

UTILITY PAYMENT ASSISTANCE: Program improvements would enable City to assist more customers

October 2017



Portland City Auditor
Audit Services Division

Cover Photo
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Production / Design
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UTILITY PAYMENT ASSISTANCE:

Program improvements would enable City to assist more customers

Summary

The interests of Portland's water and sewer utilities to recover costs compete with its equity goals to provide reliable basic services to all residents and reduce disparities.

The Water Bureau bills for water, sewer and stormwater services, and most residential customers pay quarterly. These bills can pose a hardship for customers with limited incomes, and some customers fall behind in their payments. The Bureau shuts off water to compel payment of delinquent bills. Some households have their water shut off repeatedly, and some for many days.

To help low-income customers pay their bills, the City introduced a low-income discount program in 1995 and set a goal to enroll 10,000 customers. The goal has never been reached despite the City's efforts to achieve it. The City offers other payment assistance to customers regardless of income.

Payment assistance programs should be grounded in an understanding of customers' needs. To be most effective, they must be tailored and regularly measured.

The City has not used customer nonpayment data to develop its payment assistance programs for utility bills. It therefore has not tailored them based on need and cannot measure their effectiveness. Improvements can be made in the existing low-income discount program, but data analysis is necessary to maximize its potential to help the most vulnerable customers.

Demand for assistance may increase as utility rates rise. Since 2000, the number of Portlanders living in poverty has grown and the rate is higher for residents living in multifamily housing. The City has studied how to offer discounts to those who live in apartments and pay for some utilities, including water, as part of their rent rather than directly to the Water Bureau, but solutions have been elusive.

Background

The Water Bureau is responsible for collecting payments for water as well as sewer and stormwater services provided by the Bureau of Environmental Services. City Code gives the Bureau authority to collect revenue and shut off water to compel payment.

The City has nearly 160,000 single-family residential customer accounts for combined utility services, which can be paid quarterly or monthly. According to the Water Bureau, the median quarterly bill in Fiscal Year 2017-18 was about \$300. Currently, 13 percent of single-family residential accounts are enrolled in the monthly statement program.

The Bureau's debt collection process spans nearly two months. In the Bureau's survey of 13 other water utilities, Portland fell in the middle for the length of time before water is shut off (57 days) and was among the highest for shutoff fees (\$80). There are several points during the billing process where the Bureau communicates with customers through several methods. The Bureau's call center receives about 1,000 customer phone calls a day, and the walk-in center serves about 16,000 customers a year.

The Bureau must be sensitive to affordability and customers' ability to pay because water is essential and the City committed through the Portland Plan to provide reliable basic services for all. Oregon Plumbing Code requires homes to have water service to be habitable.

Audit Results

The City offers various payment assistance options to residents living in single-family homes. Some assistance is specifically for low-income customers, while other help is available to all customers regardless of income.

Pressure on the City to deliver effective and equitable payment assistance will increase given existing trends in poverty and forecasted increases in utility rates and higher numbers of apartment dwellers who pay for services through their landlord rather than directly to the City.

To meet this challenge, the Water Bureau must improve its ability to access customer data and use it to design effective programs and target outreach, ensure information about payment assistance is easy to find and understand, and strengthen customer service training so customers receive consistent information about payment options. Additionally, the City must continue to study how to extend assistance to multifamily housing.

Bureau has not used existing customer data to target assistance where it's most needed

To design an effective payment assistance program, experts recommend utilities analyze customer payment trends and possible reasons for nonpayment to help define objectives. This analysis should identify customers who experience repeated shutoffs, a trend that suggests sustained financial difficulties that current assistance has not helped improve.

In addition to guidance from industry experts, the City's 2012 Portland Plan instructs bureaus to collect data needed to identify disparities and understand conditions and challenges facing communities experiencing them.

The Bureau does not use customer payment trends as recommended. It also does not collect demographic information other than location data that would enable it to identify and address possible disparities.

Without such understanding, the City risks assigning resources to assistance that may not help resolve issues of nonpayment. The City also cannot measure if the payment assistance options were effective and led to equitable outcomes.

Bureau managers cited three reasons for not analyzing customer payment trends:

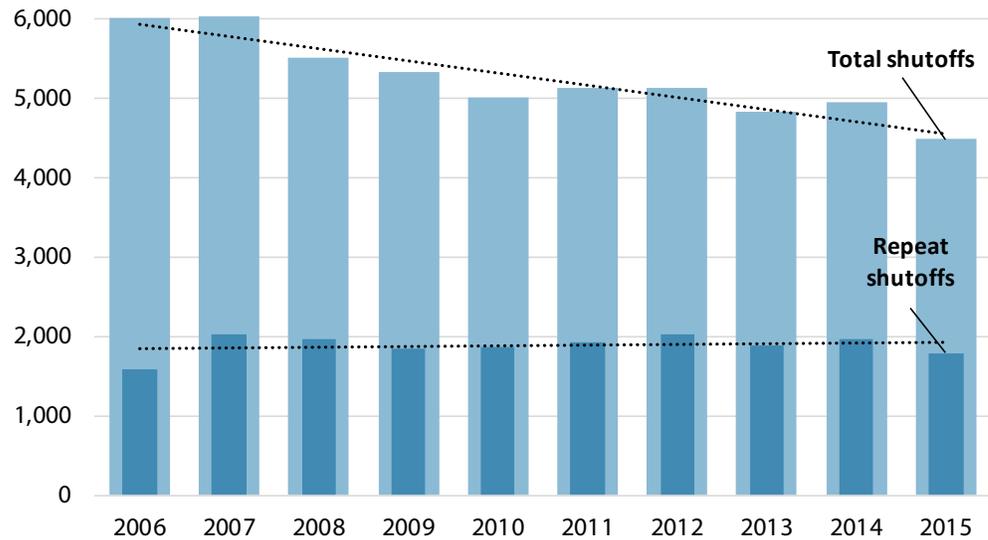
- They don't control payment data;
- They don't consider the level of nonpayment a problem; and,
- Customers are not without water for long after being shut off for nonpayment.

The Revenue and Finance Bureau manages the utility's customer information and billing system, which Water Bureau managers said restricts their access to payment information. The Bureau must request that Revenue and Finance create queries to pull data from the system. Water Bureau managers believe they could better access and use customer data if they managed the billing and payment system and the staff who work on it.

The second reason cited by Water Bureau managers for not basing assistance programs on data analysis is they do not consider nonpayment a problem because the uncollected debt rate is low. The Bureau writes off less than 1 percent of its debt as uncollectible. There are, however, many customers who experience the Bureau's debt collection process. We found that at any given time about 30 percent of the amount customers owe is overdue. During each month of 2016, between 26 and 39 percent of accounts receivable were at least 31 days late.

Managers considered the shutoff rate to be low. About 2 percent of single-family residential accounts were shut off at least one time during 2015. That year there were about 4,500 single-family residential water shutoffs for nonpayment, 40 percent of which were repeat shutoffs. Our analysis showed that the total number of shutoffs declined since 2006, but the proportion of repeat shutoffs remained relatively steady. Of those individual households, the percentage that had water shutoff multiple times a year increased from 14 percent in 2006 to 22 percent in 2015.

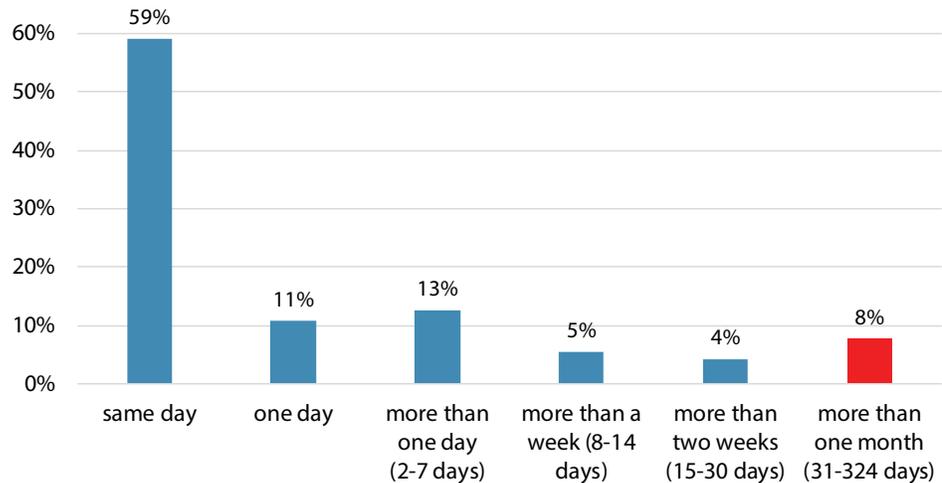
Total shutoffs down, repeat shutoffs steady



Source: Auditor analysis of 2006-2015 single-family residential customer shutoffs from Customer Information System (Cayenta) queried by Revenue Bureau

Managers said most customers who paid their bill had their water restored the same day. Our analysis confirmed that 70 percent of accounts were restored within one day or less, but the remainder were without water for longer periods. 8 percent were without water for more than one month. Bureau managers told us that some of these households may have been vacant, but they cannot be certain because they are not analyzing customer shutoff data.

Most 2015 shutoffs reconnected same day, but some customers are without water for extended periods



Source: Auditor analysis of 2015 single-family residential customer data from Customer Information System (Cayenta) queried by Revenue Bureau.

Customers without water may experience additional hardship with meal preparation, cleaning, and personal hygiene. Without water to flush the toilet, a home can quickly become unsanitary. Oregon Plumbing and City Code require homes to have running water, so the City's Bureau of Development Services can enforce a Code violation on homes without running water, which could result in eviction.

Discount program helps some low-income customers but improvements are needed

To address affordability issues, the bureaus of Water and Environmental Services began the low-income discount program in 1995. The discount is available to customers with household incomes at or below 60 percent of Oregon's median household income and includes some elements recommended by utility payment-assistance experts.

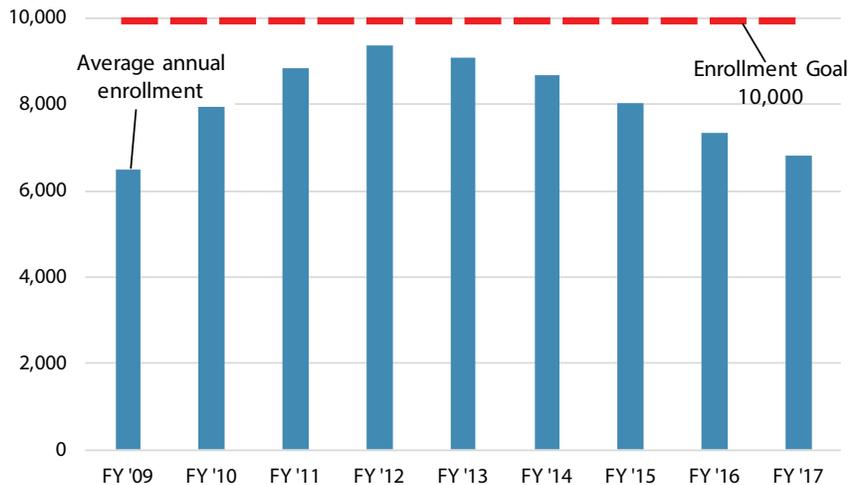
Who qualifies for low-income discount program?

Family size (adults plus children)	Monthly income less than
	\$1,886
	\$2,466
	\$3,046
	\$3,626
	\$4,206
	\$4,786
	\$4,895
	\$5,003
Household income must be at or below 60% of Oregon's median household income.	

*Eligibility requirements for October 2016 – October 2017
Eligibility data from Portland Water Bureau*

Portland established an enrollment goal of 10,000 low-income households. That goal has never been reached, even though a 1997 change to the program’s income eligibility increased the number of households that could qualify. Water Bureau managers said they do not collect the information on customers to understand why the City has fallen short of the goal.

Low-income discount program enrollment declining since 2012, falls short of goal



Source: Auditor analysis of 2009-2017 low-income discount program enrollment data provided by Water Bureau.

Customers can apply for the discount program in a number of ways and must reapply every two years unless they are seniors or persons with a disability. There are seven social service agencies under contract with the City to help applicants. They also can apply online or through the mail. The Bureau recently began working with Home Forward, Multnomah County’s housing authority, to automatically enroll pre-qualified residents who live in single-family homes.

Enrollment gains possible with better targeting, communication and training

The low-income discount program has three components: a quarterly fixed discount of \$142; an annual crisis voucher of up to \$150; and fixture repair and replacement for homeowners. Although the program helps some customers reduce their bills, it could assist more by making improvements in outreach, communication and training.

Experts recommend various types of discounts to assist low-income customers, including a percent discount, discounts on portions of the bill, or one where the amount a customer owes is equivalent to a set percentage of their income. The type of discount should be informed by customer nonpayment patterns, including repeat nonpayment and shutoffs. The information helps utilities determine if it is better for their customer base to have narrow eligibility and a generous discount or broad eligibility and a small discount.

In 2015, the Bureau provided more than \$4 million in discounts through the program. Rather than using information to tailor assistance, the Bureau provides a fixed discount of \$142 for quarterly bills no matter the total amount due. The amount reflects 50 percent of the typical bill for low-income households. The result of fixed discounts is that customers who owe less receive a higher proportional benefit than those who owe more.

Account Number 223-456-789-0
 Customer Name JOE Q PUBLIC
 Service Address 123456 W DEMO ST

Pre-discount amount due \$200

71% discount

\$58 due

Account Number 223-456-789-0
 Customer Name JOE Q PUBLIC
 Service Address 123456 W DEMO ST

Pre-discount amount due \$600

24% discount

\$458 due

Crisis vouchers are an option to assist customers in the low-income discount program who are experiencing a financial hardship. Customers are given a voucher of up to \$150 annually if they communicate to customer service staff that they are facing a financial crisis. In 2015, the Bureau granted \$175,000 in crisis vouchers.

Who is offered a voucher largely is left to the discretion of individual customer service representatives. The Bureau does not have guidelines that define a qualifying crisis, and opinions varied among customer service staff. Variations existed among employees in the social services agencies staff, too. Staff from one agency that enrolls customers in the discount program did not tell clients about the voucher, citing concern they will become dependent on it. Inconsistencies in interpretations of qualifications and information sharing may result in eligible customers receiving dissimilar benefits.

Outreach not targeted to customers most likely to need discounts

Customers cannot apply for a discount program if they don't know it exists, so education and outreach is an important component. Utilities should focus outreach on customers most likely to be eligible and benefit from payment assistance.

We found that the Bureau does not target its outreach about payment assistance to customers with demonstrated payment problems and has limited outreach to low-income residents. Its strategy instead has been to provide general information to all customers, largely depending on them to find out about the low-income discount program on their own.

The Bureau said it has taken steps to improve outreach to underserved communities. It recently developed a racial equity plan that includes increasing accessibility to the low-income discount program for people of color, immigrants and refugees. In June 2017, the Bureau hired an employee whose duties include outreach to underserved populations. Gauging the effectiveness of these changes will require the Bureau to begin tracking customer demographics and nonpayment trends.

The Bureau has not used existing data to identify customers who may be eligible for payment assistance and are not receiving it. Only 16 percent of households who had water shut off in 2015 were enrolled in the discount program. This suggests that the program assists some customers in maintaining service, but also that many others need assistance and are not receiving it. Comparing a list of customers who have had their water shut off with a list of discount program participants would be a first step in identifying customers who should be the focus of targeted outreach.

The Bureau provides information about the discount program online, through the mail, and over the phone, but there are some barriers that may limit its reach.

- Website: Information about the discount program is available on the financial assistance page of the Bureau's website for customers with internet access, but it is difficult to find. There is no information on the City's main page and there is no permanent link to payment assistance information on the Bureau's page. Customers may catch a message that rotates about every 40 seconds about payment assistance. Alternatively, they must click through several different pages to find the information.
- Bill mailers: Information about the discount program is sent to all customers who receive bills in the mail, both on the back of the paper bill and in occasional newsletters or brochures. Research estimates that less than half of customers read materials included with their bills. Sixty three percent of customers the Water Bureau surveyed reported that newsletters were their preferred method for getting information. Customers enrolled in paperless billing do not receive paper bills, so they do not see the information or receive the newsletters or brochures. The Bureau began including a link to financial assistance information in the payment-due notification email sent to paperless customers in July 2017.

Account Number:

City of Portland Utilities

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<p>Payment Methods</p> <ul style="list-style-type: none"> • Mailing AddressPO Box 4216, Portland, OR, 97208-4216 • Online Payments..... www.portlandoregon.gov/utilitybill • Checking Account Payment503-823-7770 • Credit or Debit Card Payment.....503-823-7770 • In Person: 1st floor, 1120 SW Fifth Ave. Portland, OR 97204 • Drop Box Payments The Portland Building1120 SW Fifth Ave. <p>Sign Up for auto-pay online at www.portlandoregon.gov/utilitybill or call 503-823-7770.</p>	<p>Important Information</p> <p>Customer Services</p> <p>Phone Number503-823-7770</p> <p>HoursMonday-Friday, 8:00 a.m. to 5:00 p.m.</p> <p>E-Bill Enrollment</p> <p>Sign up at www.portlandoregon.gov/utilitybill</p> <p>Payments</p> <ul style="list-style-type: none"> • Paying by check? You are authorizing us to make a one-time electronic funds transfer from your account or to process the payment as a check transaction. • Returned Payments will be subject to a \$35 fee. • Deposits made to the drop box after 2:00 pm will be posted to accounts on the next business day. <p>Having trouble paying your bill?</p> <ul style="list-style-type: none"> • Avoid late payment fees by paying the balance in full or by making payment arrangements prior to the due date. • Bills become delinquent if not paid by the due date printed on the initial bill or notice. • Fees may continue to be assessed against any unpaid charges, even after water has been shut off. • Personal information may be used for account management and collection services. <p>Financial Assistance</p> <ul style="list-style-type: none"> • You may qualify for financial assistance. Please contact Customer Service for information. 																								
<p>Explanation of Billing Details</p> <p>Water and Environmental Services customers pay a utility license fee that helps fund general city services including but not limited to fire-fighting, police services, and fees for parks. The utility license fee is a small percentage of each of the charges listed under the Portland Water Bureau and the Bureau of Environmental Services.</p> <p>Bureau of Environmental Services</p> <ul style="list-style-type: none"> • Sewer volume charge: pays for sewage treatment and system construction, maintenance and repair. Residential sewer volume charges are based on winter average water use, or actual use, whichever is lower. Commercial sewer volume charges are based on actual water use. • Stormwater charge: Off-site charge pays for repairs, maintenance, and renewal of facilities that manage stormwater runoff from city streets. On-site charge pays for facilities that manage stormwater runoff from private property. • Portland Harbor Superfund charge: Helps fund the city's required participation in the ongoing federal superfund investigation into historic pollution of the Willamette River. Contact Environmental Services at 503-823-7740 or go to www.portlandoregon.gov/bes <p>Portland Water Bureau</p> <ul style="list-style-type: none"> • Base charge: pays for the meter reading, billing, collection, and customer support. This is a daily fixed charge. • Water volume charge: pays for repairs, maintenance, and renewal of the water system. This charge is measured in units of 100 cubic feet (called CCF) used. One CCF = 748 gallons. 	<p>Typical Billing and Collection Cycle</p> <table border="0"> <tr> <td>Day 0</td> <td>Bill Date</td> <td></td> </tr> <tr> <td>Day 21</td> <td>Due Date</td> <td></td> </tr> <tr> <td>Day 28</td> <td>Carrying Charge.....</td> <td>1% penalty</td> </tr> <tr> <td>Day 35</td> <td>Reminder Late Fee.....</td> <td>\$5.00 charge</td> </tr> <tr> <td>Day 42</td> <td>Pre Shut Off / Urgent Notice Fee..</td> <td>\$15.00 charge</td> </tr> <tr> <td>Day 49</td> <td>Last Chance Notice Fee.....</td> <td>\$15.00 charge</td> </tr> <tr> <td>Day 56</td> <td>Shut Off Authorization Late Fee....</td> <td>\$71.25 charge</td> </tr> <tr> <td></td> <td>Returned Payment.....</td> <td>\$35.00 charge</td> </tr> </table>	Day 0	Bill Date		Day 21	Due Date		Day 28	Carrying Charge.....	1% penalty	Day 35	Reminder Late Fee.....	\$5.00 charge	Day 42	Pre Shut Off / Urgent Notice Fee..	\$15.00 charge	Day 49	Last Chance Notice Fee.....	\$15.00 charge	Day 56	Shut Off Authorization Late Fee....	\$71.25 charge		Returned Payment.....	\$35.00 charge
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Back of water, sewer and stormwater bill. Arrow added by Audit Services Division.

- Call center: The Bureau's customer service call center is an essential tool to provide information to customers about the discount program. In our customer surveys, most respondents said the call center was where they got information. Information-sharing methods that place the onus on a customer to call and request assistance have limited reach. Although the call center offers translation services, staff from social service agencies said that some clients are not comfortable calling the Bureau to ask for assistance because of cultural and language differences and immigration status. Additionally, if customers do not know that financial assistance exists, they would not have a reason to call and ask for it.

Improvements needed to strengthen customer service training

The Bureau employs about 30 customer service representatives in its call center who provide information and collect payments. Customers and social service agency staff reported varying experiences calling customer service. Some reported that they were not treated with respect, while others reported positive and helpful interactions.

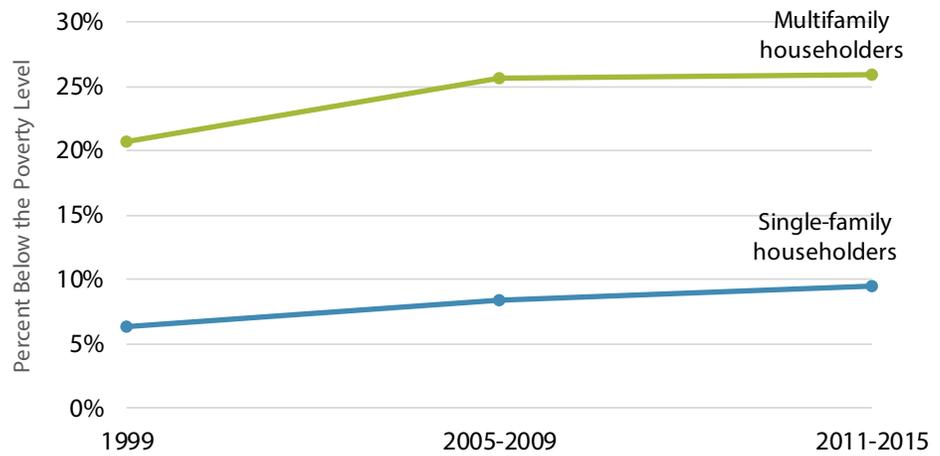
Customer service representatives are trained to ask customers why they are unable to pay their bill. For customers who disclose that it is because of limited income, representatives are expected to discuss the low-income discount program. A Bureau manager said representatives should not discuss the discount program with all customers who call about late bills to avoid possibly offending customers who are not low-income.

Employees involved in the debt collection process should be trained to be sensitive to customers' financial hardships and about the benefits of payment assistance to the utility and the customer. Staff should also be trained to listen for indicators of financial distress, so they can respond when a customer may need assistance but is not explicit about it. Customer service representatives should be knowledgeable about how to apply for other types of assistance that could help customers free up money to pay their utility bill. The new employee training materials did not include this information. Water Bureau managers said this is covered in training sessions, but not included in training materials.

Assistance not available to Portlanders who may need it most

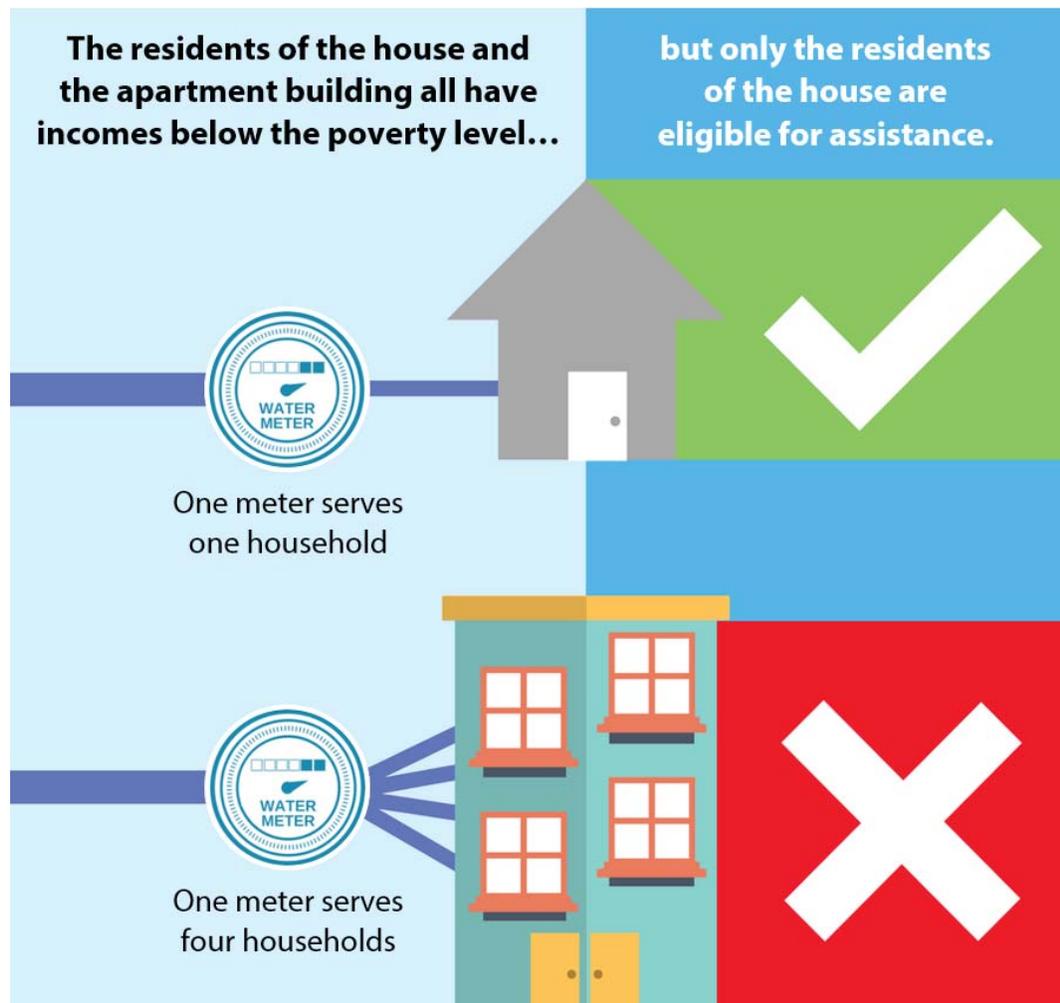
In Portland, residents of apartments and other types of multifamily housing are more likely to need payment assistance. Since 1999, residents living in multifamily housing have been twice as likely to have incomes below the poverty level than residents living in single-family housing.

Poverty rate for multifamily households is more than double that of single-family households



Sources: 2000 Census Public Use Microdata File; 2005-2009 and 2011-2015 American Community Survey Public Use Microdata Files. Estimates compiled by Population Research Center, Portland State University.

The City’s low-income discount program often is not an option for those who live in apartments, because they may not receive a bill as a direct customer of the Water Bureau. Most apartment dwellers pay for water, sewer and stormwater services as part of their rent; their landlord is the direct customer of the Bureau. That means they cannot receive assistance even if they otherwise would be eligible, but at the same time help subsidize the program for others. For that to change, each apartment would need its own water meter so the Bureau or a third party could bill based on consumption.



Single-family homes make up the bulk of housing stock in Portland, but the proportion of multifamily housing units is growing. In 2015, 84 percent of new housing production in Portland was apartments and condominiums, and demographers expect this trend to continue. Unless multifamily units have individual water meters or sub-meters, the number of residents eligible for bill payment assistance will shrink in comparison to a growing consumer base.

For 20 years, leaders in Portland have studied how to expand the low-income discount program to include residents living in multifamily housing, but solutions have been elusive. Impediments include the administrative costs of ensuring benefits are passed along from landlords to tenants, and Environmental Protection Agency guidelines that constrain sewer rate discounts.

In 2015, the Commissioner in charge of the utility bureaus appointed two workgroups to study expanding the discount program. One workgroup produced a report that recommended extending the discount to renters of government-regulated multifamily housing, such as those overseen by Home Forward.

The second workgroup, a subcommittee of the Portland Utility Board, continues to study the discount program, but in 2016 they presented three options to the full board:

1. Maintain the program goal of 10,000 enrollees and focus outreach in high shutoff areas;
2. Expand the goal and include residents in government-regulated multifamily housing; or,
3. Phase out the program over time.

Expansion of assistance to multifamily housing has not occurred. Given the projections for more apartments, inaction by the City will result in a growing population that is ineligible for assistance.

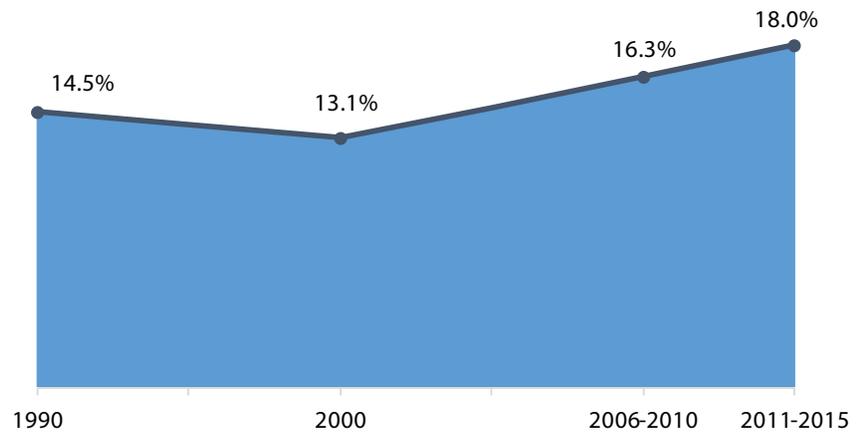
Demand for payment assistance likely to grow

Portland's combined utility rates meet the federal guidelines for affordability, but rates are increasing and are out of step with the Consumer Price Index. Portland's poverty rate has also grown, but even customers living above the poverty level can struggle paying their bill. As poverty grows and rates rise without increases in wages, demand for payment assistance will grow.

The U.S. Environmental Protection Agency considers a combined annual water and sewer bill of less than 4.5 percent of median household income affordable. The Bureau calculates that Portland's average combined bill is 2.1 percent of median household income. Although Portland's rates are well within the affordability threshold, rates are increasing faster than the Consumer Price Index, a measure of the average change in prices for goods and services (including water and sewer costs). Customers will see their bills rise further as the City begins treating water to meet federal requirements. Increasing rates without corresponding increases in wages pose more hardship for Portlanders with incomes near or below the poverty level.

Since 2000, the percentage of Portlanders below the poverty level has grown. While some customers have their water shut off, other customers with financial difficulties may never pay late because they have made financial trade-offs.

Portland's poverty rate increasing since 2000



Source: 1990 decennial census as reported by Brookings Institute, 2000 decennial census, 2010 and 2015 5-year American Community Survey estimates

Using customer data, targeting outreach and improving training could increase the City's ability to improve its payment assistance options for low-income Portlanders. It also would position the Bureau to better meet increased demand for payment assistance.

Recommendations **We recommend the Water Bureau:**

1. Continue to study how to extend assistance to residents of multifamily housing.
2. Collect and use data to help identify disparities, develop and measure effective payment assistance objectives and options, and tailor outreach strategies. This requires identifying and resolving gaps in customer data collection, management and analysis tools.
3. Focus outreach for 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.
4. 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.

Objective, scope and methodology

Our audit objective was to determine if the Water Bureau has an effective approach to assist its payment-troubled customers as outlined in the Water Research Foundation and the U.S. Environmental Protection Agency's Best Practices in Customer Payment Assistance Programs. We considered the following payment assistance options in our review—Low-income discount program, safety net program, water efficiency program, monthly statements, payment arrangements, fee waivers, clean river rewards, leak adjustments. We focused on single-family residential accounts in our review.

To accomplish our audit objective, we:

- Interviewed managers and staff from the Water Bureau, Bureau of Environmental Services, Revenue Bureau, four social service agencies that enroll clients in the low-income discount program, and staff assigned to the Public Utility Board
- Observed water shutoffs and checks for illegal water usage
- Listened to the phone calls between customers and three Water Bureau customer service representatives
- Researched State laws, City Code, bureau policy, prior audits, program evaluations, and best practices related to payment assistance, shutoffs, billing and rates
- Reviewed information available on the Water Bureau's website about assistance program options
- Reviewed mailed communication and other public outreach on payment assistance provided by the Water Bureau
- Reviewed new employee training materials
- Analyzed changes in water, sewer and stormwater rates
- Analyzed shutoff rates and low-income discount program participation for single-family residential customers between 2006 and 2015 using data from the Water Bureau's customer information system.

- For accounts shutoff as part of the automatic process in 2015, we performed the following analysis of data:
 - Analyzed the length of time without water
 - Participation in the monthly statement program
 - Rate of payment arrangements established and broken
- For all single-family residential accounts in 2015, we performed the following analysis of data:
 - Participation in the monthly statement program
 - Rate of payment arrangements established and broken
 - Quantity and value of fee waivers and the reason codes assigned
- Reviewed Portland Housing Bureau data on housing stock and multifamily unit production
- Analyzed data on low-income discount program, safety-net program, and water efficiency program obtained from program managers
- Analyzed Federal data on poverty, housing, and the Consumer Price Index
- Contracted with Portland State University's Population Research Center for the analysis of poverty rates for Portland's single-family and multifamily residents
- Reviewed reports and attended trainings on housing, poverty, equity, and payment assistance
- Surveyed 100 customers whose water was shut off in July 2016 (8 percent response rate) and 100 customers who received a last chance notice in July 2016 (7 percent response rate)
- Contracted with the Community Engagement Liaison program to obtain responses to a survey that we wrote and had translated in Spanish (22 responses), Russian (16 responses) and Mandarin (15 responses)
- Provided surveys in English, Spanish, Russian and Mandarin to two social service agencies that enroll customers in the low-income discount program to distribute to clients. We received seven responses in English and three responses in Spanish

- Attended meetings of the Portland Utility Board's low-income discount subcommittee, reviewed agendas, meeting notes

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RESPONSE TO THE AUDIT



DATE: October 20, 2017

TO: Mary Hull Caballero, City Auditor

FROM: Nick Fish, Commissioner

CC: Mike Stuhr, Director of Portland Water Bureau
Mike Jordan, Director of Bureau of Environmental Services

SUBJECT: Response to "Utility Payment Assistance:
Program improvements would enable City to assist more customers"

Thank you for the opportunity to comment on your audit of the utility payment assistance program and your suggested improvements to reach more customers.

I have directed the Portland Water Bureau and Bureau of Environmental Services to follow your recommendations and embrace our shared goal of expanding access to affordable water and sanitation services. The bureaus' efforts will be targeted, measured and regularly evaluated by the Portland Utility Board, Oregon Citizens' Utility Board and bureau staff.

Your thoughtful findings, in addition to feedback from past and current community working groups, recognize the importance of assisting low-income renters who pay for water and sanitation services, as well as the historical challenges of improving outreach to low-income customers.

The percentage of Portlanders living below the poverty level is growing, and we are experiencing a community housing emergency. It is time for action.

Thank you again for highlighting the importance of utility payment assistance and your recommendations to strengthen the program.



DATE: October 20, 2017

TO: Mary Hull Caballero, City Auditor

FROM: Mike Stuhr, Portland Water Bureau Director *MStuhr 10/19/17*

CC: Nick Fish, Commissioner
Mike Jordan, Bureau of Environmental Services Director

SUBJECT: Response to "Utility Payment Assistance:
Program improvements would enable City to assist more customers"

Thank you for your thoughtful audit of the utility payment assistance program and your recommendations for reaching more customers.

Your findings and recommendations are aligned with our ongoing efforts and we are fully committed to implementing them.

Consistent with your recommendations, we have made a number of changes to our program in the past two years, including in the following areas:

- Honored Citizen Extension: We created a "long-term" renewal date for our honored citizens so that older adults and people with disabilities do not have to re-apply.
- Notification Upgrade: We enhanced our program for older adults so they can maintain their independence while their adult children can be notified if an account goes past due.
- Enhanced Training: We improved our customer service staff and community partner training to ensure we proactively offer payment assistance and crisis vouchers.

- Expanded Outreach: We introduced targeted mailings, phone calls, and home visits to high risk customers; raised the visibility of the program on the Portland Water Bureau website; increased outreach to neighborhood associations and social services organizations; and offered language interpretation services, including sign language.
- Online Applications: Working with the Bureau of Technology Services, we are in the final stages of being able to accept program applications online.
- Expanded Enrollment: We partnered with Multnomah County and trusted community non-profits to streamline enrollment for customers. The goal is to automatically enroll qualifying customers into the program if they apply for other assistance programs.

Again, thank you for your findings and recommendations. We share your goal of better serving more Portlanders in need through this important program.

**Audit Services Division
Office of the City Auditor
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www.portlandoregon.gov/auditservices**

Utility Payment Assistance: Program improvements would enable City to assist more customers

Report #478, October 25, 2017

Audit Team: Jennifer Scott

This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Audit Services Division are available for viewing on the web at: www.portlandoregon.gov/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

Mary Hull Caballero, City Auditor
Kari Guy, Interim Director of Audit Services

Other recent audit reports:

Tree Code: Implementation phase shows progress and pitfalls (#495, September 2017)

Risk Management: City loss prevention needs a proactive approach (#493, June 2017)

Translated Community Survey: Half report City is doing a good job (#496, April 2017)

Portland's Financial Condition: Funding infrastructure should be high priority (#490, April 2017)

