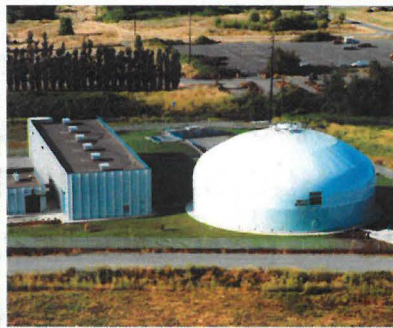
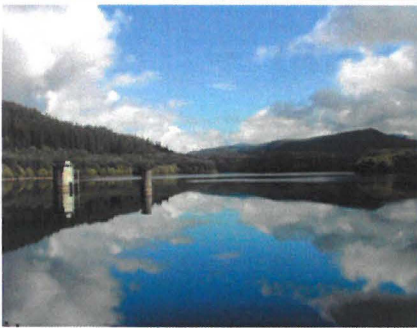


PORTLAND WATER BUREAU

WE DELIVER THE BEST WATER IN THE WORLD



PROPOSED WATER RATES FOR FISCAL YEAR 2015-16

May 21, 2015



Budget Overview for Fiscal Year 2015–16

- **Resources = \$211.7 million**
 - **Rates and Charges Revenue = \$157.1 million**
 - Retail Water Sales = \$129.9 million
 - Wholesale = \$19.0 million
 - Other Fees and Charges = \$5.7 million
 - System Development Charges = \$2.5 million
 - **Bond Proceeds = \$42.1 million**
 - **Other Revenues/Sources = \$12.5**
- **Requirements = \$211.7 million**
 - **Operating Budget = \$83.7 million**
 - **Capital Improvement Plan = \$68.8 million**
 - **Debt Service = \$50.9 million**
 - **Other Expenditures = \$8.3**
- **Full-Time Equivalencies (FTE) = 564.6**

Primary Rate Drivers for FY 2015-16

↓ Surplus Fund Balance

- Operating Budget Savings
- Increased Revenues from Other Fees & Charges

↓ Lower Bond Rate

↑ Inflation

- Cost-of-Living Adjustments

↑ Lower Retail Demand

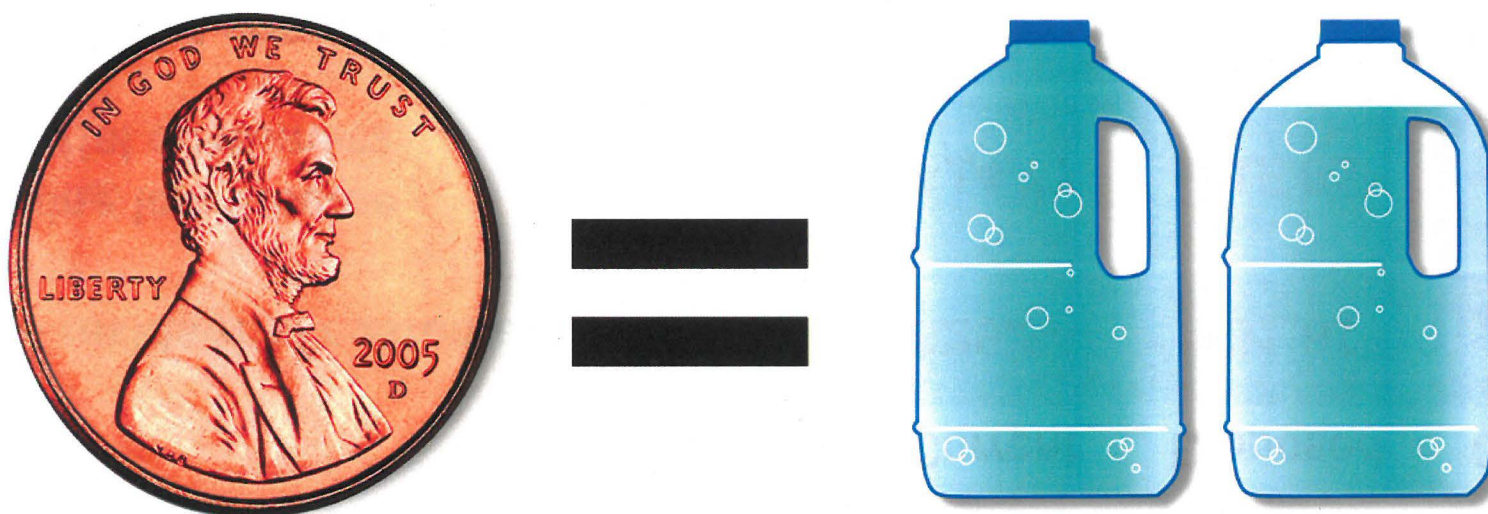
↑ Capital Improvement Plan

- Distribution system repairs, rehabilitation, and replacements—pipes, hydrants, pump stations, services
- Completing projects—reservoirs, Tabor adjustments, and Interstate Facility rehabilitation

