



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Urgency Ordinance Repealing and Reenacting LMC §13.04.130 and Establishing Low Income Discounts for Water, Sewer and Refuse Services and Adopt Resolution Establishing Discounts

**MEETING DATE:** April 27, 2004

**PREPARED BY:** Public Works Director

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**RECOMMENDED ACTION:** That the City Council adopt an urgency ordinance repealing and reenacting LMC §13.04.130 establishing low income discounts for water, sewer and refuse services and adopt a resolution establishing discounts.

**BACKGROUND INFORMATION:** In discussion on water and wastewater rates, the subject of providing a meaningful discount for low income residents was brought up. Staff is recommending a change in the City's current discount program as described below.

Currently, the Lodi Municipal Code contains the following section:

### **13.04.130 Low income adjustments.**

The rates for residential water, sewer and refuse collection service as they now exist or may hereafter be modified under this chapter, shall be reduced by ten percent (exclusive of surcharges, if any) for those residential accounts in the names of person otherwise eligible for Supplemental Security Income (SSI), or State Supplement Payments (SSP), as determined by the Social Security Administration, which shall have sole discretion in determining such eligibility. Proof of eligibility may be required by the city to qualify for the rate adjustments provided herein. (Ord. 1445 § 1, 1989)

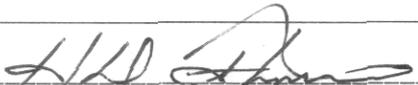
In addition, the City has various electric and refuse programs, as summarized on Exhibit A. The refuse discounts actually are greater than 10% due to the way past rate increases were handled.

There are about 1,300 customers receiving electric discounts, almost 900 receiving refuse discounts and about 300 receiving water/wastewater discounts. The actual number of customers on these discount programs varies due to both different eligibility criteria and the fact that not all customers pay each of these bills. For example, a landlord might pay water and sewer and the tenant pays refuse and electric.

This recommendation is based on the fundamental concept that the City should have one set of eligibility criteria for its discount programs, although the amount of the discount may vary among the utilities; and, they would be set by resolution. This will allow one administrative process for approval rather than two or three.

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APPROVED:

  
H. Dixon Flynn, City Manager

The text of the proposed ordinance is as follows:

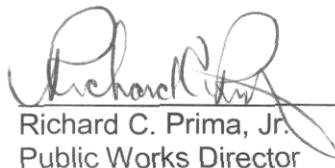
**13.04.130 Low income adjustments.**

The rates for residential water, sewer and refuse collection service as they now exist or may hereafter be modified under this chapter, shall be reduced as established by resolution for those residential accounts in the names of persons eligible for applicable electric service discounts as provided in this Title. Proof of eligibility may be required by the city to qualify for the rate adjustments provided herein.

Staff suggests that the Council consider adopting ordinance as an urgency measure so that the discounts can be effective simultaneously with the rate increases. This will be much better for the public and certainly save staff time and expense in either responding to questions or processing refunds.

A draft of the implementing resolution is also attached, with the actual discounts left blank pending Council action.

**FUNDING:** Not applicable.



Richard C. Prima, Jr.  
Public Works Director

RCP/pmf

Attachments

cc: Alan Vallow, Electric Utility Director  
Vicky McAthie, Finance Director

## **Exhibit A**

### **Refuse Rate Reduction Program**

Residential customers may apply for a reduction in their rate due to personal economic hardship. The rate reduction is actually a set rate depending on the size of the cart. 20-gallon carts are currently at a rate of \$8.24 and the 38-gallon cart at \$10.30. The criteria for this program is proof of income that meets the following guidelines:

One person in household      \$12,000/year

Each additional person add    \$2,000/year

Once application is approved there is no follow-up procedure to verify continued eligibility.

### **SHARE Program**

This program allows residential customers to apply for a discount of 20% on their monthly utility bill. The criteria for this program is proof of income that meets the following guidelines:

<u>Number of Persons in Household</u>	<u>Maximum Annual Household Income</u>
1-2	\$22,000
3	\$25,900
4	\$31,100
Each additional member	\$5,200

Once the application is approved, it is up to the applicant to notify the Finance Department within 30 days of becoming ineligible for the program.

