

IMPACT STATEMENT

Date: May 9, 2016

Council date: May 19, 2016

Legislation title: Authorize the rates and charges for water and water-related services during the fiscal year beginning July 1, 2016 to June 30, 2017 and fix an effective date (Ordinance)

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Purpose of proposed legislation and background information:

The Ordinance sets rates and charges for retail and wholesale customers of the Portland Water Bureau for FY 2016-17.

Financial and budgetary impacts:

Retail rates are expected to generate approximately \$136.0 million in water sales revenue in FY 2016-17. Retail customers are also expected to pay \$2.8 million in customer late charges. FY 2016-17 wholesale revenues will be \$17.2 million.

Other rates and charges within this Ordinance are expected to generate \$9.6 million for water-related services including system development charges, new service installations, customer requested new main connections, engineering permit fees, hydrant installation and usage, and miscellaneous utility charges.

The proposed overall average effective retail rate increase is 7.0 percent in FY 2016-17. With a retail rate increase of 7.0 percent, the retail commodity rate will increase from \$3.940 to \$4.216, and the base charge will increase from \$35.74 to \$38.25 per bill (the billed base charge varies depending on the number of days in the billing period). The “typical” residential water customer using 5 hundred cubic feet (ccf) per month will now pay \$33.83, up 7.0 percent from the FY 2015-16 “typical” bill of \$31.61. The “medium” commercial customer using 100 ccf per month will see a water bill increase from \$429.74 to \$459.85; an increase of \$30.11 or 7.0 percent.

A fixed low income discount for qualified single family quarterly billed residential water customers is included in the Ordinance. The discount is 50% of a typical low income customer bill and is \$50.70 for FY 2016-17.

All revenue and expenses are included in the FY 2016-17 Water Bureau Proposed Budget.

Community impacts and community involvement:

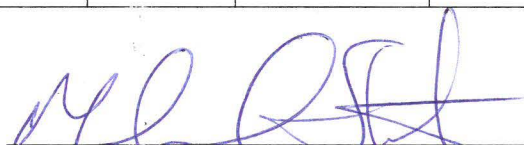
This Ordinance will increase charges to all customers. The water utility rates are designed to generate revenue to cover the cost of providing water. The costs are determined by the budget, which was reviewed by the Portland Utility Board (PUB), a nine member citizen body created to strengthen oversight functions for the City's water, sewer and stormwater services. The Citizens' Utility Board (CUB) also continues to provide outside independent review of the Portland Water Bureau and Bureau of Environmental Services on behalf of residential ratepayers. Both PUB and CUB provided input for the FY 2016-17 budget and rate proposal. Their recommendations were considered in creation of the FY 2016-17 Proposed Budget. Additionally, all relevant documents were provided to the public on the Water Bureau website and information was shared through social media platforms.

Budgetary Impact Worksheet

Does this action change appropriations?

- ☐ YES: Please complete the information below.
☒ NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount


 Michael Stuhr, P.E., Administrator

5/9/12
 Date