

Portland Utility Board

Low Income Discount Subcommittee

August 23, 2017 1:00pm – 2:30pm

The Pettygrove Room, City Hall

PUB Members: Allan Warman
Ana Brophy, ex officio
Meredith Connelly
Mike Weedall
Robert Martineau

Staff: Gabe Solmer (Deputy Director, Water)
Cecelia Huynh (Director of Finance and Support Services, Portland Water Bureau)
Liam Frost (Management Analyst, Portland Water Bureau)
Kathy Koch (Customer Service Manager, Portland Water Bureau)
Nicole Adams (Communications Director, Portland Water Bureau)

Melissa Merrell (Principal Analyst, City Budget Office)

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

- I. Call to Order
- II. Affordability Project Briefing, Liam Frost, Portland Water Bureau

Liam provided the boardmembers with an overview of the assistance programs provided to low income residents and a preview of the work that he's doing.

Liam told the members that he's looked at assistance packages nationwide and PWB provides one of most generous and comprehensive set of assistance. Residents in Portland are eligible for assistance if they earn 0% to 60% of the Median Family Income (MFI). Most other areas offer assistance for lower income levels. He also noted that the bureau has a suite of services (Low-income Discount, Emergency Assistance, Shut Off Assistance) and not just one program.

Commissioner Fish would like to expand programs and coverage. Over the past year, the Water Bureau convened a group of organizations and service providers and made some adjustments. For example,

- Older adults on fixed incomes no longer need to recertify that they qualify for the Low-Income Discount Program.

- Family members can request reminders of when bills are due to keep accounts current.
- Customer service staff has some flexibility around income range and can enroll some people just over income requirements, and
- Applications are available online for printing.

Liam's research suggests that the bureau is doing well compared to other utilities and against industry standards, but there is work to do to meet the needs of Portland residents. Rates of poverty in Communities of Color are increasing and many residents are moving out of the Portland area due to rapidly increasing rental rates. Portland is not the only area looking at these issues: Atlanta and Philadelphia are exploring changes outside of typical assistance mechanisms and the water utilities are evolving to address these issues.

Two areas of focus for Liam's work is how to provide assistance to multifamily water users and creating a model to prevent shutoffs for low income residents. Liam has been meeting with customer service staff, finance department, BES contacts, and water economists to get ideas for more changes as well as looking at AWWA and Census data. Providing additional assistance would need to conform with the current understanding of the legal landscape with regards to the Anderson lawsuit. Liam is in contact with the City Attorney's Office because the bureau has a finer eye of the needle to thread for using rate funds. Liam has also talked with the Revenue Bureau who collects water payments and has the consumption data. Finally, he's reached out to PSU, PGE, Multnomah County, community groups, and the eight organizations that do outreach.

Liam talked about how utility costs contribute or are a part of overall poverty and housing stress in Portland. The standard of utility affordability typically is measured against median family income but doesn't address the increased burden utility costs put on residents in poverty. While the Water Bureau isn't responsible for solving the housing crises, the existing suite of low income services is an acknowledgement that essential water service can be a burden on low income residents.

Liam then talked about the difficulty of assisting residents in multifamily rentals. The current low-income assistance program is available to residents who receive a water bill. Many people who live in multifamily units don't receive a specific utility bill but pay it as part of the rent amount. EPA regulations limit the bureau's ability to use rate revenue to provide bill discounts to residents who don't have an account (such as those in multifamily rental units). Liam is working to exhaust all options and researching and analyzing possibilities. He's looking to see what is appropriate for Portland and what is feasible for the bureau. Liam is working on an aggressive timeline of one year and wants to address the biggest need first. He's researching ways outside of billing system that aren't bill discounts under rules of EPA.

Another area of research is to identify how many households aren't being reached with the current programs and determining what is eligibility and penetration of coverage. There are currently 6,600 low income households in the discount program. Using Census data, there are 15,000 single family households in poverty. Ashley Tjaden is a new staff person at the bureau and will be doing more outreach and research. The bureau is working with PSU to try and get

better data on multifamily units in poverty and a water economist to try and match the estimate of people in multifamily who would be eligible.

Both avenues of work will help to define what assistance look like in the future.

Mike W. has background with electricity and the difficulties of providing assistance to multifamily units. Some of the solutions that were most effective were about focus, time, and effort. Some of the things found in his experience is they weren't doing the right outreach and materials. They had success translating materials into different languages and building relationships with churches leaders of communities.

Meredith asked if the bureau was looking at rate structure changes and Liam said not in the first phase.

Rob asked what Liam sees as the impact for monthly billing which allows residents to pay utility costs over twelve months rather than four large bills. Kathy added that the bureau can't get to actual budget billing with its current meters and staffing. The current monthly statements are really a quarterly true up. Automatic Meter Reading (AMR) technology is like smart readers. Some places can have a live look at water use. Kathy also talked about smart meters and valves that now allow life sustaining water. More sophisticated technology may offer solutions. Meredith commented on conservation ethics related to water use. Use has decreased even while population has increased. However, little of bill can be changed with behavior because a portion of the bill is the base rate which doesn't change based on consumption. The Water Bureau has the challenge of having to fix pipes and keeping rates low for affordability, while selling less product.

Liam talked about his plan for engagement going forward. He plans to brief bureau leadership at end of September and then talk to greater management team for feasibility. He expects to have a suite of proposals to bring to the board for input around the end of October or beginning of November. Gabe thinks that upcoming audit will likely include things that the bureau is working on already and can update the board on that progress as well.

Mike W. raised concerns with the timing proposal, looking for the best spot for the subcommittee members to provide feedback and input. He isn't interested in just seeing the final product but would like the opportunity to engage as the proposals are being developed.

Liam was asked where in the budget process will this fall. Liam said his plan was to vet feasibility internal first then would bring it to the advisory board and then take it to stakeholders. Gabe said the bureau was very mindful that they wanted to vet potential options for feasibility before bringing them publicly.

Rob commented that Liam is putting in the energy to drill down into the many ideas and sees the committee as being able to step back a bit since bureau has the staff to dedicate to the research work. He thinks the bureau bringing distilled ideas to PUB is a good plan.

Meredith asked how the suite of options would reach the targeted population and what the cost would be. Liam said he would incorporate those in from the beginning, including tradeoffs and inputs on coverage and costs.

Rob hoped the proposals will include the impact of residents on the border of those who qualify or don't qualify and the related equity issues. Communities choose to subsidize some residents but he'd like to see a conversation about the impact on those at the border of eligibility.

Liam proposed the board could look at the initial suite of proposals in November. In the meantime, he'd be interested in what parameters are most important: cost, reach, metrics, comparables, and what other questions members may have.

Rob recommended the subcommittee report back to the full board.

III. Public comment

There was no public comment.