

PORTLAND PUBLIC WATER DISTRICT

Establishment of the Portland Public Water District

Chapter 16 is added to and made a part of the Portland City Charter.

Section 16-100 (Findings)

The people of the City of Portland find that:

1. **Water service and sewer service, including stormwater management, are inextricably linked to providing clean drinking water and sanitation that promotes the health and wellbeing of the residents and businesses of Portland.**

2. **Water and sewer service should be managed by representatives of the people of the City of Portland who have no obligations or allegiances other than to the operation, financing, protection, and enhancement of the sewer and water systems of the City.**

Section 16-101 (Establishment)

The Portland Public Water District is established as an independent agency of the City of Portland.

Section 16-102 (Governance)

The Portland Public Water District shall be administered by a governing board of seven (7) directors elected by zone from among the electors of the City.

Section 16-103 (Powers)

The powers of the Council relating to the operation, financing, protection, and enhancement of the sewer and water systems of the City, including control of the property used for the water and sewer systems, including stormwater management, under the Portland City Charter are transferred to and vested in the Portland Public Water District.

The powers of the Council over the Bull Run Watershed granted to the City of Portland by ORS 448.295 to ORS 448.325 and the Charter are transferred to the district.

The district may not regionalize or privatize water or sewer service or, except in a catastrophic emergency or to comply with an intergovernmental agreement entered into before July 1, 2013, commingle drinking water from the Bull Run Watershed with drinking water from a source of drinking water other than the Columbia South Shore Well Field.

The district may not adopt regulations for the Bull Run Watershed that are less protective or enhancing of water quality than the regulations in place on July 1, 2013.

To carry out the powers transferred to and vested in the Portland Public Water District, the district shall have power for and on behalf of the City to perform the following acts in the following manner:

3. The district shall have authority to make orders, rules, and regulations in the form of resolutions to carry out the authority granted the district in this Charter, certified copies of which resolutions shall, forthwith upon their adoption, be transmitted to the Auditor of the City, who shall cause the same to be transcribed at length in a record kept for that purpose or to be filed in a special record of such resolutions. Such record shall be public and copies thereof shall be accessible to the public under like terms as ordinances and resolutions of the City. All such resolutions of the district (other than purely administrative regulations, or those of a temporary nature) shall be subject to amendment, repeal or alteration or enactment under the referendum or initiative to the same extent as ordinances of the City. All such resolutions shall require an affirmative vote of four (4) members of the district board and shall take effect thirty (30) days after adoption unless some other date is fixed in such resolution.

4. The board:

- (a) Shall, from among its members, elect a Chair to preside at board meetings. The maximum number of years a member may serve consecutively as Chair is three.**
- (b) May appoint, employ and discharge such officers, employees and agents as the district finds necessary or convenient for the efficient and economical performance of the district's duties, and to fix and provide for their compensation, including through the negotiation and approval of collective bargaining agreements.**

5. The district:

- (a) May, subject to the procedures and limitations prescribed in this Charter, borrow money, negotiate federal advances of funds and execute notes as evidence of obligations, accept gifts, federal grants-in-aid, advances or other moneys, negotiate loans and advances, and pledge property acquired or any part thereof.**
- (b) Shall be responsible for the design, installation, operation, and maintenance of an accounting system that will conform to the requirements of generally accepted accounting principles, state laws and Charter provisions regarding budgeting, expenditure, receipt and custody of public funds, as they may be amended.**
- (c) Shall provide for an annual comprehensive independent audit of all funds and accounts of the district by a qualified Certified Public Accountant or firm of such accountants. The audits shall be prepared and adopted in accordance with state law and include the benchmarking of district cost and performance measures against the cost and performance measures of**

similarly sized American cities. Copies of each audit report shall be filed with the City Auditor.

- (d) Shall annually prepare and adopt a budget that incorporates the goals adopted by the district board. The budget shall be prepared and adopted in accordance with state law.
- (e) Shall be granted access to and control of all public rights of way and places necessary to carry out any of the powers transferred or granted to the district by this Charter amendment. The board shall, by ordinance, adopt a process for the coordination with other agencies of the City for the use of public rights of way and places under the control of the district.

The following sections of the Portland City Charter do not apply to the Portland Public Water District: 2-109, 2-403, and 2-404.

Section 16-104 (Elections)

To qualify as a candidate for a position and serve on the board of the Portland Public Water District, an individual must be an elector of the City of Portland who resides in the zone the from which the person is nominated

A candidate for election as a member of the board shall be nominated by filing with the elections officer a petition for nomination signed by at least 100 electors from the zone the candidate will serve.

The petition must state the number of the position or zone to which the candidate seeks election.

If the petition is for a regular district election or the first election at which members of the board are elected, then the candidate must file the petition not sooner than the 101st day before the date of the election and not later than the 61st day before date of the election. A candidate for a regular election or the first election may withdraw a petition not later than the 61st day before the date of the election.

If the petition is not for a regular district election or the first election, then the candidate must file the petition not sooner than the 110th day before the election and not later than the 70th day before the date of the election. A candidate for other than a regular election or the first election may withdraw a petition not later than the 70th day before the date of the election.

A candidate shall be elected by the electors of the zone in which the candidate resides.

A vacancy on the board shall occur upon the death, resignation, removal, inability to serve, or failure of a member without cause to attend three (3) successive regular meetings. Resignation when made shall be addressed to and accepted by the remaining members or the chair of the board. A successor shall be appointed by the board for the unexpired term

of any vacancy and must be an individual qualified to be a candidate from the zone in which the vacancy occurs

The board shall adjust the boundaries of the zones as necessary to reflect changes in the boundaries of the zones of the Portland Public Schools.

Section 16-105 (Conflicts of Interest)

Members of the board of the Portland Public Water District shall serve without salary or compensation of any nature, but may be reimbursed for reasonable and necessary travel expenses incurred in carrying out the duties of the board.

The following individuals may not run for election to or serve on the board of the Portland Public Water District:

- 1. An individual serving in a public position to which an individual may be elected.**
- 2. An employee or officer of the City of Portland.**
- 3. An employee or officer of the Portland Public Water District.**
- 4. An individual who was, within 72 months preceding the election, an employee of the Portland Public Water District or of the City of Portland in a position related to the provision of water or sewer services.**
- 5. An individual who has or who is an employee of an individual or firm that has a contractual relationship with the Portland Public Water District or with the City of Portland related to the provision of water or sewer services.**
- 6. An individual who, within 72 months preceding the election, had or who was an employee of an individual or firm that, within 72 months preceding the election, had a contractual relationship with the Portland Public Water District or with the City of Portland related to the provision of water or sewer services.**
- 7. An individual who, within 72 months preceding the election, was employed by a Commissioner who administered the Water Bureau or the Bureau of Environmental Services in the 72 months preceding the election.**
- 8. An individual who is or, within 36 months preceding the election was, a member of Portland Utility Review Board or a budget advisory committee of the Water Bureau or Bureau of Environmental Services .**

If a candidate for the district board has or has had a financial relationship with the City relating to water or sewer service other than the relationship of water or sewer customer, the candidate shall, in any voters' pamphlet statement, disclose the nature and amount of the financial relationship.

