



[Home](#) / [Council Documents](#)

191657

Ordinance

Authorize the rates and charges for water and water-related services beginning July 1, 2024 to June 30, 2025 and fix an effective date

Passed

Amended by Council

The City of Portland ordains:

Section 1. The Council finds:

1. Pursuant to Section 11-105 of the City Charter, this Council has determined revenues are needed to cover Portland Water Bureau costs, and the Commissioner-in-Charge of the Portland Water Bureau recommends the rates and charges prescribed herein be adopted in order to meet the Portland Water Bureau revenue requirements for the fiscal year beginning July 1, 2024.
2. This Ordinance has been approved by the Office of the City Attorney.

NOW, THEREFORE, the Council directs:

- A. That the Commissioner-in-Charge and Auditor are authorized to execute on behalf of the City the following rates and charges for use of water and water-related services during the fiscal year beginning July 1, 2024 and ending June 30, 2025.
- B. This Ordinance is binding City policy pursuant to Code Section 1.07.020.

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Water](#)

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

March 13, 2024

Portland Policy Document

1. BASE CHARGE

- (A) A base charge per bill, calculated on the actual number of days in a billing cycle, shall be levied on water and/or sewer services connected directly to the City system. A base charge per meter shall be levied on sewer special submeters. A base charge shall be levied on drainage only accounts. The base charge shall be in addition to the volume or extra strength rates charged for water and sewer as follows:

Billed charges are as follows:

Quarterly (90 day) billed account is **\$68.59** prorated for the actual number of days billed at **\$0.7621** per day.

Bi-monthly (60 day) billed account is **\$68.59** prorated for the actual number of days billed at **\$1.1432** per day.

Monthly (30 day) billed account is **\$68.59** prorated for the actual number of days billed at **\$2.2864** per day.

- (B) The base charge shall apply to any unused water service unless and until the property owner, or the party otherwise in possession or control of the property, requests that the service be removed at the main and pays for the removal. Base charges shall apply to any unused water service supplying water to another city, water district or water company unless the entity requests that the service be removed at the main and pays for the removal.

- (C) The Portland Water Bureau discount for low-income single-family residential accounts is as follows:

If an account has a water or sewer bill that is less than the discount, no credit or refund will be given.

Billed credits as follows:	Water/Sewer	Sewer Only
	<u>Account</u>	<u>Account</u>
Quarterly billed Inside City account credit for 90 days	\$90.95	\$34.00
Bi-monthly billed Inside City account credit for 60 days	\$72.05	\$34.00
Monthly billed Inside City account credit for 30 days	\$53.15	\$34.00
Quarterly billed Outside City account credit for 90 days		
• Receiving water from supply conduits	\$44.80	\$34.00
• Receiving water from distribution system	\$77.10	\$34.00

The Portland Water Bureau discount for extremely low-income single-family residential accounts is as follows:

If an account has a water or sewer bill that is less than the discount, no credit or refund will be given.

Billed credits as follows:	Water/Sewer	Sewer Only
	<u>Account</u>	<u>Account</u>
Quarterly billed Inside City account credit for 90 days	\$145.55	\$54.85
Bi-monthly billed Inside City account credit for 60 days	\$115.35	\$54.85
Monthly billed Inside City account credit for 30 days	\$85.10	\$54.85
Quarterly billed Outside City account credit for 90 days		
• Receiving water from supply conduits	\$71.70	\$54.85
• Receiving water from distribution system	\$123.40	\$54.85

- (D) The Portland Water Bureau discount for Regulated Affordable Multifamily Assistance Program (RAMP) qualified multifamily accounts is as follows:

The RAMP discount program will have two discount tiers for each service type as explained below. The discount does not include irrigation, fire lines, extra strength, or clean to stormwater flow services. The percent discount will go on the bill for the property in the form of a discount on the water/sewer/stormwater utility bill.

