



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

1385 Canal Street SE, Washington, DC 20003

Tuesday, June 28, 2022

9:30 a.m.

Microsoft Teams meeting

Join on your computer or mobile app

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[+1 202-753-6714, 523943701#](tel:+12027536714523943701)

Phone Conference ID: 523 943 701#

- 1. **Call to Order** **Rachna Bhatt, Chairperson**
- 2. **Roll Call**.....**Linda Manley**
- 3. **Monthly Report to DC Retail Water & Sewer Rates Committee (Attachment A)**.....**Matthew Brown**
- 4. **Responses to Comments and Recommendations (Attachment B) on Proposed Rates****Matthew Brown**
- 5. **Approval of FY 2023 & FY 2024 Rates, Charges & Fees (Attachment C)**.....**Matthew Brown**
- 6. **Approval to Amend Miscellaneous Fees & Charges (Attachment D)**.....**Matthew Brown**
- 7. **DC Water Cares Program Update (Attachment E)**.....**Meisha Lorick**
- 8. **Action Item (Attachment F)**.....**Matthew Brown**
 - Proposal of FY 2023 & FY 2024 Rates, Charges and Fees (Action Item 1)
 - Proposal to Amend the Miscellaneous Charges & Fees (Action Item 2)
 - 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 (Action Item 3)
- 9. **DC Retail Water and Sewer Rates Committee Workplan (Attachment G)** **Matthew Brown**
 - FY 2022 Proposed DC Retail Rates Committee Workplan
- 10. **Agenda for May 24, 2022, Committee Meeting (Attachment H)** **Rachna Bhatt, Chairperson**
- 11. **Other Business****Matthew Brown**
- 12. **Executive Session***
- 13. **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 Code § 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 2022

Monthly Report to DC Retail Water and Sewer Rates Committee

Period Ending May 31, 2022

DEPARTMENT OF FINANCE

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

Syed Khalil, Director, Rates & Revenue

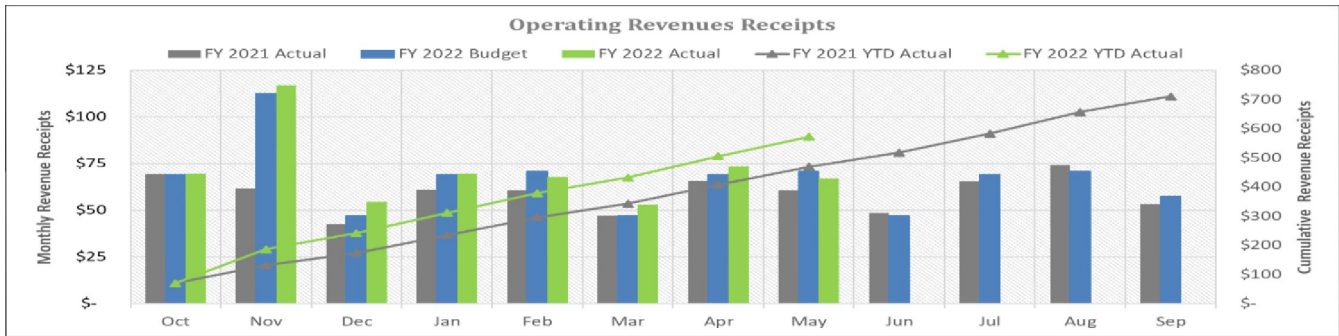
Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of May 31, 2022

Operating Revenues (\$000's)

FY 2021 Actual		CATEGORY	FY 2022					Projections		
Total Annual	YTD April		Year-to-Date Performance				Year-End Projections	% of Budget		
			Annual Budget	YTD Budget	Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)		
\$396,892	\$250,500	Residential / Commercial / Multi-Family	\$427,771	\$285,180	\$298,288	69.7%	\$13,108	4.6%	\$448,431	104.8%
76,206	57,637	Federal	77,746	58,309	57,834	74.4%	(475)	(0.8%)	77,112	99.2%
20,933	13,519	Municipal (DC Govt.)	18,668	12,446	13,227	70.9%	781	6.3%	19,731	105.7%
12,173	8,185	DC Housing Authority	12,592	8,394	8,705	69.1%	311	3.7%	12,995	103.2%
14,862	9,810	Metering Fee	24,083	16,191	15,144	62.9%	(1,046)	(6.5%)	22,971	95.4%
42,212	28,725	Water System Replacement Fee (WSRF)	39,717	26,983	28,367	71.4%	1,384	5.1%	41,598	104.7%
82,986	61,439	Wholesale	84,669	63,502	63,035	74.4%	(467)	(0.7%)	84,669	100.0%
21,612	14,084	PILOT/ROW	21,588	14,632	14,616	67.7%	(16)	(0.1%)	21,661	100.3%
41,694	24,705	All Other	93,253	69,935	72,438	77.7%	2,503	3.6%	94,335	101.2%
\$709,569	\$468,604	TOTAL	\$800,087	\$555,573	\$571,655	71.4%	\$16,082	2.9%	\$823,503	102.9%

* Residential, Commercial & Multi-family receipts include credits for October 2021 through February 2022 for District's ERRP (\$27,492.68), DC Water Cares Residential (\$77,166.42), DC Water Cares Multi-family (\$1,395,305.91), CAP3 (\$16,156.76) and Non-profit (\$232,501.16).



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of May 2022, cash receipts totaled \$571.7 million, or 71.4 percent of the FY 2022 budget. The total receipts for May were \$66.9 million as compared to the budgeted \$70.9 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 (which made their third quarterly payment in May 2022).

Areas of Over-collection	Areas of Under-collection
<p>Residential, Commercial and Multi-Family – Receipts for this category are higher at \$298.3 million or 69.7 percent of the budget. The May 2022 receipts were slightly higher by \$1.2 million, or 3.4 percent as compared to the monthly budget of \$35.6 million.</p> <p>District Government – Receipts are slightly higher at \$13.2 million or 70.9 percent of the budget. The May 2022 receipts of \$1.7 million are slightly higher by \$0.1 million as compared to the monthly budget.</p> <p>DC Housing - Receipts are slightly higher at \$8.7 million or 69.1 percent of the budget. The May 2022 receipts are slightly higher by sixty thousand dollars as compared to the monthly budget of \$1.0 million.</p> <p>Wholesale – The wholesale customers actual receipts through May 2022 total \$63.0 million or 74.4 percent of FY 2022 budget. The wholesale customers made their third quarter payment in May 2022. However, the Town of Vienna has not made their third quarter payment of \$0.5 million in May 2022. The wholesale receipts for May 2022 are slightly lower by \$2.4 million as compared to the monthly budget primarily due to early payment of \$1.9 million by Loudon County in April instead of scheduled payment in May 2022.</p> <p>PILOT/ROW – The receipts for PILOT/ROW are slightly lower at \$14.6 million or 67.7percent of the budget. The May 2022 receipts are slightly higher by fifty-three thousand dollars as compared to the monthly budget of \$1.6 million.</p> <p>Other Revenue - Receipts are slightly higher at \$72.4 million or 77.7 percent of the budget. This includes \$41.6 million transfer from the Rate Stabilization Fund to the ending cash balance in November 2021. Actual receipts for Developer Fees were higher by \$2.3 million as compared to the budget. The May 2022 receipts were \$3.2 million lower than the monthly budget primarily due to \$2.9 million Fire Protection Services Fee payment received early in April for third quarter FY 2022 from the District Government, which was scheduled to be received in May 2022.</p>	<p>Federal - Actual receipts through May 2022 total \$57.8 million or 74.4 percent of the budget. The Federal government made their third quarter payment in April 2022. The lower actual Federal receipt is due to Union Station account, which was moved from Federal to Commercial.</p>

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of May 31, 2022

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2022 Budget	YTD Budget	Actual	Variance		Actual % of Budget	Year-End Projections	Variance Proj vs Budg	% of Budget
				Favorable / (Unfavorable)					
Residential, Commercial, and Multi-family	\$427.8	\$285.2	\$298.3	\$13.1	4.6%	69.7%	\$448.4	\$20.7	104.8%
Federal	77.7	58.3	57.8	(0.5)	-0.8%	74.4%	77.1	(0.6)	99.2%
District Government	18.7	12.4	13.2	0.8	6.3%	70.9%	19.7	1.1	105.7%
DC Housing Authority	12.6	8.4	8.7	0.3	3.7%	69.1%	13.0	0.4	103.2%
Customer Metering Fee	24.1	16.2	15.1	(1.0)	-6.5%	62.9%	23.0	-1.1	95.4%
Water System Replacement Fee (WSRF)	39.7	27.0	28.4	1.4	5.1%	71.4%	41.6	1.9	104.7%
Wholesale	84.7	63.5	63.0	(0.5)	-0.7%	74.4%	84.7	0.0	100.0%
Right-of-Way Fee/PILOT	21.6	14.6	14.6	(0.0)	-0.1%	67.7%	21.7	0.1	100.3%
Subtotal (before Other Revenues)	\$706.8	\$485.6	\$499.2	\$13.6	2.8%	70.6%	\$729.2	\$22.3	103.2%
IMA Indirect Cost Reimb. For Capital Projects	5.8	3.9	3.6	(0.3)	-7.7%	62.1%	4.7	(1.1)	81.0%
DC Fire Protection Fee	10.8	8.1	8.7	0.6	7.4%	80.6%	11.5	0.7	106.5%
Stormwater (MS4)	1.0	0.7	0.6	(0.1)	-14.3%	60.0%	1.1	0.1	110.0%
Interest	3.4	2.3	0.8	(1.5)	-65.2%	23.5%	2.2	(1.2)	64.7%
Developer Fees (Water & Sewer)	6.0	4.0	6.3	2.3	57.5%	105.0%	8.5	2.5	141.7%
System Availability Fee (SAF)	7.7	5.1	5.2	0.1	2.0%	67.5%	7.5	(0.2)	97.4%
Others	6.4	4.3	5.6	1.3	30.2%	87.5%	6.8	0.4	106.3%
Subtotal	\$41.2	\$28.3	\$30.8	\$2.5	8.8%	74.9%	\$42.2	\$1.0	102.6%
Rate Stabilization Fund Transfer	\$52.1	\$41.6	\$41.6	\$0.0	0.0%	79.8%	\$52.1	\$0.0	100.0%
Other Revenue Subtotal	\$93.3	\$69.9	\$72.4	\$2.5	3.6%	77.7%	\$94.3	\$1.0	101.2%
Grand Total	\$800.1	\$555.6	\$571.7	\$16.1	2.9%	71.4%	\$823.5	\$23.4	102.9%

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

Customer Category	Clean Rivers					Total
	Water	Sewer	IAC	Metering Fee	WSRF	
Residential	\$26,000	\$41,010	\$16,963	\$6,650	\$6,193	\$96,814
Commercial	\$46,934	\$53,139	\$21,189	\$4,513	\$11,132	\$136,907
Multi-family	\$33,613	\$51,698	\$7,743	\$2,092	\$4,987	\$100,133
Federal	\$20,340	\$23,122	\$14,372	\$1,202	\$4,520	\$63,557
District Govt	\$3,374	\$4,565	\$5,287	\$525	\$1,259	\$15,012
DC Housing Authority	\$3,223	\$4,775	\$707	\$162	\$276	\$9,143
Total:	\$133,484	\$178,309	\$66,261	\$15,144	\$28,367	\$421,565

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	FY2022 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$23,608	\$15,739	\$16,963	\$1,224	8%	72%
Commercial	\$27,191	\$18,127	\$21,189	\$3,062	17%	78%
Multi-family	\$10,847	\$7,231	\$7,743	\$512	7%	71%
Federal	\$19,239	\$14,429	\$14,372	(\$57)	0%	75%
District Govt	\$7,224	\$4,816	\$5,287	\$471	10%	73%
DC Housing Authority	\$1,070	\$713	\$707	(\$6)	-1%	66%
Total:	\$89,179	\$61,056	\$66,261	\$5,205	9%	74%

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of May 31, 2022

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
October 31, 2021	\$27.1	13,054
November 30, 2021	\$27.2	12,823
December 31, 2021	\$27.6	13,942
January 31, 2022	\$28.0	13,501
February 28, 2022	\$27.0	13,621
March 31, 2022	\$28.3	13,225
April 30, 2022	\$28.6	13,300
May 31, 2022	\$29.2	13,007

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 May 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 May (All Categories)				Total Delinquent				
	W & S	Impervious Only	Total No. of	Active		Inactive		Apr		May		
				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	9,121	2,201	11,322	1,252	7,056,827	53	\$238,504	1,297	\$6,989,438	1,305	\$7,295,331	25%
Multi-family	8,525	359	8,884	1,250	10,487,846	19	\$85,995	1,213	\$10,311,045	1,269	\$10,573,841	36%
Single-Family Residential	106,950	2,142	109,092	10,274	11,159,763	159	\$152,342	10,790	\$11,326,148	10,433	\$11,312,105	39%
Total	124,596	4,702	129,298	12,776	\$28,704,436	231	\$476,842	13,300	\$28,626,631	13,007	\$29,181,277	100%

Notes: Included in the above \$29.2 million (or 13,007 accounts) of the DC Water over 90 days delinquent accounts, 4,541,370.59 (or 1,238 accounts) represents Impervious only accounts over 90 days delinquent.

- Reportable delinquencies do not include balances associated with a long-standing dispute between DC Water and a large commercial customer.
- Delinquent accounts (13,007) as a percentage of total accounts (129,298) is 10.1 percent.

Monthly Report to DC Retail Water and Sewer Rates Committee

Customer Arrears Data

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Commercial	2,206	\$ 9,978,287.68	1,578	\$ 8,195,313.51	1,305	\$ 7,295,330.91
Multi-family	1,903	\$ 14,020,843.94	1,420	\$ 11,868,435.37	1,269	\$ 10,573,841.31
Residential	19,828	\$ 14,646,928.90	12,992	\$ 12,649,269.40	10,433	\$ 11,312,104.94

Arrears by WARD for Residential Category

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Ward 1	1,439	\$ 1,236,018.49	866	\$ 1,041,844.34	663	\$ 897,264.41
Ward 2	605	\$ 453,092.47	380	\$ 382,346.75	296	\$ 338,914.26
Ward 3	744	\$ 471,206.60	396	\$ 374,760.75	278	\$ 326,154.37
Ward 4	3,563	\$ 2,671,038.06	2,214	\$ 2,302,471.20	1,769	\$ 2,073,937.77
Ward 5	4,002	\$ 2,784,888.57	2,661	\$ 2,396,726.64	2,122	\$ 2,157,039.51
Ward 6	1,634	\$ 937,202.16	1,026	\$ 796,989.37	804	\$ 706,585.13
Ward 7	5,029	\$ 3,762,174.21	3,476	\$ 3,312,293.27	2,860	\$ 2,984,082.10
Ward 8	2,812	\$ 2,331,308.34	1,973	\$ 2,041,837.08	1,641	\$ 1,828,127.39
Total	19,828	\$ 14,646,928.90	12,992	\$ 12,649,269.40	10,433	\$ 11,312,104.94

CAP, CAP2 and CAP3 Customers in Arrears*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
CAP	2,145	\$ 1,087,467.76	1,611	\$ 917,938.77	1,336	\$ 804,298.14
CAP2	190	\$ 93,494.14	135	\$ 78,944.18	111	\$ 67,523.37
CAP3	63	\$ 38,281.12	45	\$ 30,291.11	35	\$ 27,244.05

*Based on number of accounts that have been given credit in May 2022.

Monthly Report to DC Retail Water and Sewer Rates Committee

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	107	\$ 57,428.37	77	\$ 47,247.36	60	\$ 42,504.01
Ward 2	15	\$ 4,025.17	11	\$ 3,522.25	10	\$ 3,301.85
Ward 3	15	\$ 5,129.80	8	\$ 4,173.53	7	\$ 3,431.20
Ward 4	301	\$ 168,739.91	213	\$ 143,983.77	180	\$ 128,679.17
Ward 5	420	\$ 194,052.51	310	\$ 166,246.25	257	\$ 146,132.45
Ward 6	134	\$ 34,425.20	105	\$ 25,490.27	89	\$ 21,301.36
Ward 7	674	\$ 329,200.32	530	\$ 283,140.84	441	\$ 249,821.53
Ward 8	479	\$ 294,466.48	357	\$ 244,134.50	292	\$ 209,126.57
Total	2,145	\$ 1,087,467.76	1,611	\$ 917,938.77	1,336	\$ 804,298.14

*Based on number of accounts that have been given credit in May 2022.

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	6	\$ 1,596.75	1	\$ 852.09	1	\$ 852.09
Ward 2	0	\$ -	0	\$ -	0	\$ -
Ward 3	2	\$ 126.25	0	\$ -	0	\$ -
Ward 4	36	\$ 22,932.57	27	\$ 19,723.36	21	\$ 16,958.15
Ward 5	32	\$ 21,635.47	25	\$ 19,834.68	23	\$ 18,605.72
Ward 6	9	\$ 6,626.68	7	\$ 5,916.52	5	\$ 4,700.11
Ward 7	66	\$ 17,035.69	46	\$ 12,003.51	35	\$ 9,648.71
Ward 8	39	\$ 23,540.73	29	\$ 20,614.02	26	\$ 16,758.59
Total	190	\$93,494.14	135	\$ 78,944.18	111	\$ 67,523.37

*Based on number of accounts that have been given credit in May 2022.

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	1	\$ 1,216.18	1	\$ 1,104.64	1	\$ 820.35
Ward 2	0	\$ -	0	\$ -	0	\$ -
Ward 3	0	\$ -	0	\$ -	0	\$ -
Ward 4	6	\$ 2,329.16	5	\$ 1,709.42	4	\$ 1,364.12
Ward 5	15	\$ 16,454.48	12	\$ 12,868.96	9	\$ 12,043.29
Ward 6	3	\$ 957.65	2	\$ 675.83	2	\$ 503.34
Ward 7	24	\$ 9,255.39	15	\$ 7,276.00	12	\$ 6,381.62
Ward 8	14	\$ 8,068.26	10	\$ 6,656.26	7	\$ 6,131.33
Total	63	\$ 38,281.12	45	\$ 30,291.11	35	\$ 27,244.05

*Based on number of accounts that have been given credit in May 2022.

Monthly Report to DC Retail Water and Sewer Rates Committee

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 May 31, 2022, developer deposits had \$41.5 million in credit balances (liability) and \$10.2 million in debit balances (receivable).

Balances as of May 31, 2022

Credit Balances (Liability)	Debit Balances (Receivables)
\$41.5 million	\$10.2 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	\$ (2,648.33)	6	\$ 9,066.08	6	\$ 6,417.75
2005	\$ (412,645.20)	122	\$ 269,202.91	90	\$ (143,442.29)
2006	\$ (319,220.47)	48	\$ 284,522.42	78	\$ (34,698.05)
2007	\$ (180,949.67)	54	\$ 150,176.99	50	\$ (30,772.68)
2008	\$ (384,065.75)	68	\$ 192,952.22	50	\$ (191,113.53)
2009	\$ (226,657.69)	58	\$ 207,125.29	48	\$ (19,532.40)
2010	\$ (421,954.36)	85	\$ 143,569.06	40	\$ (278,385.30)
2011	\$ (1,025,153.12)	188	\$ 397,825.30	56	\$ (627,327.82)
2012	\$ (1,783,745.79)	340	\$ 468,176.55	96	\$ (1,315,569.24)
2013	\$ (2,147,348.61)	283	\$ 262,988.62	81	\$ (1,884,359.99)
2014	\$ (2,094,178.29)	285	\$ 953,889.91	65	\$ (1,140,288.38)
2015	\$ (1,629,168.65)	297	\$ 259,443.77	40	\$ (1,369,724.88)
2016	\$ (3,122,403.06)	366	\$ 523,383.70	65	\$ (2,599,019.36)
2017	\$ (2,364,012.31)	439	\$ 501,034.40	120	\$ (1,862,977.91)
2018	\$ (5,470,813.76)	556	\$ 1,434,475.15	125	\$ (4,036,338.61)
2019	\$ (7,479,015.28)	493	\$ 1,563,307.30	181	\$ (5,915,707.98)
2020	\$ (5,096,482.87)	371	\$ 551,403.65	181	\$ (4,545,079.22)
2021	\$ (5,631,177.72)	385	\$ 383,053.94	163	\$ (5,248,123.78)
2022	\$ (1,745,513.46)	172	\$ 656,039.99	179	\$ (1,089,473.47)
Total	\$ (41,537,154.39)	4,616	\$ 10,173,637.30	1,717	\$ (31,363,517.09)

Forfeiture Action

Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts with refund requests or activities within the last 10 years or Non-Merch Accounts	(4,757,040.38)	629

Monthly Report to DC Retail Water and Sewer Rates Committee

Developer Deposits

Customer Communication

Statements are provided to customers when there is activity on the account. To ensure that all customers are aware of the balances, statements are also mailed annually irrespective of whether there is an activity on the the account. During 2022 and 2021, annual statements were mailed to customers on January 25, 2022 and February 25, 2021.

By law, refunds are to be requested by the account owner within two years of completion (DC Code § 34–2401.10). If not requested in that time frame, these accounts can be forfeited and closed. DC Water has placed a statement on invoices beginning in November 2019 notifying customers of the District law and that funds would be forfeited unless a refund is requested within two years of project completion or account inactivity. A notification to customers that is posted on our website indicates that unless a refund was requested, funds would be forfeited for projects without activity for ten years. AOBA and DCBIA have been asked to notify their membership to examine the invoices.

For accounts that were forfeited, zero balance statements were mailed out on Monday, August 16, 2021.

Refund Requests and Forfeiture Disputes

In response to the notification by DC Water, more than 275 different customers have submitted refund requests (impacting approximately 1,100 accounts) as of May 31, 2022. Since May 31, 2022 refund request activity has been very light with only an additional 8 accounts.

Time is required to research and process the refund requests, and the Permit Operations staff are working through these requests now.

Additionally, after the forfeiture action in August 2021, 75 accounts totaling \$335,000 have disputed their forfeitures via emails or phone calls. The Authority is processing these disputes with established guidelines through the appeal procedures. No change since May 31, 2022.

Monthly Report to DC Retail Water and Sewer Rates Committee

Disconnection Moratorium Legislation Reporting Requirement

Fiscal Year-to-Date
As of May 31, 2022

Zip Code	Residential					Commercial					Multifamily				
	As of May 31, 2022		As of May 31, 2022			As of May 31, 2022		As of May 31, 2022			As of May 31, 2022		As of May 31, 2022		
	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Pay Discon.
20000	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20001	611	93	9	11	0	130	14	2	2	0	32	2	0	0	0
20002	1,282	248	37	25	0	212	27	4	6	0	218	40	3	1	0
20004	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0
20003	354	53	10	7	0	91	7	0	0	0	24	5	1	0	0
20005	11	2	0	0	0	13	3	0	0	0	3	0	0	0	0
20006	0	0	0	0	0	7	0	0	0	0	0	0	0	0	0
20007	229	25	5	2	0	46	7	0	0	0	22	0	0	0	0
20008	84	9	1	3	0	34	5	0	1	0	8	0	0	0	0
20009	255	25	9	8	0	59	16	2	2	0	53	11	1	2	0
20010	431	74	9	4	0	63	11	0	0	0	25	2	0	0	0
20011	1,852	370	50	42	0	154	14	3	7	0	112	25	3	0	0
20012	375	84	11	10	0	43	8	0	0	0	5	1	0	0	0
20015	117	24	3	2	0	10	0	0	0	0	2	0	0	0	0
20016	175	22	2	2	0	33	5	1	0	0	2	0	0	0	0
20017	601	135	23	9	0	35	5	0	0	0	21	3	0	0	0
20018	880	178	25	16	0	125	12	0	1	0	20	6	1	1	0
20019	2,640	473	83	37	0	145	11	3	2	0	290	71	4	5	0
20020	1,652	294	65	32	0	85	9	1	0	0	290	42	2	1	0
20023	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
20024	46	6	2	1	0	19	2	1	0	0	14	1	0	0	0
20032	883	174	26	30	0	93	6	0	0	0	219	42	1	3	0
20036	3	1	0	0	0	27	7	2	0	0	3	1	0	0	0
20037	16	1	0	0	0	7	1	0	0	0	5	0	0	0	0
20057	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20059	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20064	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20080	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20117	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20260	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20306	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20332	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
20429	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0
20431	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20433	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20534	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	12,501	2,293	370	241	0	1,434	171	19	21	0	1,368	252	16	13	0

*Note: inactive accounts in arrears are not included in the above and the accounts by customer class are as follows: Res. 410, Com. 95 and MF 42.

Attachment B

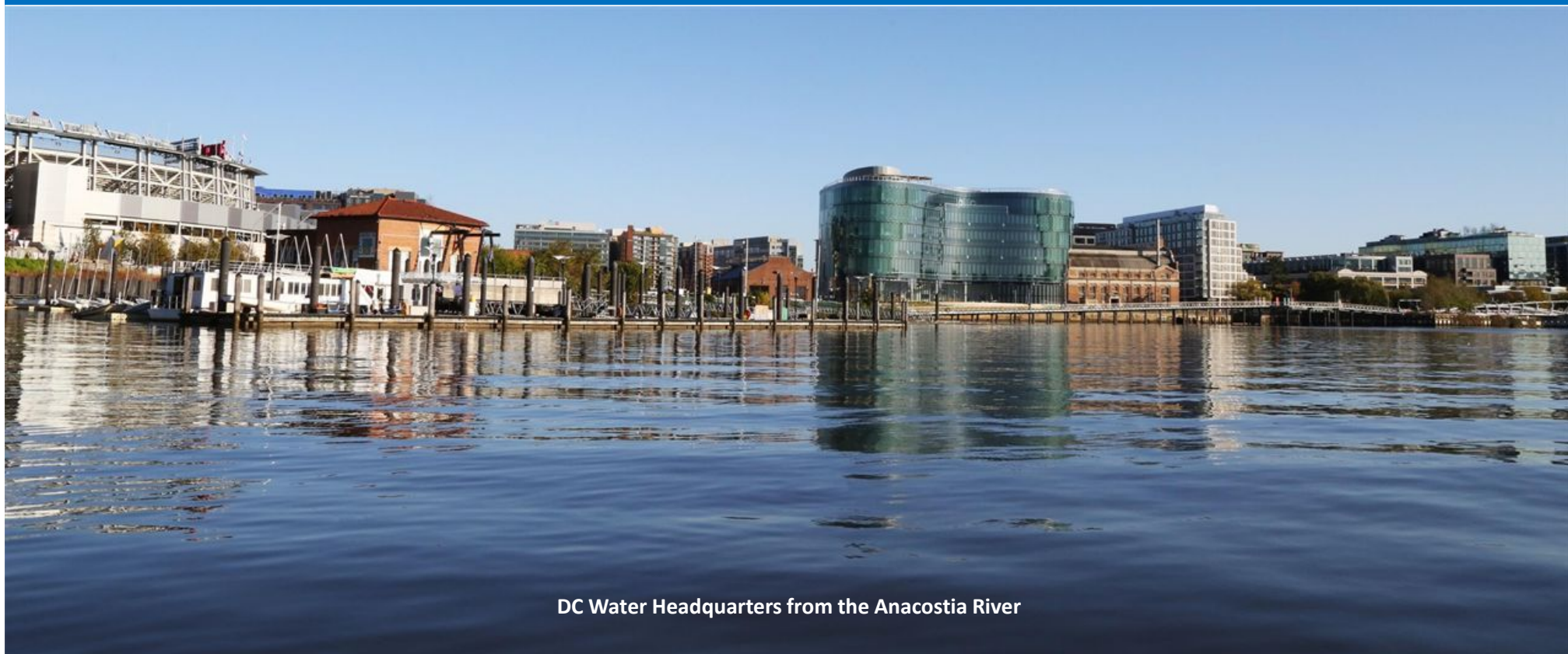


Responses to Comments and Recommendations on Proposed Rates

Presentation to Retail Rates Committee, June 28, 2022

Matthew T. Brown, Chief Financial Officer

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- 💧 Provide responses to public comments and OPC recommendations on proposed rates
- 💧 Discuss comments with the Committee



DC Water

- 💧 DC Water's goal is to provide safe and affordable water for everyone
 - \$629 million will be spent to remove all lead lines by 2030
 - The \$2.9 billion Clean Rivers Program will help make the Anacostia and Potomac Rivers swimmable and fishable again
 - Customer Assistance Programs help customers who cannot afford their bills
- 💧 DC Water's budget invests in people and infrastructure
 - The 1,100 members of Team Blue work every day to provide excellent customer service
 - Chemicals and energy are major expenses, about \$56.2 million is anticipated in the budget
 - Portions of the District are a combined sewer system, despite reductions in water consumption chemical and energy use is fairly constant because of rainwater that is captured and conveyed to Blue Plains for treatment; unit costs are up
 - Debt service of \$234.7 million makes up 34 percent of the total operating budget – this pays for bonds issued to invest in our infrastructure and provide equity between generations of ratepayers





Multi-Year Rate Proposal for FY 2023 and FY 2024

💧 Rates and charges that remain the same:

- Customer Metering Fee
- Water System Replacement Fee (WSRF)
- Right-of-Way Fee at \$0.19 per Ccf

💧 Proposed rate changes:

- Water and sewer rates increase 9.50% for FY 2023 and 3.25% for FY 2024
- Proposed CRIAC decrease of \$0.26 to \$18.14 per ERU in FY 2023 and increase of \$3.72 to \$21.86 per ERU in FY 2024
- PILOT Fee for FY 2023 and FY 2024 will increase by \$0.03 and \$0.02 per Ccf respectively
- Proposed Groundwater Rate increase of \$0.59 to \$3.42 for FY 2023 and increase of \$0.08 to \$3.50 for FY 2024
- Proposed High Flow Filter Backwash Sewer Rate increase of \$0.18 to \$3.21 for FY 2023 and increase of \$0.09 to \$3.30 for FY 2024

💧 Cost of Service Study aligned with rate proposal

💧 Combined rate increases lower than last year's forecast

Change in Average Household Charge	Fiscal Year	
	2023	2024
Recommendation	6.0%	5.4%
Previous Forecast	6.7%	8.8%



