



CITY OF BEND

CITY COUNCIL ISSUE SUMMARY

<p>MEETING DATE: April 6, 2022</p>	<p>SUBJECT: Approve resolution authorizing the City Manager to establish an installment payment plan program for utility customers carrying past due balances as a result of the COVID-19 pandemic.</p> <p>STAFF MEMBER: Dana Wilson</p> <p>DEPARTMENT: Utility Department</p>
<p>ACTION REQUIRED:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1st Reading Date: <input type="checkbox"/> Ordinance 2nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information/Direction <input type="checkbox"/> Consent Agenda <i>(adopted by motion)</i> 	<p>ADVISORY BOARD/COMMISSION RECOMMENDATION:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not applicable <p>Comments: Stewardship Subcommittee</p>

RECOMMENDED MOTION:

I move to adopt a resolution to authorize the City Manager to establish an installment payment plan program available to utility customers carrying past-due balances as a result of the COVID-19 pandemic.

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

- Currently, more than 2,500 customers remain in delinquent status with an aggregated outstanding balance of approximately \$1 million as a result of COVID-19.
- Water service shutoff and collection actions will resume July 1, 2022.
- With Council’s approval, City will develop a payment plan program for residential and commercial customers to manage payment of current and past-due balances in order to avoid water shut-offs and additional late fees/penalties while also meeting the City’s financial responsibility to collect utility payments.
- The Program will remain in effect until July 1, 2024, unless further extended by the City Manager.

BACKGROUND:

On March 16, 2020, the City Manager of the City of Bend issued an Administrative Order Declaring a State of Emergency in the City of Bend (“Emergency Order”) resulting from the COVID-19 pandemic. Among other things, the Emergency Order suspended water service shut-offs and utility collection actions, including the institution of late fees, and penalties, while the Emergency Order was in effect.

Following the expiration of the Emergency Order on June 30, 2021, and due to the negative financial impacts resulting from COVID-19, the City’s Utility Director further extended water service shut-offs and collection actions through July 1, 2022.

The City is acting now to provide utility relief programs to help those still facing financial hardship bring their accounts current and avoid water service shut-off and collection activities. The goal of these programs is to provide the tools to help customers manage their bills through a combination of utility assistance and bill management programs while allowing the City to meet our fiduciary responsibility to collect payments.

While there are several state, local, and nonprofit utility billing assistance programs available to income eligible residential customers living within and outside of city limits, there is still concern that there will not be enough assistance for all customers and that as a result some will be forced to choose between water and other necessities like food, medicine, and housing.

To help mitigate the financial impacts of COVID-19 and prevent against a tidal wave of water shut-offs on or after July 1, 2022, the City will develop a payment plan program to assist residential and commercial customers manage payment of current and past-due balances while avoiding water shut-offs and additional late fees or penalties.

The installment payment plan program will include eligibility criteria and generally applicable terms and conditions that are fair and ensure equitable access to all city utility customers.

BUDGET AND FINANCIAL IMPACTS:

If the payment plan program is not approved, the City risks losing the opportunity to collect the outstanding revenue associated with delinquent or past-due accounts.

DEPARTMENT DIRECTOR REVIEW

Reviewed by: Michael Buettner Date: 3/28/2022

FINANCIAL REVIEW

Reviewed by: Corey Johnson Date: 3/28/2022

LEGAL REVIEW

Reviewed by: Michael Selkirk Date: 3/28/2022

COMMUNITY OUTREACH PROCESS AND POTENTIAL IMPACTS:

On February 28, 2022 the Stewardship Subcommittee received a presentation for the American Rescue Plan Act (ARPA) Utility Assistance Grant where payment plan information was provided.

Upon approval of the attached resolution, City staff will update the utility billing website, send letters and bill messages/inserts beginning in April 2022 notifying customers of utility assistance programs and payment plan arrangements. All customers will receive notification that water service shut-offs will resume beginning July 1, 2022. Customers with past due balances will receive 90, 60, 30 and 5-day notification, as appropriate, that past due balances must be paid in full or payment plan arrangements must be made in order to avoid late/delinquency fees and water service shut off.

Letters will include information about how to request a payment plan and apply for utility assistance.

Additionally, the utility billing website will be updated and electronic notifications will be sent through the WaterSmart and other programs.

ATTACHMENTS:

- Payment Plan Resolution