

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

*Retail Rates Committee
810 First Street, N.E.
Tuesday, June 28, 2011*

9:00 A.M.

1. **Call to Order** David J. Bardin, Chairman
2. **Monthly Update (Attachment A)** Randy Hayman
 - Howard University
 - Soldier's Home
 - Town of Vienna
3. **Miscellaneous Fees & Charges Presentation (Attachment B)**..... Olu Adebo
4. **FY 2012 Management Recommendation on Retail Rates (Attachment C)**..... Olu Adebo
 - Public Hearing on Proposed FY 2012 Retail Rate Increases
 - Alternative Review and Management Proposal
5. **Action Items** Olu Adebo
 - **FY 2012 Rate & Fee Changes (effective October 1, 2011) (Attachment D):**
 - a) Approval of proposed volumetric Retail Water rate
 - b) Approval of proposed volumetric Retail Sewer rate
 - c) Approval of proposed Clean Rivers Impervious Surface Area Charge (IAC)
 - d) Approval of proposed Right of Way/Payment in Lieu of Taxes fees
 - e) Approval of proposed Engineering Review Fees
 - f) Approval of proposed Pretreatment Fees
6. **Retail Rates Committee Workplan (Attachment E)** Olu Adebo
7. **Emerging Issues/Other Business** Olu Adebo
8. **Agenda for July 26, 2011 Committee Meeting (Attachment F)** David J. Bardin, Chairman
9. **Adjournment**

FOLLOW-UP ITEMS – Retail Rates Committee Meeting (May 26, 2011)

1. Provide an example of the updating required and quality controls available to reconcile non-residential data found in the DCGIS 2005 flyover information and a more recent update to the flyover data. This example should be provided at a future Retail Rates Committee meeting (Mr. Bardin) Status: FY 2012
2. Provide a narrative explaining the categories in Attachment E (Mr. Bardin) Status: See Attachment G
3. Provide a preliminary update on customer complaints on Clean Rivers IAC (Mr. Bardin) Status: July 2011
4. Distribute a copy of the FY 2012 Waste Hauler Fees handout to Mr. Hoyt (Mr. Bardin) Status: Complete

June 2011 Update on Howard University and Soldiers' Home Delinquent Accounts

Howard University

We have prepared documents to assist in enforcement proceedings and are confirming ownership records where necessary. A conference call between the offices of the General Counsel and the Chief Financial Officer for DC Water and Howard University occurred on May 3, 2011. The joint walk-through was completed on June 8, 2011. Friendly reminder notices, as well as disconnect notices have been issued, with June 27, 2011 as the date on which service could be interrupted on the delinquent accounts. The disconnection notices will not be withdrawn until payment is received. We are optimistic that some progress will be made that will allow us to avoid disconnections.

NEXT STEPS

1. Howard will provide list of street addresses of its properties to update our records tying meters to properties served.
2. DC Water will furnish remainder of invoices for the arrearage amounts not previously delivered.
3. Provided payment is promptly received, and the parties work in good faith to diligently pursue resolution, DC Water will forbear any further enforcement action.
4. If Howard fails to perform, DC Water's GM shall send notification of intent to lien to HU president if the follow-up conference call is unproductive
5. DC Water will place liens on affected HU assets
6. DC Water will pursue legal remedies to enforce collection against HU
7. Effective Oct. 1, 2011, DC Water will start to bill Howard for water services on accounts

Soldiers' Home

The Office of the General Counsel is preparing a legal opinion regarding sewer services, which were not referenced in the 1938 agreement providing for perpetual free water service.

NEXT STEPS

1. Obtain professional appraisal of the value of the Reservoir site (both current and proposed facilities)
2. Engage Soldiers' Home in discussions to determine baseline for negotiations including:
 - a. Footprint for planned development

- b. Metering to track current usage, as well as possible sub-metering to track usage for new facilities brought online through expanded development
- 3. Write letter from GM to the Soldiers' Home
 - a. Identify issues (reference new OGC legal opinion and Board Resolution 96-27)
 - b. Confirm Soldiers' Home's interest to renegotiate agreement equitably
 - c. Discuss next steps
 - d. Confirm identity of person authorized to negotiate on behalf of the Home



ATTACHMENT - B

Presented to the DC Water Retail
Rates Committee

June 28, 2011

Miscellaneous Fees & Charges



Background

- In FY 2010 the Independent Consulting firm Raftelis Financial Consultant Inc was engaged by DC Water to review several of its Miscellaneous Fees and Charges to determine if they should be updated to synchronize with cost of service. The firm was also engaged to:
 - Make firm recommendations as to fee modifications if required; and
 - Identify policy decisions that should be considered before updating fees.

Prior to this review, DC Water had not changed these fees since 2003.



Background Cont'd

Miscellaneous Fees & Charges Considered

- Engineering Review and Permitting Fees
- Environmental Impact Study Fees
- Large Meter Installation Fees
- Turn-on/Turn-off Fees
- Industrial User Permitting and Sampling Fees
- Temporary Discharge Fees
- Waste Hauler Fees
- High Strength Surcharges



Management's Recommendation

In April 2011, Management made the following recommendations to DC Water Retail Rate Committee.

