

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Acting as the Governing Body of Clackamas Water Environment Services

Policy Session Worksheet

Presentation Date: June 10, 2026 **Approx. Start Time:** 10:30AM **Approx. Length:** 15 minutes

Presentation Title: Water Environment Services Income-Qualified Bill Discount

Department: Water Environment Services (WES)

Presenters: Greg Geist, Director & Erin Blue, Finance Manager

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board approval of proposed steps to implement and increase participation in the Income-Qualified Bill Discount program.

EXECUTIVE SUMMARY:

WES is informing the Board of actions needed to implement the Income-Qualified Bill Discount (IQBD) component of WES' updated Customer Assistance program and requesting approval to bring forward specific program elements for Board action over the next one to three months. This Policy Session provides the context needed for these upcoming actions.

Specific items include:

- 1) Updated language in WES' Rules and Regulations
- 2) Recommended discount percentage and associated annual program funding
- 3) Third-party Memorandum of Understanding to enable a renter/multi-family pilot project
- 4) Amendments to intergovernmental agreements (IGAs) with WES' city partners to ensure consistent pass-through of the bill discount
- 5) Amendments to the Good Neighbor IGAs to add wastewater customer assistance as an eligible use of funds

In December 2025, WES presented the Board with a framework for an updated Customer Assistance Program (CAP), including the IQBD as the most significant component. The Board directed staff to proceed with implementation. Since that time, staff have assessed anticipated enrollment, evaluated funding capacity, and finalized the financial parameters of the updated program. Staff are now returning to the Board to inform of upcoming actions and request approval of specific program elements before implementation begins.

Key program updates and upcoming actions needed for implementation include:

- Updating the administrative language in WES' Rules and Regulations to extend the discount to surface water monthly user charges, approve categorical eligibility with partner assistance programs, and establish a procedure for the Board to set the discount percentage by resolution.
- Approving \$430,000 in fiscal year 2026-27 funding for the IQBD, consisting of \$280,000 in sanitary sewer and surface water rate revenues (0.5% of budgeted rate revenue) and \$150,000 in non-rate revenues (primarily late fees).
- Revising the IQBD percentage from 50% to 40%, which maintains WES' low-impact lowest-quintile residential indicator affordability rating while enabling assistance to be extended to approximately 300 additional households with available funding levels. This change is proposed to be phased in for partner city households, with an effective date of July 2027.
- Approving a Memorandum of Understanding to enable a pilot program to expand access to renters and multi-family households through their electricity bills.

- Amending intergovernmental agreements (IGAs) with city partners (Gladstone, Milwaukie, Johnson City, Oregon City, and West Linn) to replace outdated terms and ensure consistent pass-through of WES' bill discount to customers enrolled in partner city assistance programs.
- Amending the Tri-City and Kellogg Good Neighbor IGAs with Gladstone, Milwaukie, and Oregon City to add wastewater customer assistance as an eligible use of funds (capped at 10% of annual contributions or \$10,000, whichever is greater).

With these updates, enrollment is projected to more than double from the current ~650 households to approximately 1,600, moving the program toward a level of utilization that better reflects community need. The updated IQBD represents a meaningful step forward in ensuring WES' wastewater and surface water services remain affordable for all community members.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? Funding of approximately \$430,000 is proposed for the updated IQBD for FY 2026-27. The actual cost will depend on program enrollment.

What is the funding source? Funding for the new program includes \$280,000 through sanitary sewer and surface water monthly user charges, based on 0.5% of budgeted rate revenue, and \$150,000 of funding through non-rate revenues (primarily late fees).

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
This aligns with WES' strategic plan goal to maintain a fair and equitable rate structure that fully recovers revenue requirements and promotes affordability. The Customer Assistance Program update fulfills the strategic plan initiative to update the low-income discount program, and implementation of the revised IQBD directly supports the performance goal to annually maintain a mid-range or low impact rating for total annual cost of wastewater service relative to lowest quintile household income. The revised 40% discount is specifically designed to maintain WES' low-impact affordability rating while maximizing the number of households assisted with available funding.
- How does this item align with the County's Performance Clackamas goals?
This aligns with the County's goal for safe, secure, and livable communities by promoting affordability of wastewater and surface water services.

LEGAL/POLICY REQUIREMENTS:

WES' Rules provide the framework for the income-qualified bill discount program and will require updates to extend the IQBD to surface water charges, enable categorical eligibility with partner assistance programs, and establish that the discount percentage will be set by Board resolution. Funding sources and funding justifications for WES' proposed CAP have been reviewed by County Counsel.

PUBLIC/GOVERNMENTAL PARTICIPATION:

WES staff met with staff from the Cities of Gladstone, Milwaukie, Oregon City, and West Linn to present the updated program and receive feedback. The proposed program was presented to WES' Advisory Committee in September 2025 and May 2026 for input.

OPTIONS:

1. Approve the plan for implementation of the Income-Qualified Bill Discount as presented and direct staff to return with specific program elements for adoption.
2. Direct staff to revise the presented implementation plan or specific program elements.
3. Direct staff to maintain the existing Low Income Discount Program and not make any of the updates presented.

RECOMMENDATION:

Option #1: Approve the plan for implementation of the Income-Qualified Bill Discount as presented and direct staff to return with specific program elements for adoption.

ATTACHMENTS:

Attachment A: Presentation Slides

SUBMITTED BY:

Division Director/Head Approval Donald E. Wiseman

Department Director/Head Approval George I. Abbott

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Chris Koontz @ 503-679-4034

June 10, 2026 Policy Session

WES Customer Assistance Program Income-Qualified Bill Discount (IQBD)



WES Income-Qualified Bill Discount

Current Program Summary

50%
discount

*Applies to wastewater portion
of the bill*

~650
enrolled

*400 Rate Zone 1
250 Rate Zone 2*

\$160K
annual cost

*Funded by sewer user charges
\$0.15 per EDU per month*

Enrollment Gap

< 1% currently enrolled vs.
6 - 12% estimated eligible

Key Challenges

- Limited eligibility
- Inconsistent terms in WES-City intergovernmental agreements (IGAs)

IQBD Updates and Enrollment Projections



Expanded Eligibility

Broaden IQBD to include renters and multi-family households



IGA Amendments

Amend IGAs with city partners to ensure consistent pass-through of WES' IQBD to all enrolled customers



Extended Coverage

Extend discount to the surface water portion of the bill, increasing the benefit to directly-billed WES customers

ANTICIPATED ENROLLMENT GROWTH

~800

Renter / multi-family households

Projected eligible through electricity bill pilot

150

Milwaukie households

Currently in city CAP

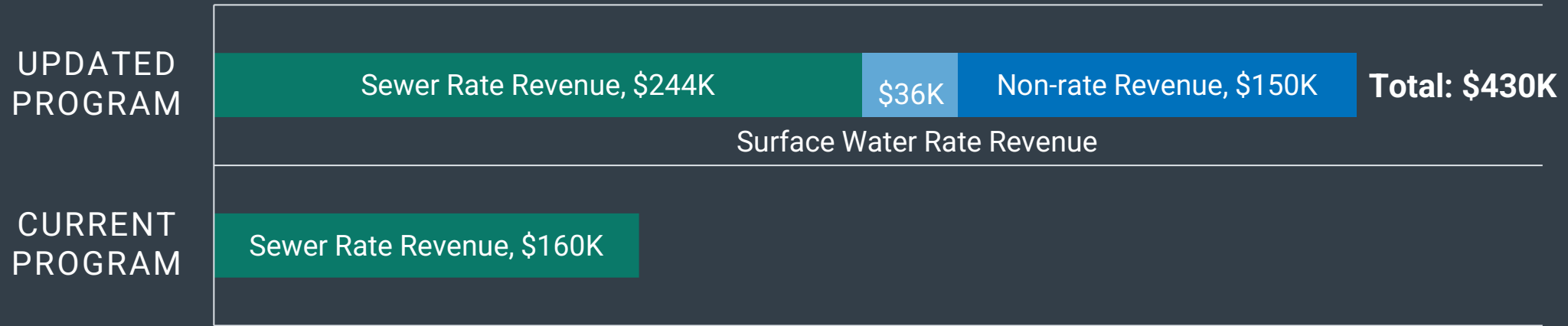
~60

Surface-water only households

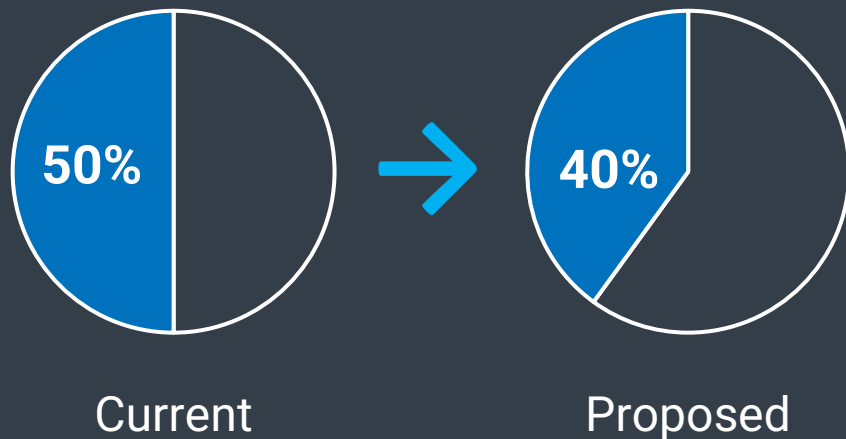
Projected eligible based on service area statistics

Funding and Proposed Discount Change

WES INCOME-QUALIFIED BILL DISCOUNT FUNDING



Proposed Discount



40% Discount:

- Maintains low LQRI rating
- Extends assistance to 300 more households
- New surface water discount partially offsets the net impact on directly-billed households
 - *Phase-in proposed for partner cities: 40% effective in July 2027 (vs. 2026)*

City Partnership Opportunity

Tri-City and Kellogg Good Neighbor Programs



Purpose

- Recreational improvement | habitat enhancement | public education | collaboration opportunities



Proposed Addition to Eligible Uses

- Wastewater bill assistance



Potential Funding Cap

- 10% of annual contributions or \$10,000 (whichever is greater)

Upcoming Board Actions

TARGET TIMING	ACTION ITEM	PURPOSE
June / July 2026	Utility Partnership Memorandum of Understanding	<ul style="list-style-type: none">• Approve pilot program to expand access to multi-family and renter households
July / August 2026	City Partner Intergovernmental Agreement Amendments	<ul style="list-style-type: none">• Update IQBD pass-through terms to ensure consistency across all WES-City Partner IGAs
July / August 2026	Good Neighbor Agreement Amendments	<ul style="list-style-type: none">• Add wastewater bill assistance as an eligible use of funds
August / Sept 2026	WES Rules Update	<ul style="list-style-type: none">• Extend IQBD to surface water monthly charges• Enable households to qualify via categorical eligibility with partner assistance programs• Establish that discount amount will be set by the Board via Resolution
August / Sept 2026	Resolution to Set IQBD Percentage	<ul style="list-style-type: none">• Set discount amount in accordance with WES Rules update and approve annual funding