### **SSI & SSP Recipient Discount Program**

If a resident receives SSI or SSP, they may be eligible for a 10% discount on Water, Sewer and Refuse rates. Once the application is filled out, the Finance Department will send the form to the Social Security Administration to verify eligibility. Once approved, there is no follow-up procedure to verify continued eligibility.

### **Senior Fixed Income Program**

This program allows for residential customers over the age of 62 with a maximum household income of \$45,000 to apply for a 5% discount on their monthly electric bill.

ORDINANCE NO. \_\_\_\_\_

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF Lodi AMENDING CHAPTER 13.04 OF THE Lodi MUNICIPAL CODE BY REPEALING AND REENACTING SECTION 13.04.130, RELATING TO LOW INCOME ADJUSTMENTS

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF Lodi AS FOLLOWS:

SECTION 1. Chapter 13.04 – “Service Generally” - is hereby amended by repealing and reenacting §13.04.130, relating to Low Income Adjustments to read as follows:

**13.04.130 Low Income Adjustments.**

The rates for residential water, sewer and refuse collection service as they now exist or may hereafter be modified under this chapter, shall be reduced as established by resolution for those residential accounts in the names of persons eligible for applicable electric service discounts as provided in this Title. Proof of eligibility may be required by the city to qualify for the rate adjustments provided herein.

SECTION 2. This ordinance is adopted as an urgency ordinance under Government Code §36934, based on health, safety and welfare considerations arising from: (1) the City of Lodi’s consideration of increased utility rates if adopted take effect prior to the City’s ability to institute the low income discounts considered herein; (2) If the increases are adopted prior to institution of the discounts, Lodi’s low income community may suffer financial hardship or inability to afford critical health and sanitary services.

SECTION 3. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 4. This ordinance shall be published one time in the “Lodi News Sentinel”, a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect immediately after its passage and approval.

Approved this \_\_\_\_ day of April, 2004

\_\_\_\_\_  
LARRY D. HANSEN  
Mayor

Attest:

SUSAN J. BLACKSTON  
City Clerk

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State of California  
County of San Joaquin, ss.

I, Susan J. Blackston, City Clerk of the City of Lodi, do hereby certify that Ordinance No. \_\_\_\_ was adopted as an urgency ordinance at a special meeting of the City Council of the City of Lodi held April 27, 2004 and was thereafter passed, adopted and ordered to print by the following vote:

Ayes: Council Members -

Noes; Council Members -

Absent: Council Members -

Abstain: Council Members -

I further certify that Ordinance No. \_\_\_\_ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

SUSAN J. BLACKSTON  
City Clerk

Approved as to Form:

D. STEPHEN SCHWABAUER  
Interim City Attorney

FILE COPY



**MEMORANDUM, City of Lodi, Public Works Department**

**To:** City Council  
H. Dixon Flynn, City Manager

**From:** Richard Prima, Public Works Director

**Date:** April 19, 2004

**Subject:** Low Income Discounts on Utility Rates

A handwritten signature in black ink that reads "Richard".

RECEIVED

APR 19 2004

City Clerk,  
City of Lodi

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The planned April 27, 2004 Special City Council meeting is mainly being held to consider the proposed increases in water, wastewater and solid waste rates. In addition, there will be a number of items related to the White Slough Wastewater Treatment Facility financing and project.

The agenda will also include the low-income discount program. At a previous meeting when this item was discussed, Council directed that it be brought back in conjunction with the rate increase.

The previously scheduled shirtsleeve session for April 20, 2004 was to include the attached rate sheets showing discounted rates at various discount percentages, which was also requested by the Council. Since that meeting was rescheduled, we are providing the information as part of this memo.

Please note that the solid waste rates have in the past, included a special rate category for low income. Apparently in previous years, this rate was not increased along with other rate increases and the resulting reduction is significantly higher than 10%. Staff is proposing to eliminate this separate rate category and rely on whatever discount the Council deems appropriate. Note that we could have different low income discount rates for each of these three services.

