



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee

*Tuesday, May 23rd, 2023
9:30 a.m.*

Microsoft Teams

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Meeting ID: 254 587 687 769

Passcode: f6qBUE

Or call in (audio only)

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Phone Conference ID: 422 650 959#

1. **Call to Order** **Rachna Bhatt, Chairperson**
2. **Roll Call** **Michelle Rhodd**
3. **Monthly Report to DC Retail Water & Sewer Rates Committee (Attachment A)** **Matthew Brown**
4. **Transfer of Funds from MAP to RAP (Attachment B)** **Meisha Lorick**
5. **Action Item (Attachment C)** **Meisha Lorick**
 - Proposal for transfer of Funds from MAP to RAP. (Action Item 1)
6. **DC Retail Water and Sewer Rates Committee Workplan (Attachment D)** **Matthew Brown**
 - FY 2023 Proposed DC Retail Rates Committee Workplan
7. **Agenda for July 25, 2023, Committee Meeting (Attachment E)** **Rachna Bhatt, Chairperson**
8. **Other Business** **Matthew Brown**
9. **Executive Session***
10. **Adjournment** **Rachna Bhatt, Chairperson**

*The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under D.C. Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security matters under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); third-party proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop Board members and staff under D.C. Official Codes § 2-575(b)(12); adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14); and other matters provided under the Act



Fiscal Year 2023

Monthly Report to DC Retail Water and Sewer Rates Committee

Period Ending April 30, 2023

DEPARTMENT OF FINANCE

Matthew T. Brown, CFO & Executive Vice President, Finance and Procurement

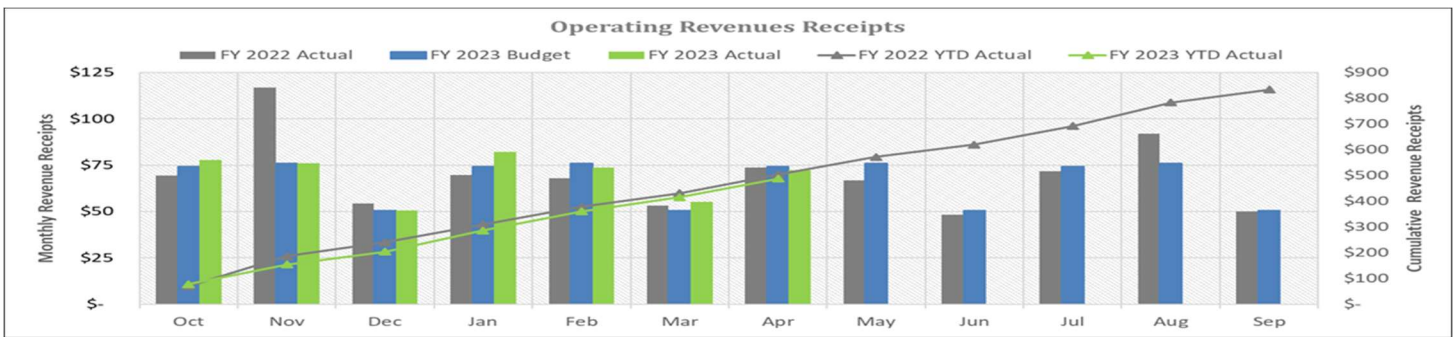
Syed Khalil, Director, Rates & Revenue

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of April 30, 2023

Operating Revenues (\$'000's)

FY 2022		CATEGORY	FY 2023						Projections	
Actual			Year-to-Date Performance					Year-End Projections	% of Budget	
Total Annual	YTD April		Annual Budget	YTD Budget	Actual	% of Budget	Variance \$ Fav(Unfav)			Variance % Fav(Unfav)
\$451,336	\$261,431	Residential / Commercial / Multi-Family	\$476,456	\$277,932	\$275,211	57.8%	(\$2,721)	(1.0%)	\$485,387	101.9%
77,112	57,834	Federal	84,768	63,576	62,879	74.2%	(697)	(1.1%)	83,839	98.9%
21,055	11,531	Municipal (DC Govt.)	23,203	13,536	11,998	51.7%	(1,538)	(11.4%)	21,198	91.4%
13,210	7,595	DC Housing Authority	14,208	8,288	9,421	66.3%	1,133	13.7%	16,371	115.2%
23,134	13,285	Metering Fee	24,083	14,310	14,393	59.8%	83	0.6%	24,086	100.0%
42,079	25,391	Water System Replacement Fee (WSRF)	39,717	24,138	25,842	65.1%	1,704	7.1%	41,746	105.1%
84,899	44,312	Wholesale	104,560	52,280	48,185	46.1%	(4,095)	(7.8%)	104,560	100.0%
22,630	13,003	PILOT/ROW	23,070	13,934	14,073	61.0%	139	1.0%	23,311	101.0%
98,140	70,362	All Other	52,377	29,591	25,599	48.9%	(3,992)	(13.5%)	44,957	85.8%
\$833,594	\$504,745	TOTAL	\$842,442	\$497,585	\$487,599	57.9%	(\$9,986)	(2.0%)	\$845,454	100.4%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of April 2023, cash receipts totaled \$487.6 million, or 57.9 percent of the FY 2023 Revised Budget. The YTD Revised Budgeted receipts were \$497.6 million. The total receipts for April were \$72.0 million as compared to the budgeted \$76.4 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their third quarterly payment in April), and wholesale customers (who made second quarterly payment in February 2023).

