



ENVIRONMENTAL SERVICES
CITY OF PORTLAND
working for clean rivers



Utility Rate Hearing

Farshad Allahdadi
Bureau of Environmental Services

Gabriel Solmer
Portland Water Bureau

May 24, 2023

Mission and Budget Objectives



Mission:

Manage Portland's wastewater and stormwater infrastructure to protect public health and the environment.

Objectives:

- Maintain existing levels of service
- Advance Equity Plan priorities
- Continue asset maintenance and reinvestment
- Ensure regulatory compliance and environmental leadership
- Promote long-term financial sustainability

Mission and Budget Objectives



Mission:

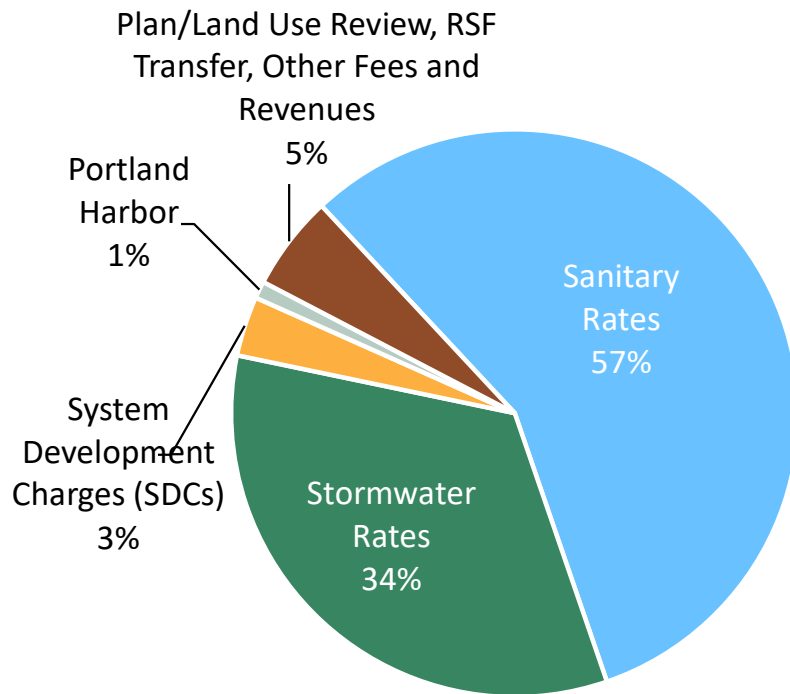
Serve excellent water every minute of every day.

Objectives:

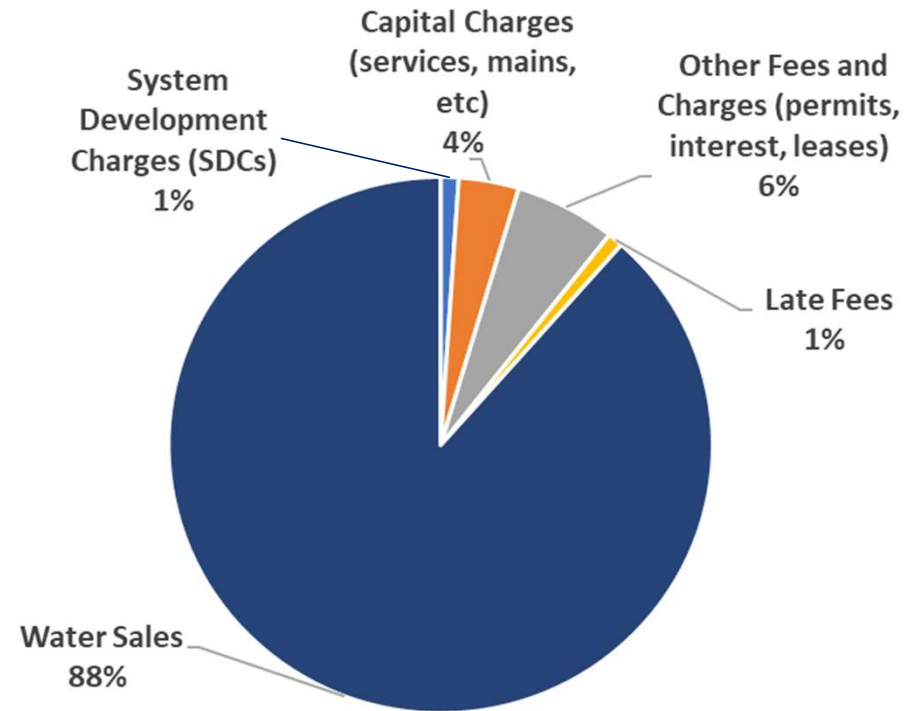
- Prioritize public health
- Meet or exceed regulatory standards
- Maintain our system, now and for future generations
- Increase seismic resilience and improve infrastructure
- Use resources wisely to ensure affordability