Rate Summary for Fiscal Year 2015–16

- **Retail rate increase – 7.0% or \$2.07 per month for typical residential customer.**
- **System Development Charges – \$152 increase**
(for single family residential dwelling with 5/8" meter)
- **Fixed fees and charges –**
 - **Charges for services, mains, hydrants, and other development fees**
 - **Increase for inflation – labor and material costs**

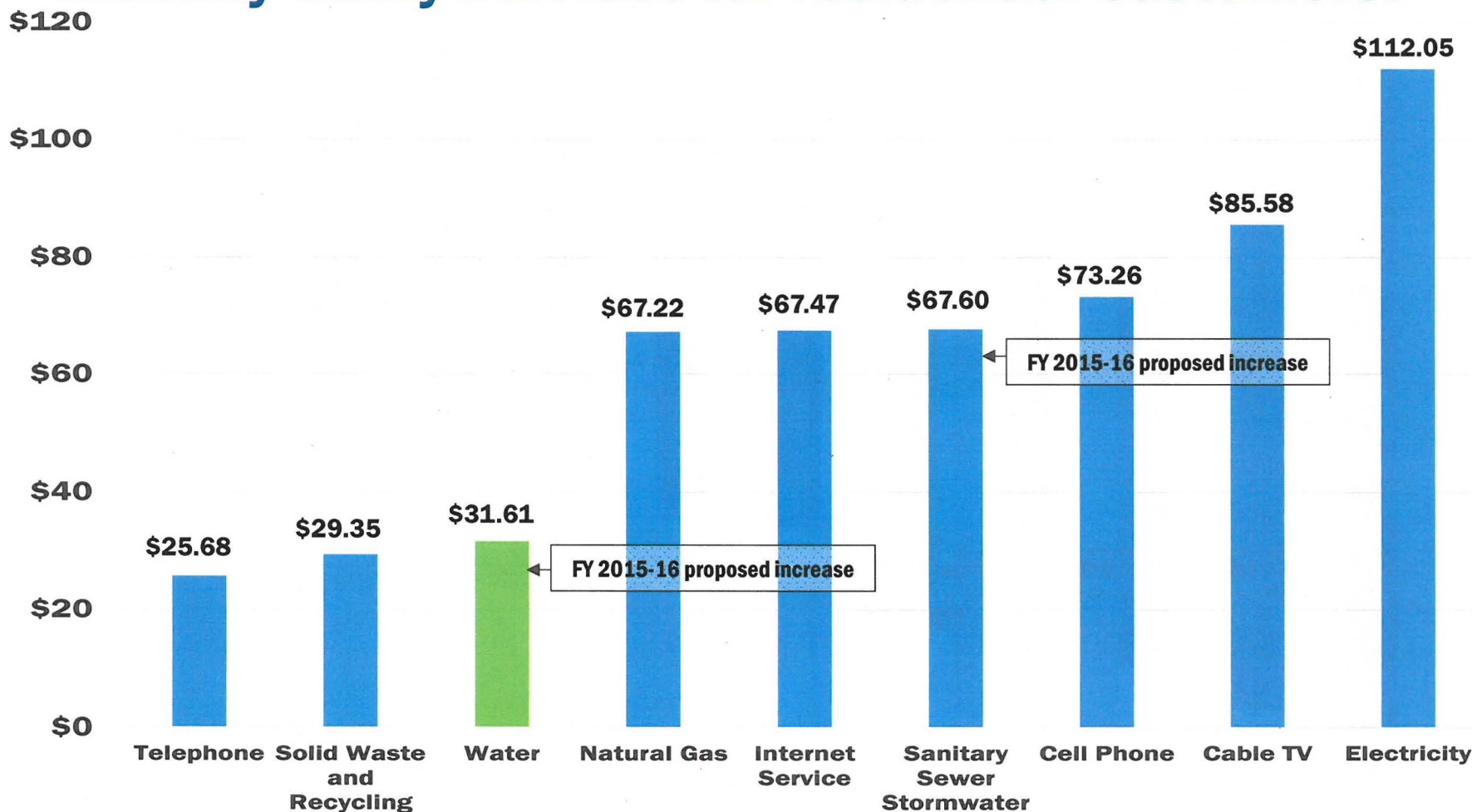
1.9 Gallons of Water for a Penny



How will proposed rates affect typical customers?