Public Outreach

- DC Water met with stakeholders at various community outreach events
- Held two in-person Town Halls
- Held two on-line Town Halls
- Virtual briefing to members of AOBA
- Virtual briefing to Constituent Services Directors for Councilmembers
- Virtual briefing to Mayor's Office of Community Relations staff (MOCRS)
- Virtual briefing to local non-profit community partners



- The meetings were widely publicized through numerous channels, including:
 - Councilmember Offices
 - Advisory Neighborhood Commissions (ANCs)
 - MOCRS
 - Email
 - DCWater.com website
 - Twitter, Facebook and Instagram
 - Nextdoor
 - Paid digital and print advertising
 - What's On Tap monthly customer newsletter



Public Participation

- 💧 DC Water appreciates all who have participated in the budget and ratemaking process, including the Board, OPC, and the public from the time that the budget was introduced in January 2022
- 💧 We all share the goals of providing safe and affordable service for our customers
- 💧 This document provides responses to OPC comments, and responses to formal comments received from other stakeholders as part of the ratemaking process
 - We have concurred with some of the recommendations
 - Some of the recommendations will require additional time and consideration
 - Some of the recommendations we cannot concur with
 - We need to better understand how some recommendations are in the long-term interest of DC Water and customers
 - We will continue to work with all stakeholders and OPC going forward to learn how some recommendations may be beneficial as we work together





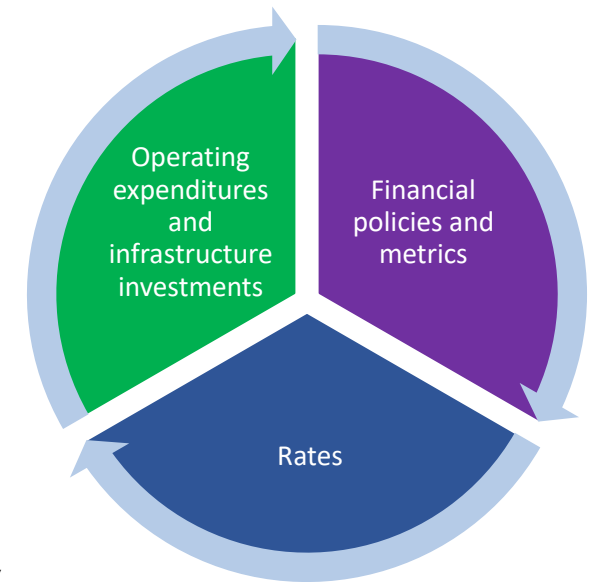
Case for a Rate Adjustment

Operating Costs Grow 4.3 percent in the FY 2023 Budget

- Budgets for overall cost increases, including employee benefits and union agreements
- Increase in headcount to drive efficiencies, expand programs and achieve savings by reducing reliance on consultants for day-to-day activities
- Market uncertainties with chemicals, energy and insurance costs
- Held the line on overall contractual services for third consecutive year
- Over the ten-year period, debt service costs increase from \$234.7 million in FY 2023 to \$374.0 million in FY 2031

Infrastructure Investment – Addition of \$1 billion

- \$6.4 billion over ten years, an increase of almost \$1 billion over previously approved plan
- \$647 million budgeted next year to continue investments in DC Water’s ageing infrastructure including the LeadFree DC Program to remove all lead service lines by 2030
- Prioritized projects using an asset management approach and other criteria (including mandates, health and safety, potential failure, and good engineering)
- \$2.0 billion in new debt to be leveraged through FY 2031 to pay for infrastructure improvements





Case for a Rate Adjustment

- Comments received suggest that a rate increase is not needed, and instead DC Water should borrow more money to fund infrastructure improvements (adjust coverage) and use “rainy day” reserve (cash on hand) funds
- The financial metrics in the Financial Plan are deliberate and not arbitrary; they have been recognized by Rating Agencies as a financial strength and a reason that DC Water can borrow at low rates
- The recommendations to borrow more (reduce coverage to 1.6x) and spend rainy day funds would:
 - Increase borrowing over the next two years by 28%, from \$462.5 million to \$589.9 million, driving up debt service costs
 - Increase the percent of revenue spent on debt service (for FY 2023 & FY 2024 combined) by 2.9 percentage points from 29.7% to 32.6%
 - Drop financial metrics in the Financial Plan below Board policy levels
 - From FY 2025 to FY 2031 combined coverage would range from 1.49 to 1.58 without a higher rate increase than what is planned; the Board policy is 1.6
 - Increase, for the same period, debt service as a percentage of revenue to 35.0% to 39.5%; the management target is 33%
 - DC Water would not maintain the 250 days of cash required





Case for a Rate Adjustment

- Comments also suggest that there is a difference between the balance of the Rate Stabilization Fund and what is shown in the Financial Plan and that those funds could be used to offset a rate increase
 - The balance of the Rate Stabilization Fund is \$46.1 million (see April 20, 2022 Monthly Financial Report)
 - At the end of the fiscal year, after the planned \$10.5 million withdrawal the balance will be \$35.6 million
 - \$35.6 million is the same balance in the Board-approved Financial Plan
 - There is no difference in fund level between the balance and the Financial Plan target that could be used to offset a rate increase
- Comments further suggest that DC Water's financial practices cost ratepayers money
 - There are no savings to be had for ratepayers in aggregate by delaying payment for capital costs through additional borrowing; rather, this strategy lowers costs for current ratepayers at the expense of future ratepayers and limits future financial flexibility
 - DC Water's strong financial position saves ratepayers money by reducing borrowing costs and enabling access to financial and insurance products that are more costly or unavailable to lower-rated utilities
 - DC Water budgets revenue as a "floor" and expenditures as a "ceiling"; this ensures that DC Water is resilient and can confront challenges like we did during COVID
 - DC Water is a non-profit: if we do better than the budget the Board allocates those funds to reduce future borrowing costs and that is reflected in future rate proposals





Case for a Rate Adjustment

- ◆ The chart below demonstrates the substantial financial impact of lower credit ratings under normal and stressed market conditions per \$100 million of debt issuance, noting that DC Water has plans to issue at least \$2.0 billion of new money debt in the next ten years and maintains over \$3.5 billion of outstanding debt, some of which could be refinanced in the future
 - Low-cost debt funding is vital to continued refinancing efforts that have generated hundreds of millions of dollars of present value debt service savings over the past ten years
- ◆ Costs shown measure incremental interest costs incurred for a fixed amount of borrowing at various rating levels versus DC Water’s current rating level, but do not measure the full interest costs related to proposed additional borrowing
 - Additional borrowing compounds added costs

Rating	Average Credit Spreads				Maximum Credit Spreads			
	Yield Differential vs. AAA Rating	Annual Cost Differential (per \$100 million)	Total Cost Differential (Through Maturity)	PV at 3.50%	Yield Differential vs. AAA Rating	Annual Cost Differential (per \$100 million)	Total Cost Differential (Through Maturity)	PV at 3.50%
AAA	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
AA+	0.10%	100,000	2,000,000	\$1,421,240	0.20%	200,000	4,000,000	\$2,842,481
AA	0.15%	150,000	3,000,000	\$2,131,860	0.35%	350,000	7,000,000	\$4,974,341
AA-	0.25%	250,000	5,000,000	\$3,553,101	0.65%	650,000	13,000,000	\$9,238,062
A+	0.35%	350,000	7,000,000	\$4,974,341	0.95%	950,000	19,000,000	\$13,501,783
A	0.45%	450,000	9,000,000	\$6,395,581	1.30%	1,300,000	26,000,000	\$18,476,124
A-	0.55%	550,000	11,000,000	\$7,816,822	1.60%	1,600,000	32,000,000	\$22,739,845

Source: PFM



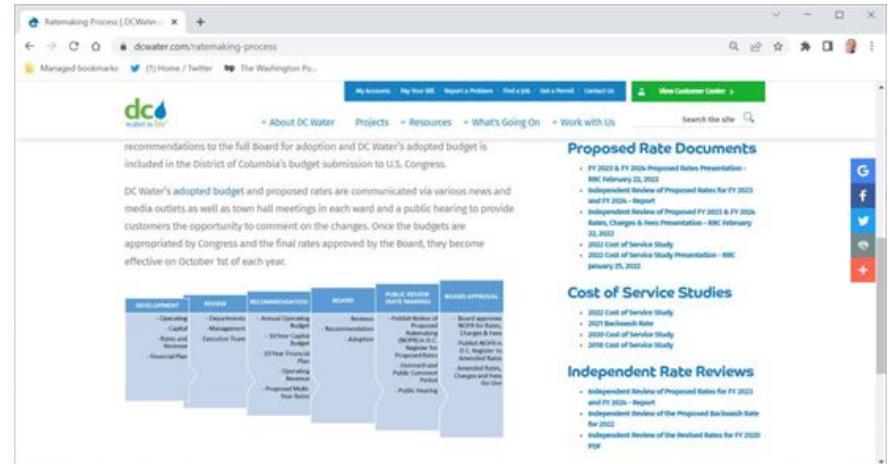
Case for a Rate Adjustment

- 💧 DC Water's prudent approach to borrowing is designed to provide generational equity among ratepayers without compromising future financial flexibility or incurring unnecessary costs
 - Borrowing allocates a portion of current capital costs to future ratepayers for capital improvements expected to remain in use at the time repayment occurs, but increases total costs due to interest expenses incurred
- 💧 Financial strength has allowed DC Water to spread repayment of once-in-a-generation capital costs aggressively and equitably, providing relief to current ratepayers
 - Financial Plan contemplates the issuance of \$2.0 billion of new debt; only ~\$825 million of existing bonds are scheduled to be repaid through FY2031
 - Existing debt includes a \$350 million century bond will not be repaid until 2114 and represents the only century bond within the municipal utility sector
 - Commitments to generational equity in the debt portfolio are more aggressive than they could be at a lower rating level., with century bond market not available to lower-rated issuers and escalating credit premiums required for maturities >30 years.
- 💧 Weakening of financial metrics could compromise access or increase costs for financial products that provide savings to DC Water ratepayers
 - Liquidity products that support low-cost variable rate debt, the commercial paper program and the ROCIP program are more expensive and ultimately unavailable at lower rating levels
 - EMCP program that provides low-cost and flexible variable rate funding does not require a liquidity provider (generating additional cost savings), but is not available to lower-rated utilities
 - \$294 million forward starting Series 2022A refunding locked in low 2020 interest rates for July 2022 borrowing and will provide millions in incremental savings to any other available option, but is not an available option for lower-rated utilities



Case for a Rate Adjustment

- DC Water’s committee and board meetings and budget materials are public, and DC Water welcomes the opportunity to engage with OPC and other stakeholders during the deliberative budget process
- We enjoy our regular meetings with OPC and believe that this work could be accomplished within those meetings
- All budget and ratemaking materials are available at dcwater.com/ratemaking-process





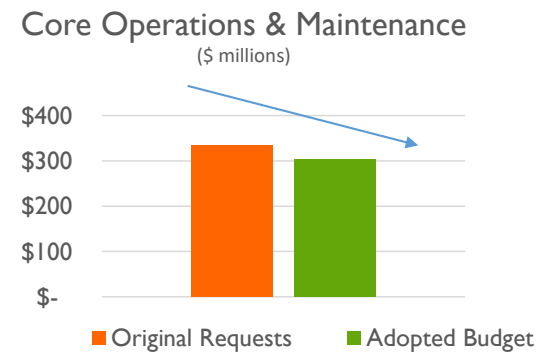
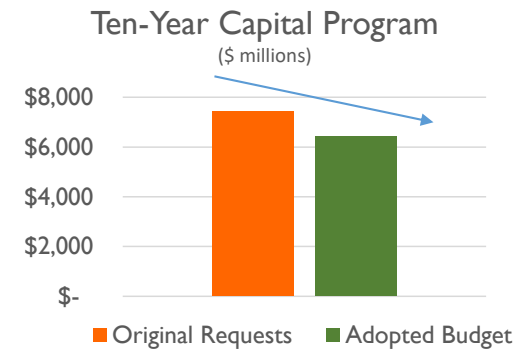
OPC Recommendation I

Recommendation I: Use this rate setting process to reexamine the O&M budget, capital budget, and financial policies to maintain the existing rates and withdraw the proposed rate increases

DC Water Response:

- DC Water does not concur with this recommendation
- The Board approved the Financial Plan and Financial Policies to maintain our bond ratings, saving customers money on debt service while maintaining financial resilience
 - A reduction in the proposed rates would compromise system safety, reliability, and resilience
- DC Water underwent a rigorous budget development and Board-review process that prioritizes projects and strategic initiatives for the FY 2023 budget
 - Alternative operating and capital budget scenarios, risks and opportunities, and related rate impacts were evaluated by management

DC Water Budget Process Produces Value for Ratepayers





Establishment of Rates

Board Committee Review

Operating and Capital Costs to Environmental Quality and Operations, Finance and Budget, and DC Retail Water and Sewer Rates Committee;

Cost of Service Study

Presented to Rates Committee and published on the website; Also submitted to the Mayor and DC Council

Independent Review of Rates

Presented to Rates Committee and published on the website; Also submitted to the Mayor and DC Council

Public Feedback

Publication of the rate proposal in the *D.C. Register* for public comment; Public Hearing to receive comments on the rate proposal; Review of comments received and DC Water's response to comments

Recommendation from the DC Retail Water and Sewer Rates Committee and General Manager

DC Water's rigorous budget process balances the level infrastructure investment with customer rates



OPC Recommendation I

Recommendation I DC Water Response, continued:

- DC Water’s budget process prioritizes expenditures and provides a balance between cost and the amount of capital investment and level of services provided
 - Fully funding budget requests would have increased customer rates (average residential household) by 18.5%, or an additional 12.5% over the 6.0% recommendation in FY 2023 and an additional 2.0% over the 5.4% recommendation in FY 2024
- The recommendation to use cash reserves or borrowing (lowering the coverage ratio would reduce PAYGO by \$120.85 million in FY 2023 and FY 2024 and increase borrowing and debt service requirements), both of which would erode DC Water’s financial position and saves money for DC Water and ratepayers
 - Rating agencies have communicated that “Rate adjustments that are not sufficient to support sustained revenue growth and hold debt service coverage by net revenue close to current levels“ would jeopardize our rating, almost certainly leading to an increase in borrowing costs including on current variable rate debt
- DC Water has \$3.8 billion of debt outstanding and will need to borrow another \$2.0 billion from FY 2023 through FY 2031 consistent with the Board-adopted Financial Plan; maintaining our bond ratings will save ratepayer money as we issue additional debt
- Additional information regarding financial metrics is provided in the response to Recommendation 4





OPC Recommendation I

💧 Recommendation I, continued:

- DC Water's Operating Budget process:
 - Reviews and prioritizes requests base on criteria including regulatory requirements or mandates, health and safety, Board policy, process improvement (e.g., cost avoidance, key performance measures, industry best practices) and new revenue generation
 - Aligns expenditures with strategic plan priorities
- Capital budget prioritization uses an asset management approach that considers consequence and likelihood of asset failure and other criteria (including mandates, health and safety, potential failure, and good engineering)
- DC Water routinely examines financial policies
 - The Financial Policies were revised and adopted on October 7, 2021
 - Require 250 Days of Cash and 1.6X coverage as a minimum in the budget and the Financial Plan
 - The Investment Policy was revised and adopted on January 6, 2022



DC Water's Budget Priorities



Aligns with imperatives and themes of new Blueprint 2.0



Fully funds removal of lead service lines by 2030



Achieves rate increases lower than previous forecasts



Holds the line on overall contractual services for three consecutive years



Continues customer assistance programs for those impacted by COVID



Funds the consent decree modification for green and gray infrastructure for the Clean Rivers program



Allocates additional funds to address aging water and sewer systems



Expands the apprentice program for residents to learn skills and prepare for new jobs



Invests in critical infrastructure at the Aqueduct



ESG report highlights progress towards meeting climate, equity, and governance goals



OPC Recommendation 2

- 💧 **Recommendation 2:** Institute a reconciliation and true up process at the end of the first year of the two-year budget to review and refine the planned rates for the second year to prevent collecting unnecessary revenue
- 💧 **DC Water Response:**
 - DC Water does not concur with this recommendation
 - DC Water would not be able to adjust rates consistent with this recommendation
 - DC Water closes its books several months after the fiscal year ends and completion of the financial audit occurs in December; only at that time are final revenue and expenditure figures available (three months after the fiscal year starts in October)
 - Moreover, after the rates are developed the rate-setting process requires approximately seven months from Board consideration of the rates to the notice of final rulemaking (which implements the rates)



OPC Recommendation 2

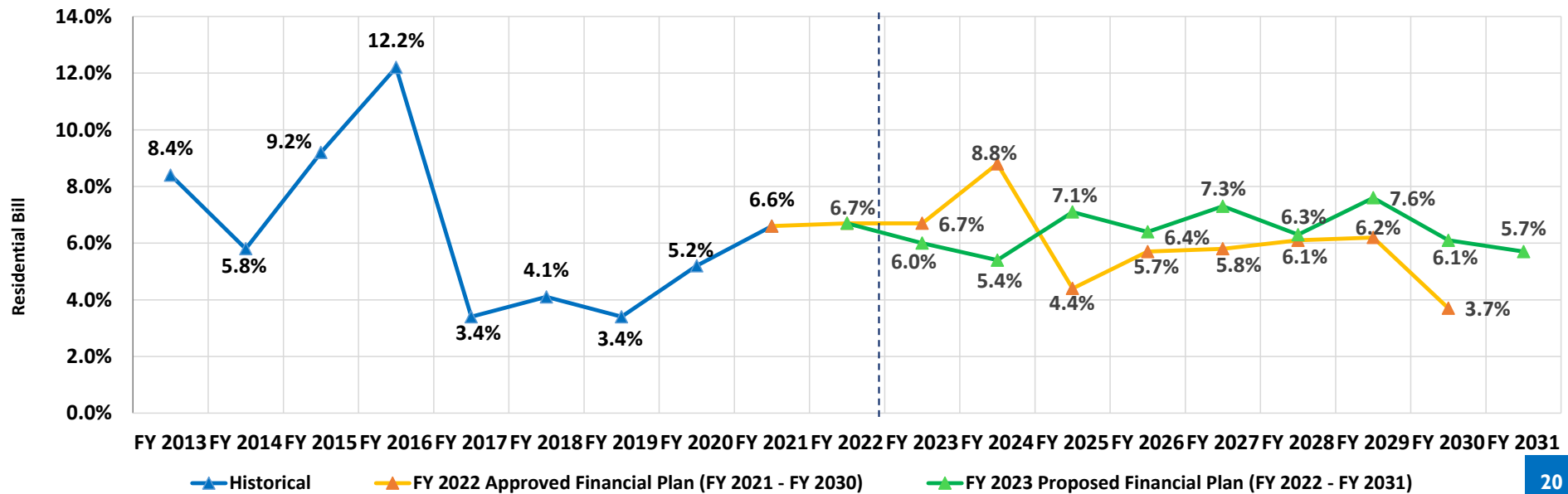
💧 DC Water Response, continued:

- Multi-year rate setting is a common practice in the water and wastewater industry
- DC Water already does a true up with each rate setting process when the Financial Plan is revised
 - The FY 2023 Financial Plan included FY 2022 debt service savings that were used to offset future borrowing
- If DC Water does better than the budget, funds are allocated by the Board of Directors as part of a projection process in the third quarter of each year; Board policy authorizes the use of these funds for capital projects and infrastructure improvements
 - Funds from FY 2020 were used to create new programs for customers who were impacted by COVID (Multi-Family and Residential Assistance Programs); a process like what is suggested could have prohibited these programs from being funded and implemented
- Meaningful rate setting is a thoughtful, deliberate, expensive and time-consuming process; adding an additional annual process would likely increase costs for DC Water and our customers



Historical and Projected Combined Rate Increases

- 🔹 FY 2023 and FY 2024 recommended rates are less than previously forecasted in part due to debt service savings from applying PAYGO (using cash for capital expenditures instead of debt)
- 🔹 In FY 2025 and beyond, forecasted rates are higher than previously estimated because of additional projects in the 10-year Capital Improvement Plan (CIP)





OPC Recommendation 3

- **Recommendation 3:** Expand the Rate Stabilization Fund policy to include the target amount and identify triggers for use of the Rate Stabilization Fund. Determine the correct amount for the fund based upon probabilities of unexpected future costs and establish the circumstances in which the fund would be used
- **DC Water Response:**
 - DC Water concurs that an examination of the Rate Stabilization Fund (RSF) policy with the Board is appropriate
 - In FY 2023, a review of the RSF is planned to be included in a consultant study of the operating reserves; and that study and the recommendations will be presented to the Board for consideration
 - DC Water regularly reviews its financial policies and will work with the Retail Rates and Finance and Budget Committees to review this policy and consider OPC's recommendations
 - To the extent that DC Water considers expansion of Customer Assistance, funds in this Fund could be used for that purpose
 - The balance of the Rate Stabilization Fund is \$46.1 million (see April 20, 2022 Monthly Financial Report)
 - At the end of the fiscal year, after the planned \$10.5 million withdrawal the balance will be \$35.6 million
 - \$35.6 million is the same balance in the Board-approved Financial Plan



OPC Recommendation 4

- 💧 **Recommendation 4:** Use some combination of the reduction in revenue requirement from returning to a 1.6 Debt Service Coverage ratio, the excess cash from reducing days of cash on hand to 120 days, and/or using the Rate Stabilization Fund to withdraw the proposed FY 2023 and FY 2024 rate increases, leaving the rates at the FY 2022 levels
- 💧 **DC Water Response:**
 - DC Water does not concur with this recommendation
 - Our strong bond ratings save our customers money each year and make DC Water more resilient in the event of unexpected situations. They also provide DC Water access to the financial markets so that we can take advantage of opportunities like we did with the Forward Direct Purchase that save ratepayers money
 - DC Water’s Board-approved and management financial policies (coverage, liquidity, and percent of revenue used for debt service) have been maintained since 2015 and have been recognized by rating agencies in bond ratings that provide savings for our customers and ensure access to financial markets
 - The policies establish “floors” for these financial metrics, not targets or maximums
 - DC Water has maintained 250 days of cash and at least 1.6x coverage since 2015, a weakening of DC Water’s financial position when there is already a projected \$2 billion of borrowing would result in increased borrowing costs for customers and a reduced ability of DC Water to deal with unexpected costs



OPC Recommendation 4

💧 DC Water Response, continued

- The recommendation (to decrease coverage to 1.6) would increase borrowing over the next two years would increase 28%, from \$462.5 million to \$589.9 million
- Debt service costs would increase in future budgets
- The percent of revenue spent on debt service (for FY 2023 & FY 2024 combined) would increase by 2.9% from 29.7% to 32.6%
- Financial metrics in the Financial Plan will not meet Board policy
 - From FY 2025 to FY 2031 the combined coverage would range from 1.49 to 1.58 without a higher rate increase than planned
 - Similarly, for the same period the debt service as a percentage of revenue would range from 35.0% to 39.5%
- Without meeting these financial metrics and Board policy in the financial plan, it will be difficult to maintain AAA rating



OPC Recommendation 4

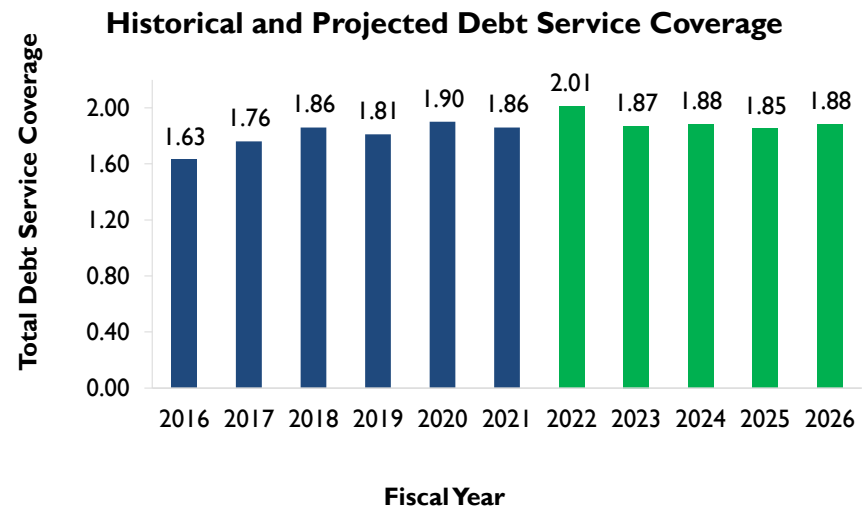
DC Water Response, Continued:

- Financial targets and conservative budgeting to maintain high bond ratings are, in part, recognition of DC Water’s ability to confront and respond to challenges
 - Despite \$24.2 million revenue loss in FY 2021 and the more than 124% increase in customer delinquencies, DC Water maintained its bonds ratings and completed \$400 million bond transaction
- If we increase borrowing we will pay more for debt service
 - Those funds would be better used keeping water safe and affordable
- The interest rates that we pay are a reflection of our bond rating
- Cash on hand is our “rainy day” fund – spending those funds would jeopardize DC Water’s ability to provide safe and affordable water service in the event of a catastrophe, like another pandemic, a recession, spiking inflation, or a large unexpected expenditure



Coverage and PAYGO

- 💧 Coverage is a core financial metric that reflects the financial health of a utility and measures the funds that are available to pay debt service after operating costs are met
 - *Funds representing excess coverage are used as PAYGO or cash to fund the capital program*
 - *A reduction in PAYGO would require additional borrowing to cover capital budget expenditures for infrastructure improvements*
- 💧 Coverage in the budget and the financial plan is consistent with recent results that have led to high bond ratings and lower borrowing costs
- 💧 Higher coverage indicates greater flexibility to tolerate financial stress from unexpected expenditures or a shortfall in revenues while still assuring repayment of debt
- 💧 Maintaining this metric in the Financial Plan is deliberate and not arbitrary; it has been recognized by Rating Agencies as a financial strength and a reason that DC Water can borrow at low rates



Higher 2022 coverage projection is the result of a Rate Stabilization Fund withdrawal to establish 250 days of cash outside of that Fund

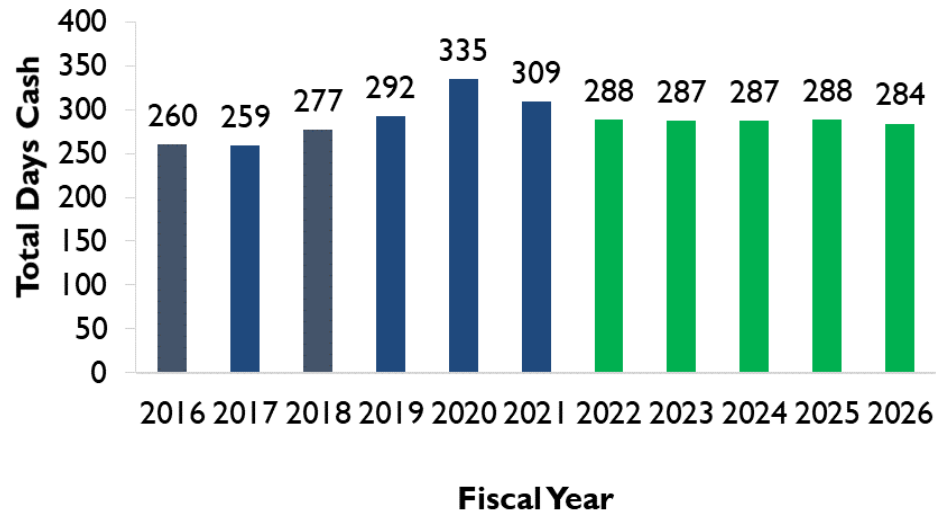
- *In calculating debt service coverage, withdrawals from RSF are counted as revenues; deposits to RSF are subtracted from revenues*



Liquidity

- 💧 Liquidity is measured in the number days of unrestricted operating cash
 - *Liquidity is the number of days that DC Water could cover operating costs without additional revenue*
- 💧 Higher liquidity indicates greater flexibility to deal with unexpected expenditures or a shortfall in revenues
- 💧 DC Water has maintained a minimum of 250 days of cash since 2015, which is required by Board policy
- 💧 Certain rating agencies expect > 250 days of cash for utilities rated in the highest category
- 💧 DC Water’s unrestricted liquidity is low when compared to its highly rated peers
- 💧 Maintaining this metric in the Financial Plan is deliberate and not arbitrary; it has been recognized by Rating Agencies as a financial strength and a reason that DC Water can borrow at low rates

Days Cash on Hand (Liquidity)



Liquidity as measured by credit rating agencies includes unrestricted reserves in addition to Rate Stabilization Fund balance.




