ORANGE WATER AND SEWER AUTHORITY

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

MEMORANDUM

TO: **Community Engagement Committee**
Steve Dear (Chair)
Terri Buckner
Quinton Harper
Michael Hughes
John Young (*ex officio*)

FROM: Ed Kerwin

DATE: May 8, 2015

SUBJECT: **May 14, 2015 Community Engagement Committee Meeting from 5:00 PM – 5:55 PM in the OWASA Boardroom**

Agenda

1. **Review and discuss the draft *12-Month Progress Report: Affordability Outreach Pilot Project* (attached)**

   The affordability outreach progress report is scheduled to be discussed by the Board of Directors at the June 25, 2015 Business Meeting. We seek the Committee's comments and suggestions for improving the draft report in advance of that meeting. We also seek your comments and guidance regarding potential affordability outreach activities for the year ahead. Since the May 14th Committee meeting will only be one hour long, staff does not plan to make a presentation on the draft report.

2. **Next Meeting**

   The date and time for the next Committee meeting may depend on Board discussions regarding the affordability outreach and energy management planning initiatives.

Please let us know if you have any questions in advance of the Committee's May 14th meeting. Thank you very much.

Ed Kerwin
Executive Director

c: Board of Directors

Attachment Draft *12-Month Progress Report: Affordability Outreach Pilot Project* (May 6, 2015)

ORANGE WATER AND SEWER AUTHORITY

12-MONTH PROGRESS REPORT: AFFORDABILITY OUTREACH PILOT PROJECT

(Draft: May 6, 2015)

Purpose

This report summarizes the prior year's activities on Orange Water and Sewer Authority's (OWASA) Affordability Outreach Pilot Project. It also lists potential strategies to address during the next year.

Background

"Affordability and Cost Management" is one of the five key strategic themes in our Strategic Plan for Fiscal Years 2014 – 2017. During rate-setting discussions and strategic planning meetings, the Board of Directors concluded that water conservation should be promoted as a key strategy for customers – especially those in financial need – to lower their OWASA bills.

On March 27, 2015 the OWASA Board of Directors concurred with the Community Engagement Committee's recommendation that OWASA implement a pilot project *"to engage the community/target groups with information about how to reduce OWASA bills."*

Staff initiated the Affordability Outreach pilot project with a kick-off meeting on June 16, 2014 and has pursued several strategies in partnership with more than a dozen local social service and affordable housing agencies. This report has been prepared in response to the Board's request for a 12-month progress report on this initiative.

Accomplishments

Following is a summary of our progress to date, organized primarily along the seven objectives originally proposed for the pilot project.

1. **Develop and distribute to our target audiences information about cost-effective ways they can reduce bills through conservation practices and water use efficiency investments.** *We have prepared and distributed two variations of a brochure titled "How to Lower Your Water Bills" – one for homeowners, and one targeted to people who rent an apartment or residence and receive OWASA bills. We have distributed copies of the brochures (in English and Spanish) to several partner agencies, which hand them out to their clients.*

   In partnership with the Marian Cheek Jackson Center, we collaborated on the March 2015 issue of the Northside News newsletter, and provided an educational article with tips about how customers can save money on their OWASA bill by reducing their water use, finding and repairing water leaks, and more. Jackson Center volunteers hand-delivered the newsletter to

more than 800 households, businesses, and agencies, most of which are within the Northside and Knolls neighborhoods.

George Barrett of the Jackson Center commented: "It's safe to say that this issue is a HIT!!!… Thank you again for all of your work. This was an amazing collaborative effort and the work has not gone unnoticed!"

When we conducted 20 home water audits under this initiative, we also talked directly with customers about their water use and bills, and ways they can reduce their bills by reducing their water use.

2. **Build and strengthen partnerships with other organizations to more effectively inform our target audiences about ways to reduce their water and sewer bills.** *We have made important progress in partnering with several social service and affordable housing agencies, as well as local government staff working on affordable housing issues. Six of the affordable housing and social service agencies responded to our question "How would you rate the success of the partnership, on a scale of 1 to 10 (with 10 being highly successful)?" The average score was 7.8, with the lowest rater commenting "There is still a lot to do..."*

The success of our work to partner with other agencies is reflected in the following comments from Delores Bailey, Executive Director of EmPOWERment, Inc. (EI):

> *"These meetings allowed EmPOWERment to meet other key OWASA employees. We developed a great working relationship with each other I believe will continue. EI also developed an Emergency Utility fund to help low wealth residents living in rental housing. Employees at OWASA were very helpful to our staff as we help those in need. Thank you. Some how these collaborations should be shared with the public… Having OWASA representatives present at the Northside Community Outreach meeting and to our tenant's association meeting was huge for our tenants."*

Ms. Bailey also said EI has benefited from the "information sharing, meeting and understanding issues and frustrations others are experiencing."

3. **Obtain active participation of our target audiences in evaluating their water use and implementing conservation practices and water use efficiency investments to save water and reduce their bills.** *We have reviewed water use at properties owned or managed by local affordable housing agencies, and conducted water use audits at residences to identify opportunities to reduce water use and bills at those residences.*

As a service to our partner agencies, we completed a "desk-top" analysis of billed water use at properties owned and/or managed by the affordable housing agencies listed in the following table. We met with staff from all but one of those agencies shown to review the results and determine next steps.

CASA	***46 units within 20 properties***
Community Home Trust	***133 units within 133 properties***
EmPOWERment	***37 units within 23 properties***
Habitat for Humanity of Orange County	***86 units within 86 properties***
Interchurch Housing Corporation	***79 units within 2 properties***

We also conducted water use audits at 7 residential units managed by EmPOWERment, and 13 other residences in the Northside, Knolls, and Rogers Road neighborhoods.

We provided technical assistance to the Inter-Faith Council for Social Services (IFC) in evaluating potential residences to include in a water efficiency retrofit pilot project undertaken by the IFC. The IFC contracted with a local plumbing firm to repair leaks and install water-efficient toilets and showerheads in four homes in the Northside neighborhood.

4. **Use a variety of methods, such as targeted surveys, focus groups, etc. to obtain feedback from our target audiences regarding: the usefulness of the information we provide; the most (and least) effective methods and channels for communication; and their suggestions for additional ways in which we can help customers reduce bills.** *We have not yet done any targeted surveys or focus groups to obtain feedback; however, several partner agencies have commented that the information we have provided has been clear and helpful.*

5. **Use the pilot project as a springboard for engaging the community in addressing water and sewer affordability challenges.** *The pilot project has provided us a forum through which we have been able to discuss affordability challenges and share information and ideas with staff from several other agencies. The value of this effort is reflected in the following comments from James Davis, Civil Rights Specialist with the Orange County Department of Housing, Human Rights and Community Development:*

> *"First, we became aware that this initiative was in existence which alone was empowering. As a result, we are more equipped to inform our low income tenants of the economic benefits of conserving energy. We have distributed the brochures that you provided and have encouraged our Housing Choice Voucher participants to conserve in an effort to reduce the financial strain that many of them experience on a monthly basis. Although some of our program participants do not have water through OWASA, the concept (and the information on the brochure) is still relevant for Duke Power, Piedmont Electric, etc. A penny saved is a penny that could be saved or expended on other necessities."*

Natalia Lenis with El Centro Hispano added:

> *"Our organization has seen this as an opportunity to create new partnerships and to connect with other organizations who work in the community. Also, it has been very informative – the sessions and the ideas and outcomes have been useful to pass along in the community."*

6. **Keep the scope of the pilot project at a level that can be managed using existing staff and modest program expenses.** *We have supported the pilot project using existing staff, and to date our expenses for paper, printing, etc. have been less than $1,000.*

7. **Create awareness and positive perception of OWASA.** *Based on the positive feedback we have received from partner agencies, we believe the pilot project has accomplished this.*

   We have helped partner agencies understand our billing procedures and requirements to recover our costs, as well as our strong desire to address service affordability challenges. Our partners helped us identify ways to improve our bill payment business processes to help customers in need, including:

   (a) We revised our Reminder Notices to inform our customers that if they are working with an agency to obtain financial assistance, they should let us know, and authorize us to release their billing information to that agency. (Reminder Notices are sent to customers with a past due balance, and state that they must pay that balance by a specified date, typically 10 days from the date of issuance of the notice.)

   (b) We now enable financial assistance agencies to initiate, on behalf of their clients, requests for extension of time for customers to pay their bills (these are called Customer Payment Deferral Agreements). The agency has a client sign the agreement while the client is in the agency's office seeking financial assistance. This facilitates the extension-of-credit process and eliminates the need for the customer to make a separate trip to OWASA to enter in to such an agreement.