Areas of Over-collection	Areas of Under-collection
<p><u>DC Housing</u> - Receipts are slightly higher at \$9.4 million or 66.3 percent of the Revised Budget. The April 2023 receipts are slightly higher at \$1.4 million as compared to the monthly Budget of \$1.2 million.</p> <p><u>PILOT/ROW</u> – The receipts for PILOT/ROW are slightly higher at \$14.1 million or 61.0 percent of the Revised Budget. The April 2023 receipts are slightly lower by fifty-seven thousand dollars as compared to the monthly budget of \$2.4 million.</p>	<p><u>Residential, Commercial and Multi-Family</u> – Receipts for this category are slightly lower at \$275.2 million or 57.8 percent of the Revised Budget. The April 2023 receipts were lower by \$7.7 million, or 19.5 percent as compared to the monthly Budget of \$39.7 million.</p> <p><u>Federal</u> - Actual receipts through April 2023 total \$62.9 million or 74.2 percent of the Revised Budget. The Federal government made their third quarter payment in April 2023. The lower actual Federal receipt is due to disputed accounts of Soldiers Home.</p> <p><u>District Government</u> – Receipts are lower at \$12.0 million or 51.7 percent of the Revised Budget. The April 2023 receipts are slightly lower at \$1.4 million as compared to the monthly Budget of \$1.9 million.</p> <p><u>Wholesale</u> – The receipts were \$48.2 million or 46.1 percent of the Revised Budget. The lower receipt is mainly due to the higher Revised Budget as compared to the previously Approved Budget. The budget difference of \$ 14.8 million is expected to be recovered in the third and fourth quarters. The April 2023 receipt is slightly higher by \$2.7 million due to early third quarter payment by Loudoun County in April, although it was scheduled to be paid in May 2023.</p> <p><u>Other Revenue</u> - Receipts are lower at \$25.6 million or 48.9 percent of the Revised Budget. This is due to lower receipts for Interest Earnings, System Availability Fee and Washington Aqueduct Backwash. The April 2023 receipts are slightly higher by \$0.5 million as compared to the revised budget of \$3.4 million.</p>

Monthly Report to DC Retail Water and Sewer Rates Committee

As of April 30, 2023

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2023 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)	Actual % of Budget	Year-End Projections	Variance Proj vs Budg	% of Budget
Residential, Commercial, and Multi-family	\$476.5	\$277.9	\$275.2	(\$2.7)	-1.0%	\$485.4	\$8.9	101.9%
Federal	84.8	63.6	62.9	(0.7)	-1.1%	83.8	(0.9)	98.9%
District Government	23.2	13.5	12.0	(1.5)	-11.4%	21.2	(2.0)	91.4%
DC Housing Authority	14.2	8.3	9.4	1.1	13.7%	16.4	2.2	115.2%
Customer Metering Fee	24.1	14.3	14.4	0.1	0.6%	24.1	0.0	100.0%
Water System Replacement Fee (WSRF)	39.7	24.1	25.8	1.7	7.1%	41.7	2.0	105.1%
Wholesale	104.6	52.3	48.2	(4.1)	-7.8%	104.6	(0.0)	100.0%
Right-of-Way Fee/PILOT	23.1	13.9	14.1	0.1	1.0%	23.3	0.2	101.0%
Subtotal (before Other Revenues)	\$790.1	\$468.0	\$462.0	-\$6.0	-1.3%	\$800.5	\$10.4	101.3%
IMA Indirect Cost Reimb. For Capital Projects	4.4	2.6	3.0	0.4	15.4%	4.4	0.0	100.0%
DC Fire Protection Fee	11.5	5.8	8.7	2.9	50.0%	11.5	0.0	100.0%
Stormwater (MS4)	1.1	0.6	0.5	(0.1)	-16.7%	1.1	0.0	100.0%
Interest	7.5	4.4	2.5	(1.9)	-43.2%	5.8	(1.7)	77.3%
Developer Fees (Water & Sewer)	8.0	4.7	6.1	1.4	29.8%	9.7	1.7	121.3%
System Availability Fee (SAF)	7.7	4.5	2.3	(2.2)	-48.9%	4.7	(3.0)	61.0%
Washington Aqueduct Backwash	4.6	2.7	0.0	(2.7)	-100.0%	0.6	(4.0)	13.0%
Others	7.4	4.3	2.5	(1.8)	-41.9%	7.0	(0.4)	94.6%
Subtotal	\$52.4	\$29.6	\$25.6	(\$4.0)	-13.5%	\$45.0	(\$7.4)	85.8%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Other Revenue Subtotal	\$52.4	\$29.6	\$25.6	(\$4.0)	-13.5%	\$45.0	(\$7.4)	85.8%
Grand Total	\$842.4	\$497.6	\$487.6	(\$10.0)	-2.0%	\$845.5	\$3.0	100.4%

BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY (\$ in 000's)

Customer Category	Clean Rivers					Total
	Water	Sewer	IAC	Metering Fee	WSRF	
Residential	\$23,375	\$36,871	\$14,938	\$6,292	\$5,634	\$87,111
Commercial	44,794	50,715	18,359	4,221	9,851	127,940
Multi-family	31,227	48,029	6,902	2,058	4,592	92,808
Federal	23,161	26,329	13,389	1,177	4,357	68,413
District Govt	3,237	4,380	4,381	493	1,166	13,656
DC Housing Authority	3,552	5,262	606	152	242	9,814
Total:	\$129,347	\$171,586	\$58,575	\$14,393	\$25,842	\$399,743

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Clean Rivers IAC - Actual vs Budget (\$ in 000's)

Customer Category	FY2023 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$24,093	\$14,054	\$14,938	\$884	6%	62%
Commercial	28,572	16,667	18,359	1,692	10%	64%
Multi-family	11,637	6,788	6,902	114	2%	59%
Federal	18,438	13,829	13,389	(439)	-3%	73%
District Govt	7,680	4,480	4,381	(99)	-2%	57%
DC Housing Authority	1,006	587	606	19	3%	60%
Total:	\$91,426	\$56,405	\$58,575	\$2,171	4%	64%

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of April 30, 2023

Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days (from the billing date) including a breakdown by customer class.

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
September 30, 2020	\$17.9	13,775
September 30, 2021	\$26.3	13,065
September 30, 2022	\$29.1	12,168
October 31, 2022	\$29.4	12,370
November 30, 2022	\$29.7	12,689
December 31, 2022	\$31.0	13,465
January 31, 2023	\$30.1	13,170
February 28, 2023	\$30.3	13,031
March 31, 2023	\$29.4	12,739
April 30, 2023	\$29.2	12,506

Notes: The increase in the accounts receivable over 90 days (from the billing date) is due to the temporary suspension of collections procedures because of the new billing system VertexOne, which was implemented in December 2017. The increase in accounts receivable from March 2020 to September 2022 is primarily due to increased delinquencies and deferred payments due to the impact of COVID-19.

Greater Than 90 Days by Customer

	Number of Accounts			Month of Apr (All Categories)				Total Delinquent				
				Active		Inactive		Mar		Apr		
	W & S	Impervious Only	Total No. of	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	%
a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)	%	
Commercial	9,071	2,061	11,132	1,067	5,801,055	74	\$276,740	1,150	\$6,060,921	1,141	\$6,077,794	21%
Multi-family	8,669	313	8,982	1,214	12,795,464	23	\$95,860	1,272	\$12,940,199	1,237	\$12,891,324	44%
Single-Family Residential	107,215	2,040	109,255	9,980	10,085,647	148	\$165,380	10,317	\$10,420,043	10,128	\$10,251,027	35%
Total	124,955	4,414	129,369	12,261	\$28,682,165	245	\$537,980	12,739	\$29,421,162	12,506	\$29,220,145	100%

Notes: Included in the above \$29.2M (or 12,506 accounts) of the DC Water Over 90 days delinquent accounts, \$4,838,344.72 (or 1,159 accounts) represents Impervious only accounts over -Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.
 -Delinquent accounts (12,506) as a percentage of total accounts (129,369) is 10.0 percent.
 -Delinquent impervious only accounts (1,159) as a percentage of total accounts (129,369) is 1.0 percent.
 -Delinquent impervious only accounts (1,159) as a percentage of total delinquent accounts (12,506) are 9.3 percent.

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of April 30, 2023

Arrears by Customer Category

	<u>Over 30 Days</u>		<u>Over 60 Days</u>		<u>Over 90 Days</u>	
	<u>No. of</u>		<u>No. of</u>		<u>No. of</u>	
	<u>Accts</u>	<u>(\$)</u>	<u>Accts</u>	<u>(\$)</u>	<u>Accts</u>	<u>(\$)</u>
Commercial	2,204	\$ 8,634,880.04	1,281	\$ 6,644,027.26	1,141	\$ 6,077,794.39
Multi-family	1,888	\$ 16,402,927.79	1,363	\$ 14,032,288.57	1,237	\$ 12,891,324.23
Residential	19,900	\$ 13,847,592.37	12,540	\$ 11,539,727.04	10,128	\$ 10,251,026.80

Arrears by WARD for Residential Category

	<u>Over 30 Days</u>		<u>Over 60 Days</u>		<u>Over 90 Days</u>	
	<u>No. of</u>		<u>No. of</u>		<u>No. of</u>	
	<u>Accts</u>	<u>(\$)</u>	<u>Accts</u>	<u>(\$)</u>	<u>Accts</u>	<u>(\$)</u>
Ward 1	1,316	\$ 957,390.60	733	\$ 778,714.24	609	\$ 704,050.46
Ward 2	507	\$ 291,861.76	315	\$ 241,676.65	256	\$ 217,117.75
Ward 3	679	\$ 372,484.57	337	\$ 291,189.10	246	\$ 251,763.87
Ward 4	3,455	\$ 2,311,099.89	2,127	\$ 1,905,862.75	1,629	\$ 1,672,486.78
Ward 5	4,079	\$ 2,613,525.77	2,536	\$ 2,166,706.61	2,106	\$ 1,914,659.56
Ward 6	1,547	\$ 901,920.04	1,002	\$ 767,550.08	794	\$ 679,237.60
Ward 7	5,335	\$ 3,999,635.55	3,638	\$ 3,425,945.79	2,939	\$ 3,057,733.62
Ward 8	2,982	\$ 2,399,674.19	1,852	\$ 1,962,081.82	1,549	\$ 1,753,977.16
Total	19,900	\$ 13,847,592.37	12,540	\$ 11,539,727.04	10,128	\$ 10,251,026.80

CAP, CAP2 and CAP3 Customers in Arrears*

	<u>Over 30 Days</u>		<u>Over 60 Days</u>		<u>Over 90 Days</u>	
	<u>No. of</u>		<u>No. of</u>		<u>No. of</u>	
	<u>Accts</u>	<u>(\$)</u>	<u>Accts</u>	<u>(\$)</u>	<u>Accts</u>	<u>(\$)</u>
CAP	1,312	\$ 482,140.03	781	\$ 343,510.71	489	\$ 272,954.15
CAP2	67	\$ 32,585.36	33	\$ 26,602.19	21	\$ 23,394.28
CAP3	7	\$ 3,921.94	6	\$ 2,964.38	4	\$ 2,080.92

*Based on number of accounts that have been given credit in Apr 2023.

Customer Arrears Data

CAP Customer Arrears by Ward*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of		No. of		No. of	
	Accts	(\$)	Accts	(\$)	Accts	(\$)
Ward 1	58	\$ 22,069.02	25	\$ 14,662.30	15	\$ 12,602.64
Ward 2	13	\$ 4,296.64	8	\$ 3,164.79	4	\$ 2,792.43
Ward 3	7	\$ 2,944.77	6	\$ 1,998.78	3	\$ 1,066.78
Ward 4	168	\$ 84,975.39	101	\$ 67,474.36	68	\$ 54,937.53
Ward 5	246	\$ 91,675.05	154	\$ 66,708.02	104	\$ 51,532.66
Ward 6	71	\$ 15,797.79	44	\$ 10,282.04	21	\$ 6,245.25
Ward 7	449	\$ 146,171.72	280	\$ 106,530.63	179	\$ 85,935.61
Ward 8	300	\$ 114,209.65	163	\$ 72,689.79	95	\$ 57,841.25
Total	1,312	\$ 482,140.03	781	\$ 343,510.71	489	\$ 272,954.15

*Based on number of accounts that have been given credit in Apr 2023.

CAP2 Customer Arrears by Ward*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of		No. of		No. of	
	Accts	(\$)	Accts	(\$)	Accts	(\$)
Ward 1	2	\$ 383.50	0	\$ -	0	\$ -
Ward 2	1	\$ 68.34	0	\$ -	0	\$ -
Ward 3	0	\$ -	0	\$ -	0	\$ -
Ward 4	16	\$ 4,514.53	6	\$ 3,288.90	4	\$ 2,933.83
Ward 5	5	\$ 5,184.86	3	\$ 4,294.56	3	\$ 4,190.48
Ward 6	0	\$ -	0	\$ -	0	\$ -
Ward 7	26	\$ 19,885.85	16	\$ 17,836.46	8	\$ 15,769.74
Ward 8	17	\$ 2,548.28	8	\$ 1,182.27	6	\$ 500.23
Total	67	\$32,585.36	33	\$ 26,602.19	21	\$ 23,394.28

*Based on number of accounts that have been given credit in Apr 2023.

CAP3 Customer Arrears by Ward*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of		No. of		No. of	
	Accts	(\$)	Accts	(\$)	Accts	(\$)
Ward 1						
Ward 2						
Ward 3	0	\$ -	0	\$ -	0	\$ -
Ward 4	0	\$ -	0	\$ -	0	\$ -
Ward 5	2	\$ 2,352.11	2	\$ 1,649.52	1	\$ 1,170.75
Ward 6	0	\$ -	0	\$ -	0	\$ -
Ward 7	4	\$ 1,466.21	3	\$ 1,275.96	3	\$ 910.17
Ward 8	1	\$ 103.62	1	\$ 38.90	0	\$ -
Total	7	\$ 3,921.94	6	\$ 2,964.38	4	\$ 2,080.92

*Based on number of accounts that have been given credit in Apr 2023.

Developer Deposits

Developer Deposits are funds paid to DC Water for plans that are approved by the Permit Operations Department. They include:

- Flat fees for taps, abandonments, sewer connections, etc.
- Reimbursable fees for inspection labor hours charged to the account.
- Deposits held as security against damage and uncharged accounts.
- Miscellaneous non-commercial account items (hydrant use, groundwater dewatering, waste hauler fees, etc.)
- As of April 30, 2023, developer deposits had \$45.0 million in credit balances (liability) and \$11.0 million in debit balances (receivable).

Balances by Year as of April 30, 2023

Credit Balances (Liability)	Debit Balances (Receivables)
\$45.01 million	\$11.01 million

Year	Credit Balances	Number of Accounts with Credit Balances	Debit Balances	Number of Accounts with Debit Balances	Net Balance
2001	\$ -	-	\$ 960,164.05	1	\$ 960,164.05
2002	\$ -	-	\$ 1,836.00	2	\$ 1,836.00
2004	\$ (749.61)	1	\$ 9,066.08	6	\$ 8,316.47
2005	\$ (389,745.13)	90	\$ 269,202.91	90	\$ (120,542.22)
2006	\$ (283,990.18)	32	\$ 284,522.42	78	\$ 532.24
2007	\$ (151,559.96)	31	\$ 150,176.99	50	\$ (1,382.97)
2008	\$ (348,658.90)	41	\$ 192,952.22	50	\$ (155,706.68)
2009	\$ (172,134.26)	29	\$ 199,993.42	47	\$ 27,859.16
2010	\$ (302,803.30)	47	\$ 155,324.69	40	\$ (147,478.61)
2011	\$ (479,078.67)	89	\$ 405,422.57	56	\$ (73,656.10)
2012	\$ (1,252,451.99)	254	\$ 440,587.43	91	\$ (811,864.56)
2013	\$ (1,842,523.21)	279	\$ 257,250.40	80	\$ (1,585,272.81)
2014	\$ (2,093,727.83)	283	\$ 972,188.21	63	\$ (1,121,539.62)
2015	\$ (1,621,082.42)	294	\$ 283,637.86	37	\$ (1,337,444.56)
2016	\$ (3,104,462.95)	363	\$ 528,630.37	63	\$ (2,575,832.58)
2017	\$ (2,352,939.66)	433	\$ 477,330.14	115	\$ (1,875,609.52)
2018	\$ (4,967,640.26)	538	\$ 1,424,134.65	121	\$ (3,543,505.61)
2019	\$ (7,282,170.14)	475	\$ 1,624,857.14	176	\$ (5,657,313.00)
2020	\$ (4,816,995.05)	332	\$ 587,865.65	144	\$ (4,229,129.40)
2021	\$ (4,966,696.10)	342	\$ 488,940.65	145	\$ (4,477,755.45)
2022	\$ (6,697,168.66)	360	\$ 657,439.37	168	\$ (6,039,729.29)
2023	\$ (1,928,325.35)	71	\$ 675,414.59	172	\$ (1,252,910.76)
Total	\$ (45,054,903.63)	4,384	\$ 11,046,937.81	1,795	\$ (34,007,965.82)

Forfeiture Action

(0.00)

Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts Forfeited on September 23, 2022	(1,286,705.10)	348
Accounts with refund requests or activities within the last 10 years or pending analysis for forfeiture action.	(5,223,695.21)	893

Developer Deposits

Customer Communications

MERCH Account Statements

To ensure that all customers are aware of their Merch Accounts balance, statements are mailed annually irrespective of whether there has been activity on the account. Annual statements were mailed to customers on:

- January 25, 2022
- February 25, 2021, and recently on
- **April 28, 2023.**

By law, refunds are to be requested by the account owner within two years of completion (DC Code § 34–2401.10). If not requested within that time frame, these accounts can be forfeited and closed. DC Water included statements on invoices beginning in November 2019 notifying customers of this District law stating that any excess payments are subject to forfeit unless a refund is requested within two years of project completion or account inactivity. All statements include directions for requesting a refund.

On March 5, 2021, a notification was posted on the DC Water website indicating that unless a refund was requested, funds would be forfeited for projects without activity for ten years. AOBA and DCBIA were asked to notify their membership to examine the invoices. The DC Water website has instructions for requesting a refund.

Forfeitures

Forfeitures have occurred twice, August 16, 2021, and September 30, 2022. It is anticipated that forfeitures will be performed again by September 30, 2023. Applicants have 90 days to dispute a forfeiture. At present we are reviewing approximately 75 disputes totaling \$460,840. There were no changes in Forfeitures over the last month.

Construction Inspection Refund (CIR) Requests,

Currently in our CIR Account Request Log there are 1,425 accounts representing approx. 810 projects. The CIR status changed only slightly in the past month as we were scrubbing the data set to mail account balances in advance of future forfeiture activity in September.

Monthly Report to DC Retail Water and Sewer Rates Committee

Payment Plan and Disconnection Report

Fiscal Year-to-Date
As of April 30, 2023

Number of Active Accounts by Zip Code & Customer Class

As of Apr 30, 2023

Zip Code	Residential					Commercial					Multifamily				
	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.*
Total	12,440	1,828	546	436	265	1,236	119	28	18	35	1,353	253	50	46	
20000	1														
20001	565	73	19	19	27	111	10	2	1	6	27	2	1		
20002	1,343	165	35	43	51	202	15	4	4	7	240	38	9	5	
20003	351	40	11	8	2	60	1			1	27	5	1	2	
20005	6	2				15	1	1	1	2	1				
20006						6	1								
20007	190	14	2	2	4	47	6			2	17			1	
20008	80	8	2	4	3	28	6		1	2	8	1	1		
20009	212	23	8	4	9	48	7	1	2	1	41	15	3	1	
20010	389	61	15	15	16	39	5	1	2	1	26	9	2		
20011	1,809	292	93	68	45	134	21	7	6	1	111	24	9	6	
20012	375	63	23	17	15	31	4	1		2	9	2	1		
20015	119	15	1	2	2	5	2				3	1	1		
20016	157	19	4	4	3	66	2			1	2				
20017	591	125	28	22	8	32	3				25	2	2		
20018	854	145	44	30	13	101	12	5		4	24	5			
20019	2,860	389	147	92	44	135	9	3	1		274	52	9	10	
20020	1,598	215	64	59	17	56	3	1		1	297	55	7	12	
20024	45	6	1		1	16	1				10				
20032	878	170	48	47	5	77	5	2		1	202	40	2	9	
20036	3	1				19	3			3	5	1	1		
20037	14	2	1			6	2				4	1	1		
20059						1									
20429						1									

**Note: inactive accounts in arrears are not included in the above and the accounts by customer class are as follows: Res. 257, Com. 98 and MF 47*

**Note: Disconnect Work Orders for Multi-Family Properties were created and not assigned for field completion but are manually managed for further collection actions*

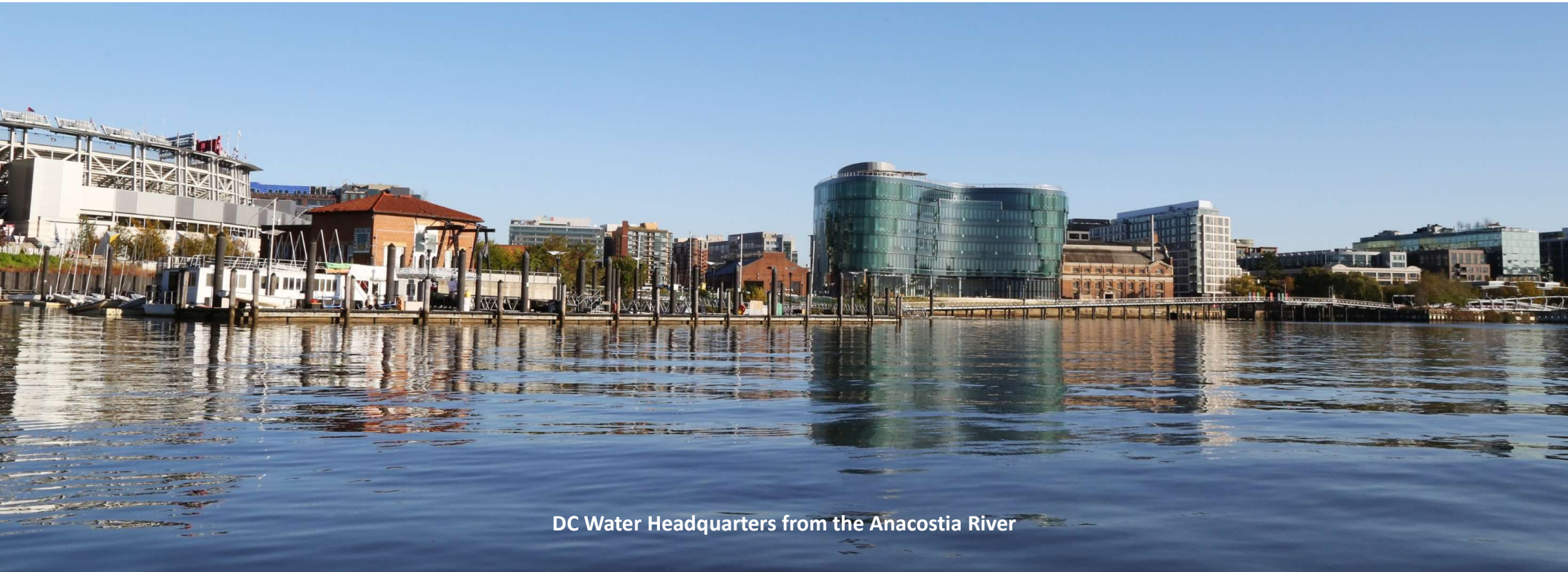


Funds Transfer Proposal: MAP to RAP Multifamily Assistance Program to Residential Assistance Program

Presentation to Retail Rates Committee, May 23, 2023
Meisha Lorick, Director of Customer Care

Attachment B

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River

- Seek Retail Rates Committee's recommendation to the Board to approve the transfer of Multifamily Assistance Program (MAP) funds to the Residential Assistance Program (RAP)

- The Residential Assistance (RAP) and Multifamily Assistance (MAP) Programs were created in 2021 using DC Water funds to provide additional financial support to low-income customers in response to the COVID pandemic.
- In FY 2022 Federal funding was provided through Stronger Together Assisting You (STAY) DC and the Low-Income Household Water Assistance Program (LIHWAP). LIHWAP funding preceded RAP and offered up to \$5,000 in assistance. Both programs contributed to lower RAP distribution in FY 2022 and in most cases cleared arrears. However, no federal funds were provided for these programs for FY 2023.
- Remaining funds were approved by the Board for RAP and MAP in FY 2022, and unused FY 2022 funds were approved for RAP and MAP in FY23: \$1.7 million for RAP and \$ 4.5 million for MAP.
- RAP participation has exceeded MAP participation for FY23.



Program Assistance Distribution

Program	FY21 Enrolled	FY21 Dollars	FY22 Enrolled	FY22 Dollars	FY23 (Apr 2023) Enrolled	FY23 (Apr 2023) Dollars	FY23 Budget
DC Water Cares Residential	2,842	\$1,892,843	1,690	\$1,318,242	1,738	\$1,654,649	\$1,681,758
DC Water Cares Multifamily (units)	5,978	\$2,507,484	4,313	\$1,880,830	1,625	\$982,542	\$4,545,195*

*Includes admin costs \$202,189

- 💧 98% of RAP funds distributed with \$27,109 remaining
- 💧 23% of MAP funds distributed with \$3,360,465 remaining



MAP Transfer Justification

RAP funds will be fully exhausted in May 2023. Transferring funds from MAP to RAP will ensure DC Water can continue to provide assistance through the end of the fiscal year for both programs.

- Assistance is being provided to the same categorically eligible population of customers as CAP 1 and CAP 2
- RAP assistance will aid in the prevention or resolution of service disconnection (not applicable to multifamily).
- Participation and timely payment continue to be a challenge in the MAP database population of 10,266 accounts.

MAP Participation Challenge

- 93% of the MAP population accounts (9,555) have > 90-day balances of less than \$2k.
- 106 of 711 with balances greater than \$2k, participate in MAP and are responsible for \$1.9M > 90 days of account receivables.
- 605 of 711 accounts are not participating in MAP (\$10.3M > 90 days).
- Targeted outreach will continue to increase MAP participation by the end of the fiscal year.

Accounts	% Pop	Balance Range	> 90 Day Receivables	% Delinquent
9,555	93%	\$0 - \$2k	\$ 393,788	3%
711	7%	\$2k - \$200+k	\$ 12,222,243	97%
10,266			\$ 12,616,031	

As of 04/30/23

> 90 days values reflect balances for accounts in the MAP database only – which includes mixed use Commercial properties. This does not represent 90-day receivables for the multifamily bill class.



MAP Transfer to RAP

	RAP	MAP
Funding Source	DC Water	DC Water
FY23 Budget	\$1,681,758	\$4,343,006*
Assistance Provided as of April 30, 2023	\$1,654,649	\$982,542
Ending Balance as of April 30, 2023	\$27,109	\$3,360,465
Projected Total Spending FY23	\$3,279,649	\$1,684,357
Shortfall (-) / Excess (+)	(\$1,597,891)	\$2,658,649
Proposed Budget Transfer	\$2,097,891	(\$2,097,891)
Projected Ending Balance as of September 30, 2023	\$500,000	\$560,758

*Admin costs of \$202,189 not included



Management Recommendation

The Committee recommend the following to the District members of the Board (non-joint use) for approval:

- Transfer \$2,097,891 from MAP to RAP

ACTION ITEM

Recommendation for Board Approval to transfer \$2,097,891 of FY 2023 MAP funds to FY 2023 RAP Program.

1. Transfer the FY 2023 MAP funds to FY 2023 RAP Program as follows:

FY 2023

	<u>2023 Funds</u>	<u>Current Balance</u>	<u>2023 Revised Amount</u>
RAP	\$1,681,758	\$ 27,109	\$3,779,649
MAP	\$4,343,006	\$3,360,465	\$2,245,115

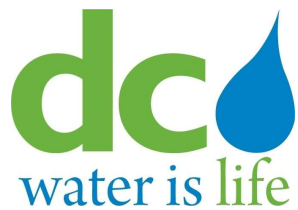
FY 2023 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
1. Proposal to 1) Remove FY 2022 CAP2 Recertification Requirements Language; and 2) Extend DC Water Cares: Residential Assistance Program and Multifamily Assistance Program for FY 2023			
a. <i>Presentation to RRC on proposal to amend Customer Assistance Program (CAP)</i>	June 28, 2022	√	Customer Service
b. <i>RRC recommends Board approval to amend the CAP regulations for CAP2, and extension of DC</i>	June 28, 2022	√	RRC
c. <i>Board approval to publish Notice of Emergency and Proposed Rulemaking (NOEPR) to amend the CAP regulations for CAAP2, and DC Water Cares Residential and Multifamily Assistance Programs extension</i>	July 7, 2022	√	Board of Directors
d. <i>Publish NOEPR and Notice of Public Hearing in DC Register</i>	July 22, 2022	√	DGLA
e. <i>Public comment period</i>	July 22 – September 19, 2022	√	OMAC & Board Secretary
f. <i>Public Hearing</i>	September 14, 2022	√	Board of Directors
g. <i>Public comment period closes</i>	September 19, 2022	√	Board Secretary
h. <i>RCC approves final proposal to amend CAP regulations for CAP2 and DC Water Cares Residential and Multifamily Assistance Programs extension</i>	September 27, 2022	√	RRC
i. <i>Implement extended DC Water Cares RAP and MAP in FY 2023</i>	October 1, 2022	√	Customer Care
j. <i>Board approval to publish Notice of Final Rulemaking to Approval of Notice of Final Rulemaking (NOFR)</i>	October 6, 2022	√	Board of Directors
k. <i>Publish NOFR in D.C Register</i>	October 21, 2022	√	DGLA
l. <i>Continue Implementing DC Water Cares RAP and MAP Programs in FY 2023</i>	October 21, 2022	√	Customer Care

FY 2022 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
2. 2023 COS for Operating Reserves			
a. Present 2023 Operating Reserves Cost of Service Study for FY 2024 – FY 2028 to RRC	February 28, 2023	√	Rates and Revenue
b. Discussion of the options and recommendations using feedback from Board members for COS of Operating Reserves	April 25, 2023	√	
c. Post Final COS on DC Water's website	May 31, 2023		
3. 2023 COS for Renewal & Replacement Reserves			
a. Present 2023 Renewal and Replacement Reserves Cost of Service Study for FY 2024 – FY 2028 to RRC	February 28, 2023	√	Rates and Revenue
b. Discussion of the options and recommendations using feedback from Board members for COS of Renewal and Replacement Reserves	April 25, 2023	√	
c. Post Final COS on DC Water's website	May 31, 2023		
4. 2023 COS for Rate Stabilization Fund (RSF)			
a. Present 2023 Rate Stabilization Fund Cost of Service Study for FY 2024 – FY 2028 to RRC	February 28, 2023	√	Rates and Revenue
b. Discussion with the Committee Cost of Service for Operating Reserves, Renewal and Replacement Reserves and Rate Stabilization Fund	February 28, 2023	√	
c. Discussion of the options and recommendations using feedback from Board members for COS of Operating Reserves, Renewal and Replacement Reserves and Rate Stabilization Fund	April 25, 2023	√	
d. Post Final COS on DC Water's website	May 31, 2023		

FY 2023 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
5. 2023 COS for Engineering Inspection			
<i>a. Present 2023 Cost of Service Study for Engineering Inspection for FY 2024 – FY 2028 to RRC</i>	September 26, 2023		Engineering
<i>b. Post Final COS on DC Water's website</i>	October 24, 2023		
6. 2023 COS for Stormwater Charges and Recovery Methodology			
<i>a. Present 2023 Cost of Service Study for Stormwater Charges and Recovery Methodology to RRC</i>	September 26,2023		Rates and Revenue
<i>b. Post Final COS on DC Water's website</i>	October 24,2023		
7. 2023 COS for Water, Sewer and CRIAC			
<i>a. Present 2023 Cost of Service Study for Water, Sewer and CRIAC to RRC</i>	January 24, 2024		Rates and Revenue
<i>b. Post Final COS on DC Water's website</i>	TBD		
8. Delinquent Accounts			
<i>a. Soldiers Home Negotiations</i>	Monthly, as needed		DGLA
9. Rate Stabilization Fund			
<i>a. Rate Stabilization Fund</i>	Monthly, as needed		Rates & Revenue



**D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
RETAIL WATER & SEWER RATES
COMMITTEE MEETING**

**Tuesday, July 25, 2023; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairperson
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for September 26, 2023, Committee Meeting	Committee Chairperson
Other Business	Chief Financial Officer
Adjournment	