

**CITY COUNCIL REGULAR SESSION**

Ordinance repealing Chapter 24.10 of the Bellevue City Code in its entirety and replacing it with a new chapter implementing a new Emergency Assistance Program, a new Donation Program, providing a uniform discount rate, updating income levels, and implementing program process improvements related to Utilities Service Charge Relief; providing for severability; and establishing an effective date.

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Utilities Department

EXECUTIVE SUMMARY

This Ordinance will repeal and replace Chapter 24.10 BCC to: (1) implement a new Emergency Assistance Program (EAP) to low-income residents who are not eligible for the current Utility Rate Relief Program; (2) implement a new Donation Program; and (3) modify the existing Utility Rate Relief Program to offer a uniform discount level of 70 percent and improve program administrative efficiency.

RECOMMENDATION

Move to adopt Ordinance No. 6451.

If approved, effective date: 01/17/2019

BACKGROUND/ANALYSIS

Utilities staff conducted a comprehensive evaluation of the City's Utility Rate Relief (URR) Program to assess program efficiency and effectiveness in meeting its intended goals. Staff presented information on the URR Program and proposed changes to the Environmental Services Commission (ESC) over the course of two meetings, on June 21 and October 4, 2018. The ESC considered the proposal and recommended adoption of the proposed changes to the URR program. It is the ESC's charge to make policy recommendations on utility matters to the Council.

During the October 8, 2018 Council Study Session, Utilities staff provided an overview of the URR Program and reviewed the program evaluation findings and recommendations. The recommendations involve improving program effectiveness and efficiency and implementing a new EAP to provide temporary utilities service charge relief to low-income customers who are experiencing financial crises and who are not otherwise qualified for the current URR Program. Please refer to Attachment 1, Council 10/08/2018 Study Session Memo, for a description of the current URR program and program evaluation findings and recommendations. At the Study Session, after considering the recommendation, Council directed staff to return with code changes to implement the recommended program changes. Additionally, Council directed staff to explore implementation of a donation program to generate additional funds to be allocated to the Utilities service charge relief programs.

Proposed Changes to City Code

Based on Council direction, this Ordinance would implement the following changes to Chapter 24.10 BCC:

- Implement a new EAP to provide temporary utility rate relief to low-income customers who are experiencing financial crises and not served by the current URR Program.
- Implement a Donation Program to generate additional funds to be allocated to the URR Program.
- Provide a uniform discount rate of 70 percent to extract financial capacity to fund the new EAP Program.
- Align the discount level for water, sewer, and storm drainage charges to a base level of service.
- Implement housekeeping changes to improve the application process and administrative efficiency:
 - Update the median income level benchmark referenced in the URR Program.
 - Align the income review period (used to determine program eligibility) for the multifamily customers with the single-family customers to improve the application process.
 - Implement a uniform median income requirement.
 - Update the Consumer Price Index benchmark to better reflect the cost of living changes experienced by City of Bellevue customers.

POLICY & FISCAL IMPACTS

Policy Impact

RCW 74.38.070 authorizes cities to provide reduced utility rates for low-income senior citizens and other low-income citizens.

Fiscal Impact

The proposed EAP program can be funded without impacting utility rates by providing a uniform discount rate at 70 percent and aligning the discount level for water, sewer, and storm drainage charges to a base level of service.

OPTIONS

1. Adopt the Ordinance repealing Chapter 24.10 of the Bellevue City Code in its entirety and replacing it with a new chapter implementing a new Emergency Assistance Program, a new Donation Program, providing a uniform discount rate, updating income levels, and implementing program process improvements related to Utilities Service Charge Relief; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

A. 10/08/2018 Utility Rate Relief Program Study Session Memo
Proposed Ordinance No. 6451

AVAILABLE IN COUNCIL LIBRARY

N/A