
**CITY OF NEWARK
STORMWATER UTILITY PROGRAM****POLICY: PARTIAL BILLS****DISCUSSION:**

Typically, when a utility processes a service change request, meters are read and a final bill is created for the present occupant. Service charges for the new occupant begin on a specified date, not necessarily on the date following that through which the previous occupant was billed. This is generally not an issue with respect to utility services such as water and or sewer, as a customer is only billed charges for actual usage. However, issues do arise with respect to stormwater utility service charges.

Stormwater utility service charges do not get “turned on” or “turned off” to coincide with occupancy of a property or with the water and/or sewer services provided to that property. Stormwater service charges should be billed if the property is occupied or not, and if the water/sewer service is active or not. The sole factor that applies for stormwater charges is if the property contains impervious area. The major issue is who to bill, especially when the property is temporarily unoccupied.

The following options exist with respect to billing stormwater service charges:

1. Follow the protocol that is currently used for billing utility service charges, which is to bill each occupant a prorated daily rate for each day that the customer occupied the premises, and to bill the owner for the number of days between tenants (rental property situation);
2. Bill an entire month of stormwater charges to whoever occupies the property on the last calendar day of a given month.
3. Bill an entire month of stormwater charges to whoever occupies the property on the first calendar day of a given month.

Under the first option, a customer is charged for a partial month of stormwater service fees based upon the number of days that the customer occupies the property. If a new occupant is not scheduled to occupy the property for some known or unknown period, a stormwater only account must be created in the name of the owner, and that owner will be billed for stormwater charges until the new owner or a new tenant occupies the property. This process requires that daily rates of charge be calculated. Additional billing costs will result, and in some cases bills will be generated for amounts less than the cost of the postage necessary to mail the bill to the customer. A tracking system will need to be implemented so that the stormwater only charges are stopped once the new tenant or occupant becomes responsible for the charges.

Under the second and third options, the process is less confusing, less costly and more manageable. The customer who occupies the property (and is responsible for utility charges) on either the last day of any calendar month or on the first day of any calendar month is responsible for an entire month of stormwater charges. In most cases, the old tenant/occupant will have vacated the property prior to the end of the calendar month, and the new tenant/occupant will have occupied the property before the next calendar month begins, and then the new occupant assumes responsibility for the stormwater charges. In the event that the new occupant has not occupied the property on the first day of the next calendar month (no tenant/occupant), a stormwater only bill should be created in the name of the property owner, and the owner becomes responsible for the stormwater charges until some other person assumes that responsibility. Partial bills and daily rates will not be required under this option, thus making this option more manageable. The stormwater charge for the entire month would be included with the final bill generated for the present occupant, which avoids generating bills for amounts less than the cost of mailing the bill to the customer.

RECOMMENDATION:

The Project Team recommends that the City of Newark adopt Option 3 above for billing stormwater charges, which corresponds with the current policy for billing partial water and/or wastewater utility charges. If a tenant/occupant occupies the property on the first calendar day of a given month, that tenant/occupant will be responsible for the entire months stormwater charges. If no tenant/occupant occupies the property on the first calendar day of a given month, a stormwater only billing account will be created in the name of the owner, and the owner will be billed for the stormwater charges until such time that a new tenant/occupant takes responsibility for the charges.

ACTION:

The Technical Advisory Committee reviewed, discussed, revised and approved this Billing Policy Paper on April 26, 2005.

Approved: Tim Welsert

Date: 3/17/2006

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