

Water and Wastewater Utility Rate Study Community Advisory Group

Meeting #4: March 9, 2020

Special Topics



Agenda

6:30 – 6:35 Welcome and Introductions

6:35 – 7:40 Special Topics Presentation and Discussion

7:40 – 7:45 Wrap-Up and Next Steps

7:45 – 8:00 Public Comment

Affordability

Affordability Program Options

Presentation Objectives

- Describe various options for promoting affordability
- Provide an overview of what Virginia utilities are currently doing
- Discuss key considerations for Arlington County's evaluation of its current approach

Affordability Program Options

Rate Options

- Lifeline Supply Rate
- Conservation-Oriented Rate Structure
- Discounted Rate Class
- Low-to-Moderate Fixed Charge

Billing & Collection Options

- Deferred Payment Plan
- Installment Plans (with disconnection avoidance or arrears forgiveness)
- Budget (or “Levelized”) Billing
- Alternate Billing Schedule
- Allow Others to Make a Payment to Customer’s Account
- Pre-disconnection Notifications

Customer Assistance Programs

- Bill Payment Assistance for Income-Qualified Households
- Leak Repair Assistance for Income-Qualified Households
- Crisis Assistance/Emergency Grants
- Assistance for Occupants of Multi-family Dwellings
- Bill Credit for Eligible Multi-family Affordable Housing Units
- Donations to Social Service Agencies and/or Social Service Referrals

Education & Technical Assistance

- Conservation Education
- Conservation Retrofit and Rebate Programs
- Residential Water Audits

Rate Options



Lifeline Supply Rate

Eligible low-income customers are charged a lower rate (“lifeline rate”) for the quantity of water deemed necessary for basic human needs. A higher rate is charged for all water use beyond that amount.



Conservation-Oriented Rate Structure

Conservation-oriented rate structures encourage efficient water use. These rate structures often result in lower bills for low-income customers, particularly those with smaller lot sizes and smaller increases in consumption during the summer (peak water use season).



Discounted Rate Class

Eligible low-income customers are billed according to a separate, discounted rate class. The discounted rate class for a particular customer may vary based on a number of factors such as income, household size, etc.



Low-to-Moderate Fixed Charges

Many utilities implement fixed charges to achieve greater revenue stability. High fixed charges give customers less control over their bills. Low-to-moderate fixed charges give customers more ability to reduce their bills via usage reductions, while also helping utilities achieve revenue stability.

Billing & Collection Options



Deferred Payment Plans

Deferred payment plans allow the customer to pay the entire balance due at a later date.



Installment Plan (with disconnection avoidance or arrears forgiveness)

Customer enters into an agreement that allows them to divide their balance due into multiple installments instead of one lump sum. Installment plans may stand alone or be coupled with disconnection avoidance or arrears forgiveness.



Budget (or “Levelized”) Billing

Prior year usage is used to determine the average amount the customer should pay per billing period the following year. At the end of the following year, a “true-up” is performed to determine whether additional sums are due or a credit should be issued.



Alternate Billing Schedule

“Pick-a-date” programs allow customers to change the timing of bills to more closely align with their income stream. For example, the timing might be changed to coincide with the receipt of Social Security or pension income.



Allow Others to Make a Payment to Customer’s Account

Some utilities allow someone other than the account holder to make a payment to an account. More recently, utilities have begun offering “gift cards” that can be purchased by others and provided to customers to help them pay their utility bills.



Pre-disconnection Notifications

The utility gives customers formal notice of opportunities to enter into deferred payment arrangements, installment plans, etc. before water service is disconnected.

Customer Assistance Programs



Bill Payment Assistance for Income-Qualified Households

Eligible low-income customers may receive grants to help them pay their utility bill or prevent disconnection of service. Eligible customers may receive more than one grant may be available per year.



Leak Repair Assistance for Income-Qualified Customers

Eligible low-income customers who own and occupy their own homes may receive grants for repair of leaky toilets, faucets, plumbing fixtures, etc. Eligible customers may receive more than one grant per year.



