

Presented and Approved: December 6, 2018

**SUBJECT: Approval to Execute Supplemental Agreement No. 02 of
Contract No. DCFA #450-WSA, Arcadis District of
Columbia, PC**

**#18-74
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on December 6, 2018 upon consideration of a joint use matter, decided by a vote of ten (10) in favor and zero (0) opposed to approve Supplemental Agreement No. 02 of Contract No. DCFA #450-WSA, Arcadis District of Columbia, PC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 02 of Contract No. DCFA #450-WSA, Arcadis District of Columbia, PC. The purpose of the supplemental agreement is to continue providing construction management and related engineering services for the construction of a Tunnel Dewatering Pump Station and Enhanced Clarification Facility. The supplemental agreement amount is \$2,600,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: December 6, 2018
SUBJECT: Approval to Execute Contract No. 130280, Ulliman Schutte Construction, LLC

#18-75
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on December 6, 2018 upon consideration of a joint use matter, decided by a vote of ten (10) in favor and zero (0) opposed to approve Contract No. 130280, Ulliman Schutte Construction, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 130280, Ulliman Schutte Construction, LLC. The purpose of the contract is to upgrade major mechanical equipment serving the Filtration and Disinfection Facility. The contract amount is \$18,267,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: December 6, 2018
SUBJECT: Approval to Add Funding to Option Year Three of Contract
No. 15-PR-DWT-02, Charmay, Inc. dba ServiceMaster of
Alexandria

#18-76
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on December 6, 2018 upon consideration of a joint use matter, decided by a vote of ten (10) in favor and zero (0) opposed to approve additional funding for Contract No. 15-PR-DWT-02, Charmay, Inc. dba ServiceMaster of Alexandria.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding for Contract No. 15-PR-DWT-02, Charmay, Inc. dba ServiceMaster of Alexandria. The purpose of the additional funding is to continue the services of a professional industrial cleaning crew to provide routine cleaning of the wastewater field areas, which house the processing equipment and systems. The additional funding amount is \$500,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: December 6, 2018
SUBJECT: Approval to Execute Contract No. 18-PR-DWT-38
Nutri-Blend Inc.

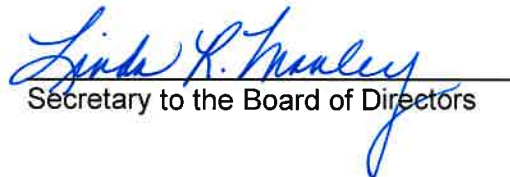
#18-77
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on December 6, 2018 upon consideration of a joint use matter, decided by a vote of ten (10) in favor and zero (0) opposed to approve Contract No. 18-PR-DWT-38, Nutri-Blend Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 18-PR-DWT-38, Nutri-Blend Inc. The purpose of the contract is to purchase biosolids management services to remove biosolids from the Dewatered Biosolids Loading Facility, and manage its disposition. The contract amount is \$2,000,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: December 6, 2018

**SUBJECT: Approval to Execute the Extension and Additional
Funding to Option Year Two of Contract No. WAS-12-066-
AA-RE, Polydyne, Inc.**


**#18-78
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on December 6, 2018 upon consideration of a joint use matter, decided by a vote of ten (10) in favor and zero (0) opposed to approve the Extension and additional funding of Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the extension and additional funding to Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc. The purpose of the extension is to provide continuity of supply while the Authority conduct full-scale plant testing, data evaluation, and contract negotiations. The additional funding amount is \$1,000,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Approved: December 6, 2018
SUBJECT: Approval to Execute Change Order No. 02 of Contract No. 150110, American Contracting & Environmental Services, Inc.

#18-79
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on December 6, 2018 upon consideration of a non- joint use matter, decided by a vote of five (5) in favor and zero (0) opposed to approve Change Order No. 02 of Contract No. 150110, American Contracting & Environmental Services, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 02 of Contract No. 150110, American Contracting & Environmental Services, Inc. The purpose of the change order is to provide electric upgrades and related infrastructure work at five storm water pumping stations. The change order amount is \$3,150,000.

