



## Legislation Text

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**File #:** O-387-21, **Version:** 1

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DPU072021CUSTOMERASSISTANCEPROGRAM

DPU/Utilities Administration

Edward Moore (x1845)

**Amending Section 933.10 of the Toledo Municipal Code to establish an additional Customer Assistance Program for Eligible Low-Income, Senior Citizen and Disabled Customers of the City's Utility Systems; and declaring an emergency.**

**SUMMARY & BACKGROUND:**

This ordinance authorizes the creation of an additional Customer Assistance Program for eligible low-income, senior citizen and disabled customers of the City's sewerage, water and storm water systems who have accumulated arrearages in payments due for utility services and products and are now facing termination of service.

Sections 4 and 6 of Article XVIII of the Ohio Constitution confer complete power upon municipalities to establish, own and operate public utilities, to contract with others for the products and services thereof and to fix and collect rates and charges for their services and products.

As authorized by Sections 3, 4 and 6 of Article XVIII of the Ohio Constitution and Section 8(e) of its Charter and Chapters 204, 925, 927, 929, 930, 931, 933 and 943 of the Toledo Municipal Code (the "TMC"), the City of Toledo has established, and owns and operates as separate public utilities, a sewerage system for the collection and treatment of domestic and industrial wastewater (the "Sanitary Sewer System"), a system for the production, treatment, storage and delivery of water (the "Water System") and a system for the collection and delivery of storm water to, through and from drainage areas to the points of final outlet (the "Storm Water System" and, together with the Sanitary Sewer System and the Water System, collectively, the "Utility Systems").

This Council has heretofore established rates and charges for (i) the services of the Sanitary Sewer System as set forth in Chapters 927, 929 and 930 of the TMC, (ii) the services and products of the Water System as set forth in Chapters 933 and 935 of the TMC and (iii) the services the Storm Water System as set forth in Chapter 943 of the TMC, in each case including provision for special discounted rates for certain classes of customers determined to be eligible by virtue of their advanced age, disability and/or low income status and, accordingly, deserving and in need of such treatment as set forth in Sections 929.03(e), 933.02(a)(7) and (8) and 943.05, respectively, due to their particular vulnerability to economic insecurity.

As set forth in Section 933.10 of the TMC, this Council has also heretofore established certain customer assistance programs in order (i) to promote the health and safety of residents of the City by providing loan assistance for residential Water System customers acting to replace private lead service lines and thereby to eliminate the danger such lines pose for contamination of water being supplied by the City and (ii) to provide relief in the form of limited grant assistance to qualified low-income residential Sanitary Sewer System, Water System and Storm Water System customers facing termination of service and thereby to avoid related costs of

disconnections and reconnections that would be incurred by the respective Utility Systems.

This Council formally recognizes and acknowledges that (i) various recent economic pressures, including, without limitation, those created or exacerbated by the furloughs, job losses or other reductions in employment and the additional costs for healthcare and childcare resulting from the coronavirus (COVID-19) pandemic, have been and are being experienced by many low-income, senior citizen and disabled residential customers of the Sanitary Sewer System, Water System and Storm Water System who now have accumulated arrearages and are facing the potential for termination of service; and (ii) the City has limited prospects of being successful in collecting arrearages of in excess of \$200 from such customers.

This Council finds and determines that it is in the interest of the City and each of the respective Utility Systems to (A) avoid (i) the administrative and legal costs the Sanitary Sewer System, Water System and Storm Water System each would incur in attempting to collect such arrearages in payments due them from eligible low-income, senior citizen and disabled residential customers or in proceeding with disconnections and reconnections, (ii) the potential health and safety consequences of any disconnections and (iii) the potential neighborhood deterioration and blight and loss of customers that may result from an abandonment of unserved residences and (B) provide additional relief for such eligible low-income, senior citizen and disabled residential customers and encourage and assist them in re-establishing and managing regular and affordable monthly payments of charges for the services and products of the Utility Systems.

This Council accordingly finds and determines for those purposes to authorize the establishment of a temporary program modeled on those provided by certain other public utilities whereby eligible customers who agree to timely pay currently accruing charges, and comply with that agreement, may earn forgiveness of their existing arrearages in progressive amounts over time.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That Section 933.10 of the TMC which currently reads as follows:

Section 933.10. Customer Assistance Programs.

The Director of Public Utilities may establish Customer Assistance Programs to provide loans for private lead service line replacement, grants to assist qualifying low-income customers in paying water, sewer and storm water bills to avoid termination of service and qualified relief from accumulated arrearages on water, sewer and storm water bills to assist eligible low-income, senior citizen and disabled customers to avoid termination of service.

