

ORDINANCE NO. 033, 2012
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CHAPTER 26 OF THE CODE OF THE CITY OF FORT COLLINS
TO ALLOW FOR ON-BILL UTILITY FINANCING

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WHEREAS, Utilities has proposed to pilot a new program element for 2012, providing on-bill financing for residential customers participating in the Home Efficiency Program and the Solar Rebate Program, and for customers who need to repair or replace a water supply line (the "On-Bill Utility Financing Program"); and

WHEREAS, the primary goal of the On-Bill Utility Financing Program pilot is to facilitate more efficiency upgrades in the residential sector in order to reduce the need for future energy resources, reduce the community's environmental footprint, promote local economic health by investing in the built environment, and improve the health, comfort and safety of homes in the Fort Collins community; and

WHEREAS, in the fall of 2011, the City Council approved a budget exception for the 2012 budget to provide \$300,000 for the On-Bill Utility Financing Program, subject to bringing the necessary changes in the Code and additional details of the pilot program; and

WHEREAS, funding for subsequent years will be addressed through the Budgeting for Outcomes process; and

WHEREAS, the proposed pilot On-Bill Utility Financing Program supports the policy goals of Plan Fort Collins, the Climate Action Plan, Energy Policy and Water Conservation Plan; and

WHEREAS, the program will be a valuable addition to Utilities' efficiency and renewable energy programs, which foster sustainability through energy and water use reductions, local contractors and investment in the built environment and improved home comfort, health and safety; and

WHEREAS, Fort Collins Utilities has offered the Zero Interest Loan (ZILCH) program since the early 1980s, but after many years of success, in recent years the program has seen relatively little activity; and

WHEREAS, in order to update the model for providing this type of support to residential customers, staff has proposed that the On-Bill Utility Financing Program replace the ZILCH program for Utilities-funded loans; and

WHEREAS, the Council has determined that it is desirable to establish an appropriate range of interest rates for loans in the On-Bill Utility Financing Program, while providing some flexibility for administration of specific loans based on administrative procedures and standards to be adopted by the Financial Officer pursuant to existing authority under Section 26-720 of the City Code; and



WHEREAS, on March 1, 2012, the Energy Board voted unanimously to recommend expansion of the role of Utilities as the financing agent for energy reduction projects, and on April 5, 2012, the Energy Board voted unanimously to recommend adoption of the proposed Ordinance; and

WHEREAS, on March 15, 2012, the Water Board voted unanimously to recommend the adoption of the proposed On-Bill Utility Financing Program; and

WHEREAS, in accordance with the foregoing, the Council is adopting revisions to Chapter 26 of the City Code, as set forth herein.

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

Section 1. That, for the reasons stated above, the City Council hereby finds and determines that the On-Bill Utility Financing Program as described herein will be for the betterment of the affected Utilities, and will be beneficial to the ratepayers of those Utilities.

Section 2. That Section 26-129 of the Code of the City of Fort Collins is hereby amended by the addition of new subparagraphs (f) and (g) which read in their entirety as follows:

Sec. 26-129. Schedule D, miscellaneous fees and charges.

...

(f) The interest rate for water service-related loans shall be no less than the most current U.S. prime lending rate at the time of loan origination plus two percent (2%) and no more than the most current U.S. prime lending rate at the time of loan origination plus five percent (5%), per annum, with the interest rate for each loan to be set in accordance with the administrative rules and regulations of the Financial Officer pursuant to §26-720.

(g) Loan-related fees for water service-related loans shall be as follows:

- (1) For loan application: \$25.00
- (2) For loan origination: 150.00

Section 3. That Section 26-130 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-130. Agreements for special water services.

(a) Special services or complex service arrangements that are beyond those required for basic water service may be arranged by a written services agreement which the Utilities Executive Director may negotiate and enter into on behalf of the water utility. Said agreement shall establish the terms and conditions for any such

special services or arrangements and shall incorporate by reference the requirements of this Chapter, as applicable.

(b) Special services in the form of loans for water service-related improvements, conservation measures or efficiency enhancements shall be documented on forms determined by the Utilities Executive Director and the Financial Officer. Any such loans shall be made consistent with the applicable program requirements, credit and risk standards, and interest rate provisions as set forth in this Article and in the administrative rules and regulations adopted by the Financial Officer pursuant to § 26-720. Obligations for repayment of any such loans are subject to the provisions of Article XII of this Chapter.