Rate and Fee Revenues - FY 2023-24

BES
\$437.5 million



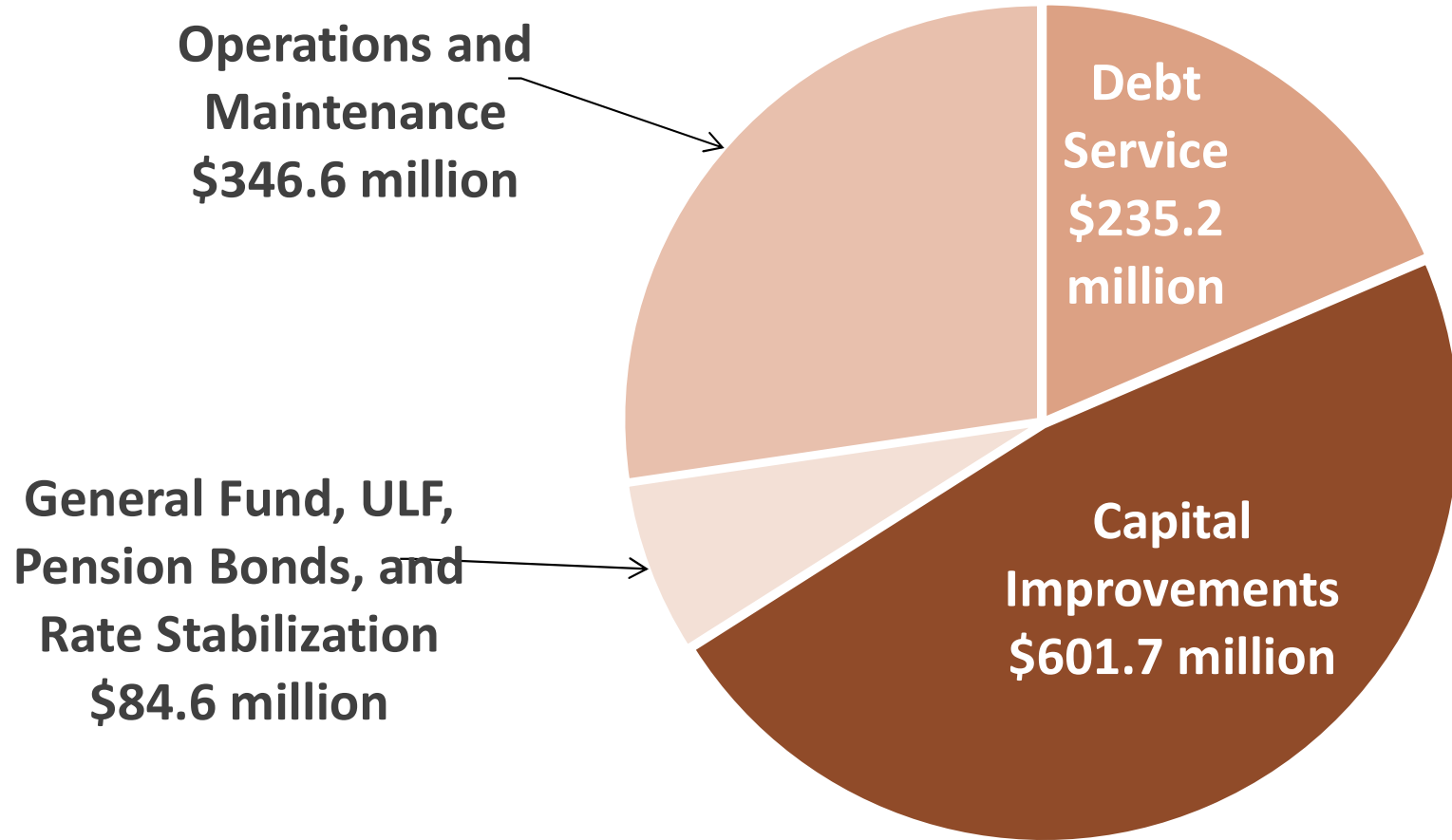
WATER
\$273.3 million



Combined Annual Rate + Fee Revenue =
\$710.8 million

Total Budgeted Expenditures - FY 2023-24

Combined utilities budget = \$1.3 Billion

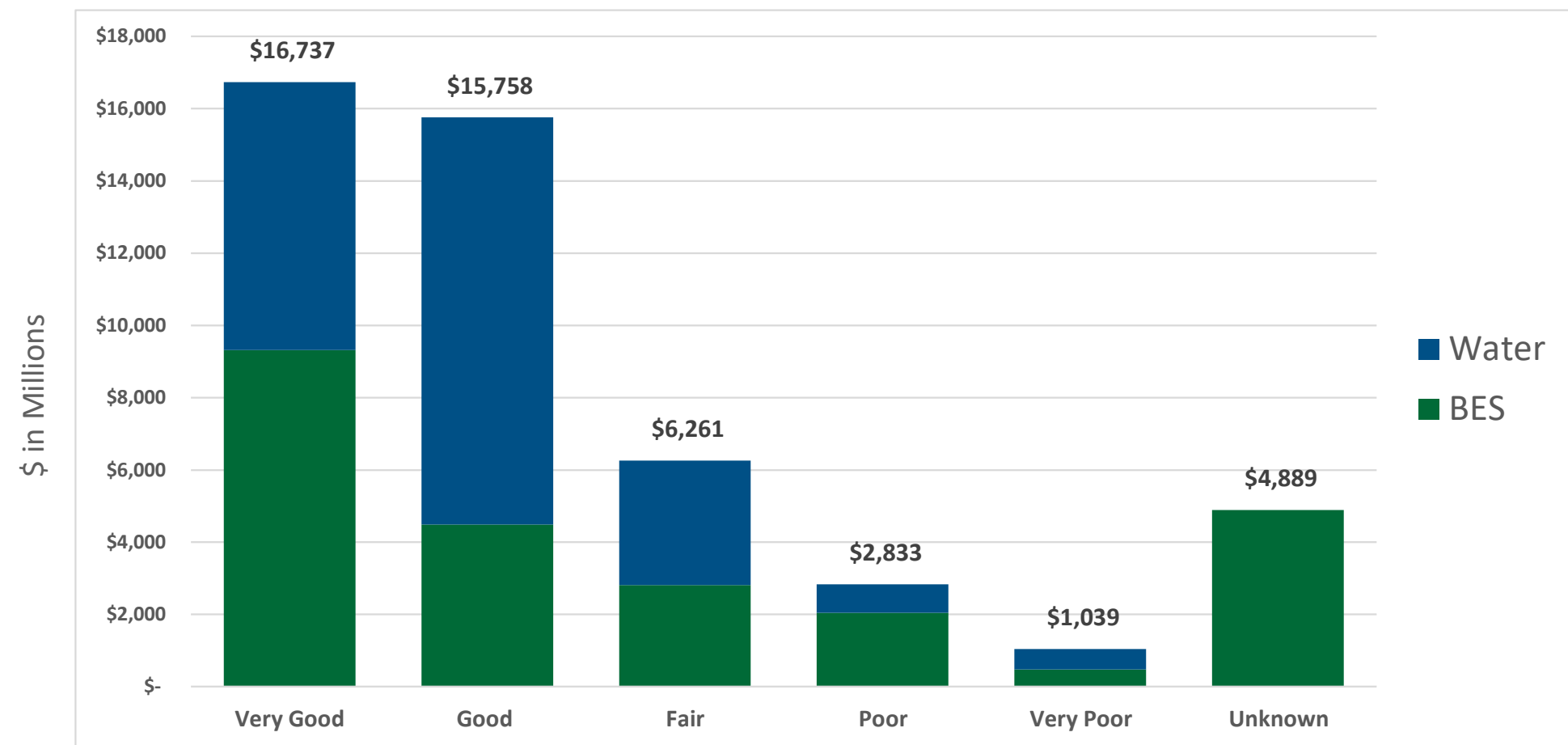


BES Requested Budget — \$726.9 million

Water Requested Budget — \$541.2 million

Condition of Assets by Bureau

Estimated Combined Asset Value: \$47.5 Billion



Source: 2022 Draft Asset and Condition Report

Infrastructure Investment

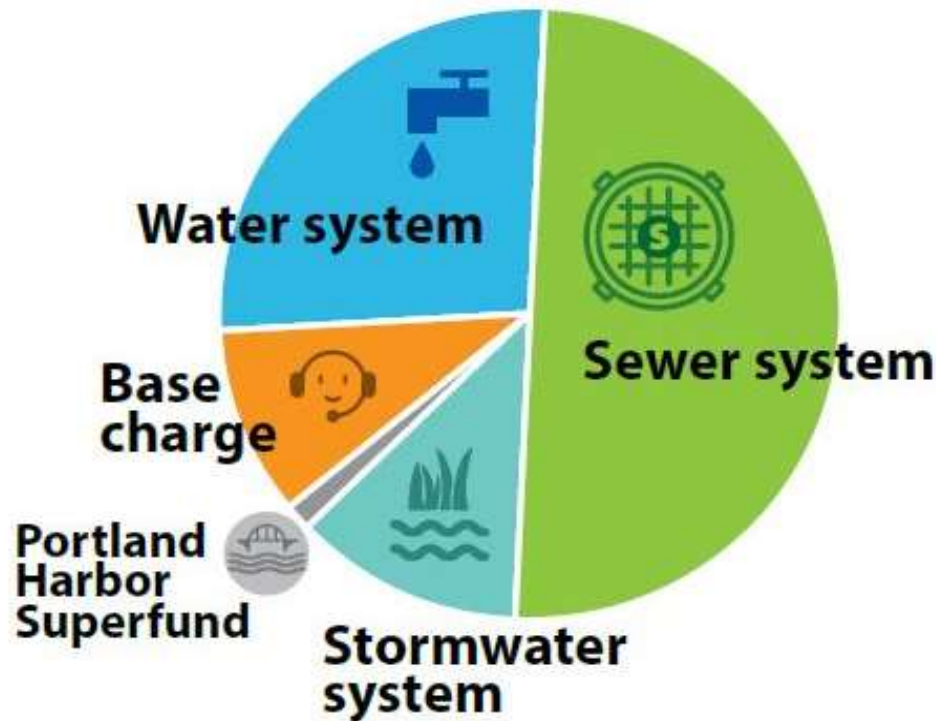