Service	Discount
	Water Service
RAMP – Tier A	20% of billed use
RAMP – Tier B	14% of billed use

- (E) The new Smart Discount Program will operate as follows:
The Program utilizes machine-learning algorithms to analyze various factors and data to proactively identify eligible customers for financial assistance, thereby eliminating the application process. The Program will offer targeted, percentage-based discounts using the factors and data analyzed. Discounts will range from five percent (5%) to eighty percent (80%). The Program will be implemented in Fall 2024 and run through FY 2025-26. The Program will be measured and evaluated throughout its implementation and refined accordingly. At the conclusion of the Program, it will be evaluated to determine its continuation going forward.

- (F) Fire protection services, and any services equipped with backflow prevention assemblies or detector check metering devices located in vaults owned by the City, shall be billed a daily charge based on the size of the service connection to the premises as follows:

<u>Meter Size</u>	<u>Daily Charge</u>
5/8" & 3/4"	\$2.5735
1"	\$2.8202
1¼" & 1½"	\$3.4376
2"	\$4.7881
3" & greater	\$6.5181

2. COMMODITY RATE

For water used through metered services, the charge per 100 cubic feet shall be as follows:

(A) Inside City Boundaries:

Retail rate; **\$7.559**

The Administrator of the Portland Water Bureau may invoke curtailment rates to address a serious water shortage. The Bureau will report to Council before establishing curtailment rates.

Receiving untreated water exclusively from the Columbia South Shore Well Field **\$0.96**

(B) Outside City Services and Wholesale Distributors

I. Other cities, water districts or water companies purchasing water for resale.

GNR Water District	\$1.539
Green Valley Water Company	\$1.539
Hideaway Hills Water Company	\$1.539
Lorna Domestic Water LLC	\$1.539
Skyview Acres Water Company	\$1.539
Two Rivers Water Association	\$1.539
City of Gresham	\$1.060
Lusted Water District	\$1.523
Pleasant Home Water District	\$1.621
Rockwood Water PUD	\$1.030
Palatine Hill Water District	\$2.286
Burlington Water District	\$1.296
Lake Grove Water District	\$2.940
Valley View Water District	\$2.390
West Slope Water District	\$1.964
Tualatin Valley Water District	\$1.760
Raleigh Water District	\$1.431
City of Tualatin	\$1.659
City of Sandy	\$0.942

II. Served directly by the City that are not other distributors.

Receiving water from supply conduits:
Residential and commercial rates are as follows; **\$1.420**

Receiving water from distribution system:
Residential and commercial rates are as follows; **\$5.426**
Formerly served by the Sylvan Water District; **\$5.426**

Pursuant to a dissolution agreement between the Sylvan Water District and the City of Portland, those current City customers who were served by Sylvan Water District at the time of the dissolution are charged this special Sylvan rate.

III. The Administrator is authorized to sell water on an emergency basis to other governmental bodies under terms and conditions they deem appropriate. Water served on an emergency basis may be charged rates calculated in the following manner or charged at the discretion of the Administrator.

- (a) Short Duration Emergency Rates: rates for water purchases of a duration of two consecutive days or less shall be the sum of the highest rate of wholesale customers using similar functional asset groups set forth in subsection a.2(B)(1) plus a 20 percent

administrative fee. Any incremental costs incurred by the City to provide the service will be added to the costs determined above.

- (b) Mid Duration Emergency Rates: rates for water purchases of a duration of three to seven consecutive days shall be the sum of the highest rate of wholesale customers using similar functional asset groups set forth in subsection a.2(B)(1) plus a 15 percent administrative fee. Any incremental costs incurred by the City to provide the service will be added to the costs determined above.

- (c) Long Duration Rates: for purchases of water for more than seven consecutive days or in unusual circumstances a special long-term rate will be negotiated.

“Emergency” means an unforeseen circumstance or combination of circumstances or the resulting state that calls for immediate action as determined in the discretion of the Administrator.

- (C) Water will be furnished at Inside City Boundaries Commodity Rates to a continuous building having 50% or more of the area of the building located within the City boundaries. All other structures, buildings, shops, dwellings and/or sprinkling systems or parts thereof wholly outside the City Boundaries, shall be supplied by separate services and meters, and shall be charged the Outside City Boundaries Commodity Rate. The separate meters and services shall be furnished and installed at the expense of the owner of the premises. All connections covered under this section are required to be equipped with a minimum of a double-check valve assembly pursuant to Title 21.28.10 (B).