	Typical monthly use (ccf)	Current	Proposed	Change
Typical residential customers	5	\$29.54	\$31.61	\$2.07
Qualifying low-income residential customers	5	\$14.77	\$15.81	\$1.04
Medium-sized commercial customers	100	\$401.60	\$429.74	\$28.14

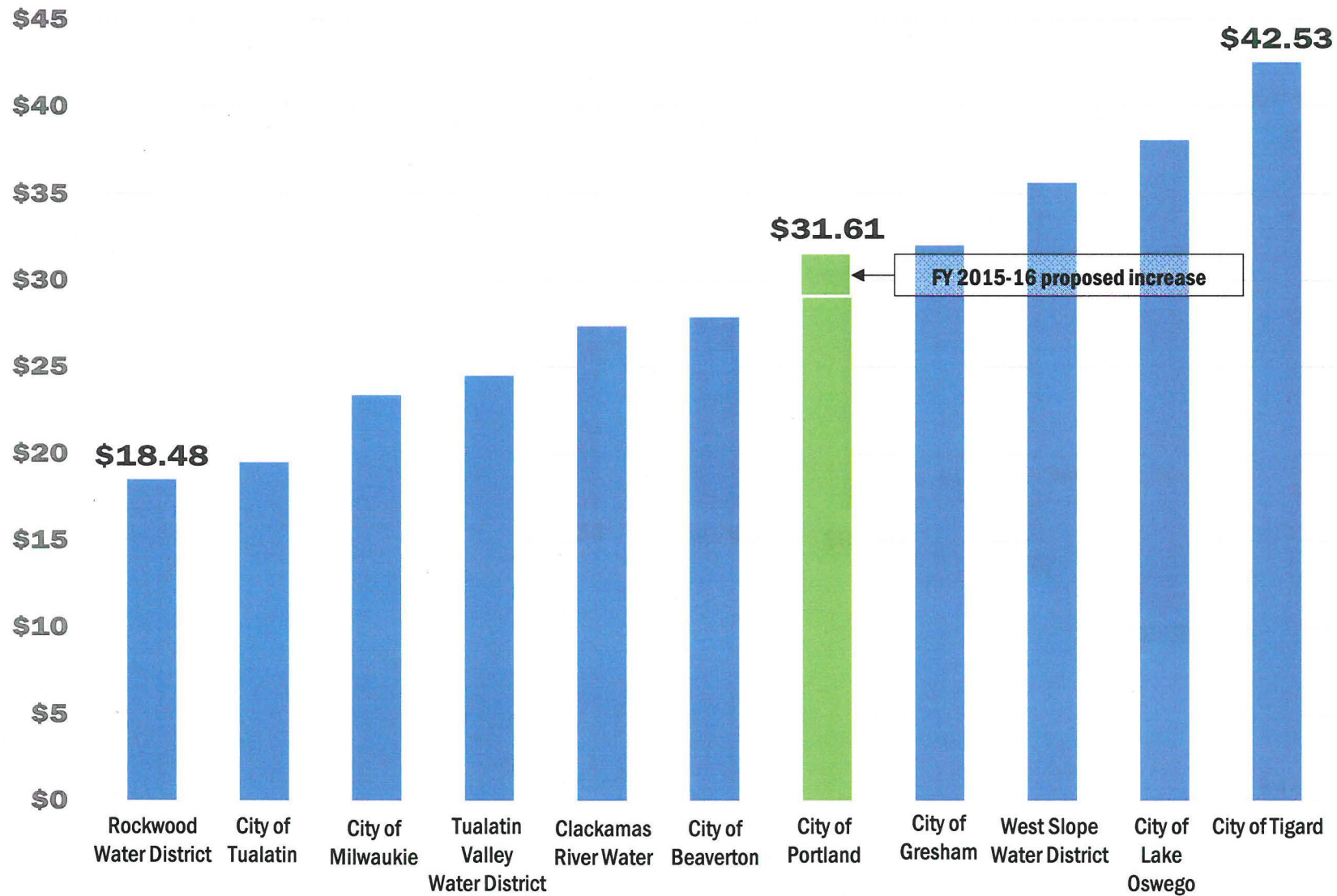
Portland water bills represent only 6% of the typical monthly utility services for residential customers.



