



**Citizens' Utility Board
Of Oregon**

The Ripple Effect

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Portland Utility Rates are High CUB is on the Hunt for Savings

Portland is ranked seventh highest for combined water and wastewater rates in a report on the county's fifty largest cities. This report just looks at rates and doesn't factor in other ways that customers pay for these services in some other cities. For example, Phoenix is a newer city than Portland and doesn't face our costs to fix combined sewer overflows that harm our public waterways. Also a significant source of Phoenix's water is a project built with federal support and is being paid for by property taxes.

Even if apples-to-apples comparisons are challenging and utility rates are going

up all over the country, the reality is that our city's water and sewer rates are high with a very real impact on Portlanders.

Ratepayer dollars have also been inappropriately used for purposes that a judge has found to not be allowed by the city charter. CUB will be on the alert to be sure this absolutely doesn't happen again. Setting clear spending priorities is essential because there are already significant challenges in meeting the costs of environmental regulations and improving infrastructure like aging pipes under our streets.

CUB takes a least cost/least risk ap-

proach. Least cost does not mean "no cost." For example, not spending money on sewer and water pipe improvements would be very risky; reactive steps like fixing sinkholes in streets after a break are more expensive and disruptive to public health, traffic flow, and the homes and businesses whose water service is stopped without any warning.

Least cost/least risk is a particularly important approach to assessing new construction and other capital improvement projects because that is where the "big money" is. Stay tuned as CUB works to make sure you get value for what you pay on your bill.

What About this Measure 25-156?

CUB Separates Fact from Fiction

Measure 26-156 will be on the May 20th Portland ballot; it proposes to remove the public water and wastewater utilities from the authority of the Portland City Council and create a district to deliver water, stormwater management, and sewer services. CUB has taken a neutral position because our best role is to help ratepayers separate fact from fiction.

Our educational effort is intended to help CUB members and other ratepayers determine for themselves what's in their interest and what's not. We prepared 10 key questions about Measure 26-156 and any possible future pro-

posal to restructure Portland's public utilities. You can read all of these questions online at www.oregoncub.org/portland.

One question concerns how Measure 26-156 could affect the city's bond rating. This sounds wonky, but it's important. A city's bond rating is like your personal credit rating. When your – or the city's – credit rating is good, it's easier to borrow money. This makes projects cheaper for ratepayers. Bonds are sold to raise money for major construction projects like the Big Pipe project that protects the Willamette River from sewer overflows. Paying off

the bond debt for major construction projects is a big factor in increasing utility rates in Portland and across the country.

Right now the City of Portland has very good bond or credit rating, and that's good for utility customers. Measure 26-156 creates an elected board that can require the City of Portland to issue bonds without giving the City the authority to vet that process and set repayment rates. This could hurt the City's bond or credit rating, resulting in higher interest rates to pay off bonds for projects like replacing aging sewer and water pipes. When those interest rates increase, so do utility rates.

Meet Your Advocate!



Hello! Janice Thompson here, CUB's new Consumer Advocate for Portland's water and sewer utilities. This position brings together my training in biology, my science teaching experience with a focus on stream study, and my recent advocacy for campaign finance and other democracy reforms. Contact me

with questions! I am also happy to speak at neighborhood associations or other groups. Call me at 503-890-9227 or send me an email at janice@oregoncub.org.

Read more about the issues involved in Measure 26-156 on our website, at www.oregoncub.org, and let us help you sort out how you might cast your vote. We also want to hear from you on other concerns or questions about Portland's water and wastewater services, regardless of the outcome of Measure 26-156.



Portland Water & Wastewater Basics

Portland, like many local governments, provides water, sewer, and stormwater management services through municipal utility agencies. The Portland Water Bureau runs the system with dams, reservoirs, and pipes that get water from the Bull Run Watershed to your home. The Bureau of Environmental Services manages the sewer pipes that carry both stormwater (drainage from yards, roofs, streets, and parking lots) and sewage (what goes down sinks and toilets) to treatment plants.

Across the country, these utility costs have been steadily increasing at rates higher than the growth of most other economic

sectors. Major factors include maintaining, replacing, and updating aging infrastructure such as plants and pipes.

In many communities, including Portland, cost increases are also linked to environmental rules and meeting the goal of cleaner rivers, by ending the historic practice of combined sewer pipes that carry the contents of both sewer pipes and storm drains to treatment plants. When it rains hard (which occurs frequently in Portland), the system is overloaded, and untreated sewage goes into surface waters in what are called Combined Sewage Overflows. The Big Pipe is the Portland project that addresses this danger

to public health by cleaning up the Willamette River and other public waterways.

Approximately one-third of each combined water and wastewater utility bill goes to the Portland Water Bureau, and two-thirds pays for stormwater management and sewer services provided by the Bureau of Environmental Services. Replacing aging sewer and water pipes and other infrastructure, as well as ensuring environmental compliance, will contribute to continued upward pressure on rates, making it critically important to keep a sharp eye on expenses and investments.





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30 Years and Counting

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Join CUB

In January 2014, the Portland City Council designated CUB as the residential ratepayer advocate for customers of the city's water and sewer utilities.

CUB does not report to the City Council. We will provide independent analysis and advocacy on behalf of residential ratepayers.

CUB does not receive any funding from the city for this work.

That funding comes from you and other ratepayers.

You can support CUB in its new advocacy role as well as our work of 30 years: advocating for energy and telecommunications ratepayers.

Join Today by:

Using the attached envelope or
logging on to oregoncub.org/member-services.

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