- Ongoing system maintenance
 - Regulatory compliance
 - Seismic and climate resiliency
 - Equitable economic recovery
-

**Water/BES Combined
5-Year Capital Improvement Plan
=
\$2.9 Billion**

Understanding Your Utility Bill

Where does the money go?



Water system, including water treatment, protection of drinking water sources, pipes, tanks, and fire hydrants



Sewer system and sewage treatment, including pipes that keep sewage out of Portland's rivers



Stormwater system, which manages water runoff from hard surfaces like streets, roofs, and parking lots



Portland Harbor Superfund, helping clean up the Portland Harbor



Base charge, to provide customer service, billing, and water meter reading

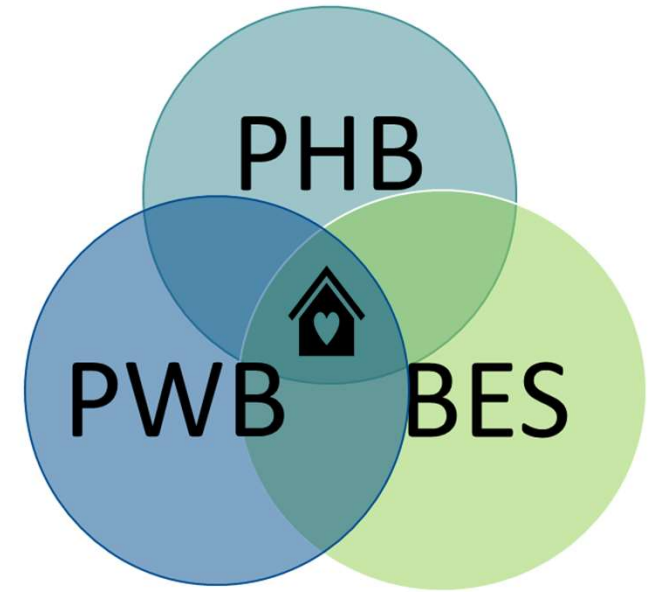
Affordability



- ✓ Tier 1 & Tier 2 bill discounts for income-qualified single-family residential customers
- ✓ Regulated Affordable Multi-Family assistance Program (RAMP)
- ✓ Crisis assistance for income-qualified single-family residential customers
- ✓ Utility Safety Net Program
- ✓ Water Leak Repair Assistance for income-qualified single-family residential customers
- ✓ Payment plans
- ✓ Clean River Rewards

