



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: December 10, 2013

Time: 7:00 a.m.

For information regarding this Agenda please contact:

Randi Johl-Olson

City Clerk

Telephone: (209) 333-6702

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Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 Receive Information Regarding Metering Options to Mobile Home Parks (PW)

C. Comments by Public on Non-Agenda Items

D. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Randi Johl-Olson
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Receive Information Regarding Metering Options to Mobile Home Parks
MEETING DATE: December 10, 2013 (Shirtsleeve Session)
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Receive information regarding metering options to mobile home parks.

BACKGROUND INFORMATION: For decades, most mobile home park tenants in Lodi have been individually billed for water, wastewater and refuse service. One exception is the Palms Mobile Home Park, located at 845 South Cherokee Lane, where the owner pays for all utilities.

For all mobile home parks, electric service is provided through a master meter, and the park tenants pay their pro-rated share of the electric cost to the park owner. Each park has electric sub meters that are read by the park owners and provide the basis for allocating the electric charges to the individual spaces. This has also been the case for many decades.

After meeting with a majority of the mobile home park property owners, it was very clear they are not interested in moving further into utility management and billing services. In fact, they would like to eliminate their role on the electric side if at all possible.

City staff conducted a survey of 68 mobile home parks located in Lathrop, Manteca, Tracy, and Stockton. County mobile home parks were not contacted because they are generally served by private wells or County Service Area wells. A total of 27 surveys (40%) could be completed, with the remaining 41 locations either refusing to participate or unable to be contacted. The results of the survey are summarized in the table below.

Results of 27 Surveys Completed

Total Number of Spaces	2,229
Water Master Meter	23 (4 with Private Wells)
Individual Water Meters (Utility Owned)	0
Individual Water Sub-Meters (Park Owned)	8 (2 in Parks with Private Wells)
Water Charges Included in Rent	13
Water Charges to Tenant with Sub-Meter	8
Water Charges to Tenant without Sub-Meter	6
Electric Master Meter	16
Individual Electric Meter (Utility Owned)	11
Gas Master Meter	16
Individual Gas Meter (Utility Owned)	11

Highlights of the 27 parks surveyed are:

1. Of those surveyed, 23 (85%) have water master meters and four have private wells. Of the 23 with master meters, 10 include the water cost in the space rent and 13 charge the space tenant based upon a water sub-meter (6) or other method (7).

APPROVED: _____
 Konradt Bartlam, City Manager

2. Of those surveyed, 16 have electric and gas master meters and the park owners are charging space tenants for electric and gas usage. Individual utility-owned electric and gas meters exist at 11 locations.

The average water monthly usage per mobile home unit is 7.6 hundred cubic feet (CCF) per month, compared to the Citywide average of 18 CCF per month per residential customer. This customer group is one of the lowest water consumers in the City and, as a result, one would not expect usage to significantly reduce if master or individual meters were installed. This condition is directly related to the limited landscaped areas that exist in the mobile home parks.

Three alternatives to bill mobile home parks for water based upon usage are presented below, in the order of staff's preference. The mobile home park owners' order of preference is opposite that of staff's. Further discussion of each alternative is provided below.

Alternative 1 – Master Meters: Tenants see a 70 percent reduction in water cost (- \$17.92) and a 42 percent reduction in wastewater cost (- \$10.83) per month. Total savings = - \$28.75.

Alternative 2 – Master Meter (Discounted): Tenants see a 70 percent reduction in water cost (- \$17.92) and a 42 percent reduction in wastewater cost (- \$10.83) per month. Total savings = - \$28.75. Park owners keep the discount as a reimbursement for added labor and related costs.

Alternative 3 – Individual Meters: Tenants see increases of 20 percent (+ \$5.08) in water cost and 37 percent (+ \$9.66) in wastewater costs per month. Total increase = + \$14.74.

Alternative 1: Master water meters were installed at six of the seven mobile home parks in 2012. Usage has been recorded at these locations for at least the past 12 months and is reported in the six tables that make up Exhibit A. The two mobile home parks named Casa de Lodi are reported as a single line in the table. The Palms mobile home park is not yet fully metered and is not included in Exhibit A.

By dividing the 12-month cost of water equally per space and averaging the result for all six parks, the average per space monthly water charge is \$7.75 or 70 percent lower (- \$17.82) than the current City charge of \$25.67 for a mobile home unit. The average per space monthly wastewater charge is \$15.00 or 42 percent lower (- \$10.83) than the current City charge of \$25.83. Total savings = - \$28.75. Of course, each park's numbers are slightly different.