Crisis Assistance/One-time Emergency Grants

One-time emergency grants for households with employment, medical, or other personal emergencies. For direct customers, often coupled with waiver of delinquency charge or disconnection protection.



Assistance for Occupants of Multi-family Dwellings

Portland, OR: The Portland Water Bureau offers financial assistance to eligible, low-income occupants of multi-family dwellings, who are facing eviction.

Seattle, WA: Seattle Public Utilities assists renters in multi-family units by providing a water credit on their electric bill.



Bill Credit for Eligible Multi-family Affordable Housing Units

New York, NY: The Department of Environmental Protection partnered with the NYC Housing Development Corporation to offer a monthly credit to affordable, multi-family housing projects that participate in a conservation program and demonstrate efficient water use.



Donations and/or Referrals to Social Service Agencies

Utility donates money to social service agencies that offer utility bill assistance or financial literacy programs. Utility may also offer an elevated level of customer service by partnering with the social service agency to share information about customers in need.

Education and Technical Assistance



Conservation Education

Utility provides or sponsors educational programs that allow customers to learn about efficient water use practices.



Water Audits

Utilities offers free water audits to assist households or properties with assessing how efficiently they use water and identifying opportunities to reduce water use.



Targeted Conservation Retrofit and Rebate Programs

With rebate programs, the utility provides a partial refund to off-set the cost of the purchase of high-efficiency fixtures. For retrofits, the utility may offer a one-time credit when retrofits are performed (e.g., xeriscaping) or when high-efficiency products (e.g., sprinkler heads) are installed. Both types of programs can be available to all customers or limited to low-income customers.

Virginia Water and Wastewater Utilities

	Arlington County	Virginia American Water (City of Alexandria)	Alexandria Renew Enterprises and City of Alexandria	Fairfax Water and Fairfax County	Loudon Water	Prince William County Service Authority	City of Richmond Department of Public Utilities	City of Norfolk Department of Utilities	Hampton Roads Sanitation District	City of Virginia Beach Public Utilities
Service: W=Water, WW=Wastewater	W/WW	W	WW	W/WW	W/WW	W/WW	W/WW	W/WW	WW	W/WW
Lifeline Supply Rate			N/A				●		N/A	
Conservation-Oriented Rate Structure			N/A	●	●	●	●		N/A	
Discounted Rate Class										
Fixed Charge		●	●	●	●	●	●		●	●
Deferred Payment Plan	●		●	●	●			●	●	
Installment Plan	●	●	●	●	●		●	●	●	●
Budget (or "Levelized") Billing										
Alternate Billing Schedule										
Allow Others to Make a Payment to Customer's Account	●		●			●	●	●	●	
Pre-disconnection Notification										
Bill Payment Assistance		●				●	●	●	●	●
Leak Repair Assistance										●
Crisis/Emergency Grants	●							●	●	●
Assistance for Occupants of Multi-Family Housing										
Donations to Social Service Agencies							●	●		
Social Service Agency Referrals	●						●	●	●	●
Conservation Education	●	●	●	●	●	●	●	●		●
Conservation Retrofit and Rebate Programs			N/A					Referral to VCAP*	N/A	●
Residential Water Audits or Leak Detection Assistance	●		N/A				●		N/A	

