

ORDINANCE NO. 135, 2022
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
RELATED TO WATER, WASTEWATER AND ELECTRIC RATES, FEES, AND CHARGES
APPLIED UNDER THE INCOME-QUALIFIED ASSISTANCE PROGRAM

WHEREAS, the City Council is empowered and directed by Article XII, Section 6 of the Fort Collins City Charter, to by ordinance from time-to-time fix, establish, maintain and provide for the collection of such rates, fees or charges for utility services furnished by the City as will produce revenues sufficient to pay the costs, expenses, and other obligations as set forth therein; and

WHEREAS, the 2022 and proposed 2023 rates, fees or charges for utility services set forth in Chapter 26 of the City Code are necessary to produce sufficient revenues to provide the utility services described herein; and

WHEREAS, the revenue from the rates, fees or charges for utility services as proposed for adjustment herein shall be used to defray the costs of providing such utility services as required by the Charter and the City Code; and

WHEREAS, on May 1, 2018, City Council adopted Ordinance No. 054, 2018, creating the Income-Qualified Assistance Program (“IQAP”), which launched in October 2018 providing customers with household incomes at or below 60% of Area Median Income (AMI) with utility service rate discounts for residential water, wastewater, and electric services furnished by respective enterprises of the City (the “IQAP Discounts”), as codified in Articles III, IV, and VI of Chapter 26 of the City Code; and

WHEREAS, on August 4, 2021, City Council adopted Ordinance No. 091, 2021 creating automatic customer enrollment and opt-out practices in City Code, and extending IQAP Discounts from August 1, 2021, through December 31, 2022; and

WHEREAS, the IQAP was initially adopted as a limited-time pilot to expire December 31, 2022, and provisions of the Code require amendment to continue the IQAP after that date; and

WHEREAS, Fort Collins Utilities staff has identified provisions of Chapter 26 of the Code where improved alignment of the IQAP with City Council priorities, market efficiencies, and utility practices can be achieved by making the IQAP an ongoing Utilities program, and by adjusting IQAP Discounts relative to geodemographic and cost of living data from the Utilities’ service area; and

WHEREAS, Utilities staff expects an increase of the IQAP Discount will increase effectiveness of the IQAP and help offset the high energy burden and increasing energy insecurity experienced within the City’s residential rate class; and

WHEREAS, the City Manager and Utilities staff also recommended to the City Council that the Code be revised to align the period for reviewing IQAP Discounts with the applicable periods for setting City utility rates; and

WHEREAS, the Energy Board considered proposed Code adjustments for the IQAP and Discounts at its September 8, 2022, regular meeting, and recommended approval of the proposed adjustments; and

WHEREAS, the Water Commission considered the proposed Code adjustments for the IQAP and Discounts at its October 20, 2022, regular meeting, and recommended approval of the proposed adjustments; and

WHEREAS, the City Council Finance Committee considered the proposed Code adjustments for the IQAP and Discounts at its October 19, 2022, regular meeting and staff included the Committee's feedback in the final adjustments proposed herein; and

WHEREAS, the proposed conversion of the IQAP from a pilot to an ongoing Utilities program, and adjusting bill discounts based on service area geodemographic and cost of living data, advance the following utility purposes that benefits rate payers, consistent with Article XII, Section 6 of the City Charter:

- creates parity as to percentage of household income within residential rate class committed to utility bills (targeting 3.1%), compensating for income differences between 60%/below AMI households and 100% AMI households;
- timely billing payment with less operational and administrative expense, as customers pay remaining bill balances without Utilities incurring the costs of disconnection, collections or payment plans;
- increased participation in programs and retrofits that improve efficiency of low-income customer dwellings and advance regional efforts to reduce utility costs across the residential rate class;
- extended reach and cumulative benefits of Utilities conservation and efficiency education involving user habits in households that historically have not participated in these efforts; and
- as customers continue participation, combined program education and incentives build trusted community relationships and provide fuller customer usage pattern data that in turn allows Utilities to pursue environmental goals more aggressively

; and

WHEREAS, based on the foregoing, City Council desires to amend Chapter 26 of the City Code to adjust the IQAP and Discounts for electric and water, and wastewater services as set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That Section 26-127(a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-127. - Schedule B, meter rates.