By simply raising the rent per space, based upon the above, by \$23.00 per month, the park owners cover their water and wastewater utility costs and the tenants save \$28.50 from what they had paid the City. There are no requirements for park owners to invoice the space tenants for water and wastewater utility costs or to incur the associated work effort to do so.

The City benefits by:

1. Having the mobile home park owners pay the water and wastewater bill along with the electric bill they already receive.
2. Eliminates the preparation of 540 individual utility bills. Once water and wastewater are off the bill, Waste Management bills directly and deals with collections from the space tenants.
3. Eliminates our current collections problems with tenants that have no City electric meter and that cannot have service terminated for non-payment.
4. Having the park owners and management promote water conservation, although mobile home tenants are amongst the lowest water consumers in the City.

Alternative 2: Master meter with owner discounts. This alternative is suggested by the mobile home park owners as it is similar in structure to PG&E mobile home discounts that the City's Electrical Utility has emulated. Currently, each park that is master metered receives a credit of \$11.54 per occupied space

that is given each month on the City's Electric Utility bill. This credit number has risen from \$8.13 at its inception in 1989. The credit is intended to partially offset the cost of owning and maintaining the distribution system, meter reading and billing services.

The amount of a similar water and wastewater credit would need to be determined. There is no City or State requirement to sub meter water service and, therefore, any credit would need to be substantiated. Wastewater service charges derive from measured water usage and no credit seems appropriate.

Under this alternative, tenants could still see, on average, a 70 percent reduction in water cost (- \$17.92) and a 42 percent reduction in wastewater cost (- \$10.83) per month. The total average savings is \$28.75 per space per month. Park owners would be required to install water sub meters. Park owners keep the discount as a reimbursement for meter reading and billing services. The City benefits are similar to Alternative 1.

A credit back to the mobile home park owners is not recommended because it could arguably apply to apartment and condominium properties that are also master metered. In addition, credit back arrangements were not found at the other mobile home parks served by other water utilities. Again, the electric credit back emulated a PG&E program at mobile home parks served by that utility.

Alternative 3: Individual meters, installed by the City on private property connecting to private water mains, is the preferred solution of the mobile home park owners. Assuming similar meter installations to the water meter program, the net cost to the City would be approximately \$500,000 taking into account the \$300 per unit meter payment.

Under this scenario, each unit would be billed the monthly base charge (currently \$23.78 and \$23.52 for water and wastewater, respectively) and the tiered usage charge for a residential unit. The tenants would see increases of 20 percent (+ \$5.08) in water cost and 37 percent (+ \$9.66) in wastewater costs per month. Total = + \$14.74. The monthly billing would be based upon usage and compliant with state law. Based upon the average monthly usage data collected, the monthly water charge would be \$30.75 and the wastewater charge would be \$35.49.

Because mobile home units are amongst the lower users in the residential customer class and they are only 540 or 3.3 percent of our customers in this class, it is unlikely that measureable conservation could be realized by the installation of meters or even sub-meters.

Under this alternative the City would continue to bill the individual tenants. There would be an increase in maintenance effort associate with the additional 540 meters. The park owners would continue status quo with respect to their utility responsibilities. The tenants would see an increase in their total water and wastewater bill of \$14.74 or 29 percent above the current charge of \$51.50.

FISCAL IMPACT: Not Applicable

FUNDING AVAILABLE: Not Applicable

F. Wally Sandelin
Public Works Director

Exhibit A-1

Mobile Home Parks
General Information

Park	Address	Number of Pads	Rate Effective January 2013	Flat Rate Billed Amount	Current Billing To:
Casa De Lodi	812 and 817 E. Turner Rd	240	\$25.67	\$6,160.80	Tenants
Almond Drive Estates	471 E Almond Dr	85	\$25.67	\$2,181.95	Tenants
Shady Acres	621 E Lockeford St	43	\$25.67	\$1,103.81	Tenants
The Palms*	845 S Cherokee Ln	41	\$25.67	\$1,052.47	Park Owner
Cherokee Park	1651 S Cherokee Ln	43	\$25.67	\$1,103.81	Tenants
Lake Park **	1390 W Lockeford St	34	\$25.67	\$872.78	Tenants

All mobile home units are billed at the 1 bedroom apartment rate.