Telephone—With calling features such as caller ID, call waiting, voicemail, and unlimited national-wide calling | Solid Waste & Recycling—35-gallon cart, bi-weekly outside pickup | Water—Typical single family using 5 ccf per month | Natural Gas—Average Oregon residential customer using 55 therms per month | Internet Service—Download speed at up to 50 MBps including modem | Sanitary Sewer & Stormwater—Average single family | Cell Phone—Family plan, 2 lines, unlimited talk and text, 300 MB shared data | Cable TV—Digital starter with HD receiver equipment | Electricity—Average residential customer using 900kWh per month



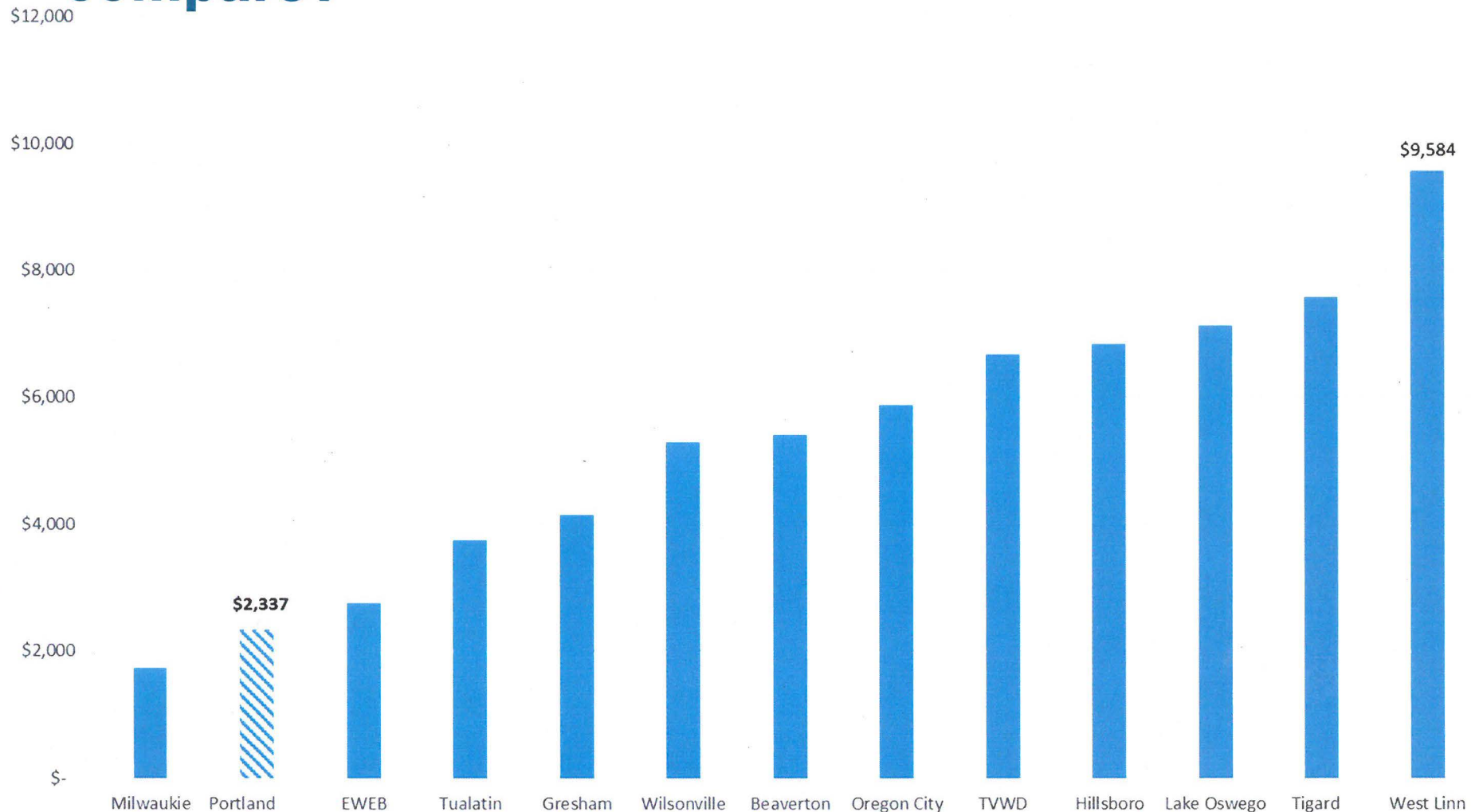
How do Portland's proposed water rates compare?



Based on proposed rates to be effective July 1, 2015, if available; otherwise based on current rates.
Water bills are calculated based on 5 ccf usage.

PROPOSED WATER RATES FOR FISCAL YEAR 2015-16

How do Portland's System Development Charges compare?



Proposed rate for Portland effective FY 2015-16. All others based on current rates unless proposed rate available.