   Both processes help reduce the risk that a customer will have service disconnected for non-payment, thereby helping them avoid having to pay the $45 fee for reconnection of service due to non-payment. We also call customers prior to disconnection of service, so that they can make arrangements to avoid being disconnected for non-payment.

   John Dorward, Executive Director of the IFC, commented that "We have also been pleased with the new systems OWASA put in place as a result of the meetings on how past due bills are handled."

Potential Strategies to Pursue During the Next Year

In collaboration with partner agencies, we have identified the following potential strategies to pursue during the next year. These are not listed in priority order, but are grouped into three general areas: Inform and Assist Our Customers; Assist Our Partners, and Expand the Partnership.

Inform and Assist Our Customers

- *Continue to provide **targeted water audits** for customers, especially those having have difficulty paying their OWASA bills. Continue to give priority attention to those households that have really high water usage.*

- *Complete post-retrofit evaluations and **prepare a case study for the IFC's pilot retrofit project**. The case study may be helpful in pursuing future funding requests.*

- *Submit articles to the Chapel Hill News, Chapel Hill Herald, WCHL, Daily Tar Heel, etc. **regarding the affordability outreach initiative, and tips for reducing bills by saving water**.*

- *Develop a **video and/or web-based interactive water conservation/affordability activity** targeted to customers in need (for people receiving bill payment assistance, extensions of credit, etc.) but also applicable to other customers interested in saving water and money.*

- *Consider the feasibility of **modifying monthly bills to display how the conserved water translates into actual dollars saved** over the previous month (or in relation to the same period as compared to the previous year). This will further encourage customers to conserve.*

- *Create **education and outreach materials that are more visual**, because some members in our community receive and understand visual representations more effectively than written material.*

- *As part of the planned review of our rate structure and evaluation of alternative water conservation strategies, consider opportunities to complement our service affordability efforts.*

Assist Our Partners

- *Provide **technical workshops and training for partner agencies** on topics such as how to read a water meter and how to do a home water audit. Support those agencies that are interested in providing water audits as a service for their clients.*

- *Continue to assist agencies in **planning and implementing water efficiency retrofits**, which offer direct benefits for households.*

- *Find additional ways to **introduce educational materials into partner agencies' communications**, such as has been done for the Northside News and community events.*

- ***Pursue grant funding support** for activities such as purchase and installation of water-saving fixtures in homes owned by low to moderate income families. Potential funding partners include, but are not limited to, Duke Energy Foundation, Lowe's Charitable and Educational Foundation, and Home Depot Foundation. Several partner agencies support*

this strategy, and believe it will be the only way to make fixtures widely available and affordable for customers in need.

John Dorward highlighted the need for funding support for this effort:

> *"We think you are on the right track, but there is a lot more work to be done to really make an impact on the people who need it the most. The only way to do that is with funding. While it isn't terribly expensive to update many of the homes, it does take real money. Having done some other work in the Northside and Rogers Road neighborhoods, we have seen firsthand what can happen when regular maintenance is not completed. There are any number of people living in our towns who do not have the money for regular upkeep, much less for purchasing and replacing water using fixtures."*

Expand the Partnership

- ***Collaborate with other affordable housing boards and agencies*** *in the County. Affordable housing initiatives tend to focus on the base rent of units, and home purchase costs. OWASA's participation in the broader conversation about affordable housing could be enlightening, and impact the effort to build or rehabilitate units to be more water and energy efficient and, thus, more affordable.*

- ***Collaborate with the waste management boards*** *that focus on the reduction of waste and the increase of recycling.*

- ***Engage rental property owners and managers*** *in this initiative and assist them in evaluating cost-effective strategies for reducing water use and bills for their tenants. Request their assistance in distributing bill reduction and water conservation information for tenants.* ***Invite the Triangle Apartment Association to be an active partner****.*

Next Steps

We will continue to meet with our partner agencies and potential additional partners to pursue the above strategies. We will keep the Board of Directors informed of our affordability outreach efforts.

Closing Comments

We very much appreciate the support and assistance provided by staff of our many partner agencies, and we look forward to continuing and expanding on this important work in the year ahead. We also appreciate the Board of Directors support and guidance for this initiative.