

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: Are there ways to reduce the billing charge set by the Water Authority? With technology etc. are there more efficient ways this could be handled?

Response: The base charge was initiated in FY 2010 at \$5.00 per bill. At that time the \$5.00 per bill charge covered Wastewater's billing fees paid to Fairfax Water. In FY 2012 the base charge was increased to \$5.50, again this covered Wastewater's billing fees paid to Fairfax Water. The proposed Base Charge increase to \$12.79 will cover the billing fees and a portion of the Program's debt service payment of \$50.38 million. This increase is the first phase toward implementing a fix cost recovery rate structure. Industry standard for fix cost recovery is 25 – 30 percent.

The following services are provided by Fairfax Water and are included in the billing fees.

- Install, maintain, test and repair water meters.
- Obtain and report actual or estimated water meter readings.
- Maintain, test and repair special meters (sub-meters).
- Provide office and field customer service to:
 - establish, transfer, discontinue sewer accounts;
 - address customer inquiries and complaints relative to sewer matters;
 - discontinue water service due to non-payment of sewer bills;
 - notify delinquent sewer payments to the County;
 - maintain sewer customer payment records;
 - mail information regarding sewer service and rates;
 - prepare and deliver refunds of sewer deposits, overpayments, etc.
- Prepare, by computer processing, all sewer service charge data for quarterly, adjusted and final billings, including sewer service only accounts.
- Receive all payments on account of bills rendered for sewer service charges.
- Post payments on each account including transactions for sewer account changes, adjustments, bad checks, etc.
- Remit to the County weekly the total of payments received on account of sewer service charges, adjusted for bad checks, adjustments, refunds, etc.
- Process and mail all reminder and final notices.
- Prepare a cut-off list and discontinue water service for sewer service accounts which are not paid in full within 60 days of rendering bill.
- Prepare and deliver to County monthly delinquent reports for all uncollectible sewer service only accounts.
- Process all billing, collecting and accounting reports and deliver to County.
- Prepare and mail, including stuffing and postage, all bills, notices and material required by the combined billing system.

The following items are included in the Fairfax Water methodology for determining the billing fees charged to the County's Wastewater Management Program.

- Customer Account Expenses, including a percentage of Administrative and General Expenses. These expenses include customer service representatives, staff to read the meters, fuel, maintenance of the billing information system, and other expenses associated with providing the above mentioned services.
- Allowance for purchase of Capitalized Equipment such as meter reader trucks, meter replacement, and remittance processors.

Fairfax Water is looking at ways to reduce costs related to billing. They plan to present a "customer portal" proposal to their Board on April 18, 2013. This portal will allow customers to view and pay bills on-line. Savings associated with this proposal will be dependent on customer participation.