3. SERVICES NOT OTHERWISE SPECIFIED

- (A) For performance of services for which a charge is not otherwise specified, charges shall be a Bureau estimate of the cost, calculated as provided in the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.
- (B) Charges are calculated based upon cost-of-service principles and recover the cost of materials and services provided by the Bureau. Benefit, leave, and indirect rates annually calculated by the Bureau are utilized in these calculations.

4. HYDRANT AND UNMETERED WATER USAGE

For the use of fire hydrants, the charges shall be as follows:

- (A) Permit tag and usage charges for each device accessing hydrant:
- I. Annual hydrant permit for tank type vehicle use only; charge for unmeasured water usage for 2 vehicle permit tags (includes 50,000 cubic feet). All tanks must have an

approved air gap and have a current water quality inspection certificate.

Permits purchased July 1, 2024 through June 30, 2025 will expire June 30, 2025. Permits purchased after July 1, 2024 may be discounted \$225 per month for previously expired full months of same fiscal year. Permit fee will not be pro-rated for partial months or for additional tags for more than 2 vehicles.

Charge for 2 vehicle permit tags; (includes 50,000 cubic feet water);	\$3,827
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Each additional vehicle permit tag (for tanks under 1,000 gallons);	\$704
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Each additional vehicle permit tag (for tanks over 1,000 gallons);	\$1,481
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II. Temporary permit for metered water (not to exceed 90 days);	\$305
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This minimum charge includes 5,000 gallons or 700 cubic feet recorded by leased Portland Water Bureau meter.

Measured water usage above the minimum charge:
each additional 100 cubic feet or part thereof shall be charged the commodity retail rate prescribed in subsection a.2(A) of this Ordinance;

- (B) In addition, the costs of attendant(s) and equipment shall be charged for as provided in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy including but not limited to Policy BCP-FIN 2.06.
- (C) The Portland Water Bureau will require a deposit for hydrant use permits and/or rented equipment. The deposit may be applied to the tag and usage charges and/or equipment lost or damaged and furnished by or rented from the Portland Water Bureau.
- (D) Daily rental rate for hydrant valve and/or wrench:
- | | |
|---------------------------------------|---------------|
| First three (3) days or part thereof; | \$9.61 |
| each additional day or part thereof; | \$3.20 |
- (E) The Portland Water Bureau requires a city-owned meter to be installed. The rental rate for meters shall be as follows:
- | | |
|---------------------------------------|---------------|
| First three (3) days or part thereof; | \$9.61 |
| each additional day or part thereof; | \$3.20 |
- (F) The Portland Water Bureau requires an approved backflow prevention assembly be installed. The rental rate for a 2" double check valve or reduced backflow assembly shall be as follows:

First three (3) days or part thereof;	\$9.61
each additional day or part thereof;	\$3.20

- (G) When the Administrator deems it prudent for what they consider extraordinary circumstances, the Administrator may adjust rates for using the hydrants.
- (H) Fire hydrant usage is limited to authorized hydrants and their locations. Improper use of fire hydrant or unmetered service, or use of authorized fire hydrant or unmetered service without a permit shall be charged as prescribed in subsection a.15.(A) of this Ordinance.

