

**From:** [Jessica Zahnow](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Testimony of Jessica Zahnow - agenda item #785 9.21.22  
**Date:** Tuesday, September 20, 2022 6:30:05 PM  
**Attachments:** [City Council Meeting Item #785 PWB Bond Issuance Testimony.docx](#)

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Please find my written testimony attached for agenda item 785 for the September 21, 2022 City Council Meeting to be placed in the record for this item. I'll also be sharing this testimony verbally/virtually at the meeting.

Thank you.

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Thank you for the opportunity to comment today and I especially want to thank Goldann Salazar the policy liason with the water bureau and Matt Gierach for their responsiveness, research, and getting back to me in time to prepare for today's meeting.

### **Transparency**

The PWB/BES put forward another very large rate increase in the May 25, 2022 city council meeting. The rate increase was approved without sufficient public communication that was transparent and allowed time for ratepayers to intervene, provide comment, or ask questions - as is the case every year. I am a regulatory professional, and even I have extreme difficulty finding information about my water rates, forecast future rate increases, and what the public process is for engagement. City employees have been friendly and helpful directing me to the information, which I never could have found on my own. Customer water bills should clearly provide information on historical stormwater/sewer rates for the last 5 years, percentage year-on-year increases, the forecast rate increase for the upcoming fiscal year and the 5-year projection period, and the timeline for when new rates are set, what the public process is, and how to intervene and provide testimony. Portland Utility Board information should also be clearly provided on all bills. Portlanders have the right to transparency around their rates. Any other utility - power, gas - has significant public process and transparency around rate setting.

### **Accountability**

As with any other public service, the PWB and BES should be accountable to the public for its ability to deliver service at rates that are just and reasonable. Furthermore, their spending should be given considerable public scrutiny and they should be accountable for justifying any rate increase, let alone the significant yearly increases we see each year in this city. Portlanders have the right to accountability from city offices and providers of public goods and services. This shouldn't be a rubber stamp operation where rate increases are just assumed passed through every year and borne on the backs of hard working people. I understand that the Portland Utility Bureau has commented extensively on concerns about rate burdens on Portland citizens. Customer bills should contain information about how customers can engage with the utility board.

### **Rate burden**

The PWB and the BES should be limited to no more than a 2-4% increase per year, combined, consistent with other utility rates. The continuous annual 7-10% rate increases put to Portlanders are creating an enormous burden on middle and low-income families and pushing more families into the inability to pay bills. Middle income families feel the pain the most. They are perhaps "able" to pay their bill, but it represents an outsized percentage of their monthly expenses. And yet they do not qualify for bill discounts, or bill forgiveness. As an example, my water bill for a single-person household - bathing twice per week, running the dishwasher and washing machine each once per week - is still more than my power and gas bill combined during peak electric and gas seasons. And water rates are growing every year at 5-7 times the

increases seen for my other utility rates. This injudicious spending must be checked, especially at a time when Portlanders are feeling the pain of economy-wide inflation unheard of for decades, and recessionary pressures.

Data from a public records request shows water rates in the 2022-2023 Fiscal Year are 44.32% higher than they were five years prior.

Fiscal Year 2017-2018 Volume Charge (CCF): \$4.499/CCF

Fiscal Year 2018-2019 Volume Charge (CCF): \$4.890/CCF (8.69% increase)

Fiscal Year 2017-2018 Volume Charge (CCF): \$5.251/CCF (7.38% increase)

Fiscal Year 2017-2018 Volume Charge (CCF): \$5.593/CCF (6.51% increase)

Fiscal Year 2017-2018 Volume Charge (CCF): \$6.029/CCF (7.80% increase)

Fiscal Year 2017-2018 Volume Charge (CCF): \$6.493/CCF (7.7% increase)

In aggregate, a 44.32% increase from five years prior.

**Regarding the bond issuance contemplated in this ordinance:**

PWB/BES should be required to disclose the following information in this docket to provide greater transparency to the public regarding its spending. The city commissioners should review and consider this information carefully before passing this ordinance and other measures impacting the water rates for Portland customers.

- 1) The expected sewer and storm water rate increase associated with this new issuance for the 23-24 FY? By percent and by cents/CCF.
- 2) The expected sewer and storm water rate increase overall for the 23-24 FY? By percent and by cents/CCF.
- 3) The forecast annual rate increases for the 5-year PWB projection period, by percentage and by cents/CCF.
- 4) The actual rate increases for the current and prior 5 fiscal years and the percentage year on year increases.
- 5) An enumeration of the sewer capital improvements to be funded by this issuance and why they are not funded under existing debt and revenue.
- 6) A copy of the BES Fiscal Year 2022-2023 Requested Budget and a draft of the 2023-2024 requested budget that will be issued in January 2023.
- 7) An explanation of the other options the city has for funding sewer capital improvements such as cutting costs in BES/PWB or reallocating dollars from elsewhere in the city budget.

Thank you for considering my testimony today.

**City Council Meeting - Wednesday, September 21, 2022 9:30 a.m.**

<b>Agenda No.</b>	<b>First Name</b>	<b>Last Name</b>
785-01	Jessica	Zahnow