



ENVIRONMENTAL SERVICES
CITY OF PORTLAND
working for clean rivers



Utility Rate Hearing

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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:

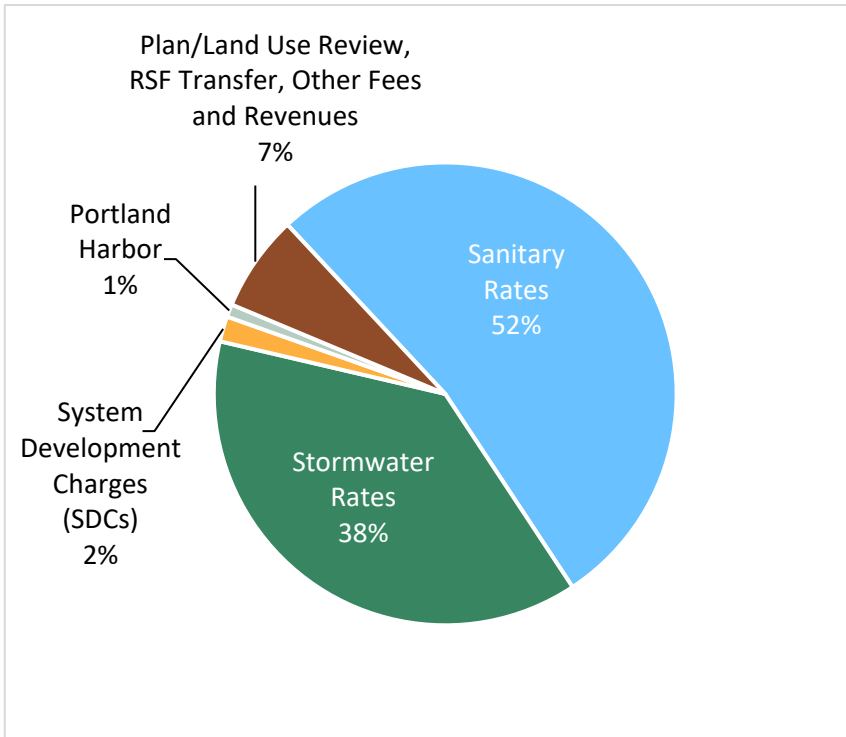
- Prioritize public health
- Meet or exceed regulatory standards
- Maintain our system, now and for future generations
- Increase seismic resilience and improve infrastructure
- Use resources wisely to ensure affordability

Budget Development Assumptions

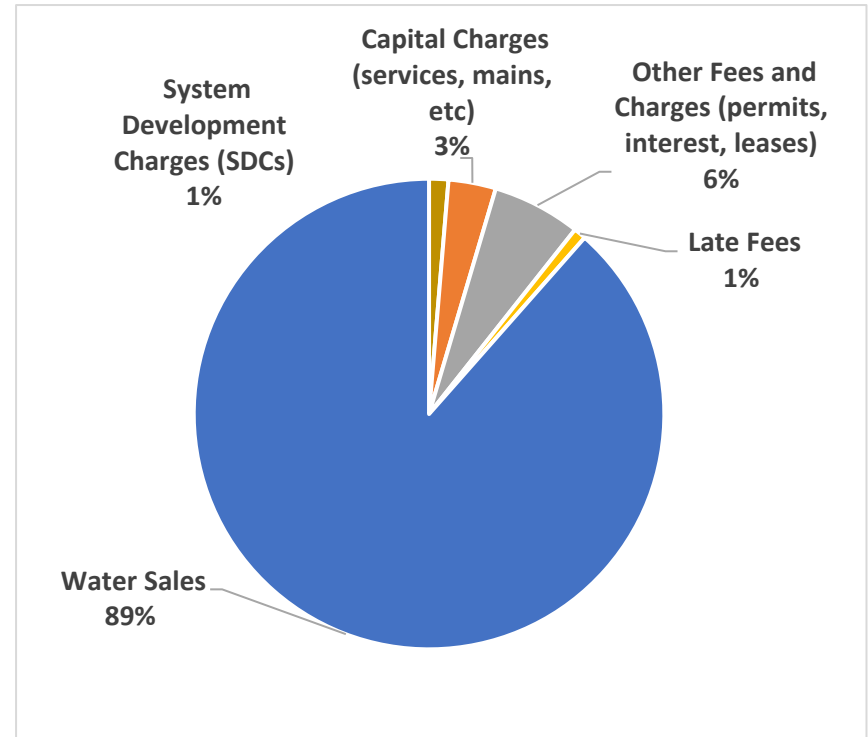
- **Water: 7.9% rate increase**
- **BES: 5.15% rate increase**
- **Other fees and charges, including SDCs: 5% increase**
- PCEF funding allocated as proposed
- Charter transition costs remain limited
- General Fund IAs remain at or near FY 2023–24 levels

