

City of Portland, Oregon  
**FINANCIAL IMPACT STATEMENT**  
**For Council Action Items**

184626

INITIATOR'S SUMMARY OF COUNCIL ACTION (Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator David Hasson	2. Telephone No. 503-823-7158	3. Bureau/Office/Dept. Water Bureau / Public Safety
4a. To be filed (date) May 12, 2011	4b. Calendar (Check One) Regular    Consent    4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: May 12, 2011

1) **Legislation Title:** Authorize the rates and charges for water and water-related services during the fiscal year beginning July 1, 2011 to June 30, 2012 and fix an effective date.

2) **Purpose of the Proposed Legislation:** The ordinance sets rates and charges for retail and wholesale customers of the Portland Water Bureau. The "typical" residential water customer using 6 hundred cubic feet (ccf) per month will now pay \$27.85, up 12.9 percent from the FY 2010-11 typical bill of \$24.66. The "medium" commercial customer using 200 ccf/month will see a water bill increase from \$571.39 to \$645.19; an increase of \$73.80 or 12.9 percent.

3) **Revenue:**  
**Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated, please identify the source.**

Retail rates are expected to generate approximately \$109.2 million in water sales revenue in FY 2011-12. Retail customers are also expected to pay \$1.9 million from customer late charges. FY 2011-12 wholesale revenues will be \$16.4 million.

4) **Expense:**  
**What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years.) (If the action is related to a grant or contract, please include the local contribution or match required.)**

Expenses are included in the FY 2011-12 Water Bureau budget.

**Staffing Requirements:**

5) **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created, please include whether they will be part-time, full-time, limited-term or permanent positions. If the position is limited-term, please indicate the end of the term.)**

Staffing requirements are determined in the Water Bureau budget process.

6) **Will positions be created or eliminated in future years as a result of this legislation?**

All future staffing will be included in the Water Bureau budget.

**COMPLETE THE FOLLOWING SECTION ONLY IF AN AMENDMENT TO THE BUDGET IS PROPOSED.**

7) **Change in Appropriations:** (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new cost element needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

David G. Shaff, Administrator

APPROPRIATION UNIT HEAD

### Portland Water and BES Proposed Rate Reductions

	Water		BES		Combined	
	Rate	\$ Net Cut (Mil.)	Rate	\$ Net Cut (Mil.)	Rate	\$ Net Cut (Mil.)
Bureau Requested Budget FY2011-12	13.9%	\$ -	6.5%	\$ -	8.8%	\$ -
Mayor's Proposed Budget Rate Cut of 1% Includes reduction of ~\$450K from <b>Water</b> (lower expense) to <b>BES</b> (lower revenue offset by expense cut) through interagency	12.9%	\$ 0.6	5.5%	\$ 3.1	7.8%	\$ 3.7
Alternative A Removes reduction of ~\$450K to Water to BES	12.9%	\$ 1.0	5.5%	\$ 2.7	7.8%	\$ 3.7
Alternative B Splits the reduction of ~\$450K between Water and BES in FY2012	12.9%	\$ 0.8	5.5%	\$ 2.9	7.8%	\$ 3.7