comparing to Counties? Bob G.: haven't done that, just other cities.

- David Johnson: Best practices rather than common practices will be helpful. The City should start with the question, “who does a good job at this” casting the net wide across public and private. Bob G.: Your points are well taken, although that is not the approach we have taken yet. We are starting with a baseline across the City, something we did not have before. We aren’t there yet, but can continue to refine the approach.
- Michael Crean: On service levels, have you identified any metrics in bureaus against which you will identify, compare to see how they are doing? Who will develop the appropriate baseline or goals for bureaus to obtain? Bob G.: At this point bureaus own their services levels. Water bureau has 150 elements.
- David Shaff: Trying to identify the most critical metrics. We are involved in benchmarking with other entities domestically and internationally. One example, no customer should be without water for more than 8 hours in a year; OR there must be at least a working fire hydrant within a certain radius. These are found on our website. Each program and subprogram has its own metrics. Water and BES operate under the same framework, but they are not the same.
- Charles Rosenthal: Do you ask other entities to share data as well as process? Conduit? Equipment failure rate?
- David Shaff: We don’t share data per say, but we do know that some have a lower breakage level than we do and we know what the differences are. We have learned about hydrants: better to replace rather than fix. More cost effective. Additionally, exercising valves. If we turn open and close critical valves (aka exercise them) we can extend their lives.
- Charlie Rosenthal: Is everything in the category of “C”; if so that doesn’t help you make decisions.
- David Shaff: More details are in the report itself, but no, some assets are in great shape. The “big pipe” is in really good shape.
- Charlie Rosenthal: This is likelihood of failure, but not consequences of failure.
- Jim Hagerman and David Shaff: We have more detailed data, but not in this report.
- David Johnson: Do you now have full visibility? Can you say any change is due to change in status vs. change in visibility?
- David Shaff: Much more confident from 2009 as compared to 2006. We have nearly completed surveying assets.
- David Johnson: Is the water bureau done surveying assets?
- David Shaff: No, not yet. Leaps and bounds better, but not there yet. Not expecting big changes – would not anticipate a change in status.
- David Johnson: it’s a long time to not know what your assets are.
- David Johnson: are you putting pressure on bureaus to come up with high confidence levels? If not, why not? Bob G.: That isn’t our role. Bureaus are responsible.
- Lila: What jumps out at me on the graph on slide 16 is the wide difference. This must have to do with different assessments conducted in a given fiscal year?
- Charles Rosenthal: A good practice to invest a particular percent each year for maintenance it may be a more satisfactory way to deal with this as a manager.
- Michael Crean: Not quite true. You can evaluate water pipes by taking them out of service. There are ways to check. Do you have the ability to take the conduit down from Bull Run to the City? They would constitute high consequence. What is the composition?
- David Shaff: Working on the ability to do that, but we are away from that.
- Charlie Rosenthal: Is it common practice to build in access points to new assets like man holes?
- David Shaff. It depends. Yes, for new assets, but not necessarily for pipes 100 years old or older. Example Sandy River pipe access.

- David Johnson. Missing the political side of things. Could you build in some mandates in order to work around politics?

Elect a PURB Vice Chair

Bob reminded the committee regarding the two empty positions and that Tracy's last meeting is May. You will need to vote on a new vice chair.

- Lila nominated Janis as vice chair.
- Charlie R. nominated Michael Crean.
- It is suggested that the committee vote now since there is quorum.
- Dave J. seconded Janis' nomination and she agrees to do it.
- The vote for Janis as PURB Vice Chair was unanimous.

Discussion on Meeting Minutes

Michael Crean said it is a handicap not having timely meeting minutes. We need to tell the Mayor's Office that we need more administrative support.

Mike made a motion that the vice chair speak to Mayor's Office about this. Dave Johnson suggested that a member of the committee volunteer as secretary. Lila stated that a volunteer would enable the system to take advantage of PURB member hours which are already long.

Lila seconded the motion and it passed unanimously Janis will incorporate this into part of the PURB rate testimony.