Rate and Fee Revenues - FY 2024-25

BES
\$452.0 million



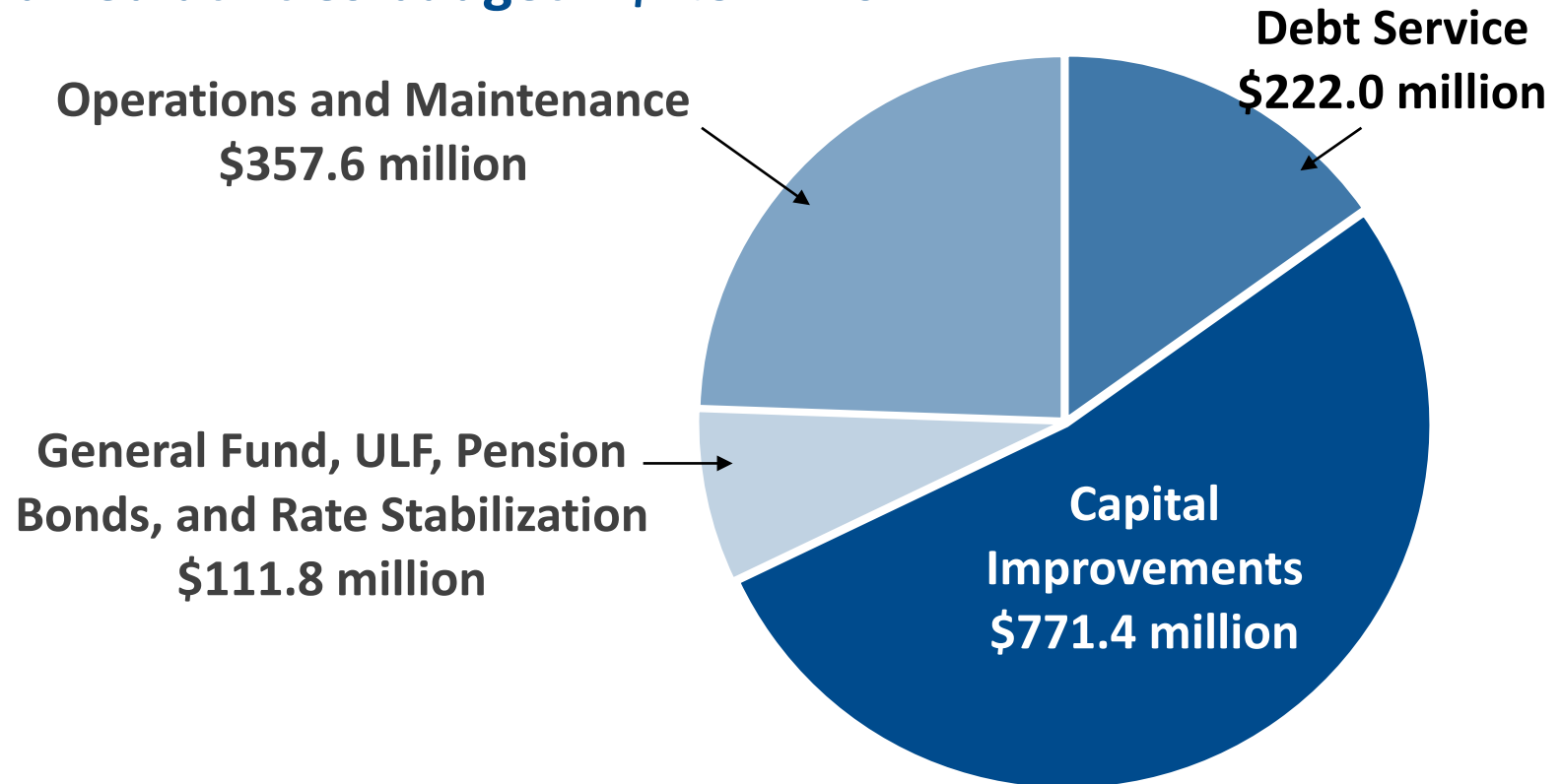
WATER
\$294.6 million



Combined Annual Rate + Fee Revenue =
\$747 million

Total Requested Expenditures - FY 2024-25

Combined utilities budget = \$1.5 Billion

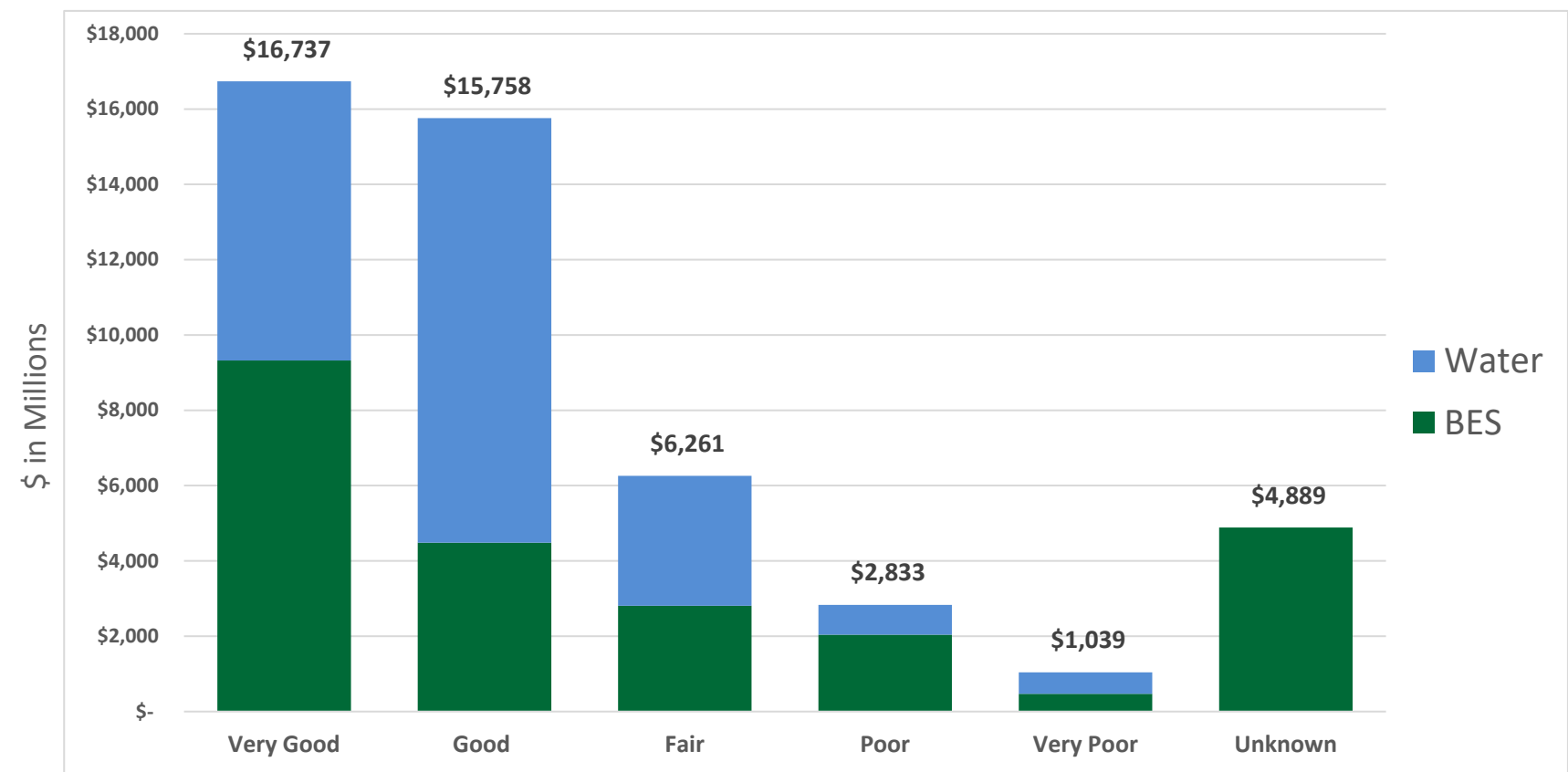


BES Requested Budget — \$703.8 million

Water Requested Budget — \$759 million

Condition of Assets by Bureau

Estimated Combined Asset Value: \$47.5 Billion