*VCAP = Virginia Conservation Assistance Program

Key Considerations

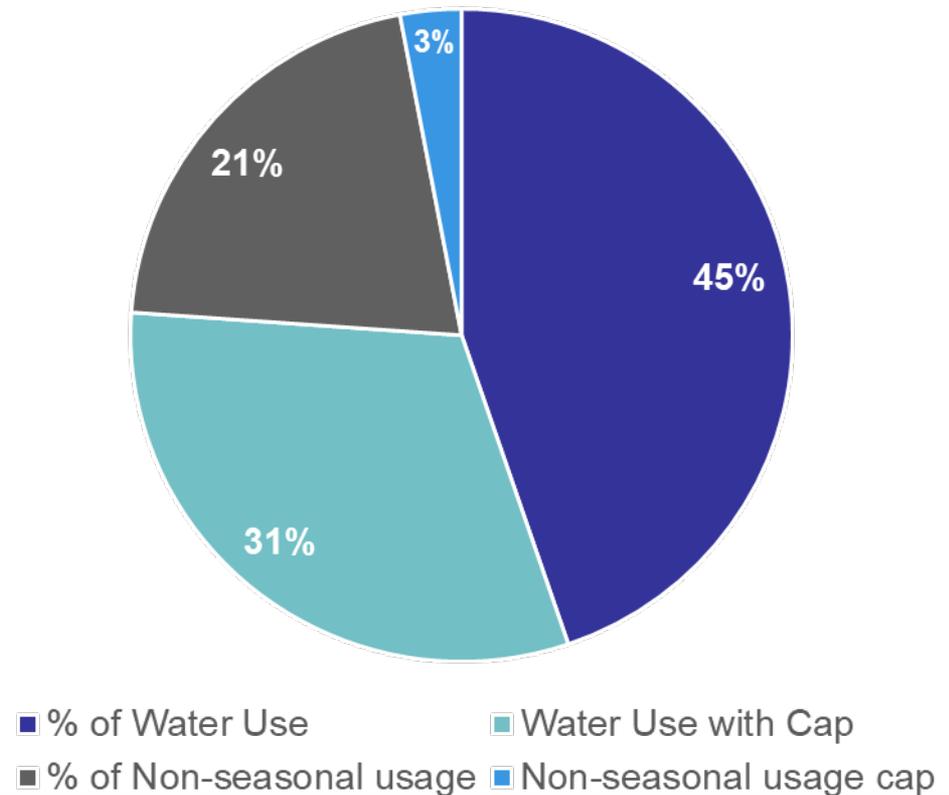
- Program Objectives
- Legality and Risk
- Households Reached (total, “hard-to-reach” populations)
- Resource Requirements (staff, technology, cost, etc.)
- Funding Source
- Administrative Feasibility
- Other?

Residential Sewer Billing

Residential Sewer Billing

- Water usage is often used as a surrogate to estimate sewer flows
 - Residential sewer meters are not practical
 - Water usage data is available and has a good correlation
- Many utilities adjust water usage for sewer billing since some water not returned to the sewer system

Sewer Billing Methodology



Residential Sewer Billing Methodologies

Method	Pros	Cons
% of Water Usage	Easy to administer	Benefits customers without discretionary use
Water Usage with a Cap – Fixed	Easy to administer	High-volume users can benefit significantly
Water Usage with a Cap – Variable	More equitable: bills are capped based on historic demand patterns	Difficult to administer Requires additional decision-making Quarterly billing increases complexity
Average Winter Consumption	More equitable: bills are based on historic demand patterns Predictable monthly bill	“Snowbirds” can benefit Quarterly billing increases complexity

Sewer revenue requirements must still be recovered!

Residential Sewer Billing Methodology: Local Benchmarking

Utility	Sewer Billing Policy
AlexRenew (Alexandria)	Water usage capped at AWC (Dec-Feb) 4,000gal/mo Minimum AWC Cap
Falls Church	Water usage capped at AWC (Feb-Apr) Quarterly billing
DC Water	100% of water use
Prince William County	Water usage capped at 3-Mo AWC during summer
WSSC	100% of water use
Fairfax (City)	100% of water use
Fairfax (County)	Water usage capped at AWC
Loudoun Water	Water usage capped at AWC + 3,000gal Quarterly billing

Cooling Towers and Deduct (Water Only) Meters

Cooling Towers and Deduct Meters

- Cooling towers – Used for air conditioning for large commercial properties. Portion of water used evaporates, the rest is discharged into sewer.
- Deduct meters – “Water Only” Meters (effectively a sub-meter). Used to measure water that does not enter sewer system.
 - Cost and installation
 - Consumption must be read and reported
 - Administration and ongoing maintenance
- Cooling Tower Credit Program
 - Estimated “return” factor

