



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

191658

Ordinance

Revise sewer and stormwater rates, charges and fees in accordance with the FY 2024-25 Budget

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Environmental Service's (BES) Requested Budget for Fiscal Year 2024-2025 reflects increased costs to pay operating and maintenance costs, capital costs and debt service of the City's sanitary sewer and stormwater drainage system.
2. Sewer and stormwater rates, charges, and fees are required to be adjusted beginning July 1, 2024 to accommodate increased needs.
3. In accordance with policies adopted by City Council, the proposed adjustments to sewer and stormwater rates, charges and fees are based upon cost-of-service principles, ensuring equity by charging ratepayers according to the amount of sewer and stormwater service they use.
4. The proposed sewer and stormwater rates, charges and fees are consolidated into a comprehensive schedule as set forth in Exhibit A of this Ordinance. The consolidated schedule does not preclude the establishment and/or continuation of charges and fees by resolution, ordinance, Code provision or administrative rule not otherwise specified in this Ordinance.

NOW, THEREFORE, the Council directs:

- A. The Council adopts sewer and stormwater rates, charges and fees as set forth in the attached Exhibit A.
- B. This Ordinance is binding city policy.

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Environmental Services](#)

Contact

Anthony Martin

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

March 13, 2024

Portland Policy Document

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2024/fy-2024-25-exhibit-a-v3.docx\)](https://www.portland.gov/sites/default/files/council-documents/2024/fy-2024-25-exhibit-a-v3.docx) 109.9 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 by Council
March 13, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

This annual ordinance establishes rates, charges and fees to generate sufficient revenue for projected expenditures in FY 2024-2025. Under these proposed rates, the typical single-family residential bill is expected to increase by \$4.44 per month. Increases to each individual customer and other customer classes may vary based on actual usage and circumstances. The proposed rate ordinance will enable the Bureau to continue collecting and treating wastewater from residences and businesses; managing stormwater to prevent erosion, flooding and water quality problems; operating the combined sewer overflow (CSO) system to prevent sewage overflows into the Willamette River and Columbia Slough; and repairing and replacing inadequate public sewer lines that cause sewage overflows and basement backups.

Financial and Budgetary Impacts

This rate ordinance is expected to generate approximately \$452 million in operating revenue to support the FY 2024-2025 Requested budget for the Bureau of Environmental Services. Approximately \$408 million of this estimate is from billed retail revenues for sanitary and stormwater 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.

Community Impacts and Community Involvement

The Portland Utility Board (PUB) began meeting on September 1, 2015 and has held public meetings at least monthly thereafter with a brief hiatus during the COVID-19 pandemic. Among the PUB's responsibilities is acting as the bureau's Budget Advisory Committee by reviewing the bureau's operating and capital programs and budgets, the FY 2024-2025 Requested Budget and the financial impact to ratepayers of the Requested Budget. Should this rate ordinance pass, the typical residential monthly bill for sewer and stormwater will increase by \$4.44 or 5.15%.

100% Renewable Goal

Revenues from rates and fees proposed by this ordinance fund the annual cost to the bureau for Renewable Energy Credit (REC) purchases, per City Council Resolution No. 36983 and the 2015 Climate Action Plan.

In addition, the Renewable Natural Gas (RNG) project is scheduled to be completed in 2024 and will deliver renewable natural gas produced from wastewater treatment directly into a NW Natural Gas pipeline. Once in pipeline, the RNG will be used onsite for vehicle fueling and sold offsite to fleets for vehicle fueling in place of diesel. This project will contribute to climate, clean air and revenue goals. While the RNG Project will add assets to CBWTP that require operation and maintenance, the project will also generate revenue for the bureau.

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 or 5.15%. Increases to each individual customer and other customer classes may vary based on actual usage and circumstances. This rate ordinance will generate \$452 million in operating revenue to support the bureau's FY 2024-25 Requested budget for the Bureau of Environmental Services, of which an estimated \$408 million is generated from retail revenues for sanitary and stormwater services. The ordinance will ensure the bureau continues collecting and treating wastewater from residences and businesses, manages stormwater to prevent erosion, flooding, and other water quality problems, operate the combined sewer overflow system, and repair and replace inadequate public sewer lines that can cause issues for homeowners. 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 BES Requested Budget.

Agenda Items

212 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

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

229 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

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea