

Portland Utility Board

November 12 12:00 – 2:00 PM

Lovejoy Room, Portland City Hall

DRAFT - Low Income Discount Report Committee Minutes - **DRAFT**

Attendees:

PUB Members: Michael Harrison
Janet Hawkins
Gwynn Johnson
Meredith Connolly
Cindy Dietz (Ex officio)

Staff: Kathy Koch (Portland Water Bureau)
Brad Blake (Portland Water Bureau)
Sam Murray (Bureau of Environmental Services)
Jennifer Scott (Audit Services)
Ryan Kinsella (City Budget Office)
Claudio Campuzano (City Budget Office)

Public: Janice Thompson (Citizen Utility Board)
Carol Cushman (League of Women Voters)

I. Recap of Previous Meeting

Ryan Kinsella (City Budget Office) provided an update of the prior meeting. The following points were highlighted:

- The previous meeting discussion focused on which values could be used as a lens to evaluate possible options for how to extend or not extend the program.
- There was consensus on not raising rates primarily because of impact on non-qualifying low income households.
- The committee also discussed the merits and possibility of an opt-in/opt-out donation program.
- The committee also raised concerns about the administrative costs of providing subsidies or expanding the program, the legality of the discounts and subsidies, the potential for landlords to raise rates if vouchers were considered, the extent and effectiveness of the program if only \$200 to \$300K is available for program expansion and the possibility of making the current program more transparent to current customers.
- Lastly, it was noted that the Commissioner's Office has delayed the timeline for when Council might consider funding options for the program. Council will now consider options in March.

Janet also noted that Gwynn had raised the point that there should be a cost benefit analysis of the current program and expansion options.

Michael thought that there were two major takeaways from the PUB meeting: resolve legal issues and resolve administrative costs of the program.

II. **Low Income Discount Program Overview**

Brad Blake and Kathy Koch (Portland Water Bureau) provided an overview of the program. Brad first provided the history of the program. The program was started in 1994-95 during the transition from flat sewer to volume-based billing, which was expected to have a significant impact on low income accounts. This is when the first study was conducted on the possibility of a program, which specifically looked at the impact of a senior discount. In 1997, the bureau again reviewed and considered possible improvements to the program. The bureau conducted a pilot program in 2005 for multifamily units.

They then noted that there are nine community service centers in the County that provide safety net services and do outreach in their service territories for programs including the Low Income Discount Program. The service centers also verify applicant income for them to participate. If eligible, approval is for two years and then applicants must renew by applying directly to the Water Bureau. The current discount is approximately \$551 per year, and there are currently 8000 enrolled in the program. On average, only 75 participants apply per year for the emergency discount vouchers of \$150.

Meredith asked if it might be possible to capture extra costs if the program was expanded. Kathy explained that this would be difficult without knowing how the program might change. It is also especially difficult if changes to coding the billing system is required. As a test case, they considered five accounts as part of the workgroup and found coding problems in each of these programs.

Claudio asked if they could clarify program participants. Brad explained that there are currently 8,000 program participants, but that 25,000 eligible low income residents in single-family homes may qualify. This does not include low income renters who live in multifamily units.

Cindy asked if the estimated number of potential participants (estimated at 25,000) has changed. Brad explained it has fluctuated due to the economic environment and job market. There are more seniors moving into shared rental situations, and because participation is based on household income, they no longer qualify. Kathy also noted that HomeForward surveyed how many low income residents were aware of the program; 84 of 300 surveyed were aware of the program.

Michael asked is it possible to know the breakdown of apartments versus detached units. Brad explained that this is not tracked as a field in the current system.

Cindy asked about what are the barriers for program participation. Brad explained word of mouth is one of the most effective tools for telling people about the program. The bureau also develops a brochure in new customer welcome packets and customer service reps mention the program in calls. Approximately 37,000 brochures distributed per year.

Janet noted that mental health and physical disabilities may also prevent residents from enrolling.

Claudio asked if the County provide services to residents to navigate the program. Janet responded that the County does provide these services.

Claudio asked if there are any fiscal limits on expanding the current program. Cecelia Huynh explained that there are no limits but if there was a large increase then this would put pressure on rates. Meredith followed-up by asking if underspending fell to balance. Cecelia responded, yes.

Michael noted that expanding the program to the full 25,000 may have additional costs in addition to the discount because some people may need more services to navigate the program, such as a caseworker.

Janet noted that there may also be barriers for people who drop out of the program after their two year approval.

Claudio asked to what degree are we leveraging the larger social services system to get people enrolled in the program.

Michael followed up by asking if it is possible to use SNAP/Medicaid or another State verification program to compare against Water billing addresses or names. Janet noted that there are client confidentiality concerns. Michael thought that even if this process yields marginally more customers, then it may be a worthwhile endeavor.

Janet asked about the costs associated with the shutoff. Kathy said that customers were charged \$71 if their water is shutoff. There is a series of steps that happen prior to shutoff, all of which have costs, such as phone calls, payment arrangements, and notices on doorsteps. The bureau shuts off approximately 30-40 households per day. Kathy also noted that the monthly statement program also helps households mitigate the costs.

Claudio asked what percent of low income program participants have had their water shutoff. Kathy said that the bureau has not looked into that question.

Claudio suggested it may be helpful for the group to consider the policy outcome that they are trying to achieve.

Michael clarified that the committee is currently in the research phase but that they should define the policy outcome that we are trying to achieve.

Meredith asked about how the bureau addresses shutoffs for multifamily units. Kathy explained that they notify the owner, tag doors of individual residents, and only in very seldom instances do shutoffs occur.

Meredith suggested that if the policy outcome is to avoid shutoffs in multifamily housing units, then this may already be achieved.

Meredith then asked Brad and Kathy about other options for additional outreach and possible ways to expand the program. Brad said that they are trying to increase the current program by working with HomeForward and streamline the enrollment process. Kathy explained that it is very difficult to expand the program to people who do not receive a bill. Any option should be built outside of current billing system because it is difficult and costly to redesign the system for specific needs.

Janet suggested that individual metering should be required for development in new urban renewal districts.

Cindy asked if the bureau gets a lot of inquiries from multifamily housing units regarding efficiencies that would hold down costs. Brad explained that they will begin a targeting and messaging pilot to start in January-March.

Cindy noted that space is a restriction on adding individual meters within multifamily housing unit.

Meredith thought that PUB should determine how to expand the current program without the administrative costs becoming prohibitive through more effective outreach.

Claudio suggested that perhaps PUB should develop a recommendation around criteria for evaluating the program and general parameters for implementation.

Michael agreed with this approach and suggested that maybe the subcommittee should develop “strawman” recommendations.

Meredith noted that there may be equity concerns about whether the Section 8 residents should be targeted.

Claudio asked if it makes sense to increase General Fund and donation support through Water Bureau mechanism or should the subsidy flow through other systems, such as the Housing Bureau, which already has the mechanics.

There was general agreement that, based on the policy outcomes, there may be other effective mechanisms. This could be included in the recommendations.

Cindy also noted that one of the recommendations should be that the funding source should be stable.

Michael suggested the committee should consider two options for their recommendations: (1) expand the current program to support 8,000 to 10,000 participants and determined eligibility based on another social service program like Medicaid, and then extend benefits up to 13,000 Section 8 renters to the extent that donations or General Fund resources are available; (2) because the program is inequitable program “as is” and as such, phase out the program over a ten year period. Savings from the phasing out the program should go towards emergency shutoff

III. Follow-up Questions

Over the course of the meeting, committee members asked that the bureau provide additional information on the following questions:

- Please provide a breakdown of direct and indirect costs of the program.
- Please provide estimates of expanding the program to the (A) 25,000 eligible single family households and (B) 13,000 qualified low income renters. As discussed in the meeting, reaching certain portions of the customer classes may be more costly than others.
- How much has been spent on program outreach in each of the past five years? How might this amount change?
- What are the fees assessed on account that has been shutoff?

- Of the shutoffs, what percent and how many customers were enrolled in the low income discount program?
- Please provide a breakdown of shutoffs by zip code.
- How many people in a shutoff situation would benefit from participation in low income discount program?
- Are there any studies that look at the efficacy of having people enroll in low income programs?
- How is the City changing current practices to expand the current program?
- How much funding may be possible through a donation program based on other programs?
- Does the Water Bureau administer its crisis voucher program or is this program administered by the County/nonprofit?

The meeting adjourned at 2:00 PM.