

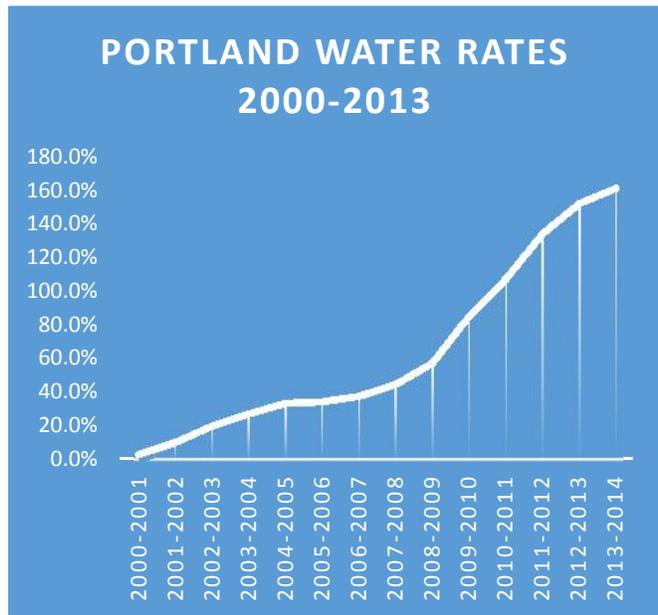
Vote YES! On Measure 26-156

BACKGROUND

Portland’s water and sewer utilities are mismanaged. Portland has the 3rd highest sewer rates in the United States, among large cities. We have higher water rates than Phoenix, Arizona.

In the last five years, Portland City Hall has built a new sewer building for a cost of \$300,000 per employee housed there, broke ground on a new \$45 million Water Bureau headquarters, uncovered wrongdoing in water/sewer fund management and attempted to cover it up, and raised water rates 66%.

An independent lawsuit has called out questionable spending of restricted water and sewer funds on projects with little or nothing to do with the water or sewer systems. By the City’s own accounting, those expenditures now total \$127 million.

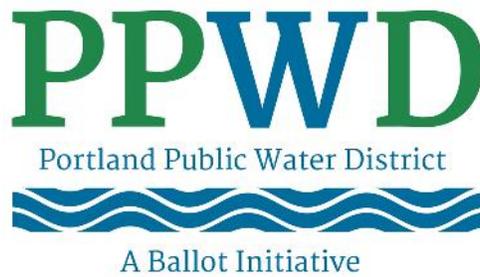


TIME FOR A PUBLIC WATER DISTRICT

The Portland Public Water District initiative is a proposed solution to our City’s dysfunctional water and sewer management. The PPWD was modelled after Eugene’s Water and Electric Board (EWEB). The measure will force water and sewer expenditures to be restricted to water and sewer projects, mandate independent financial audits, prohibit cronyism and conflicts of interest now rampant in the two utilities, and force greater political accountability.

The commissioner form of government fosters silo utility management which allows global engineering firms, utility contractors, and political cronies in utility leadership positions to drive the agenda, with no one looking out for the interests of retail customers. Without annual independent water and sewer financial audits, Portland has no idea whether ratepayer money is being spent appropriately, or even legally.

Accountability is also compromised without comprehensive oversight by a focused independent body. City commissioners are often deferential to one another’s turf, and will often trade votes across various unrelated issues. These practices usually hurt, not help, ratepayers’ interests. This will not be the case with an elected board focused solely on utility management.



STRUCTURE OF THE PORTLAND PUBLIC WATER DISTRICT—MODELLED AFTER EUGENE

The PPWD was modelled after Oregon’s second largest City, Eugene, which has an elected water board and water rates that are 36% lower than Portland. (Source: <http://www.eweb.org/waterrates>). Features include:

- A new Water/Sewer District within the legal structure of the City of Portland. This is not a new entity, City residents still own and control all utility assets. Only the governance changes.
- Removes utility management and rate-setting from City Hall politicians, and sets up an independent elected volunteer board
- Volunteer elected Board is comprised of seven members, with a term-limited chair
- Board to be elected by zones rather than at-large, chosen from seven districts of equal population covering the whole City

MAJOR EFFECTS

- Prohibits spending water and sewer funds on projects unrelated to the water and sewer systems
- Requires an annual independent financial audit, including benchmarking against similarly-sized cities
- Outlines strict conflict of interest provisions for contractors and board members (where currently none exist)
- Enshrines protections for the Bull Run watershed in the City Charter
- Prohibits water/sewer system privatization
- Prohibits regionalizing the water system by turning over ownership to outside entities
- Prohibits co-mingling Portland water with inferior water sources such as the Willamette River

WHY THIS IS SO IMPORTANT

Drinking water and sanitary sewer service are essential human necessities. Unnecessary capital expenditures, pet projects and other wasteful spending raise the cost of these basic services, but do so without regard to the customers’ ability to pay—we all pay the same rates. Therefore, high water and sewer rates represent a terribly regressive form of taxation, imposing a higher burden on those least able to afford it. Affordable water and sewer rates are an equity issue that seems lost on the political elite.

FOR MORE INFORMATION

Like us on Facebook at “Portlanders for Water Reform”

Visit our website at www.waterreform.org

Contributions are accepted online, or can be sent by mail to the address below. For more information, or to find out how you can volunteer on the campaign, send an email to info@waterreform.org or call us at 503-985-6630.