PURB Water Subcommittee Report

- Michael Crean said that their committee report was delivered during the budget hearing.
- David Shaff said that the Auditor's Office is likely to conduct the audit on the areas recommended.
- Is there an update on LT2?
- David Shaff: Updating sampling plan as a result of EPA's report.
- Michael Crean: What is updated cost?
- David Shaff: Likely \$3 million in our efforts to identify hot spots and logistic of collecting and shipping water samples.
- Michael Crean: How far along will design be?
- David Shaff. We should be ready to build cover, but not have started. We are in design process now. We are doing design - bid - build.
- Michael Crean: How much money on design once we know about variance?
- David Shaff: About \$7 to \$ 10 million. We anticipate that the design will be mandated even as a condition of the variance. Just to be ready. As the design ages, it becomes less and less valuable.

PURB Solid Waste Subcommittee Report

- Bruce Walker submitted written comments and a report.
- Janis – BPS has not set rates because they are auditing the haulers rates. She would like to have a subcommittee meeting prior to utility rate hearing in May.

PURB Sewer/Stormwater Subcommittee Report

- Bill Dayton, speaking from a business perspective, said this is an unfriendly environment to attract new business. Not smart business – we need to come up with other ideas rather than raising rates so dramatically.

- Charlie Rosenthal: Referencing an earlier discussion on using sewer funds for bike boulevard issues: PURB had complained that they were not consulted regarding the Mayor's plan. Comm. Fritz stated that analysis showed that if stormwater was treated where it was collected, it would be more expensive than to build surface treatment facilities. The fact that they become bike boulevards is just a benefit. The statement made earlier by the Mayor about the \$20 million savings – it turns out the \$20 million is not actually there. The latest analysis shows that the project that would have produced this savings and the costs are coming in higher. Are we getting poor estimates? This isn't helpful. Saltzman's office says there is no savings. Projects are really only just getting reprioritized.
- Michael Crean – You can't compare the engineers' estimate to the low bid, it is not a valid indicator of actual savings. You can reprioritize the CIP in BES to "make room" for the green streets / bike plan. Why wasn't it first released that way?
- Michael Crean: Jim Hagerman could give us a list of projects that were pushed out?
- Jim Hagerman said he can get the list.
- Charlie Rosenthal: Work was being done that would result in a 50 cent incremental increase. Comm. Fritz says this is of no consequence. Problem is that this sets a minimum that not everyone can afford. Instrumentalism is a dangerous game to play with imbedded rates as they never go away. We need to ask ourselves if we are relevant. Are we relevant or are we there for window dressing?
- Michael Crean: there seems to be no dialog to discuss, not just accepting or declining testimony. Then we will get the feeling we are getting heard.
- Charlie Rosenthal: One possibility. When it is all finished, we should ask ourselves what changes that we suggest make it into the updated proposals. Then we can evaluate our impact.
- Lila Wickham: One of the weaknesses we experienced last year was a delay in the appointments by the Mayors office. I am hoping that the turn around time will be shorter. It is difficult for us not to have quorum.
- David Shaff: Mayor expressed to Comm. Leonard that he wanted to keep support up for the PURB. Water Bureau is assisting in the recruitment process. We are going to big customers to see if there is interest. Also interested in filling the public health connection as well. Water Bureau was tasked with recruitment.

Agenda for May meeting

- Bob Tomlinson will send around prior years PURB testimony for members' review prior to meeting.
- Water Bureau LT2 topic will be pushed out to June meeting.
- Committee asks in general: What keeps PURB engaged in the summer?
- Bob Tomlinson's response: Good time for tours / site visits. Also, a good time to identify special projects or tasks to research and review.
- Committee asks BES and Water to present on asset management processes at a later meeting.

Adjournment

The meeting adjourned at 6:30 pm.

Next Meeting

The next PURB meeting will be held at 4:30 pm on Tuesday May 11, 2010 in the Pettygrove Room of City Hall.

Minutes respectfully submitted by the Financial Planning Division, Office of Management & Finance.