5. SERVICES FOR FIRE PROTECTION

- (A) Services used exclusively for fire protection shall be charged according to the size of the service entering the premises, plus additional costs for meter or data logger communication services as determined by the Administrator.
- (B) Commodity Charges
- I. Water used for system testing registered on detector metered fire lines or estimated by the Administrator on unmetered fire lines shall be charged at the applicable commodity retail rate prescribed in Section 2 of this Ordinance.
 - II. Unauthorized water use registered on detector metered fire lines or estimated by the Administrator on unmetered fire lines shall be charged at the applicable commodity retail rate prescribed in Section 2 of this Rate Ordinance.
 - III. Unauthorized use of water from a fire line shall result in a charge of \$1,000 for the first billing cycle during which the use occurs. Any subsequent unauthorized use during a subsequent billing cycle within twelve months of the first such use shall be charged a minimum of \$1,000, provided that the Administrator may also impose up to an additional \$9,000 charge in their discretion after consideration of the circumstances of the use.
 - IV. If unauthorized use of a fire line occurs four or more times within twelve months of the first such use (including the first use in the count), the Administrator may thereafter treat the fire line as a standard service subject to all applicable provisions of this Rate Ordinance and Title 21 of the City Code.
 - V. The Administrator may require the installation on existing fire lines of additional or improved detector metering devices, including data loggers, pursuant to their authority to require such devices in Portland City Code 21.12.220, and may thereafter charge rates as allowed by Subsection 5(A) of this Rate Ordinance to recover the costs of meter or data logger communications. Failure to install the required devices on a schedule set by the Administrator is a violation for purposes of City Code 21.12.090.

6. STANDBY SUPPLY CONNECTIONS

Distributors (other cities, water districts or water companies purchasing water for resale) having a water supply other than that furnished by the City of Portland and desiring a standby supply from the City of Portland shall be charged on the basis of the contract specific to that distributor. The Administrator is authorized to execute such contracts. All standby connections are to be equipped with a minimum of a double-check valve assembly pursuant to City Code 21.28.010 (B).

7. LATE PAYMENT AND OTHER CHARGES

The following charges shall be made by the Portland Water Bureau and may be added to the sewer and water bill. General notice and information regarding the circumstances under which the Portland Water Bureau may access these charges shall be provided on customer bills.

(A) Additional charges for late payment of bill:

I. When the status becomes past due: Reminder late fee;	\$5
II. When the bill goes to pre shut-off or urgent status: Pre shut-off or Urgent late fee;	\$14
III. When a notice of pending shut off is delivered to a property. Last chance late fee;	\$35
IV. When the bill goes to shut off authorization status: Authorization to disconnect water for nonpayment late fee;	\$120

(B) After the water has been shut off for non-payment, the Bureau may continue to assess late charges against any subsequent unpaid bill. Further, the provision of City Code 21.16.040 pertaining to delinquent water bills, shall apply.**(C) Additional charges for non-payment of bill or unauthorized water usage:**

I. Unauthorized usage & lock meter (in addition to the commodity rate charged for usage);	\$160
II. Plocking and removal of meter;	\$250
III. Crimp/freeze a service, minimum charge;	\$975

Amounts above those specified in subsections (C)(1), (C)(2), and (C)(3) may be charged as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.

- IV. Shutting off water at main, or reinstating service, or uncrimping/unfreezing a service; as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.

V. Returned payments; **\$35**

- (D) After the water has been shut off for non-payment, charge to restore water service after regular business hours:

Requests made between:

Monday – Friday	8:00 am to 5:00 pm	No Charge
Monday – Friday	5:00 pm to 9:00 pm	\$200
Monday – Thursday	9:00 pm to 8:00 am	\$250
Friday after 9:00 pm/Weekends/Holidays		\$250

- (E) All accounts that become past due and unpaid are subject to collection action, at the City's discretion, either through efforts of City staff or by a collection agency contracted by the City. Past due and unpaid account balances that become the subject of collection action may be charged any additional costs of collection incurred by the City. Costs to recover City staff collection efforts may be computed, and charges assessed for such collection costs shall not exceed an amount computed, in the same manner as charges for services performed for outside parties in section a.3(B) of this Rate Ordinance, and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06, or as otherwise set by action of the Council.
- (F) The following charge may be added to the bill when meter readers are required to use more than normal time to read meters due to locked doors, fences or other obstructions established or permitted and each time the meter reader is required to return to read the meter. **\$84**

- (G) Appeals:

Appeals to Administrative Review Committee (ARC), pursuant to ADM-14.02, City Administrative Policies and Rules; **No Charge**

Persons may appeal ARC decisions to the Code Hearings Officer (CHO), or make other appeals to the CHO as allowed by Code, with the cost determined by the Bureau Administrator or as otherwise set by action of the Council.