(a) The Department of Public Utilities may provide loans in an amount not to exceed \$2,000 to Toledo residential water customers for the replacement of private lead service lines. Private lead service lines are the water pipes that run from the home to Toledo's curb box. The Director shall have the discretion to set or waive the collection of interest on such loans and establish the duration of the loan payments, which will be itemized on the utility bills, depending upon the needs of the customer. The program shall be operated on a first come first served basis, annually, while funds remain available. Applicants unable to be served in one year will be eligible for the next round of annual funding based on the date of application.

(b) Loans under the customer assistance program shall be treated in the same manner as utility rates and charges, and delinquencies shall be subject to all available collection

practices including service turnoff, lien certification and assignment to a collection agency.

(c) The Director of Public Utilities may establish a low-income customer assistance grant program that provides a grant in an amount not to exceed \$250 to qualifying Toledo residential water, sewer and storm water customers facing termination of service. The program shall be limited to single-metered consumers whose household income is at or below 200% of the Federal Poverty Level, based on income and size of household as established by the Federal Poverty Guidelines. Funding shall be provided no more than once every two years to qualified customers on a first-come first-served basis while funding allocated for this purpose remains available.

(d) (1) The Director of Public Utilities is authorized and directed to establish a temporary program providing qualified relief from accumulated arrearages to assist eligible low-income, senior citizen and disabled residential customers of the City's sewer system, water system [and][or] storm water system in avoiding termination of service and re-establishing regular, manageable and affordable monthly payment of the charges for the services and products of those Systems. The program shall be limited to single-metered customers who on August 1, 2021, had an account with the City's Department of Public Utilities with accumulated arrearages of more than \$200 for sewer system, water system and storm water system charges (including any late payment fees, charges and penalties) and (i) whose household income is at or below 200% of the Federal Poverty Level, based on income and size of household, as established by the Federal Poverty Guidelines, or (ii) who are senior citizens whose household income is at or below 300% of the Federal Poverty Level, based on income and size of household, as established by the Federal Poverty Guidelines, or (iii) who have been certified by a state or federal agency to have a permanent and total disability and whose household income is at or below 300% of the Federal Poverty Level, based on income and size of household, as established by the Federal Poverty Guidelines. For purposes of this Section 933.10(d), "customer" means (i) the resident owner of a residential property receiving products or services of the City's sewer system, water system [and][or] storm water system and holding the applicable utility account or (ii) in the case of a single-metered residential rental property receiving products or services of the City's sewer system, water system [and] [or] storm water system, the person (whether landlord or tenant) contractually responsible for payment of the applicable sewer system, water system [and][or] storm water system charges.

(2) The Director of Public Utilities shall establish a deadline not later than August 1, 2022 for the receipt of applications for participation in the program and prescribe the methods to be employed by the Department of Public Utilities for the processing of applications and the determination and confirmation of the eligibility and qualifications of applicants and.

(3) Customers who are determined by the Department of Public Utilities to be eligible and have been qualified for participation in the program shall receive a notice of approval. If after receiving such a notice of approval, a program participant shall pay timely the applicable current charges for each monthly billing period shown on each subsequent bill for (i) the services of the City's sewer system, (ii) the services and products the City's water system and (iii) the services the City's storm water system, the participant shall receive, in addition to credit for payment of such current monthly charges, a qualified credit measured as follows: (i) for a participant whose arrearages on August 1, 2021 were \$1,000 or less, a qualified credit equal to one-twelfth (1/12) of those arrearages and (ii) for a participant whose arrearages on

August 1, 2021 were more than \$1,000, a qualified credit of one twenty-fourth (1/24) of those arrearages; such that at the end of the applicable 12-month or 24-month period the participant's arrearages shall be deemed to have been forgiven; provided, however, that if a participant shall fail to comply with the requirements of the program at any time during the applicable 12-month or 24-month period, including by reason of non-payment or late payment of current monthly charges, the participant shall be removed from the program and all prior credits shall be rescinded such that the full amount of the participant's arrearages on August 1, 2021 shall be restored.

(4) While participating in the program, the arrearage shall not be subject to late payment charges, penalties, or other enforcement measures; provided that if participant shall be removed from the program and the prior credits rescinded, late payment charges, penalties, or other enforcement measures may resume as of the day of such removal."

Be and is hereby amended to read as follows:

Section 933.10. Customer Assistance Programs.

The Director of Public Utilities may establish Customer Assistance Programs to provide loans for private lead service line replacement, grants to assist qualifying low-income customers in paying water, sewer and storm water bills to avoid termination of service and qualified relief from accumulated arrearages on water, sewer and storm water bills to assist eligible low-income, senior citizen and disabled customers to avoid termination of service.

(a) The Department of Public Utilities may provide loans in an amount not to exceed \$2,000 to Toledo residential water customers for the replacement of private lead service lines. Private lead service lines are the water pipes that run from the home to Toledo's curb box. The Director shall have the discretion to set or waive the collection of interest on such loans and establish the duration of the loan payments, which will be itemized on the utility bills, depending upon the needs of the customer. The program shall be operated on a first come first served basis, annually, while funds remain available. Applicants unable to be served in one year will be eligible for the next round of annual funding based on the date of application.

(b) Loans under the customer assistance program shall be treated in the same manner as utility rates and charges, and delinquencies shall be subject to all available collection practices including service turnoff, lien certification and assignment to a collection agency.

(c) The Director of Public Utilities may establish a low-income customer assistance grant program that provides a grant in an amount not to exceed \$250 to qualifying Toledo residential water, sewer and storm water customers facing termination of service. The program shall be limited to single-metered consumers whose household income is at or below 200% of the Federal Poverty Level, based on income and size of household as established by the Federal Poverty Guidelines. Funding shall be provided no more than once every two years to qualified customers on a first-come first-served basis while funding allocated for this purpose remains available.

(d) (1) The Director of Public Utilities is authorized and directed to establish a temporary program providing qualified relief from accumulated arrearages to assist eligible

low-income, senior citizen and disabled residential customers of the City's sewer system, water system [and][or] storm water system in avoiding termination of service and re-establishing regular, manageable and affordable monthly payment of the charges for the services and products of those Systems. The program shall be limited to single-metered customers who on October 1, 2021, had an account with the City's Department of Public Utilities with accumulated arrearages of more than \$200 for sewer system, water system and storm water system charges (including any late payment fees, charges and penalties) and (i) whose household income is at or below 200% of the Federal Poverty Level, based on income and size of household, as established by the Federal Poverty Guidelines, or (ii) who are senior citizens whose household income is at or below 300% of the Federal Poverty Level, based on income and size of household, as established by the Federal Poverty Guidelines, or (iii) who have been certified by a state or federal agency to have a permanent and total disability and whose household income is at or below 300% of the Federal Poverty Level, based on income and size of household, as established by the Federal Poverty Guidelines. For purposes of this Section 933.10(d), "customer" means (i) the resident owner of a residential property receiving products or services of the City's sewer system, water system [and][or] storm water system and holding the applicable utility account or (ii) in the case of a single-metered residential rental property receiving products or services of the City's sewer system, water system [and] [or] storm water system, the person (whether landlord or tenant) contractually responsible for payment of the applicable sewer system, water system [and][or] storm water system charges.

(2) The Director of Public Utilities shall establish a deadline not later than October 1, 2022 for the receipt of applications for participation in the program and prescribe the methods to be employed by the Department of Public Utilities for the processing of applications and the determination and confirmation of the eligibility and qualifications of applicants and.

(3) Customers who are determined by the Department of Public Utilities to be eligible and have been qualified for participation in the program shall receive a notice of approval. If after receiving such a notice of approval, a program participant shall pay timely the applicable current charges for each monthly billing period shown on each subsequent bill for (i) the services of the City's sewer system, (ii) the services and products the City's water system and (iii) the services the City's storm water system, the participant shall receive, in addition to credit for payment of such current monthly charges, a qualified credit measured as follows: (i) for a participant whose arrearages on October 1, 2021 were \$1,000 or less, a qualified credit equal to one-twelfth (1/12) of those arrearages and (ii) for a participant whose arrearages on October 1, 2021 were more than \$1,000, a qualified credit of one twenty-fourth (1/24) of those arrearages; such that at the end of the applicable 12-month or 24-month period the participant's arrearages shall be deemed to have been forgiven; provided, however, that if a participant shall fail to comply with the requirements of the program at any time during the applicable 12-month or 24-month period, including by reason of non-payment or late payment of current monthly charges, the participant shall be removed from the program and all prior credits shall be rescinded such that the full amount of the participant's arrearages on October 1, 2021 shall be restored.

(4) While participating in the program, the arrearage shall not be subject to late payment charges, penalties, or other enforcement measures; provided that if participant shall be removed from the program and the prior credits rescinded, late payment charges, penalties, or other enforcement measures may resume as of the day of such removal."

SECTION 2. That Section 933.10 of the Toledo Municipal Code, as it has heretofore existed, be and the same is hereby repealed on the date on which this ordinance becomes effective.

SECTION 3. That this Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this ordinance were taken, and that all deliberations of this Council and any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

SECTION 4. That this ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and property of the City, and for the further reason that this ordinance is required to be immediately effective in order to preserve the public peace; wherefore, this ordinance shall be in full force and effect immediately upon its passage or at the earliest time allowed by law.

Vote on emergency clause: yeas \_\_\_\_\_, nays \_\_\_\_\_.

Passed: \_\_\_\_\_, as an emergency measure: yeas \_\_\_\_\_, nays \_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Approved: \_\_\_\_\_

\_\_\_\_\_  
Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

\_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council