

Utility Safety Net Assistance Program

OBJECTIVES

The proposed Utility Safety Net Assistance Program expands the scope and reach of the existing Low Income Assistance Program in order to achieve the following objectives:

1. Provide additional tools for single-family residential customers to manage their utility bills during temporary periods of personal and family crisis.
2. Maintain the customer responsibility to pay for utility services received from the City.
3. Defer the City's use of water shut-off without undermining the City's fiduciary responsibility to recover the costs of providing utility services.

PROGRAM ELEMENTS

The program consists of four basic components: (1) deferred water shut-off; (2) a waiver of any recent delinquency charges; (3) interest-free payment plans; and (4) financial assistance. These elements are used in concert to provide the time and means for customers to manage their way through a temporary crisis. The program, including deferral of water shut-off, is conditioned on responsible efforts by the customer to make regular, agreed-upon installment payments towards the payoff of any account delinquencies.

The City and the customer jointly determine the length of the deferral period and the size and number of installment payments based on the size of the account delinquency and the depth or severity of the hardship. An initial amount of financial assistance is provided at the outset after communication with the customer regarding the crisis situation. The conditions of the assistance result in a signed agreement. At the end of the agreement period, the City provides additional financial assistance to further help bring the account current.

The customer returns to a normal billing cycle once the agreement ends, or may work with the City to establish a new payment plan (outside of this Utility Safety Net Assistance Program) for any remaining outstanding account balance. The City may cancel the Safety Net agreement and revoke any financial assistance at any time for lack of performance by the customer.

The Utility Safety Net Assistance Program assumes that the customer has taken advantage of all other City financial assistance programs to the greatest extent possible. If not, the City shall work with the customer to enroll in any applicable programs, before entering into a Safety Net Agreement (see p. 3 for currently available programs and benefits that might be applicable). It is important to note that this Utility Safety Net Assistance Program is not limited exclusively to low-income customers, although these customers are the most likely beneficiaries of the program.

The Utility Safety Net Assistance Program is not intended to be a permanent form of assistance or to eliminate the customer's financial responsibilities. Instead, it is intended to be a temporary form of assistance to enable the customer to resolve temporary crisis situations. The program is also designed to prevent participation by ratepayers who are able to pay their utility bills but choose not to do so.

ELIGIBILITY

A single-family customer may become eligible for the safety net assistance if any one of the following three eligibility criteria is met:

- Extraordinary medical expenses, such as hospital care, post-operative medical costs, medications, treatments, etc., such that those expenses would render the customer unable to pay the bill and avoid shut-off; or
- Recent adverse change in employment status, such as unemployment, significant reduction of work hours, significantly lower paying job, etc., such that the change would render the customer unable to pay the bill and avoid shut-off; or
- Recent change in household status that adversely impacts the ability to pay, such as divorce, separation of domestic partners, death of spouse or partner, etc., such that the change would render the customer unable to pay the bill and avoid shut-off.

Eligibility for the current low-income assistance program would not be a pre-condition for eligibility for the Safety Net Program.

Receipt of the Utility Safety Net Assistance Program benefits would result in the customer not being eligible for receiving these benefits again for a period of 36 months.

SAFETY NET BENEFITS

Upon determination of eligibility, the customer service representative would offer the customer the following benefits:

- A one-time up front credit against the outstanding balance of \$50.
- A waiver of any outstanding delinquency fees that had been assessed within the prior 3 months.
- A new payment plan documented in writing that would be worked out and agreed to with the customer.

- An agreement that water shut-off actions would be suspended as long as the customer adheres to the agreed upon payment plan.
- At the end of 12 months of adherence to the payment plan, the customer's then-outstanding balance would be reduced by 50% or \$300, whichever is less. Any additional payments under the payment plan would continue to be applied to this reduced outstanding balance. If the payment plan has not been followed, the customer would not receive this credit and would be subject to the normal shut-off processes, if applicable.
- Depending on the balance owing and determination that the customer is not participating or no longer in need, the City will reserve the right to remove a customer from the program, and the customer will forego any remaining benefits.
- If the customer is a low-income discount eligible customer, the customer would also be provided with the currently available benefits for qualifying customers, if they were not already receiving this assistance. These benefits could include:
 - Low income discount equal to 40% of the typical low income customer's bill
 - Once-a-year crisis voucher of \$150
 - Plumbing fixture repairs, if applicable
 - Interest-free payment plans (available to all customers)
 - Conservation devices to help reduce water use
 - Goodwill adjustments and write-offs
 - Assistance in applying for the Clean River Rewards program (available to all customers)
 - Assistance in applying for earned income credits

IMPLEMENTATION AND ADMINISTRATION

The program will be administered and implemented through the Portland Water and Sewer Utilities Customer Services Group. Customers who might qualify for this safety net assistance would be directed to two or three individuals specifically authorized to make eligibility determinations regarding the 3 criteria listed above. This funneling of potential applicants to a small number of authorized, highly-experienced staff helps provide greater consistency in providing assistance, as well as specialized skills in dealing with the wide diversity of circumstances that customers face.

Eligibility would not be determined by a strict methodology or set of objective criteria, because of the wide diversity of potential circumstances. Instead, there would be guidelines that the designated customer service representatives would follow.

Verification and documentation of the crisis situation could be provided in a variety of ways, such as the following examples:

- For extraordinary medical expenses, the customer could provide copies of such expenses or provide a doctor's letter indicating in general terms that a member of the household has a medical condition that likely would result in significant expenses, etc.

- For changes in employment, the customer could provide recent pay stubs, a letter from the employer, verification of receipt of unemployment benefits, or other similar documentation that the employment circumstances had adversely changed in recent months.
- For changes in household status, the customer could provide various documents, such as a divorce or separation decree, copy of change of domestic partner status form filed with an employer, a notarized statement that the household status had changed, or other similar documentation.

The designated representative(s) would have discretion to evaluate the customer's documentation and grant or deny eligibility. Denial would not impact any other options that the customer might otherwise have, such as establishing payment plans, application for low-income discounts, etc.

In cases of denial of request for these benefits, the customer would have the right to appeal to the Administrative Review Committee. In making such appeal, the customer would have the right to provide whatever additional documentation the customer believes would support the claim of eligibility.

Requests for safety net benefits, including submittal of any documentation, could be made by the customer, the customer's designated representative, or a recognized case worker on behalf of the customer.

ADVANTAGES OF THE PROPOSAL

- Allows for flexibility in determining eligibility for these benefits, reflecting the wide array of circumstances facing customers.
- Focuses on customers who are most likely to have the greatest need for assistance beyond what is currently available. This is particularly true for customers who have incomes too large to qualify for the low-income assistance program, but have extraordinary medical bills that result in insufficient residual resources to pay the water/sewer bill.
- Provides some up-front assistance to the customer by reducing the outstanding balance at the outset.
- Includes customer buy-in and acceptance of the terms of a negotiated payment plan, rather than uniform conditions being imposed on the customer by the City.
- Provides a measurable and potentially significant incentive for customer follow-through in adhering to the payment plan by means of the bill reduction at the end of one year.
- By relying on the combination of bill credits and payment plans, there is the opportunity for the customer to avoid the possibility of ever-increasing outstanding balances that make full payment ever-more problematic.
- Potentially avoids shutting off the customer's water for a period of a year or more, provided that payment plans are followed, which should be long enough for the customer to adjust their situation to better afford to pay their bill.

- Minimizes (but does not completely eliminate) the incentive for abuse of the system by customers who never intend to follow the payment plan agreement.
- Administrative costs are anticipated to be minimal, assuming anticipated participation levels.