- (H) Inactive accounts may be billed for charges related to account maintenance.

- (I) A deposit may be required as a condition of service as provided for in City Code 21.16.090.

8. SERVICE CHARGES

The following charges shall be made by the Portland Water Bureau.

- (A) Parties wishing to decrease the size of the meter from 2" to 1" in the Water Fee Schedule attached as Exhibit A and incorporated herein;

For decreasing any other size meter; as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.

- (B) Parties wishing to increase the size of a meter shall pay the following charges, in addition to System Development Charges (SDC) contained in Section 10 of this ordinance.

Meters from 5/8" to 3/4", with a 3/4" service branch in the Water Fee Schedule;

Meters from 5/8" to 1", and 3/4" to 1", with a 1" service branch in the Water Fee Schedule;

Meters from 1½" to 2" in the Water Fee Schedule;

Meters 2" and larger; as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.

- (C) For testing water meters at consumer or owner's request. (If the meter is reading in error, there is no charge for testing):

5/8", 3/4" or 1" meters;	\$225
1½" or 2" meters;	\$400

Larger than 2" meter; as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.

- (D) For inspection of new backflow assembly installations and testing of privately owned assemblies pursuant to City Code 21.12.320 in the Water Fee Schedule.

If repair is required; as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.

- (E) Fee for preparation and filing of all legal documents as part of the Water Bureau permitting

process in the Water Fee Schedule.

- (F) Fee for developer plan reviews in the Water Fee Schedule.
- (G) For removing vehicles, material, debris, shrubbery, plantings or any other obstructions limiting or preventing clear access to meter when owner or occupant fails to maintain clear access; as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.
- (H) For searching records to provide information to respond to requests for historical data or records, the City may charge for the time expended, as provided for in the City Code and City policies. There may also be charges for duplication of records. A written request and/or deposit may be required.
- (I) Special services requested by the consumer, owner or other person may be charged for as provided for in section a.3(B) of this Rate Ordinance and in the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06. A written request and/or deposit may be required.
- (J) Application fee for Cell Site lease, to be assessed only if the cell site lease application is approved. **\$1,900**

9. CARRYING CHARGES

- (A) Water, sanitary sewer and stormwater bills issued by the City that become past due are subject to a carrying charge at a rate of 12% per year (1.0% per month simple interest) on the unpaid balance. Carrying charges may be added to extended payment plans.
- (B) Outstanding Portland Water Bureau receivables unrelated to water, sanitary sewer and stormwater utility bills shall be subject to a carrying charge at a rate of 12% per year (1.0% per month simple interest) on delinquencies greater than 28 days from date of invoice.

10. SYSTEM DEVELOPMENT CHARGES

- (A) System Development Charge (SDC) will be levied for each new water meter, meter equivalent, and on increases in the size of existing meters connecting to the City water system inside the City boundaries. If a meter is being upsized, the applicant will pay the difference of the SDC fees between the two meter sizes. If a meter is being downsized, the applicant will not receive an SDC credit. The charge will be according to the size of the meter and payable at

the time of application for service as in the Water Fee Schedule.