This Resolution is effective immediately.


Secretary to the Board of Directors

Presented and Adopted: December 6, 2018

SUBJECT: Approval to Publish Notice of Final Rulemaking to Expand the Customer Assistance Program (CAP) to Establish Rules for DC Water's CAP2 Program, to Adopt Rules for Implementing the District's CAP3 Program, and Not Taking Action on the District's CRIAC Nonprofit Relief Program Pending Review of Department of Energy and Environment Implementing Regulations

**#18-80
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("the Authority"), at the Board meeting held on December 6, 2018 upon consideration of a non-joint use matter decided by a vote of four (4) in favor and one (1) recused to Publish Notice of Final Rulemaking to Expand the Customer Assistance Program (CAP) to Establish Rules for DC Water's CAP2 Program, to Adopt Rules for Implementing the District's CAP3 Program and Not Taking Action on the District's CRIAC Nonprofit Relief Program, Pending Review of Department of Energy and Environment Implementing Regulations.

WHEREAS, D.C. Official Code § 34-2202.16(b-1)(1) requires the Authority to "offer financial assistance programs to mitigate the impact of any increases in retail water and sewer rates and the impervious area charge on low-income residents of the District..;" and

WHEREAS, in Resolution 14-56, dated September 4, 2014, the Board adopted General Principals of Affordability for Low-Income Customers, that require: 1) consideration of rate impacts on low income customers; 2) exploration of affordability alternatives for low-income customers, and 3) development of a more innovative rate structure, the goal of which is to reduce the economic burden on low-income customers at the earliest practicable date consistent with the Board's need to gather sufficient data to support any rate structure chosen; and

WHEREAS, in Resolution 16-60, dated July 7, 2016, the Board directed the General Manager to: 1) evaluate the CAP program and recommend expansion of CAP to include the Clean Rivers Impervious Area Charge (CRIAC); 2) review the impact of CRIAC on various customer segments including low-income customers who do not qualify for CAP and report findings by December 2016; and 3) request the Finance and Budget

Committee to review the policy governing use of the Rate Stabilization Fund to reduce or moderate or eliminate the impact of CRIAC increases on ratepayers, particularly ratepayers eligible for CAP; and

WHEREAS, in Resolution 17-18, dated March 2, 2017, the Board approved revisions to the CAP program to reduce CAP charges by 50% for CAP eligible customers; and

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee reviewed the Authority's FY 2019 and 2020 Rate Proposal, which projected overall water and sewer rate increases of 13% in FY 2019 and 5% in FY 2020, and combined average household customer water, sewer and CRIAC increase of 5.6%; and

WHEREAS, on February 20, 2018, the DC Retail Water and Sewer Rates Committee reviewed the Authority's FY 2019 and 2020 Rate Proposal, that projected overall water and sewer rate increases of 13% in FY 2019 and 5% in FY 2020, and revised combined average household customer water, sewer and CRIAC increase of 5.9%, and reviewed the 2018 Cost of Services Study, including its objectives, revenue sufficiency analysis, rate equity and retail rate structures, and customer impacts; and

WHEREAS, on April 24, 2018, the DC Retail Water and Sewer Rates Committee reviewed the Rate Policy Options and the Rate Stabilization Fund, including the history of the Rate Stabilization Fund contributions and withdrawals and considered impacts of broad-based versus targeted relief to low income customers by modifying or expanding CAP; and

WHEREAS, D.C. Official Code § 34-2202.16(b-1)(1) does not define the term "low-income", however District and federal regulations define the term as "a household or family whose annual income is greater than fifty percent (50%) but less than eighty percent (80%) of the area median income" and "income not in excess of 80 percent of the area median income...", 10-B DCMR § 4199 and 24 C.F.R. §81.17(b)(1), respectively; and

