

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

ORD-26

333 West Ocean Boulevard • Long Beach, CA 90802

March 22, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Declare Ordinance amending Long Beach Municipal Code Sections 15.40.070 and 15.40.090 relating to gas utility service, meter reading, and billing to customers and other responsible adults for City-owned utility accounts read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

DISCUSSION

On February 1, 2005, the City Council authorized the City Manager to execute a Fourth Amendment to Contract No. 20610 between the City of Long Beach and Southern California Edison (SCE) for Meter Reading Services. This action, originally proposed in the Three-Year Financial Strategic Plan, will generate potential savings of \$984,007 annually, once fully implemented. The savings come from reading gas and water meters every other month (bimonthly) rather than each month. Customers will still be billed monthly using estimated usage for the month that the meter is not read.

As a result of this action, changes to the Long Beach Municipal Code must be addressed, specifically Section 15.40.090 E, which describes the relationship between meter reading and billing. Currently, Municipal Code Section 15.40.090 specifies that bills for services shall be rendered at regular intervals of time - approximately one month, and that meters shall be read at regular intervals for the preparation of regular bills. In addition, the Municipal Code specifies the methodology for the calculation of the bill. The changes to this section will allow for monthly billing using either monthly or bimonthly meter reading to prepare the bills. Also, the method for calculating estimated usage will be addressed.

In addition to the changes to Section 15.40.090, an amendment to Municipal Code Section 15.40.070, Payment of Bills, is recommended at this time. A fairly common circumstance arises when one tenant of a dwelling shared by others agrees to put utility services in his/her name. According to the State Civil Code, all tenants that enjoy the benefit of the utility are liable for the cost of the utility even though they may not have been the individual who signed up for services. Clarification of the liability for the charges in the Municipal Code will assist the utility in working with customers in situations where amounts are owed on an account and another tenant of the dwelling requests to have services turned on in his/her name, i.e., the other tenant must pay all amounts owed prior to services being established in his/her name.

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This matter was reviewed by Deputy City Attorney Carol Shaw on March 9, 2005 and Budget Management Officer David Wodynski on March 11, 2005.

TIMING CONSIDERATIONS

The first reading of the Ordinance is requested prior to the commencement of bimonthly meter reading, which will occur on April 1, 2005.

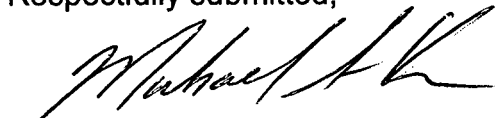
FISCAL IMPACT

The proposed changes to the Municipal Code in and of themselves will not result in any fiscal impact, but the action taken by the City Council on February 1, 2005 that allowed bimonthly meter reading will result in a reduction of cost to support Gas and Water operations, based on the ratio of the meters that are read. In anticipation of this reduction in cost, the savings from this project have already been incorporated in the Three-Year Financial Strategic Plan endorsed by the City Council and are reflected in the FY 05 budget.

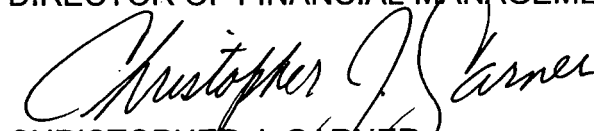
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

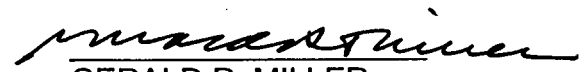


MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH ENERGY

APPROVED:



GERALD R. MILLER
CITY MANAGER

Attachment

MK:RB:iw