



RESOLUTION NO. U-11314

1 A RESOLUTION related to a temporary two-year waiver of certain
2 disconnection and reconnection service fees listed in Chapter 12.01 of
the Tacoma Municipal Code.

3 WHEREAS the City of Tacoma, Department of Public Utilities, is
4 recommending a two-year waiver of certain disconnection and reconnection
5 service fees listed in Ch. 12.01 of the TMC, and

6
7 WHEREAS Mayor Woodards established Emergency Rule No. 2
8 effective March 17, 2020, that postponed utility shutoffs for nonpayment and
9 was later amended September 28, 2021, to ensure late fees are not charged on
10 balances incurred by utility customers during the period of the emergency, and

11
12 WHEREAS Emergency Rule No. 2 was rescinded as of March 31, 2022,
13 and customers with delinquent balances as of March 19, 2022, were
14 automatically placed on 24-month extended payment plans without late fees,
15 and

16
17 WHEREAS the intent of the proposed code change is to ensure, for a
18 two-year period, that those customers participating in an extended payment
19 plan to retire delinquent balances incurred when utility disconnections were
20 postponed are not charged field collection fees associated with those balances,
21 and

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23 WHEREAS during this period TPU began installing Advanced Meters,
24 many of which have remote disconnection and reconnection capabilities, and

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26 WHEREAS customers with Advanced Meters are not assessed fees on
remote disconnections and reconnections, and



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WHEREAS the proposed changes would waive the standard field visit fee, daytime reconnections fee, and provide a one-time waiver per customer of an after-hours reconnection fee, if those fees are assessed in the next two years due to non-payment of charges before March 31, 2022, and if the utility customer establishes or reestablishes an extended payment plan related to such non-payment, and

WHEREAS the recommended changes would be in effect until May 31, 2024, Now, therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That a temporary two-year waiver of certain disconnection and reconnection service fees listed in Ch. 12.01 of the Tacoma Municipal Code effective until March 31, 2024 is recommended, and the City Council is asked to approve the change to Ch. 12.01 of TMC as on file with Clerk and approved by the City Attorney.

Approved as to form:

	Chair
/s/	_____
Chief Deputy City Attorney	Secretary
_____	Adopted _____
Clerk	



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: John Hoffman, TPU Customer Services
MEETING DATE: April 13, 2022
DATE: April 1, 2022

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input checked="" type="checkbox"/> SD1 – Equity & Inclusion | <input type="checkbox"/> SD8 – Telecom |
| <input type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development |
| <input type="checkbox"/> SD3 – Rates | <input type="checkbox"/> SD10 – Government Relations |
| <input type="checkbox"/> SD4 – Stakeholder Engagement | <input type="checkbox"/> SD11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> SD5 – Environmental Leadership | <input type="checkbox"/> SD12 – Employee Relations |
| <input type="checkbox"/> SD6 – Innovation | <input checked="" type="checkbox"/> SD13 – Customer Service |
| <input type="checkbox"/> SD7 – Reliability & Resiliency | <input type="checkbox"/> SD14 – Resource Planning |

SUMMARY:

Tacoma Public Utilities (TPU) recommends a temporary, two-year waiver of certain disconnection and reconnection service fees listed in TMC 12.01. The proposed changes would waive the standard field visit fee, daytime reconnection fee, and provide a one-time waiver per customer of an after-hours reconnection fee, if those fees are assessed in the next two years due to non-payment of charges incurred before March 31, 2022 and if the utility customer establishes or reestablishes an extended payment plan related to such non-payment. The recommended changes would be in effect until May 31, 2024 and are consistent with Mayor Woodards' Emergency Rule No. 2, which was amended to ensure that late fees are not charged on balances incurred by utility customers during the period of the emergency.