Source: 2022 Draft Asset and Condition Report

Infrastructure Investment

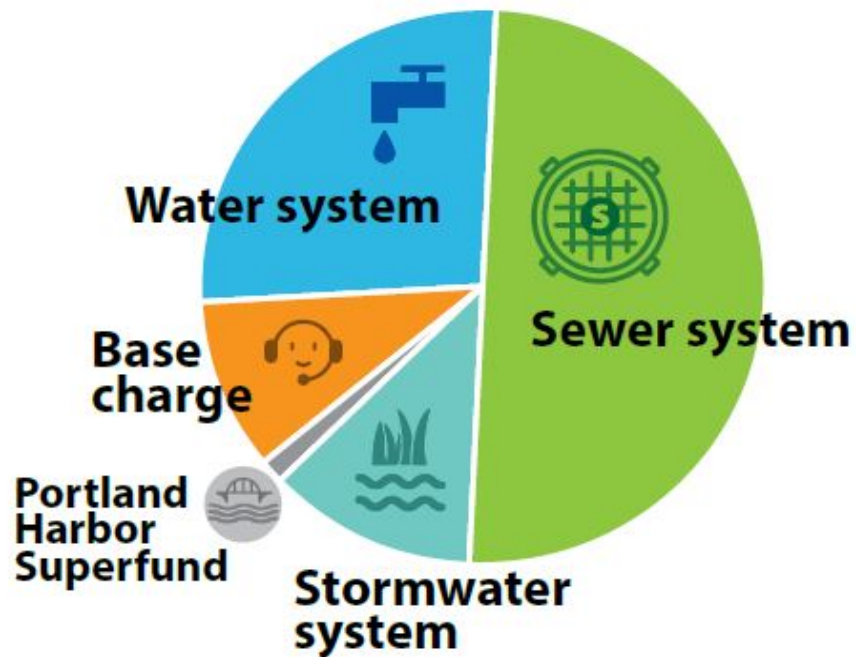


- Ongoing system maintenance
 - Regulatory compliance
 - Seismic and climate resiliency
 - Equitable economic recovery
-

**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



- ✓ Smart discounts utilizing machine learning algorithms to target percentage-based discounts
- ✓ 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

FY 2024-25 Rate Ordinance

Retail Rates

Water Request: 7.9%

BES Request: 5.15%

Combined utility bill increase: 6.24%

System Development Charges – capped at 5%

Other Fees and Charges – capped at 5%

- Inspection and testing

- Permit fees

- Plan review fees

- Connections and installations

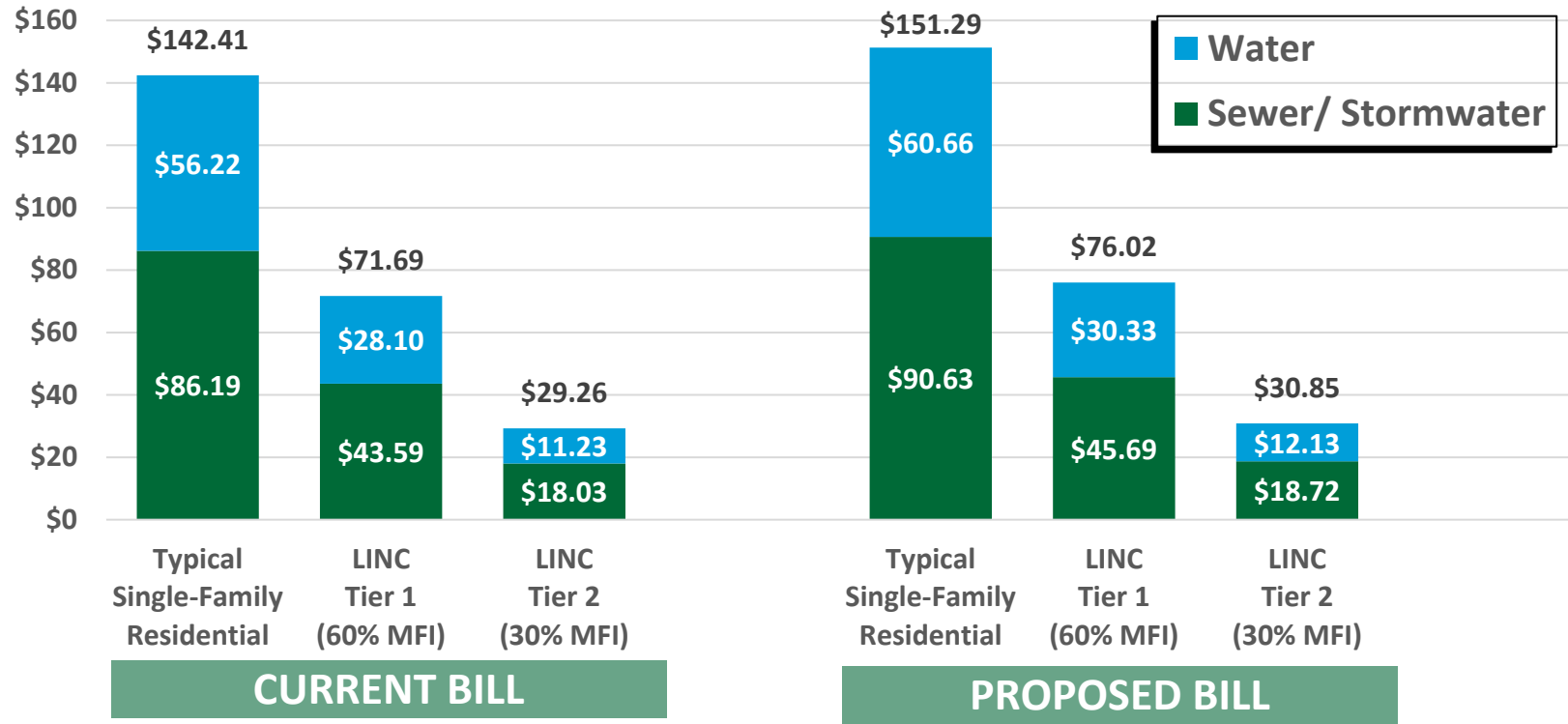
- Stormwater management fees

- Fireline Services

- Hydrant and Main installations

Typical Monthly Bill

Single-Family Residential Water/Sewer/Stormwater

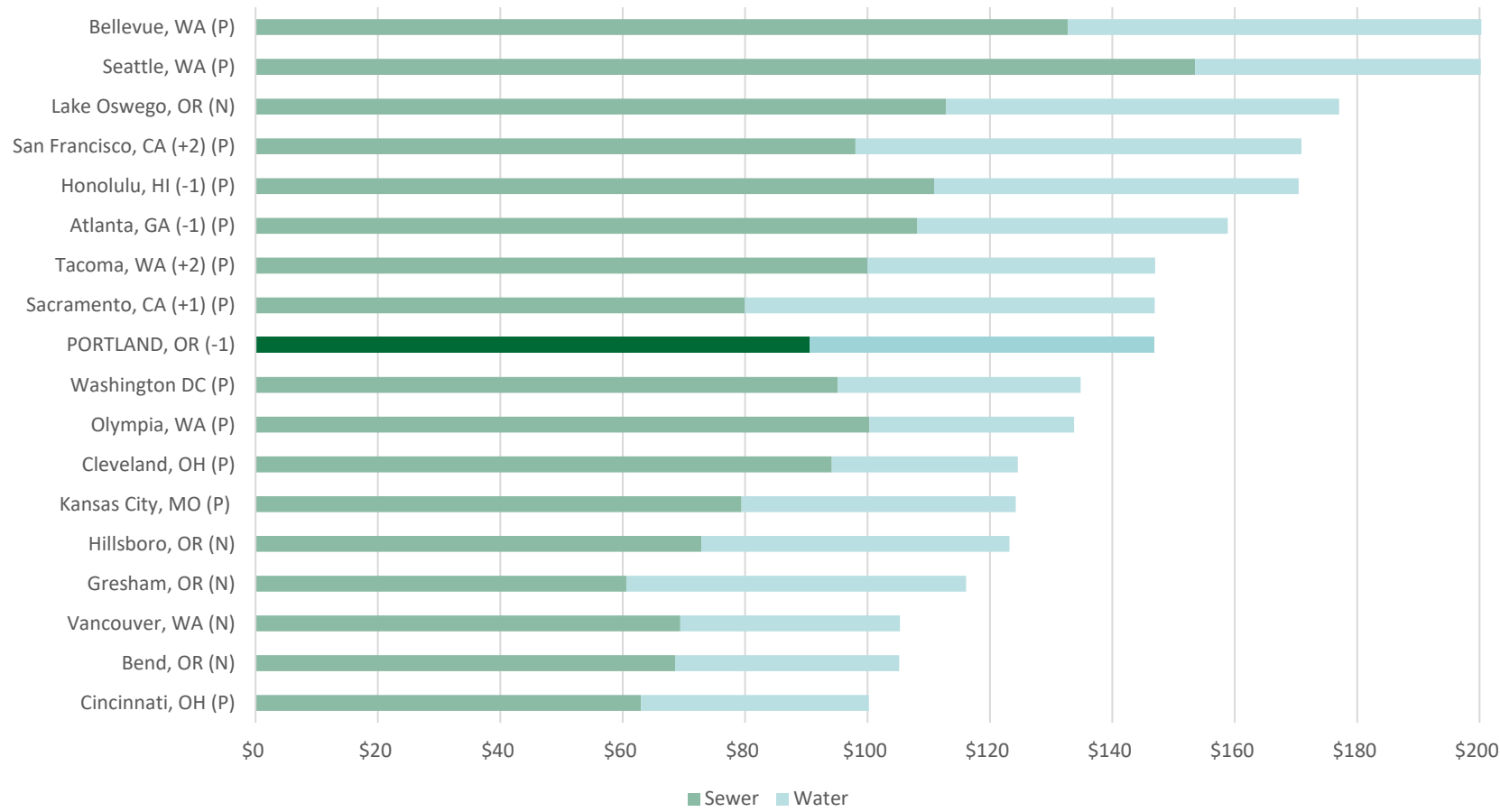