Description of Fees	New	Update	Defer
Engineering Review and Permitting Fees	X	X	
Environmental Impact Study Fees			X
Large Meter Installation Fees		X	
Turn-On/Turn-Off Fees		X	X
Industrial User Permitting & Sampling Fees	X		
Temporary Discharge Fees			X
Waste Hauler Fees		X	X
High Strength Surcharges			X



Miscellaneous Fees & Charges Proposal

In May, DC Water Board approved for publication the following changes to Miscellaneous Fees & Charges

- Engineering Reviews, Sale of Documents, Maps and Manuals

Engineering Review	Current Fees	Proposed Fees
<i>Large Project Permit Review Fees (public main greater than 2 inches)</i>		
Availability Letter (Large Commercial)	\$300	\$500
Large Permits Fast Track (15 working days review per submission)		\$10,000
Large Permit Basic	\$2,500	\$7,500
Large Permits Submissions (Excessive Submission: 4 or more)		\$1,000
Foundation to Grade - Large Commercial		\$1,000
Approved Project Plan Revision (Project Scope/Design Change)		\$1,000
Approved Plan Revision (Field Conditions)		\$250
Large Project Sheeting and Shoring (Large Commercial)	\$1,000	\$1,000
Raze Permits		\$150
Abandonment Waiver Request		\$500
<i>Small Project Permit Review Fees (public main less than 2 inches)</i>		
Availability Letter (Small)		\$125
Small Residential	\$250	\$300
New Home from a Large Project Subdivision (10 or more units)		\$150
Small Commercial (multi-family, apartments, store, etc)	\$250	\$2,500
Small Sheet and Shore	\$250	\$500



Miscellaneous Fees & Charges Proposal

Cont'd

- Engineering Reviews, Sale of Documents, Maps and Manuals - cont.

	Current Fees	Proposed Fees
Sale of Manuals		
Design Manuals	\$60.00	\$60.00
Revisions/Updates	\$25.00	\$25.00
Construction Standard Details	\$35.00	\$35.00
Revisions/Updates	\$10.00	\$10.00
Construction General Conditions & Standard Specifications	\$25.00	\$25.00
Revisions/Updates	\$5.00	\$5.00
Fee for WASA Pipeline Design Manual	\$75.00	\$75.00
Revisions/Updates	\$30.00	\$30.00
Preparing As-Built Drawings	\$215.00	\$215.00
Reproduction of Maps and Technical Documents (Charge per Sheet)		
Xerographic	\$2.50	\$2.50
Vellum	\$4.00	\$4.00
Mylar	\$5.50	\$5.50
Standard Photocopying (Charge Per Page) - For Legal and Letter Size Paper	\$0.25	\$0.25
Electronic Version of Water/Sewer Counter and As-Built Maps per project	\$100.00	\$100.00
Updates of Electronic Version of Water/Sewer Counter and As Built Maps per project	\$25.00	\$25.00



Miscellaneous Fees & Charges Proposal

Cont'd

- Pretreatment Fees

	Current Fees	Proposed Fees
Waste Hauling - Annual Fee per Vehicle		
Vehicles 0 - 49 gallons	\$100	\$160.00
Vehicles 50 - 799 gallons	\$255	\$2,265.00
Vehicles 800 - 1,499 gallons	\$590	\$6,170.00
Vehicles 1,500 gallons or more	\$1,650	\$14,640.00
Industrial User Permitting Fee		
Permit Initial Fee		\$2,000.00
Permit Renewal Fee		\$600.00
Industrial User Annual Compliance Fees		
Significant or Non-Significant Categorical Industrial User		
1 Outfall		\$2,500.00
2 or more Outfalls		\$3,500.00
Significant Non-Categorical Industrial User		
1 Outfall		\$2,500.00
2 or more Outfalls		\$3,500.00
Non-Significant Non-Categorical User		
1 Outfall		\$550.00
2 or more Outfalls		\$700.00



Rulemaking

- Publication
 - Published in DC Register on May 20, 2011 for 30 day comment period
- Outreach
 - Copy of posting distributed to all Waste Haulers & Industrial Users
 - Letters sent to major stakeholders including:
 - DC Chamber of Commerce
 - AOBA
 - Board of Trade
 - DC Building Industry Association
 - Anacostia Economic Development Corp
 - Ward 8 Business Council
 - Greater Washington Hispanic Chamber of Commerce
 - Washington DC Economic Partnership
 - Latino Economic Development Corp
 - Various Developers and Contractors
- Public Comments
 - None



Next Steps

- June 2011 - Retail Rates Committee Discussion and Final Recommendation on FY 2012 Miscellaneous Fees & Charges
- July 2011 - Board Action on FY 2012 Miscellaneous Fees & Charges
- Oct. 1, 2011-FY 2012 Miscellaneous Fees & Charges become effective



ATTACHMENT - C

Presented to the DC WATER
Retail Rates Committee

June 28, 2011

FY 2012 Retail Rate & Fees Proposal



Purpose

- Review and Recommend approval of retail rate and fee increases for FY 2012:
 - Review FY 2011 financial performance
 - Review revised FY 2012 budget
 - FY 2012 Revised Revenue Requirement
 - FY 2012 retail rate & fee recommendations and customer impacts



FY 2012 Retail Rates & Fees Recommendation

- Combined Water and Sewer rate increase of \$0.31 per Ccf:
 - Water - \$3.10 per Ccf to \$3.24 per Ccf
 - Sewer - \$3.79 per Ccf to \$3.96 per Ccf } 4.5 % Increase
- Clean Rivers Impervious Surface Area Charge (IAC):
 - \$3.45 per ERU per month to \$6.64 per ERU per month
- DC Government Charges¹:
 - PILOT/ROW Fee increase from \$0.63 to \$0.67 per Ccf
- Miscellaneous Fees – Additional \$1.5M projected in FY 2012

¹ This fee recovers the full cost of the Payment in Lieu of Taxes fee charged by the District of Columbia government



FY 2012 Retail Rates & Fees Recommendation, cont.

	FY 2011	FY 2012 Proposal	FY 2012 Revised	FY 2012 Variance Inc. / (Dec.)	Units of Measurement
Water	\$3.10	\$3.29	\$3.24	(\$0.05)	per Ccf
Sewer	\$3.79	\$4.01	\$3.96	(\$0.05)	per Ccf
Monthly Clean Rivers Impervious Area Surface Charge	\$3.45	\$6.87	\$6.64	(\$0.23)	per ERU
PILOT	\$0.49	\$0.53	\$0.52	(\$0.01)	per Ccf
ROW	\$0.14	\$0.15	\$0.15	-	per Ccf
Miscellaneous Fees		SEE NEXT SLIDES			various



FY 2012 Retail Rates & Fees Recommendation, Cont.

Engineering Reviews, Sale of Documents, Maps and Manuals

Engineering Review	Current Fees	Proposed Fees
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FY 2012 Retail Rates & Fees

Recommendation, Cont.

Pretreatment Fees

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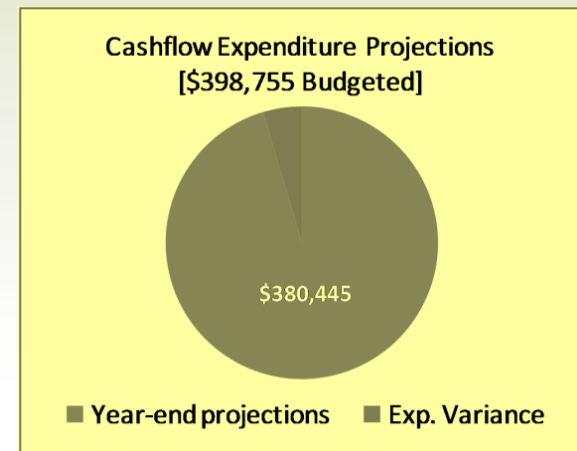
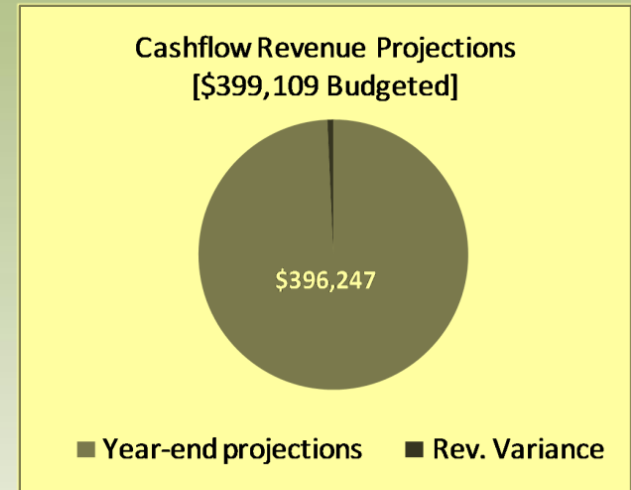
FY 2011 Projected Financial Performance



FY 2011 Financial Performance

\$16.6M excess cash above the operating reserve requirement is anticipated at year-end

- FY 2011 revenues near budget (0.7% projected)
 - IAC projected to be slightly above budget
 - Other Revenues are projected to be in line with the budget
 - Assumes full draw down of \$9.5m RSF
 - Assumes full collection of Fire Hydrant Fee
 - Metering Fee is slightly lower than budget due to time lag in billings and collections.
 - Wholesale Revenue is in line with budget.
 - Operating cash used projected to be below budget:
 - Water purchases (\$3.8M)
 - Energy (\$2.4M)
 - Contractual Services (\$4.3M)
- Debt Service (\$4.1M)





Options For Projected FY 2011 Surplus \$16.6m

- Various options for the utilization of the FY 2011 surplus were discussed last month
- The Committee & General Manager indicated their priorities

Priority	Options	Recommended
1.	Lower FY 2012 Rates below double digits	√
2.	Fund RSF to preserve future flexibility	√
3.	Others	√
4.	PAY GO	
5.	Rebates	Not recommended



Options For Projected FY 2011 Surplus \$16.6m

Management recommends use of the estimated excess FY 2011 year-end cash balance of \$16.6M as follows:

- Wholesale Customers – Refund of approximately \$2.9M
- Transfer to Rate Stabilization Fund – \$7.0M (or half of retail share of excess)



Options For Projected FY 2011 Surplus \$16.6m

- Other – The remaining balance of \$6.6M should be left in operating reserves pending management’s recommendation and policy formulation for other use of excess funds, such as
 - DC jobs training program
 - Innovation fund
 - Watershed Pilot Program
 - Employee merit increase, etc
- PAYGO – Any excess cash over current projection should be used to fund additional PAYGO for FY 2011