Financial Metrics

Metrics	Indenture Requirement	Board Policy	Management Target	Financial Plan
Days of Cash on Hand (excluding RSF)	60 days	250 Days	—	250 - 253 Days
Combined Coverage Ratio	—	1.6X	—	1.85X – 2.04X
Senior Coverage	1.2X	—	—	5.39X – 7.67X
Subordinate Coverage	1.0X	—	—	2.16X – 2.54X
Debt Service as a % of Revenue	—	—	33% of Revenue or Less	29.5% - 33.0%
Rate Stabilization Fund (RSF)	—	—	—	





Financial Metric Medians by Credit Rating

- DC Water liquidity and coverage ratios are lower than water and sewer sector medians
- DC Water’s implementation is not “hyper conservative”, our debt service coverage and days cash on hand metrics are low when compared with other highly rated credits (see )

US Municipal Water and Sewer Sector Financial Metric Medians by Credit Rating (All Rated Credits)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
All-in debt service coverage - most recent year (2021)	2.4x	2.4x	2.2x	2.0x	1.8x	1.6x	1.5x	1.2x	1.2x	1.1x
All-in debt service coverage – three-year average (2019-2021)	2.4x	2.4x	2.2x	2.0x	1.8x	1.5x	1.4x	1.3x	1.2x	1.2x
Days’ cash on hand - most recent year (2021)	640	610	575	500	459	374	367	226	175	65
Days’ cash on hand – three-year average (2019-2021)	670	600	566	493	438	360	334	198	160	90



DC Water and Peer Financial Metrics

DC Water liquidity and coverage ratios are lower than many similarly rated peers

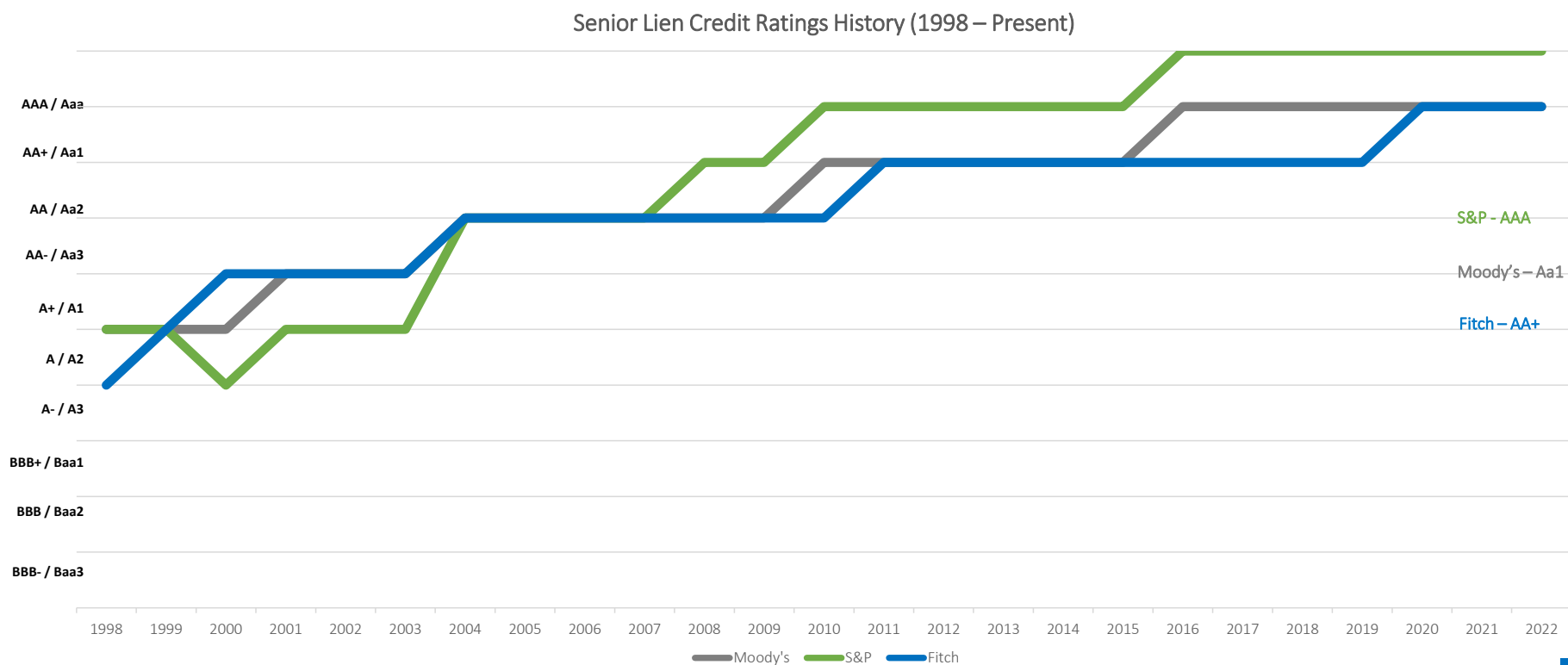
- These are not the only criteria, but are an important part of the overall rating

Selected Peer	Type	Moody's Rating (Senior)	S&P Rating (Senior)	Fitch Rating (Senior)	Total Operating Revenues (\$000s)	Total Annual Debt Service (\$000s)	Debt Ratio	Long Term Debt (\$000s)	Total Debt Service Coverage	DS as a % of Total Operating Revenues	Days Cash on Hand
Atlanta, GA	Water & Sewer	Aa2 (Stable)	AA- (Stable)	AA (Stable)	453,149	204,747	43.5%	3,038,793	1.7x	45.2%	1,098
Charlotte, NC	Water & Sewer	Aaa (Stable)	AAA (Stable)	AAA (Stable)	458,669	142,074	32.4%	1,460,786	2.0x	31.0%	498
Dallas, TX	Water & Sewer	Aa2 (Stable)	AAA (Stable)	AA+ (Negative)	675,180	222,946	48.3%	3,178,441	1.4x	33.0%	245
DC Water	Water & Sewer	Aa1 (Stable)	AAA (Stable)	AA+ (Stable)	770,557	204,878	47.5%	3,675,500	1.9x	26.6%	309
Louisville MSD, KY	Sewer	Aa3 (Stable)	AA (Stable)	AA- (Stable)	329,418	149,018	58.1%	2,151,241	1.6x	45.2%	357
Metro St. Louis Sewer District, MO	Sewer	Aa1 (Stable)	AAA (Stable)	AA+ (Stable)	427,145	119,302	41.1%	1,667,066	2.1x	27.9%	585
NE Ohio Regional Sewer District	Sewer	Aa1 (Stable)	AA+ (Stable)	-	352,075	103,764	51.1%	1,849,027	2.3x	29.5%	1,218
NYC Water	Water & Sewer	Aa1 (Stable)	AAA (Stable)	AA+ (Stable)	3,655,991	519,700	88.4%	31,046,798	3.8x	14.2%	266
San Antonio, TX	Water & Sewer	Aa1 (Stable)	AA+ (Stable)	AA+ (Stable)	794,917	200,904	3,904,558	2.3x	25.3%	48.1%	519



Credit Ratings

As finances have strengthened, credit ratings have increased





- 💧 The Aa2 ratings incorporate an excellent rate management track record, strong liquidity, and healthy coverage of debt service supported by steady revenue growth. The ratings also reflect a large and healthy service area supported by considerable wealth and institutional presence. The ratings further recognize that the authority will need to continue its pattern of aggressive rate increases in order to accommodate its substantial capital plan and future borrowing.
- 💧 The stable outlook incorporates the expectation that the authority will manage rates effectively to maintain healthy liquidity and sound debt service coverage while generating new revenue over the longer term to support capital improvements.
- 💧 **FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS:** Rate adjustments that are not sufficient to support sustained revenue growth and hold debt service coverage by net revenue close to current levels **AND** - Sustained declines in operating liquidity, or a change in regulations or water quality that necessitates much more borrowing.



S&P

- 💧 “DC Water's financial profile remains a strength. Coverage is consistently above management's budgeted target of at least 1.6x... Management's financial forecast indicates DSC will remain above 1.8x through the remainder of the forecast period.”
- 💧 “Coverage, liquidity, pay-as-you-go capital, and rate stabilization reserve fund goals have been established and met. The board recently approved stronger coverage and cash targets, in excess of any indenture requirements, demonstrating its commitment to strong internal targets.”



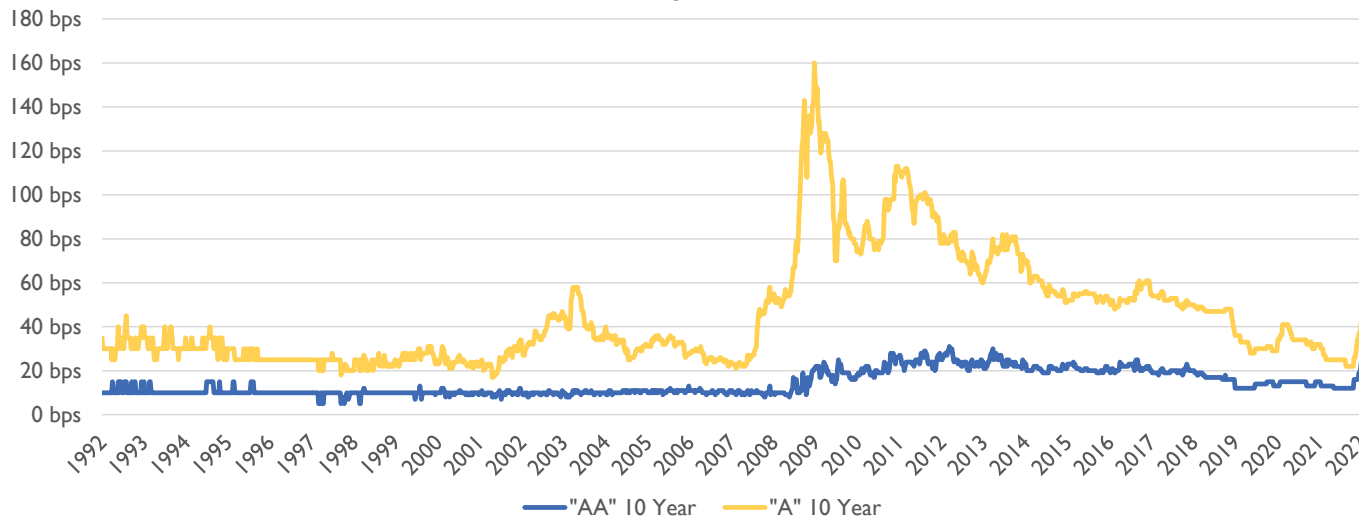
- 💧 The strength of the authority's water and sewer system (the system) revenue defensibility is rooted in its unlimited and independent ability to raise user charges for both the retail and wholesale customer bases, situated in a robust and expanding economic area. In addition, the authority's operating burden is very low and the life cycle ratio is moderate with adequate capital investment
- 💧 Fitch projects leverage to remain stable, in the 6x bandwidth, as continued rate increases offset the impact of increased capital spending and debt issuance over the next five years



Interest Rates

- As interest rate rise amidst volatility in the financial markets, the borrowing cost differential between highly rated and lower rated borrowers is widening
- Maintaining our high bond rating will be even more important to providing safe and affordable service going forward in an uncertain interest environment
- Tax-exempt credit spreads increase during financial distress

30 Year History of “AA” and “A” Credit Spreads to “AAA” Benchmark in Tax-Exempt Market





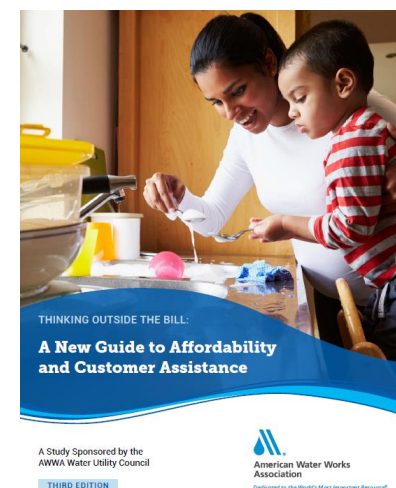
OPC Recommendation 5

- 💧 **Recommendation 5:** DC Water and the District should consider options to provide assistance to low-income tenants to provide indirect equitable discounts on water and sewer costs, perhaps as a DC Water funded local income tax rebate
- 💧 **DC Water Response:**
 - DC Water does not concur with the recommendation to fund a local income tax rebate
 - The Customer Assistance Programs are available to tenants in single family homes
 - DC Water is also supporting the District's efforts in implementing the LIHWAP program
 - DC Water is a leader in providing assistance to tenants with programs set up during COVID, including the Multi-Family Assistance Program (MAP) that provides up to \$2000 credit on the owner bill that passes to the qualified tenant as rental relief
 - There are administrative costs and complexities associated with the program
 - DC Water is examining how we might make this emergency program an on-going program for tenant rental relief
 - Funding for an on-going program would need to be identified because it is not included in the current ratemaking



OPC Recommendation 6

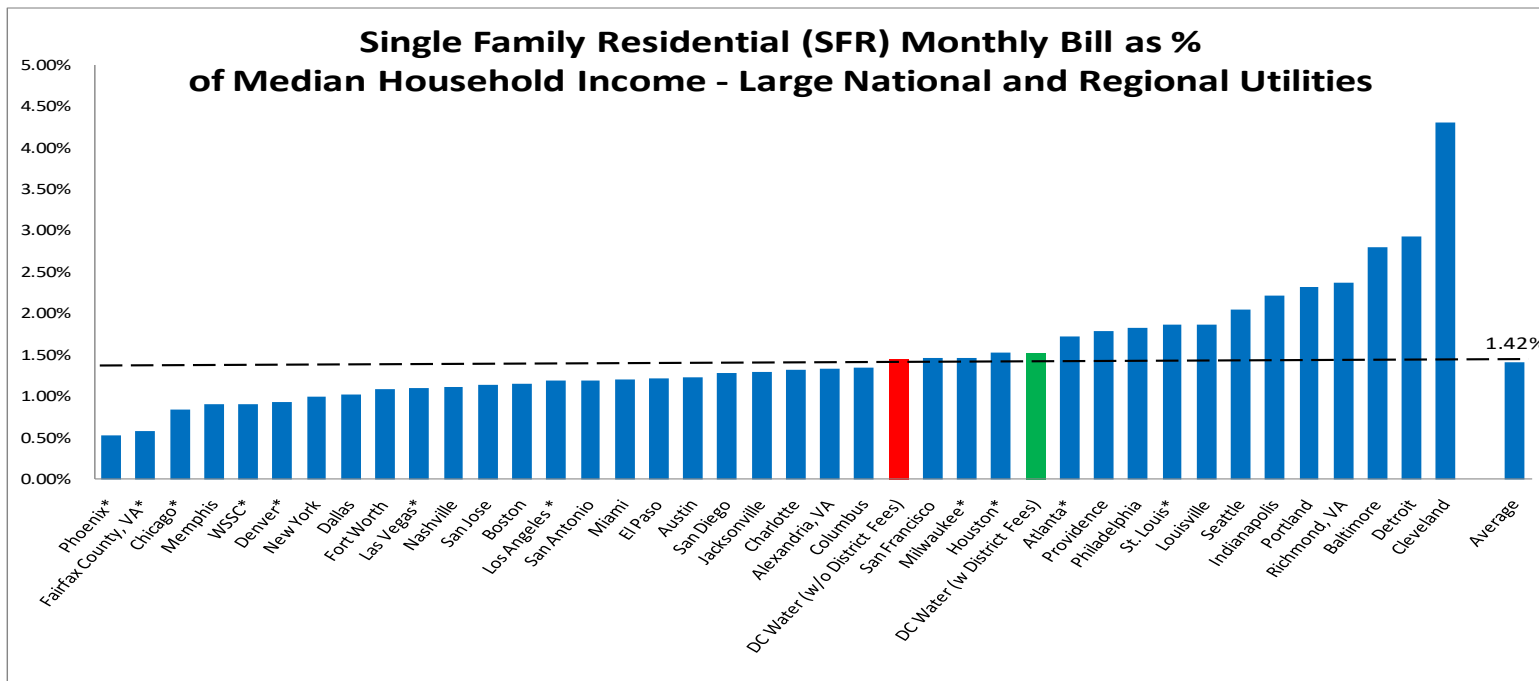
- 💧 **Recommendation 6:** DC Water and the District should consider adjusting the income thresholds to shift the available assistance from higher income customers to lower income customers, perhaps by adopting the federal low-income thresholds
- 💧 **DC Water Response:**
 - DC Water concurs that Customer Assistance Programs should provide the greatest benefits to those with the greatest need, and would like to better understand the recommendation and to continue to work on outreach to eligible customers
 - CAP eligibility is based on Federal low-income guidelines for the Low-Income Home Energy Assistance Program, or 60% State Median Income
 - DC Water has three customer assistance programs for residential customers
 - CAP – 60% state median income,
 - CAP2 – 80% area median income, and
 - CAP3 – 100% area median income
 - The District of Columbia established the income requirements for CAP3 and pays for that program entirely
 - DC Water cannot shift these funds to lower income thresholds
 - DC Water assistance programs are among the most robust in the water and wastewater utility industry and were recently highlighted in an AWWA publication "Thinking Outside the Bill"





Comparative User Charges as % of Median Household Income – Large National & Regional Utilities

DC Water’s rates remain affordable



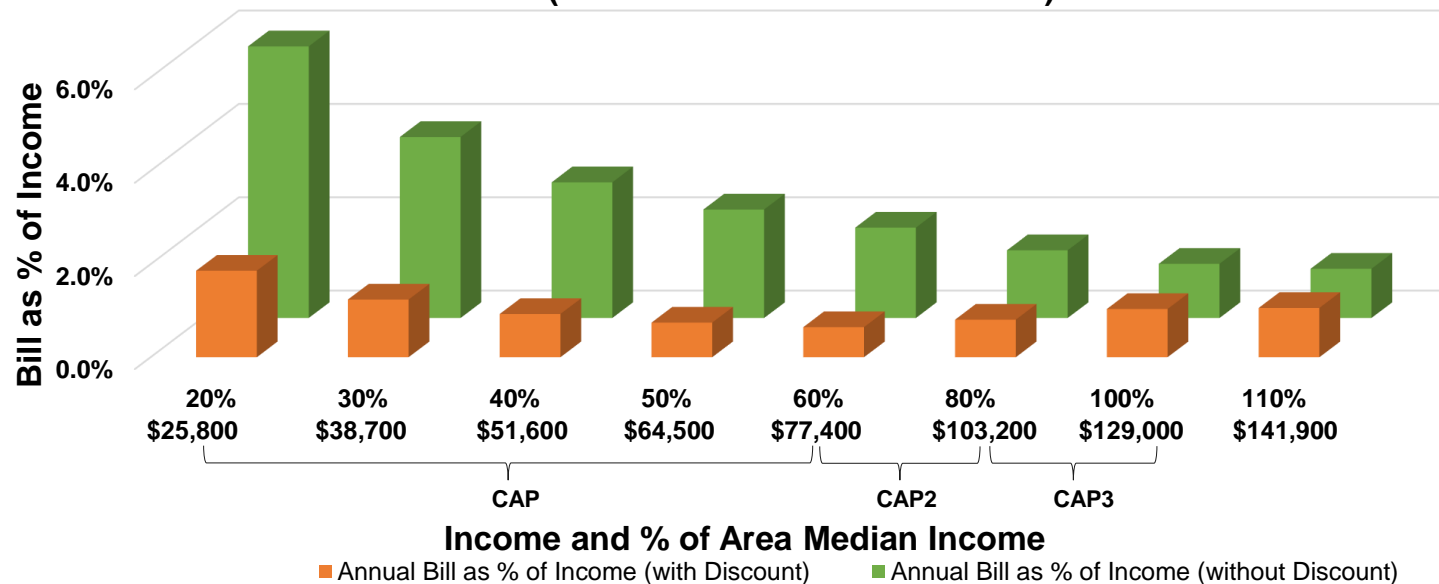
■ Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons. Note: Reflects rates and fees in place as of December 1, 2021. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.



Equitable

- 💧 CAP provides discounts to households up to 100% Area Median Income
- 💧 Those with lower incomes receive a greater benefit
- 💧 Programs assist with affordability for households below area median income

**Annual Bill as a % of Income
(with and without CAP Discount)**





OPC Recommendation 7

💧 **Recommendation 7:** DC Water and the District should consider providing a discount on the District water and sewer fees for lower income customers and increasing the fees for higher income customers

💧 **DC Water Response:**

- DC Water concurs with this recommendation
- For the CAP program the PILOT and the ROW are not charged for the four CCFs of water and sewer service that are discounted
- Similar discounts for CAP2 could be considered in the future, revenue for this is not included in the current rate proposal
- A discount on the Stormwater fee would need to be discussed with and provided by the District of Columbia



OPC Recommendation 8

- 💧 **Recommendation 8:** Add a low use tier and a high use tier with appropriate peaking factors for residential water rates. This would result in a four-tier system with break points at approximately two, four, and nine Ccf per month usage
- 💧 **DC Water Response:**
 - DC Water does not concur with the recommendation
 - Water rates are based on cost of service principles and economic equity
 - Rates represent the cost of providing water and sewer services
 - We understand that a rate lower than the lifeline rate would not cover the cost of service; the impact of a higher rate for nine Ccf would need to be assessed for its impact on low-income households
 - Rates are differentiated among water customer classes (residential, multi-family, non-residential) based on the demands placed on the systems
 - Water rates are differentiated based on peaking – DC Water rates employ class-based peaking supported by an analysis done as part of the Cost of Service Study



OPC Recommendation 9

- 💧 **Recommendation 9:** Expand the use of customer classes to sewer rates and mirror the recommended four tier water rate system for sewer rates with appropriate Peaking Factors to recognize the varying impact on Extra Capacity costs
- 💧 **DC Water Response:**
 - DC Water does not concur with the recommendation
 - Water rates may be differentiated among classes based on the demands placed on the systems, but wastewater rates may not
 - Water rates are differentiated based on peaking – DC Water rates employ class-based peaking supported by an analysis done as part of the COS Study
 - Wastewater peaking results from inflow and infiltration and is primarily correlated to the combined sewer system in the District
 - Sewer system peaking is not correlated to metered water use – the unit of service for the volumetric rate structure
 - Wastewater rates are differentiated based on strength per industry standards
 - All DC Water retail customers are assumed to have domestic strength
 - Exceptions include Waste Haulers, Groundwater dischargers, and the Washington Aqueduct which all have COS-based rates reflecting their discharge strength

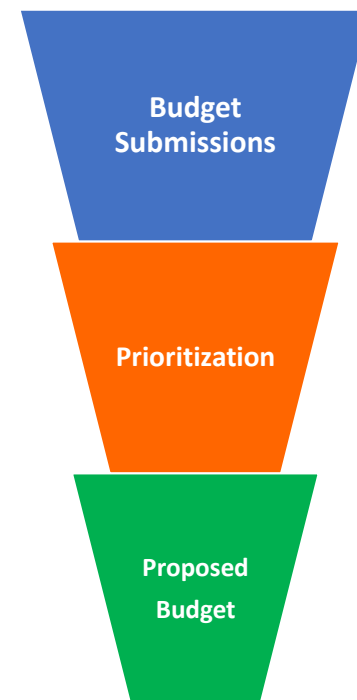


OPC Recommendation 10

💧 **Recommendation 10:** DC Water should increase its cost containment efforts; and the O&M budget, the capital budget, and financial policies should undergo more rigorous review processes similar to this rate making process

💧 **DC Water Response:**

- DC Water concurs that budget processes should prioritize both operating and capital expenditures. Financial policies should be reviewed regularly
- DC Water’s committee meetings and budget materials are public, and DC Water welcomes the opportunity to engage with OPC and other stakeholders during the deliberative budget process
 - We enjoy our regular meetings with OPC and believe that this could be accomplished within those
 - All budget and ratemaking materials are available at dcwater.com/ratemaking-process
- Approximately 73% of DC Water’s core operations and maintenance costs are fixed (union agreement for 67% of the workforce, chemicals, energy and purchase of drinking water), with some of these costs subject to market volatilities
- For the third consecutive year, DC Water has held the line on overall contractual services while undertaking new operating and strategic programs to improve service delivery to our customers





OPC Recommendation 10

💧 DC Water Response, Continued:

- The capital program also undergoes a rigorous review, prioritization and risk assessment process including how to balance critical infrastructure needs with customer affordability given that some of our capital programs are mandated (e.g. Clean Rivers program by the Consent Decree)
- Additional information is provided in the response to Recommendation 1
- DC Water regularly review financial policies and recommends revisions to the Board
 - The Financial Policies were revised and adopted on October 7, 2021
 - The Investment Policy was revised and adopted on January 6, 2022



Other Comments

- **Comment:** Anacostia Watershed Society spoke about programs funded by DC Water, and had no specific rate comments
 - **Response:** DC Water appreciates the comments



Other Comments

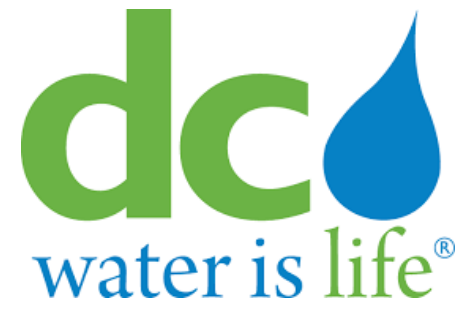
- 💧 **Comment:** Proposed rates be also presented with prior 5-year prices and percentage of increase not just current and future rates to give a clear trend and accurate rate analysis for the residents.

 - **Response:** This information is provided in other presentations. All budget and ratemaking materials are posted on our website, please see: <https://www.dewater.com/ratemaking-process>
- 💧 **Comment:** Rates [should] be centered around sustainability, discount incentives for installing low-flow toilets, and greywater toilets be incentivized. Households should be rewarded for reducing water use and not just via high prices but through discounts offered monthly for lowering water use. The same should apply for household, commercial and multi-unit properties.

 - **Response:** DC Water's rate structure promotes a discount for water with our Lifeline rate. Our lowest rate is charged for the first 4 CCs, about 3,000 gallons. For more information please see <https://www.dewater.com/lifeline-rate>
- 💧 **Comment:** Houses should be rewarded via monetary discounts by being river friendly with their landscaping including new builds and updating yard landscaping to be water flow friendly

 - **Response:** DC Water offers a discount of 20% on the Clean Rivers Impervious Area Charge for the kinds of initiatives mentioned. For more information please see <https://doee.dc.gov/riversmartrewards>
- 💧 **Comment:** I see a river fee but it is unclear what it is for and how it is used. These items should be clear and options for citizens to help improve more available, easily accessible, and readily available via many avenues of ways to help

 - **Response:** The Clean Rivers Impervious Area Charge pays for our \$2.9 billion program that is improving the quality of the Anacostia and Potomac Rivers and the Rock Creek. For more information please see <https://www.dewater.com/impervious-area-charge> and <https://www.dewater.com/cleanrivers>



Attachment C



Proposed FY 2023 and FY 2024 Rates, Charges and Fees Presentation to Retail Rates Committee, June 28, 2022

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant



Purpose

Seek Committees recommendation to the full Board for approval of the:

Multi-year Rate Proposal for FY 2023 and FY 2024

- Water and Sewer Rates, Charges & Fees
- Retail Groundwater Sanitary Sewer Service Rate
- High Flow Filter Backwash Sewer Rate





Cost of Service Study and Independent Review of Rates

- 💧 DC Water conducts Cost of Service Study every two-years to fully align the study with the multi-year rate proposal
 - Objectives of the COS Study: (i) Revenue Sufficiency, (ii) Cost of Service Recovery, (iii) Simplicity and (iv) Affordability
 - The results of the 2022 COS Study support the multi-year rate, charges and fee proposals for FY 2023 and FY 2024
- 💧 Independent Review of the Proposed FY 2023 and FY 2024 Rates was conducted by consultants
 - The review concluded that the rates have been reasonably developed, reflect the anticipated revenue requirements of the System, adhere to Board policy and are comparable to other utilities
 - The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill

Detail information on the Proposed Rates, COS Study, and Independent Review can be found at:
<https://www.dewater.com/ratemaking-process>



Multi-Year Rate Proposal for FY 2023 and FY 2024

💧 Rates and charges that remain the same:

- Customer Metering Fee remains at \$7.75 for 5/8” meters
- Water System Replacement Fee (WSRF) at \$6.30 for 5/8” meters
- Right-of-Way Fee at \$0.19 per Ccf

💧 Proposed rate changes:

- Water and sewer rates increase 9.50% for FY 2023 and 3.25% for FY 2024
- Proposed CRIAC of \$18.14 per ERU in FY 2023 and \$21.86 per ERU in FY 2024
- PILOT Fee for FY 2023 and FY 2024 will increase by \$0.03 and \$0.02 per Ccf respectively
- Proposed Groundwater Rate of \$3.42 for FY 2023 and \$3.50 for FY 2024
- Proposed High Flow Filter Backwash Sewer Rate of \$3.21 for FY 2023 and \$3.30 for FY 2024

💧 Cost of Service Study aligned with rate proposal

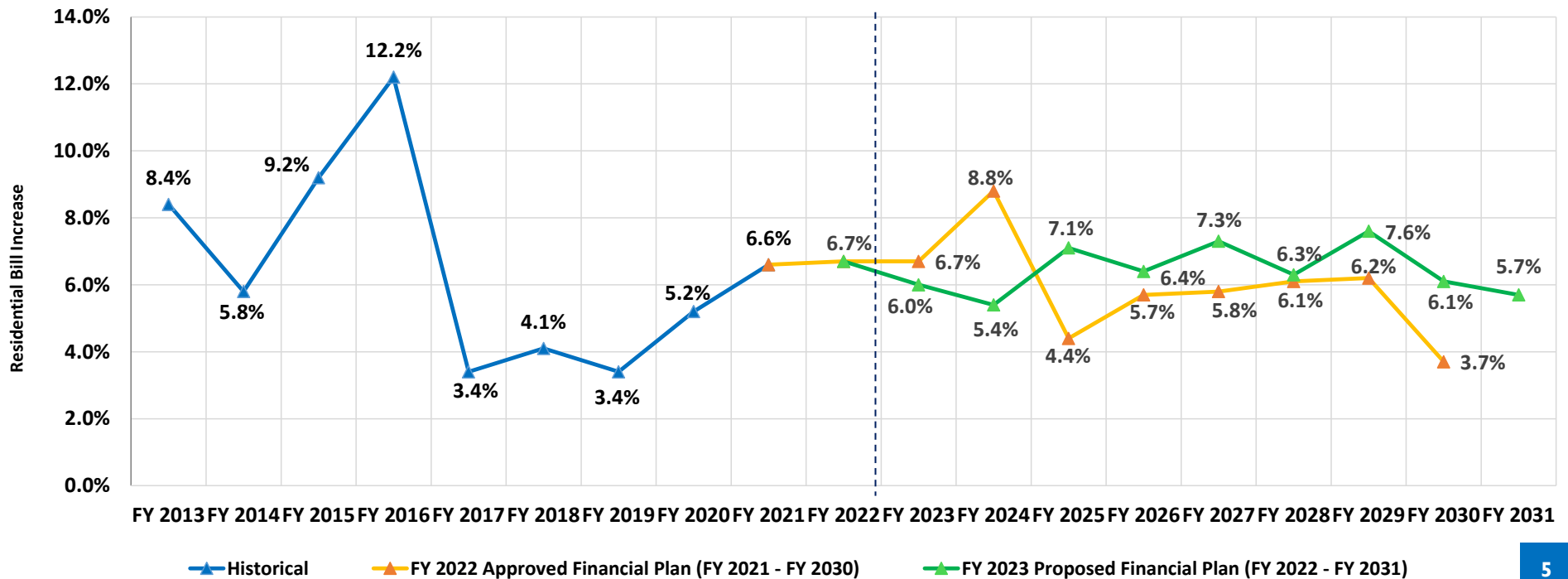
💧 Combined rate increases lower than last year’s forecast

Change in Average Household Charge	Fiscal Year	
	2023	2024
Recommendation	6.0%	5.4%
Previous Forecast	6.7%	8.8%



Historical and Projected Combined Rate Increases

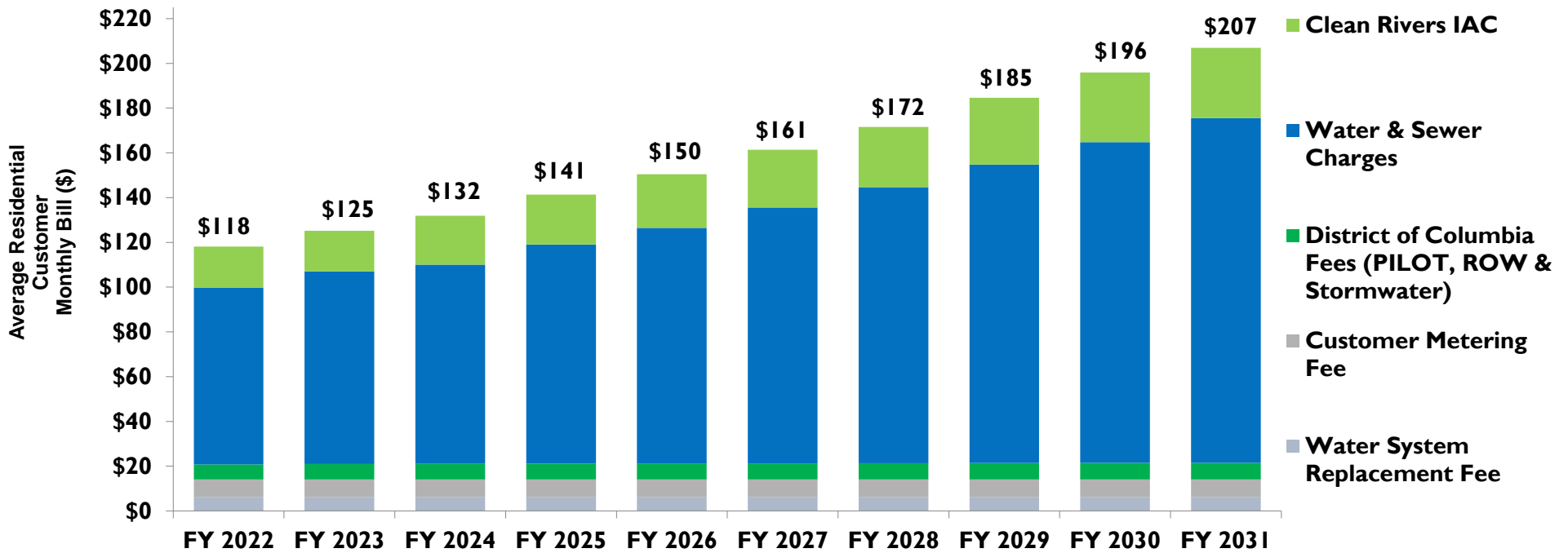
- 🔹 FY 2023 and FY 2024 recommended rates are less than previously forecasted
- 🔹 In FY 2025 and beyond, forecasted rates are higher than previously estimated because of additional projects in the 10-year Capital Improvement Plan (CIP)





Projected Average Residential Customer Bill

Projected average monthly residential customer bill ranges from \$118 in FY 2022 to \$207 in FY 2031



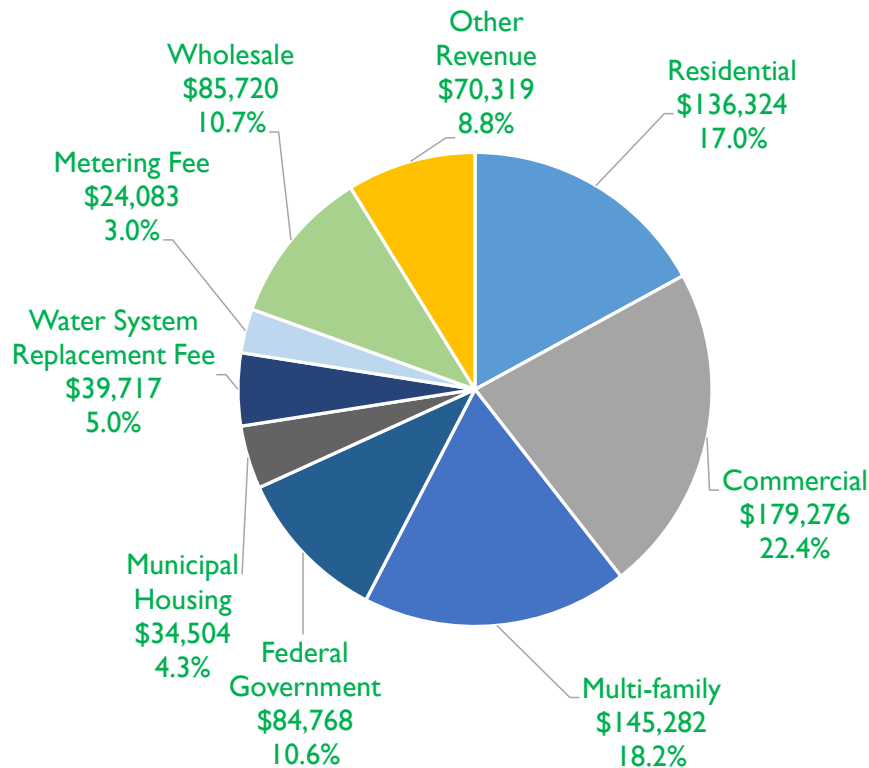
* Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons



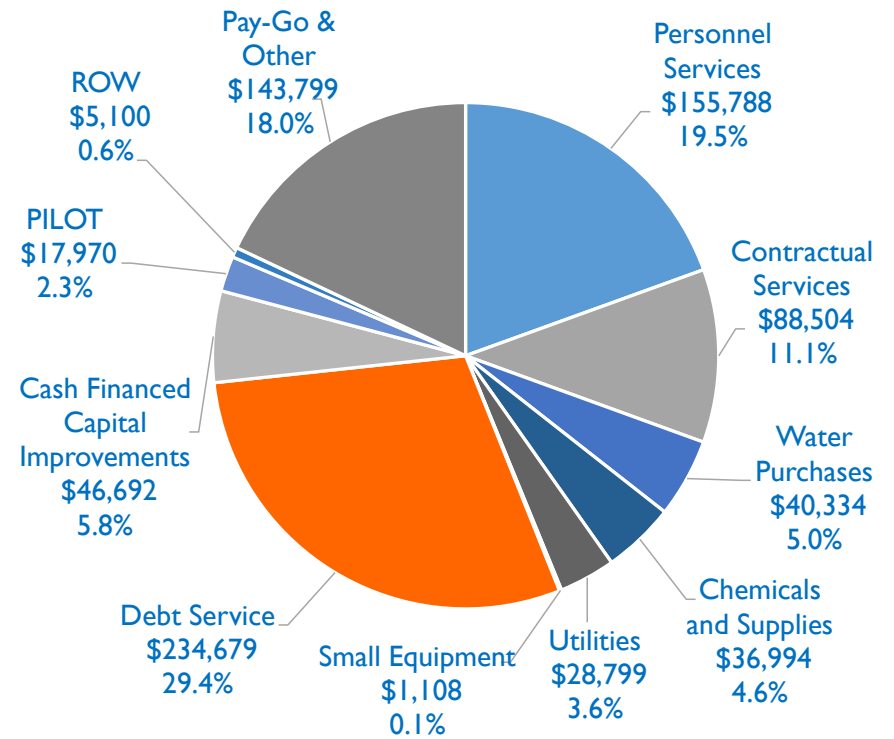
FY 2023 Operating: Sources and Uses of Funds

\$ in thousands

Sources - \$800.0 Million



Uses - \$800.0 Million

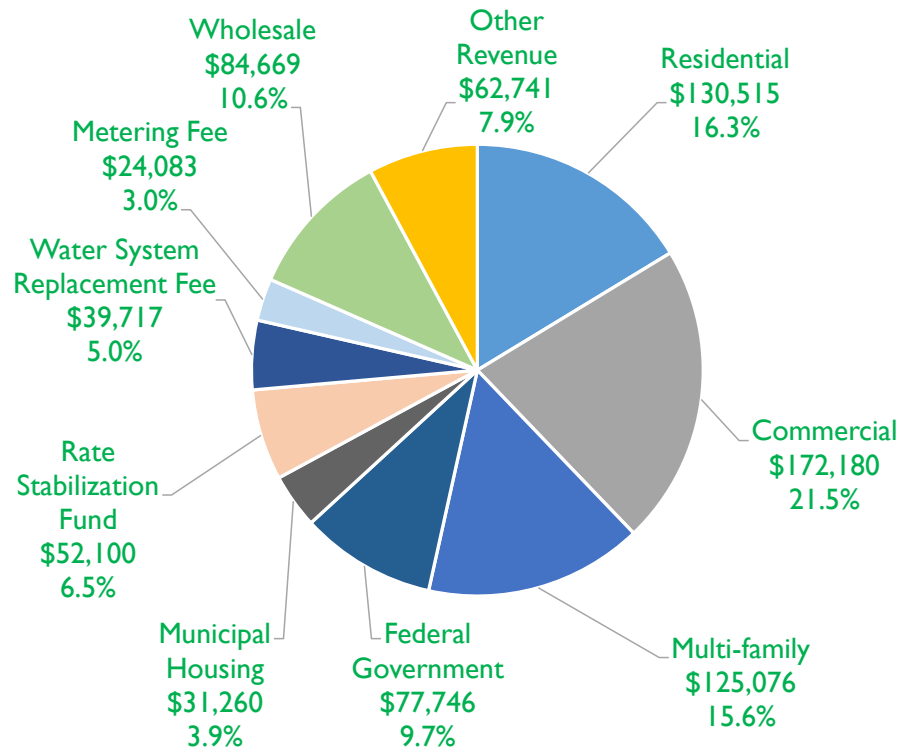




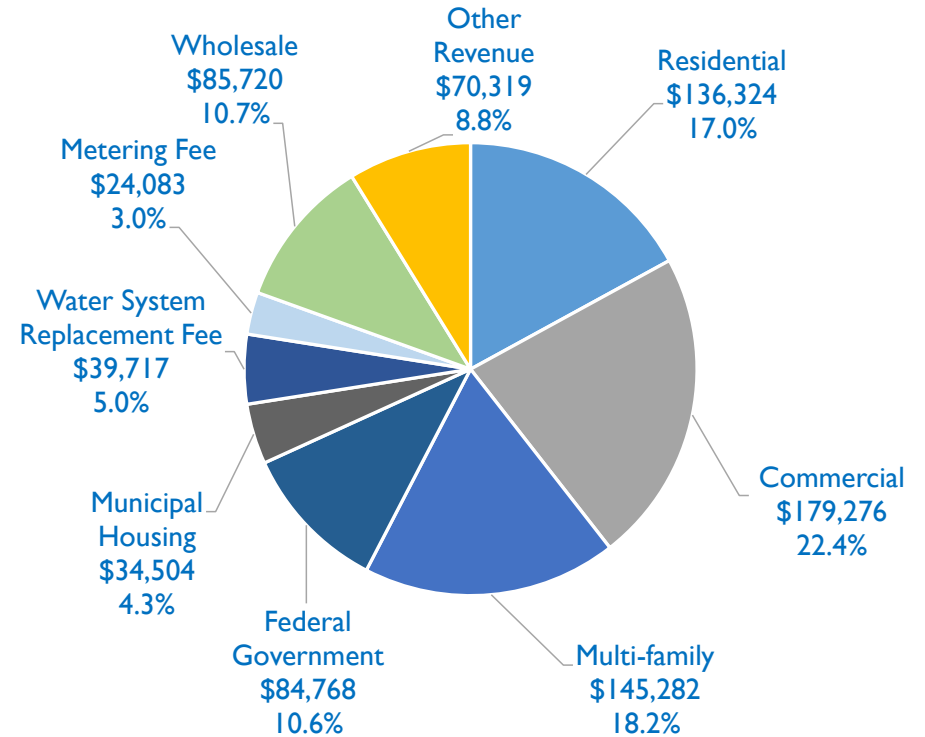
FY 2022 vs. FY 2023 Operating Revenues

\$ in thousands

Approved FY 2022 \$800.1 million *



Proposed FY 2023 \$800.0 million



* Includes \$41.6 million transfer from Rate Stabilization Fund (RSF) to the operating cash balance



Average Residential Customer Monthly Bill

	Units	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 78.92	\$ 86.07	\$ 89.03
DC Water Clean Rivers IAC ⁽²⁾	ERU	18.40	18.14	21.86
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 111.37	\$ 118.26	\$ 124.94
Increase / Decrease		\$ 7.29	\$ 6.89	\$ 6.68
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.74	\$ 6.90	\$ 7.01
Total Amount Appearing on DC Water Bill		\$ 118.11	\$ 125.16	\$ 131.95
Increase / Decrease Over Prior Year		\$ 7.40	\$ 7.05	\$ 6.79
Percent Increase in Total Bill		6.7%	6.0%	5.4%

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) Assumes average 1 Equivalent Residential Unit (ERU)

(3) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(4) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015



Caring for Our Customers

DC Water offers some of the nation's most financially supportive customer assistance programs:

Lifeline Rate

- Provides a discount to residential customers on the first 2,992 gallons used each month

CAP

- Provides monthly discounts to residential customers with household incomes less than \$129,000 (family of four)

One-Time Assistance

- SPLASH provides one-time emergency assistance to customers
- New programs for residential and multi-family customers

Payment Terms

- DC Water provides flexible payment terms for customers to get back on track



Seniors with incomes up to \$90,300 can qualify for discounts
(single family household)

For more information see: dcwater.com/customer-assistance



CAP

60% SMI

\$82,538 (family of 4)

Discount on the first 400 cubic ft. of water and sewer services + 75% reduction in the monthly CRIAC fee + WSRF waiver

\$80/month discount

CAP2

80% AMI

\$103,200 (family of 4)

Discount on the first 300 cubic ft. of water and sewer services + 50% reduction in the monthly CRIAC fee

\$52/month discount

CAP3

100% AMI

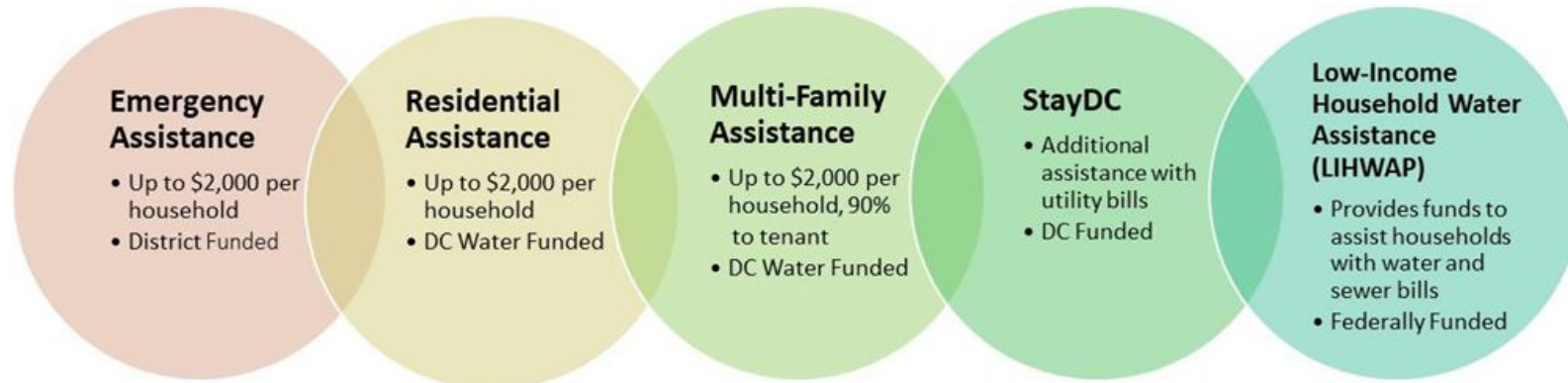
\$129,000 (family of 4)

Discount of 75% off the monthly CRIAC fee

\$14/month discount

CRIAC Non-Profit Relief

District-funded program to assist Non-profit organizations with Clean Rivers Impervious Area Charge (CRIAC)





Average CAP Customer Monthly Bill

	Units	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 78.92	\$ 86.07	\$ 89.03
DC Water Clean Rivers IAC	ERU	18.40	18.14	21.86
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 111.37	\$ 118.26	\$ 124.94
Increase / Decrease		\$ 7.29	\$ 6.89	\$ 6.68
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.04	\$ 3.20	\$ 3.31
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.74	\$ 6.90	\$ 7.01
Total Amount		\$ 118.11	\$ 125.16	\$ 131.95
Increase / Decrease Over Prior Year		\$ 7.40	\$ 7.05	\$ 6.79
Percent Increase in Total Bill		6.7%	6.0%	5.4%
Less: CAP Discount (4 Ccf per month) ^{(1), (2)}		\$ (60.08)	\$ (65.28)	\$ (67.52)
Water System Replacement Fee (WSRF) ⁽³⁾		(6.30)	(6.30)	(6.30)
Clean Rivers IAC ⁽⁵⁾		(13.80)	(13.61)	(16.40)
Total Amount Appearing on DC Water Bill		\$ 37.93	\$ 39.97	\$ 41.73
Increase / Decrease Over Prior Year		\$ 4.12	\$ 2.04	\$ 1.76
CAP Customer Discount as a Percent of Total Bill		-67.9%	-68.1%	-68.4%

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) Expansion of CAP program in FY 2009 assumes discount to first 4 Ccf of Water and Sewer and to first 4 Ccf of PILOT and ROW in FY 20

(3) Assumes 100 percent discount for Water System Replacement Fee (WSRF) to CAP customers effective October 1, 2015

(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) Assumes 75% discount for the Clean Rivers IAC effective October 1, 2020.



CAP, CAP2 and CAP3 Discounts

💧 CAP, CAP2 and CAP3 discounts and income thresholds

Program	Income Threshold ⁵	Charges (Discounts)	Current FY 2022	Proposed FY 2023	Proposed FY 2024
CAP ²	\$82,538 (60% SMI)	Total Amount before Discounts ¹	\$118.11	\$125.16	\$131.95
		Discounts	(80.18)	(85.19)	(90.22)
		Total Amount Appearing on DC Water Bill	\$37.93	\$39.97	\$41.73
CAP ² ³	\$103,200 (80% AMI)	Total Amount before Discounts ¹	\$ 118.11	\$ 125.16	\$ 131.95
		Discounts	(52.01)	(55.69)	(59.17)
		Total Amount Appearing on DC Water Bill	\$ 66.10	\$ 69.47	\$ 72.78
CAP ³ ⁴	\$129,000 (100% AMI)	Total Amount before Discounts ¹	\$ 118.11	\$ 125.16	\$ 131.95
		Discounts	(13.80)	(13.61)	(16.40)
		Total Amount Appearing on DC Water Bill	\$ 104.31	\$ 111.55	\$ 115.55

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) CAP provides a discount on the first 400 cubic feet (3,000 gallons) of water and sewer services, 75 percent reduction in the monthly CRIAC fee and WSRF waiver

(3) CAP2 provides a discount on the first 300 cubic feet (2,250 gallons) of water and sewer services (with the exception of PILOT and ROW fees) and a 50 percent reduction in the monthly CRIAC fee

(4) CAP3 provides discount of 75 percent off of the monthly CRIAC

(5) Income Thresholds are based on a family of four



Proposed FY 2023 & FY 2024 Rates, Charges & Fees

	Units	Approved FY 2022	Proposed FY 2023	Proposed FY 2024	Incr. /(Decr.) FY 2023		Incr. /(Decr.) FY 2024	
					\$	%	\$	%
DC Water Retail Rates – Water:								
Residential – Lifeline (0- 4 Ccf)	Ccf	\$3.63	\$4.28	\$4.38	\$0.65	17.9%	\$0.10	2.3%
Residential – (> 4 Ccf)	Ccf	4.74	5.58	5.70	0.84	17.7	0.12	2.2
Multi-family	Ccf	4.15	4.90	5.00	0.75	18.1	0.10	2.0
Non-Residential	Ccf	4.91	5.78	5.89	0.87	17.7	0.11	1.9
DC Water Retail Rates – Sewer	Ccf	10.64	11.26	11.70	0.62	5.8	0.44	3.9
DC Water Clean Rivers IAC	ERU	18.40	18.14	21.86	-0.26	-1.4	3.72	20.5
DC Water Customer Metering Fee	5/8”	7.75	7.75	7.75	-		-	
DC Water System Replacement Fee	5/8”	6.30	6.30	6.30	-		-	
District of Columbia PILOT Fee	Ccf	0.56	0.59	0.61	0.03	5.4	0.02	3.4
District of Columbia Right of Way Fee	Ccf	0.19	0.19	0.19	-		-	
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	-		-	
Groundwater Fee	Ccf	2.83	3.42	3.50	0.59	20.8	0.08	2.3
WAD Rate	Ccf	3.03	3.21	3.30	0.18	5.9	0.09	2.8



Revenue Comparison by Customer Class

- Total revenue is projected to decrease by \$0.1 million for FY 2023 and increase by \$27.7 million or 3.5% for FY 2024 due to rate increases. If \$41.6 million RSF transfer to FY 2022 ending cash balance is excluded, the FY 2023 is projected to increase by \$41.5 or 5.5%
 - *Retail Revenue* – Increase by \$43.4 million or 7.2% in FY 2023 and \$22.0 million or 3.4% in FY 2024
 - *Wholesale Revenue* – Increase by \$1.1 million or 1.2% in FY 2023 and increase by \$3.4 million or 4.0% for FY 2024 due to operations and maintenance expense projection. Revenue estimates are based on most recent flow data.

\$ in thousands	Approved FY 2022	Proposed FY 2023	Proposed FY 2024	FY 2023 vs FY 2022		FY 2024 vs FY 2023	
				Incr/(Decr)		Incr/(Decr)	
				\$	%	\$	%
Retail Revenue	\$600,577	\$643,954	\$665,949	\$43,377	7.2%	\$21,995	3.4%
Wholesale Revenue							
Potomac Interceptor (PI)	3,547	3,547	3,547	-	0.0%	-	0.0%
Loudoun County Sanitation Authority (LCSA)	6,897	7,409	7,724	512	7.4%	315	4.3%
Washington Suburban Sanitary Commission (WSSC)	59,049	60,599	63,109	1,550	2.6%	2,510	4.1%
Fairfax County*	15,176	14,165	14,762	(1,011)	-6.7%	597	4.2%
Total Wholesale Revenue	\$84,669	\$85,720	\$89,142	\$1,051	1.2%	\$3,422	4.0%
Other Revenue	62,741	70,319	72,614	7,578	12.1%	2,295	3.3%
Rate Stabilization Fund (RSF)	52,100	-	-	(52,100)	-100.0%	-	0%
Total Revenues**	\$800,087	\$799,993	\$827,705	(\$94)	0.0%	\$27,712	3.5%

* The reduced revenues for Fairfax reflects decrease in percentage flow in 2021 (9.16%) as compared to 9.78% that was used in FY22 approved budget last year. Most recent flow that is available at the time of preparing the projections is used to estimate revenue. However, actual costs will be distributed, and revenues recouped using actual flows for FY 2023 and FY 2024.

**FY 2022 receipts include \$41.6 million RSF amount, which was transferred to ending cash balance.



Recommendations

- **Recommend to the full Board the adoption of the proposed FY 2023 and FY 2024 rates, charges and fees**
 - 6.0% increase in FY 2023
 - 5.4% increase in FY 2024
 - **Groundwater Rate:**
 - 21.0% increase in FY 2023
 - 2.3% increase in FY 2024
 - **High Flow Filter Backwash Sewer Rate:**
 - 6.0% increase in FY 2023
 - 2.8% increase in FY 2024



Next Steps



Committee Workplan Timelines

DC Retail Water & Sewer Rates Committee Reviews, Recommendations, and Actions	Dates
Update Committee on Proposed FY 2023 & FY 2024 Rates	January 25, 2022
Committee Recommendation on Proposed FY 2023 & FY 2024 Rates	February 22, 2022
Independent Review of Proposed FY 2023 & FY 2024 Rates and Budget by Consultant	February 22, 2022
Board approval of Notice of Proposed Rulemaking (NOPR) for Proposed FY 2023 & FY 2024 Rates	March 3, 2022
Public Hearing	May 11, 2022
Committee Recommendation on Final FY 2023 & FY 2024 Rates	June 28, 2022
Board approval of Notice of Final Rulemaking (NOFR) for Proposed FY 2023 & FY 2024 Rates	July 7, 2022
Rates go-live	October 1, 2022 (FY 2023) October 1, 2023 (FY 2024)



Next Steps

- 💧 Board meeting to be held on July 7, 2022, for Board approval to:
 - Adopt proposed FY 2023 & FY 2024 rate, charges & fees
- 💧 October 1, 2022 implementation (FY 2023 rates, charges & fees)
- 💧 October 1, 2023 implementation (FY 2024 rates, charges & fees)



Appendix



Board Policy in Setting Rates Resolution #11-10

- DC Water strives to achieve the following, per Board policy:
 - Cover current costs and meet or exceed all bond and other financial requirements as well as goals set by the Board
 - Yield a reliable and predictable stream of revenues
 - Are based on annually updated forecasts or operating and capital budgets
 - A rate structure that is legally defensible, based on objective criteria, and transparently designed
 - A rate structures that customers can understand and DC Water can implement efficiently
 - Rate increases that are implemented transparently and predictably
- To the extent annual revenues exceed costs, the Board will utilize all available options to mitigate future customer impacts and annual rate increases, including transferring excess funds to the Rate Stabilization Fund





Establishment of Rates

- The Board of Directors approves the Budget and the Financial Plan that determines the revenue requirements to operate and maintain water and sewer infrastructure, upgrade our facilities, and improve the environment.
- The Board of Directors approves DC Water's proposed rates, charges and fees after:
 - Presentation of Operating and Capital Costs for the applicable rate period to the Environmental Quality and Operations, Finance and Budget, and DC Retail Water and Sewer Rates Committee;
 - Presentation of the Cost of Service Study and publication on DC Water's website;
 - Presentation of the Independent Review of Rates and Budget by Consultant and publication on DC Water's website;
 - Submittal of Cost of Service Study and Independent Review of Rates and Budget to Mayor and Council;
 - Publication of the rate proposal in the *D.C. Register* for public comment;
 - Holding a Public Hearing to receive comments on the rate proposal, held not less than 45 days after publication of the rate proposal in the *D.C. Register*;
 - Review of comments received during the public comment period and during the Public Hearing and DC Water's response to comments, and publication of both on DC Water's website; and
 - Recommendation from the DC Retail Water and Sewer Rates Committee and General Manager.



Establishment of Rates

- Water and sewer utilities recover costs in a variety of ways;
- DC Water's rates must be just, equitable, reasonable, well explained, and based on cost of service principles:
 - The proposed rates are just and reasonable, and they are sufficient, equitable, and consistent in their proposed application to our customer classes;
 - Rates support expenditures that have been discussed in detail at the Board's Budget Workshop, and in Environmental Quality and Operations, Finance and Budget, and Retail Rate Committee meetings; and
 - Raftelis conducted the most recent Cost of Service Study, and its results support our rate proposal.





Public Outreach

- DC Water met with stakeholders at various community outreach events
- Held two in-person Town Halls
- Held two on-line Town Halls
- Virtual briefing to members of AOBA
- Virtual briefing to Constituent Services Directors for Councilmembers
- Virtual briefing to Mayor's Office of Community Relations staff (MOCRS)
- Virtual briefing to local non-profit community partners



- The meetings were widely publicized through numerous channels, including:
 - Councilmember Offices
 - Advisory Neighborhood Commissions (ANCs)
 - MOCRS
 - Email
 - DCWater.com website
 - Twitter, Facebook and Instagram
 - Nextdoor
 - Paid digital and print advertising
 - What's On Tap monthly customer newsletter



Average Residential Consumption Comparison

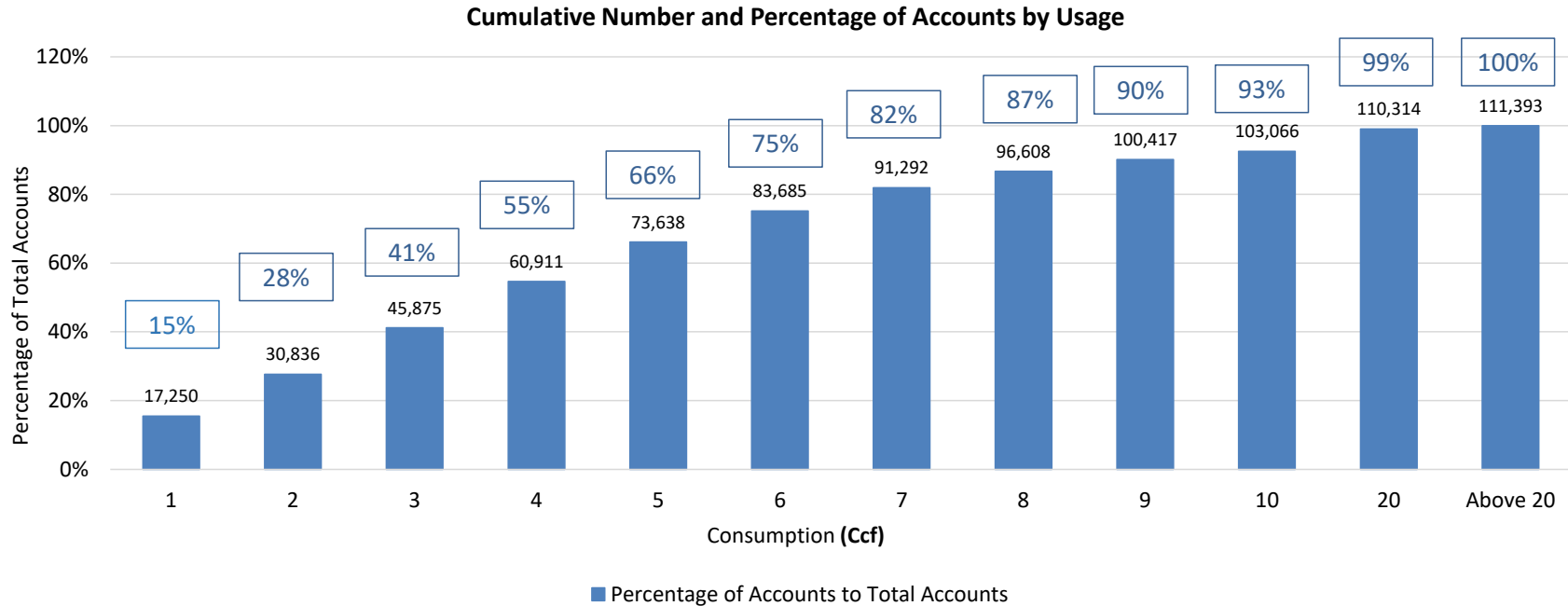
- 💧 The current residential use in FY 2021 is about 5.42 Ccfs that DC Water has used since FY 2020
- 💧 Since FY 2009, average household water use has declined by 22 percent





Average Residential Customer Monthly Bill

- 💧 **Average Residential Customer Monthly bill based on 5.42 Ccf, or 4,054 gallons**
- 💧 **Gives most households a year over year representation of their water bill:**





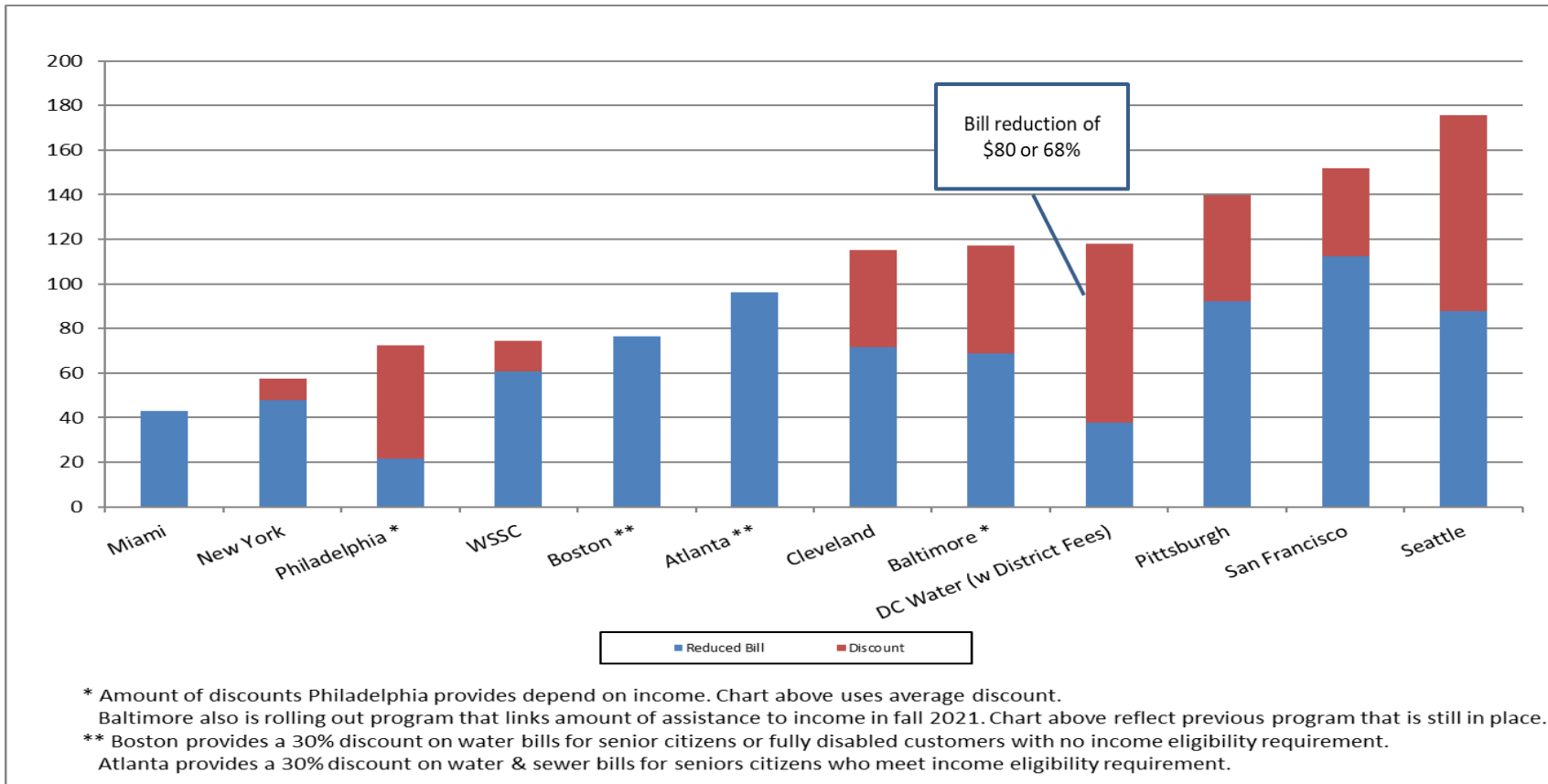
LIHWAP

- 💧 Low Income Household Water Assistance Program (LIHWAP) was created through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act (ARP) of 2021
- 💧 In DC, the new program, that is administered by DOEE, provides one-time residential customer assistance up to \$5,000 per fiscal year to customers with disconnected water service, pending disconnections, and/or seeking help with current water bills
 - Customer will receive assistance for whichever is greater between the current past due balance or 25% of annual bills, or \$250
- 💧 Eligibility - 60% state median income (aligns with CAP income requirements)
- 💧 FY22 Funding - \$2.4 million (\$2.0 million for assistance and \$400,000 for admin costs)

Total Customers	FY 2022 Actual	FY 2022 Budget	FY 2022 Remaining Budget
2,816	\$1,795,507	\$2,000,000	\$204,493



SFR Monthly Bills – Comparison of Charges with & without Income – Based Affordability Programs



- Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
 Note: Reflects rates and fees in place as of December 1, 2021.



Multi-Year Rate Proposal

- **Proposed rates are for FY 2023 and FY 2024**

- **Multi-year rates provide many benefits:**

- Revenue certainty
- Budget discipline
- Expenditures better aligned with revenues
- Favorable credit rating agency treatment
- Better predictability for our ratepayers

- **Potential risks / considerations:**

- Reduced financial flexibility
- Limited ability to modify approved rate increases, if necessary
- Conservatism in financial projections



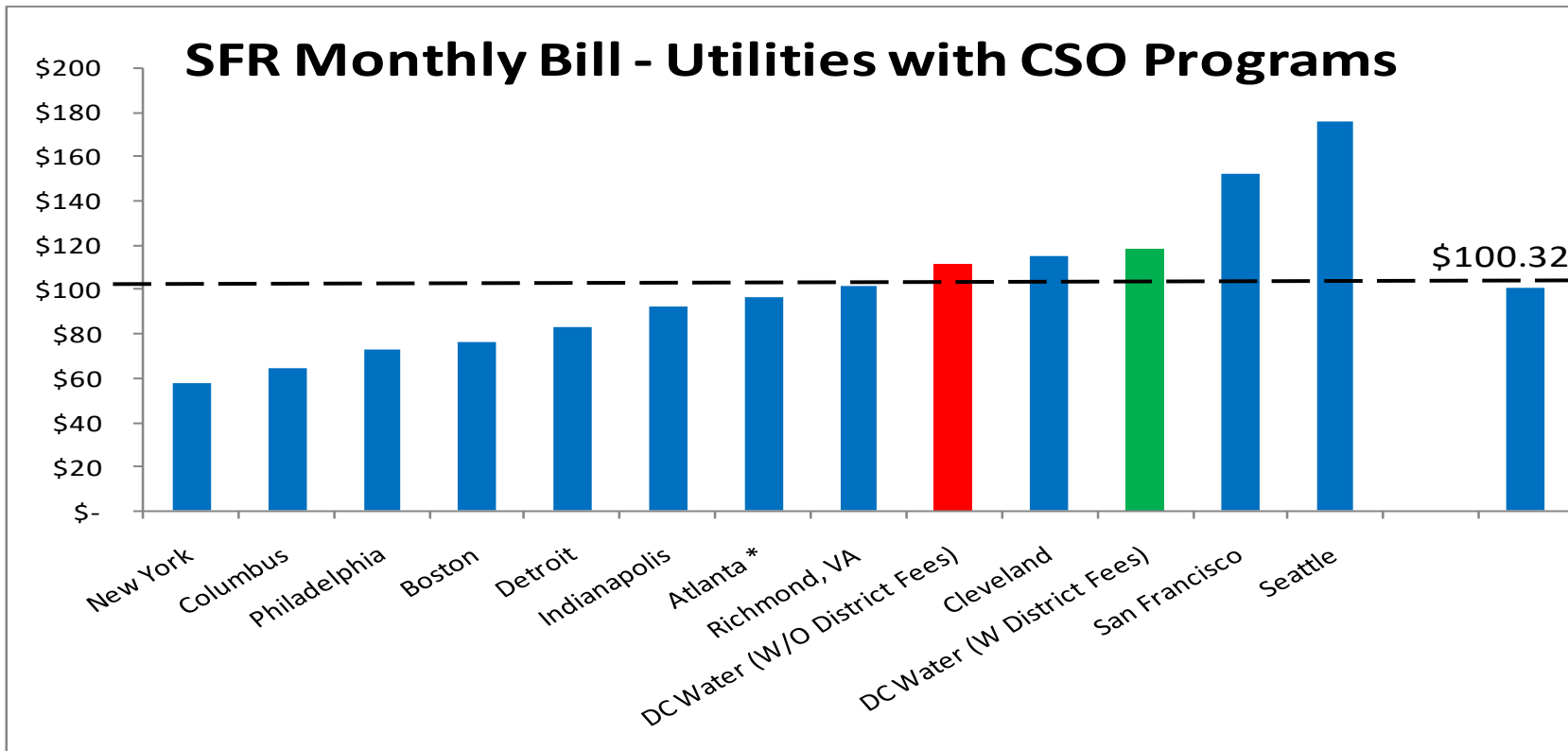
Multi-Year Rate Plan Considerations

- 💧 DC Water recovers only the funds necessary to fund the Operating and Capital Budgets through rates
- 💧 One of the fastest growing expenditure category is debt service for the capital program, which has grown an average of 6.5% a year since 2016
- 💧 As part of the budget, DC Water presents the rates required to support the CIP and forecasted operating expenditures
 - Rates are reviewed and approved by the DC Water Board every two years
 - The financial plan, including the forecast of rates, is proposed to the Board for consideration
- 💧 Customer Assistance Programs provide discounts for residential customers
 - Income requirements for those programs every year
 - In FY 2021 the discount was increased for customers in the CAP program to ensure that rates comprised a lower portion of household income





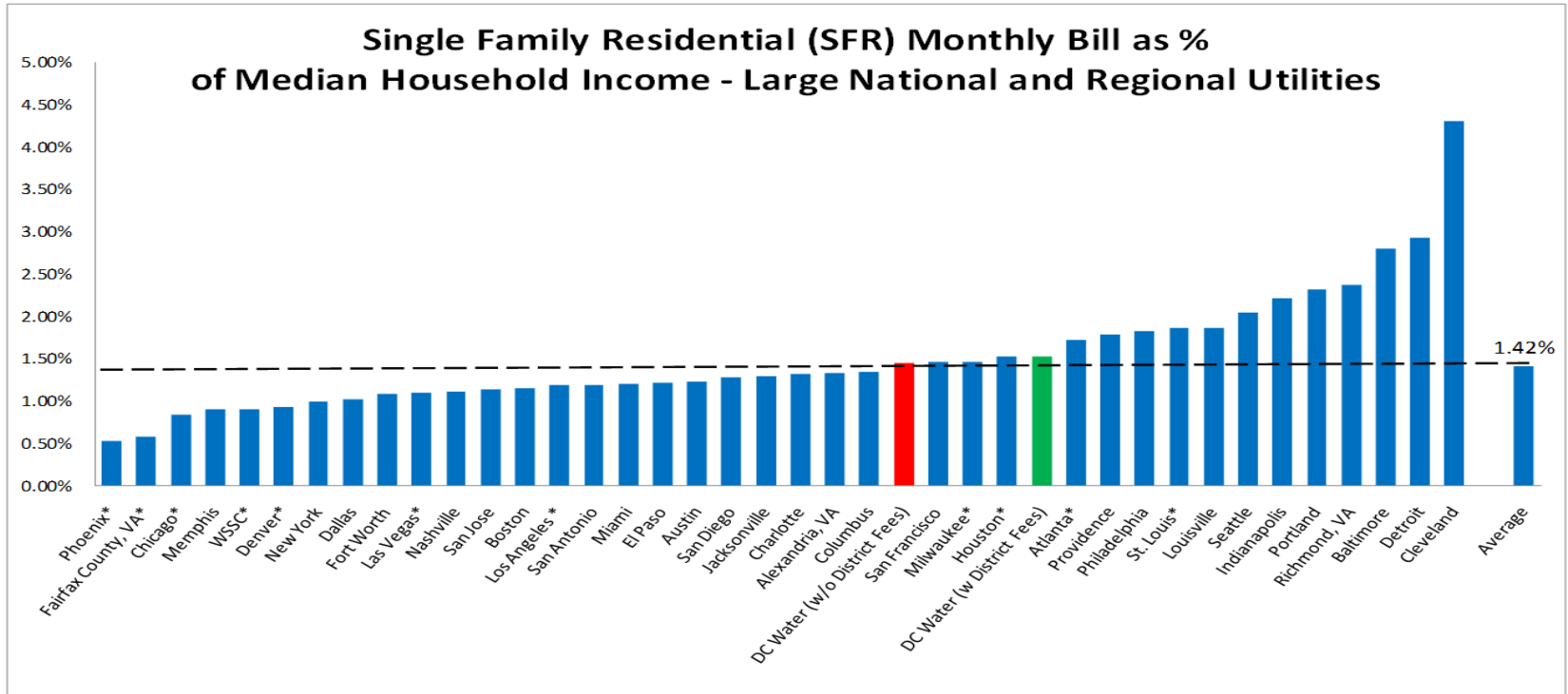
DC Water Compared to CSO Communities



- Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
- Reflects rates and fees in place as of December 1, 2021. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services



Comparative User Charges as % of Median HH Income – Large National & Regional Utilities



■ Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
 Note: Reflects rates and fees in place as of December 1, 2021. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.



Financial Plan Objectives

- DC Water’s 10-year financial plan serves as the fiscal roadmap to achieve the Board’s strategic plan
- It is one of management’s key tools to monitor progress in meeting financial goals and targets
- It also ensures meeting or exceeding all debt-related legal and policy requirements, as well as maintaining sufficient liquidity to meet all current financial obligations
- DC Water’s financial plan objectives focus on:
 - Minimizing rate increases while meeting all financial obligations;
 - Satisfying all indenture requirements and Board policies; and
 - Maintaining DC Water’s current credit ratings of AAA/Aa1/AA+



Ten-Year Financial Plan Assumptions

- Maintain Debt Service as a percentage of revenue equal to 33.0 percent or less
- Maintain combined coverage of 160 percent
- Maintain 250 days of cash excluding Rate Stabilization Fund
- FY 2021 actual consumption declined by 2.0 percent. Assumed 12.0 percent decline in consumption in Commercial category in FY 2022 and 1.0 percent conservation each year for all other categories for FY 2022 and onwards
- FY 2021 Debt Service was lower as compared to budget due to deferring bond issuance, refunding and achieving lower interest than projected. The new plan assumed lower interest rates with slightly lower Debt Service projections



Ten-Year Financial Plan

\$ in thousands

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING										
Retail*	\$ 622,165	\$ 667,024	\$ 689,378	\$ 735,355	\$ 778,670	\$ 830,705	\$ 879,018	\$ 939,516	\$ 991,672	\$ 1,041,654
Wholesale*	84,669	85,720	89,142	91,817	94,571	97,408	100,330	103,340	106,440	109,634
Other	41,153	47,249	49,184	51,608	55,781	60,678	59,678	58,527	58,854	59,895
RSF	52,100	-	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 800,087	\$ 799,993	\$ 827,705	\$ 878,779	\$ 929,022	\$ 988,791	\$ 1,039,026	\$ 1,101,383	\$ 1,156,967	\$ 1,211,182
Operating Expenses	(364,345)	(374,597)	(386,094)	(398,023)	(409,935)	(422,213)	(434,869)	(447,914)	(461,361)	(475,221)
Debt Service	(223,513)	(234,679)	(245,482)	(272,262)	(289,036)	(311,322)	(338,312)	(358,587)	(367,280)	(374,011)
Cash Financed Capital Improvement	\$ (37,830)	\$ (46,692)	\$ (48,256)	\$ (58,828)	\$ (70,080)	\$ (74,763)	\$ (79,112)	\$ (84,556)	\$ (89,251)	\$ (93,749)
Net Revenues After Debt Service	\$ 174,400	\$ 144,025	\$ 147,872	\$ 149,666	\$ 159,971	\$ 180,492	\$ 186,733	\$ 210,326	\$ 239,076	\$ 268,202
Operating Reserve-Beg Balance	196,286	235,600	242,600	251,600	261,600	266,600	276,600	284,600	293,600	300,600
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(8,460)	(9,188)	(4,500)	-	-	-	-	-	-	-
Project Billing Refunds	-	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(126,625)	(127,837)	(134,372)	(139,666)	(154,971)	(170,492)	(178,733)	(201,326)	(232,076)	(259,202)
Operating Reserve - Ending Balance	\$ 235,600	\$ 242,600	\$ 251,600	\$ 261,600	\$ 266,600	\$ 276,600	\$ 284,600	\$ 293,600	\$ 300,600	\$ 309,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)
Senior Debt Service Coverage	589%	539%	646%	707%	681%	649%	666%	719%	724%	767%
Combined Debt Service Coverage	201%	187%	188%	185%	188%	190%	186%	189%	196%	204%
Actual/Projected Water/Sewer Rate Increases	7.8%	9.5%	3.3%	10.0%	7.5%	8.5%	8.0%	8.0%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
Retail	37,277	44,859	22,354	45,976	43,315	52,036	48,313	60,498	52,156	49,981
Wholesale	1,682	1,051	3,422	2,674	2,754	2,837	2,922	3,010	3,100	3,193
*Operating Receipts % Increase/Decrease										
Retail	6.4%	7.2%	3.4%	6.7%	5.9%	6.7%	5.8%	6.9%	5.6%	5.0%
Wholesale	2.0%	1.2%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

⁽²⁾ FY 2023 planned transfer of \$0.0 million to Rate Stabilization Fund and \$0.0 million utilization will keep the total fund balance at \$35.644 million.



Financial Metrics

Metrics	Indenture Requirement	Board Policy	Management Target	Financial Plan
Days of Cash on Hand (excluding RSF)	60 days	250 Days	—	250 - 253 Days
Combined Coverage Ratio	—	1.6X	—	1.85X – 2.04X
Senior Coverage	1.2X	—	—	5.39X – 7.67X
Subordinate Coverage	1.0X	—	—	2.16X – 2.54X
Debt Service as a % of Revenue	—	—	33% of Revenue or Less	29.5% - 33.0%
Rate Stabilization Fund (RSF)	—	—	—	



Customer Impacts

- Approved rates for FY 2022 and proposed rates for FY 2023 and FY 2024
- Customer Impacts

Residential Avg. Ccf 5.42, ERU 1	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Water & Sewer Rate (%)	7.8%	9.5%	3.25%	10.0%	7.5%	8.5%	8.0%	8.0%	7.5%	7.5%
CRIAC (\$/ERU)	\$18.40	\$18.14	\$21.86	\$22.27	\$23.92	\$25.83	\$26.88	\$29.86	\$31.15	\$31.43
Avg. Customer Bill (\$)	\$118	\$125	\$132	\$141	\$150	\$161	\$171	\$185	\$196	\$207
Avg. Customer Bill (%)	6.7%	6.0%	5.4%	7.1%	6.4%	7.3%	6.3%	7.6%	6.1%	5.7%
Multi-family Avg. Ccf 86.14, ERU 6.83	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Water & Sewer Rate (%)	7.8%	9.5%	3.25%	10.0%	7.5%	8.5%	8.0%	8.0%	7.5%	7.5%
CRIAC (\$/ERU)	\$18.40	\$18.14	\$21.86	\$22.27	\$23.92	\$25.83	\$26.88	\$29.86	\$31.15	\$31.43
Avg. Customer Bill (\$)	\$1,542	\$1,661	\$1,734	\$1,882	\$2,014	\$2,172	\$2,328	\$2,509	\$2,676	\$2,851
Avg. Customer Bill (%)	6.2%	7.7%	4.4%	8.6%	7.0%	7.9%	7.2%	7.8%	6.8%	6.6%
Commercial Avg. Ccf 115.82, ERU 14.17	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Water & Sewer Rate (%)	7.8%	9.5%	3.25%	10.0%	7.5%	8.5%	8.0%	8.0%	7.5%	7.5%
CRIAC (\$/ERU)	\$18.40	\$18.14	\$21.86	\$22.27	\$23.92	\$25.83	\$26.88	\$29.86	\$31.15	\$31.43
Avg. Customer Bill (\$)	\$2,290	\$2,464	\$2,583	\$2,795	\$2,991	\$3,225	\$3,451	\$3,722	\$3,971	\$4,222
Avg. Customer Bill (%)	5.7%	7.6%	4.9%	8.2%	7.0%	7.8%	7.0%	7.9%	6.7%	6.3%

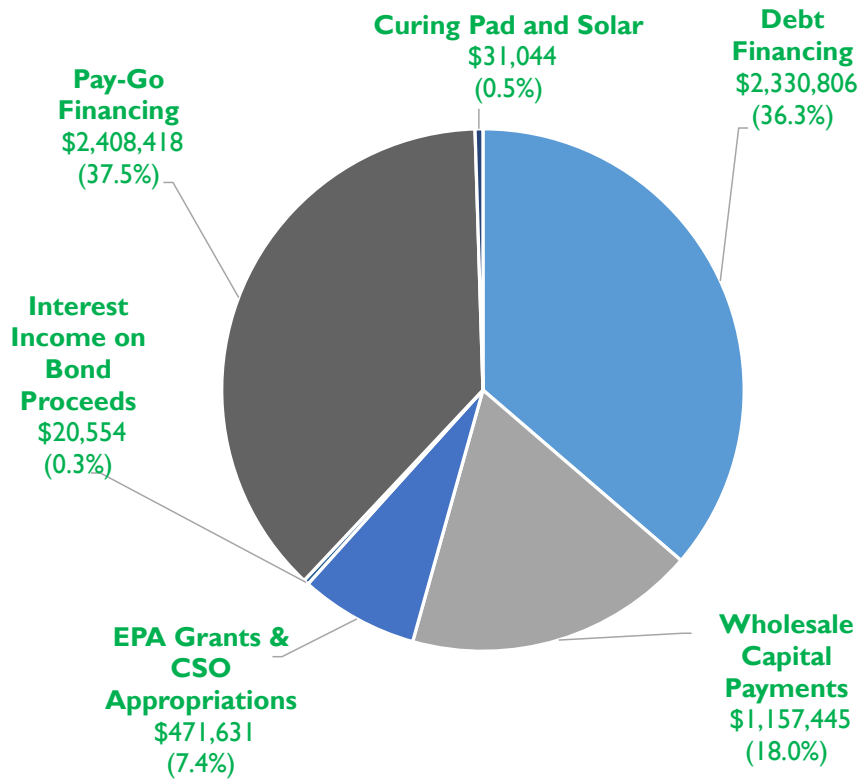
*Category-wise average consumption is based on FY 2019 average, the last normal year before COVID-19 pandemic.



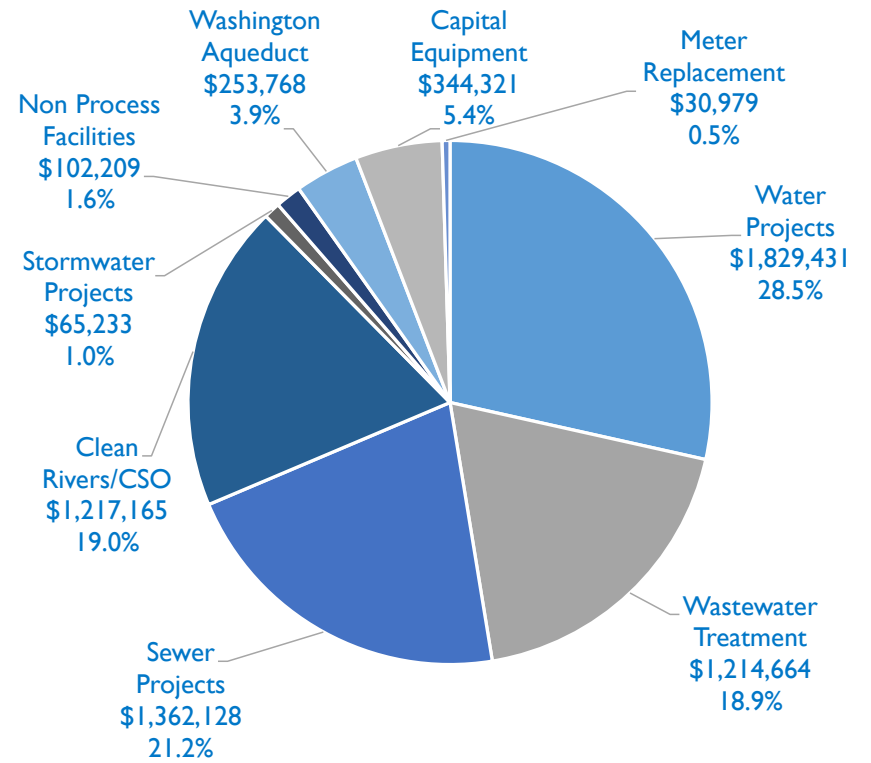
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$6.42 Billion



Uses - \$6.42 Billion





The Capital Improvement Program

- 💧 The **proposed ten-year CIP budget of \$6.4 billion** includes previous amendments to the FY 2022 budget for the Lead Free DC program, carry-over of funds for the purchase of vehicles and projected increase in the Aqueduct’s capital projects
- 💧 The **proposed lifetime budget is \$13.38 billion** and covers total commitments, including labor, for active projects prior to, during, and beyond the ten-year window

(Cash Disbursements \$ in thousands)	FY 2022 - 2031 CIP Disbursement Plan											Lifetime Budget
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	
NON PROCESS FACILITIES	31,439	12,051	28,160	14,422	6,620	3,351	1,778	387	2,000	2,000	102,208	215,847
WASTEWATER TREATMENT	85,978	78,574	117,545	116,402	132,436	165,310	129,249	121,373	126,710	141,086	1,214,664	3,445,105
COMBINED SEWER OVERFLOW	152,267	117,704	77,304	105,185	161,941	171,760	220,123	153,173	51,403	6,306	1,217,166	3,216,072
STORMWATER	7,031	11,527	5,553	5,813	4,985	6,158	4,620	4,499	6,330	8,722	65,236	120,933
SANITARY SEWER	68,084	103,383	150,828	130,967	160,400	205,946	183,824	149,256	129,368	80,069	1,362,125	2,166,442
WATER	165,313	227,116	218,339	194,652	202,046	191,451	192,665	192,324	124,683	120,842	1,829,430	3,167,891
CAPITAL PROJECTS	510,112	550,355	597,728	567,442	668,428	743,975	732,259	621,011	440,494	359,025	5,790,828	12,332,290
CAPITAL EQUIPMENT	40,519	37,021	36,156	35,307	39,671	41,813	36,203	36,203	36,203	36,203	375,302	375,302
WASHINGTON AQUEDUCT	16,875	59,628	34,749	17,164	27,825	37,122	14,723	11,940	19,831	13,911	253,768	253,768
ADDITIONAL CAPITAL PROJECTS	57,394	96,649	70,905	52,471	67,496	78,935	50,926	48,143	56,034	50,114	629,070	629,070
LABOR												416,097
TOTAL CAPITAL BUDGETS	567,507	647,004	668,633	619,913	735,924	822,910	783,185	669,154	496,528	409,140	6,419,899	13,377,458

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	Lifetime Budget
Prior Year Board Approved CIP	471,267	476,140	540,585	500,427	499,918	681,280	632,075	568,067	572,262	490,468	-	5,432,489	12,133,115
Delta (inc)/dec	471,267	(91,367)	(106,419)	(168,206)	(119,995)	(54,644)	(190,836)	(215,119)	(96,892)	(6,060)	(409,140)	(987,410)	(1,244,343)

Attachment D



Miscellaneous Fees & Charges Presentation

Presentation to the DC Retail Water and Sewer Rates Committee

June 28, 2022

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant



Purpose

Seek the Committee's recommendation to the full Board to approve to amend Miscellaneous Fees and Charges





2022 Cost of Service Study

- Raftelis consulting conducted a comprehensive review of the Miscellaneous Fees and Charges to align with the services being provided as well as the cost of providing those services

Budget-based fee calculations

- Engineering/Permitting Fees
- FOG and Cross Connection Fees
- Hydrant Flow Tests & Meter Rentals

Cost of Service-based fee calculations

- High Strength Fees

Inflation-based calculations

- Penalties
- Turn-off Charges
- Tap Fees
- Other Miscellaneous Fees

The details are available in the Appendix



Timelines

DC Retail Water & Sewer Rates Committee Reviews, Recommendations, and Actions

Dates

Update Committee on Proposed
Amendments to Miscellaneous Fees & Charges

April 26, 2022

Committee Recommendation on Proposed
Amendments to Miscellaneous Fees & Charges

April 26, 2022

Board approval of Notice of Proposed Rulemaking (NOPR) for Proposed
Amendments to Miscellaneous Fees & Charges

May 5, 2022

Public Comment Period

May 20 – June 20, 2022

Committee Final Recommendation to Approve Amendments for
Miscellaneous Fees & Charges

June 28, 2022

Board approval of Notice of Final Rulemaking (NOFR) for Proposed
Amendments to Miscellaneous Fees & Charges

July 7, 2022

Amendments to Miscellaneous Fees & Charges go-live

July 22, 2022



Public Comments

 No written comments were received



Response to Follow-up Questions from Committee Members



Response to Follow-up Questions

1) Have the Permit fee collections met expenses in the past?

- Yes in 2018, there was a rush to submit plans before SAF and a rebound in 2019. Since then, personnel expenses and IT Matrix costs have increased. Permit Review Fees will need to increase to achieve total cost recovery.

Fiscal Year	Revenue Based on Model	Expenses	FTEs	Shortfall	Comments
FY2023 (Enhanced)	\$5.79 M	\$5.75M (budget)	29	\$ -(0.25) M (4%)	With Enhancements
FY 2023	\$4.78 M	\$ 4.57M (budget)	21	\$-(0.21)M (5%)	New Fees
FY 2023	\$2.52M	\$4.57M (Budget)	21	\$ 2.05M (45%)	No New Fees
	Actual Collections	Actual Expenses			
FY 2022 (YTD, Est)	\$1.71M (\$2.52M)	\$ 4.33 M	21	\$1.39 M (36%)	Ex. 2019 Fees
FY 2021	\$ 2.12M	\$ 3.95 M	21	\$1.02 M (36%)	Covid 19
FY 2020	\$2.10 M	\$ 3.38 M	21	\$1.28 M (38%)	Covid-19
FY 2019	\$1.60 M	\$ 3.19 M	20	\$1.59 M (50%)	SAF Rebound
FY 2018	\$ 2.60 M	\$ 2.69 M	16	Even	SAF Rush
FY 2017	\$ 1.81M	\$ 2.13 M	15	0.32 M (15%)	Pre SAF



Response to Follow-up Questions (Cont'd.)

2) How will the fees fund the extra positions and will this impact normal processing?

- Normal processing will remain staffed as-is and will not change. A dedicated team performing expedited reviews only will be formed utilizing the additional staff.
- Adding staff to perform Expedited Reviews, Post Permit Customer Services and Customer Account Management will **increase revenue** above that the baseline estimate **by \$ 1.22M** which would offset the cost of 8 additional staff additional staff

No. of Positions	Mgmt.	Eng.	Techs	Account Mgmt.	Admin	Totals
Permit Operations W/O enhancements	4	6	6	3	2	21
Permit Ops With Enhancements	5	9	8	5	2	29
Budget With Enhancements						\$ 5.75 M
Budget W/O Enhancements						\$ 4.57 M
Budget for Enhanced Staff						\$1.18M



Response to Follow-up Questions (Cont'd.)

3) How were meter setter/vault fees estimates.

- Fees were established based on Labor and equipment as shown below.

	Number	Qty	Unit	Rate	Total
Meter Setter Inspection					
Meter Tech	1	2	Hours	\$85.00	\$170.00
Vehicle	1	2	hours	\$40.00	\$80.00
Total					\$250.00
Meter Vault Inspection					
Meter Tech	2	4	Hours	\$85.00	\$680.00
Vehicle	1	4	hours	\$40.00	\$160.00
Total					\$840.00



Response to Follow-up Questions (Cont'd.)

4) What was the methodology for determining fees and why are some of the fee increases a higher percentage than others?

- Fees were established first using a predictive model developed by Raftelis based on an estimated number of occurrences determined using three years of historical data.
- The first cut predictive model results were evaluated and skewed based on actual labor effort required.
- Some fees (i.e. small residential, sheeting & shoring, etc.) were greatly under charged in the past and adjusted accordingly. (See table below)
- These fees were reentered into the model and rebalanced.
- Resulting fees from the model were then rounded to their final amounts

Code	Major categories of Review Fees	Existing FEE	Proposed FEE	% Increase	% of base Revenue	Comment
2005	Small - Residential	\$700	\$1,500	114%	10%	Residential has always been too low, \$1,500 not considered onerous
060	Medium – Nonresidential	\$3,300	\$5,000	52%	25%	Not considered onerous considering the 1-2 free CPRs typically involved
2040	Large – Nonresidential	\$10,000	\$15,000	50%	48%	Not considered onerous considering the 2-3 free CPRs typically involved
2011	Odd ball – Hybrid	\$5,000	\$6,750	35%	5%	Falls in between medium and large
2046	Sheeting & Shoring	\$6,500	\$12,500	92%	12%	Have been undercharging, and a multi-disciplined review is now required
	Expedited Review	1.75X Basic	2.0 x Basic	14%	>1%	Expedited review time is half of Basic

CPR = Conceptual plan review meeting for which we do not charge and are typically an hour long involving 3 senior staff.

Expedited Review to expand with added staff – goal of 20% of major categories expedited



Response to Follow-up Questions (Cont'd.)

5) Can the revenue from the construction Inspection Fee Forfeitures be used to offset the fee increases?

- At present there are no funds set aside for developer deposits in parallel with the liabilities so there is no impact in funds because of the liability write-offs. Thus, they can not be used to offset the fee increases and remain a cost recovery outfit.

6) What is the Forfeiture Policy and what is the time frame for forfeitures, will it remain at 10-years inactive.

- The time frame is currently established in our Refunds for Merchant Account Credit Balances CFO# 2021-006 shown below. Forfeitures are initiated once an account becomes excessively inactive and a request for refund has not been made. At present that is 10-years.



Response to Follow-up Questions (Cont'd.)



Policy Number CFO# 2021-0006	Subject: Refunds for Merchant Account Credit Balances	Replaces: New
Date: July 2021		Brian T. McDermott 7/23/21

PURPOSE

The purpose of these guidelines is to establish uniform procedures for the issuance of refunds resulting from unexpended payments for Merchant ("Merch") services that create a credit balance where a refund may be requested by the Merch account owner that meets the Refund Criteria. These guidelines also establish consistent procedures for forfeiture of Merch account credit balances having excessive inactivity.

TERMS

Owner – The individual(s) or entity listed as the Merch account owner as recorded in Vertex 1 or as designated by the owner and eligible to receive refund of account credit.

Non-Owner – Any individual or entity that is not listed as the owner or designated by the owner.

Erroneous Payment – A Merch customer-initiated payment to the wrong account.

Misapplied Payment – A payment posted by an owner to the wrong account due to DC Water error.

Overpayment – An owner-initiated payment that is not erroneous or misapplied and exceeds the account charges resulting in a credit balance.

Active Account – A Merch account where charges or deposits have been recorded within the past 2 years.

Inactive Account – A Merch account which has not registered any charge or deposit activity within the past 2 years.

Excessively Inactive – A Merch account which has not shown any charge or deposit activity for 10 or more years.

Merch Account – An account created in support of a development project to offset construction inspection charges, fixed fees, deposits, or usage charges resulting from work performed on behalf of the account owner's project.

These are the Keys



Policy Number CFO# 2021-0006	Subject: Refunds for Merchant Account Credit Balances	Replaces: New
Date: July 2021		Brian T. McDermott 7/23/21

POLICY AND PROCEDURES

Refund of account credits will be processed using criteria below. All requests for refund must be submitted in writing by the account owner. Requests may be emailed to the DC Water Permit Operations Department at Construction.Inspection.Refund@dcwater.com.

A refund of the credit balance caused by unexpended payments may be requested if the following Refund Criteria are satisfied, as applicable:

- The account is not excessively inactive, and there is a credit balance.
- All site utility and building construction work has been completed and a minimum 6-month settlement period has elapsed.
- All inspection work orders have a status of complete.
- Any post construction CCTV or condition assessment has been performed and the work is accepted as incident free.
- Any billing water meter required by the project has been installed and has been active at least 3-months.
- Any/all project commercial and construction phase water accounts are current.
- DC Water has issued an inspection/project completion report.
- The written request for refund is received within two (2) years of the date of last activity.

Refunds shall not be made for Merch account credit balances that are excessively inactive. Account credit balances (unexpended payments) for Merch accounts that are excessively inactive shall be subject to forfeiture regardless of the amount. Forfeited credit balances shall be applied to the DC Water General Fund. These procedures will be applied uniformly across all types of Merch account credit balances (i.e., flat fees, reimbursable deposits, and deposits against damages). No distinction will be made or considered regarding the size or nature of the credit balance. A determination of whether an account was active, inactive, or excessively inactive will be made using the best available data at the time of refund request with information from Maximo, V1, inspections logs or eCIS.

DC Water shall regularly inform account owners of their account balances, current forfeiture policy and provide equal treatment to all account owners. The practices specified below are implemented to notify Merch account owners:



Response to Follow-up Questions (Cont'd.)



Policy Number CFO# 2021-0006	Subject: Refunds for Merchant Account Credit Balances	Replaces: New
Date: July 2021		Brian T. McDermott 7/23/21



Policy Number CFO# 2021-0006	Subject: Refunds for Merchant Account Credit Balances	Replaces: New
Date: July 2021		Brian T. McDermott 7/23/21

- 1) All project billing (Merch) statements to be generated will carry the forfeiture policy notification as follows: "Written Request for refund shall be made within 2 years of date of: 1) project completion, discontinuance or abandonment; 2) DCRA permit application abandonment [180 days], or permit revocation, abandonment or expiration; or 3) the last activity on the account, whichever is earlier. Please send your refund request to 1100 4th St SW, Suite 310 Washington, DC 20024. Failure to make timely request for a refund shall result in forfeiture of unexpended credit balance funds. See DC Official Code 34-2401.10. Water rents--Refund for erroneous payment. Please call 202-646-8600 if you need more information."
- 2) Account owners will receive a monthly statement when there is any activity on their account (i.e., a deposit is made, a fee is charged, etc.).
- 3) Annually, account statements will be generated and mailed to account owners for all project billing Merch accounts, irrespective of whether there was any activity on the account. This will provide notification to account owners who have not had any activity during the year as well as remind them of the forfeiture policy.
- 4) When account credits are forfeited due to excessive inactivity, a zero-balance statement will be generated and mailed to the account owner's last address on record.
- 5) The account statement shall note the debit as "Forfeiture \$123,456.00" with the following statement under IMPORTANT MESSAGE:

Account credit balance have been forfeited. In accordance with DC Official Code § 34-2401.10, a request for a refund of the account credit balance was not submitted within 2 years of the date all work ceased/completed on the project at the above referenced address and the account registered any charge or deposit activity. Additional information regarding MERCH account forfeiture criteria is available at <https://www.dewater.com/permit-announcements>.

Forfeiture Dispute

The Merch account owner or their authorized representative may challenge the forfeiture debit on the bill by sending a written dispute to DC Water within thirty (30) calendar days after the Bill Date, stating the reasons why the forfeiture action is incorrect and providing supporting documentation for consideration. DC Water

will review the disputed forfeiture and issue a written decision. If the Merch account owner is not satisfied with DC Water's decision, they may submit a written request for an administrative hearing within fifteen (15) calendar days of the decision. For more information on your rights please visit us at www.dewater.com/disputing-bill.

REFUND INFORMATION

Further information on interpreting your statements or the refund procedure and required information can be found at <https://www.dewater.com/permit-announcements> or by calling the Permit Operations Department at (202) 646-8600.



Recommendations

- 💧 Recommend to the full Board to approve the Notice of Final Rulemaking (NOFR) to amend Miscellaneous Fees and Charges, effective July 22, 2022



Next Steps



Next Steps

- 💧 Board meeting to be held on July 7, 2022, for Board approval to Amend Miscellaneous Fees & Charges
- 💧 July 22, 2022 implementation (Amended Miscellaneous Fees & Charges)



Appendix



Budget-Based Fee Calculations



Engineering/Permitting Fees

- 💧 Total target revenue of \$5.75 million (\$4.57M FY23 + \$1.18M add staff)
 - Increase from \$3 million in the 2018 study
 - FY21 actual permit revenues were \$2.12 million, whereas actual operating expenses were \$3.95 million
 - The revenue did not cover the cost of service provided because the estimated cost used in the last study was lower than the actual cost
- 💧 Higher fees necessary to support the FY 2023 Budget and staff expansion
 - Basic fees computed with additional staff to provide
 - Expedited services
 - Post Permit Customer support
 - Expanded Developer Business Support due to new accounting program
 - Factors in some inflation to account for the 3-year fee update cycle



Engineering/Permitting Fees (Cont'd.)

- “Top down” methodology for fee development; fees were aligned with targets based on previous fees and anticipated quantities of permits
- Fees presented in Appendix I

Year	Budget	Enhancements	Total Target
FY 23 Budget with inflation	\$4.57M	\$1.18M	\$5.75M
FY 22 Budget Current	4.328M	-	\$4.328M



Proposed Permit Operations Positions Based on New Fees and Services

- 💧 Fees updated to cover revenue shortfall and staff expansion for:
 - Expedited permit review capability
 - New Post Permit Customer Service
 - Expanded Developer Business Support

No. of Positions	Existing	Proposed	Additional
Permit Management /Admin	4	4	0
Permit Plan Review Staff	14	16	2
Developer Business Support	3	5	2
Post Permit Customer Support	0	4	4
Total Positions	21	29	8



Proposed New Engineering Fees

- 💧 Water Service Connection (WCONN) - Charge for DC Water staff to provide field inspection, valve shuts, check and notify services required for the insertion of a new water service connection of 3” or greater. Previously this service has initiated a \$2,500 reimbursable fee. This field and office work is always performed but often not charged. Changing this to a fixed fee will reduce the clerical effort of account generation and refunding, making it immediate revenue.
 - Recommended Fixed Fee = \$2,500
- 💧 Meter Setter Inspection and Reinspection - DC Water staff to field inspect and verify that meter setter is properly set and meter ready prior to installing the water meter. This will increase the reliability of our data base and reduce/eliminate small diameter services using a jumper instead of a meter.
 - Recommended Fixed Fee = \$250 each occurrence
- 💧 Meter Vault Inspection and Reinspection - DC Water Staff field inspection by meter branch to verify that the meter vault is to specifications, that it is safe, that there is adequate provision for transmitter.
 - Recommended Fee = \$1,000 each occurrence



Proposed New Engineering Fees (Cont'd.)

💧 Construction Phase Customer Support - a proactive, white glove approach to contractor customer Service. The contractors have difficulty finding the correct entity at DC Water to coordinate with (Water services, Sewer services, Meter branch, Customer Service, Permits, etc.). This fee would support a one stop shop to proactively manage the construction phase and ensure applications for taps, connections, meter sets and inspections happen when they should. This management would include checks on work order status and as-built preparation. This will enhance the integrity of our GIS/utility data and will make the refund process go much smoother if all work orders are routed to completion.

■ Recommended Fees

- Small/Residential: \$500
- Small Nonresidential: \$2,000
- Large or Sheet and Shore: \$4,500



Proposed New Engineering Fees (Cont'd.)

- 💧 These are new fees to address the review of plans to build infrastructure that does not include the building. This is often a phase I scenario, which is not covered in our existing fee structure and needs to be added.
- 💧 **Utility Infrastructure Only Review Fee** – Impact area from 0-1,000 LF of water/sewer mains
 - Recommended Fees: Regular: \$10,000 Expedited: \$20,000
- 💧 **Utility Infrastructure Only Review Fee** – Impact area from 1,000-2,500 LF of water/sewer mains
 - Recommended Fees: Regular: \$15,000 Expedited: \$30,000
- 💧 **Utility Infrastructure Only Review Fee** – Over 2,500 LF of water/sewer mains
 - Recommended Fees: Regular: \$18,000 Expedited: \$36,000



Fats/Oils/Grease (FOG), Cross Connection/ Backflow and Fire Hydrant Use Fees

- Fee updates are in part driven by changing personnel costs, among other costs
- Anticipated changes in number of positions for each fee type:

No. of Positions	Existing	Proposed
FOG	3	5
CC/BPA	4	5
Fire Hydrant Program	0	2
Total Positions	7	12



Fats, Oil and Grease (FOG) Inspection Fee

- The fee funds a program to enforce the installation and maintenance of FOG abatement systems as required by the plumbing code
- Fee assessed to food service establishments such as restaurants, bars, cafeterias, etc.
- Proposed addition of two new positions
- Decline in participants is due to a DCRA database update and a pandemic-related decline in food service establishments



FOG Fee (Cont'd.)

“Bottom up” approach based on cost of service

	2018	2023 Update
Cost Drivers	Annual Cost	Annual Cost
Personnel	\$536,429	\$645,641
Materials	\$65,700	\$87,462
Training	\$10,000	\$21,854
Certification	\$80,000	\$31,000
Billing System	\$10,000	\$43,608
Total Costs	\$702,129	\$829,665

Per Participant	2018	2023 Update
Number of Participants (1)	4,700	3,700
Annual Fee Per Participant	\$164.40	\$224
Monthly Fee	\$13.70	\$18.70

1) Decline in participants is due to a DCRA database update and a pandemic-related decline in food service establishments.



Cross Connection/Backflow Fee

💧 Cross Connection (CC) / Backflow Prevention (BFP) Inspection

- Program enforces installation and maintenance of backflow prevention assemblies as required by plumbing code
- Fee assessed to sites with known backflow prevention assemblies

💧 Fee is remaining unchanged (\$6.70) as costs are not anticipated to increase

- FY21 revenue from this fee was \$1.07 million as compared to the estimated annual cost of \$0.73 million in the last COS study. The current estimate of annual cost is about \$0.86 million.

💧 Although the fee will remain unchanged, revenues may still increase

- The number of BPA fee payments increased from 2018-2022, leading to a revenue increase



Fire Hydrant Use Program

- 💧 The Fire Hydrant Use Permit Program issues fire hydrant use permits and rents fire hydrant meters and equipment. Customers connect to fire hydrants for temporary water service for various purposes such as for construction, landscaping, and community events. More information on the regulation and process for obtaining a permit and equipment is at <https://dcwater.com/fire-hydrant-use-permit> .
- 💧 DC Water Customer Compliance Services took over the fire hydrant use permit program from Permit and Meter Operations on October 1, 2019. Labor resources were taken from other compliance programs to manage the issuing of permits and equipment. There are no personnel formally assigned to the FHUP program.
 - The fees will fund two new positions dedicated to the FHUP (see slide 10)



Fire Hydrant Use Charges

Fee Name (I)	Existing	Proposed
Fire Hydrant Permit	\$75	\$75
Private Fire Hydrant Flush	\$81	\$90
Water and Sewer for Hydrant Use	Prevailing (usage based)	Prevailing (usage based)
3" Hydrant Meter Deposit	\$1,600	\$1,750
3" Hydrant Meter Rental <15 days	\$75	\$130
3" Hydrant Meter Rental >=15 days	\$5/day	\$10/day
3" Hydrant Meter w BP Deposit	\$2,200	\$2,750
3" Hydrant Meter w BP Rental <15 days	\$150	\$195
3" Hydrant Meter w BP Rental >=15 days	\$10/day	\$15/day
5/8" Hydrant Meter w BP Deposit	\$700	\$950
5/8" Hydrant Meter w BP Rental <15 days	\$75	\$115
5/8" Hydrant Meter w BP Rental >=15 days	\$5/day	\$10/day
Fire Hydrant Use Per Day	Usage based	Usage based

I) Fire Hydrant fees were based on labor hours (to assemble, calibrate and maintain equipment, and process permits) and equipment material costs.



Cost of Service-Based Fee Calculations



High Strength & Hauled Waste Fees

- 💧 With each cost of service (COS) study, high strength fees for BOD, TSS, TN, and TP are updated to align with revenue requirements
 - These cost of service assumptions are used to derive per-gallon fees for both high strength and domestic strength waste
- 💧 Methodology is consistent with prior fee update
- 💧 Fees summarized in Appendix 2



High Strength & Hauled Waste Fees

- Flow amounts and loadings were unchanged from the 2017 report, because more recent data was not representative of normal usage due to pandemic impacts:

Units of Service	Flow	cBOD	TN	TP	TSS
Flow/Loading Daily Totals	282 mgd	428,346 lb/d	93,327 lb/d	9,506 lb/d	321 dtpd
Flow/Loading Annual Totals	102,930,000 kgals/yr	156,346,239 lb/yr	34,064,344 lb/yr	3,469,537 lb/yr	234,330,000 lb/yr



High Strength & Hauled Waste Fees

	Flow	cBOD	TN	TP	TSS	Total
Total Annual Cost, Millions (1)	\$213.6	\$25.3	\$56.6	\$18.1	\$65.1	\$378.8
Units of Service	2.075	0.162	1.662	5.234	0.278	3.680
	Kgal/yr	Lb/yr	Lb/yr	Lb/yr	Lb/yr	Kgal/yr
Unit Cost per Lb	\$2.075	\$0.162	\$1.662	\$5.234	\$0.278	\$3.680
Lbs/Kgal (assumed strength)		104	5	1	160	
Cost per Kgal	\$3.680	\$16.85	\$7.56	\$4.41	\$44.53	\$77.02
High strength waste fee/kgal					Rounded total of all costs/kgal	\$77.00
Domestic strength waste fee/kgal					Rounded flow cost/kgal	\$4.00

1) Costs were determined in the FY 2023-2024 Cost of Service Analysis



Notice of Follow Up (NOFOL) Compliance Fee (\$475)

- One-time fee assessed to customers who have neglected to make repairs following an inspection, which may be causing interference with the transmission signal and preventing DC Water from reading, testing, accessing, or repairing the meter or meter transmitting device.
- Assessed to non-residential customers who have received a 30-Day NOFOL reminder letter. The fee will encourage compliance and prevent delays that hinder DC Water's ability to provide timely and accurate bills.

Non-Residential Reconnection Fee (\$100)

- Charged to customers for restoring service after non-pay disconnect or customer initiated turn off. The fee increase will be applicable to non-residential accounts only to create cost of service equity.



New Fees (Cont'd.)

Non-Residential Manual Meter Read (MMR)

- Currently \$20 per month across all customer classes, the tiered MMR fee is being proposed for non-residential customer classes by meter size.
- Designed to place focus on large non-residential customers who refuse to adhere to the repair order and the NOFOL reminder notice. The increases by meter size create cost of service equity.
 - Recommended Fees
 - 5/8"-2" Meters: \$100
 - 3" - 4" Meters: \$250
 - 6"+ Meters: \$500



Inflation-Based Fee Calculations



Inflation-based Increases to Miscellaneous Customer Fees

- 💧 Miscellaneous Service Fees are being increased by 6%, based on CPI data for the DC Metro Region
- 💧 The overall revenue impact is de minimis, but it is important to reflect as fees have not been updated since 2018, although personnel and other costs have increased
- 💧 Fees presented in Appendix 3



Appendix I: Engineering & Permitting Fees



Plan Submittal

Code	Fee name	Existing	Proposed
1001	Base Plan Submission Fee – All Review Types	\$140	\$200
1002	Rejected Plan Resubmission Fee – All Review Types	\$75	\$100



Large Plan Review Fees – Project Review

Code	Fee name	Existing	Proposed
2040	Large Basic Plan Review Fee	\$10,000	\$15,000
2041	Large Basic Plan Review Fee, Expedited	\$17,400	\$30,000
2054	Large (>2") Fire Only	\$4,500	\$5,000
2055	Large (>2") Fire Only, Expedited	\$7,800	\$10,000
2056	Large Sanitary/Combined Sewer Conn. Only (=>8")	\$4,500	\$5,000
2057	Large Sanitary/Combined Conn. Only (=>8"), Expedited	\$7,800	\$10,000
2058	Large Storm Connection Only (=>15")	\$4,500	\$5,000
2059	Large Storm Connection Only (=>15"), Expedited	\$7,800	\$10,000
7007	Large Project Dox Signoff	\$400	\$500
7007	Large Project Dox Signoff - Expedited	\$700	\$1,000



Large Plan Review Fees – Easement & Covenant, As-Built Fees

Code	Fee name	Existing	Proposed
2076	Processing of Standard Easement Covenant	\$1,000	\$2,000
2077	Processing of Standard Easement Covenant - Expedited	\$1,750	\$4,000
2078	Processing of Non-Standard Easement Covenant	\$5,000	\$8,500
2079	Processing of Non-Standard Easement Covenant - Expedited	\$8,750	\$17,000



Large Plan Review Fees – Easement & Covenant, As-Built Fees

Code	Fee name	Existing	Proposed
2080	Utility Infrastructure Only Review Fee (to 1,000 impact to mains)	New Fee	\$10,000
2080	Utility Infrastructure Only Review Fee (to 1,000 impact to mains) - Expedited	New Fee	\$20,000
2081	Utility Infrastructure Only Review Fee (to 2,500 impact to mains)	New Fee	\$15,000
2081	Utility Infrastructure Only Review Fee (to 2,500 impact to mains) - Expedited	New Fee	\$30,000
2082	Utility Infrastructure Only Review Fee (over 2,500 impact to mains)	New Fee	\$18,000
2082	Utility Infrastructure Only Review Fee (over 2,500 impact to mains) - Expedited	New Fee	\$36,000



Large Plan Review Fees – Miscellaneous

Code	Fee name	Existing	Proposed
2042	Large Foundation to Grade	\$1,000	\$1,750
2043	Large Foundation to Grade - Expedited	\$1,750	\$3,500
2044	Approved Plan Revision Large	\$1,000	\$2,000
2045	Approved Plan Revision Large - Expedited	\$1,750	\$4,000
2046	Large Project Sheeting and Shoring (Large Commercial)	\$6,500	\$12,500
2047	Large Project Sheeting and Shoring (Large Commercial) - Expedited	\$11,300	\$25,000
2050	Water and sewer availability letter (all cases)	\$500	\$750
2051	Water and sewer availability letter (all cases) - Expedited	\$880	\$1,300
2052	Temporary Water Connections	\$3,300	\$5,000
2053	Temporary Water Connections - Expedited	\$5,800	\$10,000



Large Plan Review Fees – Miscellaneous (Cont'd.)

Code	Fee name	Existing	Proposed
2060	Large water meter size reduction plan	\$3,300	\$5,000
2061	Large water meter size reduction plan - Expedited	\$5,800	\$10,000
2062	Large Project Raze utility release letter - no abandonments	\$300	\$500
2063	Large Project Raze utility release letter - no abandonments - Expedited	\$500	\$1,000
2064	Large Project Raze utility release letter - with abandonments	\$700	\$1,500
2065	Large Project Raze utility release letter - with abandonments - Expedited	\$1,200	\$3,000



Large Plan Review Fees – Miscellaneous (Cont'd.)

Code	Fee name	Existing	Proposed
2074	Large Plan Excessive Submission Review	\$2,400	\$3,500
2075	Large Plan Excessive Submission Review - Expedited	\$4,200	\$7,000
2090	One Day Plan Design and Review and approval (Velocity type program)	\$20,000	\$25,000



Small Plan Review Fees – Non-Residential

Code	Fee name	Existing	Proposed
2009	Small basic non-residential project per metered connection	\$3,300	\$5,000
2010	Small basic non-residential project per metered connection - Expedited	\$5,800	\$10,000
2011	Small Hybrid Non-Residential per metered connection	\$5,000	\$6,750
2012	Small Hybrid Non-Residential per metered connection - Expedited	\$8,700	\$13,500
2015	Small Non-Residential or Hybrid Approved Plan Revision	\$1,000	\$1,450
2016	Small Non-Residential or Hybrid Approved Plan Revision - Expedited	\$1,750	\$2,900
2017	Sanitary or combined Sewer connection only 6" and less	\$700	\$1,000
2018	Sanitary or combined Sewer connection only 6" and less - Expedited	\$1,200	\$2,000
2019	Storm sewer connection only less than 15"	\$700	\$1,000
2020	Storm sewer connection only less than 15" - Expedited	\$1,200	\$2,000



Small Plan Review Fees – Non-Residential (Cont'd.)

Code	Fee name	Existing	Proposed
2005	Single Family Residential/ metered connection	\$700	\$1,500
2006	Single Family Residential/ metered connection - Expedited	\$1,200	\$3,000
2013	Small Residential Approved Plan Revision Each	\$250	\$500
2014	Small Residential Approved Plan Revision Each - Expedited	\$500	\$1,000



Small Plan Review Fees – Release Letters

Code	Fee name	Existing	Proposed
2021	Small Non-Residential or Residential Raze utility release letter - no abandonment	\$330	\$400
2022	Small Non-Residential or Residential Raze utility release letter - no abandonment - Expedited	\$580	\$800
2023	Small Non-Residential or Residential Raze permit review and utility release letter - with abandonments	\$700	\$1,000
2024	Small Non-Residential or Residential Raze permit review and utility release letter - with abdmnts - Expedited	\$1,200	\$2,000



Small Plan Review Fees - Miscellaneous

Code	Fee name	Existing	Proposed
2003	Small Sheet and Shore	\$1,000	\$1,250
2004	Small Sheet and Shore - Expedited	\$1,750	\$2,500
2027	Small Temporary Water (Non-Residential)	\$700	\$2,000
2028	Small Temporary Water (Non-Residential) - Expedited	\$1,200	\$4,000
2070	Residential Plan Excessive Submission Review	\$360	\$500
2072	Small Non-Residential Plan Excessive Submission Review	\$600	\$750
7006	Small Project Dox Signoff	\$100	\$150



Miscellaneous Permitting Fees

Code	Fee name	Existing	Proposed
2048	Abandonment Waiver Request	\$500	\$750
2049	Abandonment Waiver Request - Expedited	\$880	\$1,300
7001	Request for Information (RFI)	\$30	\$175
7002	Request for Information - Expedited	\$60	\$350
7003	Request for As-Built-Drawings	\$90	\$200
7004	Request for As-Built-Drawings - Expedited	\$150	\$400
7009	Letter in Lieu of Hydrant Flow Test	\$125	\$250



Construction Phase Customer Support

Code	Fee name	Existing	Proposed
8001	Residential Projects (including new SFU, THs, water/sewer connections, raze, temporary connection, 2" or less water meter)	New fee	\$500
8002	Small Non-Residential or Hybrid (including new connections, raze, temporary connection, 2" or less water meter)	New fee	\$2,000
8003	Large (including new connections, raze, sheeting and shoring, temporary connection, 3" or larger water meter)	New fee	\$4,500



Meter Inspection & Water Service Fees

Code	Fee name	Existing	Proposed
9001	Meter Setter Inspection	New fee	\$250
9002	Meter Setter Re-Inspection	New fee	\$250
9003	Meter Vault Inspection	New fee	\$1,000
9004	Meter Vault Re-Inspection	New fee	\$1,000
9006	Water Connections 3” and Larger	New fee	\$2,500



Existing/Proposed As-Built Fees

Fee name	Existing/Proposed (no changes)
Small Residential or Townhouse	\$250 (each bldg.)
Small Non-Residential	\$250 (each bldg.)
Small Hybrid	\$250 (each bldg.)
Large Project	\$750 (each connection – water or sewer)
Installation of New Water or Sewer Main (20 to 100 feet)	\$2,500
Each additional 200 feet of water line	\$2,000
Each additional 400 feet of sewer main/line	\$2,000
Installation of Water Line - larger than 24" in diameter	Determined on a per project basis
Installation of Sewer - larger than 60" in diameter	Determined on a per project basis



**Appendix 2:
FOG/CC Fees
Hydrant Flow Tests & Meter Rentals
COS-based Fees
New Fees**



FOG and Cross-Connection/Backflow Fees

Fee name	Existing	Proposed
Fats, Oils and Grease (FOG) Inspection	\$13.70	\$18.70
Cross Connection (CC) / Backflow Prevention (BPF) Inspection	\$6.70	\$6.70



Fire Hydrant Use Charges

Fee Name (1)	Existing	Proposed
Fire Hydrant Permit	\$75	\$75
Private Fire Hydrant Flush	\$81	\$90
Water and Sewer for Hydrant Use	Prevailing (usage based)	Prevailing (usage based)
3" Hydrant Meter Deposit	\$1,600	\$1,750
3" Hydrant Meter Rental <15 days	\$75	\$130
3" Hydrant Meter Rental >=15 days	\$5/day	\$10/day
3" Hydrant Meter w BP Deposit	\$2,200	\$2,750
3" Hydrant Meter w BP Rental <15 days	\$150	\$195
3" Hydrant Meter w BP Rental >=15 days	\$10/day	\$15/day
5/8" Hydrant Meter w BP Deposit	\$700	\$950
5/8" Hydrant Meter w BP Rental <15 days	\$75	\$115
5/8" Hydrant Meter w BP Rental >=15 days	\$5/day	\$10/day
Fire Hydrant Use Per Day	Usage based	Usage based

1) Fire Hydrant fees were based on labor hours (to assemble, calibrate and maintain equipment, and process permits) and equipment material costs.



High Strength and Waste Hauler Fees

Pretreatment Fees	Existing	Proposed
High strength grease trap waste	\$0.07/gal	\$0.077/gal
High strength septage waste	\$0.07/gal	\$0.077/gal
Domestic strength waste	\$0.003/gal	\$0.004/gal
Low strength waste	\$0.003/gal	\$0.004/gal

High Strength Waste Fees	Existing	Proposed
BOD	\$0.135/lb	\$0.162/lb
TSS	\$0.263/lb	\$0.278/lb
TN	\$1.471/lb	\$1.662/lb
TP	\$4.524/lb	\$5.234/lb



Other Fees Provided by DC Staff

Industrial User Compliance Fees (I)	Existing	Proposed
Industrial User Individual Permit Fee – Initial	\$2,500	\$2,865
Industrial User Individual Permit Fee – Renewal	\$700	\$955

Waste Hauler	Existing	Proposed
Waste Hauler Discharge Annual Permit Fee per vehicle (2)	\$30	\$50

(1) Increase is based on additional report review costs of \$200 (4 hours at \$50/hour), plus inflation.

(2) Proposed waste hauler fee was based on estimated cost per hour for staff time.



Miscellaneous New Fees

Service-Related Fees	Existing	Proposed
NOFOL (Non-Compliant Penalty)	\$ -	\$475
Reconnection Fee Non-Residential (\$50 for Residential)	\$ -	\$100

Manual Meter Reading Fees	Existing	Proposed
Manual Meter Reading, Non-Residential (5/8" - 2")	\$ -	\$100
Manual Meter Reading, Non-Residential (3" - 4")	\$ -	\$250
Manual Meter Reading, Non-Residential (6" and greater)	\$ -	\$500



Appendix 3: All Other Miscellaneous Fees



Retail Customer Fees

Fee Name	Existing	Proposed
Customer Bad Check Fee	\$25	\$30
Declined Credit Card Fee	\$35	\$40
Customer Penalty Late Fee	10% + 1% per month of balance due	10% + 1% per month of balance due
New Account Initiation Fee	\$50	\$55
Turn off Charges for Non-Payment	\$50	\$55
Reconnection Fee (Residential) (I)	\$50	\$50
Broken By-Pass Seal	\$700	\$745
Unauthorized Turn On	\$245	\$260
Second Water Audit within 24 months	\$125	\$135
Manual Meter Reading Fee (I)	\$20/month/meter	\$20/month/meter

1) These fees are kept constant, per DC staff. Newly added this year, the \$100 Reconnection fee for Non-Residential and the Manual Meter Reading Fees by size are in the previous appendix.



Turn-Off Charges for Cross Connection Violation

Fee name	Existing	Proposed
Cross Connection Turn-Off: 5/8" to 2"	\$200	\$215
Cross-Connection Turn-Off: 3" to 5"	\$400	\$425
Cross-Connection Turn-Off: 6" and larger	\$900	\$955

- The cross-connection violation charge occurs when the cross-connection relationship is violated
- The charge serves as a deterrent to help prevent violations



Water Taps and Connections Installation

Fee Name	Existing	Proposed
1" Tap	\$425	\$455
1.5" Tap	\$500	\$530
2" Tap	\$540	\$575
Water Connection	Reimbursable	Reimbursable
Water Tap Abandonment (2" or less)	\$400	\$425
Water Service Connection Abandonment (greater than 2")	\$800	\$850
Inspect Pointing Up Sewer Taps	\$860	\$915
Inspect Insertion of Y-Branch	\$306	\$325
Inspect Installation of Standard Cleanout	\$306	\$325
Inspect Sewer Tap Removal	\$306	\$325



Fire Hydrant Flow Tests

Fee Name	Existing	Proposed
Fire Hydrant Flow Test (Field Test)	\$300	\$320
Fire Hydrant Flow Test (Computer Model) (I)	\$200	\$320
Fire Hydrant Flow Test (Recent Test Record Available)	\$125	\$135

1) The Computer Model Hydrant Flow Test will be set equal to the Field Test, to simplify fee administration through the permits tracking and billing system.



Industrial Permitting Fees

Fee Name	Existing	Proposed
Compliance Fee – SIU/CIU – 1 outfall	\$3,100	\$3,290
Compliance Fee – SIU/CIU – 2 outfalls	\$4,300	\$4,560
Non-Significant IU – 1 outfall	\$700	\$745
Non-Significant IU – 2 outfalls	\$900	\$955



Event Fees

Fee Name	Existing	Proposed
Event Fees per Hour	\$81	\$90
Misting Tent	\$550/day	\$585/day
Mobile Brita Hydration Station	\$600	\$640
Cooling Station	\$420	\$450
Quench Buggy	\$2,500	\$2,650
DC Water Mascot (1)	\$50	\$80

(1) Rate per hour is \$20, and events assumed to be 4 hours long



Legal Fees

Fee Name (I)	Existing	Proposed
Witness Fee	Salary + Fringe	\$40 plus travel expenses
DC Water Staff Expert Witness Fee	New Fee	Salary + Fringe + Travel + Expenses
Standard Letter and Legal Pages (photocopying)	\$0.75	\$0.75
FOIA Processing	New fee	\$10 + Salary + Fringe

I) Fees provided by DC Staff in the Legal Department



Supplemental Info: Engineering/Permitting Fees



The Engineering Misc. Fees

Although many they are basically the following:

Percent of
total fee

■ Small – residential – SFU or TH	(HOME)	10%
■ Medium – Non- residential-	(PPRS)	25%
■ Large – Big commercial and Mixed Use	(PPRL)	48%
■ Odd-ball combinations of large & Med & Small	(HYBRID)	5%
■ Big holes in the ground- Support of Excavation SOE	(SHEET)	12%
■ Special cases that want immediate approval	(VELOCITY)	1%
■ Miscellaneous		



What are the significant changes

Code	Major categories of Review Fees	Existing FEE	Proposed FEE	% Increase	% of Revenue	Comment
2005	Small Residential	\$ 700	\$1,500	114%	10%	Residential has always been too low, \$1,500 not considered onerous
2060	Medium – Nonresidential	\$ 3,300	\$ 5,000	52%	25%	Not considered to be onerous
2040	Large – Nonresidential	\$10,000	\$ 15,000	50%	48%	Not onerous
2011	Odd ball – Hybrid	\$ 5,000	\$ 6,750	35%	5%	Falls in between medium and large
2046	Sheeting & Shoring	\$6,500	\$ 12,500	92%	12%	Have been undercharging, multi-discipline review is required
	Expedited Review	1.75X Basic	2.0 x Basic	14%	>1%	Expedited review time is half of Basic

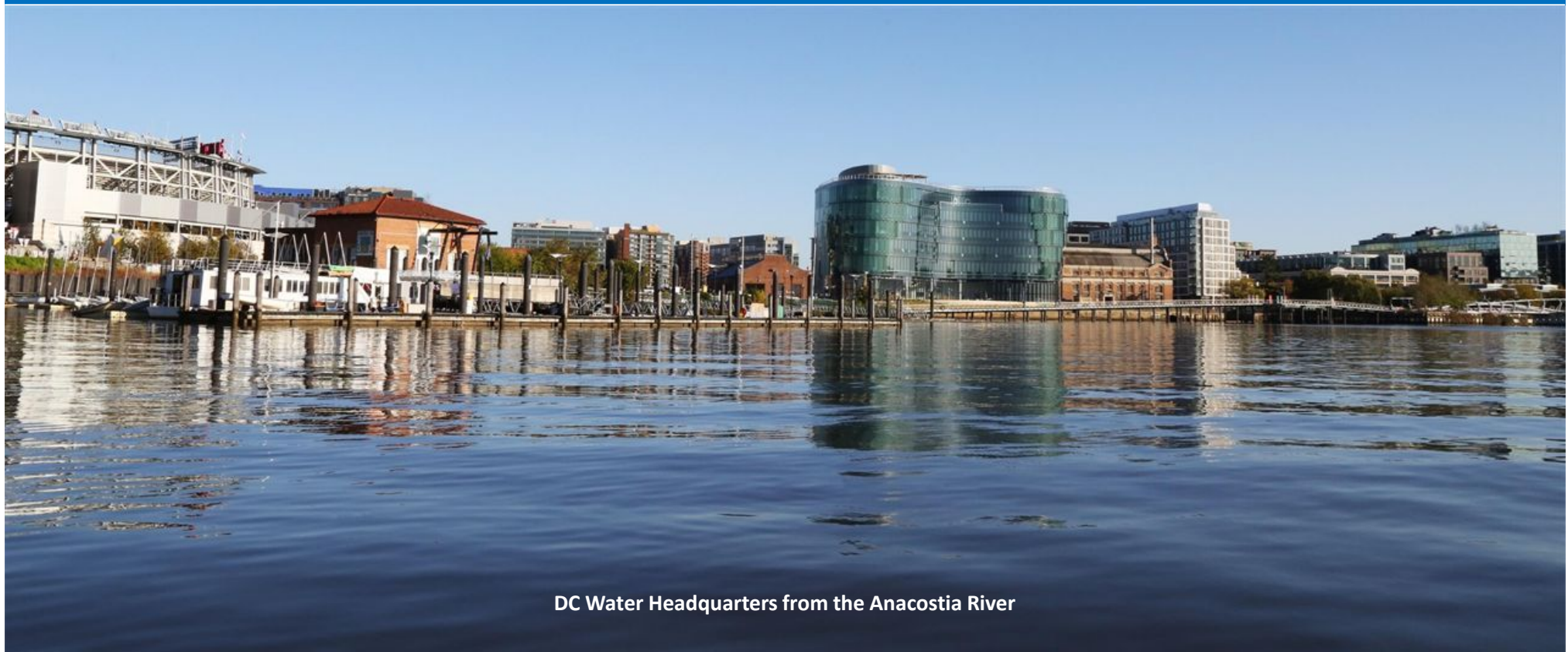


DC Water Cares Program Update

Presentation to Retail Rates Committee, June 28, 2022

Meisha Lorick, Interim Director of Customer Care

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- 💧 Request the Retail Rates Committee's recommendation to the Board to approve for Notice of Emergency and Proposed Rulemaking:
 1. Remove FY2022 CAP2 recertification waiver language
 2. Extend the DC Water Cares: Residential Assistance Program (RAP) and Multifamily Program (MAP) into FY2023 with calculation changes to MAP



History

- In FY2022, DC Water as a member of UDP waived the recertification requirements for CAP2 that allowed all 2021 customers to maintain their assistance in 2022
- RAP and MAP were not covered in the assistance waiver and customers were required recertify to receive the additional benefits:
 - The recertification waiver and the introduction of Low-Income Household Water Assistance Program (LIHWAP) caused a decrease in the distribution of RAP funding in FY2022
 - Owners requested more financial support as an incentive to participate in the Multi-Family Assistance Program



FY2022 Assistance Distribution

- 🔹 FY2022 CAP2 is anticipated to be over budget, due to increased outreach and waiving recertification
- 🔹 Due to waiving recertification and the introduction of LIHWAP, FY2022 RAP we will not exhaust RAP funding. Without LIHWAP in FY2023 we anticipate increased participation in RAP
- 🔹 With owner education and an increased owner incentives, MAP owner participation has the potential to increase in FY2023

Program	FY21 Enrolled	FY21 Dollars	FY22 Enrolled	FY22 Dollars	FY22 Budget
Customer Assistance Program	4,453	\$2,378,326	6,447	\$3,085,998	\$2,737,865
Customer Assistance Program 2	538	\$245,637	632	\$219,014	\$296,536
Customer Assistance Program 3 (District funded)	191	\$36,059	201	\$24,814	\$100,000
Non-Profit CRIAC Relief (District funded)	189	\$955,707	119	\$505,564	\$1,260,000
DC Water Cares Residential	2,842	\$1,892,843	278	\$184,924	\$3,000,000
DC Water Cares Multifamily (units)	5,978	\$2,507,484	4,213	\$1,830,590	\$6,223,837
Low Income Household Water Assistance Program	N/A	N/A	2,814	\$1,795,508	\$2,000,000



FY 2022 Projected Unexpended Balance

	RAP	MAP
Funding Source	DC Water	DC Water
Funding for Benefits	\$3.0 million	\$6.2 million
Assistance Provided as of May 31 ,2022	\$0.18 million	\$1.8 million
Ending Balance as of May 31, 2022	\$2.8 million	\$4.4 million
Projected Unexpended Balance FY22	\$1.6 million	\$3.2 million
Actual Enrollment as of May 31, 2022	278	4213
Projected Enrollment FY2022	1800	7000



Amendment Overview

Proposing to revise 21 DCMR, Section 4102 as follows

For CAP2

- Update fiscal year references from FY2022 to FY2023
- Clarify language for program renewals to annual customer reapplication each year for CAP2 benefits, consistent with the CAP and CAP3 programs

FY2021 Language	FY2022 Language
For FY 2022, customers that DOEE determined were eligible for CAP2 benefits in FY 2021 are not required to reapply to receive CAP2 benefits in FY 2022 and shall be deemed categorically eligible for CAP2 benefits in FY 2022.	Customers shall reapply each year for CAP2 benefits to receive CAP2 benefits.

For RAP & MAP

- Update fiscal year references from FY2022 to FY2023
- Update benefit calculation multiplier from 3 to 6 (MAP ONLY)

FY2022 Language	FY2023 Language
... subtracting any amount of water and sewer charges applicable to any retail/commercial units and that result is multiplied by three (3) ; or	... subtracting any amount of water and sewer charges applicable to any retail/commercial units and that result is multiplied by six (6) ; or



FY2023 Program Design

- 🔹 FY2023 DC Water Cares program RAP will not deviate from FY2022 design
- 🔹 FY2023 DC Water Cares program MAP will be modified to increase owner incentive and participation

	RAP	MAP
Property Eligibility	Residential (single-family or individually metered)	Multifamily (4+ units) -AND- property owner participation
Household Income Eligibility	80% AMI (CAP or CAP2)	80% AMI (SNAP, TANF, LIHEAP, AHU, or applies directly)
Benefit Occurrence	On-going throughout fiscal year	One-time per fiscal year
Benefit Calculation	Current past due balance, up to \$2,000 per fiscal year	Lesser of, but not to exceed \$2,000 per fiscal year: 1) 6-month average from 10/1/21 to 9/30/22 2) Past due balance as of 9/30/22
Credits	90% to Tenants Account 10% on Owner’s DC Water Account	80% to Tenants Account 20% on Owner’s DC Water Account
Fiscal Year Benefit Renewal Process	Reapply for CAP or CAP2 via DOEE	Tenant: Reapply for programs listed under Household Income Eligibility above -AND- Owner: Reapply for property participation

AMI=Area Median Income
SNAP=Suppl. Nutrition Assist. Pgrm.

TANF=Temp Assist. for Needy Families
LIHEAP=Low Income HH Energy Assist.

AHU=Affordable Housing Unit



Management Recommendation

Management requests the Retail Rates Committee recommend the following to the full Board for approval:

Publish Notice of Emergency and Proposed Rulemaking:

1. Remove FY2022 CAP2 recertification waiver language
2. Extend the DC Water Cares: Residential Assistance Program (RAP) and Multifamily Program (MAP) into FY2023 with calculation changes to MAP.

Emergency rulemaking is necessary to maintain continuity of benefits for customers in need



Proposed Extension Timeline

Since the MAP programs' design will be altered, a public hearing is required to extend the RAP and MAP programs:

- 06/28/22 – Presentation to RRC on proposal to amend Customer Assistance Program (CAP) regulations for CAP2, DC Water Cares Residential and Multifamily Assistance Programs extension
- 06/28/22 – RRC recommends Board approval to amend the CAP regulations for CAP2, and extension of DC Water Cares Residential and Multifamily Assistance Programs`
- 07/07/21 – 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
- 07/22/22 – 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
- 07/22/22 – Public comment period
to TBD/22
- TBD – Public Hearing
- TBD – Public comment period closes
- TBD – RCC approves final proposal to amend CAP regulations for CAP2 and DC Water Cares Residential and Multifamily Assistance Programs extension
- TBD – Board approval to publish Notice of Final Rulemaking to Approval of Notice of Final Rulemaking (NOFR)
- TBD – Publish NOFR in D.C Register

DC Retail Water and Sewer Rates Committee

Action Items

1. FY 2023 & FY 2024 Water and Sewer Rates, Charges & Fees, Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate
(Action Item 1)
2. Approval of the Proposed Miscellaneous Fees & Charges Adjustments
(Action Item 2)
3. Approval for Notice of Emergency and Proposed Rulemaking 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
(Action Item 3)

ACTION ITEM 1

Approval of Proposed FY 2023 & FY 2024 Water and Sewer Rates, Charges & Fees, Retail Groundwater Sanitary Sewer Service Rate And High Flow Filter Backwash Sewer Rate (Effective October 1, 2022 and October 1, 2023)

Management recommends the following amendments to D.C. Municipal Regulations to adjust the Retail Water and Sewer Rates, Charges and Fees, Rates for Discharge of Groundwater and High Flow Filter Backwash Sewer Rate for FY 2023 & FY 2024:

1. FY 2023 & FY 2024 Rates, Charges & Fees:

Water Service Rates

- The proposed retail rates for **metered water services** for FY 2023 and FY 2024 shall be as follows:

Metered Water Services

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022		FY 2024 vs. FY 2023	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers - (0 – 4)	\$3.63	\$4.85	\$4.28	\$5.72	\$4.38	\$5.86	\$0.65	\$0.87	\$0.10	\$0.14
Residential customers – (> 4)	\$4.74	\$6.34	\$5.58	\$7.46	\$5.70	\$7.62	\$0.84	\$1.12	\$0.12	\$0.16
Multi-Family customers	\$4.15	\$5.55	\$4.90	\$6.55	\$5.00	\$6.68	\$0.75	\$1.00	\$0.10	\$0.13
Non-Residential customers	\$4.91	\$6.56	\$5.78	\$7.73	\$5.89	\$7.87	\$0.87	\$1.17	\$0.11	\$0.14

Sanitary Sewer Service Rates

- The proposed retail rates for **metered sanitary sewer services** for FY 2023 and FY 2024 shall be as follows:

Metered Sewer Services

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022		FY 2024 vs. FY 2023	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59
Multi-Family customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59
Non-Residential customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59

- The proposed annual CRIAC shall be decreased from \$220.80 to \$217.68 per Equivalent Residential Unit (ERU) in FY 2023.
- The proposed annual CRIAC shall be increased from \$217.68 to \$262.32 per ERU in FY 2024.

- The proposed annual CRIAC charge per ERU shall be billed monthly as follows:

Clean Rivers Impervious Area Charge (CRIAC)					
FY 2022	FY 2023	FY 2024	FY 2023 vs. FY 2022 Incr. / (Decr.)	FY 2024 vs. FY 2023 Incr. / (Decr.)	
ERU	ERU	ERU	ERU	ERU	
Residential customers	\$18.40	\$18.14	\$21.86	(\$0.26)	\$3.72
Multi-Family customers	\$18.40	\$18.14	\$21.86	(\$0.26)	\$3.72
Non-Residential customers	\$18.40	\$18.14	\$21.86	(\$0.26)	\$3.72

**District of Columbia Pass Through Charge
Right-of-Way Occupancy Fee and PILOT Fee**

- There is no increase in the **Right-of-Way Occupancy Fee** in FY 2023 and FY 2024, which shall be as follows:

ROW										
	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00
Multi-Family customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00
Non-Residential customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00

- The proposed **Payment-in-Lieu of Taxes Fee** for FY 2023 and FY 2024 shall be as follows:

PILOT										
	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03
Multi-Family customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03
Non-Residential customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03

Retail Groundwater Sanitary Sewer Service Rate

- The proposed retail sanitary sewer rate for the discharge of **Groundwater** for FY 2023 and FY 2024 shall be as follows:

Groundwater									
FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$2.83	\$3.78	\$3.42	\$4.57	\$3.50	\$4.68	\$0.59	\$0.79	\$0.08	\$0.11

2. High Flow Filter Backwash Sewer Rate

- The proposed retail sanitary sewer rate for **High Flow Filter Backwash Sewer** for FY 2023 and FY 2024 shall be as follows:

High Flow Filter Backwash Wastewater Retail Sewer Rate

FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.03	\$4.05	\$3.21	\$4.29	\$3.30	\$4.41	\$0.18	\$0.24	\$0.09	\$0.12

ACTION ITEM 2

Approval of the Proposed Miscellaneous Fees & Charges Adjustments Effective July 22, 2022

Management Recommendation:

Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, Section 112, FEES, Subsections 112.1 through 112.6 are amended as follows:

112 FEES

Subsection 112.1 is amended to read as follows:

112.1 Fees for installation, inspection and removal/abandonment of water and sewer tap or connection, and meter setter or vault, shall be as follows:

Inspection Fees	Fee
Inspect Sewer Tap Removal/Abandonment	\$325
Inspect Pointing Up Sewer Taps	\$915
Inspect Insertion of Y-Branch	\$325
Inspect Installation of Standard Cleanout	\$325
Meter Setter Inspection	\$250
Meter Setter Re-Inspection	\$250
Meter Vault Inspection	\$1,000
Meter Vault Re-Inspection	\$1,000
Tap Insertion and Abandonment	Fee
Tap Insertion – 1” diameter	\$455
Tap Insertion – 1-1/2” diameter	\$530
Tap Insertion – 2” diameter	\$575
Water Connection	Reimbursable
Water Connection 3” and Larger	\$2,500
Water Tap Removal/Abandonment – 2” diameter or less	\$425
Water Tap Removal/Abandonment – greater than 2” diameter	\$850

Subsection 112.2 is amended to read as follows:

112.2 Fees for fire hydrants flow tests; fire hydrant meter rentals; rentals of fire hydrant meters with backflow preventer; and for the installation and removal of water bubblers shall be as follows:

Fee Name	Fee
Fire Hydrant Flow Test (Field Test)	\$320
Fire Hydrant Flow Test (Computer Model)	\$320
Fire Hydrant Flow Test (Recent Test Record Available)	\$135
Fire Hydrant Use – Water and Sewer Rate	Usage-Based, see 21 DCMR Chapter 41
Letter in Lieu of Hydrant Flow Test	\$250
Fire Hydrant Permit Fee	\$75
Private Fire Hydrant Flush	\$90
3” Fire Hydrant Meter Deposit	\$1,750 per rental
3” Fire Hydrant Meter Rental <15 days	\$130
3” Fire Hydrant Meter Rental ≥15 days	\$10 per day
3” Fire Hydrant Meter w/Backflow Preventer Deposit	\$2,750 per rental
3” Fire Hydrant Meter w/Backflow Preventer Rental <15 days	\$195 per rental
3” Fire Hydrant Meter w/Backflow Preventer Rental ≥15 days	\$15 per day
5/8” Fire Hydrant Meter w/Backflow Preventer Deposit	\$950 per rental
5/8” Fire Hydrant Meter w/Backflow Preventer Rental <15 days	\$115 per rental
5/8” Fire Hydrant Meter w/Backflow Preventer Rental ≥15 days	\$10 per day
 Installation and Removal of Water Bubblers	
1 Water bubbler	\$262
Each additional Water bubbler after the first in the same general location	\$54

Subsection 112.4 is amended to read as follows:

112.4 Retail customer fees and charges; legal and copying fees; and event and equipment fees shall be as follows:

(a) Retail customer fees and charges shall be as follows:

Fee Name	Fee
Customer Bad Check Fee	\$30
Declined Credit Card Fee	\$40
Customer Penalty Late Payment Fee	10.00% after 30 days
Additional Penalty Late Payment Fee	1%/month after 60 days, compounded monthly
New Customer Account Initiation Fee	\$55
Turn-Off Charges for Non-Payment	\$55
Reconnection Fee – Residential Customer	\$50.00
Reconnection Fee – Multi-Family and Non-Residential Customer	\$100
Unauthorized Turn-On	\$260
Notice of Follow Up (NOFOL) Compliance Fee	\$475
Broken Bypass Seal	\$745
Second Water Audit within 24 months	\$135

Fee Name	Fee
Manual Meter Reading Fee ¹	\$20 /month/meter
Manual Meter Reading Fee ¹ 5/8"-2" Multi-Family and Non-Residential	\$100 /month/meter
Manual Meter Reading Fee ¹ 3"-4" Multi-Family and Non-Residential	\$250 /month/meter
Manual Meter Reading Fee ¹ 6" & greater Multi-Family and Non-Residential	\$500 /month/meter

¹ The Manual Meter Read Fee is charged if customer refuses or does not respond to request to install Automatic Meter Reader or if the meter transmission unit is not transmitting due to the customer's failure to provide appropriate transmission requirements.

(b) Legal and copying fees shall be as follows:

Fee Name	Fee
Witness Fee	\$40 + Travel Expenses
DC Water Staff Expert Witness Fee	Salary + Fringe + Travel Expenses
Standard Letter and Legal Page (Photocopying)	\$0.75 per sheet
FOIA Processing Fee	\$10 + Staff Salary + Fringe

(c) Event and Equipment fees shall be as follows:

Size of Event (Attendees)	Number of DC Water Personnel Per Event¹	Cost per Event at \$90/hour per person
100 – 2,000	2	\$180/hour
2,000 – 5,000	4	\$360/hour
5,000 or more	6	\$540/hour

¹ Refers to the minimum number of personnel required for the event. Upon review of the event specifications, DC Water shall determine the appropriate number of personnel based on the assessed need.

Event Equipment	Cost per Unit per Event
Misting Tent ¹	\$585
Mobile Brita Hydration Station ¹	\$640
Cooling Station	\$450
Quench Buggy	\$2,650
DC Water Mascot	\$80

¹Refers to a per unit per event, assuming a single day event. For a multi-day event, the per unit cost would be multiplied by the number of days.

Subsection 112.5 is amended to read as follows:

112.5 Fees for engineering reviews both standard and expedited, excessive submission, and as-builts shall be as follows:

(a) **Small Project and Hybrid Project Plan Review Fees** shall be as provided in the table below for Small Projects, including:

- (1) Small Residential or Townhouse project subject to 12-B DCMR Residential Code Supplement with water service and meter two inches (2”) or less;
- (2) Small Non-Residential subject to 12-A DCMR Building Code Supplement with water service and meter inches (2”) or less;
- (3) Small Hybrid means a Small Residential or Non-Residential project with a domestic water service and meter two inches (2”) or less and a fire service greater than two inches (2”); or
- (4) Projects requiring only a sewer connection six inches (6”) or less in diameter or only a storm connection less than fifteen inches (15”) in diameter.

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
Small Project Base Plan - 1 st Submission Administrative Fee – All Small Projects	\$200	N/A	N/A	N/A
Small Project Rejected Plan Resubmission Administrative Fee - All Small Projects	\$100	N/A	N/A	N/A
Small Project Sheet and Shore - All Small Projects	\$1,250	\$2,500	14	7
Small Residential or Townhouse Project per meter connection	\$1,500	\$3,000	14	7
Small Non-Residential Project per meter connection	\$5,000	\$10,000	21	11
Small Hybrid Project per meter connection	\$6,750	\$13,500	21	11
Small Residential Approved Plan Revision (APR) per metered connection	\$500	\$1,000	14	7
Small Non-Residential or Hybrid APR per metered connection	\$1,450	\$2,900	21	11

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
Small Residential, Non-Residential or Hybrid Raze Permit Review and Utility Release Letter - No Abandonment	\$400	\$800	14	7
Small Raze Permit Review and Utility Release Letter - With Abandonments	\$1,000	\$2,000	14	7
Small Non-Residential Temporary Water Connections	\$2,000	\$4,000	21	11
Small Project Review and Sign Off - only in DCRA ProjectDox or for DCRA Walk-In Applicants	\$150	N/A	7	N/A

***Review times are estimated; Actual time may vary.**

- (b) **Large Project Plan Review Fees** (large means having a domestic water service and fire service greater than two inches (2") in diameter) shall be as provided in the table below as follows:

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
Large Project Base Plan - 1 st Submission Administrative Fee	\$200	N/A	N/A	N/A
Large Project Rejected Plan Resubmission Administrative Fee	\$100	N/A	N/A	N/A
Large Plan Review Fee per meter:	\$15,000	\$ 30,000	30	15
Large Project Foundation to Grade	\$1,750	\$3,500	21	11
Large Project Approved Plan Revision (APR)	\$2,000	\$4,000	14	7
Large Project Sheeting and Shoring	\$12,500	\$25,000	30	15
Large Project Abandonment Waiver Request	\$750	\$1,300	14	7

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
Large Project Temporary Water Connections	\$5,000	\$10,000	21	11
Large Fire Service Only Greater than 2" - with no interior renovations	\$5,000	\$10,000	21	11
Large Sanitary or Combined Connection Only 8" or larger	\$5,000	\$10,000	21	11
Large Storm Connection Only 15" or larger	\$5,000	\$10,000	21	11
Large Project Sign Off Only in DCRA ProjectDox	\$500	\$1,000	10	5
Large Water Meter Size Reduction Plan (with no other work)	\$5,000	\$10,000	21	11
Large Project Raze Only Utility Release Letter - No Abandonments	\$500	\$1,000	14	7
Large Project Raze Only Utility Release Letter - With Abandonments	\$1,500	\$3,000	14	7
Utility Infrastructure Only Review Fee (0 to 1,000 linear feet of water and/or sewer mains)	\$10,000	\$20,000	30	15
Utility Infrastructure Only Review Fee (1,000 – 2,500 linear feet of water and/or sewer mains)	\$15,000	\$30,000	30	15
Utility Infrastructure Only Review Fee (greater than 2,500 linear feet of water and/or sewer mains)	\$18,000	\$36,000	30	15

***Review times are estimated; Actual time may vary.**

(c) **Miscellaneous Fees** shall be as provided in the table below as follows:

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
Small Residential or Townhouse Plan Excessive Submission Review (5 th review or more) per meter connection	\$500	N/A	Based on No. of metered connections	Based on No. of metered connections
1 to 5 metered connections			14	7
6 to 20 metered connections			21	11
21 to 50 metered connections			40	20
greater than 50 metered connections			50	25
Small Non-Residential and Hybrid Plan Excessive Submission Review (5 th review or more)	\$750	N/A	Based on No. of metered connections	Based on No. of metered connections
1-3 metered connections			21	11
4 or more metered connections			30	15
Large Plan Excessive Submission Review (5 th review or more)	\$3,500	\$7,000		
Request for Information (RFI)	\$175	\$350	20	10
Request for As-Built Drawings	\$200	\$400	20	10
Water and Sewer Availability Letter	\$750	\$1,300		
Delayed Abandonment or Waiver	\$750	\$1,300	14	7
Processing of Standard Easement and Covenant (Initial Document)	\$2,000	\$4,000	14	7
Processing of Non-Standard Easement and Covenant (Initial Document)	\$8,500	\$17,000	21	11

Fee Name	Standard Fee	Expedited Review Fee	Standard Review Time* (Business Days)	Expedited Review Time* (Business Days)
One Day Plan Design and Review and Approval (Velocity Sign-Off Program)	\$25,000	N/A	1	N/A

***Review times are estimated; Actual time may vary.**

- (d) **DC Water “Velocity” Sign-Off Program** (One Day Final Plan Review and Approval) - a DCRA permit applicant may request to participate in the DC Water “Velocity” program in accordance with the following requirements:
- (1) Participation in DC Water’s “Velocity” Sign-Off Program only applies to plans resubmitted after DC Water’s initial standard or expedited plan review.
 - (2) Applicant shall pay the minimum DC Water “Velocity” Sign-Off Program fee of \$25,000 in addition to the applicable plan review fee and any other applicable fees.
 - (3) DC Water shall determine if the plans are eligible (complete and suitable) to participate in the program and that staff are available to perform the review requested.
 - (4) Upon acceptance into the DC Water “Velocity” Sign-Off Program, DC Water shall schedule a meeting with the Applicant to review and approve the plans, not less than one (1) week after the request to participate in the program.
 - (5) DC Water shall schedule one four-hour plan review and approval meeting, during which the Applicant shall present the revised plans and responses.
 - (6) If approved, the Applicant shall pay all required fees (e.g., SAF, inspection review, deposits, etc.) and DC Water shall issue the Water and Sewer Approval Certificate and approve the plans in ProjectDox.
 - (7) If DC Water issues additional comments or requirements, the applicant shall resubmit the revised plans within two (2) business days, and if all comments are acceptable, the plans shall be approved within one business day.
- (e) **Existing/Proposed As-Built Fee** shall be as provided in the table below as follows:

Fee Name	Fee
Small Residential or Townhouse	\$250 (each bldg.)
Small Non-Residential	\$500 (each bldg.)
Small Hybrid	\$750 (each bldg.)
Large Project	\$750 (Each Connection – water or sewer)
Installation of New Water or Sewer Main (20 to 100 feet)	\$2,500
Each additional 200 feet of water line	\$2,000
Each additional 400 feet of sewer main/line	\$2,000
Installation of Water Line - larger than 24" in diameter	Determined on a per project basis
Installation of Sewer - larger than 60" in diameter	Determined on a per project basis

- (f) **Construction Phase Customer Support Fee** that provides a singular DC Water contact to assist the applicant during construction with coordination between the various DC Water departments for meetings, and services, including, but not limited to: tap requests, meter sets, valve shuts, pre-construction meetings, CCTV coordination, lead service replacements, cooling system metering, plan revision approval, and billing questions. The Construction Phase Customer Support Fee shall be as provided in the table below as follows:

Fee Name	Fee
Residential Projects (including new Small Residential or Townhouse water/sewer connections, raze, temporary connection, 2" or less water meter)	\$500
Small Non-Residential or Hybrid (including new connections, raze, temporary connection, 2" or less water meter)	\$2,000
Large (including new connections, raze, sheeting and shoring, temporary connection, 3" or larger water meter)	\$4,500

Subsection 112.6 is amended to read as follows:

- 112.6 Waste Hauler Permit and Disposal Fees; Pretreatment Industrial User Permit and Sampling Fees; High Strength Waste Fees; and FOG Facility fees shall be as follows:

Fee Name	Fee
Waste Hauler Discharge Annual Permit Fee per Vehicle	\$50
Waste Hauling Disposal Fees	
High strength grease trap waste	\$0.077 per gallon
High strength septage waste	\$0.077 per gallon
Domestic strength waste	\$0.004 per gallon
Low strength waste	\$0.004 per gallon
Industrial User Permit Fees	
Permit Initial Fee	\$2,865
Permit Renewal Fee	\$955
Industrial User Annual Compliance Fees	
Significant or Non-Significant Categorical Industrial User	
1 Outfall	\$3,290
2 or more Outfalls	\$4,560
Significant Non-Categorical Industrial User Fees	
1 Outfall	\$3,290
2 or more Outfalls	\$4,560
Non-Significant Non-Categorical User	
1 Outfall	\$745
2 or more Outfalls	\$955
High Strength Waste Fees	
Biochemical Oxygen Demand (BOD)	\$0.162 per pound
Total Suspended Solids (TSS)	\$0.278 per pound
Total Kjeldahl Nitrogen (TKN) or Total Nitrogen (TN)	\$1.662 per pound
Total Phosphorus (TP)	\$5.234 per pound
Fats, Oil and Grease (FOG) Facility Monthly Fee	\$18.70 per month

Subsection 112.12(a) is amended to read as follows:

112.12 Cross-Connection/ Back Flow Prevention Fees and Turn-Off Charges

- (a) The Cross-Connection/ Back Flow Prevention Fees and Turn-Off Charges shall be as follows:

Fee Name	Fee
Cross-Connection/Back Flow Prevention Monthly Fee per Assembly	\$6.70
Cross-Connection Turn-off - 5/8" to 2"	\$215
Cross-Connection Turn-off - 3" to 5"	\$425
Cross-Connection Turn-off - 6" and larger	\$955

Action Item 3

Recommend Board Approval for Notice of Emergency and Proposed Rulemaking 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

Chapter 41, RETAIL WATER AND SEWER RATES AND CHARGES, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

Paragraph 4102.2(c), Subsection 4102.2 Customer Assistance Program II (CAP2), of Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102.2 CUSTOMER ASSISTANCE PROGRAM II (CAP2)

- (c) Upon DC Water's receipt of notice from DOEE that the CAP2 customer meets the financial eligibility requirements, DC Water shall provide the CAP2 benefits for not more than the entire fiscal year, beginning October 1st and terminating on September 30th, subject to the availability of budgeted funds.
 - (1) Approved CAP2 customers that submitted a complete application to DOEE before November 1st, shall receive CAP2 benefits retroactive to October 1st and terminating on September 30th of that fiscal year.
 - (2) Approved CAP2 customers that submitted a complete application on or after November 1st, shall receive CAP2 benefits as of the date of submittal and terminating on September 30th of that fiscal year.
 - (3) Customers shall reapply each year for CAP2 benefits to receive CAP2 benefits.

Subsection 4102.9, DC Water Cares Emergency Relief Program for Low-Income Residential Customers, of Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102.9 DC Water Cares Emergency Relief Program for Low-Income Residential Customers

- (a) Participation in the DC Water Cares Emergency Relief Program (DC Water Cares) shall be limited to a single-family or individually metered low-income Residential Customer that meets the following eligibility requirements:

- (1) The applicant maintains an active DC Water account and is responsible for paying for water and sewer services; and
 - (2) DOEE has determined that the applicant's annual household income is equal to or below eighty percent (80%) of the Area Median Income (AMI) for the District of Columbia, not capped by the United States median low-income limit.
- (b) An approved customer shall receive the following benefits:
- (1) Credit of one hundred percent (100%) off of the past due water and sewer bill balance; and
 - (2) The total amount of credits provides shall not exceed Two Thousand (2,000) dollars during Fiscal Year 2023.
- (c) Upon DC Water's receipt of notice from DOEE that the applicant meets the financial eligibility requirements, DC Water shall provide the credits to the customer's account from the date that DOEE accepts a completed application and for future qualifying events that may lead to collection activities to the end of the fiscal year in which the application was submitted.
- (d) The DC Water Cares Emergency Relief Program shall terminate on September 30, 2023.
- (e) Customer that received DC Water Cares benefits in FY 2022 must submit a renewal CAP or CAP2 application to DOEE to receive DC Water Cares benefits in Fiscal Year 2023.
- (f) If DC Water determines that the remaining budgeted funds are insufficient to provide DC Water Cares benefits, DC Water may:
- (1) Suspend the process for accepting DC Water Cares applicants; or
 - (2) Suspend or adjust providing DC Water Cares benefits to eligible recipients.

Subsection 4102.10, DC Water Cares: Multifamily Assistance Program (MAP), Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102.10 DC Water Cares: Multifamily Assistance Program (MAP).

- (a) The DC Water Cares: Multifamily Assistance Program (MAP) provides up to two thousand (\$2,000) per eligible unit of emergency relief to an eligible Occupant residing in a participating Multi-Family Customer's premises.

- (b) For purposes of this subsection, Non-Residential Customers whose premises has four or more dwelling units, are deemed Multi-Family Customers, as defined in 21 DCMR 4104, and eligible to apply to participate in the MAP.
- (c) For purposes of this subsection, the term “Occupant” includes a person that resides in a dwelling unit in an apartment, condominium, or cooperative housing association.
- (d) Multi-Family Customers and their eligible Occupants may participate in the MAP by complying with the requirements in this subsection.
- (e) To participate in the MAP, a Multi-Family Customer shall:
 - (1) Maintain an active DC Water account and be responsible for paying for water and sewer services at a Multi-Family Customer’s property that is:
 - (A) Not owned or operated by the District of Columbia or
 - (B) Not owned or operated by the Federal Government.
 - (2) Have one or more eligible Occupant in an active lease or rental agreement, condominium housing association deed or title, or cooperative housing association occupancy agreement or title to reside in their premises;
 - (3) Complete and submit a DC Water Cares: Multifamily Assistance Program Terms and Conditions Application and comply with DC Water requests for information and access to the premises as necessary to determine compliance with the MAP requirements;
 - (4) Upon approval to participate in the MAP, comply with all the MAP Terms and Conditions, post the MAP flier in a conspicuous location in the building or include the MAP flier in a notice or invoice to all unit Occupants to inform the Occupants about the MAP and encourage them to apply for assistance, if eligible;
 - (5) Upon receipt of MAP Credits, apply ninety percent (90%) of the MAP Credits to the DC Water approved eligible Occupant’s account within thirty (30) days of receipt of the MAP Credit, and the remaining ten percent (10%) shall be maintain as a credit on the DC Water account;
 - (6) Notify the eligible Occupant in writing that the credits were applied to their account within thirty (30) days of the receipt of the MAP Credit;

- (7) Enter a payment plan agreement with DC Water for any remaining arrears outstanding on the DC Water account within sixty (60) days of receipt of the first MAP Credits; and
 - (8) Notify DC Water within thirty (30) days of any change in ownership or the eligible Occupant's occupancy.
- (f) To be eligible to participate in the MAP, an Occupant shall be (1) named on the occupancy agreement, including, but not limited to a lease or rental agreement, condominium deed or title, or cooperative housing association occupancy agreement or title, (2) reside in a Multi-Family Customer's property that is master metered and approved to participate in the MAP, and (3) meet one of the following requirements:
- (1) Reside in an Affordable Housing Unit as defined in 21 DCMR § 199.1, provided the Occupant does not notify DC Water to be excluded from receiving MAP assistance within ten (10) days of receipt of notice of eligibility from DC Water; or
 - (2) Meet the annual household income limits equal to or below eighty percent (80%) of the Area Median Income (AMI) for the District of Columbia, not capped by the United States median low-income limit as follows:
 - (A) Occupant submits a Resident Application for DC Water Cares: Multifamily Assistance Program to the District of Columbia Department of Energy and Environment (DOEE) and DOEE determines that the applicant meets the annual household income requirements;
 - (B) Occupant that is eligible to receive Low-Income Energy Assistance Program (LIHEAP) or Utility Discount Program (UDP) assistance during Fiscal Year 2023 as determined by DOEE, shall be categorically eligible to participate in the MAP, provided they do not notify DC Water to be excluded from participating within ten (10) days of receipt of the notice of eligibility from DC Water; or
 - (C) Occupant that is eligible to receive assistance for public benefits programs during Fiscal Year 2023, including, but not limited to, the Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or medical assistance programs, through Medicaid, Alliance and DC Healthy Families programs as determined by the District of Columbia Department of Human Services, shall be categorically eligible to participate in the MAP,

provided they notify DC Water that they agree to participate in the MAP within ten (10) days of receipt of the notice of eligibility, but not later than September 21, 2023.

- (3) Occupant is not eligible to receive MAP assistance if they:
 - (A) Reside in a dwelling unit that is 100% subsidized.
- (g) DC Water shall notify the approved Multi-Family Customer and approved Occupant(s), setting forth the amount of the approved MAP Credits.
- (h) DC Water shall apply up to two thousand dollars (\$2,000) in MAP Credits per eligible unit during Fiscal Year 2023 on an approved Multi-Family Customer's DC Water account that has one or more eligible Occupant as follows:
 - (1) The MAP Credits provided per eligible unit shall be calculated based on the greater of A. or B., which is then divided by the total number of dwelling units in the premises:
 - (A) The average of the Multi-Family Customer's DC Water charges billed from October 1, 2021 to September 30, 2022 subtracting any amount of water and sewer charges applicable to any retail/commercial units and that result is multiplied by three (3); or
 - (B) Total amount of the outstanding balance on the Multi-Family Customer's DC Water account as of September 30, 2022 subtracting any water and sewer charges applicable to any retail/commercial units.
 - (2) DC Water shall revoke the amount of the MAP Credits applied to a Multi-Family Customer's DC Water account and charge the customer's account the full amount of the MAP Credits, if one or more of the following violations is not corrected within ten (10) days of the date of the notice of violation from DC Water:
 - (A) Failure to comply with the MAP Terms and Conditions;
 - (B) Failure to enter into a payment plan agreement within sixty (60) days of the receipt of the first MAP Credits to establish a payment schedule for any remaining outstanding charges;
 - (C) Failure to apply the MAP Credits to the Occupant's account within thirty (30) days of receipt of the MAP Credits; or

- (D) Multi-Family Customer or Occupant commits fraud or makes false statements in connection with the MAP.
- (i) Multi-Family Customer that receives MAP Credits on their DC Water account shall:
 - (1) Apply ninety percent (90%) of the total MAP Credits for the approved Occupant on their account within thirty (30) days of the date of the notice of the amount of the Credits from DC Water, and the remaining ten percent (10%) shall be maintain as a credit on the DC Water account;
 - (2) Notify the approved Occupant, in a statement or separate writing, that the credit has been applied to their account within thirty (30) days of receipt of the MAP Credits from DC Water;
 - (3) Notify DC Water within thirty (30) days of any change in ownership if DC Water has not applied the MAP Credits to the Multi-Family Customer's DC Water account;
 - (4) Notify DC Water within thirty (30) days of any change in the Occupant's occupancy if the MAP Credits have not been applied to the Occupant's account;
 - (5) Provide the Occupant any MAP Credits remaining in their account if the Occupant terminates their occupancy;
 - (6) Provide, upon DC Water's request, documentation confirming that the MAP Credits have been applied to the Occupant's account;
 - (7) Provide DC Water access to the premises and records to conduct an audit to determine compliance with these regulations and the MAP Terms and Conditions; and
 - (8) Maintain all documents related to the MAP Terms and Conditions Application, receipt and handling of MAP Credits, and notices to approved Occupant(s).
- (j) The DC Water Cares MAP shall terminate September 30, 2023.
- (k) Multi-Family Customer that received MAP Credits in FY 2022 must submit a renewal DC Water Cares: Multifamily Assistance Program Terms and Conditions Application to DC Water to receive MAP Credits in Fiscal Year 2023.
- (l) Occupant residing in multifamily properties that received MAP Credits on their account in FY 2022 must submit a renewal Resident Application for

DC Water Cares: Multifamily Assistance Program to DOEE to receiving MAP Credits in Fiscal Year 2023.

- (m) If DC Water determines that budgeted funds are insufficient to provide DC Water Cares MAP Credits, DC Water may:
 - (1) Suspend the process for accepting DC Water Cares MAP applications; or
 - (2) Suspend or adjust providing DC Water Cares MAP Credits to eligible Multi-Family Customer's DC Water account.
- (n) DC Water shall notify a Multi-Family Customer or Occupant if they are denied eligibility for the MAP by issuing a Notice of Denial, which shall contain a written statement of the basis for the denial and advising the Multi-Family Customer or Occupant of the following:
 - (1) Multi-Family Customer or Occupant may challenge the denial of eligibility to participate in the MAP by:
 - (A) Submitting a written Request for Reconsideration within fifteen (15) days of the date of the Notice of Denial; and
 - (B) Providing a statement of the basis why they should be eligible and supporting documentation.
 - (2) The General Manager shall review the Request for Reconsideration and make a final determination of eligibility.
 - (3) The Multi-Family Customer or Occupant may request an Administrative hearing in writing, within fifteen (15) days of the date of the General Manager's written final determination, if he or she is not satisfied with the General Manager's determination; and
 - (4) The Customer shall be notified in writing of the date and time of the Administrative Hearing, if requested.

All persons desiring to comment on this Notice of Emergency and Proposed Rulemaking should submit comments in writing not later than [5 days after HEARING DATE]. Comments should be submitted to Linda R. Manley, Secretary to the Board, District of Columbia Water and Sewer Authority, 1385 Canal Street, S.E., Washington, D.C. 20003, by email to Lmanley@dewater.com, or by FAX at (202) 787-2795. Copies of the Notice of Emergency and Proposed Rulemaking may be obtained from DC Water at the same address or by contacting Ms. Manley at (202) 787-2330.

Attachment G

FY 2022 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
1. Adjust Retail Rates for FY 2023 & FY 2024			
a. Present FY 23 & FY 24 Budget to Board	January 6, 2022	√	EVP F&P
b. Present Proposed FY 23 & FY 24 Rates, Fees & Charges in the Joint Meeting of RRC and F&B Committees	January 25, 2022	√	Rates and Revenue
c. Independent Review of Rates – Presentation by Consultant	February 22, 2022	√	Rates and Revenue
d. RRC recommendation on Proposed FY 23 & FY 24 Rates, Fees and Charges	February 22, 2022	√	Rates and Revenue
e. Submit Independent Review of Proposed Rates and 2022 Cost of Service Study to Mayor and Council and post both on DC Water’s website	February 28, 2022	√	Rates and Revenue
f. Board approves Notice of Proposed Rulemaking (NOPR) for Proposed FY 23 & FY 24 Rates, Fees and Charges.	March 3, 2022	√	Board of Directors
g. Publish NOPR in D.C. Register for Proposed FY 23 & FY 24 Rates, Fees and Charges	March 18, 2022	√	DGLA
h. Outreach and Public Comment Period	March 18 - May 16, 2022	√	OMAC & Board Secretary
i. Public Hearing	May 11, 2022	√	Board of Directors
j. Public Hearing Record Closes	May 16, 2022	√	Board Secretary
k. Submit Response to Public Comments report to Board and post on DC Water website	May 31, 2022	√	Rates and Revenue
l. Present final FY 23 & FY 24 Rates, Fees and Charges to RRC for recommendation to Board	June 28, 2022		Rates and Revenue
m. Board approves Notice of Final Rulemaking (NOFR) for FY 23 & FY 24 Rates, Charges & Fees	July 7, 2022		Board of Directors
n. Publish NOFR in D.C. Register for Amended Rates, Fees and Charges	July 22, 2022		DGLA
o. Amended Rates, Fees and Charges Go-Live	October 1, 2022 (FY 2023) October 1, 2023 (FY 2024)		Rates and Revenue

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
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2. 2022 Cost of Service Study (COS) for Water, Sewer and CRIAC			
a. Present COS to RRC	January 25, 2022	√	Rates & Revenue
b. Post Final COS on DC Water’s website	February 25, 2022	√	Rates & Revenue

Attachment G

FY 2022 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
3. 2022 Potomac Interceptor Cost of Service Study (FY 2023 – FY 2025)			
a. <i>Present 2022 Potomac Interceptor Cost of Service Study for FY 2023 – FY 2025 rates to RRC</i>	April 26, 2022	√	Rates & Revenue

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
4. New High Flow Filter Backwash Sewer Service Rate			
a. <i>Presentation to RRC amend Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	July 27, 2021	√	Clean Water Quality and Technology
b. <i>RRC recommend approval of proposal to amend the Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	July 27, 2021	√	RRC
c. <i>Board approval to publish Notice of Proposed Rulemaking (NOPR) to amend the Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	September 2, 2021	√	Board of Directors
d. <i>Post COS on website</i>	September 14, 2021	√	Rates & Revenue
e. <i>Publish NOPR and Notice of Public Hearing in D.C. Register</i>	September 17, 2021	√	DGLA
f. <i>Outreach and Public Comment Period</i>	Sept. 17 – Nov. 15, 2021	√	Marketing &
g. <i>Submit Cost of Service study to Mayor and Council and post on DC website</i>	September 20, 2021	√	Comm.Rates and Revenue
h. <i>Submit Independent Review of Proposed Rates to Mayor and Council and post on website</i>	October 6, 2021	√	Rates and Revenue
i. <i>Public Hearing</i>	November 10, 2021	√	Board of Directors
j. <i>Public Comment Period Closes</i>	November 15, 2021	√	Board Secretary
k. <i>Present Response to Comments Report to RRC and post on DC Water website</i>	November 16, 2021	√	Rates and Revenue/Pretreatment
l. <i>RRC approves final proposal to amend Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	November 16, 2021	√	RRC
m. <i>Board approval to publish Notice of Final Rulemaking (NOFR)</i>	December 2, 2021	√	Board of Directors
n. <i>Publish NOFR in D.C. Register</i>	December 17, 2021	√	DGLA
o. <i>Implementation of the new High Flow Filter Backwash Sewer Rate</i>	December 17, 2021	√	CWQT

Attachment G

FY 2022 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
5. Proposal to Amend CAP Regulations to Extend DC Water Cares Residential and Multi-family Programs for FY 2022 and Waive FY 2021 CAP2 Customer Recertification Requirement for FY 2022			
a. <i>Update to RRC on DC Water Cares Residential and Multi-family Assistance Programs (RAP and MAP Programs for FY 2022)</i>	June 22, 2021	√	Customer Service
b. <i>Presentation of Proposal to RRC to Amend CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022 and publication of NOEPR</i>	July 27, 2021	√	Customer Service
c. <i>RRC Recommends Approval of Proposal to Board to Amend the CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022</i>	July 27, 2021	√	RRC
d. <i>Update RRC to recommend CAP amendments to waive FY 2021 CAP2 Customer's Recertification requirements for FY 2022</i>	August 31, 2021	√	Customer Service/ DGLA
e. <i>RRC recommends Approval of Proposal to Board to Amend te CAP Regulations to waive FY 2021 CAP2 Customer's Recertification Requirement for FY 2022 with other CAP amendments</i>	August 31, 2021	√	Customer Service/ DGLA
f. <i>Board Approval to Publish Notice of Emergency and Proposed Rulemaking (NOEPR) to Amend CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022 and Waive FY 2021 CAP2 Customer's Recertification Requirement for FY 2022</i>	September 2, 2021	√	Board of Directors
g. <i>Publish NOEPR and Notice of Public Hearing in D.C. Register</i>	September 17, 2021	√	DGLA
h. <i>Public Comment Period Begins</i>	Sept. 17 – Nov. 15, 2021	√	Marketing & Comm.
i. <i>Implement extended DC Water Cares RAP and MAP Programs for FY 2022 and Waiver of FY 2021 CAP2 Customer's Recertification Requirement for FY 2022</i>	October 1, 2021	√	Customer Servic
j. <i>Public Hearing</i>	November 10, 2021	√	RRC
k. <i>Public Comment Period Closes</i>	November 15, 2021	√	Board Secretary
l. <i>Present proposal to RRC for Notice of Final Rulemaking (NOFR) for DC Water Cares RAP, MAP and CAP2 including responses ro comments</i>	November 16, 2021	√	RRC

Attachment G

FY 2022 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
5. Proposal to Amend CAP Regulations to Extend DC Water Cares Residential and Multi-family Programs for FY 2022 and Waive FY 2021 CAP2 Customer Recertification Requirement for FY 2022 (Continued)			
<i>m. RRC recommendation for Board to approve and adopt for publication of NOFR for DC Water Cares RAP and MAP Programs and Waiver of CAP2 Recertification for FY 2022</i>	November 16, 2021	√	RRC
<i>n. Board approval and adoption for publication of NOFR for DC Water Cares RAP and MAP Programs and Waiver of CAP2 Recertification for FY 2022</i>	December 2, 2021	√	Board of Directors
<i>o. Publish NOFR in the D.C. Register</i>	December 17, 2021	√	DGLA
<i>p. Continue Implementing DC Water Cares RAP and MAP Programs and Waiver of FY 2021 CAP2 Customer's Recertification Requirement for FY 2022</i>	December 17, 2021	√	Customer Service

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
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6. Amend 21 DCMR Chapter 4			
<i>a. Present Proposed Revisions to Regulations for Customers Challenging their Bills to RRC</i>	July 27, 2021	√	Customer Service
<i>b. RRC recommendations for Board approval for of proposal proposed to amendments to 21 DCMR Chapter 4 regulations</i>	July 27, 2021	√	RRC
<i>c. Board Approval to Publish Notice of Proposed Rulemaking (NOPR) to Amend 21 DCMR Chapter 4 regulations</i>	September 2, 2021	√	Board of Directors
<i>d. Publish NOPR in DC Register</i>	September 17, 2021	√	Legal Affairs
<i>e. Outreach and Public Comment Period</i>	Sept. 17 – Oct. 18, 2021	√	OMAC & Board
<i>f. RRC recommendation for Board approval and adoption of final amendments to 21 DCMR Chapter 4 regulations</i>	November 16, 2021	√	Secretary RRC
<i>g. Board Approval and Adoption of Notice of Final Rulemaking (NOFR) to Amend 21 DCMR Chapter 4 regulations</i>	December 2, 2021	√	Board of Directors
<i>h. Publish NOFR in the DC Register</i>	December 17, 2021	√	DGLA
<i>i. Chapter 4 Rules and Billing System – Go Live</i>	December 17, 2021	√	Customer Service

Attachment G

FY 2022 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
7. 2022 Cost of Service Miscellaneous Fees and Charges			
a. <i>Present COS Update and Proposed Amendments to Miscellaneous Fees & Charges for RRC Recommendation</i>	April 26, 2022	√	Rates & Revenue
b. <i>Board Approval of Notice of Proposed Rulemaking (NOPR) for Miscellaneous Fees & Charges</i>	May 5, 2022	√	Board of Directors
c. <i>Publish NOPR in DC Register</i>	May 20, 2022	√	DGLA
d. <i>Public Comment period</i>	May 20–June 20, 2022	√	Board Secretary
e. <i>RRC Final Recommendation to Approve Amendments for Miscellaneous Fees & Charges</i>	June 28, 2022		Rates & Revenue
f. <i>Board Approval of Notice of Final Rulemaking (NOFR)</i>	July 7, 2022		Board of Directors
g. <i>Publish NOFR in DC Register</i>	July 22, 2022		DGLA
h. <i>Miscellaneous Fees & Charges Go-Live</i>	July 22, 2022		Rates & Revenue/ Permitting/Customer Care

Attachment G

FY 2022 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
8. 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			
<i>i. Presentation to RRC on proposal to amend Customer Assistance Program (CAP)</i>	June 28, 2022		Customer Service
<i>a. RRC recommends Board approval to amend the CAP regulations for CAP2, and extension of DC</i>	July 28, 2022		RRC
<i>b. 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
<i>c. Public comment period</i>	July 22, 2022		OMAC & Board Secretary
<i>d. Public Hearing</i>	TBD		Board of Directors
<i>e. Public comment period closes</i>	TBD		Board Secretary
<i>f. RRC approves final proposal to amend CAP regulations for CAP2 and DC Water Cares Residential and Multifamily Assistance Programs extension</i>	TBD		RRC
<i>g. Board approval to publish Notice of Final Rulemaking to Approval of Notice of Final Rulemaking (NOFR) Publish NOFR in D.C Register</i>	TBD		Board of Directors

Attachment G

FY 2022 Proposed RRC Committee Workplan

Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
9. Delinquent Accounts			
a. <i>Soldiers Home Negotiations</i>	Monthly, as needed		DGLA

Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
10. Rate Stabilization Fund			
a. Rate Stabilization Fund	Monthly, as needed		Rates & Revenue



Attachment H

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

**Tuesday, July 26, 2022; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for September 27, 2022 Committee Meeting	Committee Chairman
Other Business	Chief Financial Officer
Adjournment	