(c) Any special services agreement modifying the rates, fees or charges for said services from those set forth in this Article shall be subject to approval by the City Council in accordance with § 6 of Article XII of the Charter.

Section 4. That Section 26-289 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-289. Miscellaneous fees and charges.

The following is a schedule of miscellaneous fees and charges:

<i>Description</i>	<i>Amount</i>
(1) Connection fees and service charges	Fees shall be set forth as in § 26-712(b)
(2) Industrial discharge permits	
a. Administration	\$76.00 annually
b. Surveillance	Determined for each user annually, based on direct cost plus 15% indirect costs, billed monthly
(3) Laboratory support services	Determined on a case-by-case basis based on direct cost plus 15% indirect costs
(4) Materials and labor provided by City	Determined on a case-by-case basis based on direct cost plus 15% indirect costs

(5) Charges for disposal at the Fort Collins Regional Sanitary Waste Transfer Station:	
a. Septic tanks, vaults, privies, portable toilets:	
Generated within Larimer County	\$0.071 per gallon
Generated outside Larimer County	\$0.108 per gallon
b. Recreational vehicle sanitary waste holding tanks:	
Residential customers of the City of Fort Collins Wastewater Utility	No charge for individual disposal at Transfer Station
Others	\$2.35 base fee plus \$0.071 per gallon
(6) Interest rate for wastewater service-related loans:	No less than the most current U.S. prime lending rate at the time of loan origination plus two percent (2%) and no more than the most current U.S. prime lending rate at the time of loan origination plus five percent (5%), per annum, with the interest rate for each loan to be set in accordance with the administrative rules and regulations of the Financial Officer pursuant to § 26-720.
(7) Loan-related fees for wastewater service-related loans:	
a. For loan application:	\$25.00
b. For loan origination:	\$150.00
(8) Miscellaneous fees	Determined on a case-by-case basis based on direct costs plus 15% indirect costs

Section 5.
to read as follows:

That Section 26-290 of the Code of the City of Fort Collins is hereby amended

Sec. 26-290. Agreements for special wastewater services.

(a) Special services or complex service arrangements that are beyond those required for basic wastewater service may be arranged by a written services agreement which the Utilities Executive Director may negotiate and enter into on behalf of the wastewater utility. Said agreement shall establish the terms and conditions for any such special services or arrangements and shall incorporate by reference the requirements of this Chapter, as applicable.

(b) Special services in the form of loans for wastewater service-related improvements, conservation measures or efficiency enhancements shall be documented on forms determined by the Utilities Executive Director and the Financial Officer. Any such loans shall be made consistent with the applicable program requirements, credit and risk standards, and interest rate provisions as set forth in this Article and in the administrative rules and regulations adopted by the Financial Officer pursuant to § 26-720. Obligations for repayment of any such loans are subject to the provisions of Article XII of this Chapter.

(c) Any special services agreement modifying the rates, fees or charges for said services from those set forth in this Article shall be subject to approval by the City Council in accordance with § 6 of Article XII of the Charter.

Section 6. That Section 26-464 of the Code of the City of Fort Collins is hereby amended by the addition of a new subsection (p) which reads in its entirety as follows:

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

(p) *Loans.* Special services in the form of loans for electric service-related improvements, conservation measures or efficiency enhancements shall be documented on forms determined by the Utilities Executive Director and the Financial Officer. Any such loans shall be made consistent with the applicable program requirements, credit and risk standards, and interest rate provisions as set forth in this Article and in the administrative rules and regulations adopted by the Financial Officer pursuant to § 26-720. The interest rate for such loans shall be no less than the most current U.S. prime lending rate at the time of loan origination plus two percent (2%) and no more than the most current U.S. prime lending rate at the time of loan origination plus five percent (5%), per annum, with the interest rate for each loan to be set in accordance with the administrative rules and regulations of the Financial Officer. Obligations for repayment of any such loans are subject to the provisions of Article XII of this Chapter.

Section 7. That Section 26-465 of the Code of the City of Fort Collins is hereby amended by the addition of a new subparagraph (r) which reads in its entirety as follows:

Sec. 26-465. Residential demand service, schedule RD.

...

(r) *Loans.* Special services in the form of loans for electric service-related improvements, conservation measures or efficiency enhancements shall be documented on forms determined by the Utilities Executive Director and the Financial Officer. Any such loans shall be made consistent with the applicable program requirements, credit and risk standards, and interest rate provisions as set forth in this Article and in the administrative rules and regulations adopted by the Financial Officer pursuant to § 26-720. The interest rate for such loans shall be no less than the most current U.S. prime lending rate at the time of loan origination plus two percent (2%) and no more than the most current U.S. prime lending rate at the time of loan origination plus five percent (5%), per annum, with the interest rate for each loan to be set in accordance with the administrative rules and regulations of the Financial Officer. Obligations for repayment of any such loans are subject to the provisions of Article XII of this Chapter.

Section 8. That Section 26-712(b) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-712. Utility bill and account charges authorized; procedures.

...

(b) The following account and miscellaneous fees and charges shall apply to all City utility customers receiving service pursuant to the terms of Chapter 26, whether within or outside of the corporate limits of the City, except as otherwise expressly stated:

<i>Fees and Charges</i>	<i>Amount</i>
Service connection fee for account with one or more metered services (including nonmetered services for the same account)	\$19.65
Customer-initiated rate change (after 90 days of new service)	19.65
Service connection fee for account with only nonmetered services (stormwater, wastewater, wind, flat commercial electric, sprinkler clocks, cable towers and floodlights)	10.00
Service fee to reinstate an account to the owner/property manager between tenants	10.00
Meter reading charge, per month, for those customers who request the option of mechanical electric meter and/or a mechanical water meter instead of the	11.00 per month

standard advanced metering equipment	
Turn-off notice fee	10.00
Reconnect fee per service for water or electric following disconnection for delinquency	20.00
Trip charge for special services requested by customer during normal service hours	19.65
After-hours reconnect or after-hours trip charge for special service requested by customer - Water (after 5:00 p.m. weekdays or weekend/holiday)	85.35
After-hours reconnect or after-hours trip charge for special service requested by customer - Electric (after 5:00 p.m. weekdays or weekend/holiday)	85.35
Return item fee (check, electronic fund transfer, credit card, etc.)	25.00
Owner-requested repair disconnect fee, per trip	20.00
Research/document fee per hour	20.00
Interest rate for utility service-related loans:	No less than the most current U.S. prime lending rate at the time of loan origination plus two percent (2%) and no more than the most current U.S. prime lending rate at the time of loan origination plus five percent (5%), per annum, with the interest rate for each loan to be set in accordance with the administrative rules and regulations of the Financial Officer pursuant to § 26-720.
Loan-related fees for utility service-related loans:	
a. For loan application:	\$25.00
b. For loan origination:	\$150.00

Other miscellaneous charges will be based on direct cost plus fifteen percent (15%) indirect costs.

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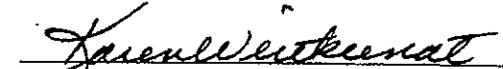
Section 9. That Section 26-720 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 26-720. Administrative rules and regulations.

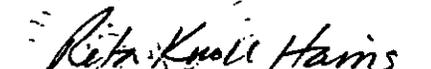
The Financial Officer shall formulate and promulgate rules and regulations for the administration of this Article, not inconsistent with the provisions of this Article, with respect to the billing and collection of utility fees and charges, credit and lending standards and rates and administrative practices for utility loan programs, which shall include, but shall not be limited to, efficiency-related conditions on loans for renewable energy development, and other matters relating to the administration of customer accounts. Said rules and regulations may regulate without limitation, the forms and procedures for giving notice to customers; policies for adjusting billed amounts as necessary to correct errors or for administrative efficiency or to achieve equity; procedures for appeals; and procedures for the documentation of liens. Any rules or regulations promulgated by the Financial Officer hereunder shall be effective upon the Financial Officer's filing of the same with the City Clerk.

Section 10. That the City Manager is hereby directed to submit a written report to the City Council on or before July 31, 2013, or within thirty (30) days of disbursement of all available loans funds for the On-Bill Utility Financing Program, whichever is earlier, describing the implementation of the provisions of this Ordinance, including, but not limited to, the number of applications received by the City for loans, the amounts disbursed by the City for the loans, the types of improvements for which the loans have been made, and any recommendations as to changes to the program that might make the program more effective.

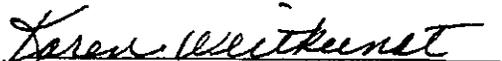
Introduced, considered favorably on first reading, and ordered published this 17th day of April, A.D. 2012, and to be presented for final passage on the 1st day of May, A.D. 2012.


Mayor

ATTEST:


Interim City Clerk

Passed and adopted on final reading on the 1st day of May, A.D. 2012.


Mayor

ATTEST:


Interim City Clerk