*41 pads, 6 cottages & 3 small houses

**34 usable spaces (the 35th space is all mailboxes and unusable)

Exhibit A-2

**Casa De Lodi
812 and 817 E. Turner Rd**

Month	Meter Size	Usage-Based Charge		Meter Size	Usage-Based Charge	Total Usage-Based Charge	Flat Rate Billed Amount	Difference
Sep-13	3	\$1,602.22		3	\$1,059.42	\$2,661.64	\$6,160.80	\$3,499.16
Aug-13	3	\$1,652.82		3	\$1,006.06	\$2,658.88	\$6,160.80	\$3,501.92
Jul-13	3	\$1,683.18		3	\$1,026.30	\$2,709.48	\$6,160.80	\$3,451.32
Jun-13	3	\$1,672.14		3	\$1,026.30	\$2,698.44	\$6,160.80	\$3,462.36
May-13	3	\$1,339.10		3	\$960.06	\$2,299.16	\$6,160.80	\$3,861.64
Apr-13	3	\$1,300.46		3	\$857.94	\$2,158.40	\$6,160.80	\$4,002.40
Mar-13	3	\$1,300.46		3	\$425.54	\$1,726.00	\$6,160.80	\$4,434.80
Feb-13	3	\$1,305.98		3	\$405.30	\$1,711.28	\$6,160.80	\$4,449.52
Jan-13	3	\$1,172.58		3	\$435.66	\$1,608.24	\$6,160.80	\$4,552.56
Dec-12	3	\$1,070.31		3	\$416.01	\$1,486.32	\$6,009.60	\$4,523.28
Nov-12	3	\$1,271.91		3	\$559.11	\$1,831.02	\$6,009.60	\$4,178.58
Oct-12	3	\$1,366.96		3	\$910.11	\$2,277.07	\$6,009.60	\$3,732.53
Sep-12	3	\$1,409.10		3	\$843.51	\$2,252.61	\$6,009.60	\$3,756.99
Aug-12	3	\$1,366.96		3	\$918.21	\$2,285.17	\$6,009.60	\$3,724.43
Jul-12	3	\$1,451.24		3	\$993.81	\$2,445.05	\$6,009.60	\$3,564.55
Jun-12	3	\$1,366.96		3	\$905.96	\$2,272.93	\$6,009.60	\$3,736.67
May-12	3	\$1,830.49		3	\$725.26	\$2,555.74	\$6,009.60	\$3,453.86

There are two 8-inch meters installed due to fire hydrant requirements. Monthly base charges are based upon two 3-inch meter required to serve the mobile home units and park facilities.

Refer to Exhibit B-1 for the calculation of the flat rate billed amount.

Exhibit A-3

**Almond Drive Estates
471 E Almond Dr**

Month	Meter Size	Usage-Based Charge	Flat Rate Billed Amount	Difference
Sep-13	3	\$780.66	\$2,181.95	\$1,401.29
Aug-13	3	\$920.50	\$2,181.95	\$1,261.45
Jul-13	3	\$867.14	\$2,181.95	\$1,314.81
Jun-13	3	\$855.18	\$2,181.95	\$1,326.77
May-13	3	\$822.06	\$2,181.95	\$1,359.89
Apr-13	3	\$612.30	\$2,181.95	\$1,569.65
Mar-13	3	\$577.34	\$2,181.95	\$1,604.61
Feb-13	3	\$483.50	\$2,181.95	\$1,698.45
Jan-13	3	\$517.54	\$2,181.95	\$1,664.41
Dec-12	3	\$497.01	\$2,128.40	\$1,631.39
Nov-12	3	\$611.31	\$2,128.40	\$1,517.09
Oct-12	3	\$795.81	\$2,128.40	\$1,332.59
Sep-12	3	\$861.25	\$2,128.40	\$1,267.15
Aug-13	3	\$1,023.77	\$2,128.40	\$1,104.63

Refer to Exhibit B-1 for the calculation of the flat rate billed amount.