All actions undertaken by employees of the Portland Public Water District must conform to the State Government Standards and Practices Statutes as may from time to time be amended.

The Portland Public Water District may not employ as legal counsel attorneys who, in the preceding 36 months, have been employees of the City have provided legal services to the City, or have been employees or members of law firms that provided legal services to the City during the time that the person was an employee or member.

The Portland Public Water District shall employ as auditors certified public accountants who are not employees of the City, who are not providing auditing or accounting functions to the City, and who are not employees or members of accounting firms that provide auditing or accounting services to the City.

Sections 2-504(a)(1) and (3) and 2-505, prescribing the duties and authorities of the Auditor of the City of Portland, do not apply to the Portland Public Water District. However, the district may request and the Auditor may conduct financial and performance audits that are in addition to audits conducted by the auditors of the district.

Amendments to Existing Sections

Section 2-105 of the Portland City Charter is amended to read:

The City of Portland by its Council has power and authority, subject to the provisions, limitations and restrictions contained in this Charter or in statute, to exercise any power or authority granted to the City by statute, general or special, or by this Charter, and may do any other act necessary or appropriate to carry out such authority, or exercise any other power implied by the specific power granted; **provided that such power and authority, with respect to water and sewer services and property shall reside with and be exercised through the board of the Portland Public Water District.**

- (a) Among such specific powers, the City has power and authority:
 - 1. To exercise within the City and Cityowned property, all the powers commonly known as the police power to the same extent as the State of Oregon has or could exercise said power within said areas, and to make and enforce within said areas all necessary or appropriate water, local, police, sanitary and safety laws and regulations.
 - 2. To secure the protection of persons and property and to provide for the health, cleanliness, ornament, peace, safety and good order of the City.
 - 3. To provide for entering into contracts by the City for a period not exceeding five (5) years and the extension or renewal thereof by option or otherwise, for not to exceed an additional five (5) years, except as to property contracts which may extend for more than five (5) years, or as otherwise permitted by this Charter or by statute.

4. To enter into agreements without limitation as to term, as the Council, **or the Portland Public Water District, as applicable**, finds appropriate, for cooperation, consolidation of services, joint acquisition or ownership and maintenance of facilities or services, with any other public corporation or unit of government.
5. To establish, construct, maintain, equip and alter buildings and facilities found necessary or appropriate for administration of government or for use by or for the public.
6. To purchase, or acquire by condemnation or otherwise, or to lease, for such term as the Council, **or the Portland Public Water District, as applicable**, may find appropriate, which need not be limited to five (5) years, such property, real and personal, as may be needed for public use; in purchasing property, to enter into leasepurchase agreements or other contracts of purchase which may extend for more than a five (5) year period; to obtain options; and to mortgage for the term of the purchase as security for the purchase price the property being purchased. In exercising this power and authority, only the payments to be made during the year in which the purchase, condemnation, lease, leasepurchase, option, or purchase price mortgage is entered into shall be considered for purposes of applying Section 7102 thereto.
7. To provide for the purchase of property levied upon under execution in favor of the City.
8. To purchase, take and hold real or personal property when sold for a delinquent tax or assessment levied or imposed under the authority of the City of Portland, and to sell and convey the same. But the sum bid by the City on or for any such property so sold for a delinquent tax or assessment, shall not exceed the amount of all taxes and assessments plus interest and penalties, and the necessary costs and expenses.
9. To sell by bid or public auction abandoned or impounded and unclaimed property, and property for which storage charges and removal charges, if any, have not been paid.
10. To provide a seal for the City and seals for the several boards and officers thereof.
11. To establish and regulate the fees and compensation of all officers of the City, and for all official services not otherwise provided for in this Charter.
12. To fix by ordinance the hours during which all offices and departments of the City shall be kept open for business.
13. To appropriate money to pay the debts, liabilities and expenditures of the City or any part or item thereof.

14. To appropriate annually to the Mayor two thousand dollars (\$2,000) as and for a discretionary Fund and such appropriation shall be made.
15. To issue City bonds authorized by this Charter or statute or expressly authorized by vote of the City electors, certificates, warrants, checks and other evidences of indebtedness, but otherwise the City shall not have the power to issue its bonds for any indebtedness or for any purpose, or to increase the bonded indebtedness of the City in any amount or for any purpose whatsoever.
16. To fix fees for establishing street grades, surveying and marking the boundaries of streets, lots or blocks, granting permits for the opening or temporary use of street surfaces, planning of improvements, laying sidewalks, vacating street area, processing of all types of applications, erection and inspection of buildings or facilities, and any special services or functions performed by the City or bureaus thereof.
17. To grant licenses with the object of raising revenue or of regulation, or both, for any and all lawful acts, things or purposes, and to fix by ordinance the amount to be paid therefor, and to provide for the revoking of the same. No license shall be granted to continue for a longer period than one year from the date thereof.
18. To provide for the opening, laying out, establishing, altering, extending, widening, enlarging, vacating and closing, or for establishing and changing the grades, of streets, squares, parks or public places, and to provide for the improving and repairing of streets, squares, parks and public places or of any land over which any right of way has been obtained or granted for any purpose of public travel or use, by means of any kind of work, improvement or repair which the Council, **or the Portland Public Water District, as applicable**, finds necessary or appropriate. 19. To provide for lighting the streets, public grounds, buildings and places, and furnishing the City with light, heat and power, by contract or by means of its own plant.
20. To provide for surveying the blocks and streets of the City and for marking the boundary lines of such blocks and streets; to change by ordinance the number, letter or designation of any lot, block or tract of land within the City which may be conflicting or otherwise unsuitable and to give by ordinance a designation to any tract of land within the City not numbered, lettered or designated. A certified copy of such ordinance shall be transmitted by the Auditor to the recording officer of the County, who shall record the same in the record of plats of said County and shall make a reference to the record of such ordinance upon the recorded plat on file. No charge shall be made by the recording officer.
21. To set apart as a boulevard or boulevards any street or streets, or portion thereof.
22. To regulate the numbering of houses and lots on the streets, boulevards and avenues and the naming of streets, boulevards and avenues.

23. To regulate and control for any and every purpose the use of streets, highways, alleys, sidewalks, public thoroughfares, and public places within the City and City parks and properties within or without the City, and to regulate the use of streets, roads, highways and public places for transportation or use of every description, and for installation of any kind.
24. To provide or require conduits under the streets, lanes, alleys and public places of the City or any part or parts thereof for the use of telephone, telegraph, electric light and other wires, or for other purposes, either by constructing said conduits itself or authorizing or requiring their construction by others upon such terms and conditions as the Council, **or the Portland Public Water District, as applicable**, may impose, and to regulate and control the use of such conduits, and to prescribe and establish reasonable rentals to be paid by any person or company using any of said conduits by whomsoever the same may be constructed for the use thereof, and to provide for the collection of such rentals, in addition to the ordinary processes, by such summary methods as it may deem proper. If any such grant be made to any person, firm or corporation, such grantee shall not have power to sublet the same or the use of the same to any person, firm or corporation engaged in selling, hiring, leasing or otherwise receiving any income from the business or purpose for which it desires to use such conduits, without such person, firm or corporation first obtaining, as provided in this Charter, a franchise for such business, purpose or use.
25. To regulate, restrain and prevent obstructions within the public streets, sidewalks and places and to make all needful regulations to keep and maintain the public streets, sidewalks and places in a clean, open and safe condition for public use; to provide for the removal, impounding and sale or other disposition of such obstructions, and to make the cost of removal a lien upon any property from which such obstruction originated or to which such obstruction was attached, to be placed upon the lien docket and collected as the Council may direct.
26. To control and limit traffic and classes thereof, and vehicles and classes thereof on the streets, avenues and elsewhere.
27. To prevent and prohibit planting of trees or shrubbery which may be detrimental to [sewers,] streets, sidewalks, utilities lines **other than water lines**, fire hydrants, or use thereof, or which may interfere with safe travel or vision or may constitute a nuisance, and to cause such trees or shrubbery to be cut down or removed and to make the cost of such cutting or removal a lien upon the property, to be placed upon the lien docket and collected as the Council may direct, **and, notwithstanding any other regulation of the City, through the Portland Public Water District**, to prevent and prohibit **propagation and** planting of trees or shrubbery which may be detrimental to **sewage disposal, treatment or purification, water works, or water systems and to cause such trees or shrubbery to be cut down or removed and to make the cost of such cutting or removal a lien upon the property, to be placed upon the lien docket and collected as the district may direct.**

28. To prescribe rates to be charged for transportation of passengers or property within the City and area outside the City over which City jurisdiction is authorized or recognized by statute, by means of vehicles of every description.
29. To provide for the establishment of market houses and places, and transportation terminals, and to regulate the location and management thereof.
30. To, **through the Portland Public Water District**, provide for the location, construction, repair and maintenance in or outside the City, of any ditch, canal, pipe or other facility for the impoundment, storage or conduct of water, and any drain, sewer or culvert or other facility in or outside the City for conduct, storage or treatment of storm or sanitary drainage or both, as it may deem necessary or convenient; for such purpose to enter upon any land for the purpose of examining, locating and surveying the line or location of such water or sewer facility, doing no unnecessary damage thereby; to appropriate said land or so much thereof as may be necessary for the construction or installation of said facility in any manner permitted by the laws of this State; to appropriate and divert from its natural course or channel temporarily or permanently, any spring or stream of water; and to compel the extension of utility connections from the main line or pipe to the curb line, property line or the sidewalks of all public streets, as the [*Council*] **district** may determine.
31. To, **through the Portland Public Water District**, provide for furnishing the City and its residents with water, and to sell water to or for nonresidents.
32. To regulate the plumbing, drainage and sewerage of buildings and structures and the installation and use of appliances or facilities for heat, light, cooling and energy; to provide for the registration and qualification of specialists in trades or in installation or use of appliances and facilities; to provide inspection for such installation or use.
33. To, **through the Portland Public Water District**, compel all persons erecting or maintaining privies, water closets or other toilets or cesspools, septic tanks or private sanitary sewerage systems within one hundred (100) feet or onehalf block, whichever is greater, of any street in which a public sewer has or may hereafter be constructed, to connect the same therewith; and where a public sewer is not available, to prescribe disposal so as to protect the public, property, health and welfare.
34. To, **through the Portland Public Water District**, regulate, restrain and prohibit use of public sewers for any substance which may be harmful or detrimental to the sewers, to sewage disposal and treatment, or hazardous to workers, to property or to the public.
35. To regulate the construction, care, use and management of buildings and structures in the City for the better protection of the lives and health of persons dwelling in or using the same or of the public, and for the public welfare.

36. To regulate, restrain and to provide for the exclusion from the City, or any part thereof, of trades, occupations or businesses which are offensive or may in the opinion of the Council create or constitute a nuisance, and to regulate uses of land and structures within the City.
37. To prevent the erection or cause the removal, demolition or repair of buildings or structures wherever situated, found to be unsafe or dangerous to the occupants, to passersby or to other property, or which are found to obstruct a street, and to make the cost of such removal, tearing down or repair a lien upon the property, which liens may upon the order of the Council be entered into the docket of City liens and thereafter collected in such manner as the Council may direct.
38. To regulate or prevent the moving of buildings or structures over City streets and limit the locations to which such buildings or structures may be moved.
39. To define and classify the fire limits and to prohibit the erection or repair of buildings constructed of particular materials within all or any such fire limits.
40. To regulate or limit the height, construction, size, materials, setbacks, yards, inspection and repair of all private and public buildings, structures, and fences within the City and to provide City inspection thereof.
41. To require adequate fire escapes, apparatus and appliances for protection against fire, to be provided in buildings and structures, or in connection with specific uses.
42. To make regulations to prevent the introduction of contagious diseases into the City, and to remove persons afflicted with such diseases to suitable hospitals which the City may designate or provide for that purpose either within or without said City; and to regulate such hospitals.
43. To provide a standard of weights and measures and to authorize inspection of weights, measures, food, beverages, and fuel; to regulate the commodity, size, weight and ingredients of food or beverage products and fuel, and to prevent the sale of adulterated, unhealthful or unwholesome food and beverages, and to provide for the seizure and forfeiture of food or food products, beverages and fuel offered for sale or sold contrary to said regulations.
44. To prevent and remove nuisances, to declare what shall constitute the same, to punish persons committing or suffering nuisances, to provide the manner of removal of nuisances, and to make the cost of such removal a lien upon the property where such nuisance existed; and to fill up or drain any lots, blocks or parcels of land subject to flood or where any stagnant water stands, to declare the same a nuisance, and to make the cost of filling up or draining the same a lien upon the property so filled or drained. Liens for abatement of nuisances may upon the order of the Council be entered in the docket of City liens and thereafter collected in such manner as the Council may direct.

45. To regulate or prevent the storage, manufacture, sale, use and transportation of dangerous, explosive, radioactive or combustible materials or weapons, and to provide for the inspection of the same, and to prevent by all proper means risks of injury or damage therefrom.
46. To regulate, prevent and prohibit loud or unnecessary noise.
47. To prevent trespassing and punish trespassers upon real and personal property.
48. To restrain and punish intoxication, fighting and quarreling in the City, and any disturbance, riot or riotous assemblage or participation therein, or any unlawful or indecent practice, and to define what shall constitute the same.
49. To prevent and suppress gaming and gambling houses, lotteries or places where any game in which chance predominates is played for anything of value, and to punish any person who engages in such game, or keeps or frequents such houses or sets up or promotes lotteries or sells lottery tickets; to prevent and suppress bawdy houses or places where fornication is practiced, and to punish any inmate, keeper or frequenter thereof; to prevent and suppress use of narcotics and dangerous drugs and houses and places kept therefor, and to punish any keeper of such house or place, or person who frequents the same.
50. To prohibit persons from roaming the streets at unseasonable hours.
51. To prohibit and prevent cruelty to children and animals; to appropriate such sums as may be paid into the treasury from fines collected on conviction of persons charged with cruelty to animals or children, and to authorize the payment of the same or any part thereof to any person or society that shall have officially aided in such conviction.
52. To provide for the punishment by fine of not less than twentyfive dollars (\$25) nor more than one thousand dollars (\$1,000), or by imprisonment not exceeding two (2) years, or both, of any person or persons who may injure, deface, interfere with or destroy any property belonging to the City or in which the City has any interest, right or estate, and to provide that the district court or the circuit court of the State of Oregon for the County of Multnomah shall have jurisdiction to enforce such punishment or punishments.
53. To establish, change, discontinue, or reestablish City jails, prisons, police stations, workhouses and houses of detention, punishment, confinement or rehabilitation, within or without the City.
54. To regulate and restrain the keeping of all pets, birds, fowl, reptiles, and animals of any kind, and to prevent any and all animals from running at large within the City or any part thereof, and to punish persons who allow animals to run at large or to be unlicensed; to provide for impounding, sale and disposition when found at large, or when kept against City regulations or when no license has been obtained or tax paid as provided by the Council.

55. To regulate, prevent and prohibit the erection, maintenance or display of signboards, billboards, signs, posters and advertisements designed to attract the attention of persons on sidewalks, streets or public places.
56. To regulate and prohibit the exhibition and hanging of material in or across the street or from houses or other buildings or structures.
57. To regulate and control waterborne commerce and recreational uses within the City, and uses of and activities in or upon bodies of water within the City.
58. To provide for the removal of obstructions, debris and deleterious matter from waters within the City limits and to prohibit putting or negligently or willfully suffering the same to be put therein.
59. To regulate the building of wharves, and the driving of piles in any body of water or watercourse within the limits of the City and to establish lines beyond which wharves shall not be built nor piles be driven.
60. To provide for the construction and regulation of public facilities and landings at the foot of the streets terminating at a watercourse or body of water within the City.
61. To appropriate money for the deepening, widening, docking, covering, walling, altering or changing channels, water, or watercourses within the City, and to provide for the construction and maintenance of canals, slips, public landing places, wharves, docks and levees, and all such other work as may be required for the accommodation of commerce or recreation; to control and regulate the use thereof and to provide for the acquisition by condemnation or otherwise of all such work or works by the City, and for the construction, maintenance and ownership of the same by the City.
62. To provide for entering into contracts by the City with publicly or privately owned utilities or other governmental agencies for a period not exceeding forty (40) years for the transmission, sale or exchange of the capacity of and electric power generated by hydroelectric power generating facilities owned by the City and for operation and maintenance of the facilities.

Section 2-201 of the Portland City Charter is amended to read:

2-201. There shall be no elective officers of the City of Portland other than the Mayor, four (4) Commissioners [*and*], the Auditor **and the seven (7) members of the board of the Portland Public Water District**. [*All said officers*] **The Mayor, Commissioners, Auditor** shall be elected at large by the legal voters of the City of Portland and for a term of four (4) years, except as otherwise provided.

Section 3-101 of the Portland City Charter is amended to read:

3-101. Beginning with elections held in 2006, if any candidate for the office of Mayor, Commissioner, [or] Auditor, **or member of the board of the Portland Public Water District** receives a majority of the votes cast in a primary election for that office, that candidate shall be elected. If no candidate for such an office receives a majority of the votes cast in the primary election, the names of the two candidates receiving the highest number of votes cast shall be declared nominees and their names shall appear on the general election ballot in that same year. The nominee receiving the highest number of votes in the general election shall be elected.

Except as otherwise provided in this charter, those elected shall take office on the following January 1 and shall hold office for four years. If, at the end of four years, no successor is yet elected and qualified, the incumbent shall continue to hold office until a successor is elected and qualified.

Except as otherwise provided in this charter[,]:

(a) The Mayor and Commissioners for positions 1 and 4 shall be elected every fourth year beginning in 2004[, and].

(b) The Auditor and Commissioners for positions 2 and 3 shall be elected every fourth year beginning in 2006.

(c) **Positions 1, 2, and 3 of the board of the Portland Public Water District shall be elected every third year beginning in 2016.**

(d) **Positions 4 and 5 of the board of the Portland Public Water District shall be elected every third year beginning in 2017.**

(e) **Positions 6 and 7 of the board of the Portland Public Water District shall be elected every third year beginning in 2018.**

Section 3-105 of the Portland City Charter is amended to read:

3-105. Nomination of Mayor, Auditor, [and] Commissioners **and members of the board of the Portland Public Water District**, the elective officers under this Charter, shall be nonpartisan and shall be made in conformity with primary methods hereinafter prescribed and provided, subject to the provisions elsewhere contained in this Charter relating to filling of vacancies.

The positions of the Commissioners shall be designated as Position No. 1, Position No. 2, Position No. 3, or Position No. 4. Commissioners shall be designated by the same position as the Commissioner whom they have succeeded or will succeed in office. In all proceedings for the nomination of candidates for the office of Commissioner, every petition and individual nomination certificate or declaration for nomination, nominee's acceptance and certificate of election, ballot, or other document used in connection with nominations for Commissioner, shall state the official number of the position as Commissioner, as herein designated, to which such candidate aspires, and his or her name shall appear on the ballot only for such designated position. At all elections each such office of Commissioner to be filled shall be separately designated on the ballot by official position number as herein provided, in addition to other matter required by law to appear thereon. In case no nomination is made at the primary election,

nominations may be made at the general election as set forth in this Charter for vacancies occurring at a subsequent date.

The positions of the board of the Portland Public Water District shall be designated as Position No. 1, Position No. 2, Position No. 3, Position No. 4, Position No. 5 Position No. 6, or Position No. 7. Members of the board shall be designated by the same position as the member whom they have succeeded or will succeed in office. In all proceedings for the nomination of candidates for the board, every petition, acceptance and certificate of election, ballot, or other document used in connection with nominations for board member, shall state the official number of the position as board member, as herein designated, to which such candidate aspires, and his or her name shall appear on the ballot only for such designated position. At all elections each such office of board member to be filled shall be separately designated on the ballot by official position number as herein provided, in addition to other matter required by law to appear thereon.

Section 9-501 of the Portland City Charter is amended to read:

9-501. When the [*Council*] **Portland Public Water District** has declared its intention to construct a sewer or sewer system and has fixed the boundaries of the assessment district to be benefitted and assessed therefor, the [*Auditor*] **district** shall mail notice of such intention to the property owners within the proposed district, in accordance with procedures prescribed by ordinance. The procedures shall provide that an owner of any property within the proposed assessment district or such owner's agent who files proof of his or her authority, may file with the [*Auditor*] **district** a written remonstrance against the proposed sewer or the plans therefor, and the [*Council*] **district board**, upon hearing the remonstrance, may discontinue proceedings in the matter. The period for filing of written objections or remonstrances shall be set by ordinance but shall not exceed sixty days from the date notice is mailed. The [*Council*] **district board**, however, may overrule any and all remonstrances and may order the improvement. The [*Council*] **district board** also may require changes in the proposed plans or changes in the boundaries of the proposed assessment district, and declare by resolution its intention to proceed on the revised basis. Such resolution shall be published and remonstrance period given as in the first instance. The improvement shall conform substantially to the plans and specifications adopted by the [*Council*] **district board**.

Section 9-502 of the Portland City Charter is amended to read:

9-502. The [*Council*] **Portland Public Water District** may take action and proceedings for the construction of any sewer or drain jointly with any County; may levy and collect special assessments of benefits therefor; may enter into an agreement or agreements with any county for the construction, maintenance and use of sewers or drains and paying the cost thereof; may issue bonds to finance that portion of the cost agreed to be chargeable to property outside of the City; may do all other things necessary or proper to provide for the construction of sewers or drains when the design, plan or method of construction will render them beneficial to property both within and without the limits of the City; and may perform all acts necessary to implement statutes relating thereto, **provided the acts have a close and direct connection to providing clean and safe sanitary sewer and stormwater service.**

Section 9-503 of the Portland City Charter is amended to read:

9-503. Bonds may be issued and sold after construction of any such sewer or drain has been authorized, and each bond issue shall be limited to an amount that does not exceed the portion of the cost of such sewer or drain agreed upon with the County as the amount justly and equitably to be borne by property lying beyond the City limits. Such bonds shall not be issued for longer than twenty (20) years, and may be general obligations of the City. No bonds shall be issued when the total of such bonds then outstanding would exceed five hundred thousand dollars (\$500,000). In lieu of issuing bonds, the [*Council*] **Portland Public Water District** may provide for financing part or all of the cost agreed upon as chargeable to property outside of the City from [*City*] **district** funds. The [*Council*] **district** has authority to levy and collect an assessment against the property benefitted by any sewer or drain lying beyond the City limits whenever that property is included within the City limits, if no previous assessments therefor have been made on the property, and to apply the money so collected toward payment of such bonds, or to reimburse the [*City*] **district** for any payment, expenditure or advancement for such sewer or drain. Any agreement with the County may provide for the levy and collection by the County of an assessment against property whenever the sewer or drain may immediately benefit the property because of construction of an extension, lateral, branch, or otherwise.

Section 9-701 of the Portland City Charter is amended to read:

If the Council, **or the Portland Public Water District, as applicable**, finds that a particular lot, tract, or parcel of land within the boundaries of a local improvement assessment district does not in fact receive any special and peculiar benefit from that improvement, [*it*] **the Council, or the Portland Public Water District, as applicable**, may exclude that property or show the assessment at zero (0) when apportioning costs of the local improvement in accordance with benefits and spreading the assessment.

Section 9-702 of the Portland City Charter is amended to read:

The Portland Public Water District shall establish procedures by ordinance for the estimated assessment, assessment, and reassessment of properties specially and peculiarly benefitted by local improvements for the operation, financing, protection, and enhancement of the sewer and water systems of the City. The Council shall establish procedures by ordinance for the estimated assessment, assessment, and reassessment of benefitted properties **for local improvements other than for the operation, financing, protection, and enhancement of the sewer and water systems of the City.** An assessment shall not exceed the apportioned share of actual costs nor exceed the amount of the benefits. Each parcel of land shall be considered benefitted by the local improvement to the full amount of the assessment levied on it. Delays, mistakes, errors or irregularities in any act or proceeding in an improvement, in notices, in entry of assessment or in any related matter shall not prejudice or invalidate any final assessment, but the defect may be corrected by subsequent action.

Section 9-704 of the Portland City Charter is amended to read:

The Treasurer, **or the administrative head of the Portland Public Water District, as applicable**, shall proceed to collect the unpaid assessments by advertising and selling the

assessed land in the manner provided by State law or [City] **by ordinance**. Rates of penalty and interest shall be determined by ordinance. The sale price shall include all assessment principal and interest due, penalties and charges due, and all costs associated with the sale of the property.

Whenever the market valuation for tax purposes of land assessed and subject to sale for collection of unpaid assessment exceeds the sum payable to the City **or to the district, as applicable**, of the unpaid assessment, interest and estimated costs plus the total of any past due taxes by twenty-five percent or more of the City **or of the district, as applicable**, and tax liens, the Treasurer **or the administrative head of the district, as applicable**, may, subject to general guidelines of the Commissioner In Charge and/or the Council, **or the board of the district, as applicable**, withhold or withdraw such property from public sale and in lieu thereof may sell the property by private sale to the City, **or the district, as applicable**, upon payment, **in the case of the City**, by the City from the Assessment Collection Fund, elsewhere provided in this Charter, **and in the case of the district, by the district from a fund created for the collection of assessments**, of the unpaid assessment, interest and costs. If land is not valued for tax purposes, the market value estimated by the City shall be considered the market valuation for tax purposes under this Section.

For properties subject to assessment by the City, the Treasurer shall report to the Council the sales and collections on delinquencies and the City official designated by ordinance shall make proper entries in the lien docket. **For properties subject to assessment by the district, the administrative head of the district shall report to the district board the sales and collections on delinquencies and, at the request of the district board, the City official designated by ordinance shall make proper entries in the lien docket.** Thereafter no transfer or assignment of any certificate of sale hereunder shall be valid unless entry of that transfer or assignment has been noted in the lien docket after appropriate filing with the City. In case any property remains unsold, that property again may be offered for sale in like manner.

Section 9-705 of the Portland City Charter is amended to read:

The City **or Portland Public Utility Board ordinance, as applicable**, authorizing sale of property for delinquent assessments and the notice of sale to persons with an interest in the property stating that the property has been sold shall clearly state the provisions for redemption of the property by the prior owner as provided by State law or [City] **by ordinance**.

Section 9-801 of the Portland City Charter is amended to read:

Within thirty (30) days after notice of an assessment, deficit assessment or reassessment for a local improvement is first mailed, if the assessment exceeds a minimum fixed by the Council **or the board of the Portland Public Utility Board, as applicable**, the owner of the property assessed may file a written application to pay the assessment in installments. The application shall provide that the owner agrees to pay the assessment in installments including interest and charges as specified by the Council **or district board, as applicable**. The application also shall describe the applicant's property assessed for the improvement.

Section 9-802 of the Portland City Charter is amended to read:

After the time expires for filing applications to pay assessments in installments, the City **or district** official, **as applicable**, designated by ordinance shall enter all applications received in a docket kept for that purpose under separate heading for each improvement. Thereafter, that docket shall stand as a bond lien docket in favor of the City **or Portland Public Water District**, **as applicable**, for the amount of the unpaid assessments docketed therein, with interest on unpaid assessments at a rate determined by ordinance, against each parcel of land assessed, until the assessments and interest are paid. All unpaid assessments and interest are a lien upon each parcel of land in favor of the City **or district**, **as applicable**, and that lien shall have priority over all other liens and encumbrances.

Section 9-803 of the Portland City Charter is amended to read:

After the bond lien docket is made up for the particular local improvement, the Council **or Portland Public Water District**, **as applicable**, shall authorize by ordinance the issuance of bonds not exceeding the actual costs of the unpaid improvement assessments as shown on the bond lien docket.

Section 9-804 of the Portland City Charter is amended to read:

Bonded assessments shall be paid in installments, plus accrued interest, penalties, and charges, as specified by ordinance. If payment of any installment is delinquent thirty (30) days, the entire unpaid balance is immediately due and payable, and the installment contract may be declared void. The property owner may execute a new agreement as provided by City Code, or the City **or Portland Public Water District**, **as applicable**, may collect the total amount due in the manner as provided by ordinance. Prior to sale of the property for collection, the owner may remove the property from the sale list in the manner provided by Code.

Section 9-805 of the Portland City Charter is amended to read:

After issuance of improvement bonds covering unpaid bonded assessment for a particular improvement, the City **or Portland Public Water District** official designated by ordinance shall keep an account of money paid upon bonded improvement assessments separate from other [City] funds, as provided by ordinance.

Whenever improvement bonds issued upon bonded assessments are redeemable and it appears to the Council **or district board**, **as applicable**, as advantageous to redeem them, but money available in the sinking fund account is insufficient, the Council **or district board**, **as applicable**, may transfer money from another sinking fund or sinking fund account as a temporary loan to the sinking fund account to be redeemed, to be repaid with interest at the rate fixed by the Council **or district board**, **as applicable**. The Council **or district board**, **as applicable**, may authorize and provide for issuance and sale of new bonds upon bonded assessments to redeem outstanding bonds. Such new bonds shall be limited in amount to the amount of bonds to be redeemed from the proceeds, shall bear interest, be sold and be redeemable as provided in this Charter. In case of a temporary loan, if property owners fail to pay into the sinking fund a sufficient amount to repay the temporary loan, when needed, the Council **or district board**, **as applicable**, shall provide money for repayment by the sale of bonds as provided in this Section.

Section 9-806 of the Portland City Charter is amended to read:

To facilitate collection of delinquent assessments and to assist in financing local improvements, the Council **or board of the Portland Public Water District, as applicable**, may issue and dispose of bonds to be known as Assessment-Collection Bonds. The total amount of these bonds shall not exceed one million five hundred thousand dollars (\$1,500,000) outstanding at any one time. The bonds shall be general obligations of the City and shall be issued and sold in any denominations in the same manner as other bonds of the City. The rate of interest thereon shall not exceed the maximum rate permitted under State law, and their maturity shall not exceed twenty (20) years.

Money from the sale of the bonds related to properties specially and peculiarly benefitted by local improvements for the operation, financing, protection, and enhancement of the sewer and water systems of the City, after paying from the proceeds the costs of advertising and sale, shall be deposited in a special fund known as the "District Assessment Collection Fund," which may be used under direction of the district board for purchasing property by and in the name of the City, for use of the district, at a sale for district assessments, and at foreclosure sales for delinquent taxes, to protect the interest and rights of the district in the property. Net proceeds from the sale of property purchased from the District Assessment Collection Fund shall be credited to that fund.

Money from the sale of the bonds **for other than for the operation, financing, protection, and enhancement of the sewer and water systems of the City**, after paying from the proceeds the costs of advertising and sale, shall be deposited in a special fund known as the "**City Assessment Collection Fund**," which may be used under Council direction for purchasing property by and in the name of the City at Treasurer's sale or other sale for City assessments, and at foreclosure sales for delinquent taxes, to protect the interest and rights of the City in the property. Net proceeds from the sale of property purchased from the Assessment Collection Fund shall be credited to that fund.

In selling property purchased from the **District Assessment Collection Fund or the City Assessment Collection Fund**, or [*Treasurer's*] certificates thereon, no transfer of certificate of sale or deed to the City shall be held void or insufficient because of any omission, error, defect or objection, jurisdictional or otherwise, in the assessment or other proceedings if, at some stage of the proceedings before assessment was made, notice was given, and if the description of the property in the certificate or deed is reasonably sufficient to identify it. This provision is intended to be curative as fully as the people may enact, as to all matters affecting the validity of the certificate or deed. Every certificate of sale or deed shall be presumptive evidence of the regularity and sufficiency of all things affecting its validity. In any case where this curative provision is found insufficient, the money realized from the attempted sale shall be treated as not applying to the payment of the attempted assessment, and shall not discharge any obligation of the owner of the property to bear a fair and just proportion of the cost of the local improvement for which the attempted assessment was made. **Proceeds from an attempted sale related to operation, financing, protection, and enhancement of the sewer and water systems of the City shall be refunded to the District Assessment Collection Fund and the district board may make a reassessment against that property.** Proceeds from the attempted sale **related to other than to operation, financing, protection, and enhancement of the sewer and water**

systems of the City shall be refunded to the City Assessment Collection Fund and the Council may make a reassessment against that property.

The Council may renew the City Assessment Collection Fund from time to time by selling additional bonds, subject to the limitation in this Article on total amount. **The district board may renew the District Assessment Collection Fund from time to time by selling additional bonds, subject to the limitation in this Article on total amount.**

The district board may provide for the sale and assignment of certificates of sale related to operation, financing, protection, and enhancement of the sewer and water systems of the City and the assignment or conveyance of the rights of the district board in such property either before or after receiving the deed from district or City officials; may provide for sale of the property under contract for not more than ten (10) years; may pay real estate commissions, court costs, legal and clerical services and all other expenses related to the purchase and clearance of title; may purchase or redeem any certificates of sale outstanding against the property; may pay any tax liens outstanding against the property; may provide for waiving all or part of accrued penalties; may pay any bonded or open liens outstanding against the property and cancel assessments against it; and may enact ordinances to give full effect to this Section.

The Council may provide for the sale and assignment of certificates of sale **related to other than operation, financing, protection, and enhancement of the sewer and water systems of the City** and the assignment or conveyance of the rights of the City in such property either before or after receiving the deed from the City Treasurer or from County officials; may provide for sale of the property under contract for not more than ten (10) years; may pay real estate commissions, court costs, legal and clerical services and all other expenses related to the purchase and clearance of title; may purchase or redeem any Treasurer's certificates of sale outstanding against the property; may pay any tax liens outstanding against the property; may transfer money from the Assessment Collection Fund to the General Fund, provided that provision is made for redemption of outstanding Assessment-Collection Bonds; may provide for waiving all or part of accrued penalties; may pay any bonded or open liens outstanding against the property and cancel assessments against it; and may enact ordinances to give full effect to this Section.

The District Assessment Collection Fund may also be used to purchase and hold warrants issued upon any special local improvement fund formed or to be formed by the district. The face amount and interest on warrants so purchased shall be credited, upon payment, to the District Assessment Collection Fund.

The City Assessment Collection Fund may also be used to purchase and hold warrants issued upon any special local improvement fund formed or to be formed **by the City**. The face amount and interest on warrants so purchased shall be credited, upon payment, to the City Assessment Collection Fund.

Section 11-101 of the Portland City Charter is amended to read:

11-101. The [City] **Portland Public Water District** may construct, reconstruct, purchase or otherwise acquire, keep, maintain, improve, alter and change water works and all plants and facilities found appropriate by the [Council] **district** for furnishing water to the City, its property, its inhabitants, and the places and people along or in the vicinity of the pipes, conduits or aqueducts constructed or used for that purpose. The [City] **district** may acquire by purchase or otherwise, own and possess real and personal property or interests therein, within and without the limits of the City, which the [Council] **district** finds necessary [*or convenient*] **to provide clean and safe water to the City**. The [Council] **district** may establish and maintain headworks and supply sources, with all convenient reservoirs, tanks, pumps, supply systems, distribution and related facilities, including land and interests in land, and may acquire other water systems serving property within present or future boundaries of the City. The [Council] **district** may make all necessary expenditures to carry out these purposes and may enter into contracts for supply of water by the City or supply of water to the City or its inhabitants. Any surplus water may be sold to persons, public or private, outside the City, on terms and conditions the [Council] **district** finds [*appropriate*] **to be in the best interests of the City's water customers**.

Section 11-102 of the Portland City Charter is amended to read:

11-102. The [City] **Portland Public Water District** may employ personnel, contract for services and perform services under contract or otherwise, [*found*] **that the district finds** necessary [*or convenient*] to carry out the powers granted in this Article. The [Council] **district** may obtain materials and supplies and do any acts in the operation, maintenance, improvement and extension of City water works which the [Council] **district** finds [*necessary or advantageous*] **to have a close and direct connection to providing clean and safe water to the residents and businesses of the City**.

The [Council] **Portland Public Water District** may prescribe regulations relating to water supply, distribution and service, and may impose conditions, and require deposits or cost contributions for water main extensions and water distribution system. **If the [Council] district finds that renting or leasing equipment of facilities or selling or otherwise disposing of property, facilities, supplies or equipment has a close and direct connection to providing clean and safe water to the residents and businesses of the City, the district** may rent or lease equipment or facilities to or from others, and may sell or otherwise dispose of [City] property, facilities, supplies or equipment[, *as it finds convenient*] **under the control of the district**.

[*In*] **Notwithstanding section 16-03(3)(a) of this Charter, the administrative head of the [Bureau of Water,] Portland Public Water District and the Engineer in charge of the engineering staff[, the person in charge of the business office, and the head of the Bureau] of the Portland Public Water District** shall not be subject to Civil Service requirements of this Charter. **Unless provided otherwise by contract, the administrative head of district and the Engineer serve at the pleasure of the district board.**

Section 11-103 of the Portland City Charter is amended to read:

11-103. In order to provide funds for construction, reconstruction, replacement, extension, acquisition and maintenance of water plant and property, and the acquisition of water systems, the [Council] **Portland Public Water District** may **direct the Council** to issue bonds of the

City in denominations and for terms the [*Council*] **district** determines, in the same manner other bonds of the City are issued. These bonds shall be [*general obligations of the City, but primarily*] payable from water revenue. These bonds shall not be included within the debt limit elsewhere prescribed in this Charter. [*No bonds shall be issued under this section in any year which, with the net outstanding water bond indebtedness, would exceed the total original cost of existing plant and property of the water works and system.*]

Upon the written directions of the Portland Public Water District, the City shall from time to time issue bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the water system, to be repaid, to the extent permitted or to be permitted by law, solely out of revenues of the district. Such bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the water system shall be issued by the City in accordance with the procedures established by law and as the City may prescribe by ordinance. The maximum term of any bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the water system shall not exceed 30 years. Approval of the Council is not required for bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money to be issued at the direction of the district.

Section 11-104 of the Portland City Charter is amended to read:

11-104. After payment of expenses for issuance of water bonds, the proceeds shall be placed in the Water Construction Fund, **which shall be held by the Portland Public Water District.**

Money from the sale of water and charges related to water works or service shall be placed in the Water Fund, **which shall be held by the Portland Public Water District.** After deducting sinking fund requirements, operating expenses of the water works and plant and the [*Water Bureau*] **Portland Public Water District**, which may include depreciation on plant and property, and maintenance expense found necessary or appropriate, the [*Council*] **district** may transfer any excess in the Water Fund to the Water Construction Fund.

[*The Council may make transfers between funds in the Water Bureau, but*] The funds and accounts of the [*Water Bureau relating to water plant and works*] **Portland Public Water District** shall be separate from other accounts and funds of the City and treated as a separate municipal operation. **Upon the affirmative vote of the district board**, the Council may impose charges [*it finds equitable*] upon the operation of the water system for municipal services of other departments, bureaus and officers[,] and [*may impose*] fees of the same character as for public utilities. [*Otherwise,*] Money in the Water Fund or the Water Construction Fund shall not be transferred to the General Fund of the City or to special funds unrelated to the water works, water system and the sinking funds for water bond debt service.

Section 11-105 of the Portland City Charter is amended to read:

11-105. For each fiscal year the [*Council*] **Portland Public Water District** shall fix water rates which will provide an estimated income to equal expenses and debt service relating to water bonds. No charge shall be made for water used in extinguishing fires in the City.

The [Council] **Portland Public Water District** may fix special charges for connections, disconnections, turn-ons, discontinuances of service, all special services or work, and other contingencies, situations or conditions, which it finds advantageous or appropriate from time to time. Charges and bills may be adjusted as found just and equitable.

Section 11-106 of the Portland City Charter is amended to read:

11-106. The [Council] **Portland Public Water District** may make regulations, impose conditions, penalties and forfeitures and institute civil or penal process it finds necessary or appropriate to collect bills for water or charges, and in addition may refuse or discontinue water service to premises for which a bill or charge remains unpaid. Penal enforcement is subject to the penalty limitations fixed in the Charter for ordinance violations.

Section 11-107 of the Portland City Charter is added to read:

11-107. **This Article shall be construed as granting additional authority, and not in derogation of any authority granted elsewhere in this Charter. This Article shall not affect authority of the Portland Public Water District concerning local water improvements and the assessment of benefits therefor. The district also shall have all authority now or hereafter granted by statute concerning water works or service.**

Section 11-301 of the Portland City Charter is amended to read:

11-301. The [Council] **Portland Public Water District** may construct, reconstruct, enlarge, alter, modify, equip, operate and maintain a sewage disposal or sewage purification system within or without the corporate limits or both, including but not limited to: all methods of storm drainage, intercepting sewers, diversion sewers, relieving or interconnection sewers, sewers to separate storm and sanitary sewage, pump or ejector stations and equipment, and plants for the treatment and disposal of sewage. For that purpose the [City] **district** may acquire by any lawful means property, real or personal, interests in property, equipment, and related facilities and may make all expenditures which the [Council] **district** finds *[necessary or appropriate to carry out such purposes]* **that the acquisitions and expenditures have a close and direct connection to providing clean and safe sanitary sewer service**, either within or without the corporate limits. The [City] **district** may sell or otherwise dispose of any or all by-products or salvage products from this operation. The City also may contract with any other person, public or private, to *[further]* **provide or obtain goods or services that have a close and direct connection to the purification of public waters or protection of the public health through sanitary sewer service.**

Section 11-302 of the Portland City Charter is amended to read:

11-302. For all purposes relating to design, construction, acquisition, operation, maintenance and contract requirements of sewage treatment or purification facilities and related facilities, the [Council] **Portland Public Water District** may fix fees and charges for connection or use or both of sewers and sewage purification or disposal systems to be paid by property which is served or is capable of being served for use of the sewage disposal system. *[Sewer user service charges may be collected by the Water Bureau which shall be compensated for such service as determined by the Council.]* The [City] **district** may establish procedures for collection of **fees and charges** and may provide for penalties, interest and costs. The [City] **district** may establish

requirements and impose regulations **for connection or use of sewers and sewage purification or disposal systems** as it finds appropriate. Sewer user service charges shall be paid for all premises connected with [City] **district** sewers, directly or indirectly, notwithstanding that such premises may have been assessed or may in the future be assessed for construction of sewers under local improvement assessment procedures or may have otherwise paid for sewers.

