

## **Portland Utility Board Low Income Discount Subcommittee**

November 21, 2017, 1:00 – 3:00pm  
Pettygrove Room, City Hall

*PUB Members:* Alice Brawley-Chesworth, ex officio  
Allan Warman  
Colleen Johnson  
Lee Moore  
Meredith Connolly  
Micah Meskel  
Mike Weedall  
Robert Martineau  
Scott Robinson  
Ted Labbe

*Staff:* Gabe Solmer (Deputy Director, Water Bureau)  
Cecelia Huynh (Director of Finance and Support Services, Water Bureau)  
Liam Frost (Management Analyst, Water Bureau)  
Kathy Koch (Customer Service Manager, Water Bureau)  
Elliott Lisac (Senior Financial Analyst, Water Bureau)  
Elizabeth Hilt (Budget Manager, Water Bureau)  
Ashley Tjaden (Community Outreach & Information Representative, Water Bureau)  
Shannon Fairchild (Financial Analyst, City Budget Office)  
Melissa Merrell (Principal Analyst, City Budget Office)  
Jennifer Scott (Senior Management Auditor, Auditor Services Division)  
Karen Moynahan (Deputy City Attorney, City Attorney's Office)

*Public:* Janice Thompson (Citizen Utility Board)  
Carol Cushman (League of Women Voters)  
Ian Slingerland - Home Forward - Director of Homeless Initiatives  
Linda Nguyen - IRCO - Energy Assistance Program Coordinator  
David DiMatteo - Latino Network - Family Stability Manager

### **I. Call to Order**

### **II. Affordability Project Briefing, Liam Frost and Kathy Koch, Portland Water Bureau**

Liam provided the board members with an overview of the work he's been doing at the bureau which he initially discussed at the August 23, 2017 Low-Income Discount Subcommittee

meeting. Since that meeting, Liam told the members that he has compiled his findings and would present the bureau's recommendations to improve affordability at the [presentation](#).

Kathy Koch gave an overview of the history of low-income services at the bureau. In 1994, the Low-Income Program was approved by City Council; the discount was 25% of the typical bill. In 2004, the bureau increased the Crisis Voucher from \$75 to \$150 annually and in 2007 the Utility Safety Net Program was launched. In 2009, the bureau increased the discount to 50% of the typical bill. Additionally, the bureau made some program upgrades in 2016. For example,

- Older adults on fixed incomes no longer need to recertify that they qualify for the Low-Income Discount Program. For others on the Low-Income Discount Program, the bureau is taking a more proactive approach by calling people that missed the two-year renewal program window to see if they still qualify.
- 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.

Kathy also talked about the bureau's current program (Low-Income Discount, Flexible Bill Pay, Crisis Assistance, Fixture Repair and Replacement, Utility Safety Net Program and Free Water Conservation Kits). She mentioned the bureau's generosity with crisis vouchers and that the bureau now allows people to obtain a crisis voucher before experiencing a shut off rather than after. Kathy also stated that customer service staff are trained to listen for signs that people may need a voucher. Finally, Kathy mentioned that more people are participating in the Fixture Repair Program which provides up to \$2800 for households enrolled in the City's Low-Income Assistance Program. Last year (FY 16/17) the bureau served 83 households for nearly \$94k. This year (July through September) the bureau has served 16 households for over \$25K.

Liam told members that he's looked at assistance packages nationwide and that the Water Bureau provide one the most generous and comprehensive sets of assistance. Portland residents are eligible for assistance if they earn 0% to 60% of the Median Family Income (MFI). He stated that only 3 out of 10 large utilities (serving 100,000 people or more) have a low-income program. He also noted that bureau has a suite of services rather than just one program. However, Portland is changing rapidly and Commissioner Fish would like to expand programs and coverage. Liam also talked to the board about his work with people experiencing housing crises in a previous role and is passionate about this work.

Liam talked about how affordability is a significant issue in Portland and presented Portland Household Income Distribution data (2005-2016) to demonstrate what he asserts is a stark picture. The household income data presented shows households making more than \$75,000 income increasing as a percentage of households in Portland compared to households making \$75,000 or less which decreased over the same period. Liam also presented data participation levels in the low-income discount program for the period 2009-2017. Program participation between 2009 and 2011 rose to a high of approximately 9,500 and decreased every year reaching approximately 6,500 participants in 2017.

Liam's research suggests that the bureau is doing well compared to other utilities and against industry standards, but there is more to be done. Rates of poverty in Communities of Color are increasing and many residents are moving out of the Portland 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.

Liam presented data on the percentage of Portlanders in poverty by race from 2009 to 2015. The data shows that people who identify as white made up the lowest percentage (approximately 10%) of Portlanders in poverty throughout the period. Whereas, people who identified as black or African American fluctuated between 25% and 30% of Portlanders in poverty between 2009 and 2015. People who identified as Native Hawaiian and Other Pacific Islander experienced the greatest increase in the percentage of Portlanders in poverty during the period; i.e. in 2009 the group made up less than 15% of the population. By 2015, the group made up approximately 35% of Portlanders in poverty. However, changes to how people reported their race during the period could help to explain this significant change.

Liam stated that keeping water affordable is a national challenge for utilities today as water demand is decreasing while costs to maintain aging systems and regulatory standards are increasing. Liam talked about how utility costs contribute or are part of overall poverty and housing stress in Portland. The standard of utility affordability is typically measured against median family income, but it doesn't address the increased burden of utility costs on residents in poverty. While the Water Bureau isn't responsible for solving the housing crises, Liam asserted to the board that the 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 stated that the Water Bureau's role in responding to a changing Portland is three-fold; the bureau is a public utility, a public health agency and a City of Portland bureau. Liam stressed that the bureau is committed to providing clean, safe and reliable water to all customers. Given the bureau's role and commitment to all customers, Liam stated that the proposed enhancements to the low-income services the bureau provides has three goals:

- 1) Target underserved communities and Portlanders in need
- 2) Reach customers without accounts
- 3) Reduce shutoffs for low-income customers

To develop these proposed goals and enhancements, Liam worked with several stakeholders. Some of them included Multnomah County, Home Forward, the City Attorney and providers like Latino Network. Liam also worked with the Auditor's Office. The Auditor's Office recently released a report on the bureau's Low-Income program. Audit recommendations included:

- Continue to study how to extend assistance to residents of multifamily housing.

- Collect and use data to help identify disparities, develop and measure effective payment assistance objectives and options and tailor outreach strategies.
- Focus payment assistance on customers most likely to be eligible and in need; ensure that general information about payment assistance is easy to find and understand.
- Strengthen training and program guidelines to ensure that customers receive consistent information and awards of payment assistance, including crisis vouchers. Refresher trainings should be offered. Training should include staff in social service agencies under contract to the City.

Liam talked about the work the bureau is doing that address the audit's recommendations. For example, Liam used Commissioner Fish's interns to complete a low-income database of current customers. The bureau also launched an online application for the discount that applicants can print and fill out at home. The bureau is also taking steps to identify target populations. For example, an interim improvement the bureau is making is to target low-income adults and people with disabilities. For this group, the bureau is proposing to increase the value of the crisis voucher to \$300 from \$150. The bureau is also working with the County and providers using heat maps to target people who may qualify for the program.

Liam also talked about proposed enhancements that the bureau will be including in their FY 18-19 Requested Budget. The first enhancement is to create a low-income services team to consolidate all low-income services, manage data collection and analysis, and provide customer service tailored to underserved communities and Portlanders in need. To accomplish this work, the bureau will be requesting two FTE. Liam mentioned how current staff do not have the expertise to help low-income people so this proposed enhancement addresses the report recommendations to have trained staff.

Meredith asked Kathy for more information on the bureau's current business process on assisting low-income customers. Kathy explained that currently customer service representatives refer people to 2-11, but they are not able to elaborate on the details of the programs the representative is referring them to. Customer service representatives are under pressure to keep their phone calls short to keep wait times to two minutes or less (a Key Performance Measure for the bureau). Kathy stated that creating a dedicated team will help to communicate a greater level of detail on the services available to low-income customers.

Mike asked how customer service representative will know who to refer to the dedicated low-income services team. He wondered if they would have their own phone number to call so they wouldn't have to go through the main line once they were enrolled in the program.

Ted commented that the bi-annual workshop trainings for service providers and other community groups made sense, particularly for two-way learning. Liam stated that this was a crucial piece and that creating a space for two-way learning was important.

Scott asked if Community Action Agencies were involved in the process and if he was going to go more in-depth on the multi-family program. Liam mentioned that Community Action Agencies were engaged in the process and that the multi-family piece was coming.

Liam then discussed the second piece of the proposed enhancement to increase the value of the crisis voucher. Liam provided the option of increasing it to \$300 or \$500 and provided the corresponding cost impact.

Meredith asked if the increased crisis voucher will overcompensate customers.

Kathy said that it would zero out so customers don't walk away with a surplus.

Lee asked if the bureau had considered the concept of a central clearing house to assist low-income customers.

Liam said that is what 2-11 is for, but that providers are supplementing it because it is not enough.

Rob commented that a central clearing house is not the best way and a diversity of options is better.

Linda Nguyen from IRCO provides case management energy assistance talked to low-income residents in Portland. She stated that her job is educate her clients on the resources available to them and that Liam's proposal would help them. She said she is overwhelmed with her fixed income clients, including those in public housing who don't have enough money to pay for rent and use food stamp cash to pay for water. She said that she doesn't want people to abuse the system, but to understand what is available to them. She also said that people don't understand that sewer and stormwater are on the same bill.

David from the Latino Network manages an energy team with people coming in for assistance. A lot of clients that are coming to them for assistance are facing the same challenges that Linda mentioned. David said having flexibility in the voucher program would be great. For example, having the option to go up to \$500 would be good.

Allan asked David and Linda how many people come to you for assistance?

Linda said that since October, she has had 400 people ask for assistance. Sees 2,000-3,000 a people a year for energy assistance.

David said they get 2,000-3,000 a year for energy assistance and 7,000 people overall seeking his agency's assistance.

Mike asked if the \$1.5 million in expenditures to increase the voucher to \$500 was a hard cap?

Kathy said no.

Mike commented that rather than \$300 to everyone, give them up to \$300 if they need it.

Kathy said that we tend to focus on one individual bill, but the bill represents arrears. She thought the audit was done well, but struggled with critique that callers are mistreated.

Allan asked Liam how they came up with the 3,000-participant estimate listed in the PowerPoint.

Liam responded that the bureau budgets for 5,000, but participation is declining. Planning on getting Ashley Tjaden out there to do more outreach and research to increase participation. Liam thinks its sensible to increase participation by 700 people.

Liam also talked about how the bureau was proposing to adjust the income guidelines for the program. Current eligibility is based on 60% of the state median family income, but that Portland metro does not reflect the state's income profile. He said that adjusting income guidelines to 60% of Portland metros is better for smaller household sizes; worse for larger families compared to state guidelines; propose to combine the two income guidelines.

Meredith commented that the presentation was great and helpful. She said that a sliding scale does create tension, but asked if increasing the voucher was putting pressure on people's rates. She said that because this program is only getting to homeowners, she wondered how much of an impact this was going to make. She also asked about folks on the edge of 60%. Liam responded that there are payment plan options for people at 60% or more.

Another proposed enhancement that Liam discussed was a new discount for households in poverty. The discount would increase to 80% (from 50%) of typical bill for households earning below 30% of MFI

Liam also proposed a new multi-family crisis assistance program which would provide up to \$500 of crisis assistance per household, annually. The bureau would transfer \$600,000 to Home Forward's Short-Term Assistance Program (STRA) which is then distributed to 19 community organizations. Providers are selected through RFP for 5 year contract.

David mentioned that currently three months is the limit for people to receive assistance. The average amount given is \$2400. People can be eligible for up to 2 years.

Liam stated that under the proposed program, that people at risk of eviction can receive up to \$522. The amount is determined by the average annual consumption formula.

Linda asked if this was for subsidized housing only.

Liam stated that this is for market rate apartment renters. He said that no other utility is doing this. Liam said that eviction prevention is something that works, i.e. 80% of people that receive assistance are still in their homes after one year.

Meredith commented that she is thinking about need. She asked where the 1,200 number came from. Is it a pilot? Do we expect it to grow?

Liam said that 1,200 is coming from Home Forward. We will tinker with this.

