

MINUTES

Oregon Sustainability Board



OFFICE OF
SUSTAINABILITY
Oregon Department of
Administrative Services

Meeting Date: December 6, 2024

Time: 9:30 am to 2:30 pm

Location: Zoom and 550 Capitol Building, Meitner Room, Salem

Attendees: OSB: Rex Burkholder (Chair), Johanna Anderson, Webly Bowles, Taneea Browning, Serena Dietrich, Josh Proudfoot, Cheyenne Holliday, Elin Shepard, Tom Kelly
DAS: Steven Markham, David Wortman

Guest Presenters: Meliah Masiba - DAS Legislative Director; Chris Cummings, Jim Cunningham, and Dana Northrup - Business Oregon; Michael Burke - Department of Corrections; Shannon Ryan, Jeremy Miiler - Department of Administrative Services, Enterprise Asset Management; Catherine McDonald - Chair, Climate Action Commission; Geoff Crook, Senior Policy Analyst, ODOE

Welcome

9:30 – 10:00 am

Meeting called to order. Review of agenda. Approval of Minutes

DAS Office of Sustainability Updates

9:30 - 10:10 am

Dave Wortman highlighted efforts to synthesize input for the DAS sustainability work plan. He emphasized collaboration to tackle challenges, leveraging expertise, and iteratively refining ideas through feedback. The sustainability work plan was presented as a preliminary draft, incorporating prior discussions and aiming for organized categorization of themes for future development.

DAS faces the need to focus funding priorities and potential budget cuts during the 2025-27 budgeting process. While details remain uncertain, Wortman suggested opportunities for stakeholder input, especially regarding sustainability and climate priorities. The Board supported advocating for funding creativity, leveraging alternative financing mechanisms and federal programs like the Inflation Reduction Act.

The Board discussed the potential impact of federal funding, including the \$200 million for the Climate Pollution Reduction Grant through DEQ. There was a focus on aligning enterprise projects with climate action priorities and ensuring that funding supports critical infrastructure while meeting sustainability goals.

The Board discussed improving the Board's interaction with the Legislature, including submitting impactful biennial reports summarizing achievements and proposing future strategies. Emphasis was placed on strategic timing and face-to-face advocacy for maximum impact.

Efforts are underway to develop statewide sustainable design policies, aligning with recent legislative mandates in HB 3409. Challenges in procurement and stakeholder engagement were noted, but the Board saw this project as a timely initiative given ongoing building renovations. The Board expressed interest in collaborating with DAS to expedite this project, leveraging expertise and existing frameworks like the Oregon Reach Code.

DAS identified the lack of a sustainable landscape policy as a gap. Plans to collaborate with experts, such as the University of Oregon, to create guidelines addressing plant selection, irrigation, and urban canopy coverage were discussed. The Board emphasized aligning these efforts with equity goals, workforce development, and community climate resilience strategies.

The Board explored leveraging innovation, operational improvements, and lifecycle cost analyses to justify sustainability investments. Collaboration with external thought leaders, agencies, and contractors was seen as essential to achieving long-term success while addressing pressing sustainability challenges.

Legislative outlook 2025: legislative process and sustainability related legislative concepts-Meliah Masiba, Legislative Director, DAS
10:00 - 10:45 am

Meliah Masiba began the meeting by introducing herself as the Legislative Director for DAS, with over 12 years of experience working with the Oregon Legislature. She expressed her appreciation for the group's time and encouraged active participation throughout the discussion, particularly from attendees with legislative or external communications experience. She stressed that attendees should feel free to ask questions and share insights during the session.

The conversation began with an overview of preparations for the 2025 legislative session. Meliah highlighted significant turnover in the Oregon Legislature over recent sessions, attributing much of this to COVID disruptions and elections. This turnover has led to a loss of institutional knowledge, with about two-thirds of legislators in the last long session being new. Despite this, the recent election has resulted in supermajorities in both legislative chambers, with 36 Democrats in the House (out of 60 seats) and 18 Democrats in the Senate (out of 30 seats). Meliah explained that these supermajorities enable the Democratic Party to pass revenue-raising measures without bipartisan support. However, she emphasized that relationship-building and collaboration remain critical for effective governance.

Turning to the Governor's priorities, Meliah outlined three key focus areas for the 2025 session: housing and homelessness, mental and behavioral health support, and education. These priorities are reflected in the Governor's Recommended Budget, which was released earlier this week. Oregon operates on a balanced budget, meaning that revenue forecasts shape policy development. The December forecast revealed an upward revision, which could lead to adjustments in the legislative budget process.

The Board's biennial report to the Legislature was another topic of discussion. Meliah explained that the report is required under ORS 184.435 but does not specify a submission process. She recommended identifying the legislative committee that originally established the Board to ensure the report reaches the appropriate audience. She also suggested requesting an opportunity to present the report to the committee to increase visibility and engagement. Including actionable recommendations in the report could further encourage legislative follow-through. Meliah emphasized the importance of early coordination with DAS leadership to align recommendations with broader policy and budgetary priorities.

Addressing legislative concepts and sustainability, Meliah noted DAS currently has no significant legislative concepts directly related to sustainability, aside from a minor technical correction and a disparity study in procurement. However, the Governor's natural resources team is focused on sustainability and environmental health, which could align with the Board's future efforts. She also highlighted the importance of monitoring the upcoming transportation package, which will be a key focus of the session due to the

Oregon Department of Transportation's revenue shortfalls. Discussions on this package will take place during December legislative days, and Meliah encouraged Board members to tune in.

In closing, Meliah stressed the importance of early planning for legislative concepts, particularly for 2027, as significant lead time is required for development. She offered to return for future sessions to provide additional guidance on legislative processes or answer procedural questions. The Board expressed gratitude for her insights and the engaging discussion, noting the actionable advice she provided.

Agency sustainability plan/progress updates and panel discussion - Business Oregon, Department of Corrections, Department of Administrative Services
10:45 am-12:00 pm

Business Oregon

Chris Cummings, Deputy Director of Business Oregon, introduced his team and outlined their role in developing and refining sustainability initiatives. He also shared that his agency comprises about 200 employees and manages a \$2 billion biennial budget primarily focused on infrastructure financing.

Chris explained the transition in Business Oregon's sustainability goals, moving from internal footprint reduction to broader programmatic impacts. He highlighted the agency's focus on infrastructure financing, particularly for clean technologies and environmental sustainability. Notable programs include funding for Brownfield redevelopment and clean-tech competitiveness assessments aimed at positioning Oregon favorably in the clean technology sector.

The discussion addressed systemic challenges in implementing sustainability initiatives. These include aligning statewide board policies, navigating legislative mandates, and addressing inter-agency coordination gaps. Chris emphasized the need for consistent criteria across state programs to avoid political and logistical inefficiencies.

Business Oregon has implemented several measures to reduce its environmental impact, such as downsizing office space, reducing printing and travel, and transitioning to electric vehicles. The agency has also reduced its overall office footprint by consolidating spaces and promoting remote work, with satellite offices serving rural regions.

Board members and Chris discussed strategies to support traditional industries like wood products and agriculture during transitions to meet modern environmental standards. There was consensus on the need for financial and technical assistance to help these sectors adapt without losing their economic viability.

Business Oregon is exploring industrial symbiosis, a model where industries collaborate to use each other's waste as resources. Inspired by Denmark's successful implementations, initial studies are being conducted in Oregon, focusing on regions like Astoria and Port of Morrow. This approach highlights innovative strategies for sustainable industrial growth.

The Board identified opportunities to enhance legislative engagement and propose coordinated sustainability measures. Chris welcomed proactive suggestions from the Board to refine Business Oregon's sustainability plan, highlighting the potential for shared goals and expertise.

The presentation ended with mutual appreciation for collaboration and a commitment to brainstorming actionable ideas for Business Oregon's sustainability framework. Opportunities for future Board meetings and joint discussions with Business Oregon's infrastructure finance authority were proposed.

Department of Corrections

Michael Burke is the Sustainability Program Manager at the Oregon Department of Corrections (DOC). Burke, who has been with DOC for 17 years and in his current role since August, shared his efforts to evaluate and advance sustainability within the department. He presented an overview of recent sustainability initiatives and outlined goals for upcoming years.

The Strategic Energy Management Program (SEM): has focused on energy efficiency through operational changes and staff engagement. Activities such as energy audits, thermostat management, and "treasure hunts" to identify energy-saving opportunities have yielded significant results. In 2022, these efforts saved over 300,000 kWh of energy, with subsequent savings achieved in therms due to higher cost-effectiveness.

Larger initiatives, including HVAC control upgrades, steam pipe insulation, and heat recovery systems have led to significant energy savings. For example, a recent HVAC upgrade saved over \$300,000 in energy costs. Collectively, these projects have reduced energy use by over 1.4 million kWh and 450,000 therms, translating to approximately \$545,000 in savings and 10 million pounds of CO2 reduction.

The DOC's new sustainability framework identifies four cornerstones: energy conservation and greenhouse gas reduction, soil and water conservation, waste management, and the "Five Ps" (people, partnerships, programs, procurement, and policies). These pillars aim to guide the DOC in reducing energy intensity, implementing decarbonization strategies, and preparing for upcoming performance standards.

The DOC is prioritizing fleet electrification as part of its decarbonization efforts, with plans to replace light-duty vehicles with electric models starting in 2025. This initiative includes mapping asset locations and addressing infrastructure challenges, such as the installation of EV charging stations, which require substantial funding and planning.

To mitigate water use while maintaining safety and landscaping needs, the DOC has begun installing rain catchment systems across several facilities. These systems collect and reuse water, particularly for institutional gardening programs. The department is also piloting innovative solutions such as heat recovery systems in laundry facilities to conserve water and energy.

Efforts to reduce waste by 25% in each facility over five years have been challenged by vendor shortages and logistical hurdles. The DOC is exploring new partnerships and centralized recycling operations, including wire separation and fiber recycling, to enhance efficiency and revenue generation from recycled materials.

The DOC is expanding programs like beekeeping, gardening, and energy efficiency training to provide incarcerated individuals with valuable certifications. A notable addition is the Building Operator Certification course, which teaches energy-efficient building management and has potential long-term benefits for participants and the department.

Aging facilities, such as the Oregon State Penitentiary, face significant maintenance and energy inefficiencies. Leadership transitions and staffing shortages further complicate sustainability efforts. Funding constraints, especially for essential upgrades like EV charging stations and HVAC systems, are ongoing barriers.

Burke highlighted the need for a permanent sustainability program manager position to ensure consistent progress and stakeholder engagement. The position, currently a limited-duration role, is critical for advancing DOC's long-term sustainability goals and maintaining internal and external confidence in the program.

The DOC is working towards re-establishing sustainability teams across facilities, enabling local initiatives to align with agency-wide goals. Burke also emphasized the importance of leveraging partnerships and securing funding to address infrastructure needs and meet regulatory standards.

Department of Administrative Services

DAS's primary responsibility is to manage assets and operations that facilitate state government functionality. Their portfolio includes 3 million square feet of state-owned buildings, 4,200 fleet vehicles, and the authority to establish statewide operational policies. Additionally, DAS oversees divisions focused on budgeting, finance, procurement, risk management, and technology infrastructure, employing about 950 personnel. These functions are asset-intensive and agency-oriented, underscoring DAS's pivotal role in ensuring state operations run smoothly.

DAS has been proactive in aligning with state sustainability mandates, including reporting greenhouse gas emissions, initiating energy efficiency projects, and adopting sustainable procurement practices. DAS is committed to electrifying its vehicle fleet, adhering to the statutory requirement that all new fleet vehicle purchases from 2025 onward be electric where feasible. However, achieving these goals has been challenging due to financial constraints, aging infrastructure, and expanding responsibilities. A significant example is the addition of a new building in Wilsonville, which increased DAS's overall greenhouse gas emissions despite efforts to enhance per-square-foot efficiency.

Financial limitations are a recurring challenge for DAS. Wortman emphasized the difficulty of securing sufficient legislative funding to support critical sustainability projects. For instance, \$3.5 million in funding requests for new fleet vehicles, required to support program expansions, competes directly with the need to replace older, inefficient vehicles. Shannon Ryan added that full fleet electrification by 2050 is estimated to cost \$350 million, highlighting the magnitude of investment required. Similarly, funding limitations affect building renovations, seismic upgrades, and the implementation of energy-efficient technologies, with only a few projects receiving biennium funding. These financial constraints force DAS to prioritize between competing needs, often delaying or scaling back sustainability initiatives.

To navigate these challenges, DAS employs a stratified approach to sustainability investments. Small-scale initiatives, such as retrofitting buildings with LED lighting, are pursued alongside larger projects like electrifying the vehicle fleet and upgrading mechanical systems. This incremental strategy allows DAS to make progress despite funding gaps. Shannon noted that DAS tracks vehicle usage and fuel consumption over two-year periods to identify electrification opportunities, with gradual improvements visible in the fleet's age profile. However, such efforts are often undermined by funding reallocations needed to meet immediate demands, such as purchasing new vehicles to support expanded programs.

Jeremy Miller, DAS's deputy administrator, detailed the complexities of balancing multiple priorities in capital projects. These include seismic retrofits, space optimization, and sustainability enhancements. Large-scale renovations, like the overhaul of the Executive Building, allow for significant integration of sustainable technologies.

The Board will review the DAS Sustainability Plan and provide feedback.

Working lunch: collaboration between OSB and Oregon Climate Action Commission (OCAC) – Catherine Macdonald, Chair; Geoff Crook, Senior Climate Policy Analyst, ODOE
12:00 – 1:00 pm

Opening Remarks and Collaboration Opportunities

Catherine Macdonald expressed gratitude for the invitation to the meeting and highlighted the importance of collaboration. She emphasized the potential for the state to play a leadership role in testing and demonstrating innovative actions, setting examples for other entities in Oregon. This approach could leverage private-sector involvement and encourage statewide collaboration. Catherine expressed excitement about the complementary missions of the Sustainability Board and the state agencies, which present opportunities for joint discussions and leveraging synergies.

Catherine outlined the Commission's mission. Established in 2007, its primary responsibilities include delivering biennial reports to the Legislature and Governor's office on Oregon's efforts to reduce sector-based greenhouse gas emissions. The Commission also explores the role of natural and working lands; education; and recommendations for how the state, the private sector, and individuals can contribute to climate action. While the Commission has mainly focused on sector-based emissions, its charge is broad, covering and initiatives involving natural and working lands.

Catherine clarified that the Commission has a budget through ODOE to support its work, including preparing reports and meeting legislative directives. However, she noted challenges in effectively presenting their findings to the Legislature, which often involves navigating complex reporting structures. The Commission is exploring strategies to provide more targeted and actionable information to lawmakers, such as presenting to specific committees like the Senate Energy and Environment Committee.

The Board raised concerns about the financial challenges faced by state agencies in achieving energy efficiency and sustainability goals. Efforts to reduce carbon emissions and lower energy consumption often require significant investments, which can be difficult to secure. Catherine acknowledged these challenges, emphasizing the need for state agencies to have sufficient capacity and resources to implement climate programs effectively. She highlighted the potential for stronger partnerships between the commission and the Board to address these barriers collaboratively.

The discussion also focused on creative funding opportunities, including the use of green bonds and performance-based financing. Catherine suggested revisiting the concept of a green bank to leverage private investments, noting its success in other states. She mentioned that while earlier proposals faced resistance, the idea could be reframed to address past concerns. The Commission had included a green bank recommendation in its recent report to the Legislature, highlighting its potential for driving sustainable investments statewide.

Catherine discussed the Commission's work on increasing net sequestration in natural and working lands, building on proposals initiated in response to Executive Order 20-04. Through grants and partnerships with the OSU Institute for Natural Resources, the Commission has developed goals and strategies to enhance sequestration efforts, focusing on workforce development, community benefits, and incentive programs for landowners. The establishment of an advisory committee in early 2025 will further guide this work, with a final report due by December 2025.

