



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		October 22, 2012		
Department:		Customer & Utility Services Department		
Department Head		Mark Israelson		
Agenda Coordinator (include phone #):		Tony Han 972-941-5128 Andrea Park 972-941-5113		
CAPTION				
An Ordinance of the City of Plano, Texas, amending Section 21-131(e) and Section 21-154 of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to clarify requirements for when additional deposits and fees are assessed on customer accounts; providing a repealer clause, a severability clause, a savings clause, and an effective date.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input checked="" type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2012-13	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	-48,040	0	-48,040
BALANCE	0	-48,040	0	-48,040
FUND(s): WATER & SEWER FUND				
COMMENTS: This item has an estimated annual revenue decrease of \$48,040 to the current water and sewer revenue projections and was not included in the 2012-13 Adopted Budget. STRATEGIC PLAN GOAL: Periodic review and changes to the various City Utility Ordinances relate to the City's Goal of Financially Strong City with Service Excellence.				
SUMMARY OF ITEM				
The current languages in Section 21-131 and 21-154 need clarification for when additional deposits and fees are assessed. Based on the clarification of when the twenty (\$20.00) utility service fees are assessed, there will be a decrease in overall Water & Sewer revenues.				
List of Supporting Documents: Memorandum, Ordinance			Other Departments, Boards, Commissions or Agencies	



Date: 10/11/2012
To: Mark Israelson, Director of Office of Policy and Government Relations
From: Tony Han, Customer & Utility Services Manager
Subject: Ordinance change to clarify when additional deposits and fees are assessed

Background:

When customers fail to make payments on their delinquent accounts as required by Section 21-131 and utility service fees are assessed per Section 21-154 of the City of Plano Code of Ordinances, additional deposits and fees are taken to protect the City of Plano from loss and for the cost associated with handling delinquent accounts respectively. The current languages in Section 21-131 and 21-154 need clarification for when additional deposits and fees are assessed.

Data:

On a monthly basis, an average of 120 customers water services are terminated for non-payment. An additional deposit of ten dollars (\$10.00) is assessed on each account that is terminated to protect the City of Plano from loss. For customers that are terminated two (2) or more times within the last twelve (12) months, the deposit may be increased to an amount equal to the customer's average three (3) months bill. There is no impact on the Water & Sewer funds since deposits are returned to customer after twelve (12) months of good payment history.

For customers that have been terminated or are in delinquent status, a utility service fee of twenty (\$20.00) dollars is assessed as prescribed in Section 21-154 of the City of Plano Code of Ordinances. However, clarification for when the twenty (\$20.00) utility service fees are assessed will cause a decrease in overall Water & Sewer revenues.

The decrease is due to removing past practices of the City assessing utility service fees prior to actual termination of services or when customers are in delinquent status and when extensions are given to customers who promised to pay on a given date. For calendar year, 2011, there were 2,843 extensions given to customers and fees were assessed. 441 of those customers broke their promise to pay. The remainder 2,402 customers paid as promised and the utility service fee could have been waived. The change proposed for utility service fees will decrease overall annual Water & Sewer revenues by \$48,040.

Recommendation:

The Customer & Utility Services Dept. recommends these changes for all services rendered on or after November 1, 2012.

An Ordinance of the City of Plano, Texas, amending Section 21-131(e) and Section 21-154 of Article IV, Service Charges Generally, of Chapter 21, Utilities, of the Code of Ordinances of the City of Plano to clarify requirements for when additional deposits and fees are assessed on customer accounts; providing a repealer clause, a severability clause, a savings clause, and an effective date.

WHEREAS, staff recommends amending certain sections of the ordinance to clarify when a deposit is required for customers who want to restore services after cancelling an account and to allow the assessment of a service fee when customers fail to make payment by the stated deadline after receiving an extension to pay; and

WHEREAS, the City Council of the City of Plano having reviewed and considered the proposed modifications contained herein is of the opinion that these amendments should be approved and adopted.

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

Section I. *Section 21-131(e), Billing and payment, 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 as follows:*

“Sec. 21-131(e). Billing and payment.

(e) *Additional deposit required.* In the event service is terminated pursuant to subsection (d), an additional deposit is required before service is restored to ensure the city is protected from loss. The additional deposit will be ten dollars (\$10.00); however, if the customer’s service has been terminated two (2) or more times within the last twelve (12) months the deposit is increased to an amount equal to the customer’s average three (3) month bill.”

Section II. *Section 21-154(a), Utility Service 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 as follows:*

“Sec. 21-154(a). Utility Service Fee.

(a) There is hereby established a utility service fee of twenty dollars (\$20.00) 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 non-payment 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;

7. Failure to make payment by the stated deadline after receiving an extension to pay.”

Section III. *Section 21-154, Utility Service 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 add subsection (f) to read as follows:*

“Sec. 21-154. Utility Service Fee.

(f) A twenty-five (\$25.00) dollar fee will be assessed for any returned checks and bank drafts.”

Section IV. 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 V. 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 VI. 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 VII. This Ordinance shall become effective November 1, 2012 upon its passage.

DULY PASSED AND APPROVED this the 22nd day of October, 2012.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, City Secretary

APPROVED AS TO FORM:

Diane C. Wetherbee, City Attorney