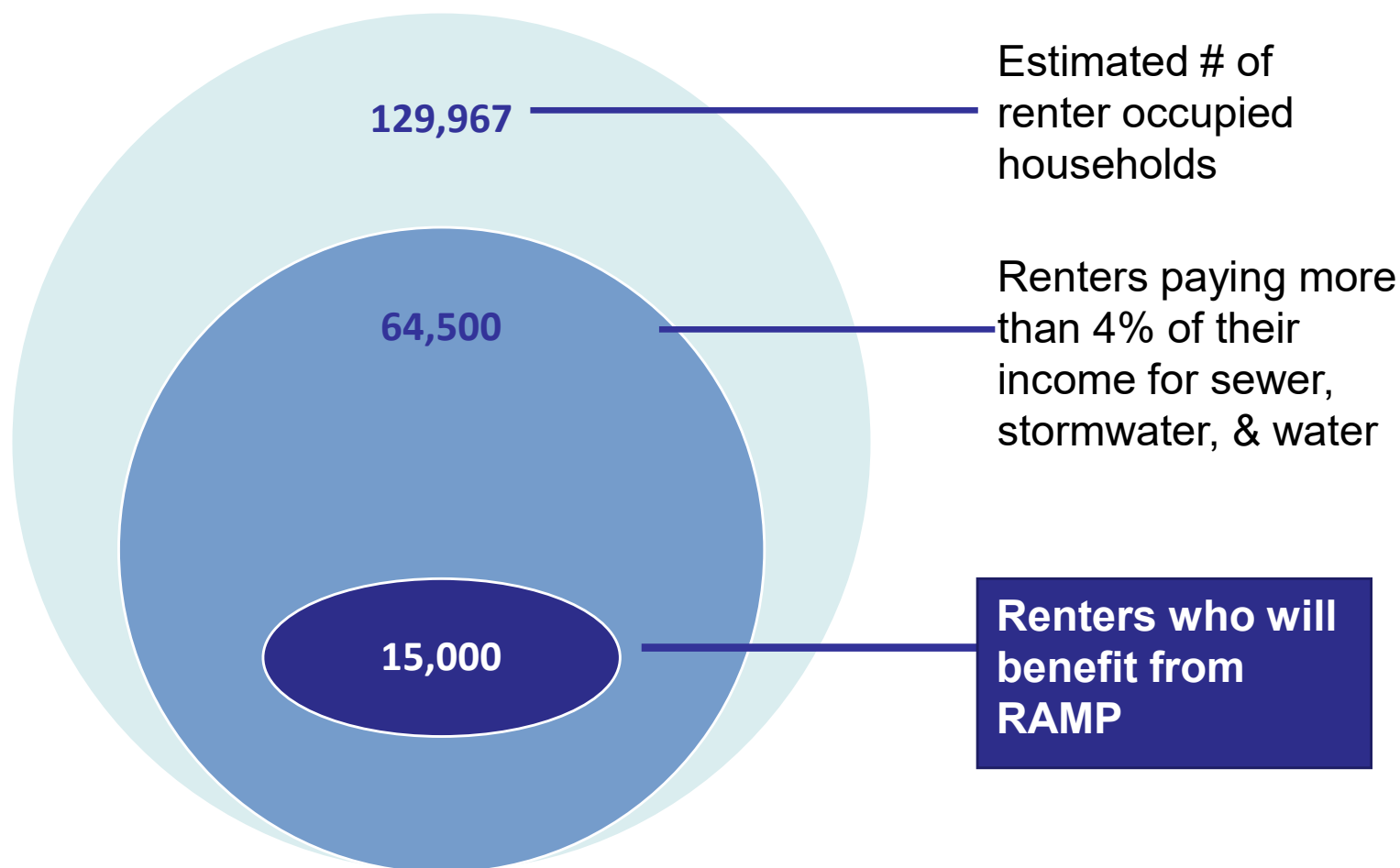
What is RAMP?

- RAMP is a new bill discount for multifamily properties enrolled in the city's **Non-profit Limited Tax Exemption** program.
- Discount goes to ratepayer (nonprofit), who are required to pass benefit on to tenants.
- The on-bill discount varies by service type
 - Water service discount = 20%
 - Sewer/Stormwater service discount = 50%
- RAMP will start as a 3-year pilot in FY 2023-24 (July 1, 2023).



Who will RAMP benefit?

RAMP is moving us in the right direction to meet the needs of multi-family renters



What are the RAMP benefits?

RAMP will provide an estimated **\$325 per year discount per unit.**

RAMP will reach nearly **15,000 additional low-income households**, which is about 12% of multifamily units in city.