- (B) This SDC is in accordance with ORS 223.297-316. The SDC is a reimbursement fee based on the estimated replacement cost of existing water facilities, less depreciation. The SDC nets out contributed capital and outstanding bond principal, while adding the value of construction in progress, to arrive at a cost basis. The current equivalent meters are combined with the cost basis to arrive at a cost per equivalent dwelling unit. The methodology is available for public inspection.
- (C) When water from a Portland Water Bureau main is not available to a customer's location within Portland City limits and it is determined by the Administrator or Chief Engineer of the Portland Water Bureau that the customer may best be served by an outside jurisdiction, the Portland Water Bureau may collect from the customer fees and charges as established by the outside jurisdiction (including SDC and installation charges) and may pass on to that jurisdiction the money collected to cover its charges.
- (D) New water service connections solely for temporary (1 year or less) construction or fire protection purposes or temporary (2 years or less) irrigation services as described in City Code 21.12.090 shall be exempt from payment of the SDC.
- (E) The conversion of an existing fire line to a service for use other than fire protection, or the continued use of a fire line for other than fire protection, or the continued use of a temporary service shall require the payment of the SDC as provided for in subsection a.10(A) of this Rate Ordinance.
- (F) When installing separate meters on a header service in accordance with City Code 21.12.070.A.3-4 and 21.12.070.B, the assessed SDC will be consistent with the SDC for the single meter size or meter equivalent that would have been required for a shared meter.
- (G) If a service has been removed prior to reconnection or establishing a new connection, the person desiring a new connection within the same tax lot shall pay a SDC only on the difference in charges between the size of the previous connection and the new connection being requested. If the service was permanently removed more than 36 months prior to a new service application, the applicant must provide proof of payment of either the original SDC or existence of the original service in order to receive the SDC credit. SDC credits do not apply for downsizing a meter.
- (H) Qualified Affordable Housing shall be exempt from the Water Bureau's SDC:
 - I. For a single family residential, the SDC exemption shall not exceed the value of a 3/4" water meter SDC.
 - II. Affordable Housing exemptions will not exempt any commercial SDCs associated with the development. Commercial spaces will pay the full SDC share based on each commercial

space's estimated water usage as determined by the Administrator.

III. Any applicant seeking an exemption shall specifically request this exemption prior to the time of the City's issuance of the first occupancy permit on the new development.

- (I) For new parcels created from existing lots that contain existing housing with an existing water service where an SDC was previously paid, property owners may apply to transfer the SDC credit from the existing service to a new service for the existing housing so long as the new parcel is used for Qualified Affordable Housing and qualifies for SDC exemption defined in section a.10(H) of this Rate Ordinance. For a single family residential, the SDC waiver shall not exceed the value of a 3/4" water service SDC.

Nonetheless, the SDC fee must be paid at the time of building permit issuance. The applicant is responsible for providing documentation from the Portland Housing Bureau, confirming the house was sold to a qualified buyer. Once confirmed, the Water Bureau will refund the SDC paid, not to exceed the value of a 3/4" meter SDC.

- (J) For new or upsized water service installations, property owners may apply to defer the payment of SDCs or pay the SDCs in installments pursuant to City Code 17.14. The terms and provisions for deferred payment and installment payments are contained in the Water Bureau's SDC loan and deferral contracts.
- (K) Qualified Accessory Dwelling Units (ADUs) will be waived from the required Water Bureau's SDC. The SDC waiver shall not exceed the value of a 3/4" water service SDC.

11. CHARGES FOR INSTALLATIONS, ACTIVATIONS, AND PERMANENTLY REMOVING SERVICES

Notwithstanding the provisions of City Code 21.16.160, and except as provided in subsection (B) below, the charges for installations, activations, and removing services shall be as follows:

- (A) For service installations, activations, and removals for which a charge is specified in the Water Fee Schedule.
- (B) For installation, activation, and removal of services installed in conformance with City Code 21.12.070, the relevant charge is specified in the Water Fee Schedule, and is determined as follows:
- I. The charge for installation of the header service will be equivalent to the cost of the size of the service and meter otherwise required to support the shared meter equivalent.
 - II. Activation or disconnect of any single meter within the header service will be equivalent to the cost for the same size meter.
 - III. Activation or removal of the header service shall be equivalent to the cost of the size of the

shared service and meter otherwise required to support all of the services.

- (C) The charges contained in the Water Fee Schedule for installations, activations, and removing services shall not apply to the following service installations. For the following service installations, charges shall be calculated as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.
- I. Services not listed in the Water Fee Schedule;
 - II. Services installed within Downtown Sub-district (defined in City Code 33), in newly paved streets under 5-year moratorium, in State or County roadways, Highway/Freeway, Local Highway, Arterial/Collector street, services the installation of which is affected by rail facilities and/or streets with cobblestone/alternative paving, or in a high seismic risk area requiring specialized design;
 - III. Services installed under circumstances determined at the sole discretion of the Chief Engineer to be sufficiently different from the circumstances assumed in creation of the Water Fee Schedule that the actual cost of installation is likely to differ substantially from the charges contained in the Water Fee Schedule.