Mike mentioned the audit finding that the bureau did not see a problem with uncollected bill revenue because the amount was so low. He said that once the bureau starts marketing the program, people will need to pay their due to make sure water sales revenue gets collected. He

also stated there is no guarantee that the people who will get the money are really impacted by the water portion of their rent. The tie is tenuous.

Liam summoned Karen Moynahan to address the use of water sale revenue to pay for eviction prevention.

Karen stated that it needs to be reasonably related to provision of water and sewer. She said that SDC waivers and the Judge's interpretation was key here in her conclusion that the proposal could use water sales revenue for this purpose.

Alice said that Liam described it as a reimbursement. She asked if that made a difference in whether it was proper to the use funds for this purpose.

Karen said we run afoul to city charger if we use rate payer funds incorrectly.

Ted asked how Liam came up with target to serve 1200 people. He mentioned that if you reach that amount than you are still underserving the population in need. He asked if the bureau was prepared to be totally overwhelmed with people asking for assistance.

Liam said that they would figure it out.

Mike said that word will get around.

Ian stated that the 1,200 estimate is because of the constrained capacity of the current program. He said that the \$500 would be in addition to the assistance already delivering.

Scott asked for clarification of what the 2 years of assistance represented and if the \$2,400 was a cap.

Ian said that there was no limit and the amounts given were an average.

Scott asked how they will make sure this program supplements LIHEAP, etc. and does not become a substitute for it.

Ian said he doesn't know.

Liam said that if we stay in our lane, we will be ok.

Meredith said she is super excited about this proposal, but keep coming back to what the rate impact will be for people not in the program. She wondered what the unintended consequences were of the proposal. She was concerned that if things were not capped, that the funding was spread so that as many people as possible benefited.

Gabe said that the proposal was not fully baked and that the PUB's feedback was welcome.

Liam said the PUB should think about how flexible the voucher should be.

Rob mentioned at the August low-income subcommittee meeting that the work had a conservation aspect to it, such as a FTE to augment the conservation team. He mentioned that this is something that should be considered. He also said that maybe the \$300 to \$500 could be paid over several installments rather than one.

Kathy stated if you are in the low-income program, you can still get late fees.

Linda commented that the late fees are a lot. They really add up for people.

Kathy said they struggle with that issue. It costs money to advertise the low-income program so it's a balanced approach.

Linda said that if the bureau offered the ability to be billed monthly, more people would pay their bill on time.

Kathy mentioned that she has been researching smart metering for 20 years and that many people have done this. It's a 40 million price tag.

Liam invited Jennifer Scott to the table to talk about her audit on the program.

Jennifer said that she had nothing formal prepared but she'd start by going over the report's high level findings.

Mike asked how many people have been bitten by dogs during shut-offs? Kathy said not a lot. Rob said that shut off valve is not attached to the house, so staff is not going onto personal property.

Ted asked Jennifer if she thought Liam's proposal addresses the report's finding to "analyze the data better recommendation?"

Jennifer said that best practices encourage utilities to understand its customers and to use data to target people in need; i.e. running a match between people that paid late or shut off and low-income list.

Kathy stated that they have started to look more at our data. We almost prided ourselves at not knowing who our customers were. We treated everyone the same by not knowing them. It's a shift now to figure out who is behind the door.

Gabe stated that the low-income group will be doing the data analysis.

Meredith commented that multiple shut offs a year are costly to the bureau.

Jennifer mentioned that best practices suggest that you should understand customers that are being shut off multiple times a year to develop and implement a solution.

Kathy stated that the bureau does not own the data to do that work.

Meredith asked if that was in the recommendation.



Kathy said that it's in number two.

Meredith questioned whether the barrier is being addressed.

Kathy said to talk to Janice for more information.

Meredith asked who avails themselves of these types of programs, including those not just in Portland, but everywhere. Did you look at who is being missed?

Jennifer stated the bureau puts a lot of weight on the customer to figure out what is available. We didn't measure that specifically.

Kathy stated that the bureau provides Spanish speaking options now for customers.

Ted commented that Rockwood P&D serves the outer east. He asked the bureau how they would interact with that piece?

Liam said that they would get some assistance, but not the same amount. They are figuring it out.

Rob asked if there was public comment?

Meredith asked if CUB was weighing in.

Janice said that she met with Liam and looks forward to seeing a decision package.

The meeting adjourned at 3:45 PM.