



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		06/28/2010		
Department:		Customer & Utility Services		
Department Head		Mark Israelson		
Agenda Coordinator (include phone #): Eric Ellwanger X5128				
CAPTION				
<p>An Ordinance of the City of Plano, Texas, amending specific sections of Ordinance No 2004-9-28 and Ordinance No 2004-10-25 codified as sections 21-152 and 21-154 respectively, of article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to increase the deposit amount for residential customers, modify the response schedule for non-emergency calls and amend the utility service fee schedule, effective August 1, 2010, and providing a repealer clause, a severability clause, a savings clause, and an effective date.</p>				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 09/10	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(S): WATER & SEWER				
COMMENTS: This item has no fiscal impact.				
SUMMARY OF ITEM				
<p>Approval of this item is expected to be revenue neutral by modifying the call out schedules and amending fees while reducing operating expenses related to after-hour customer call-outs, including overtime.</p> <p>STRATEGIC PLAN GOAL: Changes to the Water & Sewer Ordinance regarding Deposit and Service Fees relate to the City's Goal of "Financially Strong City with Service Excellence".</p>				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Deposit & Service Fee Ordinance Change Memo				

Memo

Date: 6/10/2010

To: Mark Israelson, Assistant City Manager

From: Eric Ellwanger, Customer & Utility Services Manager

RE: Deposit & Service Fee Ordinance Change

- Customer & Utility Services recommends that the residential deposit be increased from \$50 to \$100 per residential account. In order to mitigate the impact to the customer we will offer to collect the deposit in two \$50 installments and we will return the deposit to the customer after twelve (12) months of good credit history instead of the current requirement of twenty-four (24) months.
 - The average residential utility bill in the City of Plano is now over \$80 per month in the winter and well over \$100 per month in the summer.
 - The minimum possible utility bill for a new resident to the City of Plano is \$70.78.
 - The City does not terminate an account for non-payment until the account is two months past due.
- Customer & Utility Services also recommends that non-emergency service calls be limited to Monday through Saturday 8:00AM to 9:00PM.
 - This change will result in budgeted savings of \$25,000 due to reduced overtime expense.
 - Service calls are currently taken 24 hours per day, 7 days per week, 365 days per year. There is a tiered rate structure that charges the customer \$15, \$20, \$25, or \$50 depending on the time of the scheduled service.
 - The recommended change would establish two rates for service calls:
 - Calls received during normal city working hours (Monday – Friday 8:00 a.m. to 5:00 p.m., excluding city holidays) would incur a \$20 charge.
 - Calls received Monday – Friday from 5:00 p.m. to 9:00 p.m., Saturday from 8:00 a.m. to 9:00 p.m. and city holidays from 8:00 a.m. to 9:00 p.m. would incur a \$50 charge.
 - Non-emergency service calls would not be accepted from 9:00 p.m. to 8:00 a.m. and would not be accepted at any time on Sunday.
 - This recommendation retains a significant amount of after-hours service for our citizens while decreasing the amount of overtime expense the department incurs. In addition, the change provides a simplified rate structure that is more understandable to both staff and citizens.
- Customer & Utility Services recommends that customer requested modifications to the initial request for service be complimentary unless the request is made on the day of service, in which case an additional \$20 fee will result.

- We currently charge a \$10 administrative fee for any customer requested modification to the initial request for service.
- Eliminating this \$10 fee enhances customer service.
 - Many times this transaction is the citizen's first contact with City employees.
 - Many times the reason for the modification of service is beyond the customer's control.
- The \$20 fee for requested modifications on the day of the original service request is necessary to cover expenses related to sending service personnel to the location on multiple occasions.

An Ordinance of the City of Plano, Texas, amending specific sections of Ordinance No 2004-9-28 and Ordinance No 2004-10-25 codified as sections 21-152 and 21-154 respectively, of article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to increase the deposit amount for residential customers, modify the response schedule for non-emergency calls and amend the utility service fee schedule, effective August 1, 2010, and providing a repealer clause, a severability clause, a savings clause, and an effective date.