12. CHARGES FOR INSTALLING OR REMOVING A FIRE HYDRANT

Except as provided in Subsection (B) below and subject to cost sharing and cost adjustments made available pursuant to Portland Administrative Rules, the following charges shall apply:

- (A) For Fire Hydrant installations or removal for which a charge is specified in the Water Fee Schedule.
- (B) The charges in subsection (A) above shall not apply for the following fire hydrant installations. Charges in the following fire hydrant installations shall be calculated as provided for in section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.
- I. Any fire hydrant installed in State or County roadways, hydrants the installation of which is affected by Street Car or Light Rail or railroad facilities,
 - II. Any fire hydrant installed under circumstances determined at the sole discretion of the Chief Engineer making it likely that the actual cost of installation will differ substantially from the charge specified in this Rate Ordinance.
- (C) Adjustment of a fire hydrant shall be calculated as provided for in section a.3(B) and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.

13. CHARGES FOR INSTALLING MAINS

Notwithstanding City Code 21.08.010, except as provided in subsection (B) below and subject to cost adjustments pursuant to Portland City Code 21.08.020, 21.08.060, and 21.08.070 the charges for installing mains shall be as follows:

- (A) For all main installations for which a charge is specified in the Water Fee Schedule
- (B) The charges contained in the Water Fee Schedule shall not apply to the following mains. For the following mains, charges shall be calculated as provided for in section a.3(B), City Code 21.08.010, and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.
 - I. Charges for mains not specified in the Water Fee Schedule;
 - II. Mains installed for other governmental agencies, within the Downtown Sub-district (defined in City Code 33), in newly paved streets under 5-year moratorium, in State or County roadways, Highway/Freeway, Local Highway, Arterial/Collector street, mains that cross or are in streets affected by rail facilities and/or streets with cobblestone/alternative paving, or in a high seismic risk area requiring specialized design and materials;
 - III. Mains installed where the Chief Engineer's sole discretion determines that the circumstances are sufficiently different from the circumstances assumed in creation of the Water Fee Schedule that actual cost of installation is likely to differ substantially the charges contained in the Water Fee Schedule.

14. COST SHARING WATER MAINS AND HYDRANTS UNDER CITY CODE 21.08.020

- (A) For purposes of cost-sharing permitted by City Code 21.08.020, and not withstanding any administrative rules previously adopted by the Administrator, an applicant shall be responsible for 60% of the cost of a project whose total cost does not exceed \$200,000 requiring a new main/main extension, a main insufficiently sized based on Portland Water Bureau standard sizing, and new hydrants; relocated or adjusted hydrants will not receive a share of the cost. The Portland Water Bureau is responsible for the remaining 40% except on streets where cost sharing does not apply as written in 21.08.020.C.
- (B) Notwithstanding this provision, the Administrator of the Portland Water Bureau retains the authority under 21.08.020 to establish cost sharing distributions through administrative rule and may update these Council established cost share distributions by rule.

15. PENALTIES

- (A) A person found liable for violation of City Code 21.24.050 shall be subject to a penalty of up to \$10,000 plus reimbursement to the City of the cost of repairs, calculated as provided in


section a.3(B) of this Rate Ordinance and the City Comprehensive Financial Management Policy, including but not limited to Policy BCP-FIN 2.06.


16. ADJUSTMENTS

- (A) When collecting fees and charges, the Administrator of the Portland Water Bureau may make adjustments, pay refunds, authorize or waive fees and charges when it is in the best business interest of the City. A full explanation of these changes must be filed with the office records. Credit balances on a final billed account of \$20.00 or less will not be refunded unless approved by the Administrator of the Portland Water Bureau or designee.

The water rates and charges fixed by this Ordinance shall be in force and effect from and after July 1, 2024 and any and all Water Rate Ordinances now in effect conflicting in any manner with the provisions of this Ordinance, are hereby repealed on and after July 1, 2024.

