



Meeting Summary

Water and Wastewater Utility Rate Study Community Advisory Group (RSCAG)

Monday, October 21, 2019

Central Library Auditorium

6:30 – 8:00 p.m.

RSCAG Members Attending

Regina Boston
Lily Duran
Kathleen Harrison
Herschel Kanter
Michael Mesmer
Nora Palmatier
Peter Robertson
Rafael Sampayo

RSCAG Members Absent

Matt Gerber
Heitham Ghariani
Daniel Logan
Bob Orttung

County Staff and Consultants Attending

Mike Collins, Department of Environmental Services
Krista Bourgon-Abele, Department of Environmental Services
Janelle Okorie, Department of Environmental Services
Lisa Wilson, Department of Environmental Services
Will Kerr, Raftelis
Bart Kreps, Raftelis
Jason Gershowitz, Kearns and West
Samantha Ramsey, Kearns and West

1. WELCOME AND INTRODUCTIONS

Mike Collins opened the meeting by welcoming participants and introducing Jason Gershowitz, who will serve as the facilitator for RSCAG meetings. Jason asked RSCAG members to introduce themselves. Subsequently, County staff and consultants introduced themselves.

2. RSCAG CHARGE AND OBJECTIVES

Jason Gershowitz provided an overview of the charge and objectives for the RSCAG, explaining that members are to:

- Represent identified stakeholder interests and concerns
- Provide feedback and perspective on the Study
- Liaise between the community groups and the County project team
- Encourage participation and communication through engagement opportunities.

3. OVERVIEW OF COUNTY UTILITIES AND RATE STUDY OBJECTIVES

Arlington's Water and Wastewater Systems. Mike Collins stated that the Study focuses on the County's water and wastewater systems only. The County has a separate stormwater system that is not included in the scope of this Study.

Mike explained that Arlington purchases treated water from the U.S. Army Corps of Engineer's Washington Aqueduct Division. The County does not own or operate a water treatment facility. Treated water flows into the County's distribution system near Chain Bridge Road and is then distributed throughout the County via pump stations or gravity flow.

Mike also provided an overview of the wastewater system, articulating that the County is responsible for wastewater collection, conveyance, and treatment. The County's wastewater treatment plant is referred to as its Water Pollution Control (WPC) facility. The WPC facility has a rated to a capacity of 40 Million Gallons per Day (MGD) and average daily flows of 25.6 MGD. This facility treats wastewater from County residents and businesses and accepts flows from neighboring jurisdictions. Arlington has inter-jurisdictional (IJ) agreements with Fairfax County, the City of Falls Church, and the City of Alexandria; in total, these jurisdictions have a reserved capacity of 6.8 MGD of the WPC facility. Notably, IJ Partners share in operations and maintenance and capital costs.

Rate Study Overview and Goals. Bart Kreps discussed the Study scope and process. The Study includes financial planning and modeling, cost of service analysis, and a review of the rate structure. Bart offered clarifying definitions for the terms "rate structure" and "rate". He shared that a rate structure concerns how customers are charged services, while the rate is the amount of money charged. Bart explained that the County recovers its costs for water and wastewater services through rates, charges, and miscellaneous fees – not through taxes.

Bart indicated that the Study aims to identify a rate structure that achieves the following objectives:

- Generates sufficient revenues for water and wastewater utility services
- Addresses utility and stakeholder objectives
- Is consistent with industry best practice
- Is defensible, if challenged.

Public Engagement Overview and Goals. Jason Gershowitz discussed the communication and public engagement strategy for the Study. He reviewed four principal tactics. The first tactic is ongoing, broad communication and public engagement. With this tactic, the County will make technical resources and information available on its website. The second tactic is key stakeholder consultation. The County has formed the RSCAG to represent a diverse group of stakeholders with diverse interests. The RSCAG's feedback will inform the technical work and the County's approach to education and engagement. The third tactic concerns forums for community interaction and input. The County intends to host community workshops and/or an Open House to give stakeholders a forum for providing feedback on the Study. The final tactic concerns connecting at existing events. County staff will distribute information and be available to answer questions at existing community events, such as civic association meetings, festivals, and forums.

Lisa Wilson elaborated on the County's approach for "pop-up" activities. This format was used successfully at the recent Latino American Festival (October 14, 2019) and the Community Progress Network

Roundtable (October 17, 2019). Lisa welcomed the opportunity to have a “pop-up” at an upcoming community event. She encouraged RSCAG members to contact her with information about any events where the engagement team should be present.

Next, Jason reviewed the timeline for the Study. The second RSCAG meeting will be held in November and will focus on the financial aspects of restructuring the County’s water rate system. The County will also launch a broader set of online engagement in November, focusing on educational information and values.

Jason explained the public engagement goals of the Study. The County is seeking to communicate, educate, and involve its residents in the process. Through the public engagement plan, the County is looking to:

- Have increased education about water and wastewater across the County
- Solicit feedback by providing forums to listen
- Share how input is being incorporated into the Study’s outcome
- Create a value-drive process
- Establish channels for communication.

4. QUESTIONS AND ANSWERS

Note: A summary of RSCAG questions and responses from the entire meeting is provided below.

