

ORDINANCE NO. 20150623-001

AN ORDINANCE AMENDING CITY CODE CHAPTER 15-9 REGARDING DEFERRED PAYMENT ARRANGEMENTS FOR UTILITY ACCOUNTS AND APPROVING DEFERRED PAYMENT GUIDELINES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. City Code Section 15-9-144 is repealed and replaced with a new Section 15-9-144 that reads:

§ 15-9-144 DEFERRED PAYMENT AGREEMENT

- (A) The City shall adopt uniform guidelines for collections and deferred payment agreements.
- (B) The City may agree to allow a customer to make deferred payments on a utility service account. A deferred payment agreement shall allow a residential customer to make reasonable payments toward past due balances according to guidelines approved by the City Council.
- (C) A customer with a past-due balance on an active account may apply to the City for a deferred payment agreement.
- (D) A deferred payment agreement with a residential customer who participates in or qualifies for the City's customer assistance program shall not require a monthly payment that exceeds 5% of the U.S. Department of Health and Human Services poverty guideline for a single person household. The 5% maximum applies even if a qualified customer is denied access to the program because of a lack of funding.
- (E) The utility shall renegotiate a deferred payment agreement if the customer can demonstrate a bona fide need for payment relief arising during the term of the agreement, such as:
 - (1) a serious illness or injury suffered by the customer or a member of the customer's household;
 - (2) loss of employment or deportation;
 - (3) economic loss due to natural disaster;
 - (4) domestic violence against the customer; or

- (5) a commitment by an independent program to assist the customer with payment that requires terms other than those in the deferred payment agreement.
- (F) The deferred payment terms and conditions set forth in this section are minimum standards to protect residential customers. This section does not prohibit the utility from providing different repayment terms if the customer consents to those terms.

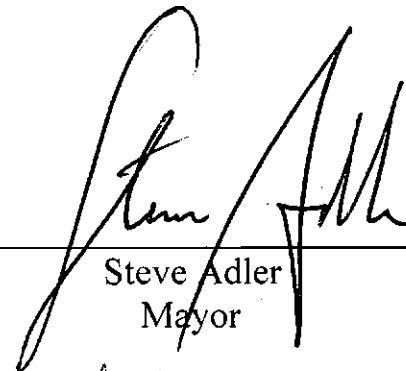
PART 2. The deferred payment guidelines attached as Exhibit A are approved.

PART 3. This ordinance takes effect on July 4, 2015.

PASSED AND APPROVED

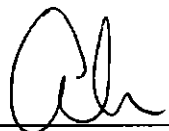
_____, June 23 _____, 2015

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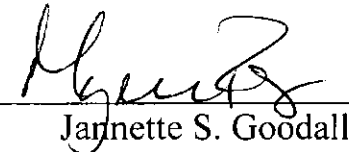
Steve Adler
Mayor

APPROVED:



Anne L. Morgan
Interim City Attorney

ATTEST:



Jannette S. Goodall
City Clerk

Payment Arrangement Procedure

Customers who are eligible for the CAP Discount are eligible for payment arrangements as stated in City Code § 15-9-144.

Payments for residential customers who receive historical debt transfers will be guided under separate procedures.

All other residential customers entering into a new payment arrangement after the effective date will be eligible for payment arrangements under the following three account statuses: Good Standing, Account Watch, and Subject to Disconnection.

A. Customers in “Good Standing” (Payment Arrangement No. 1)

When a customer pays the entire bill by the due date they are considered in Good Standing.

A customer with a past due balance may enter into a deferred payment arrangement subject to the following terms:

- (1) Equal payment installments over a period of up to 24 months shall be presumed to be reasonable if a residential customer is unable to meet the payment arrangements as proposed under existing guidelines.
- (2) The first equal installment under a deferred payment agreement shall be due as a down payment.

A customer with a deferred payment arrangement shall remain in Good Standing when the current monthly bill is paid in full by the due date and 100% of the deferred payment due is paid on or before the next bill due date.

A customer in Good Standing will not be subject to broken payment arrangement provision of payment arrangements or disconnection.

A customer who breaks a Good Standing payment arrangement falls into the Account Watch status.

B. Customers in “Account Watch” status (Payment Arrangement No. 2, and Bona Fide Payment Arrangement, if applicable)

A customer with a deferred payment arrangement who does not remain in Good Standing but whose current monthly bill is paid in full by the due date and whose arrearage is less than \$1000, or an amount determined by the appropriate Customer Service staff member.

Within three business days from the date at which Austin Energy determines a customer falls in Account Watch status, a specially trained Customer Service staff member will contact the

Item #1 – Exhibit A – Special Called City Council meeting June 23, 2015

customer in Account Watch status regarding the status of the account and potential remedies to address the situation, and offer an appointment.

A customer in Account Watch status will be subject to the following payment arrangement terms:

- (1) Equal payment installments over a period of 24 months shall be presumed to be reasonable if a residential customer is unable to meet the payment arrangements as proposed under existing guidelines.
- (2) The first equal installment under a deferred payment agreement shall be due as a down payment.
- (3) The utility shall renegotiate a deferred payment agreement if the customer can demonstrate a bona fide need for payment relief arising during the term of the agreement, such as but not limited to:
 - a serious illness or injury suffered by the customer or a member of the customer's household;
 - loss of employment or deportation;
 - economic loss due to natural disaster;
 - domestic violence against the customer;
 - a commitment by an independent program to assist the customer with payment that requires terms other than those in the deferred payment agreement;

A customer who does not meet the terms of the Account Watch payment arrangements will be "Subject to Disconnection."

C. Customers in "Subject to Disconnection" status (Payment Arrangement No. 3)

A customer who is not in Good Standing status or who does not meet the criteria for Account Watch status will be placed in "Subject to Disconnection" status.

A payment arrangement requiring a 50% down payment of the total debt (due in 15 days) and a maximum of eight monthly installments. Customers may be required to sign a payment arrangement contract. If any of the terms of the payment arrangement are broken the customer will be subject to disconnection under the terms stated in City Code **ARTICLE 7 – TERMINATION OF SERVICE.**

D. Reporting

Austin Energy will meet with consumer groups and Council staff to identify performance measures for these proposed changes so that regular reporting on the payment arrangement metrics begins 60 days after adoption of the procedures and policy.