Documents and Exhibits

 [Ordinance - As Amended](https://www.portland.gov/sites/default/files/council-documents/2024/proposed-amended-fy2024-25-water-rate-ordinance-filing.pdf) 332.28 KB
(<https://www.portland.gov/sites/default/files/council-documents/2024/proposed-amended-fy2024-25-water-rate-ordinance-filing.pdf>)

 [Exhibit A](https://www.portland.gov/sites/default/files/council-documents/2024/fy2024-25-fee-schedule-exhibit-a-filing.docx) (<https://www.portland.gov/sites/default/files/council-documents/2024/fy2024-25-fee-schedule-exhibit-a-filing.docx>) 72.57 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council
March 13, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

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 2024-25.

Financial and Budgetary Impacts

- Retail rates are expected to generate approximately \$234.6 million in water sales revenue in FY 2024-25. Retail customers are also expected to pay \$2.5 million in customer late charges. FY 2024-25 wholesale revenues will be \$26.2 million.
- Other rates and charges within this Ordinance are expected to generate \$14.5 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 7.9 percent in FY 2024-25. With a retail rate increase of 7.9 percent, the retail commodity rate will increase from \$7.006 to \$7.559, and the base charge will increase from \$63.57 to \$68.59 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 \$60.66, up 7.9 percent from the FY 2023-24 “typical” bill of \$56.22. The “medium” commercial customer using 100 ccf per month will see a water bill increase from \$764.17 to \$824.49; an increase of \$60.32 or 7.9 percent.
- Two tiers of fixed low-income discount for qualified single-family residents that are billed quarterly are included in the Ordinance. The tier I discount is 50% for qualified low-income customers. The tier II discount is 80% for qualified extremely low-income customers. Also included in the rate ordinance is the Regulated Affordable Multifamily Assistance Program (RAMP), offering discounts for residents in multi-family dwellings. Further, the Smart Discount Program is also included in this ordinance, which utilizes machine learning and data to proactively identify eligible customers for financial assistance and automatically offer customer percentage-based

discounts ranging from 5% to 80%, thereby eliminating the application process.

- All revenue and expenses are included in the FY 2024-25 Water Bureau Requested 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), an eleven-member citizen body created to strengthen oversight functions for the City's water, sewer and stormwater services. PUB provided input for the FY 2024-25 budget and rate proposal. Their recommendations were considered in creation of the FY 2024-25 Requested Budget. Additionally, all relevant documents were provided to the public on the Water Bureau website and information was shared through social media platforms.

100% Renewable Goal

This action does not affect the City's total energy use. This action does not affect City's renewable energy use.

Budget Office Financial Impact Analysis

This annual ordinance establishes rates, charges and fees to generate sufficient revenue for projected expenditures in FY 2024-25. Under these proposed rates, the typical single-family residential bill is expected to increase by \$4.44 per month from \$56.22 to \$60.66 or 7.9%. Typical single-family is defined as a residential water customer using five hundred cubic feet per month. Increases to each individual customer and other customer classes may vary based on actual usage and circumstances. This rate ordinance will generate \$234.6 million in operating revenue to support the bureau's FY 2024-25 Requested budget for the Portland Water Bureau from retail water sales. Retail customers are also projected to pay \$2.5 million in customer late charges. Projected revenue from wholesale revenue is \$26.2 million. Furthermore, other rates and charges included in the ordinance are projected to generate \$14.5 million for water-related services. The rate ordinance does not create costs or expenses to the City.

This legislation does not specifically create or eliminate positions in future years. Future position decisions will be made by the Council within the annual budget process. All revenue and expenses are included in the FY 2024-25 Water Bureau Requested Budget.

Agenda Items

211 Time Certain in [March 6, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/3/6)
(<https://www.portland.gov/council/agenda/2024/3/6>)

Passed to second reading as amended

Motion to amend Ordinance to include pages 2 through 16: Moved by Mapps and seconded by Rubio. (Y-4)

Passed to second reading as amended March 13, 2024 at 9:30 a.m.

227 Regular Agenda in [March 13, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/3/13)
(<https://www.portland.gov/council/agenda/2024/3/13>)

Passed As Amended

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea