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190843

Ordinance

## Revise sewer and stormwater rates, charges and fees in accordance with the Fiscal Year 2022-23 Sewer User Rate Study

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Mayor's Proposed Budget for the Bureau of Environmental Services for Fiscal Year 2022-2023 requires adjustments to sewer and stormwater rates, charges and fees beginning July 1, 2023.
2. Sewer and stormwater rates, charges and fees need to be adjusted to pay the operating and maintenance costs, capital costs and debt service of the City's sanitary sewer and stormwater drainage system.
3. In accordance with policies adopted by City Council, the proposed adjustments to sewer and stormwater rates, charges and fees are based upon cost-of-service principles, ensuring equity by charging ratepayers according to the amount of sewer and stormwater service they use.
4. The proposed sewer and stormwater rates, charges and fees are consolidated into a comprehensive schedule as set forth in Exhibit A of this Ordinance. The consolidated schedule does not preclude the establishment and/or continuation of charges and fees by resolution, ordinance, Code provision or administrative rule not otherwise specified in this Ordinance.

NOW, THEREFORE, the Council directs:

- A. The Council adopts sewer and stormwater rates, charges and fees in accordance with the Fiscal Year 2022-2023 Sewer User Rate Study, as set forth in the attached Exhibit A; and
- B. This Ordinance is binding city policy.

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Environmental Services](#)

Contact

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**Requested Agenda Type**

Regular

**Date and Time Information**

**Requested Council Date**

May 25, 2022

Portland Policy Document

## Documents and Exhibits

 [Exhibit A](#) (101.4 Kb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
May 25, 2022

Auditor of the City of Portland  
Mary Hull Caballero

## Impact Statement

### Purpose of Proposed Legislation and Background Information

This annual ordinance establishes rates, charges and fees to generate sufficient revenue for projected expenditures in FY 2022-2023. Under these proposed rates, the typical single-family residential bill is expected to increase by \$2.52 per month. Increases to each individual customer and other customer classes may vary based on actual usage and circumstances. The proposed rate ordinance will enable the Bureau to continue collecting and treating wastewater from residences and businesses; managing stormwater to prevent erosion, flooding and water quality problems; operating the combined sewer overflow (CSO) system to prevent sewage overflows into the Willamette River and Columbia Slough; and repairing and replacing inadequate public sewer lines that cause sewage overflows and basement backups.

### Financial and Budgetary Impacts

This rate ordinance is expected to generate approximately \$432 million in operating revenue to support the Mayor's FY 2022-2023 Proposed budget for the Bureau of Environmental Services. Approximately \$387 million of this estimate is from billed retail revenues for sanitary and stormwater services.

The rate ordinance does not create costs or expenses to the City.

This legislation does not specifically create or eliminate positions in future years. Future position decisions will be made by the Council within the annual budget process.

## **Community Impacts and Community Involvement**

The Portland Utility Board (PUB) began meeting on September 1, 2015 and has held public meetings at least monthly thereafter with a brief hiatus during the COVID-19 pandemic. Among the PUB's responsibilities is acting as the bureau's Budget Advisory Committee by reviewing the bureau's operating and capital programs and budgets, the FY 2022-2023 Requested Budget and the financial impact to ratepayers of the Requested Budget. Should this rate ordinance pass, the typical residential monthly bill for sewer and stormwater will increase by \$2.52 or 3.14%.

## **100% Renewable Goal**

Revenues from rates and fees proposed by this ordinance fund the annual cost to the bureau for Renewable Energy Credit (REC) purchases, per City Council Resolution No. 36983 and the 2015 Climate Action Plan.

In addition, the Renewable Natural Gas (RNG) project is scheduled to be completed in Fall 2022 and will deliver renewable natural gas produced from wastewater treatment directly into a NW Natural Gas pipeline. Once in pipeline, the RNG will be used onsite for vehicle fueling and sold offsite to fleets for vehicle fueling in place of diesel. This project will contribute to climate, clean air and revenue goals. While the RNG Project will add assets to CBWTP that require operation and maintenance, the project will also generate revenue for the bureau.

## **Budget Office Financial Impact Analysis**

This annual ordinance establishes rates, charges, and fees to generate sufficient revenue for projected expenditures in FY 2022-23. Under these proposed rates, the typical single-family residential bill is expected to increase by \$2.52 per month or 3.15%. Increases to each individual customer and other customer classes may vary based on actual usage and circumstances. This rate ordinance will generate \$432 million in operating revenue to support the Mayor's FY 2022-23 Proposed budget for the Bureau of Environmental Services. \$387 million of this estimate is from billed retail revenues for sanitary and stormwater services. The proposed rate ordinance will enable the Bureau to continue collecting and treating wastewater from residences and businesses; managing stormwater to prevent erosion, flooding and water quality problems; operating the combined sewer overflow (CSO) system to prevent sewage overflows into the Willamette River and Columbia Slough; and repairing and replacing inadequate public sewer lines that cause sewage overflows and basement backups. The rate ordinance does not create costs or expenses to the City. This legislation does not specifically create or eliminate positions in future years. Future position decisions will be made by the Council within the annual budget process.

## **Agenda Items**

### **424 Time Certain in May 18-19, 2022 Council Agenda**

Passed to second reading

Passed to second reading May 25, 2022 at 9:30 a.m.

### **453 Regular Agenda in May 25-26, 2022 Council Agenda**

Passed

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea