

## Legislation Details (With Text)

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**Type:** Action Item      **Status:** Passed  
   **In control:** City Council  
**On agenda:** 4/22/2019      **Final action:** 4/22/2019  
**Title:** Readoption of utility assistance programs.

Ward(s): All Wards  
Councilor(s): All Councilors  
Neighborhood(s): All Neighborhoods  
Result Area(s): Safe, Reliable, and Efficient Infrastructure

**Sponsors:****Indexes:****Code sections:**

**Attachments:** 1. Existing and Proposed Program Requirements, 2. Resolution 2019-5, 3. Exhibit A - Utility Rate Relief Program, 4. Exhibit B - Emergency Utility Assistance Program, 5. Written Testimony, 6. Written Testimony 1

Date	Ver.	Action By	Action	Result
4/22/2019	1	City Council		
4/22/2019	1	City Council	approved	Pass

**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Peter Fernandez, PE, Public Works Director

**SUBJECT:**

Readoption of utility assistance programs.

Ward(s): All Wards  
Councilor(s): All Councilors  
Neighborhood(s): All Neighborhoods  
Result Area(s): Safe, Reliable, and Efficient Infrastructure

**ISSUE:**

Shall City Council adopt Resolution 2019-5 amending the City's Utility Rate Relief Program for senior and disabled heads of household and readopting the Emergency Utility Assistance Program?

**RECOMMENDATION:**

Adopt Resolution 2019-5 amending the City's Utility Rate Relief Program for senior and disabled heads of household and readopting the Emergency Utility Assistance Program.

## **SUMMARY:**

The City of Salem currently offers two programs to help low-income customers in need: the Emergency Utility Assistance Program and the Utility Rate Relief Program.

The Emergency Utility Assistance Program (formerly the Low-Income Utility Assistance Program) provides short-term relief for an account holder in a crisis situation. Each applicant is provided up to \$150 per rolling calendar year. Applicants are currently qualified through St. Vincent de Paul or The Salvation Army based on income guidelines established by the United States Department of Agriculture (USDA) for The Emergency Food Assistance Program (TEFAP). To receive assistance, applicants must have a delinquent residential utility account and cannot be a client of the Salem Housing Authority. The City's Emergency Utility Assistance Program is funded with private donations and a matching amount of up to \$10,000 in utility rates.

The Utility Rate Relief Program (formerly the Wastewater Rate Assistance Program) provides an \$11.80 monthly discount for qualified elderly (over 62) or disabled customers who are at or below 30 percent of Salem Area Median Income based on family size. The applicant must be a City of Salem customer, the head-of-household, the named wastewater utility account holder, and may not be a client of the Salem Housing Authority. Under the existing program, a discount remains on the account until it is closed and applicants are not requalified annually. Customers outside the City who meet all other program criteria receive a \$9.00 monthly discount

Staff conducted a review of other existing utility payment assistance programs, met with non-profit providers in the area to identify potential barriers to use by applicants, and examined opportunities for partnerships and more efficient administration of the assistance programs. No changes are proposed to the Emergency Utility Assistance Program. The following changes are proposed for the Utility Rate Relief Program:

1. Increase the eligibility threshold to 60 percent of Salem Area Median Income from the current 30 percent and retain the requirement for elderly or disabled household.
2. Work with Mid-Willamette Valley Community Action Agency to screen and qualify applicants annually.
3. Establish a maximum total program allocation of \$250,000 per year in utility rate relief to qualifying customers.

Attachment 1 provides a summary of these changes comparing existing and proposed program requirements.

## **FACTS AND FINDINGS:**

1. Approximately 170 account holders receive a total average of \$19,000 in assistance annually through the Emergency Utility Assistance Program. Currently 250 City and East Salem Suburban Water District accounts receive a monthly discount through the Utility Rate Relief Program resulting in a cost (i.e., revenue reduction) to the City of approximately \$30,000 annually.
2. In 2016, the Water/Wastewater Task Force expressed a desire to help more customers with utility rate relief. Two proposals were presented to the Task Force: increase the income threshold to 50 or 60 percent of median income; and remove the elderly / disabled requirement. These changes were estimated to result in a revenue reduction of up to \$750,000 annually and were not recommended to City Council.
3. Following testimony received at the October 2018 utility rate hearing, Council directed staff to review other utility rate assistance programs and work with area non-profits to identify changes to better serve Salem's customers.
4. Staff conducted a review of the qualification thresholds and requirements from other communities providing utility rate assistance, the standards shared by Oregon Housing and Community Services for similar programs, and assistance programs offered by Salem Electric Cooperative.
5. Meetings were held with representatives from Mid-Willamette Valley Community Action Agency, The Salvation Army, St. Vincent de Paul, and Congregations Helping People to evaluate Salem's existing utility assistance programs and identify potential changes to the programs. The staff-recommended changes were reviewed, modified, and endorsed by nonprofit partner agencies with experience administering similar programs.
6. St. Vincent de Paul and The Salvation Army currently administer the Emergency Assistance Program and have not identified any necessary changes at this time. They plan to continue the screening and referral process based on TEFAP guidelines and awarding up to \$150 per rolling calendar year to each account holder.
7. Mid-Willamette Valley Community Action Agency has offered to efficiently qualify applicants for the Utility Rate Relief Program as part of their existing processes, thereby relieving the City of the responsibility to review and maintain confidential financial records.
8. Staff recommends a financial cap of \$250,000 in total rate-payer assistance through the Utility Rate Relief Program. The proposed financial cap for the program and screening through

partner agencies address previous concerns expressed by the Water / Wastewater Task Force in 2016 as described in paragraph 2 above.

9. If adopted, the program changes will be implemented as soon as possible and will be in effect for approximately one year prior to the next utility rate setting cycle. This will provide adequate time for staff and partner agencies to evaluate any change in demand resulting from modification of the qualification criteria.

Alicia Blalock  
Administration Division Manager

**Attachment:**

1. Existing and Proposed Program Requirements
2. Resolution 2019-5
3. Exhibit A to Resolution 2019-5 - Utility Rate Relief Program
4. Exhibit B to Resolution 2019-5 - Emergency Utility Assistance Program