RAMP **nearly triples the number of households** served by the utility's financial assistance programs

- Current: ~7,600
- With RAMP: **~22,300 est.**

Who will be served?

ELIGIBLE

- Multifamily properties enrolled in the city's existing Non-Profit Limited Tax Exemption Program (NPLTE).

NOT ELIGIBLE

- Properties not enrolled in the city's existing Non-Profit Limited Tax Exemption Program (NPLTE). Even other affordable properties.
- Single-family properties in the NPLTE.
- Individual tenants in NPLTE properties.

FY 2023-24 Rate Ordinance

Retail Rates (with RAMP included)

Water Request: 7.9%

BES Request: 4.07%

Combined utility bill increase: 5.54%

System Development Charges

Keeping SDCs at the current rate

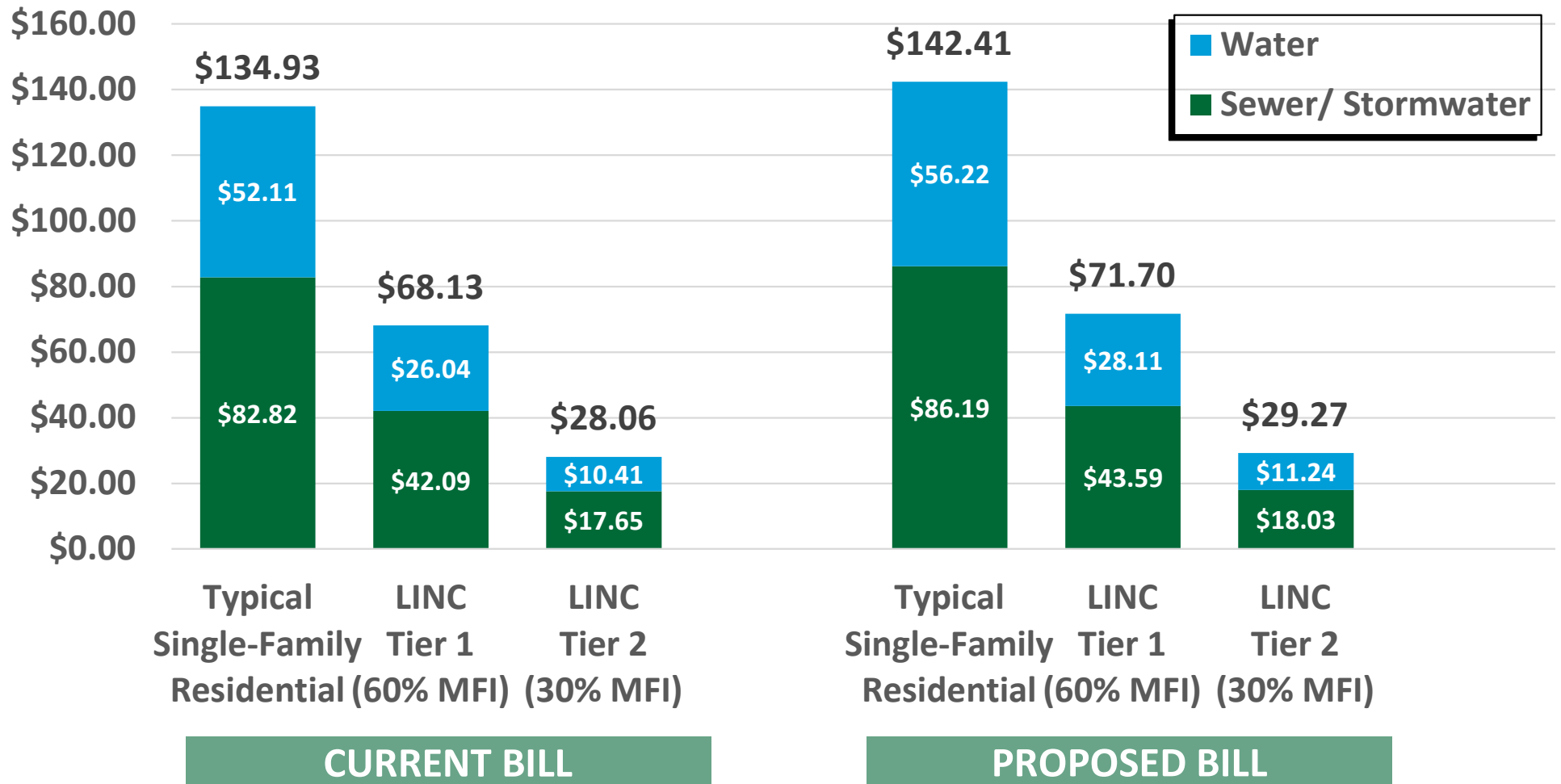
Other Fees and Charges –

Water Request: At full cost recovery

BES Request: Increases of no more than 15% for most

Typical Monthly Bill

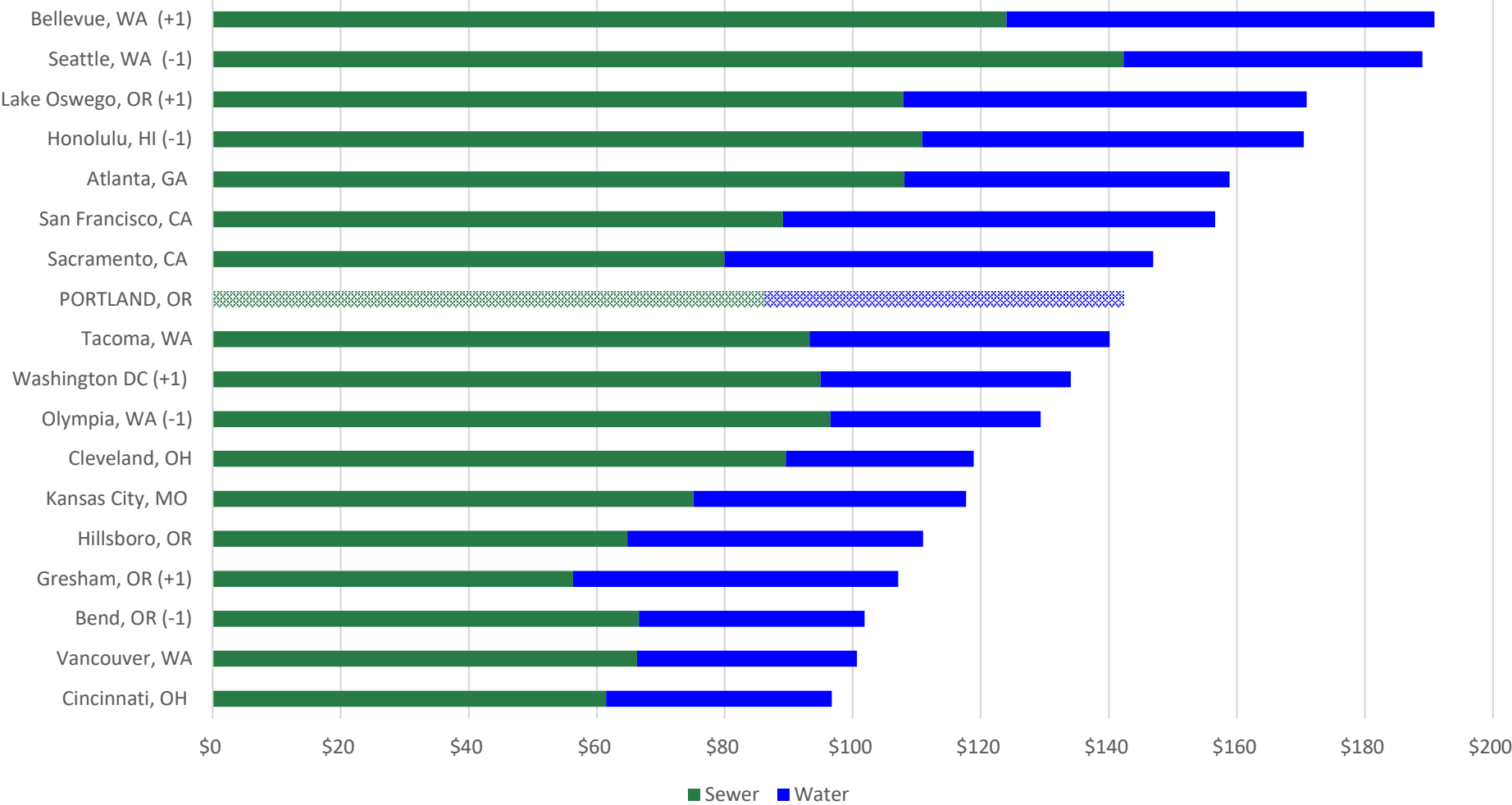
Single-Family Residential Water/Sewer/Stormwater



Typical Single-Family Residential Monthly
Water/Sewer/Stormwater Bill Increases by \$7.48 (= 5.54%)