FY 2012 Revised Budget



Revised FY 2012 operating budget Summary

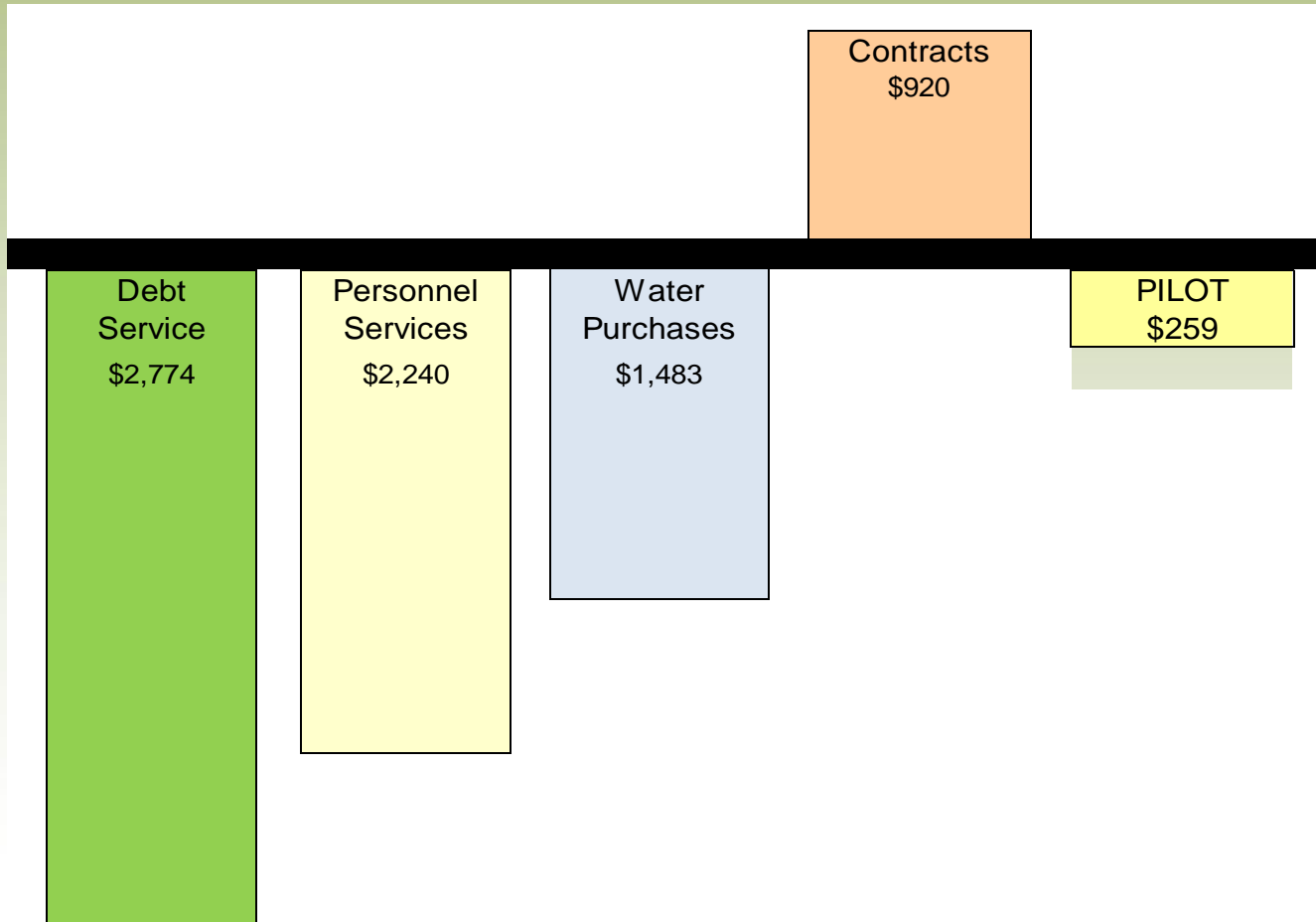
	FY 2012 Approved	FY 2012 Revised	Increase / (Decrease)	Percentage Change
Personnel Services	\$ 113,354	\$ 111,114	\$ (2,240)	-2.0%
Non-Personnel Services	180,215	179,651	(564)	-0.3%
Operations & Maintenance Expenditures	293,569	290,765	(2,804)	-1.0%
Debt Service	105,387	102,613	(2,774)	-2.6%
Payment in Lieu of Taxes	18,301	18,042	(259)	-1.4%
Right of Way Fee	5,100	5,100	-	0.0%
Total Operating Budget	\$ 422,357	\$ 416,520	\$ (5,837)	-1.4%
PS Charged to Capital Projects	(16,000)	(14,000)	(2,000)	
Net Operating Expenditures	\$ 406,357	\$ 402,520	\$ (3,837)	-0.9%
Authorized Positions	1,202	1,202	-	0.0%

- Revised FY 2012 budget decreases by \$5.8M or 1.4 percent from the Board-approved FY 2012 budget



FY 2012 approved v FY 2012 revised budget comparison - \$5.8M decrease

↑
Approved
FY 2012
O & M
\$422,357



↓
Revised
FY 2012
O & M
\$416,520

FY 2012 Revised Revenue Requirement



Operating Revenues Summary

	FY 2012 Approved	FY 2012 Revised	Increase (Decrease)	Percentage Change
Retail Revenue	\$298,080	\$294,315	\$ (3,765)	-1.3%
Wholesale Revenue				
LCSA + PI	7,430	7,430	-	0.0%
WSSC	51,168	51,168	-	0.0%
Fairfax County	12,841	12,841	-	0.0%
Total Wholesale Revenue	71,439	71,439	-	0.0%
Other Revenue	42,702	43,943	1,241	2.9%
Rate Stabilization Fund	-	2,000	2,000	
TOTAL REVENUE	\$412,222	\$411,698	\$ (524)	-0.1%



FY 2012 Revenue Requirement

Operating	Projected FY 2011	Revised FY 2012	Variance	%
Volumetric and Metering (Retail)	255,328	263,812	8,484	3.3%
Right of Way / PILOT	21,610	23,142	1,532	7.1%
Clean Rivers IAC	<u>15,469</u>	<u>30,503</u>	<u>15,034</u>	97.2%
<i>Retail subtotal</i>	<i>292,407</i>	<i>317,457</i>	<i>25,050</i>	<i>8.6%</i>
Wholesale	69,260	71,439	2,179	3.1%
Other (1)	<u>34,581</u>	<u>22,802</u>	<u>(11,779)</u>	-34.1%
Operating Receipts	\$ 396,248	\$ 411,698	\$ 48,984	3.9%
Operating Expenses	\$ (288,256)	\$ (299,907)	\$ (11,651)	4.0%
Debt Service	\$ (92,189)	\$ (101,347)	\$ (9,158)	9.9%
Net Revenues After Debt Service	\$ 15,803	\$ 10,444	\$ (5,359)	
Operating Reserve - Beg Balance	\$ 131,996	\$ 135,123		
Other Misc (Disbursements)/Receipts				
Wholesale/Federal True Up	(2,211)	(4,335)		
Transfer to RSF	(8,000)	(5,000)		
Other	0	(6,600)		
Pay-Go Financing	<u>(2,465)</u>	<u>(4,132)</u>		
Operating Reserve - Ending Balance	\$ 135,123	\$ 125,500		

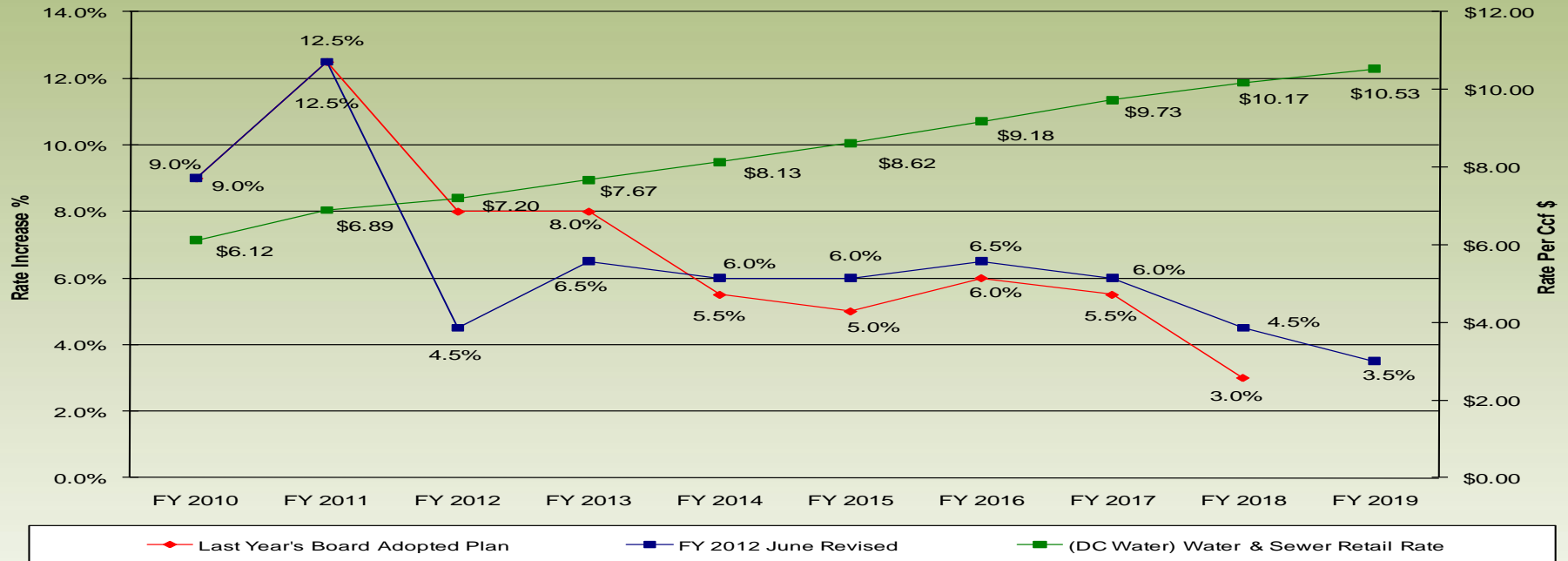
(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund



Recommended Retail Rate & Fee Adjustments and Customer Impacts



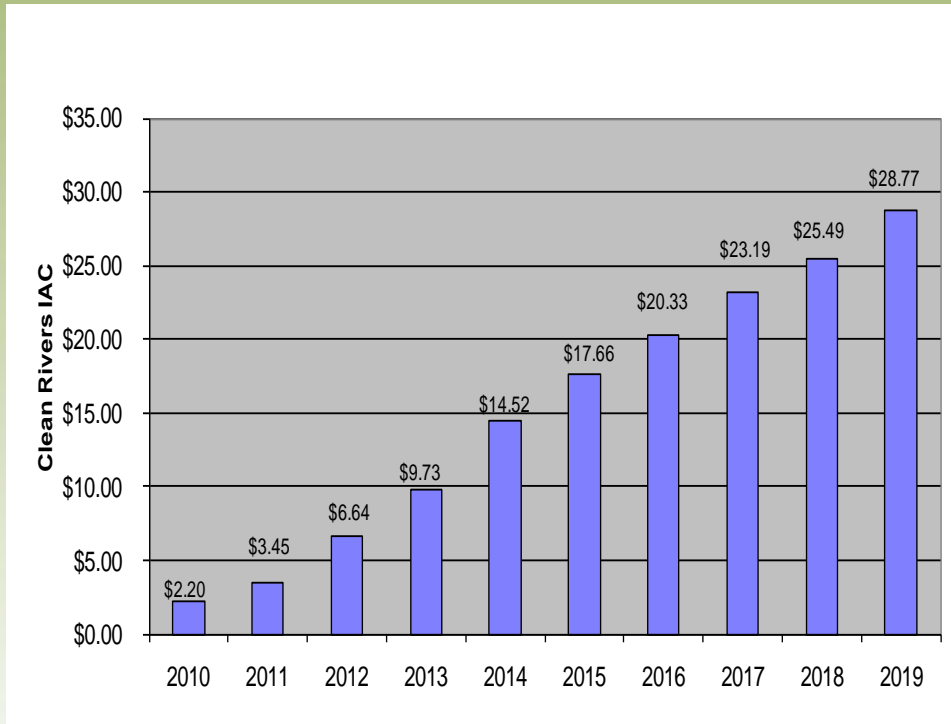
Projected Water and Sewer Retail Rates Changes FY 2010 – FY 2019



- Proposed \$0.31 increase per Ccf { \$0.42 per 1,000 gallons } in FY 2012
 - Combined Water and Sewer rate of \$7.20 per Ccf { \$9.62 per 1,000 gallons }
- Rate increase ranging from 3.5% to 12.5%
- Proposed PILOT increase of \$0.03 per Ccf { \$0.04 per 1,000 gallons }
- Proposed ROW increase of \$0.01 per Ccf { \$0.01 per 1,000 gallons }



Projected Clean Rivers (IAC) Changes FY 2010 – FY 2019



	Feb. 2011 Proposed FY 2012	Jun. 2011 Revised FY 2012
Revenue Requirement	\$ 31,961,909	\$ 31,961,909
<i>Less:</i>		
<i>Delinquencies Allowance 3%</i>	\$ 958,857	\$ 958,857
<i>IAC Credit Program</i>	\$ 500,000	\$ 500,000
<i>Net Projected Cash Receipts</i>	\$ 30,503,052	\$ 30,503,052
Total Estimated ERU's	387,690	401,000
Annual Rate Per ERU	\$ 82.44	\$ 79.68
Monthly ERU	\$ 6.87	\$ 6.64

ERU - Equivalent Residential Unit, 1,000 sq. ft.

- Proposed Clean Rivers IAC monthly rate increases ranging from \$6.64 to \$28.77 per ERU
 - Annual revenues ranging from \$8.0 million to \$133.8 million



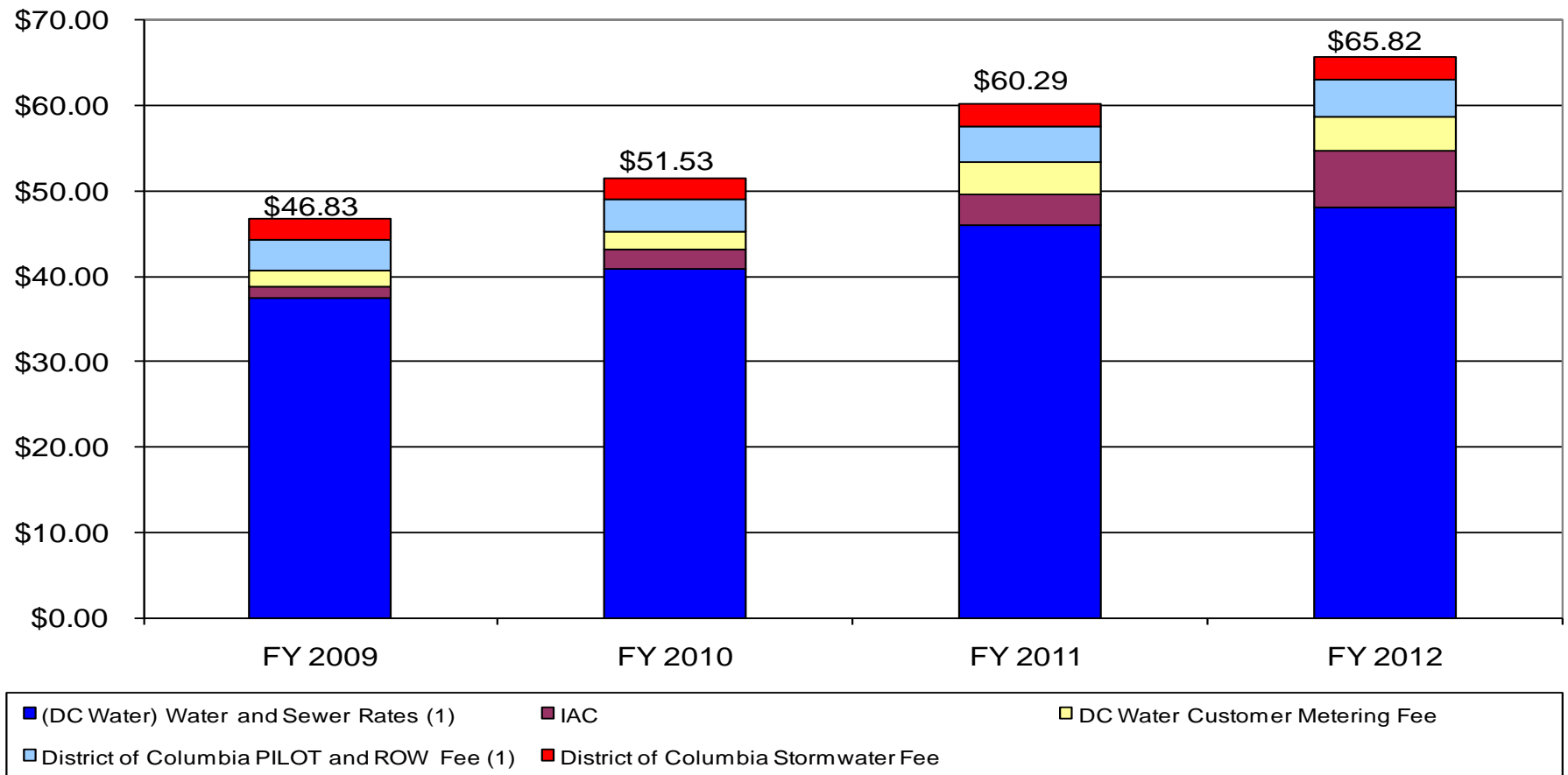
Average Residential Customer Monthly Bill