The [City] **district** may enter into contracts relating to sewage disposal, treatment or purification [or all such functions] **that have a close and direct connection to providing clean and safe sanitary sewer service**. The [City] **district** may impose charges for sewage transportation, disposal, treatment or purification or any or all such functions, on property outside the [City] **district** served through [City] **district** facilities, at rates no less than those imposed for similar service inside the [City] **district** to similar classifications.

Proceeds of such charges shall be placed in the Sewage Disposal Fund, **which shall be held by the district**, and may be expended for any matter **closely and directly** connected with the sewer or sewage disposal or treatment system of the City, and bonded debt and debt service related thereto.

Upon the written directions of the Portland Public Water District, the City shall from time to time issue bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the sewer system, to be repaid, to the extent permitted or to be permitted by law, solely out of revenues of the district. Such bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the sewer system shall be issued by the City in accordance with the procedures established by law and as the City may prescribe by ordinance. The maximum term of any bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the sewer system shall not exceed 30 years. Approval of the Council is not required for bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money to be issued at the direction of the district. Section 11-303 of the Portland City Charter is amended to read:

11-303. The [Council] **Portland Public Water District** may require any property located within one hundred (100) feet of a right of way in which there is a [City] **district** sewer to connect to that sewer.

The [Council] **district** may prohibit discharge of sewage or harmful matter or impurities into any stream or river within the City. This prohibition may extend to any source whatever, including ships, houseboats and water craft of all kinds. These sources may be required to connect to the [City's] **district's** sewer system when physically possible, or otherwise to construct and use a prescribed sewage or waste disposal system.

To facilitate sewage treatment and protect the [City's] **district's** sewage facilities, the [City] **district** may limit the classes or kinds of sewage that may be discharged or may continue to be discharged into public sewers, may prohibit discharge of wastes other than domestic sanitary sewage into public sewers or facilities, and may require private pretreatment before discharge, upon terms fixed by the [City Engineer] **district**.

Section 11-304 of the Portland City Charter is amended to read:

11-304. This Article shall be construed as granting additional authority, and not in derogation of any authority granted elsewhere in this Charter. This Article shall not affect authority of the **Portland Public Water District** concerning local sewer improvements and the assessment of benefits therefor. The [*Council*] **district** also shall have all authority now or hereafter granted by statute concerning disposal and purification of sewage and waste.

Transfer and Transition

This Charter amendment takes effect June 1, 2014.

The following sections of this Charter amendment and sections amended by this Charter amendment become operative January 1, 2015: 2-15, 9-501, 9-502, 9-503, 9-701, 9-702, 9-704, 9-705, 9-801, 9-802, 9-803, 9-804, 9-805, 9-806, 11-101, 11-102, 11-103, 11-104, 11-105, 11-106, 11-107, 11-301, 11-302, 11-303, 11-304, 16-101, 16-102, and 16-103.

The City may take any action before the operative date specified in this section that is necessary to carry out the provisions of this Charter amendment.

Nothing in this Charter amendment shall be construed in any way to impair the obligations or agreements of the City of Portland with respect to bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the water and sewer system prior to adoption of this Charter. The district shall take all actions necessary to ensure full compliance with all indentures, resolutions, declarations, agreements and other documents issued with respect to the bonds, notes, certificates of participation, financing agreements or other agreements for the borrowing of money issued for the water and sewer system prior to adoption of this Charter amendment.

Not later than July 15, 2014, the Council shall divide the district into seven zones as nearly equal in census population as may be practicable, using voting precinct boundaries. If possible, the Council shall establish the zones so that a distinct community of interest or neighborhood is within a zone. In establishing the zones, the Council shall consult with the Population Research Center at Portland State University.

To the extent feasible and consistent with law, the zones established shall be:

**(1) Coextensive with the zones established for the board of Portland Public Schools;
and**

(2) Designated to avoid having elections for contiguous zones in the same election.

Notwithstanding sections 3-101 and 3-105 of this Charter, as amended by this 2014 measure:

- (1) All seven positions on the board of the Portland Public Water District shall be filled by election in the 2014 general election without a primary election. The candidate who receives the highest number of votes cast shall be elected.
- (2)
 - (a) The initial terms of Positions 1, 2, and 3 expire December 31, 2016.
 - (b) The initial terms of Positions 4 and 5 expire December 31, 2017.
 - (c) The initial terms of Positions 6 and 7 expire December 31, 2018.

On January 1, 2015, the City shall:

- (a) Deliver to the Portland Public Water District all records, property, and funds within the jurisdiction of the City that relate to the duties, functions and powers transferred to and assumed by the district, including but not limited to the systems of accounting for water and sewer service.
- (b) Transfer to the district those employees engaged primarily in the exercise of the duties, functions and powers transferred to and assumed by the district.

The Portland Public Water District shall take possession of the records and property, including funds, and shall take charge of the employees and employ them in the exercise of the duties, functions and powers transferred by this section.

The unexpended balances of amounts authorized to be expended by the City for the fiscal year beginning July 1, 2014, from revenues dedicated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred by this Charter amendment are transferred to and are available for expenditure by the Portland Public Water District beginning January 1, 2015, for the purpose of administering and enforcing the duties, functions and powers transferred by this Charter amendment.

The transfer of duties, functions and powers to the Portland Public Water District by this Charter amendment does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Portland Public Water District is substituted for the City in the action, proceeding or prosecution.

Nothing in this Charter amendment relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by this Charter amendment. The Portland Public Water District may undertake the collection or enforcement of any such liability, duty or obligation.

The rights and obligations of the City related to the duties, functions, and powers transferred by this Charter amendment and legally incurred under contracts, leases and business transactions executed, entered into or begun before the effective date of this Charter amendment are transferred to the Portland Public Water District. For the

purpose of succession to these rights and obligations, the district is a continuation of the City for and is not a new authority.

Notwithstanding the transfer of duties, functions and powers by this Charter amendment, the ordinances and resolutions of the City in effect on the effective date of this Charter amendment that relate to a duty, function of power transferred by this Charter amendment continue in effect until superseded or repealed by ordinances and resolutions of the Portland Public Water District.

References in ordinances and resolutions of the City, or to an officer or employee of the City, related to the powers and obligations transferred by this Charter amendment are considered to be references to the Portland Public Water District or to an officer or employee of the district.

Whenever, in any ordinance or resolution of the City or in any rule, document, contract, record or proceeding authorized by the City, reference is made to the Water Bureau or an officer or employee of the Water Bureau, the reference is considered to be a reference to the Portland Public Water District or an officer or employee of the district.

Whenever, in any ordinance or resolution of the City or in any rule, document, contract, record or proceeding authorized by the City, reference is made to the Bureau of Environmental Services related to sewers and sewage purification or disposal systems or an officer or employee of the Bureau related to sewers and sewage purification or disposal systems, the reference is considered to be a reference to the Portland Public Water District or an officer or employee of the district.