Ref	Question or Comment	Response
1	Does Arlington receive the same water as Washington, DC? Is it being treated with the same chemicals as the water in DC?	The Potomac River is the source of water for Arlington and DC. For both areas, the water is generally treated at the Washington Aqueduct’s Dalecarlia Water Treatment Plant. DC and Arlington have separate distribution systems. DC has encountered some issues in the past due to its distribution system. Arlington’s distribution system is made of different materials, so we have not experienced those same issues.
2	Where are the pump stations located?	Most of the pump stations are in the northern part of the County along Military Rd. There are small package plants along Marcy Rd. towards the Potomac Overlook Park, however most of the pumping is along the northern part of the County. There are also two larger pumps on the wastewater plant.
3	If the last rate study was done 15 years ago, what is the tipping point for this one?	DES leadership thought it was time to perform a rate study, as it has been a while since the last one. There was no rate or financial issue spurring the study, just best practices to re-assess.
4	Will we be able to see the project O&M costs? Most stakeholders will want to see big changes in their water rates.	We will offer a more detailed breakdown of costs in the next RSCAG meeting.

Ref	Question or Comment	Response
5	Can you give us an idea of how you project growth and participation?	<p>In the next meeting, we will discuss how the County can project consumption. Water and wastewater rates have been going up about 5 percent per year, however people are using less water for a variety of reasons.</p> <p>You are not going to see drastic rate increases. Arlington County is very fortunate, which gives us a lot of options for where we should go with the rate structure.</p>
6	I'd like to see cost information at a high-level.	We will provide this information in the next RSCAG meeting.
7	Do you charge residential and commercial customers the same rate? I am interested in seeing revenue collected from residential vs. commercial customers.	Yes, residential and commercial customers are charged the same rate. And the revenues from commercial properties represent approximately 80% of the revenue. We will offer a more detailed breakdown on revenue in the next RSCAG meeting.
8	Rather than ask people what values they have related to Arlington County's water system, we need to have something about the water system choices or alternatives very early. It would be helpful to have this information before we prioritize values.	We will provide this information in the next RSCAG meeting.
9	How will irrigation be factored into the rate and fee structure?	The County will explore needs and operational challenges with incorporating irrigation differently into the rate structure. We can address this topic in a future meeting.
10	I am interested in cooling tower sub-metering and would like to discuss this at a future meeting.	We can address this topic in a future meeting.
11	What is the current rate breakdown? What is the controversy of options?	<p>Arlington currently has a very simple rate structure, without any rate classes or tiering. As we consider different rate alternatives, you should keep in mind that different rate structures may result in different consumers paying different amounts of the same total system cost. The County will still need to collect about \$100 million across the 37,500 accounts; however, it might be collected differently</p> <p>Back in 2004, the rate assessment was conducted in a more traditional fashion that did not include much community engagement. As a result, they received criticism for not involving the public. We want to make sure that does not happen again.</p>

Ref	Question or Comment	Response
12	Does the Dillon rule apply? Does Richmond set a cap for utility rates?	Richmond does not set a cap on our utility rates.
13	Are there going to be any surveys that capture the views from stakeholders? Has the County surveyed residents to gauge their views on these issues?	The project team will be issuing a survey to obtain resident input on values that should inform the rate structure design. We want to engage with the RSCAG first to learn how to have broader engagement with the community.
14	Are there things that would impact vulnerable communities? I would support a uniform rate, even if it would be a disparate rate, if there are programs that assist vulnerable populations.	It is important to understand customer assistance programs, impacts to low income groups, how it affects the County, as well as the trade-offs for each option. This topic will be addressed at a future meeting.
15	How would a change in rate structure affect housing where utilities are included in rent?	We need to understand how assistance would get to communities in need. This is something to research further and explore in a future RSCAG meeting.
16	Are there significant differences between Arlington County's rate structure and those of neighboring communities?	Arlington County is the only county that charges a consumption rate. The rate structure is based only on volumetric charges. Arlington County has the most simplistic rate compared to its neighboring counties. Most other jurisdictions have a rate structure that incorporates both fixed and volumetric charges.
17	The assumption is that you're paying for the fixtures that you use, correct?	Residents only pay for fixtures once, however, if you expand your house or create a larger demand, you pay for those additional fixtures. Some jurisdictions have a service fee as a part of their water rate structure, however, Arlington County does not.
18	The County has several community gardens with individual plots. How is water service metered and paid for these areas?	Community gardens are sub-metered and the Department of Parks and Recreation (DPR) pays for the water service, which recoups costs by charging a fee to community gardeners.

5. WRAP-UP AND NEXT STEPS

Jason Gershowitz summarized the main topics from the meeting. Those included:

- Sharing an overview of the Study's background and purpose;
- Gaining a deeper understanding of the rate study structure and scope; and,
- Learning about the County's public engagement approaches.

Jason also summarized the list of topics to discuss in the second and/or future RSCAG meetings including:

Water and Wastewater Utility Rate Study Community Advisory Group

Meeting Summary

October 21, 2019

- A more detailed breakdown of the utility revenue and customers
- A comparison of Arlington's rate structure to neighboring jurisdictions
- A detailed list of the water rate alternatives
- Greater clarity on customer assistance programs for utilities for lower-income households.

Before adjourning the meeting, Janelle Okorie asked participants if they would be interested in convening the second RSCAG meeting at the Water Pollution Control facility, so that members could take a brief tour of the facility before the meeting. Participants were very interested in this option and it was decided that a scheduling poll would be sent out to determine if there was a preference for a weeknight versus weekend tour. After this discussion, Mike Collins closed the meeting by thanking everyone for their role in supporting and advancing the Study.