	FY 2010	FY 2011	Feb. 2011 Proposed FY 2012	Jun. 2011 Revised FY 2012
Total Amount Appearing on DC Water Bill	\$ 51.53	\$ 60.29	\$ 66.79	\$ 65.82
DC Water Water & Sewer Retail Rates (1)	\$ 40.94	\$ 46.09	\$ 48.84	\$ 48.17
Clean Rivers IAC	2.20	3.45	6.87	6.64
DC Water Customer Metering Fee	2.01	3.86	3.86	3.86
Subtotal DC Water Rates & Charges	\$ 45.15	\$ 53.40	\$ 59.57	\$ 58.67
District of Columbia PILOT Fee	\$ 2.87	\$ 3.28	\$ 3.55	\$ 3.48
District of Columbia Right of Way Fee	0.94	0.94	1.00	1.00
District of Columbia Stormwater Fee	2.57	2.67	2.67	2.67
Subtotal District of Columbia Charges	\$ 6.38	\$ 6.89	\$ 7.22	\$ 7.15
(1) Assumes average monthly consumption of 6.69 Ccf, or 5,004 gallons.				

- FY 2012 Proposed Water & Sewer volumetric rate increase of 4.5%
- PILOT/ROW fee increase of 6.3%



Average Residential Customer Monthly Bill



1. Assumes average monthly consumption of 6.69 Ccf, or 5,004 gallons
 – FY 2012 rate per gallon is \$0.0097 (water and sewer rates only)