(a) *Residential rates.*

(1) Residential customers with one (1) dwelling unit shall pay the sum of the following changes:

<i>Category</i>	<i>Component Charge</i>	<i>Billed Charge (with PILOT)</i>
...
c. Income-qualified assistance discount. Discount applied to monthly base and Tier 1 volumetric charges for IQAP participating residential customers in properties with one (1) dwelling unit, as further described in Section 26-724 of the Code.	23 ⁵ percent	

(2) Residential customers with two (2) dwelling units shall pay the sum of the following charges:

<i>Category</i>	<i>Component Charge</i>	<i>Billed Charge (with PILOT)</i>
...
c. Income-qualified assistance discount. Discount applied to monthly base and Tier 1 volumetric charges for IQAP participating residential customers in properties with two (2) dwelling units, as further described in Section 26-724 of the Code.	23 ⁵ Percent	

(3) Residential customers with more than two (2) dwelling units shall pay the sum of the following charges:

<i>Category</i>	<i>Component Charge</i>	<i>Billed Charge (with PILOT)</i>
...

c. Income-qualified assistance discount. A discount applied to the monthly base and volumetric charges above for IQAP participating residential customers in properties with more than two (2) dwelling units who hold water and wastewater service accounts in their own names, subject to Section 26-724 of the Code.	235 percent	
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Section 3. That Section 26-280 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-280. - Service charges established by category.

The schedule of rates for each category described in § 26-279 shall be as follows:

<i>Category</i>	<i>Class of Customer</i>	<i>Rate</i>	<i>Component Charge</i>	<i>Billed Charge (with PILOT)</i>
A	Single-family residential user (flat rate)
	Single-family residential user (metered water use)	3. Income-qualified assistance discount. Discount applied to monthly base and volumetric charges for IQAP participating residential customers, as further described in Section 26-724 of the Code.	235 percent	
	
B	Duplex (two-family) residential users (flat rate)
	Duplex (two-family) residential users (metered water use)	3. Income-qualified assistance discount. Discount applied to monthly base and volumetric charges for IQAP participating residential customers, as further	235 percent	

		described in Section 26-724 of the Code.		
		...		
C	Multi-family residential user (more than two dwelling units including mobile home parks) and winter quarter based nonresidential user
		3. Income-qualified assistance discount. Discount applied to monthly base and volumetric charges for IQAP participating residential customers in properties with more than two (2) dwelling units who hold water and wastewater service accounts in their own names, subject to Section 26-724 of the Code.	235 percent	
		...		

...

Section 4. That Section 26-464 (c) of the Fort Collins City Code is hereby amended to read as follows:

Sec. 26-464. - Residential energy service, schedule R.

...

(c) Monthly rate. The monthly rates for this schedule shall be the sum of the following charges applied to all energy consumption on or after January 1, 2022³.

<i>Description</i>	<i>Unit</i>	<i>Component Charge</i>	<i>Billed Charge (including PILOT)</i>
...
f. Income-qualified assistance discount. Discount applied to effective monthly charges in "a.", "b.", "c." and "d." for IQAP participating residential customers, as further described in Section 26-724 of the Code.		235 percent	

...

Section 5. Section 26-465 (c) of the Fort Collins City Code is hereby amended to read as follows:

Sec. 26-465. - All-electric residential service, schedule RE.

...

(c) *Monthly rate.*

(1) The monthly rates for this schedule shall be the sum of the following charges, applied to all energy consumption on or after January 1, 2023.

<i>Description</i>	<i>Unit</i>	<i>Component Charge</i>	<i>Billed Charge (including PILOT)</i>
...			
e. Income-qualified assistance program (“IQAP”) discount. Discount applied to monthly charges in "b.", "c." and "d." above for IQAP participating residential customers, as further described in Section 26-724 of the Code		23.5 percent	

...

Section 6. Section 26-724(d) of the Fort Collins City Code is hereby amended to read as follows:

Sec. 26-724. - Residential income-qualified assistance program.

...

(d) *Rates.* The discounts applied to monthly base and volumetric rates for qualified customers shall be as set forth in Sections 26-127(a), 26-280, 26-464(c), and 26-465(c) of this Code on meter readings during the period of August 1, 2021, through December 31, 2022 on or after January 1, 2023.

...

Introduced, considered favorably on first reading, and ordered published this 1st day of November, A.D. 2022, and to be presented for final passage on the 15th day of November, A.D. 2022.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 15th day of November, A.D. 2022.

Mayor

ATTEST:

City Clerk