BACKGROUND:

Emergency Rule No. 2, effective March 17, 2020, postponed utility shutoffs for nonpayment. Emergency Rule No. 2 was amended on September 28, 2021 to ensure that late fees are not charged on balances incurred during the period of emergency. Emergency Rule No. 2 was rescinded as of March 31, 2022. Customers with delinquent balances as of March 19, 2022 were automatically placed on 24-month extended payment plans and a procedure was adopted administratively to ensure that late fees would not be charged on balances incurred by utility customers during the period of the emergency. The intent of the proposed code change is to ensure, for a two year period, that those customers participating in an extended payment plan to retire delinquent balances incurred when utility disconnections were postponed are not charged field collection fees associated with those balances.

Separately, TPU begun installing Advanced Meters, many of which have remote disconnection and reconnection capabilities. Customers who receive an Advanced Meter will not be assessed these specific fees on remote disconnections and reconnections, which is another benefit of Advanced Meter deployment.



Board Action Memorandum

The recommendation is that, from the effective date of the code change up to May 31, 2024, disconnection and reconnection fees due to non-payment be waived, so long as the utility customer has established or reestablished an extended payment plan related to non-payment of charges incurred before March 31, 2022.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

As the proposed action is limited to customers specifically negotiating an extended payment arrangement related to charges incurred before March 31, 2022, it is estimated that the loss of revenue will be negligible.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS:

Proposed TMC language with recommendations redlined.

CONTACT:

Primary Contact: John Hoffman, Customer Services Assistant Manager, (253) 720-8208

Supervisor's Name: Steve Hatcher, Customer Services Manager, (253) 502-8691

Additional staff requiring a Zoom presentation link:

Martha Lantz, Deputy City Attorney; Matt Hubbard, Advanced Metering Program



TO: Elizabeth Pauli, City Manager
FROM: John Hoffman, Assistant Customer Services Manager, TPU Customer Services
Steve Hatcher, Customer Services Manager, TPU Customer Services
COPY: City Council and City Clerk
SUBJECT: Proposed TMC 12.01 Changes for Disconnect and Reconnect Fees
DATE: April 19, 2022

SUMMARY AND PURPOSE:

Tacoma Public Utilities (TPU) recommends a temporary, two-year waiver of certain disconnection and reconnection service fees listed in TMC 12.01. The proposed changes would waive the standard field visit fee, daytime reconnection fee, and provide a one-time waiver per customer of an after-hours reconnection fee, if those fees are assessed in the next two years due to non-payment of charges incurred before March 31, 2022 and if the utility customer establishes or reestablishes an extended payment plan related to such non-payment. The recommended changes would be in effect until May 31, 2024 and are consistent with Mayor Woodards' Emergency Rule No. 2, which was amended to ensure that late fees are not charged on balances incurred by utility customers during the period of the emergency.

BACKGROUND:

This Department's recommendation is based on Emergency Rule No. 2, effective March 17, 2020, which postponed utility shutoffs for nonpayment. Emergency Rule No. 2 was amended on September 28, 2021 to ensure that late fees are not charged on balances incurred during the period of emergency. Emergency Rule No. 2 was rescinded as of March 31, 2022. Customers with delinquent balances as of March 19, 2022 were automatically placed on 24-month extended payment plans and a procedure was adopted administratively to ensure that late fees would not be charged on balances incurred by utility customers during the period of the emergency. The intent of the proposed code change is to ensure, for a two year period, that those customers participating in an extended payment plan to retire delinquent balances incurred when utility disconnections were postponed are not charged field collection fees associated with those balances.

Separately, TPU begun installing Advanced Meters, many of which have remote disconnection and reconnection capabilities. Customers who receive an Advanced Meter will not be assessed these specific fees on remote disconnections and reconnections, which is another benefit of Advanced Meter deployment.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The state of emergency created by COVID-19 has had an unprecedented impact on our community and utility account recovery will require an unprecedented response. After significant dialog with the community and community leaders, 30,260 automatic, 24 month installment plans were created for TPU and/or City of Tacoma Environmental Services customers on March 19, 2022. Multiple outreach attempts have been made to impacted customers to explore available assistance, provide payment options and notify them of these installment plan



obligations. That said, it is still anticipate that disconnection for nonpayment will occur for a subset of these customers. When it does this measure will proactively ensure fee barriers will be removed that might otherwise prevent reconnection from occurring.

ALTERNATIVES:

This measure is being proposed proactively and is not required. An alternative would be to take no action and continue with current processes.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Leave the current code language intact and assess disconnect and reconnect fees on all customers with delinquent balances, regardless of if they are participating in a repayment plan.	1. Ensures cost of service recovery. 2. Ensures a financial incentive for customers to stay current with payments.	1. May create a financial barrier for extended payment plan customers to get services turned on. 2. Maintains fee variance, based on cost of service, between manually and remotely connected services.

EVALUATION AND FOLLOW UP:

TPU Customers Services will be providing monthly reporting on the success rate of the 30,260 automatic installment plans. We have identified other utilities that are also offering automatic installment plans and will provide as much benchmarking as is available so this rate can be evaluated. Further, overall progress on collecting open items (balances) will also be reported throughout the 24 months.

STAFF/SPONSOR RECOMMENDATION:

It is recommended that, from the effective date of the code change up to May 31, 2024, disconnection and reconnection fees due to non-payment be waived, as long as the utility customer has established or reestablished an extended payment plan related to non-payment of charges incurred before March 31, 2022.

FISCAL IMPACT:

As the proposed action is limited to customers specifically negotiating an extended payment plan, related to charges incurred before March 31, 2022, it is estimated that the loss of revenue will be negligible.

What Funding is being used to support the expense?

Additional funding is not anticipated or required.



City of Tacoma

City Council Action Memorandum

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

Additional funding is not required.

Are there financial costs or other impacts of not implementing the legislation?

YES

If we were to maintain the status quo we would continue to collect cost of service fees for reconnection and disconnection to offset expenses.

Will the legislation have an ongoing/recurring fiscal impact?

NO

The provision will end in 24 months.

Will the legislation change the City's FTE/personnel counts?

NO

ATTACHMENTS:

Proposed TMC language with recommendations redlined.

12.01.010 Utility services establishment.

A utility service establishment charge shall be imposed for each customer's service order for all utilities provided by the City of Tacoma as set forth below:

A. A utility service establishment charge shall be paid by each utility customer at the time of the service request. The charge includes turn-on and turn-off services if required. The establishment charge shall be as indicated in the table below for each service:

Power (metered) \$10.50

Water (metered) \$6.10

Solid Waste \$3.00

Wastewater \$1.00

Surface Water \$1.00

Such utility service establishment charge will be allocated to, and recorded as revenue for City tax purposes by each utility providing service.

B. Adjustments/Fees.

A service charge shall be paid by each utility customer if a field call is required to adjust service to a new or different type of service or rate, or for turn-off or turn-on of service. For purposes of this chapter, normal City business hours means 8:00 a.m. to 5:00 p.m., Monday through Friday, except City recognized holidays. The service charge shall be the sum of the following applicable fees:

1. \$10.00 for collection or disconnection for nonpayment.
2. \$12.00 for service connection during normal City business hours.
3. \$60.00 for turn-on or turn-off during all other hours.
4. Plus an additional \$35.00 if a pole or vault cut-in or termination is necessary.
5. \$6.00 for failure to appear for utility turn-on.
6. \$20.00 for self cut-in.
7. \$5.00 for verification of meter reading at the customer's request after second reading within 12 consecutive months.
8. \$5.00 for lock-out during a reasonable attempt to read a meter.
9. \$5.00 for service provided to prepare information for collection on accounts closed over 30 days.
10. \$10.00 for service provided to prepare information for bankruptcy administration.

Effective January 1, 2021, a \$15.00 recurring billing cycle fee shall be charged for service provided for Opt Out of Advanced Metering Infrastructure. The low-income senior and/or disabled discount rate percentage, as specified in subsection 12.06.165.C, shall be applied to the Opt-Out fee for qualified eligible customers as determined by subsection 12.06.165.

There will not be a disconnection or connection fee charged if the action may ordinarily be performed remotely. Such adjustment charges will be allocated to and recorded as revenue for City tax purposes by each utility providing service.

