



Date: August 14, 2013
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management

Subject: Amend Ordinance to Remove Requirement for Notarization of Application for Fixed Sewer Rates for Households with Fewer than Four Persons

Executive Summary

The City ordinance requires notarization of an affidavit establishing the number of occupants in a household in order to qualify for fixed sewer rates based on household size. Otherwise, customers are billed at the four person (or more) per household rate. Customers have protested the inconvenience and expense of having to either retain a notary or travel to City Hall to execute the document. Staff is not aware of any monetary or other benefit to the City by maintaining this requirement and recommends elimination of this provision.

Recommendation

The department recommends that the City Council adopt an ordinance amending Section 70-51(b) of the City’s ordinance with an effective date of October 1, 2013.

Background

The City Council is authorized under Section 70-51 of the City Code to set fixed sewer rates for sewer-only customers based on the total number of occupants of the household. To qualify for rates set for households with fewer than four persons, customers must either submit notarized statements annually or appear at City Hall to personally execute the affidavit. Many customers have complained about the inconvenience of having to locate a notary, the expense of paying a notary and/or making a special trip downtown with the associated expense of paying for gas or other travel costs.

Issues/Analysis

One of the basic tenets of rate setting is to charge customers based on actual usage, or as close as can be reasonably determined in a non-discriminatory manner. Sewer-only customers, who do not have a water meter, provide a challenge for equitable billing. Some entities, such as Durham County, estimate usage based on number of bedrooms which indicates likely number of occupants. Average daily indoor per-person usage is generally consistent among households. Assessing fixed sewer charges based on the number of bedrooms can cause equity issues for widowed persons living alone in large homes while another house may have two budget-conscious students or shift workers in each bedroom minimizing rent cost, but discharging a significantly higher volume of wastewater into the sewer system.

The fixed rate process is totally dependent upon the honesty of the customer. The City has no reasonable way of determining how many persons are domiciled at a certain location for at least six months of the year. The ordinance was originally adopted at a time when it was

generally assumed that requiring notarization of an affidavit would increase the likelihood of its veracity. However, notarization affirms only the identity of the person signing, not the accuracy of the document itself.

The City Attorney's office has concluded there are no legal benefits in having a notarized statement even if falsification can be proved. Customer Billing Services staff see no administrative benefit in continuing the notarization requirement.

Therefore, Water Management staff recommends amending the ordinance to eliminate the notarization requirement for qualification of fixed sewer rates for households with fewer than four persons. Customers will not be inconvenienced by having to procure the services of a notary (at their expense) or having to traveling to City Hall to execute the statement. Customers have not registered any complaints regarding the equity of fixed sewer-only rates determined by household size.

Alternatives

- Make no changes which would continue to place a burden on customers with no real benefits to the City.
- Change fixed sewer rates to correspond to the number of bedrooms as documented in the tax office records. This would preclude any need for statements whatsoever. However, there could be considerable customer protest of inequity from one- and two-person households with vacant bedrooms, or which are being used as an office or studio.
- Install water meters on wells. While this might seem a simple solution, keeping meters calibrated with the sand and grit inherent in wells is a challenge, and often not cost-effective considering the general consistency of per person indoor water use.

Financial Impacts

There is no anticipated financial impact.

SDBE Summary:

The Ordinance to Promote Equal Opportunity in City Contracting does not apply to this item.

Attachments

Ordinance amending Section 70-51(b).
Qualification Form