

## **ADM-14.07 - Rates and Charges for Water and Water-Related Services**

### **RATES AND CHARGES FOR WATER AND WATER-RELATED SERVICES**

<i>Binding</i>	<i>City</i>	<i>Policy</i>
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BCP-ADM-14.07

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#### **PURPOSE**

Section 1. The Council finds:

(A) Pursuant to section 11-105 of the City Charter, this Council has determined revenues needed to cover Portland Water Bureau costs, and the Commissioner-in-Charge of the Portland Water Bureau recommends the rates and charges prescribed herein be adopted in order to meet the Portland Water Bureau revenue requirements for the fiscal year beginning July 1, 2007.

(B) This Ordinance has been approved by the Office of the City Attorney.

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#### **POLICY**

NOW, THEREFORE, The Council directs:

a. That the Mayor and Auditor are authorized to execute on behalf of the City the following

rates and charges for use of water and water-related services during the fiscal year beginning July 1, 2007 and ending June 30, 2008.

b. This Ordinance is binding City policy per Code Section 1.07.020.

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## 1. BASE CHARGE

(A) A monthly, bi-monthly or quarterly base charge, based on a 365 day year, shall be levied on water and/or sewer services connected directly to the City system. A base charge per meter will be levied on sewer special submeters. The base charge shall be in addition to the volume or extra strength rates charged for water and sewer as follows:

Daily charge per meter for a quarterly billed account;	\$0.2155
Daily charge per meter for a bi-monthly billed account;	\$0.3232
Daily charge per meter for a monthly billed account;	\$0.6464

(B) The base charge shall apply to any unused water service when the owner, other city, water district or water company desires the service be retained for future use. Failure to pay the charge within sixty (60) days of the billed charge shall be sufficient cause for the service to be disconnected from the main. The Administrator of the Portland Water Bureau may direct a waiver of the charge because of a special need to retain the service when the public health or welfare or the convenience of the Bureau is served.

(C) When available, optional monthly billing will be at no charge.

(D) The Water Bureau monthly discount for low income single-family residential customers as follows:

Water Customers (discount on water volume and base charges)	\$6.35
Sewer Only Customers (discount on base charges)	\$3.95

If a customer has a water or sewer bill that is less than the discount, the customer is not entitled to a credit or refund.

(E) Fire protection services, combination domestic and fire protection services, and services equipped with backflow prevention devices or detector check metering devices located in vaults owned by the City, shall be billed a daily charge based on the size of the metered connection as follows:

<u>Meter Size</u>	<u>Daily Charge</u>
5/8" & 3/4"	\$0.6485
1"	0.7108
1¼" & 1½"	0.8664
2"	1.2069
3" & greater	1.6428

(F) The Administrator of the Portland Water Bureau may make adjustments, pay refunds, authorize or waive fees and charges when it is in the best business interest of the City. A full explanation of these changes must be filed with the office records. Credit balances of \$10.00 or less will not be refunded unless requested by the Administrator of the Portland Water Bureau.

**2. COMMODITY RATE**

For water used through metered services, the charge per 100 cubic feet shall be as follows:

(A) Inside City Boundaries:

Retail rate;	\$1.86
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The Administrator of the Portland Water Bureau may invoke curtailment rates to address a serious water shortage. The Bureau will report to Council before establishing curtailment rates.

Receiving untreated water exclusively from the Columbia South Shore Well Field	\$0.45
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(B) Outside City Services and Wholesale Distributors

(1) Other cities, water districts or water companies purchasing water for resale.

GNR Water Company	\$0.468
Green Valley Water Company	\$0.468
Hideaway Hills Water Company	\$0.468
Lorna Water Company	\$0.468
Skyview Acres Water Company	\$0.468
Two Rivers Water Association	\$0.468

City of Gresham	\$0.521
Lusted Water District	\$0.722
Pleasant Home Water District	\$0.788
Rockwood Water PUD	\$0.411
Palatine Hill Water District	\$1.243
Burlington Water District	\$0.733
Lake Grove Water District	\$0.775
City of Tigard	\$0.957

Valley View	\$1.282
West Slope Water District	\$1.093
TVWD	\$0.852
Raleigh Water District	\$0.611
City of Tualatin	\$0.725

(2) Served directly by the City that are not other distributors.

Receiving water from supply conduits:

Residential and commercial rates are as follows;	\$0.511
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Receiving water from distribution system:

Residential and commercial rates are as follows;	\$2.072
Formerly served by the Sylvan Water District;	\$1.773

(3) Water served to non-contract purveyors on an emergency basis may be charged rates calculated in the following manner or charged at the discretion of the Administrator of the Portland Water Bureau.

(a) Short Duration Emergency Rates: rates for water purchases of a duration of two consecutive days or less shall be the sum of the highest rate of wholesale customers using similar functional asset groups set forth in subsection a.2(B)(1) plus a 20 percent administrative fee. Any incremental costs incurred by the City to provide the service will be added to the costs determined above.

(b) Mid Duration Emergency Rates: rates for water purchases of a duration of three to seven consecutive days shall be the sum of the highest rate of wholesale customers using similar functional asset groups set forth in subsection a.2(B)(1) plus a 15 percent

administrative fee. Any incremental costs incurred by the City to provide the service will be added to the costs determined above.

(c) Long Duration Rates: for purchases of water for more than seven consecutive days or in unusual circumstances a special long-term rate will be negotiated.

“Emergency” means an unforeseen circumstance or combination of circumstances or the resulting state that calls for immediate action.

(C) Water will be furnished at Inside City Boundaries Commodity Rates to a continuous building having 50% or more of the area of the building located within the City boundaries. All other structures, buildings, shops, dwellings and/or sprinkling systems or parts thereof wholly outside the City Boundaries, shall be supplied by separate services and meters, and shall be charged the Outside City Boundaries Commodity Rate. The separate meters and services shall be furnished and installed at the expense of the owner of the premises.

### **3. BILLABLE OVERHEAD RATE**

(A) Notwithstanding City Code 5.48.030(A)(2), (A)(3), (B) and (F), and in lieu of the indirect labor costs, stock handling, and overhead charges set out therein, in calculating costs for services pursuant to Code 5.48.030, the Water Bureau shall charge billable overhead calculated at 113.5% of fully burdened labor costs which include actual time computed at the hourly salary rate, paid leave and fringe benefits. Paid leave and fringe benefits shall be calculated according to costs determined by Water Bureau financial analysis.

### **4. HYDRANT AND UNMETERED WATER USAGE**

For the use of fire hydrants the charges shall be as follows:

(A) Permit tag and usage charges for each device accessing hydrant:

(1) Annual hydrant permit for tank type vehicle use only; charge for calendar year; charge for unmeasured water usage for 2 vehicle permit tags (includes 60,000 cubic feet). Permits purchased after January 31st may be discounted \$50.00 per month for previously expired full months of same calendar year. Permit fee will not be pro-rated for partial months or for additional tags for more than 2 vehicles.

(all permits expire December 31, each year)

Charge for 2 vehicle permit tags

(includes 60,000 cubic feet water);	\$1,210.00
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Each additional vehicle permit tag;	\$115.00
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(2) Temporary permit for metered water (not to exceed 90 days);	\$155.00
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This minimum charge includes 5,000 gallons or 700 cubic feet

recorded by leased Water Bureau meter.

Measured water usage above the minimum charge:

each additional 100 cubic feet or part thereof;	\$1.86
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(B) In addition, the costs of attendant(s) and equipment shall be charged for as provided in Section 5.48.030 of the City Code.

(C) The Portland Water Bureau will require a deposit for hydrant use permits and/or rented equipment. The deposit may be applied to the tag and usage charges and/or equipment lost or

damaged and furnished by or rented from the Portland Water Bureau.

(D) Daily rental rate for hydrant valve and/or wrench:

First three (3) days or part thereof;	\$9.00
each additional day or part thereof;	\$3.00

(E) The Portland Water Bureau requires a city-owned meter to be installed. The rental rate for meters shall be as follows:

First three (3) days or part thereof;	\$9.00
each additional day or part thereof;	\$3.00

(F) The Portland Water Bureau requires an approved backflow prevention device be installed. The rental rate for a 2" double check valve shall be as follows:

First three (3) days or part thereof;	\$9.00
each additional day or part thereof;	\$3.00

(G) When there are extraordinary circumstances, the Administrator of the Portland Water Bureau may adjust rates for using the hydrants.

(H) It is unlawful for any person, without authority from the Bureau, to willfully damage, connect to, operate, alter, or otherwise tamper with any City water main, service, meter, meter box, hydrant, valve, or any other facility owned or operated by the Bureau.



Minimum charge for unlawful activity; \$1,320.00

Charges above the minimum; as provided for in Section 5.48.030 of the City Code.

## **5. SERVICES FOR FIRE PROTECTION**

(A) Services used exclusively for fire protection shall be charged according to the size of the pipeline entering the property.

### **(B) COMMODITY CHARGES**

(1) Water registered on detector check metered firelines, or estimated on unmetered firelines, and used for testing, shall be charged at the average commodity retail rate prescribed in subsection a.2.(A) of this Ordinance.

(2) Water used as a result of leaks on firelines shall be charged at three (3) times the commodity rate prescribed in subsection a.2(A) of this Ordinance from the time of notification, if repairs have not been completed within sixty (60) days after notification of such leak by the Portland Water Bureau. If fireline leakage has not been controlled after one hundred eighty (180) days, water used shall be charged for at ten (10) times the commodity rate from the time of notification. In addition, the fireline service will be regarded as a domestic service and subject to the provisions of subsection a.5.(B)(3) of this Ordinance.

(3) Unauthorized use of fire protection services may require installation of a full flow meter, conversion to a domestic service and payment of a System Development Charge as prescribed in subsection a.11.(D) of this Ordinance.

## 6. STANDBY SUPPLY CONNECTIONS

Distributors (other cities, water districts or water companies purchasing water for resale) having a water supply other than that furnished by the City of Portland and desiring a standby supply from the City of Portland shall be charged on the basis of the contract specific to that distributor.

## 7. PAY STATIONS

Pay stations authorized by City Code Section 21.16.110 shall be compensated at the rate of \$0.35 for each bill collected.

## 8. COLLECTION CHARGES

The following collection charges shall be made by the Portland Water Bureau and may be added to the sewer and water bill.

(A) Additional charges for late payment of bill:

(1) When the status becomes past due:

Reminder notice;	\$5.00
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(2) When the status becomes pre shut-off:

Pre shut-off notice;	\$10.00
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Notice of these charges shall be made on a previous bill.

(3) When the bill goes to disconnect or urgent status:

Water disconnect or urgent status;	\$40.00
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Illegal usage and lock meter;	\$50.00
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(B) After the water has been shut off for non-payment, the provision of Section 21.16.040 of the City Code pertaining to delinquent water bills, shall apply.

(C) Additional charges for non-payment of bill or unauthorized water usage:

(1) Removal of meter or removal of spacer or standpipe;	\$75.00
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(2) Crimping <u>or</u> uncrimping service, minimum charge;	\$300.00
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Charges above the minimum; as provided for in Section 5.48.030 of the City Code.

(3) Shutting off water at main or reinstating service; as provided in Section 5.48.030 of the City Code.

(4) Check returned by bank for non-payment; \$25.00

(D) After the water has been shut off for non-payment, charge to restore water service after regular business hours:

Requests made between:

Monday – Friday to 5:00pm	8:00am	No Charge
Monday – Friday to 9:00pm	5:00pm	\$75.00
Monday – Thursday 9:00pm to 8:00am		\$150.00
Friday after 9:00pm/Weekends/ Holidays		\$150.00

(E) All accounts that become past due and unpaid are subject to collection action, at the City's discretion, either through efforts of City staff or by a collection agency selected by the City. Past due and unpaid account balances that become the subject of collection action may be charged any additional costs of collection incurred by the City. Costs to recover City staff collection efforts may be computed, and charges assessed for such collection costs shall not exceed an amount computed, in the same manner as charges for services performed for outside parties in Section 5.48.030 of the City Code, or as otherwise set by action of the Council.

(F) Where meter readers are required to use more than normal time to read meters due to locked doors, fences or other obstructions established or permitted, the additional time may be added to the bill as a special charge. Additional charges shall be made for each subsequent time the meter reader is required to return to read the meter; \$40.00

(G) Inactive accounts may be billed for charges related to account maintenance.

(H) A deposit may be required as a condition of service as provided for in Section 21.16.090 of the City Code.

**9. SERVICE CHARGES**

The following charges shall be made by the Portland Water Bureau.

(A) For decreasing the size of the meter; as provided for in Section 5.48.030 of the City Code

(B) For increasing the size of the meter:

Meters from 5/8" to 3/4", 5/8" to 1", and 3/4" to 1",with a 1" service branch (plus SDC differential);	\$330.00
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Meters larger than 1"; as provided for in Section 5.48.030 of the City Code. (plus SDC differential).

(C) For testing water meters at consumer or owner’s request. (If the meter is reading in error, there is no charge for testing):

5/8", 3/4" or 1" meters;	\$115.00
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1¼", 1½" or 2" meters;	\$150.00
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Larger than 2" meter; as provided for in Section 5.48.030 of the City Code.

(D) For inspection and testing backflow prevention devices pursuant to Section 21.12.320 of the City Code:

For initial inspection of new installations;	\$450.00
For annual testing of privately owned devices for compliance with Oregon Department of Human Services Rules;	
If repair is required; as provided for in Section 5.48.030 of the City Code.	\$135.00

(E) Fee for preparation and filing of all legal documents as part of the Water Bureau permitting process; \$350.00

(F) Fee for developer plan reviews;	
Backflow prevention review	\$100.00
Commercial building	90.00
Final plat review/Final development plan review (all types)	30.00
Land use review	90.00
Pre-application	130.00
Row housing	50.00
Single family housing	50.00
Street opening permit	50.00

(G) For removing vehicles, material, debris, shrubbery, plantings or any other obstructions limiting or preventing clear access to meter when owner or occupant fails to maintain clear access; as provided for in Section 5.48.030 of the City Code.

(H) For searching records to provide information to respond to requests for historical data or records the City may charge for the time expended, as provided for in the City Code and City policies. There may also be charges for duplication of records. A written request and/or deposit may be required.

(I) Special services requested by the consumer, owner or other person may be charged for as provided for in Section 5.48.030 of the City Code. A written request and/or deposit may be required.

(J) It is unlawful for any person, without authority from the Bureau, to willfully damage, connect to, operate, alter, or otherwise tamper with any City water main, service, meter, meter box, hydrant, valve, or any other facility owned or operated by the Bureau

Minimum charge for unlawful activity;	\$1,320.00
Charges above the minimum; as provided for in Section 5.48.030 of the City Code.	

(K) Application fee for Cell Site lease, to be assessed only if the cell site lease application is approved.	\$1,000.00
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## 10. CARRYING CHARGES

(A) Water, sanitary sewer and stormwater bills issued by the City that become past due are subject to a carrying charge at a rate of 12 % per year (1.0% per month simple interest) on the unpaid balance. Carrying charges may be added to extended payment plans.

(B) Outstanding Portland Water Bureau receivables unrelated to water, sanitary sewer and stormwater utility bills shall be subject to a carrying charge at a rate of 12% per year (1.0% per

month simple interest) on delinquencies greater than 30 days from date of invoice.

## 11. SYSTEM DEVELOPMENT CHARGES

(A) A System Development Charge (SDC) will be levied for each new water meter (and on increases in the size of old meters) connecting to the City water system inside the City boundaries. The charge will be according to the size of the meter and will be payable at the time of application for service as follows:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$1,787
3/4"	2,681
1"	4,469
1½"	8,937
2"	14,300
3"	26,812
4"	44,687
6"	89,374
8"	142,999
10"	257,040

(B) This SDC is in accordance with ORS 223.297-314. The SDC is a reimbursement fee based on the estimated replacement cost of existing water facilities, less depreciation. The SDC nets out customer contributions and outstanding bond principal, while adding the value of construction in progress, to arrive at a cost basis. The current equivalent meters are combined with the cost basis to arrive at a cost per equivalent dwelling unit. The methodology is available for public inspection.

(C) New water service connections solely for temporary (1 year or less) construction or fire protection purposes shall be exempt from payment of the SDC.



(D) The conversion of an existing fireline to a service for use other than fire protection, or the continued use of a fireline for other than fire protection, or the continued use of a temporary service shall require the payment of the SDC as provided for in a.11.(A).