Cooling Towers and Deduct Meters

Method	Pros	Cons
Current Program	Easy to administer	Equity – customers pays sewer charges for water that doesn't enter sewer system
Deduct / Water-Only Meters	May provide benefit for commercial customers that use water for cooling towers	Cost, billing, administration and other policy issues
Cooling Tower Credit Program	May provide benefit for commercial customers that use water for cooling towers	Accuracy and other policy issues

Other Water Only Considerations

- Sewer flow meters
 - Often used for large, commercial/industrial customers that use significant process water (e.g. brewery)
- Irrigation meters
 - Available for both residential and non-residential customers
 - Cost of meter and installation

Cooling Towers, Deduct Meters and Irrigation: Local Benchmarking

Utility	Cooling Tower / Deduct / Irrigation Policies
DC Water	Cooling Tower Credit Program – bill credited for either metered flows or estimated sewer discharge Irrigation Credit Program – separate meter or deduct meter (used behind main meter)
Prince William County	Customers have the option of opening a separate Water-Only account (for irrigation, pools, or water cooling tower purposes) Customer to pay separate water availability fee
WSSC	“Submeters” available, customer responsible for cost of installation. “Hose Bib” meters available too
Fairfax Water	Customer responsible for costs of installing second water-only meter. Meters are for commercial uses, such as irrigation, cooling tower use, and community pools.
Loudoun Water	Encourage reclaimed water for cooling towers, do not offer water-only accounts

Water Leaks

Leaks

- **Public vs Private Leaks**
 - Any leaks up to (and including) the meter are on the County (Public) side
 - “Behind the meter”, all plumbing is Private
- **How Do I Identify Leaks**
 - Water discharging from ground or meter box/manhole/valve box, etc
 - Hear running water (toilets, pipes, etc)
 - Unusually high water bill
- **How Can County Help?**
 - If you see running water in or near the street, call Emergency Line 703-228-6555
 - We issue “High Use” letters when we receive unexpected readings

County Resources for Leaks

- How Can County Help?
 - If you see running water in or near the street, call Emergency Line 703-228-6555
 - We issue “High Use” letters when we receive unexpected readings
 - Leak Adjustment Program
 - Hi-Use Investigations
- Leak Adjustment Program
 - Leak Inside Home:
 - Waive 50% of Excess Water & 50% of Excess Sewer
 - Private Service Line Leak:
 - Waive 50% of Excess Water & 100% of Excess Sewer

RSCAG Meeting Topics and Schedule

Meetings	Topics	Meeting Dates
Study Introduction and Overview	<ul style="list-style-type: none"> • RSCAG Charge and Objectives • Arlington's Water Systems • Rate Study Overview and Goals • Public Engagement Overview and Goals 	October 21, 2019
Rate-Setting Process	<ul style="list-style-type: none"> • Core Values and Rate Structure Alternatives • Utilities Financial Overview 	November 14, 2019
Plant Tour	<ul style="list-style-type: none"> • Wastewater System Overview and Treatment Plant Tour 	December 7, 2019
Core Values	<ul style="list-style-type: none"> • Identify and prioritize core values to inform rate structure design 	January 14, 2020
Special Topics	<ul style="list-style-type: none"> • Affordability, Irrigation, Cooling Towers and Water Leaking into the Ground 	March 9, 2020
Alternative Rate and Fee Structure Proposals	<ul style="list-style-type: none"> • Alternative Water and Sewer Rate and Fee (e.g., Infrastructure Availability, Miscellaneous) Structures 	TBD
Recommendation Development and Reporting	<ul style="list-style-type: none"> • Recommended Rate and Fee Structures • Summary of RSCAG and broader Arlington Community Feedback 	TBD

Q & A

Project Page

water.arlingtonva.us/water-and-wastewater-utility-rate-study/

Arlington Engagement Site

engage.arlingtonva.us