WHEREAS, on July 26, 2018, the DC Retail Water and Sewer Rates Committee met to consider the proposed revised rates and fees for FY 2019 and 2020 and comments received during the public comment period; and

WHEREAS, DC Retail Water and Sewer Rates Committee recommended approval of the revised rates and fees to the Board, and noted that public comments and suggestions to consider the impact of higher rates on seniors, that CAP programs be extended to include households that include seniors, and that there be exemption from CRIAC fees for churches and cemeteries; and

WHEREAS, on July 26, 2018, the DC Retail Water and Sewer Rates Committee and the Finance and Budget Committee met in a joint session to consider allocation of funds from the Rate Stabilization Fund and recommended that the Board transfer \$6 million from the Fund to provide rate relief; and

WHEREAS, in Resolution 18-57, dated July 5, 2018, the Board accepted the recommendations of the DC Retail Water and Sewer Rates Committee and the Finance and Budget Committee, and directed the General Manager to amend the Fiscal Year 2018-2027 Ten Year Financial Plan to reflect the one time transfer of \$6.0 million from the Rate Stabilization Fund to the Fiscal Year 2019 Budget to fund programs designed to augment, and expand the Customer Assistance Program (CAP) to mitigate the impact of increases in retail water and sewer rates on low-income residents; and

WHEREAS, in Resolution 18-57, the Board determined that it was “important to the financial management of the Authority and performance of its statutory mission” that the funds transferred from the Rate Stabilization Fund be used to “assist low income residential customers;” and

WHEREAS, Resolution 18-57 also directed the General Manager to present recommendations to the Board regarding changes to CAP, including: a) adding more low income customers by considering metrics such as, but not limited to household size, median income or other factors, subject to the limitation of funds; b) providing benefits to customers with household incomes of up to 80% of the area median income, considering household size; c) expanding benefits available under the Customer Assistance Program up to three Hundred Cubic Feet (3 Ccfs) of water and sewer services and percent discounts from CRIAC to customers not eligible under the then current CAP program; and d) including limitations on the number of participants to ensure that the costs of the expanded program not exceed \$6 million or extend beyond Fiscal Year 2019; and e) including other suggestions deemed advisable by the General Manager; and

WHEREAS, on September 5, 2018, the Mayor for the District of Columbia signed the *Fiscal Year Budget Support Act of 2018* (D.C. Law 22-0168, effective October 30, 2018), which set aside \$7 Million in the Fiscal Year 2019 Budget and directed the Mayor to establish a financial assistance program to assist District residential customers and nonprofit organizations located in the District with payment of CRIAC; and

WHEREAS, the Budget Support Act required that “at least \$4 Million” of the funds set aside be made available to nonprofit organization applicants that: a) demonstrate significant hardship in paying the CRIAC; b) permit the District Department of Energy and the Environment (DOEE) to inspect their property; and c) commit to evaluate on site stormwater management projects or alternative stormwater mitigation measures or activities; and

WHEREAS, the Budget Support Act also authorized the Mayor to establish a financial assistance program to assist residential customers with incomes “not exceeding 100% of the area median income” with payment of CRIAC and to supplement the financial assistance programs implemented by DC Water pursuant to D.C. Official Code § 34-2202.16(b-1)(1); and

WHEREAS, the District's low income residential customer assistance program, authorized by the Budget Support Act, as currently described by DOEE will be known as CAP3, will be funded exclusively with District funds, and will provide benefits to residential customers whose household incomes are greater than 80% of the Area Median Income, but less than 100% of the Area Medium Income; and

WHEREAS, CAP3 eligible applicants will receive credits toward CRIAC payment obligations in amounts prescribed by DOEE, pursuant to regulations, not yet published; and

WHEREAS, the District's nonprofit assistance program, currently known as Clean Rivers Impervious Surface Area Charge (CRIAC) Nonprofit Relief Program, will be administered by DOEE pursuant to regulations not yet published; be funded exclusively with District funds; and will provide benefits to nonprofit organizations located in the District; and

