

ORDINANCE NO. \_\_\_\_\_

**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**PART 1.** City Code Section 15-9-144 is repealed and replaced with a new Section 15-9-144 that reads: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) Based upon guidelines adopted pursuant to this section, the City shall allow a customer to make deferred payments on an active account under a deferred payment arrangement.~~
- ~~[(B) The guidelines shall address the conditions under which a deferred payment arrangement is eligible for renegotiation or reinstatement. The guidelines shall also address the down payment amount and the duration of a payment arrangement.~~
- ~~[(C) The guidelines shall consider the following factors in determining the reasonableness of the down payment amount and the duration of an agreement:~~
- ~~(1) the size and age of the outstanding balance;~~
  - ~~(2) the customer's payment history and performance under any previous deferred payment arrangements employment; and~~
  - ~~(3) any other relevant factors concerning the circumstances of the customer.~~
- ~~[(D) For residential customers who participate in or qualify for the City's customer assistance program, the deferred payment arrangement shall not require a monthly payment that exceeds five percent of the U.S. Department of Health and Human Services monthly poverty guideline for a single person household.~~

1 ~~(E) A deferred payment arrangement shall provide that service shall not be~~  
2 ~~terminated if the customer is current with payments on an established~~  
3 ~~payment arrangement.]~~

4  
5 (A) The City shall adopt uniform guidelines for collections and deferred  
6 payment agreements.

7  
8 (B) The City may agree to allow a customer to make deferred payments on a  
9 utility service account. A deferred payment agreement shall allow a  
10 residential customer to make reasonable payments toward past due balances  
11 according to guidelines approved by the City Council.

12  
13 (C) A customer with a past-due balance on an active account may apply to the  
14 City for a deferred payment agreement.

15  
16 (D) A deferred payment agreement with a residential customer who participates  
17 in or qualifies for the City's customer assistance program shall not require a  
18 monthly payment that exceeds 5% of the U.S. Department of Health and  
19 Human Services poverty guideline for a single person household. The 5%  
20 maximum applies even if a qualified customer is denied access to the  
21 program because of a lack of funding.

22  
23 (E) The utility shall renegotiate a deferred payment agreement if the customer  
24 can demonstrate a bona fide need for payment relief arising during the term  
25 of the agreement, such as:

26  
27 (1) a serious illness or injury suffered by the customer or a member of the  
28 customer's household;

29  
30 (2) loss of employment or deportation;

31  
32 (3) economic loss due to natural disaster;

33  
34 (4) domestic violence against the customer; or

35  
36 (5) a commitment by an independent program to assist the customer with  
37 payment that requires terms other than those in the deferred payment  
38 agreement.

39  
40 (F) The deferred payment terms and conditions set forth in this section are  
41 minimum standards to protect residential customers. This section does not

1 prohibit the utility from providing different repayment terms if the customer  
2 consents to those terms.

3  
4 **PART 2.** The deferred payment guidelines attached as Exhibit A are approved.

5  
6 **PART 3.** This ordinance takes effect on \_\_\_\_\_, 2015.

7  
8 **PASSED AND APPROVED**

9  
10 \_\_\_\_\_, 2015      §  
11 §  
12 §

13 Steve Adler  
14 Mayor

15  
16  
17 **APPROVED:** \_\_\_\_\_

18 Anne L. Morgan  
19 Interim City Attorney

**ATTEST:** \_\_\_\_\_

Jannette S. Goodall  
City Clerk

# Payment Arrangement Procedure

---

Customers who are eligible for the Customer Assistance Program Discount are eligible for payment arrangements as stated in Sections E. and F. of COA Regulation § 15-9-144 - DEFERRED PAYMENT AGREEMENT.

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

All other residential customers will be eligible for payment arrangements as outlined in this procedure.

## 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 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 or Bona Fide)

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.

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

- (1) Except as provided for Customer Assistance Program Customers in 15-9-144 subsection (E), 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;

The customer in account watch status will be contacted by a specially trained Customer Service staff member who will be propose actions designed to resolve the situation.

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 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 COA Regulation **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.