**Typical Single-Family Residential Monthly
Water/Sewer/Stormwater Bill Increases by \$8.88 (= 6.24%)**

LINC = Low Income Discount
MFI = Median Family Income

Comparison to Peer or Neighboring Utilities

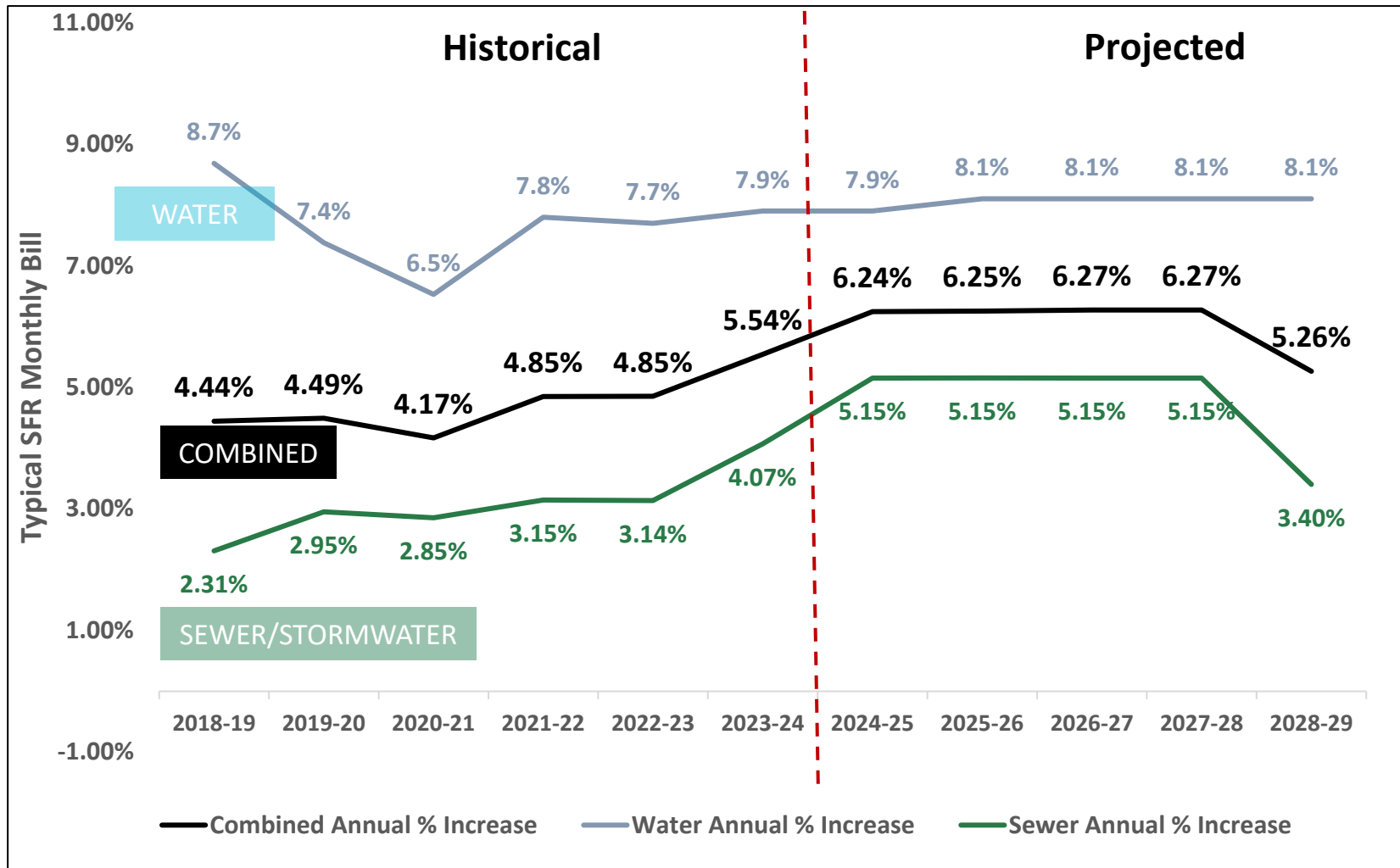
Typical Monthly SFR Sewer & Water Bills
Effective 7/1/2024