RCP/rcp

Attachment

Cc: Vicky McAthie, Finance Director  
Alan Vallow, Electric Utility Director  
Rebecca Arieda, PW Management Analyst  
Luana Pinasco, Central Valley Waste Systems

**Table A: Water Utility**

	Present Rate	May-04	Discount Rates @ % Reduction Shown			
			10%	20%	25%	30%
Residential Flat Rate (per month):						
Single Family Unit (one bedroom)	\$13.51	\$18.24	\$ 16.42	\$ 14.59	\$ 13.68	\$ 12.77
(two bedrooms)	\$16.22	\$21.90	\$ 19.71	\$ 17.52	\$ 16.43	\$ 15.33
(three bedrooms)	\$19.45	\$26.26	\$ 23.63	\$ 21.01	\$ 19.70	\$ 18.38
(four bedrooms)	\$23.36	\$31.54	\$ 28.39	\$ 25.23	\$ 23.66	\$ 22.08
(five bedrooms)	\$28.04	\$37.85	\$ 34.07	\$ 30.28	\$ 28.39	\$ 26.50
(six bedrooms)	\$33.64	\$45.41	\$ 40.87	\$ 36.33	\$ 34.06	\$ 31.79
(seven bedrooms)	\$40.35	\$54.47	\$ 49.02	\$ 43.58	\$ 40.85	\$ 38.13
Multiple Family Unit (one bedroom)	\$11.60	\$15.66	\$ 14.09	\$ 12.53	\$ 11.75	\$ 10.96
(two bedrooms)	\$13.91	\$18.78	\$ 16.90	\$ 15.02	\$ 14.09	\$ 13.15
(three bedrooms)	\$16.69	\$22.53	\$ 20.28	\$ 18.02	\$ 16.90	\$ 15.77
		+ 20% for ea. add'l. bedroom				
Commercial/Industrial Flat Rate	varies	add:				35%
(Existing accounts only. New accounts are metered.)						
Metered Rate	\$0.524 per 100 cu. ft.	\$0.707				
	approx. \$0.70 per 1,000 gallons	approx. \$0.91 per 1,000 gallons				
plus monthly base charge:	\$11.43 ¾" meter	\$15.43				
	\$17.14 1" meter	\$23.14				
	\$22.85 1½" meter	\$30.85				
	\$28.58 2" meter	\$38.58				
	\$40.00 3" meter	\$54.00				
	\$51.43 4" meter	\$69.43				
	\$74.29 6" meter	\$100.29				
	\$97.16 8" meter	\$131.17				
	n/a 10" meter	\$162.04				
Construction Water Charges:	\$0.524 per 100 cu. ft.	\$0.707				

Note: Charges are total, including infrastructure replacement charge, which will remain the same and increase will be shown in the service charge.

**Table B: Wastewater Utility**

	<u>Present Rate</u>	<u>May-04</u>	<u>Jul-05</u>	<u>July 2005 Discount Rates @ % Reduction Shown</u>			
				<u>10%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>
Disposal to Domestic System:							
Residential (per month)							
1 Bedroom	\$ 9.73	\$ 12.16	\$ 15.20	\$ 13.68	\$ 12.16	\$ 11.40	\$ 10.64
2 Bedrooms (basis for 1 Sewage Service Unit) (SSU)	\$ 12.97	\$ 16.21	\$ 20.26	\$ 18.23	\$ 16.21	\$ 15.20	\$ 14.18
3 Bedrooms	\$ 16.21	\$ 20.27	\$ 25.34	\$ 22.81	\$ 20.27	\$ 19.01	\$ 17.74
4 Bedrooms	\$ 19.46	\$ 24.33	\$ 30.41	\$ 27.37	\$ 24.33	\$ 22.81	\$ 21.29
5 Bedrooms	\$ 22.70	\$ 28.38	\$ 35.48	\$ 31.93	\$ 28.38	\$ 26.61	\$ 24.84
6 Bedrooms	\$ 25.94	\$ 32.43	\$ 40.54	\$ 36.49	\$ 32.43	\$ 30.41	\$ 28.38
7 Bedrooms	\$ 29.18	\$ 36.48	\$ 45.60	\$ 41.04	\$ 36.48	\$ 34.20	\$ 31.92
Moderate Strength (annual per SSU)	\$ 155.68	\$ 194.60	\$ 243.25				
(Most commercial & industrial unless "high strength")							
High strength user:							
Flow (per MG, annual basis)	\$ 749.09	\$ 936.36	\$ 1,170.45				
BOD (per 1,000 lbs., annual basis)	\$ 366.58	\$ 458.23	\$ 572.79				
SS (per 1,000 lbs., annual basis)	\$ 299.66	\$ 374.58	\$ 468.23				
Grease Interceptor and Septic Holding Tank Waste within City Limits (per 1,000 gal.)	\$ 114.75	\$ 143.44	\$ 179.30				
Septic (only) Holding Tank Waste Outside City Limits (per 1,000 gal.)	\$ 243.61	\$ 304.51	\$ 380.64				
Disposal to Storm Drain System (per MG)	\$ 120.53	\$ 150.66	\$ 188.33				
Disposal to Industrial System)							

