



Water Utility Financial Aid Tigard Water Service Area Customers

- Problem:** How can the City of Tigard provide financial aid assistance in water utility billing for eligible TWSA customers experiencing economic hardship?
- Objective:** Provide fair and equitable financial aid on an “as needed basis” for qualified TWSA customers that may need financial assistance based on economic factors or hardship.
- Goal:** To provide financial aid or assistance to water utility customers on an as needed basis in paying their water bills.

Program Requirements:

- Fair and equitable administration and distribution of financial aid assistance
- Provide financial aid assistance for billed water utility costs only
- Provide a financial means test without involving City staff in making the eligibility or determination of amount of need
- Fund the program through rate payer donation assistance to a community organization based on a fixed percentage of adopted budget water utility sales

Program Proposal:

The City of Tigard enters into an agreement (MOU or contract) with the 501C(3) charity organization “*Care to Share*” located in Aloha, Washington County to provide financial aid assistance to water utility customers within the Tigard Water Service Area (Durham, King City, Tigard, and Tigard Water District). *Care to Share* would be the “administrator” of the City of Tigard Utility Financial Assistance Program.

As administrator, *Care to Share* would provide financial aid assistance for the water bill portion only of a program eligible customer, and use funds provided by the City on an annual basis. Under City agreement, the administrator would receive ten percent (10%) for overhead costs. The administrator would conduct the financial means test to determine qualification for assistance. The administrator would also provide a monthly accounting of the number of customers that were provided service, and dollar amounts expended.

Proposed Funding:

The administrator would receive an annual water rate payer charity donation dollar sum equivalent of .5% (0.005) of the adopted budget forecasted revenues for utility water sales each year. This budget amount would be identified as a line item dollar amount under 530 6500 54402 “Contributions to Community Organization”. These funds would be available each fiscal year (July).

Example: Water utility sales are forecasted at \$7.9 million for FY2011. Based on the multiplier of 0.005, Care to Share would be paid \$39,500. After administrative costs of 10%, this would provide \$35,550 for financial assistance. An average of 100 customers per month could be provided financial assistance based on the median water bill of \$30.00/month. This financial assistance could help 0.6% of the residential population within the TWSA. This example is using anticipated rate increase cost adjustments. Each customer would still be responsible for the other charges associated with their utility bill (CWS, Street Maintenance Fees, etc.). Those customers unable to provide these additional funds for full payment would be ineligible for assistance.

Additional Program Funding:

The City can also provide information to the public and employees regarding “additional” charitable contributions to the program administrator. These additional contributions can be directly made to the charitable organization administrator and identified by each contributable donor as TWSA water customer eligible only. Information regarding the availability to donate locally for this program can be communicated through CityScape and Know H2O newsletters, City website, billing invoices and bill stuffers, and other media. City staff would not be involved in administering the collection of private, public and/or employee donations.

Program Requirements:

The administrator shall be responsible for the following:

- Determine the eligibility of individuals and families within the Tigard, Durham, King City and Tigard Water District seeking financial aid or assistance toward payment of their water utility bill
- Eligibility will be based on any “reasonable or standard means or needs” test determined solely under the control of the administrator. The City shall make no determination or recommendation for eligibility or requirements.
- Ensure that each individual or family has the “other” financial means to make full payment on portions of the City billing invoice not associated with water utility service. Those individuals or families not financially able to make full payment toward other expenses shall be ineligible for the program and no financial assistance shall be provided. The program objective is to avert shut off for non-payment or delinquent account by making full payment of City billing invoice within the allowed time frame.
- Individual or families may be eligible multiple times per year, but no more than 3 times within a one year period. The administrator shall have full authority to make this determination and disperse financial aid as needed under this restriction.
- Only individual or families within the Tigard Water Service Area shall be eligible. Multiple family units or businesses are ineligible for the program.

- Individual or families seeking financial assistance that meet the administrator's eligibility requirements may use financial aid to make payment toward credit for leak adjustments. Individual or families eligibility is restricted to once every three years regarding credit for leak adjustments.
- The maximum amount of funds given to an individual or family seeking financial assistance for water utility service shall be only eligible for costs associated with the fixed or base charge and first (1st) tiered water block. Any costs associated with second or third tiered rate blocks shall be paid for by the customer unless the customer is seeking financial assistance for a credit for leak adjustment.
- The administrator is responsible for following reasonable business practices regarding distribution of financial assistance or aid funds provided by the City. Each month, the administrator shall provide reporting to the City regarding the number of individuals or families rendered assistance, and the dollar amounts provided.
- If the funding provided is dispersed before the end of the fiscal year due to increased activity, the City may make a determination to provide additional funds. The City is under no obligation to provide additional funding and all funding is budget based through adoption by City Council.
- Administrator shall track all employee and rate payer donations within the TWSA. These donations would not be subject to any overhead fees or charges, and will be utilized by the program for financial aid assistance as deemed by the individual donor.

Proposed Benefits:

This program will allow community leaders to address water utility customers concerns regarding those individuals and families within the service area that may need financial aid assistance as water rates increase to fund the Lake Oswego Tigard Joint Water Supply Project.

It will allow city staff to direct customers in need of financial assistance to a third party administrator. City staff will not be involved with determining eligibility, or the time necessary to discuss individual needs or problems associated with financial aid.

Providing partial financial assistance (water billing only) may reduce or avert notification and shutoff for eligible customers needing financial assistance due to economic factors or hardship.

Involving the charity organization administrator *Care to Share* may allow at a future date the use of additional monies collected from donations by employees of Clean Water Services for financial aid assistance toward CWS utility billing charges.