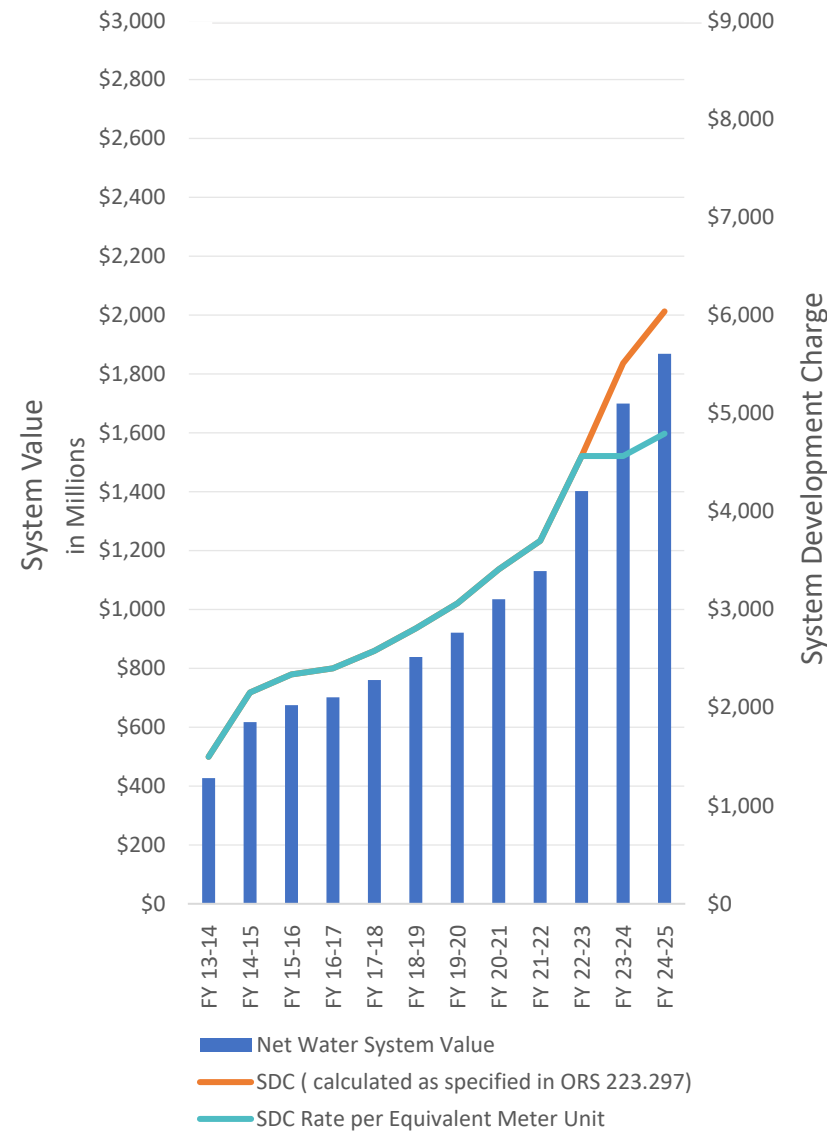
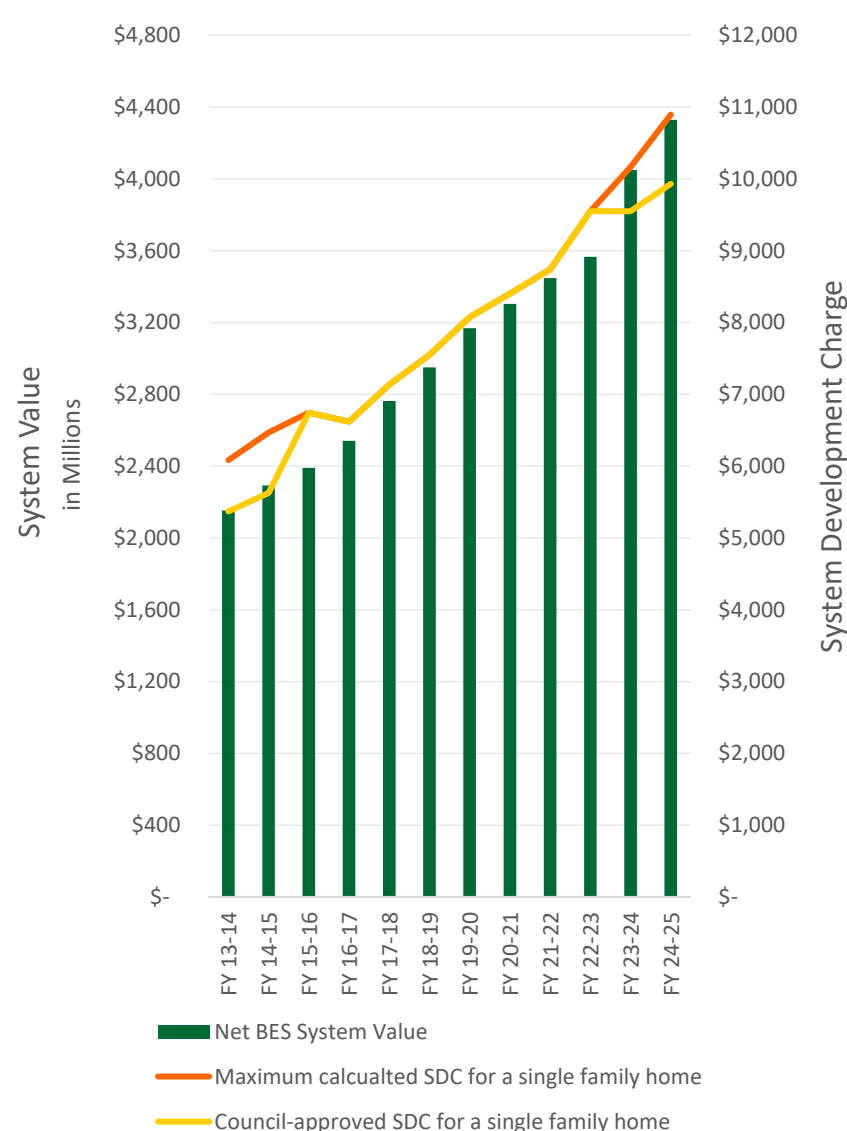
P = Peer; similar water and/or sewer-stormwater system to Portland
N = Neighbor; jurisdiction near Portland. No neighboring utilities operate similar systems to Portland.

Combined Rate Projection

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



System Development Charge (SDC)



Strong Cost/Rate Pressures

- Inflation/recessionary/economic impacts
- Infrastructure investment and CIP backlog
- Unplanned expenditures of asset failure
- Operation and Maintenance of Aging Systems
- Permit/Regulatory Compliance
- Environmental Remediation
- City transition costs – General Fund Overhead/Inter-agencies
- Rate payer impact of SDC changes

Questions