WHEREAS, the Budget Support Act authorizes eligible nonprofit organizations to receive credits of 90% on CRIAC; and

WHEREAS, on September 25, 2018, the DC Retail Water and Sewer Rates Committee met to consider the General Manager's recommendations offered pursuant to Resolution 18-57; and

WHEREAS, the General Manager proposed to the committee changes to CAP which add a new program to be known as CAP2, which will offer benefits of three Hundred Cubic Feet (3 CCF) credit on the water and sewer service charges and fifty percent (50%) credit on the Clean Rivers Impervious Area Charges (CRIAC) to low income customers who do not qualify for CAP, but whose household incomes are equal to or greater than 60% of State Median Income ("SMI"), but below eighty percent (80%) of the Area Median Income ("AMI"), considering size of household and not capped by the United States median low-income limit; and

WHEREAS, on September 25, 2018, the Chief Financial Officer reported to the DC Retail Water and Sewer Rates Committee that the District is considering providing additional funds to DC Water to supplement funds authorized by the Board for the DC Water CAP2 program if less than \$7 Million is spent on the CAP3 and CRIAC Nonprofit Relief Programs; and

WHEREAS, on September 25, 2018, the DC Retail Water and Sewer Rates Committee reviewed the CAP2 program proposed by the General Manager, including proposed qualifying income definitions, and recommended that proposed regulations be published which, if adopted, would implement the CAP2 program by enacting procedures that would apply credits to customer accounts based on DOEE's review of applications; and

WHEREAS, on September 25, 2018, the DC Retail Water and Sewer Rates Committee also recommended that proposed regulations be published, which if adopted, would allow

the Authority to apply credits funded by the District to be applied to customer accounts for the CAP 3 and CRIAC Nonprofit Relief Programs; and

WHEREAS, in Resolution 18-68, dated October 4, 2018, the Board determined that the CAP2 program described in the proposed regulations describe benefits which, subject to review of the administrative record to be developed, could mitigate the impact of increases in retail water and sewer rates, CRIAC and other charges on low income residential customers that do not qualify for the existing CAP; and

WHEREAS, the proposed regulations published pursuant to Resolution 18-68, define income and other eligibility requirements for benefits provided under the CAP2 program that are consistent with D.C. Official Code § 34-2202.16(b-1)(1), and designate DOEE as the agency that will determine the financial eligibility of applicants for CAP2 benefits; and

WHEREAS, CAP2 program benefits described in the proposed regulations include an exemption from water service and sewer service charges for the first three Hundred Cubic Feet (3 Ccf) per month of water used and a credit of fifty percent (50%) on monthly billed CRIAC; and

WHEREAS, the CAP2 program expenditures will be capped at \$6 million, of which \$5.5 million will be allocated for CAP2 benefits to customers and \$0.5 million for administrative costs; and

WHEREAS, proposed regulations published by the Authority allow the Authority to suspend processing of CAP2 benefits if funds are not sufficient to provide benefits; and

WHEREAS, District representatives proposed to Authority staff that the DOEE implementing regulations for CAP3 program benefits funded by the District may include an exemption from water service and sewer service charges for the first One Hundred Cubic Feet (1 Ccf) per month of water used and a credit of fifty percent (50%) on monthly billed CRIAC, or alternatively, may provide a 75% credit to CRIAC to eligible customers if discounts to the first 1 Ccf of water are not offered; and

WHEREAS, in Resolution 18-68, the Board stated that eligibility for benefits provided under the CAP2 program will be provided for not more than the entire Fiscal Year 2019, beginning October 1, 2018 and shall terminate on September 30, 2019, subject to the availability of funds; and

