

Sewer and Water Advisory Board
Low Income Discount Program
Recommendation 03-2005

Considerations:

- Increased water and sewer rates disproportionately impact low income residents. Low income residents already pay a higher percentage of their household income in utility bills, and this percentage would increase with higher rates.
- Past rate increases in the City have demonstrated that increasing rates leads to increased delinquencies among the City's customers; delinquencies rates are higher among low income residents. It is well recognized that increased delinquencies are expensive for the utility.
- Adopting a discounted rate for low income users is a recognized method for helping to alleviate the impacts of increased water and sewer rates.
- A low income discount program would be lawful on the following conditions: eligibility limited to those determined to be of low income as defined by either federal or state law; revenue lost through the discount is recovered through payments by other rate payers; and Columbus City Council agrees that the rate is equitable.

Recommendations:

- It is recommended that a low income discount rate be added to the City's water and sewer rate structure.
- It is recommended that the discount be available to all low income (as defined by the federal poverty level or a state low income program) residential customers. The City should use already established state and federal low income programs to determine eligibility (including any customer who is eligible for food stamps benefits, Ohio Medicaid, Low Income Home Energy Assistance (LIHEAP), Home Energy Assistance (HEAP), Ohio Works First, social security, public housing or any other state or federal low income assistance program acceptable to the Director).
- The discount should be available to direct residential customers.
- The discount should only apply to the commodity portion of the bill.
- It is recommended that the discount be at least **15%**, or a higher amount if that can be accomplished without causing a rate increase to the rest of the non-low income users of more than **0.7% in water** and more than **.5% in sewers**.
- It is recommended that the Department of Public Utilities encourage participation in this program by developing a simple and accessible application process.