

**DISTRICT OF COLUMBIA**

**WATER AND SEWER AUTHORITY**

# Board of Directors

DC Retail Water and Sewer Rates Committee

## Tuesday, August 25 2015

9:30 a.m.

 MEETING MINUTES

**Committee Members in Attendance**

 **DC Water Staff**

Alan Roth, Chairperson (via conference)

Matthew Brown (via conference)

Rachna Butani (via conference)

Robert Mallett (via conference)

Brenda Richardson (via conference)

George Hawkins, General Manager

Mark Kim, Chief Financial Officer

Randy Hayman, General Counsel

Linda Manley, Board Secretary

Obiora “Bo” Menkiti (via conference)

**Call to Order**

Chairman Roth called the DC Retail Water and Sewer Rates Committee meeting to order at 9:32 a.m.

**Action Item**

Mr. Kim referred the Committee to the following action item.

Action Item #1: Approval of Proposed Amendment for the Water System Replacement Fee (effective October 1, 2015).

Mr. Kim explained that the amendment is a modification to the Water System Replacement Fee (WSRF) to accommodate residential customers who are required by code to install a two inch 2” meter due to fire suppression requirements. The amendment would reduce the WSRF for residential customers with a two inch 2” meter to a one and one-half inch 1.5” meter. Chairman Roth recalled that the reduction in the WSRF was from $83.75 to $41.35. Mr. Kim confirmed. Chairman Roth inquired if there were any comments on the proposed publishing. Mr. Kim replied that one comment was received, which was general in nature regarding the overall rates.

Chairman Roth and the committee forwarded the action item to the full Board for approval on September 3, 2015.

**Business Office Update & Alternate Payment Sites for Ratepayers**

Mr. Kim updated the committee on the Business Office Update and Alternate Payment Sites for Ratepayers’ presentation. The purpose of this study was to take a look at our operations in our Business office at 810 First Street. An economic analysis was conducted to take a look at the overhead cost to maintain the Business office. At one time all of the Customer Service and the Business office operations were housed at 810 First Street. Customer Service operations has since relocated to 80 M Street leaving only the Business office operations at 810 First Street. DC Water spends about $578,000 per year to operate the Business office. A breakdown of the cost include six full-time staff, one armed security guard, rent and parking.

The analysis revealed it cost approximately $0.44 to collect $1.00 of revenue based on the number of customers that drop off payments at the Business office. DC Water spends on average $59 to service each customer that visit our Business office. We have decided to integrate the Business office back into our main operations both at 80 M Street and at headquarters and close down the Business office. In order to close the Business office, we did not want to eliminate the one location that DC Water has for customers to make payments. Therefore, we explored Alternative Payment Sites (APS) vendors through an RFP process. We selected an APS vendor which offers our customers 192 locations throughout the District of Columbia, Maryland and Virginia with 52 locations in the District of Columbia. These sites are grocery and convenience stores.

Ms. Richardson asked what will happen to all the staff at the 810 First Street Business office. Also, what is the expectation of the APS sites regarding customer service? Mr. Kim replied, there are six full-time equivalent staff, two Customer Service Representatives and four Financial Personnel. The Customer Service Representatives will be integrated at 80 M Street, and the Financial Personnel will be integrated at headquarters. Ms. Richardson stated that DC Water should visit all District of Columbia 52 APS locations. Mr. Kim replied that staff will do due diligence and commit to monitoring any feedback from customers and report back to the committee.

Mr. Kim discussed transportation costs and convenience fees. Mr. Kim noted that DC Water will absorb the over the counter APS convenience fee.

Ms. Butani suggested to prepare a survey for DC Water customers to evaluate the APS customer service experience. Mr. Kim advised that staff would consider sending a survey once the APS program comes on line.

Mr. Hawkins stated that the APS vendor selected also accepts Washington Gas and Pepco payments.

Chairman Roth asked if the APS vendor has the right to scale up or down the number of locations. Mr. Kim replied, we don’t know if we a contractual right with respect to the number of vendors but we went through a competitive process with a number of APS vendors and one of their big selling points was the number of sites.

**DC Retail Water and Sewer Rates Committee Workplan**

Mr. Kim briefly updated the committee on the workplan and mentioned that the workplan is currently on schedule.

**Other Business**

Mr. Kim gave a brief update on the implementation of the new rate structure. We are about half way done with testing of the various rates and that our interfaces between the billing and financial systems are working through the half way point.

**Executive Session**

No executive session

**Adjournment**

The meeting was adjourned at 10:03 a.m.

**FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (August 25, 2015)**

There were no follow-up items