

Key Data Elements in Resuming Collections

Total Number of Active Accounts: 193,323

Monthly: 8,084

Bimonthly: 5,546

Quarterly: 179,693

Amounts in Arrears

Total Dollars at Reminder Stage: \$20,747,501.31

Total Number of Accounts at Reminder Stage: 15,574

Number of overall accounts has decreased by 15% since November. Total outstanding dollars in all aged buckets (past due buckets are 1 – 30 days / 31-60 / 61-90 / 91 – 120 / 120+) has increased by \$200k since November. More individual accounts are resolving their outstanding balances, but the accounts with balances are growing their amounts outstanding. The most aged buckets of 120+ days past due are growing each month; Commercial by 33%, Residential Multi-family by 41%, and Residential Single Family by 43% since November.

Payment Arrangements

Number in Good Standing: 1,690 for \$1,140,574.51 of outstanding balances

Number Terminated YTD: 1,419 for \$744,020.48

Number Paid off YTD: 1,687 for \$1,149,886.68

Some customers are contacting us and making arrangements, but about 30% of those arrangements made have defaulted. 35% have been successfully paid off in this year, while the remainder are still in good standing. (Please note: good standing are payment arrangements that have not defaulted. That number can change every day.) Current practices offer no incentive to keep those arrangements, or to even make them to begin with. There is no consequence for not keeping an arrangement, which differs from our processes in normal times. Customers can continue to make arrangements and default over and over again.

We've not been as successful as we had hoped in getting customers to contact us about making payments or arrangements. Customers who do not make arrangements to pay will have a difficult time paying their bill as we resume collections. We are encouraging customers to reach out to us so that we can help.

If we assumed that all payment arrangements were made on accounts that had a balance of at least \$115 and was more than 35 days past due, then only 11% of those accounts have an arrangement in good standing.

Participation in Programs

Number of accounts with Financial Assistance: 8,720 (4,939 - Tier 1; 3,781 - Tier 2)

Number of accounts with Clean River Rewards: 34,259 (32,687 SFR; 1,572 Comm & MF)

Number of accounts with Monthly Statements: 26,723

Customer Contacts

Call volumes are down significantly from pre-COVID numbers. For example, January 2021 saw 53% of January 2020 numbers, and February 2021 saw 70% of February 2020 numbers.

Customers have not responded to the no-fee Reminder Notice. Adding those notices hasn't generated an increase in calls.

Customers are asking us when they will be shut off for non-payment. While we do not give a date or timeline, customers are telling us they don't intend to pay us until that is a reality.

Payments

Fewer payments are being made. For example, January 2021 saw 90% of January 2020 transaction numbers, and February 2021 saw 95% of February 2020 transaction numbers.

Other Factors

We are tracking several factors to help inform us when the time is appropriate to increase our collections activities, which include reminder notices, fees, urgent reminders and potentially, shut-offs.

One of those factors is Oregon's unemployment rate. Currently at 6.10 percent at the end of February, this is below both the prior month (6.20 percent) and the long-term average (7percent). This figure is up from 3.5 percent at the same time in 2020. We will continue to follow this data as it continues trending in the right direction.

We are also following signals from the State of Oregon. The eviction moratorium has been extended through June. Our intent is to stay in line with that key signal and not return to service interruptions before June.

We are also watching as counties from the extreme categories to less urgent categories, which signals more vaccinated people, less restrictions on businesses, more employment opportunities, a return to in-person school and safer public transportation.

We are watching the release and receipt of another round of stimulus checks, which we believe are serving their intent of lessening the financial burden on thousands of households within our service area. While temporary, this influx of funds is helping to inform the timing of our outreach.

Finally, we are tracking the actions of water utilities, nationally, and other utilities, locally.

The effects of the pandemic are far from over for our community and the ripples of change will be felt for years, if not a generation. However, we are seeing many positive signs that point toward increased financial stability for some in our community and those are the people we need to reach.

Next Steps

We need customers to engage with us, make payments or arrangements to pay, and allow us to match them up with appropriate assistance and programs. For the next phase, efforts to garner customer attention include the following:

- Continue sending reminders at day 35 (no fee)
- Include call from auto-dialer at day 42 in collection stream
- Personal calls from representatives to customers who default on their payment arrangements as able (dependent on call volume increases from fees and auto-dialer calls)
- Personal calls from representatives to customers in the 3 primary account classes (Commercial, Multi-Family, and Residential Single-Family) with the highest outstanding balances that are most aged in each class. This process is very manual and not sustainable for a long period of time.
- Work with Behavioral Insights consultant for the appropriate language to use in guiding customer behavior.
- Resume sending final billed accounts to Professional Credit Service