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191293

Ordinance

Revise sewer and stormwater rates, charges and fees in accordance with the Fiscal Year 2023-24 Sewer User Rate Study

Passed

Amended by Council

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 2023-2024 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 2023-2024 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](#)

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Requested Agenda Type

Regular


Date and Time Information

Requested Council Date

May 31, 2023

Portland Policy Document

Documents and Exhibits

 [Exhibit A - As Amended](https://www.portland.gov/sites/default/files/council-documents/2023/bes-fy-2023-24-exhibit-a-v9-4.07.pdf) (<https://www.portland.gov/sites/default/files/council-documents/2023/bes-fy-2023-24-exhibit-a-v9-4.07.pdf>) 325.51 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 as amended by Council
May 31, 2023

Auditor of the City of Portland
Simone Rede

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 2023-2024. Under these proposed rates, the typical single-family residential bill is expected to increase by \$3.37 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 \$438 million in operating revenue to support the Mayor's FY 2023-2024 Proposed budget for the Bureau of Environmental Services. Approximately \$386 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 2023-2024 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 \$3.37 or 4.07%.

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 Summer 2023 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 2023-24. Under these proposed rates, the typical single-family residential bill is expected to increase by \$2.60 per month or 3.15%, raising the typical residential monthly bill from \$82.83 to \$85.42. Increases to each individual customer and other customer classes may vary based on actual usage and circumstances. This rate ordinance will generate \$434 million in operating revenue to support the Mayor's FY 2023-24 Proposed budget for the Bureau of Environmental Services. \$382 million of this estimate is from billed retail revenues for sanitary, stormwater and Superfund 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.

These rates do not include the Regulated Affordable Multifamily Assistance (RAMP) Pilot Program, which would provide a utility bill discount to multifamily properties that are approved for the City's Nonprofit Low-Income Housing Limited Tax Exemption (NPLTE) program. The costs generated by the program have been included in both the BES and the PWB FY 2023-24 Requested Budgets and 5-year rate forecasts. The RAMP program would have increased both Water and Sewer rates—with a 0.92% increase for Bureau of Environmental Services rates and a 0.2% increase for Portland Water Bureau rates. This equates to an approximate 0.63% overall increase of the utility bill and an increase in \$0.85 per month for the typical single-family bill. It is expected to reach 12% or 15,000 multifamily housing units in Portland and is expected to provide a benefit of \$325 per unit, annually. The benefit equates to a 4% reduction in rent for a family of three at 30% MFI.

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. All revenue and expenses are included in the FY 2023-24 Water Bureau Proposed Budget.

Agenda Items

423 Time Certain in [May 24, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/5/24)
(<https://www.portland.gov/council/agenda/2023/5/24>)

Passed to second reading as amended

Motion to amend Exhibit A to increase sewer and stormwater rates by 0.92% to 4.07% to include a discount under the Portland Water Bureau and Bureau of Environmental Services Regulated Affordable Multifamily Assistance Program: Moved by Mapps and seconded by Ryan. (Y-4 Ryan, Gonzalez, Mapps, Rubio; N-1 Wheeler)

442 Regular Agenda in [May 31-June 1, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/5/31)
(<https://www.portland.gov/council/agenda/2023/5/31>)

Passed As Amended

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Nay