WHEREAS, the proposed regulations published by the Authority allow the Authority to apply CAP3 credits to customers' accounts determined eligible by DOEE and to stop applying such credits after receipt of notices from DOEE that the customer is no longer eligible for benefits and/or that funds for CAP3 are no longer available; and

WHEREAS, the proposed regulations published by the Authority allow the Authority to apply CRIAC payments to Nonprofit organization accounts determined eligible by DOEE

and to stop applying credits upon receipt of notices from DOEE that the customer is no longer eligible for benefits and/or funds for the program are no longer available; and

WHEREAS, in Resolution, 18-68, the Board approved for publication, the proposed CAP2 Program and proposed rules to implement the District funded CAP3 and CRIAC Non-Profit Relief Programs in the District of Columbia Register ("*D.C. Register*"); and

WHEREAS, on October 19, 2018, DC Water published Notice of Proposed Rulemaking (NPR) in the *D.C. Register* (DCR) at 65 DCR 11766 to receive comments on the proposed rulemaking; and

WHEREAS, on October 19, 2018, DC Water published a Notice of Public Hearing on the proposed expansion of the DC Water Customer Assistance Program (CAP) (*D.C. Register* at 65 DCR 11656 and on DC Water's website) to receive testimony and comments on the proposed rulemaking; and

WHEREAS, on October 30, 2018, a public hearing was held to receive comments on the proposed rulemaking to expand DC Water's Customer Assistance Program; and

WHEREAS, the public comment period for the Notice of Proposed Rulemaking ended on November 19, 2018; and

WHEREAS, the comments received raised concerns regarding: 1) proposed changes in criteria used to define low-income; 2) CAP3 implementation being dependent on benefits and eligibility criteria that DOEE have not yet published; 3) apprehension that the DOEE might propose a CRIAC Nonprofit Relief program that treats religious institutions more favorably than non-religious nonprofits institutions generally; and

WHEREAS, DOEE submitted redlined edits on the rulemaking to: 1) revise § 4102.4(a)(3) to delete the phrase "each billing period"; 2) revise §4102.4(b) to delete language granting DC Water authority to stop applying CAP3 benefits upon notice from DOEE that the customer is not eligible for CAP3 benefits; 3) revise §4102.5(a)(2) to change the reference from "\$561" to "\$565"; and 4) revise §4102.5(c)(2) to revise the phrase "Suspend providing CRIAC Nonprofit Relief Program benefits" "Suspend or adjust providing CRIAC Nonprofit Relief Program benefits"; and

WHEREAS, on November 29, 2018, the Washington Post published an article captioned, "In D.C., water fees tap into tension over race, gentrification and the First Amendment" that reported the District's proposal for the CRIAC Nonprofit Relief Program might violate the First Amendment Establishment clause because cemetery and religious organizations would be eligible to receive benefits if their CRIAC charges were "0.75 percent of net revenue," whereas charitable nonprofit, but non-religious affiliated groups would be eligible to receive only if their CRIAC charges were "5 percent of net revenue."

WHEREAS, on November 29, 2018, the DC Retail Water and Sewer Rates Committee met to consider the merits of the proposal to expand DC Water's Customer Assistance

Program (CAP), comments received during the public comment period, testimony received at the public hearing, and the issues raised regarding disparities among nonprofit eligibility criteria; and

WHEREAS, on November 29, 2018, the DC Retail Water and Sewer Rates Committee also considered the merits of providing CAP2 customers benefits only for Fiscal Year 2019 beginning October 1, 2018 and terminating on September 30, 2019, the merits of providing customers that submit their applications to DOEE before March 1, 2019 CAP2 benefits retroactive beginning October 1, 2018 and terminating on September 30, 2019, and the merits of providing customers that submit applications to DOEE on or after March 1, 2019 CAP2 benefits as of the month they submit their application and terminating on September 30, 2019, subject to the availability of funds; and

WHEREAS, on November 29, 2018, after having evaluated the proposal to expand the DC Water CAP, rules proposed to manage the District's CAP3 and CRIAC Nonprofit Relief Programs, public comments, testimony, suggested eligibility criteria and the recommendation of the General Manager, the DC Retail Water and Sewer Rates Committee recommended that proposed regulations to expand the DC Water CAP to add CAP2 and implement the District CAP3 Program be adopted as modified herein; and

WHEREAS, on November 29, 2018, the DC Retail Water and Sewer Rates Committee considered the potential legal risks to DC Water if the Authority acted to implement the District's CRIAC Nonprofit Relief Program, and decided to recommend postponement (reservation) of final consideration of the CRIAC Nonprofit Relief Program until the District has promulgated regulations and until after such regulations have been evaluated to determine whether the eligibility criteria have been evaluated for conformance with applicable laws and regulations.

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, the report of the General Manager on this subject and public comments made at the October 30, 2018 public hearing and during the comment period and the open record period for the proposed rulemaking, the District members of the Board of Directors, upon further consideration and discussion, recommended the adoption of the proposal to expand the CAP programs for DC Water's CAP2 Program and the District's CAP3 Program as provided herein.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board has determined, based on a review of the administrative record, including all material submitted to and considered by the Retail Rates Committee and public comments made at during and after the public hearing, that the District and federal regulations 10-B DCMR § 4199 and 24 C.F.R. § 81.17(b)(1) which define the term "low-income" as "a household or family whose annual income is greater than fifty percent (50%) but less than eighty percent (80%) of the area median income" and "income not in excess of 80 percent of the area median income..." respectively, are

rational, reasonable and appropriate to implement provisions in D.C. Official Code § 34-2202.16(b-1)(1) for the CAP2 Program.

2. The proposed regulations which were published for comment in the *D.C. Register* at 65 DCR 11766 that describe an expansion of CAP benefits to offer the credits identified as CAP2, be finalized as summarized below and a Notice of Final Rulemaking to that effect shall be published in the *D.C. Register* as stated in Attachment A.
3. CAP2 (eligible households and tenants) shall be provided credits of 3 Ccf off on their periodic (hereinafter, "monthly" for ease of reference) water and sewer service charges and 50% of their monthly CRIAC charges.
4. No action is taken at this time to adopt regulations that were proposed to implement the CRIAC Nonprofit Relief Program. Action on proposed 21 DCMR § 4102.5 is deferred and shall be labeled "Reserved" until after DOEE publishes for comment and adopts regulations describing how that program will be administered and until after the final DOEE regulations have been evaluated for legal sufficiency and compliance with applicable laws and regulations.
5. The published notice of final rulemaking shall adopt regulations to implement the District CAP3 Program, effective January 1, 2019 as summarized below and as stated in Attachment A:

Customer Assistance Program Expansion Summary

- (1) Adopt regulations to expand DC Water's Customer Assistance Program (CAP), effective January 1, 2019, as summarized below and provided in Attachment A:

CAP2 (Residential Customers)


- Eligible single-family or individually metered Residential customers shall receive a discount of 3 Ccf on their billed water and sewer service charges and 50% on their billed Clean Rivers Impervious Area Charge (CRIAC).
- CAP2 program expenditures will not exceed \$6 million authorized by Board; \$5.5 million in benefits to customers and \$0.5 million for administrative costs.
- Should the District provide additional funds for the Fiscal Year 2019 CAP2 program, DC Water shall apply such funds to the program.
- If DC Water determines that budgeted funds are not sufficient, DC Water will suspend accepting new CAP2 applicants, or suspend providing CAP2 benefits.

- DOEE will determine the CAP2 applicant's financial eligibility based on household-income limits equal to or above 60% of the state medium income and below 80% of the area medium income, not capped by the U.S. median low-income limit.
 - CAP2 applicants that submit a complete CAP2 application to DOEE before March 1, 2019 shall receive CAP2 benefits retroactive for Fiscal Year 2019 beginning on October 1, 2018 and terminating on September 30, 2019. CAP2 applicants that submit a complete CAP2 application to DOEE on or after March 1, 2019 shall receive CAP2 benefits from the date of submittal and terminating on September 30, 2018.
- (2) Adopt regulations to implement the District Department of Energy and Environment (DOEE) CAP3 Program:
- a. Proposal to establish procedures to provide credits to certain single-family or individually-metered Residential Customers authorized by DOEE to receive the DOEE's Customer Assistance Program Expansion (CAP3) credits:

CAP3 (Residential Customers)

- Eligible single-family or individually-metered Residential customers shall receive CAP3 benefits as defined by DOEE, subject to the availability of District funds, and conformance with applicable law and regulations.
 - CAP3 credits will be applied to eligible Residential customers' accounts provided DOEE notifies DC Water of the customers' eligibility, and DC Water receives funds from DOEE to apply the credits.
 - CAP3 credits will be provided from the date DOEE approves the CAP3 applicant's financial eligibility for the CAP3 benefit period, subject to the availability of District funds.
- (3) Reserve final decision on the adoption of the regulations to implement the DOEE CRIAC Nonprofit Relief Program until after DOEE promulgates regulations for that program and those regulations have been evaluated for legal sufficiency and conformance with applicable laws and regulations.
6. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish the Notice of Final Rulemaking as provided in Attachment A in accordance with the District of Columbia's Administrative Procedure Act.

This Resolution is effective immediately.


Secretary to the Board of Directors

Attachment A

DC Water's CAP Expansion - Final Rulemaking Effective January 1, 2019

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

Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102 CUSTOMER ASSISTANCE PROGRAMS

4102.1 CUSTOMER ASSISTANCE PROGRAM

- (a) Participation in the Customer Assistance Program (CAP) shall be limited to a single-family or individually-metered Residential Customer that meets the following eligibility requirements:
 - (1) The applicant is responsible for paying for water and sewer services and/or the Clean Rivers Impervious Surface Area Charge (CRIAC); and
 - (2) The Department of Energy & Environment (DOEE) has determined that the CAP applicant's annual household income meets the household income-eligibility requirements for the District's Low Income Home Energy Assistance Program (LIHEAP), below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia.
- (b) An approved CAP customer shall receive the following benefits:
 - (1) Exemption from water service charges, sewer service charges, Payment-in-Lieu of Taxes (PILOT) fees and Right-of-Way (ROW) fees for the first Four Hundred Cubic Feet (4 Ccf) per month of water used. If the customer uses less than Four Hundred Cubic Feet (4 Ccf) of water in any month, the exemption will apply based on the amount of that month's billed water usage;
 - (2) Credit of one hundred percent (100%) off of the monthly billed Water System Replacement Fee; and
 - (3) Credit of fifty percent (50%) off of the monthly billed CRIAC.
- (c) Upon DC Water's receipt of notice from DOEE that the CAP applicant meets the financial eligibility requirements, DC Water shall provide the CAP discounts to the CAP customer's account from the date that DOEE accepts a completed CAP application to the end of the fiscal year in which the application was submitted.
- (d) To continue receiving CAP benefits without interruptions, the CAP customer must submit a renewal CAP application to DOEE in accordance with the Utility Discount Program renewal deadline. A CAP customer that

submits their renewal CAP application after this period, and is subsequently approved by DOEE, will receive CAP benefits as of the date of the application.

4102.2 CUSTOMER ASSISTANCE PROGRAM II (CAP2)

- (a) Participation in the CAP2 Program shall be limited to a single-family or individually-metered 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/or the CRIAC; and
 - (2) DOEE has determined that the CAP2 applicant's annual household income is equal to or above the household income-eligibility limits for the District's LIHEAP, sixty percent (60%) of the SMI for the District of Columbia and 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 CAP2 customer shall receive the following benefits, subject to the availability of funds:
 - (1) Exemption from water service charges and sewer service charges for the first three Hundred Cubic Feet (3 Ccf) per month of water used. If the customer uses less than three Hundred Cubic Feet (3 Ccf) of water in any month, the exemption will apply based on the amount of that month's billed water usage; and
 - (2) Credit of fifty percent (50%) off of the monthly billed CRIAC.
- (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 2019, beginning October 1, 2018 and terminating on September 30, 2019, subject to the availability of budgeted funds.
 - (1) CAP2 customers that submit a complete application to DOEE before March 1, 2019, shall receive CAP2 benefits retroactive to October 1, 2018 and terminating on September 30, 2018.
 - (2) CAP2 customer that submit a complete application on or after March 1, 2019, shall receive CAP2 benefits as of the date of submittal and terminating on September 30, 2018.
- (d) If DC Water determines that the remaining budgeted funds are insufficient to provide CAP2 benefits, DC Water may:
 - (1) Suspend the process for accepting CAP2 applicants; or
 - (2) Suspend or adjust providing CAP2 benefits to CAP2 recipients.

(e) The CAP2 Program shall terminate on September 30, 2019.

4102.3 Eligibility for the CAP and CAP2 Programs shall be determined by DOEE based on the income eligibility criteria provided in § 4102.1(a)(2) and § 4102.2(a)(2).

4102.4 DOEE CUSTOMER ASSISTANCE PROGRAM III FOR SINGLE-FAMILY AND INDIVIDUALLY METERED HOUSEHOLDS

(a) DC Water shall apply DOEE Customer Assistance Program III (CAP3) benefits to an eligible single-family or individually-metered Residential Customer's account in accordance with the following:

(1) The applicant maintains an active DC Water account and is responsible for paying for water and sewer services and/or the CRIAC;

(2) DOEE has notified DC Water that the customer has met the requirements of applicable laws and regulations and is eligible to receive the CAP3 benefits;

(3) DOEE has notified DC Water of the amount of the CAP3 benefits to be applied to the CAP3 customer's account; and

(4) DOEE has transferred funds to DC Water for the benefits applied to the customer's account.

(b) DC Water shall stop applying CAP3 benefits to a CAP3 customer's account upon receipt of notice from DOEE that the customer is no longer eligible for the CAP3 benefits, or receipt of notice from DOEE regarding the unavailability of funds.

(c) If DC Water determines that the remaining budgeted funds are insufficient to provide CAP3 benefits, DC Water may:

(1) Suspend the process for accepting CAP3 applicants; or

(2) Suspend providing CAP3 benefits to CAP3 recipients.

4102.5 [RESERVED]

4102.6 Nothing in this section shall be interpreted to mean that the benefits provided through DC Water's CAP or CAP2 Programs or DOEE's CAP3 Program are an entitlement, continuing or otherwise.

4102.7 For the purposes of this section, the term "SMI" means the state median income as determined on an annual basis by the U.S. Department of Health and Human Services (HHS).

4102.8 For the purposes of this section, the term "AMI" means the Area Median Income (AMI), alternately referred to as the HUD Area Median Family Income (HAMFI), determined on an annual basis by the U.S. Department of Housing and Urban Development (HUD).

Presented and Approved: December 6, 2018
SUBJECT: Approval to Execute a Modification to Contract No. 15-PR-CCO-59, Vertex Business Services

#18-81
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on December 6, 2018 upon consideration of a non- joint use matter, decided by a vote of five (5) in favor and zero (0) opposed to approve a modification to Contract No. 15-PR-CCO-59, Vertex Business Services.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a modification to Contract No. PR-CCO-59, Vertex Business Services. The purpose of the modification is to purchase a new license for the SAP Utilities Suite to upgrade the system to S4/Hana, add annual maintenance and hosting of new licenses and additional enhancement and changes. The contract modification amount is \$668,049.

This Resolution is effective immediately.


Secretary to the Board of Directors