(E) In the event a service has been removed prior to reconnection or establishing a new connection, the person desiring a new connection shall pay a SDC only on the difference in charges between the size of the previous connection and the new connection being requested. If the service was removed more than 36 months prior to reconnection the applicant must provide proof of payment of the original SDC or proof of the existence of the original service. No SDC or credit for a previously paid SDC will apply when a smaller connection is requested.

(F) Affordable Housing which meets the following requirements shall be fully exempt from the Water SDC:

(1) If rental housing, the units receiving an exemption shall be affordable to households earning 60% or less of Area Median Family Income at time of occupancy and shall be leased, rented or made available for 60 years to persons or households whose incomes are 60% or less of Area Median Family Income, as adjusted by unit size and as determined by the U.S. Department of Housing and Urban Development for the Portland Metropolitan Area. If only a percentage of the total units qualify as exempt, the exemption will only apply to that percentage.

(2) If owner occupied housing, the units receiving an exemption shall be affordable to households earning at or below 100% of Area Median Family Income, first time homebuyers, and shall be sold to persons or households whose incomes are at or below 100% of Area Median Family Income, as adjusted by family size and as determined by the U.S. Department of Housing and Urban Development for the Portland Metropolitan Area.

(3) PDC may require that real property covenants be recorded in the deed records for properties receiving exemptions under this Section in order to ensure compliance, or to provide remedies for failure to restrict units, or both.

(4) Per Section 30.01.040, the Bureau of Housing and Community Development and the PDC are responsible for determining affordability criteria and approving exemptions for housing developments that meet the income requirements specified in a.11(F)(1) or (2) and for enforcing the 60 year affordability requirement for rental housing developments. In the event a qualifying rental housing development fails to maintain qualifying rents and/or occupancy requirements or a qualifying ownership project fails to comply with applicable recapture or retention covenants, the exemption shall terminate for that development and the Water SDC, calculated using the rates in effect at the time PDC finds the exemption has been lost, shall be due and owing. If the exemption terminates within two years of initial building permit issuance, additional charges will be due and owing. These charges include a processing fee of \$120.00 and carrying charges of 12% per year (1% per month), added to the SDC rates in effect at the time, charged back to the date the exemption was granted.

(5) For a single family residential, SDC exemption shall not exceed the value of a 5/8" water service SDC.

(6) Affordable Housing exemptions will not exempt any commercial SDCs associated with the development. Commercial spaces will either be separately metered or pay the full SDC share based on each commercial space's estimated water usage as determined by the Bureau Administrator.

(7) Any applicant seeking an exemption shall specifically request this exemption no later than the time of the City's issuance of the first occupancy permit on the new development.

## **12. CHARGES FOR INSTALLING AND PERMANENTLY REMOVING SERVICES**

(A) Full installation of 1" branch service	\$2,935.00
plus, if paving is required;	390.00

Activation of 1" branch service	\$480.00
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(B) Install services larger than 1" service; as provided for in Section 5.48.030 of the City Code.

(C) An additional charge will be made for services installed in street rights-of-way wider than sixty (60) feet, on a pro-rata footage basis.

(D) Permanently remove 2" or smaller service branch	\$1,787.00
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(E) Permanently remove larger than 2" service branch; as provided for in Section 5.48.030 of the City Code.

(F) An exception to the above charge will be made for any service installed within the Downtown Transit Mall, newly paved streets under 5 year moratorium, Street Car or Light Rail facilities, or in any other area where actual cost of installation, because of extraordinary conditions, as determined by the Administrator of the Portland Water Bureau, may exceed the above charges which are based on an average cost of installation for the listed size of service during the previous year. These exceptions to the above charges will be made as provided for in Section 5.48.030 of the City Code.

The water rates and charges fixed by this Ordinance shall be in force and effect from and after July 1, 2007 and any and all Water Rate Ordinances now in effect conflicting in any manner with the provisions of this Ordinance, are hereby repealed on and after July 1, 2007.

## HISTORY

Ordinance No. 180192, passed by City Council May 31, 2006 and effective July 1, 2006.

Amended by Ordinance 181008, passed by City Council May 31, 2007 and effective July 1, 2007.