C. Reconnection fees resulting from delinquency cut-offs shall be as follows:

1. \$12.00 during normal City business hours and \$60.00 during all other hours.
2. \$40.00 for a pole reconnection during normal City business hours and \$65.00 for a pole reconnection during all other hours.
3. \$75.00 for a URD reconnection during normal City business hours.
4. No URD reconnection after normal City business hours.

There will not be a reconnection fee charged if the action may ordinarily be performed remotely. Such reconnection fees will be allocated to and recorded as revenue for City tax purposes by each utility providing service.

The disconnection, reconnection, or collection fees set forth in subsections 12.01.010.B (1) and (2), subsection 12.01.010.C (1) and subsection 12.01.020 will not be charged if the fees are due to non-payment between March 17, 2020 and May 31, 2024 and the non-payment is connected to an extended payment arrangement for balances incurred by the utility customer prior to March 31, 2022.

The outside of normal business hours disconnection or reconnection fees set forth in subsections 12.01.010.B (3) and 12.01.010.C (1) will be waived one time per customer if the fees are due to non-payment between March 17, 2020 and May 31, 2024 and the non-payment is connected to an extended payment arrangement for balances incurred by the utility customer prior to March 31, 2022.

(Ord. 28726 Ex. A; passed Dec. 15, 2020; Ord. 27137 § 1; passed Sep. 9, 2003; Ord. 27025 § 1; passed Dec. 10, 2002; Ord. 26076 § 1; passed Jun. 3, 1997; Ord. 24965 § 1; passed Aug. 27, 1991; Ord. 23337 § 6; passed Sept. 10, 1985)

12.01.020 Utility field collection call.

A charge of \$10.00 shall be imposed on the customer when a field call is necessary to collect or results from a delinquent utility bill, not-sufficient fund check, deposit, dishonored credit card, debit card, or Automated Clearing House (ACH) payment request and/or a delinquent residential energy conservation loan payment. The utility field collection call charge will be allocated to, and recorded as revenue for City tax purposes by, each utility providing service in the same ratio as Department credit and collection costs.

(Ord. 27025 § 2; passed Dec. 10, 2002; Ord. 24965 § 2; passed Aug. 27, 1991; Ord. 23337 § 6; passed Sept. 10, 1985)

12.01.030 Invoicing and late payment fee.

A. Invoices for City utility services may be issued by mail and/or electronic means. Any invoice shall be deemed issued on the date it is deposited in the United States Post Office with postage paid and/or electronically made available by Customer Services for customer review, and such methods of issuance shall be evidence of receipt of the invoice by a customer.

B. A late payment fee will be assessed for delinquent utility account invoices(s) for City residential utility customers, the late payment fee will be assessed on each invoice that is not paid in full within 30 days from the date issued. For all other City utility customers the late payment fee will be assessed on each invoice that is not paid in full within 24 days from the date the invoice is issued. The late payment fee shall be as follows:

Utility Amount Balance	Late Payment Fee
\$0 - \$9.99	\$0
\$10.00 and over	1% of balance with a \$3.00 minimum

After the initial delinquency and failure to pay, the late payment fee shall compound on a monthly basis at the above-stated rate or 1 percent per month, whichever is more. The fee will be assessed on the past due balance, and each utility will receive the portion assessed for its past due balance.

The late payment fee will be allocated to, and recorded as revenue for City tax purposes by each utility providing service.

C. Notwithstanding TMC 1.06.226, and except as otherwise provided in this Code or applicable state law, utility service charges or fees due and owing the City may be waived or adjusted by the Director of Utilities, or by the Director of Environmental Services Department as the case may be, or their respective designees by express delegation. Such waiver or adjustment authority may only be exercised under the following circumstances:

1. Amounts billed to an eligible residential utility customer, pursuant to TMC 12.06.165, 12.08.360, 12.09.090 and/or 12.10.400 who (1) qualifies as low income, (2) receives supplemental security income, or (3) is disabled and receives federal or state funds;
2. Late payment fees billed to a customer that is a public agency or Indian Tribe and that, due to governmental or similar processing delays, has substantial difficulty in paying accounts within 30 days;
3. Amounts billed in error or in cases where written evidence has been presented demonstrating such irregularity that waiver or reasonable adjustment is necessary to avoid substantial injustice to the Customer; or
4. Pursuant to written procedures promulgated by the Director of Finance and approved by the Director of Utility and the Director of Environmental Services Department.

