



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: September 6, 2022

Re: Proposed Late Fee and Due Date Modifications for Fixed Income Utility Customers

## Executive Summary

Staff has prepared for Council consideration a report proposing modifications to the application of late fees and the due date for fixed income utility customers that would avoid late fees if the customer meets an eligibility process.

## Discussion

During the July 18, 2022 and August 1, 2022 City Council meetings, Councilperson Fowler requested that late fees not be charged to individuals that were on a fixed income or only paid once a month. Staff is proposing a modification to the application of late fees and the due date for fixed income utility customers that would avoid late fees if the customer meets an eligibility process.

The new extension program guidelines are below.

1. To initiate, the utility customer would have to contact UCS prior to their current utility bill due date to avoid late fees and request to participate in the program. The utility customer will need to be in current status and not have a utility bill past due. This would allow the utility customer to be set up to participate in the program. If the customer is not in a current status they can apply for utility assistance with the City Health Department, Central Missouri Community Action (CMCA) and other community entities.
2. The program would extend the due date for an additional 21 days, which is the same as the medical certification letter extension outlined in Section 27-21 (g) of the City Code of Ordinances
3. The utility customer would have to meet an Eligibility Process:
  - a. Staff would work with the City Health Department and Central Missouri Community Action (CMCA) to see if the utility customer is eligible for utility assistance based on their income
  - b. The customer will not have to contact us each month to set up the extension if they are eligible for utility assistance. The eligibility could be up to one year once they are deemed eligible then there would be an annual review process in January.
  - c. If the customer does not submit documentation during the annual review process then they would be removed from the program and late fees would then apply
  - d. If the customer is disconnected twice for non-payment they will be removed from the program and late fees would apply



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In addition, staff has contacted numerous other entities to inquire about utility bill due dates, late fees and how they are charged to utility customers, what meter types they currently have such as Automated Meter Reading (AMR) or Advanced Metering Infrastructure (AMI), along with utility assistance programs that are available. This table is included at the end of the memo.

## Fiscal Impact

Short-Term Impact: Unknown

Long-Term Impact: Unknown

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Organizational Excellence, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

### Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

## Legislative History

Date	Action
07/06/2021	REP55-21: Utility Late Fees and Utility Disconnections and Delinquent Accounts
04/06/2020	B90-20: Authorizing a temporary deviation from certain City Code provisions relating to the assessment of penalties, late charges and service fees on utility customer service accounts; authorizing residential landlords to obtain utility service for rental unit without a certificate of compliance; declaring an emergency for enactment
11/18/2019	REP108-19: Applying Late Fees to Past Due Utility Account Balances

## Suggested Council Action

Staff is requesting Council direction on whether to draft an ordinance revision to implement the program described above.



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Entity	Bill Due Date	Late Fee	Meter Type (AMR/AMI)	Utility Assistance
Columbia, MO	20 days after bill issue date	3% of bill after due date	AMR	* CMCA * City Utility Assistance Program * Various pledging organizations in community
Boone Electric	9 days after bill date	\$25 after due date	AMI	* Roundup program * CMCA
Ameren	21 days after bill date	1% of bill after due date	Moving to AMI	*Central Missouri Area Agency on Aging * Central Missouri CAA Boone County * Our Lady of Lourdes
Water District #1	15 <sup>th</sup> of each month	10% of bill after due date	AMR	*SAFHR (State Asst for Housing Relief) *Local churches
Water District #4	15 <sup>th</sup> of each month	10% of bill after 15 days of no payment	AMR	*Local churches *Housing development
Water District #9	10 <sup>th</sup> of each month	10% of bill assessed the 16 <sup>th</sup> of the month	AMR	*CMCA *Love Columbia
Springfield, MO	20 billing cycles – customers have a 45-52 day grace period after the first balance is issues.	10% of bill after due date	Moving to AMI	*OCAC *United Way *Project Share *Local Churches
Independence, MO	~30 days after bill date	5% after 15 <sup>th</sup> of month	Moving to AMI meters	*Bill roundup program
Fulton, MO	15 <sup>th</sup> of month	10% of bill if not paid by due date	AMI	*CMCA *Local Churches *Salvation Army
Kirkwood, MO	21 days after bill date	1.5% of bill with a two day grace period	AMI	*Kirkcare pledges * St. Vincent DePaul * Community Action
West Plains, MO	10 <sup>th</sup> of the each month (Bill issued 23 <sup>rd</sup> -25 <sup>th</sup> of each month)	\$25 after the 10 <sup>th</sup> of the month	Moving to AMI	*Non-profit – Ozark action pledge
Carthage, MO	3 billing cycles: *13 <sup>th</sup> bill issue date – due 5 <sup>th</sup> of month *23 <sup>rd</sup> bill issue date – due 15 <sup>th</sup> of month *3 <sup>rd</sup> bill issue date – due 25 <sup>th</sup> of month	10% after the due date	96%-98% AMI	*Local nonprofits *Economic security *Local churches
Rolla, MO	10 <sup>th</sup> of each month	10%, 10 days after due date	AMI	*Non-profit – Ozark action pledge