
CITY OF PORTLAND UTILITIES

Bureau of Environmental Services

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**Portland Water Bureau**

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February 9, 2023

Representative Helm, Chair House Committee on Agriculture, Land Use, Natural Resources, and Water
900 Court Street NE, HR D
Salem, Oregon 97301

Dear Chair Helm and Members of the Committee,

The City of Portland strongly supports HB 3125, which creates a public drinking water and sewer ratepayer assistance fund and would distribute much-needed water and sewer bill payment assistance to low-income households. While well-established State and Federal programs exist for other utilities, such as the Low Income Household Energy Assistance Program (LIHEAP), few comparable resources exist to support sewer/stormwater/water utility affordability efforts. The COVID-19 crisis served as a catalyst for allocating federal and state resources for temporary sewer/stormwater/water utility assistance programs, such as the federal Low Income Household Water Assistance Program (LIHWA), which sunsets at the end of 2023. The City of Portland is grateful for the focus of lawmakers on those efforts, but there remains a tremendous need for on-going assistance. Water and sewer rate assistance helps vulnerable customers stay in their homes, protecting them from displacement and homelessness. Rate relief is part of the overall solution to the housing crisis. A state-supported public drinking water and sewer ratepayer assistance fund is a tremendous opportunity to create a lasting system to benefit low-income ratepayers and protect against housing instability.

Water and wastewater utilities, including the Portland Water Bureau and Bureau of Environmental Services, are experiencing an increase in past due accounts, resulting in challenging revenue impacts that, if left unaddressed, will impact the ability to continue to provide critical services. Recent economic instability has led thousands of households to fall behind on their sewer/stormwater/water bills. Since March 30, 2020, the City of Portland's past due water/sewer/stormwater accounts have increased by nearly \$14 million to a total of over \$21 million in past due bills. Failure to provide funding to address unpaid bills of customers will either result in budget cuts or rate increases. Rate increases, budget cuts, or both will only increase the financial challenges for Portlanders facing economic hardships.

Our data shows that nearly 95,000 Portland households (35% of households) are paying more than 4% of their household income for sewer/stormwater/water costs. The 4% threshold is derived from EPA guidance that identified up to 4.5% of household income as an “affordable” amount. While the City of Portland has a robust financial assistance program for single family residential customers that is a leading example across the country, the funding for this local assistance comes from utility rates, so while they provide essential financial assistance to some, the cost for those services is borne by all ratepayers. Rate assistance helps to make bills more affordable to customers. Vulnerable customers are more likely to pay an affordable bill, which helps keep people in their own homes and protects them from displacement.

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Affordable clean water and sanitation is one of the defining environmental justice issues of our time. Community members who have been historically underserved and underrepresented experience worse outcomes in a variety of areas, including health, housing, employment, and income. In Portland, these communities are disproportionately Black, Indigenous, and people of color. According to the 2020 State of Housing in Portland report, African American, Hawaiian-Pacific Islander, Hispanic Latinx and Native Americans comprise the majority of renter households. A state-funded program that supports these communities by providing assistance for basic necessities like water and wastewater would have immediate and beneficial impacts for families and households most impacted.

Historically, renters in multi-family properties are often excluded from affordability and assistance programs. These renters are receiving water/sewer/stormwater service, but they do not receive a bill for their water/sewer/stormwater service. Owners typically include these costs in their tenants' rent or receive a separate payment for rent. However, because multi-family tenants do not directly receive a bill, they are not eligible for many assistance programs. This has been a long, persistent gap, which ignores the fact that these ratepayers, like single-family ratepayers, are paying for water/sewer/stormwater service. The fact that these multi-family renters are not direct customers of the utility should not limit their access to financial assistance necessary to help pay their bill and maintain access to water. A stable state funding stream would help to address this gap in assistance for the utility-burdened multi-family renters, who are often not eligible for the limited water/sewer/stormwater assistance programs that do exist.

Portland applauds HB 3125's approach to water/sewer ratepayer assistance. Creating a secure and well-funded system for water/sewer utilities to access ratepayer relief funds, targeted to provide low-income ratepayers with water/sewer rate relief, will begin to address the inequitable impacts of COVID-19 and will also lay the foundation for a sustained water utility rate relief program that will continue to address needs for vulnerable Oregonians into the future.

Historic disinvestment in water systems and infrastructure at the state and federal level have contributed to the challenge of a lack of existing ratepayer relief funding and mechanisms. Portland has a robust financial assistance program, but there is only so much that local utilities can do without significant state and federal investment. Portland supports the work of the House Agriculture, Land Use, Natural Resources, and Water Committee and the coalition of water/sewer providers working on the issue and supports the efforts to build on existing work and lessons learned for maximum efficiency.

The City of Portland urges you to support HB 3125 establishing a public drinking water and sewer ratepayer assistance program. Thank you for your consideration.

Respectfully,



Gabriel Solmer
Director, Portland Water Bureau
City of Portland



Dawn Uchiyama
Interim Director, Bureau of Environmental Services
City of Portland