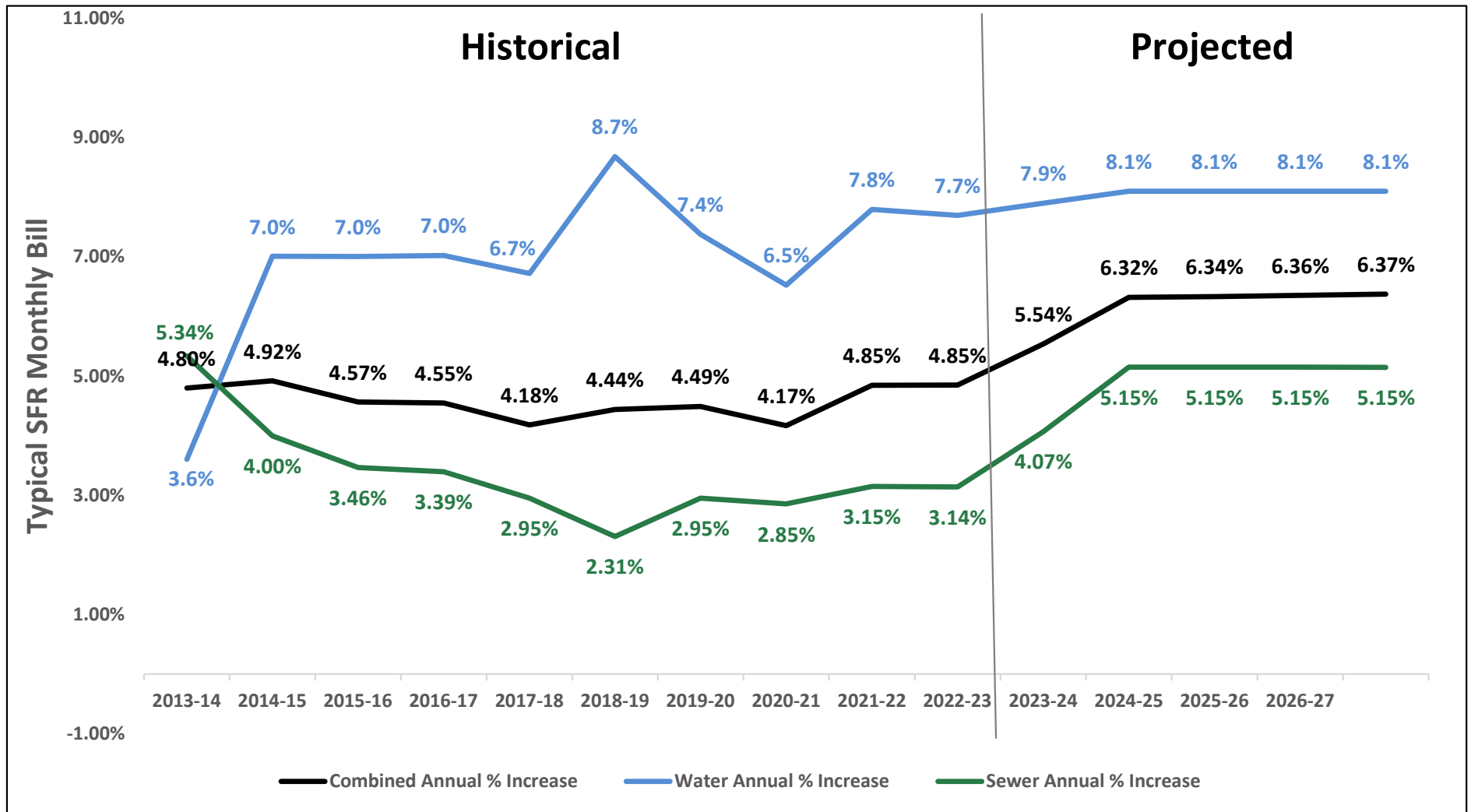
Comparison to Peer Utilities

Typical Monthly SFR Sewer & Water Bills
Effective 7/1/2023



Combined Rate Projection

Historical & Projected Percentage Increases of Typical Single-Family Residential Monthly Bill by Services Type



Strong Cost/Rate Pressures

- Inflation/recessionary/economic impacts
- Infrastructure investment / CIP backlog / Cost impact of failing assets
- Operation and Maintenance of Aging Systems
- Permit/Regulatory Compliance
- Environmental Remediation
- City cost increases – General Fund Overhead/Inter-agencies
- Rate payer impact of SDC changes

Questions

