

Mayor
John Murray
Mayor Pro Tem
Mary Hornsby
Council Members
John Plourde
Willard Rodarmel
William Siegel



**Public Works
Department**

711 W. Cinnamon Drive
Lemoore CA 93245
Phone (559) 924-6735
FAX (559) 924-6708

Staff Report

Study Session
Item #3

To: Lemoore City Council
From: Lauren Apone, Administrative Analyst
Date: February 24, 2009
Subject: Utility Account Options

Discussion:

The City of Lemoore has been in the practice of granting water-only utility service to three groups of people: vacationers, military personnel on deployment and real estate companies, banks, and other landlords that have a vacant home. While other cities, including Hanford, have eliminated the water-only service, the Lemoore Municipal Code (4-1-6 D and 7-7B-8) currently provides for a waiver of utility service if the residence is vacant for a period of 30 days or more. It has been the thought that the water-only service is there to allow people to leave their home for a period of time, continue to water their lawn, and not have to pay for the sewer and refuse that they are not using. The resident would save \$50.70 per month (\$23 for refuse and \$27.70 for sewer).

It has recently come to staff's attention that residents may be abusing this water-only service. Residents are able to move in to a home or come back from vacation or deployment and continue to pay for water-only service because the City has no way to monitor the sewer usage and the refuse cans remain at the residence. Staff feels there are different ways to handle each situation:

Vacationers and Military Personnel on Deployment

The potential abuses with allowing water-only accounts for vacationers and military personnel is that they may come back earlier than they stated in their vacation request form and be able to use refuse and sewer without paying for it. Staff recommends that we create a new "water-only account set-up fee" (estimated to be approximately \$25) which would cover the cost for the change to a new account and staff's time to remove the refuse containers and return them when the resident returns. This will ensure that the resident will call to resume all City utility services upon their return as well as ensure that their gardener isn't using their green waste container while they are gone. Even if the resident is only gone for 1 month, they would still be saving money if they had to pay a "water-only account set-up fee" because they would save \$50.70 and have to pay a fee around \$25. There were approximately 20 vacation request forms filled out for 2008 ranging from 1 month to 9 months.

Real Estate Companies, Banks, and Landlords of Vacant Property

"In God We Trust"

There are three issues that staff wishes to address.

1. Past practice has been to waive the \$25 account set-up fee for real estate companies and banks wanting to turn on water temporarily to clean and show a house. There were 265 such instances in 2008. The account set-up fee was established to cover the city's cost to set-up the account and go to the home to turn the water on. These same costs exist no matter who is having the water turned on and staff feels that the City should discontinue the practice of waiving the account set-up fee.
2. The real estate companies and banks almost always request water-only accounts when they set-up service. The Lemoore Municipal Code states that homes must be vacant for more than 30 days in order to receive water-only service. The real estate companies tell staff that they are using the water for cleaning purposes, which usually entails using the sewer and refuse service and does not fall into the definition of vacant. Staff recommends only allowing the water-only accounts for residences if they are vacant for more than 30 days. Otherwise, full utility service is required.
3. Many landlords, including real estate companies, often have a vacancy for over 30 days. During this time, they request water-only service. There is the potential for abuse when a tenant moves in and starts to use refuse and sewer services and nobody notifies the City to begin billing for these services. This situation is similar to the vacationers and staff feels the "water-only account set-up fee" and removal of the refuse cans during the water-only period would alleviate the potential abuses of the water-only service.

Budget Impact:

By charging the real estate companies and banks an account set-up fee, the City would bring in an additional \$6,625 in revenue. It is unknown at this time the effect of the "water-only account set-up fee," but it is assumed that it will eliminate the abuses of the water-only accounts.

Recommendation:

Staff recommends that Council direct staff to initiate the following measures:

- 1- Discontinue the past practice of waiving the utility account set-up fee for real estate companies and banks. (By Resolution after notification to real estate companies and banks)
- 2- Allow water-only accounts for properties only if they are vacant for 30 days or more. (By Resolution after notification to real estate companies and banks)
- 3- Begin the process to institute a "water-only account set-up fee" which will allow for City staff to remove the refuse cans from a residence with a water-only account. (Fee to be incorporated by Resolution into our master user fee schedule)