

# Water and Wastewater Utility Rate Study FAQs

## 1. Why is the County doing a rate study now?

It is industry best practice to conduct this type of evaluation every three to five years. The County's most recent cost of service and rate design study was conducted from 2003 – 2004. The study will continue to ensure that sufficient revenues are recovered through our rates, and that the rate and fee structure are aligned with the County's financial requirements and community values.

## 2. What community values were considered in the rate study?

- Affordability – Designed to ensure affordable access to essential sanitary uses.
- Conservation – Rewards customers who reduce water use through changes in appliances and/or behavior.
- Revenue Stability – Designed to produce reliable, consistent revenue and is less effected by customer consumption fluctuations and weather patterns.
- Simple to Understand and Implement – Easy for customers to understand and is easy to administer, like the County's current rate structure.
- Equity Across Customer Categories - Allocates costs to precisely reflect the costs incurred to provide water to different types of customers.
- Economic Development – Recognizes efficiencies of service for large, non-residential water users and intended to attract and retain business or industry.

## 3. What is the difference between the rate and the rate structure?

The rate is the amount of money users are charged for water and wastewater services. The term rate structure describes how customers are charged for these services.

## 4. Why is the rate different between customer classes?

Customers can be classified as residential, commercial, or multi-family. Establishing rates based on customer classes distinguishes supply and demand needs across these categories.

Currently, the county has a simple rate structure, meaning all customers pay the same rate for the volume of water used. In the proposed rate structure, different classes of customers would pay different rates based on the demand each places on the water system, which addresses the **value of equity among customer classes**.

## 5. What is a base charge? And why is the County considering a base charge now?

A base charge is a fixed charge per account per billing period that is implemented to recover some of the fixed costs of operating and administering the system. Base charges are not related to the volume of water used or treated. The County is considering a base charge to recover the costs associated with billing, meter reading, collection and customer service. These costs are incurred each billing cycle for each customer regardless of consumption. The base charge provides **revenue stability** and helps create **equity among customer classes**, which were both identified as priority values among stakeholders.

## 6. What is Average Winter Quarter Billing?

Average Winter Quarter Billing is a common methodology for estimating actual wastewater flow from residential customers (see below *Why can't we meter wastewater?*) Average Winter Quarter Billing presumes that the amount of measured water consumption in the winter months, when there are few exterior uses, best reflects actual wastewater generation year-round. During the summer months, when customers may have more outdoor uses such as irrigating lawns and gardens, our customers' sewer consumption will be set as the lesser of actual water consumption, or the winter water consumption (as a proxy for domestic wastewater generation).

Currently, Arlington estimates wastewater generation at 100% of the customer's water usage. While this methodology is simpler and more intuitive to most customers, it is our most frequently cited complaint – particularly during drought periods when irrigation increases. Average Winter Quarter Billing is common nationally and is used by many surrounding utilities.

## 7. Why don't commercial and multi-family categories get the wastewater reduction?

Residential customers have fairly uniform water consumption patterns, which allows for reasonable inference of wastewater generation based upon differential seasonal usages. Conversely, commercial and multifamily have less uniform usage patterns. Additionally, commercial and multi-family facilities that have extensive non-sewer water consumption (like irrigation systems or pools) often have a separate water-only water service allowing them to segregate and separately meter non-sewer generating water use.

## 8. Why is wastewater twice as much as water?

Rates are calculated to recover costs specific to each service: water and wastewater. For example, the water rate includes all costs associated with providing water service, including water purchase costs, water main maintenance, and water distribution costs. The wastewater rate includes the costs to collect and treat wastewater. Both rates also include the respective costs to rehabilitate and replace the water and wastewater infrastructure.

Additionally, the annual cost for wastewater accounts for financing the debt service payments for the wastewater treatment plant upgrades made in the 2000s, which totaled \$568.1 million. These were Commonwealth mandated improvements to expand the capacity of the treatment plant. Since these improvements will last many decades, they were paid for using a combination of debt issuances and loans paid off over a number of years.

## 9. Why can't we meter wastewater?

Wastewater cannot be economically or reliably metered at the low volumes generated by residential customers. This is primarily because wastewater drains through an unpressured gravity pipe system and carries a high amount of contaminants that creates inconsistent flow characteristics. Conversely, the drinking water system is a pressurized system with a uniform fluid which allows for reliable and economical metering technologies. Water usage is often used as a surrogate to estimate wastewater flows. Water usage data is available to public utilities and has a good correlation to wastewater usage; however, it is not a perfect corollary for wastewater. The most frequent examples of water use which does not result in wastewater generation are irrigation of lawns and other exterior uses like car washing.

**10. Why don't residents who live in multi-family housing receive a utility bill?**

Most multi-family buildings do not have water meters on individual apartment or condo units. Rather, the utility bill is based on the consumption of the entire building. For this reason, residents in multi-family buildings are indirect customers. It is up to each property manager to choose how to allocate or recover these utility costs, i.e. costs can be included in the monthly rent or they can use a third party to bill for usage.

**11. Are there assistance programs for residents who are experiencing challenges paying for water and wastewater services?**

A [special relief program](#) has been established for customers having difficulty paying water-sewer bills during the COVID-19 pandemic. For more information or to apply, call 703-228-5080 weekdays 9am – 5 pm. Residents who do not qualify for the special relief program are encouraged to call the Customer Contact Center at 703-228-5000 to discuss enrollment in a payment plan.