Exhibit A-4

**Shady Acres
621 E Lockeford St**

Month	Meter Size	Usage-Based Charge	Flat Rate Billed Amount	Difference
Sep-13	2	\$594.70	\$1,103.81	\$509.11
Aug-13	2	\$579.61	\$1,103.81	\$524.20
Jul-13	2	\$539.32	\$1,103.81	\$564.49
Jun-13	2	\$451.09	\$1,103.81	\$652.72
May-13	2	\$367.00	\$1,103.81	\$736.81
Apr-13	2	\$298.83	\$1,103.81	\$804.98
Mar-13	2	\$212.44	\$1,103.81	\$891.37
Feb-13	2	\$214.01	\$1,103.81	\$889.80
Jan-13	2	\$222.19	\$1,103.81	\$881.62
Dec-12	2	\$218.87	\$1,076.72	\$857.85
Nov-12	2	\$235.88	\$1,076.72	\$840.84
Oct-12	2	\$363.95	\$1,076.72	\$712.77
Sep-12	2	\$470.51	\$1,076.72	\$606.21
Aug-12	2	\$358.91	\$1,076.72	\$717.81
Jul-12	2	\$363.14	\$1,076.72	\$713.58
Jun-12	2	\$322.37	\$1,076.72	\$754.35
May-12	2	\$243.89	\$1,076.72	\$832.83
Apr-12	2	\$213.83	\$1,076.72	\$862.89
Mar-12	2	\$230.21	\$1,076.72	\$846.51
Feb-12	2	\$242.63	\$1,076.72	\$834.09

Refer to Exhibit B-1 for the calculation of the flat rate billed amount.

Exhibit A-5

**Cherokee Park
1651 S Cherokee Ln**

Month	Meter Size	Usage-Based Charge		Meter Size	Usage-Based Charge	Total Usage-Based Charge	Flat Rate Billed Amount	Difference
Sep-13	2	\$178.13		1 1/2	\$98.05	\$276.18	\$1,103.81	\$827.63
Aug-13	2	\$186.41		1 1/2	\$103.66	\$290.07	\$1,103.81	\$813.74
Jul-13	2	\$186.59		1 1/2	\$107.07	\$293.66	\$1,103.81	\$810.15
Jun-13	2	\$168.28		1 1/2	\$103.66	\$271.95	\$1,103.81	\$831.86
May-13	2	\$173.53		1 1/2	\$102.65	\$276.18	\$1,103.81	\$827.63
Apr-13	2	\$148.50		1 1/2	\$81.49	\$229.99	\$1,103.81	\$873.82
Mar-13	2	\$150.71		1 1/2	\$80.20	\$230.91	\$1,103.81	\$872.90
Feb-13	2	\$151.45		1 1/2	\$82.23	\$233.67	\$1,103.81	\$870.14
Jan-13	2	\$150.80		1 1/2	\$78.09	\$228.89	\$1,103.81	\$874.92
Dec-12	2	\$159.11		1 1/2	\$76.59	\$235.70	\$1,076.72	\$841.02
Nov-12	2	\$179.63		1 1/2	\$83.88	\$263.51	\$1,076.72	\$813.21
Oct-12	2	\$193.22		1 1/2	\$95.22	\$288.44	\$1,076.72	\$788.28
Sep-12	2	\$183.41		1 1/2	\$106.29	\$289.70	\$1,076.72	\$787.02
Aug-12	2	\$198.44		1 1/2	\$110.43	\$308.87	\$1,076.72	\$767.85

There are two meters installed. There is one 2-inch meter and one 1 1/2 -inch meter. Monthly base charges are based upon the size of the installed meter.

Refer to Exhibit B-1 for the calculation of the flat rate billed amount.

Exhibit A-6

**Lake Park
1390 W Lockeford St**

Month	Meter Size	Usage-Based Charge	Flat Rate Billed Amount	Difference
Sep-13	2	\$287.88	\$872.78	\$584.90
Aug-13	2	\$281.99	\$872.78	\$590.79
Jul-13	2	\$273.53	\$872.78	\$599.25
Jun-13	2	\$271.69	\$872.78	\$601.09
May-13	2	\$277.03	\$872.78	\$595.75
Apr-13	2	\$223.48	\$872.78	\$649.30
Mar-13	2	\$223.11	\$872.78	\$649.67
Feb-13	2	\$235.17	\$872.78	\$637.61
Jan-13	2	\$219.53	\$872.78	\$653.25
Dec-12	2	\$209.78	\$851.36	\$641.58
Nov-12	2	\$216.53	\$851.36	\$634.83
Oct-12	2	\$238.49	\$851.36	\$612.87
Sep-12	2	\$237.32	\$851.36	\$614.04
Aug-12	2	\$205.10	\$851.36	\$646.26
Jul-12	2	\$218.87	\$851.36	\$632.49
Jun-12	2	\$205.82	\$851.36	\$645.54
May-12	2	\$134.36	\$851.36	\$717.00

Refer to Exhibit B-1 for the calculation of the flat rate billed amount.