D. Notwithstanding TMC 1.06.226, and except as otherwise provided in this Code or applicable state law, the Director of Utilities, with regard to power, water and rail services, and the Director of Environmental Services Department, with regard to wastewater, stormwater and solid waste services, and their designees, are authorized to approve a credit or refund to any utility customer for amounts paid and received and determined by the Director, or designee, to have been billed in error by the City and that are in excess of the true amount due and owing. The Directors are further authorized to establish policies and procedures governing the approval of any such refund or credit.

(Ord. 28778 Ex. A; passed Sept. 21, 2021; Ord. 28415 Ex. A; passed Mar. 21, 2017; Ord. 28160 Ex. A; passed July 9, 2013; Ord. 27025 § 3; passed Dec. 10, 2002; Ord. 24965 § 3; passed Aug. 27, 1991; Ord. 23337 § 6; passed Sept. 10, 1985)

12.01.040 Residential conservation loan program charges – Light Division.

A. Late Payment Charge.

A customer who fails to make full payment of any scheduled payment due for his or her Light Division (d.b.a. Tacoma Power) residential weatherization loan within 48 hours of delivery of a Disconnect Notice shall be assessed a late payment charge of \$25.00 for each such late payment. This late payment charge shall be in addition to and not mutually exclusive of any other City loan collection remedies including, but not limited to, termination of utility service and/or acceleration of the entire outstanding loan balance.

For City tax purposes, the late payment charge will be allocated to and recorded as revenue of the Department of Public Utilities, Light Division.

B. Document Recording Charge.

City Light Division residential weatherization loans shall be secured by a lien against the real estate benefited, and a charge shall be imposed for the costs of recording said lien and/or for recording formal releases of such liens, which charge shall be included in the total repayment amount for the loan. These recording charges shall be equal to the amount established in RCW 36.18.010 currently in effect on the date of loan approval or payoff, as appropriate.

C. Subordination Agreements.

In the event the City is requested to subordinate a previously recorded real estate lien securing a customer's Light Division residential weatherization loan, the following prepayments shall be required as consideration for approval of such request(s):

1. For a customer's first subordination request, and provided the City's lien position remains the same, a prepayment amount of \$250.00 shall be collected and accounted toward the outstanding balance of such customer's weatherization loan balance at the time of subordination. If the City's lien position is adversely affected by such subordination, an additional prepayment of \$100.00 shall be required;
2. For a customer's second or further request for lien subordination, a prepayment of \$250.00 or 25 percent of the outstanding balance of such customer's residential weatherization loan balance shall be collected at the time of subordination, whichever amount is greater, regardless of a change in the City's lien position. This amount shall be credited toward the customer's weatherization loan balance.

In the event that a customer's residential weatherization loan or electric utility bill payment history is marginal or poor, as determined by the Light Division Superintendent or his or her designee, the City may deny any lien subordination request in its sole discretion and nothing herein shall be construed to mandate approval of such subordination request(s).

(Ord. 27025 § 4; passed Dec. 10, 2002)

12.01.050 Waiver of utility connection and inspection charges during declared emergency.

Pursuant to Washington State Constitution Article VIII, section 7, and RCW 35.92.380, upon request, the Director of Utilities is authorized to waive all electric and water connection and inspection fees for cities (including the City of Tacoma) within Tacoma Power and Tacoma Water service territories that are providing facilities for sheltering low-income and/or infirm persons. Such authority is contingent upon the city passing an ordinance declaring a state of public health emergency. This section shall sunset pursuant to the requirements of Ordinance No. 28637, passed by the City Council on November 17, 2019.

(Ord. 28642 Ex. A; passed Dec. 17, 2019; Ord. 28577 Ex. A; passed Mar. 26, 2019; Extended by Ord. 28487 Ex A; passed Feb. 6, 2018; Expired Oct. 9, 2017; Ord. 28440 Ex. A; passed Jul. 18, 2017)