WHEREAS, on September 27, 2004 the City Council of the City of Plano enacted Ordinance No. 2004-9-28 amending the utility deposit requirements; and

WHEREAS, on October 26, 2004 the City Council of the City of Plano enacted Ordinance No. 2004-10-25 amending the utility services fee schedule; and

WHEREAS, the City Council has been presented a report which indicates that the residential deposit currently required is insufficient to protect the city from non-payment by customers; and

WHEREAS, upon consideration of the report and the recommendations contained therein, the City Council is of the opinion that the residential deposit should be increased to one hundred dollars (\$100.00) per unit; and

WHEREAS, upon consideration of the report and the recommendations contained therein, the City Council is of the opinion that the requirement for satisfactory completion of deposit rebate provisions be changed to twelve (12) months of good standing; and

WHEREAS, upon consideration of the report and the recommendations contained therein, the City Council is of the opinion that the City's response schedule for non-emergency utility service be limited to the hours of 8:00 a.m. to 9:00 p.m. Monday through Saturday; and

WHEREAS, upon consideration of the report and the recommendations contained therein, the City Council is of the opinion that the utility service fee schedule be amended to provide for a twenty dollar (\$20.00) fee for service scheduled during normal city working hours and a fifty dollar (\$50.00) fee for service scheduled outside normal city working hours; and

WHEREAS, the City Council further finds and determines that increasing the residential deposit amount, modifying the response schedule for non-emergency utility service, and adjusting the utility services fee schedule are necessary and in the best interest of the City and its citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. *Section 21-152, Deposits Generally, of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano, is hereby amended to read in its entirety as follows:*

“Sec. 21-152. Deposits generally.

(a) *Established.* A cash deposit is required of each customer account receiving water, sewer, storm drainage, or solid waste service. The cash deposit will be retained until termination of service by the city, or satisfactory completion of deposit rebate provisions of this Code. Customer deposit shall not be returned unless all outstanding charges and fees have been paid.

(b) *Amount of deposit.*

- (1) Residential customer. The deposit required for a residential customer, including single-family dwellings and multifamily dwellings when metered separately, shall be one hundred dollars (\$100.00) per unit subject to provisions of section 21-131.
- (2) Commercial customer. The deposit required of commercial and industrial customers, which includes multifamily dwellings with a single meter, shall be equal to one (1) month's average bill or one hundred dollars (\$100.00), whichever is greater, for water and sewer service. Where there is no history of consumption to determine a one (1) month's average bill, the customer & utility services director or designee shall consult the department's policies and procedures manual to determine the amount of deposit required for a commercial or industrial account.

If more than one (1) account is involved, a separate deposit shall be paid for each account. Additional deposits to ensure that the city is protected from loss may be required by the customer & utility services director or designee from those commercial and industrial accounts that are habitually delinquent in the payment of their utility bill. A deposit equal to a three-month average bill may be required in these cases. The city may review the deposits of commercial and industrial accounts periodically to ensure that a deposit has been collected sufficient to meet the criteria set forth in this section.

(c) *Exception to the requirement to maintain a residential water deposit.* Any customer who has maintained a deposit with the city for utility services at their primary residence or for a special purpose meter at their primary residence for at least twelve (12) months and is in good standing will have the residential deposit automatically credited to their account unless the customer requests in writing to the customer and utility services department that a check be issued for the refund amount. The customer may be required to file an application for such refund. For the purpose of this paragraph, a customer is in good standing when they have met the criteria for good

standing as defined in the policies and procedures manual of the customer and utility services department. All deposits existing prior to implementation of the new customer information system shall be refunded in accordance with the provisions of Ordinance No. 92-11-21.

(d) *Exception to the residential water deposit for persons sixty-five (65) years of age or older.* No person sixty-five (65) years of age or older will be required to make a deposit for their primary residence or for a special purpose meter at their primary residence if the customer submits to the customer and utility services department satisfactory proof of age. Any person sixty-five (65) years of age or older who now has a deposit with the city will have their deposit refunded if the customer has maintained their account in good standing and they file an application for such refund, with satisfactory proof of his age, to the customer and utility services department. For the purpose of this paragraph, a customer is in good standing when they have met the criteria for good standing as set out in the policies and procedures manual of the customer and utility services department.

(e) *Exception for a former residential customer with a closed account in good standing for which no deposit was required.* A former customer who closed their account in good standing may establish a new account at a primary residence with no deposit requirement if the account remains in good standing. For the purpose of this paragraph, a customer is in good standing when they have met the criteria for good standing as set out in the policies and procedures manual of the customer and utility services department.

(f) *How a customer may lose an exemption from the residential water deposit.* Failure to maintain an account in good standing shall constitute grounds to require a customer to establish or reinstate the deposit in the proper amount as determined by the customer and utility services director. Water and sewer service may be discontinued until the deposit requirements are met. The deposit requirements shall continue until the customer has reestablished good standing status.

(g) *Exception for blanket deposits for landlords of residential property.* Landlords shall be permitted the option of maintaining a blanket deposit for rental property they own. The deposit charged shall be the normal residential deposit on the first residence for which water service is required. Subsequent residences shall require a deposit of one-fifth (1/5) the normal deposit. Landlords desiring to exercise this option shall maintain the total deposit with the city, which will enable the landlord to maintain water service at each property, between tenants, without making an additional deposit.

Landlords who want to exercise this option must provide to the customer and utility services department satisfactory proof of ownership of the property (properties) to be included under the blanket deposit. The blanket deposit will cover only these properties. Landlords must notify the city in writing of any changes to this list of properties.

The blanket deposit is refundable in partial increments when a landlord notifies the customer and utility services department that water service is to be discontinued at a property covered under the blanket deposit. The blanket deposit does not automatically apply to the final bill when water service is discontinued. For the purpose of this paragraph, a landlord desiring to maintain a blanket deposit must meet the following criteria:

- (1) Has not incurred a late charge on a city utility bill more than three (3) times in the preceding twelve-month period;
- (2) Has not attempted payment of a city utility bill more than one (1) time in the preceding twelve-month period, with a check that was not honored by the bank;
- (3) Has not appeared on the list of customers whose service is scheduled for termination for nonpayment within a twelve-month period; and
- (4) Does not owe any delinquent debt to the city as provided in section 2-2 of the Code of Ordinances of the City of Plano, Texas.

(h) *Exception to the requirement to maintain a commercial water deposit.* Any commercial customer who has maintained a deposit with the city for utility service on a commercial account for at least thirty-six (36) months and is in good standing will have the commercial deposit automatically credited to their account. For the purpose of this paragraph, a customer is in good standing when they have met the criteria for good standing as defined in the policies and procedures manual of the customer and utility services department, as it may be amended from time to time. All deposits existing prior to implementation of the new utility billing system shall be refunded in accordance with the provisions of Ordinance No. 92-11-21. A customer shall lose their exemption from the deposit requirements if they fail to maintain their account in good standing as set out above, and upon demand they shall immediately deposit the appropriate sum with the customer and utility services department. Water and sewer service will be discontinued until the deposit requirements are met. The deposit requirements shall continue until the customer has re-established their good standing.”

Section II. *Section 21-154, Utility Services Fee, of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano, is hereby amended to read in its entirety as follows:*

“Sec. 21-154. Utility services fee.

(a) There is hereby established a utility service fee which shall be assessed for the following services:

- (1) Initial commencement of service;

- (2) Any request for transfer of service from one (1) name or address to another;
- (3) Costs associated with collection of delinquent accounts;
- (4) Reconnection of water service resulting from nonpayment of bill;
- (5) Lock-up or removal of meters for unauthorized use of water;
- (6) Any other non-emergency service call made at the customer's request.

(b) Any customer requested modification to the initial request for service on the day of that service will result in an administrative fee of twenty dollars (\$20.00) being applied in addition to the utility service fees as described in section 21-154(c).

(c) Utility service fees are nonrefundable fees to cover the cost of providing these services. The fees are "per account" for residential services and "per meter" for commercial services. The utility service fee shall be:

Service scheduled during normal city working hours	\$20.00
Service scheduled outside normal city working hours*— Weekdays from 5:00 p.m. to 9:00 p.m. and Saturdays and holidays from 8:00 a.m. to 9:00 p.m.	\$50.00
Service will not be scheduled from 9:00 p.m. to 8:00 a.m and will not be scheduled at all on Sundays.	
Emergency disconnect of water services	No charge

* Monday—Friday 8:00 a.m. to 5:00 p.m., excluding city holidays.

(d) The utility services fee shall be paid by each applicant for service from the city water utilities at the time of submission of each request shall be paid to the service representative at the time service is performed, or shall be added to the customer's account. Payment shall be made to "City of Plano Utilities."

(e) Whenever a customer fails to keep an appointment for a utility service call and requests the service representative to make a return call to the same address(es), the customer shall be charged the applicable fee for the missed service call as well as the fee for the service call during which work was actually performed."

Section III. Any provision of any Ordinance of the City of Plano, codified or uncodified, in conflict with the provisions of this Ordinance is hereby repealed, and all other provisions of the ordinances of the City of Plano, codified or uncodified, not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section IV. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

Section V. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying, or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any Ordinances at the time of passage of this Ordinance.

Section VI. This Ordinance shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 28th day of June, 2010.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, City Secretary

APPROVED AS TO FORM:

Diane C. Wetherbee, City Attorney