Both Catherine and Dave emphasized the importance of collaboration between the Board and the Climate Action Commission. They proposed regular joint meetings or agenda items to discuss overlapping priorities, such as natural lands, sequestration, and funding strategies. This partnership aims to align efforts across state agencies, leverage shared resources, and advance Oregon's sustainability and climate goals more effectively.

The session concluded with a commitment to ongoing collaboration and information sharing between the Commission and the Board. Catherine expressed enthusiasm for continued engagement and exploring ways to align their respective work plans to maximize impact. The Board echoed this sentiment, suggesting follow-up discussions to identify common areas of interest and potential joint initiatives.

Refining the OSB work plan

1:00 pm – 2:15 pm

Work Plan Structure and Implementation

Dave Wortman began by discussing the framework for a two-year work plan, aligning with the typical term length of the Board and the state's biennium-based planning approach. He emphasized the importance of

tailoring the plan to accommodate varying project sizes, including special initiatives that may require additional attention. Equity emerged as a core theme, with agencies encouraged to integrate equity considerations into their programs and missions. Dave highlighted the work of the Office of Cultural Change, which has made strides in equity by reviewing statewide policies and offering diversity, equity, and inclusion (DEI) training. Agencies are now expected to prepare equity-focused plans, underscoring DAS's commitment to systemic change.

Equity-focused initiatives have evolved significantly in recent years, with the Environmental Justice Commission playing a pivotal role. Dave recounted past collaborations between the Sustainability Board and the Environmental Justice Task Force, which led to early frameworks for incorporating equity into sustainability plans. He encouraged the Board to reflect on the recent presentation by the Office of Cultural Change, which highlighted actionable steps to support equity-focused programs. Dave also proposed tracking DEI and environmental justice metrics in agency grant applications to measure the impact of sustainability efforts on marginalized communities.

A significant portion of the discussion centered on legislative advocacy and the importance of modernizing outdated statutes governing sustainability practices. Dave pointed out that many agencies listed in early sustainability legislation no longer exist, while major players like DHS and the Employment Department lack formal sustainability plans. He advocated for revising these frameworks to reflect current agency structures and priorities. Additionally, the conversation touched on leveraging legislative sessions to secure funding for initiatives like building decarbonization and solar energy projects, despite the procedural hurdles these efforts often face.

The Board emphasized the need to incorporate lifecycle cost analysis into sustainability planning. This approach considers long-term savings and benefits from investments in energy efficiency, decarbonization, and workforce development. Examples included the Department of Corrections' success in implementing energy efficiency programs that yielded measurable savings, reinforcing the argument for upfront investments to avoid higher costs in the future. The group discussed the importance of framing such initiatives as cost-saving measures rather than immediate expenditures to gain legislative and public support.

Specific examples of barriers to clean energy projects were discussed, including a solar array project at the fleet facility. Despite securing a \$400,000 grant, procurement laws requiring separate contracts for design and construction significantly delayed the project, jeopardizing funding. The Board identified this as a systemic issue, calling for changes to procurement statutes to streamline processes for clean energy projects and ensure alignment with industry practices.

The group proposed convening workshops and summits to align the priorities of various boards and commissions. This collaborative approach would provide a platform to share legislative and policy ideas, fostering a unified strategy for advancing sustainability and equity goals. Suggestions included updating sustainability plan guidelines to include equity considerations explicitly and creating metrics that agencies could use to track progress. Modernizing outdated plans and integrating these updates into the legislative narrative were seen as essential steps to achieve long-term impact.

Other Board Business: Wrap-up and Adjourn

2:15 pm - 2:30 pm

Action Items:

- DAS to revise work plan based on Board feedback to further focus on key projects and priorities
- Board to provide further feedback for DOC and Business Oregon to guide development of their sustainability plans; DAS will pass on
- Board to provide feedback on DAS Sustainability Plan
- DAS to explore joint meetings with peer boards and commissions

- DAS to continue to coordinate with the Climate Action Commission on agenda items and actions
- DAS to explore best pathways for developing and presenting a Board Biennial Report to the legislature

DRAFT