Rates adjusted annually per LMC §13,12,20

Note: Charges are total, including infrastructure replacement charge, which will remain the same and increase will be shown in the service charge.

**Table C-1 - Solid Waste (Refuse)**

	<b>Present Rate</b>		<b>Discount Rates @ % Reduction Shown</b>			
	<b>Per Month</b>	<b>May-04</b>	<b>10%</b>	<b>20%</b>	<b>25%</b>	<b>30%</b>
<b><u>1. 38 GALLON REFUSE CART 1X PER WEEK**</u></b>						
1 Refuse Cart	\$19.12	\$ 19.64	\$ 17.68	\$ 15.71	\$ 14.73	\$ 13.75
2 Refuse Carts	\$47.79	\$ 49.08	\$ 44.17	\$ 39.26	\$ 36.81	\$ 34.36
3 Refuse Carts	\$76.46	\$ 78.52	\$ 70.67	\$ 62.82	\$ 58.89	\$ 54.96
4 Refuse Carts	\$105.13	\$ 107.96	\$ 97.16	\$ 86.37	\$ 80.97	\$ 75.57
<b><u>2. 64 GALLON REFUSE CART 1X PER WEEK**</u></b>						
1 Refuse Cart	\$28.75	\$ 29.52	\$ 26.57	\$ 23.62	\$ 22.14	\$ 20.66
2 Refuse Carts	\$71.88	\$ 73.82	\$ 66.44	\$ 59.06	\$ 55.37	\$ 51.67
3 Refuse Carts	\$114.99	\$ 118.09	\$ 106.28	\$ 94.47	\$ 88.57	\$ 82.66
<b><u>3. 96 GALLON WASTE CART 1X PER WEEK**</u></b>						
1 Refuse Cart	\$62.71	\$ 64.40	\$ 57.96	\$ 51.52	\$ 48.30	\$ 45.08
2 Refuse Carts	\$125.43	\$ 128.81	\$ 115.93	\$ 103.05	\$ 96.61	\$ 90.17
3 Refuse Carts	\$188.14	\$ 193.21	\$ 173.89	\$ 154.57	\$ 144.91	\$ 135.25
<b><u>4. DUPLEX AND MULTI-FAMILY, AND MOBILE HOMES</u></b>						
Monthly rate is reduced from above base rates	(\$1.00)	(\$1.00)	(\$1.00)	(\$1.00)	(\$1.00)	(\$1.00)
<b><u>5. LOW VOLUME USER 1X PER WEEK</u></b>						
One (1) - 20 Gallon Low Volume Refuse Cart	\$13.01	\$ 13.36	\$ 12.02	\$ 10.69	\$ 10.02	\$ 9.35
<b><u>6. LOW INCOME USER 1X PER WEEK</u></b>						
			Delete Rate Category			
20 Gallon Refuse Cart	\$8.24	n/a	37% existing rate discount			
38 Gallon Refuse Cart	\$10.30	n/a	46% existing rate discount			
<b><u>7. ADDITIONAL 64 GALLON RECYCLING CARTS</u></b>						
Second and Third Recycling Cart	No Additional Charge					
Fourth and Each Additional Cart	\$10.30	\$ 10.58				
<b><u>8. ADDITIONAL 96 GALLON YARD AND GARDEN CARTS</u></b>						
Second and Third Yard and Garden Cart	No Additional Charge					
Fourth and Each Additional Yard and Garden Car	\$10.30	\$ 10.58				
<b><u>9. BACK YARD SERVICE****</u></b>						
Monthly service charge	\$10.77	\$ 11.06				
Qualified Disabled	No Additional Charge					

**\*\* Eligible for City Utility Discount Program**  
 (Current 10% discount may be changed)