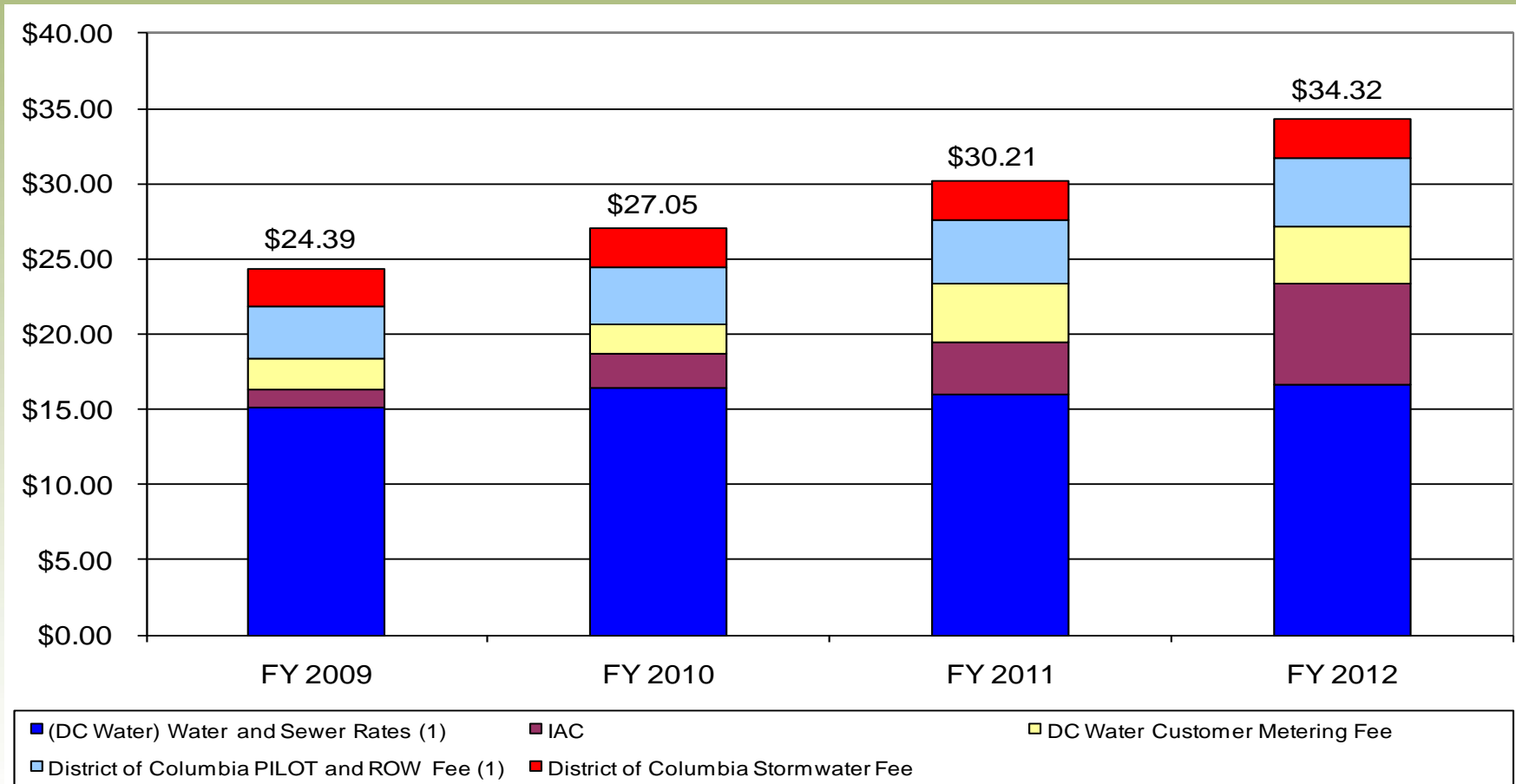
Average CAP Customer Monthly Bill

	FY 2010	FY 2011	February 2011 FY 2012	June 2011 FY 2012
Total Amount Appearing on DC Water Bill After CAP Discount	\$ 27.05	\$ 30.21	\$ 34.87	\$ 34.32
Less: CAP Discount (4Ccf per month)	\$ (24.48)	\$ (30.08)	\$ (31.92)	\$ (31.50)
Amount Appearing on DC Water Bill Prior to CAP Discount	\$ 51.53	\$ 60.29	\$ 66.79	\$ 65.82
DC Water Water & Sewer Retail Rates (1)	\$ 40.94	\$ 46.09	\$ 48.84	\$ 48.17
IAC	2.20	3.45	6.87	6.64
DC Water Customer Metering Fee	2.01	3.86	3.86	3.86
Subtotal DC Water Rates & Charges	\$ 45.15	\$ 53.40	\$ 59.57	\$ 58.67
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Subtotal District of Columbia Charges	\$ 6.38	\$ 6.89	\$ 7.22	\$ 7.15
(1) Assumes average monthly consumption of 6.69 Ccf, or 5,004 gallons.				

The average CAP customer bill for FY 2012 would be 48% less than the average non CAP customer



Average CAP Customer Monthly Bill



1. Assumes average monthly consumption of 6.69 Ccf, or 5,004 gallons
 – FY 2012 rate per gallon is \$0.0097 (water and sewer rates only)



FY 2010 - 2019 Projected Average Residential Monthly Bill

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	
	Units											
DC Water Retail Rates (1)	Ccf	\$40.94	\$ 46.09	\$ 48.17	\$ 51.31	\$ 54.39	\$ 57.67	\$ 61.41	\$ 65.09	\$ 68.04	\$ 70.45	
DC Water IAC	ERU	2.20	3.45	6.64	9.73	14.52	17.66	20.33	23.19	25.49	28.77	
DC Water Customer Metering Fee		2.01	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	
Subtotal DC Water Rates & Charges		\$45.15	\$ 53.40	\$ 58.67	\$ 64.90	\$ 72.77	\$ 79.19	\$ 85.60	\$ 92.14	\$ 97.39	\$ 103.08	
Percent Increase in DC Water Portion of Bill		10.7%	18.3%	9.9%	10.6%	12.1%	8.8%	8.1%	7.6%	5.7%	5.8%	
District of Columbia PILOT (1)	Ccf	\$ 2.87	\$ 3.28	\$ 3.48	\$ 3.68	\$ 3.88	\$ 4.09	\$ 4.35	\$ 4.62	\$ 4.82	\$ 5.02	
District of Columbia Right of Way Fee (1)	Ccf	0.94	0.94	1.00	1.07	1.14	1.20	1.27	1.34	1.41	1.47	
District of Columbia PILOT/ROW Fee		3.81	4.22	4.48	4.75	5.02	5.29	5.62	5.96	6.23	6.49	
District of Columbia Stormwater Fee (2)	ERU	2.57	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	
Subtotal District of Columbia Charges		\$ 6.38	\$ 6.89	\$ 7.15	\$ 7.42	\$ 7.69	\$ 7.96	\$ 8.29	\$ 8.63	\$ 8.90	\$ 9.16	
Total Amount Appearing on DC Water Bill		\$51.53	\$ 60.29	\$ 65.82	\$ 72.32	\$ 80.46	\$ 87.15	\$ 93.89	\$ 100.77	\$ 106.29	\$ 112.24	
Increase / Decrease Over Prior Year		\$ 4.70	\$ 8.76	\$ 5.53	\$ 6.50	\$ 8.14	\$ 6.69	\$ 6.74	\$ 6.88	\$ 5.52	\$ 5.95	
Percent Increase in Total Bill		10.0%	17.0%	9.2%	9.9%	11.3%	8.3%	7.7%	7.3%	5.5%	5.6%	

(1) Assumes average monthly consumption of 6.69 Ccf, or (5,004 gallons).

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





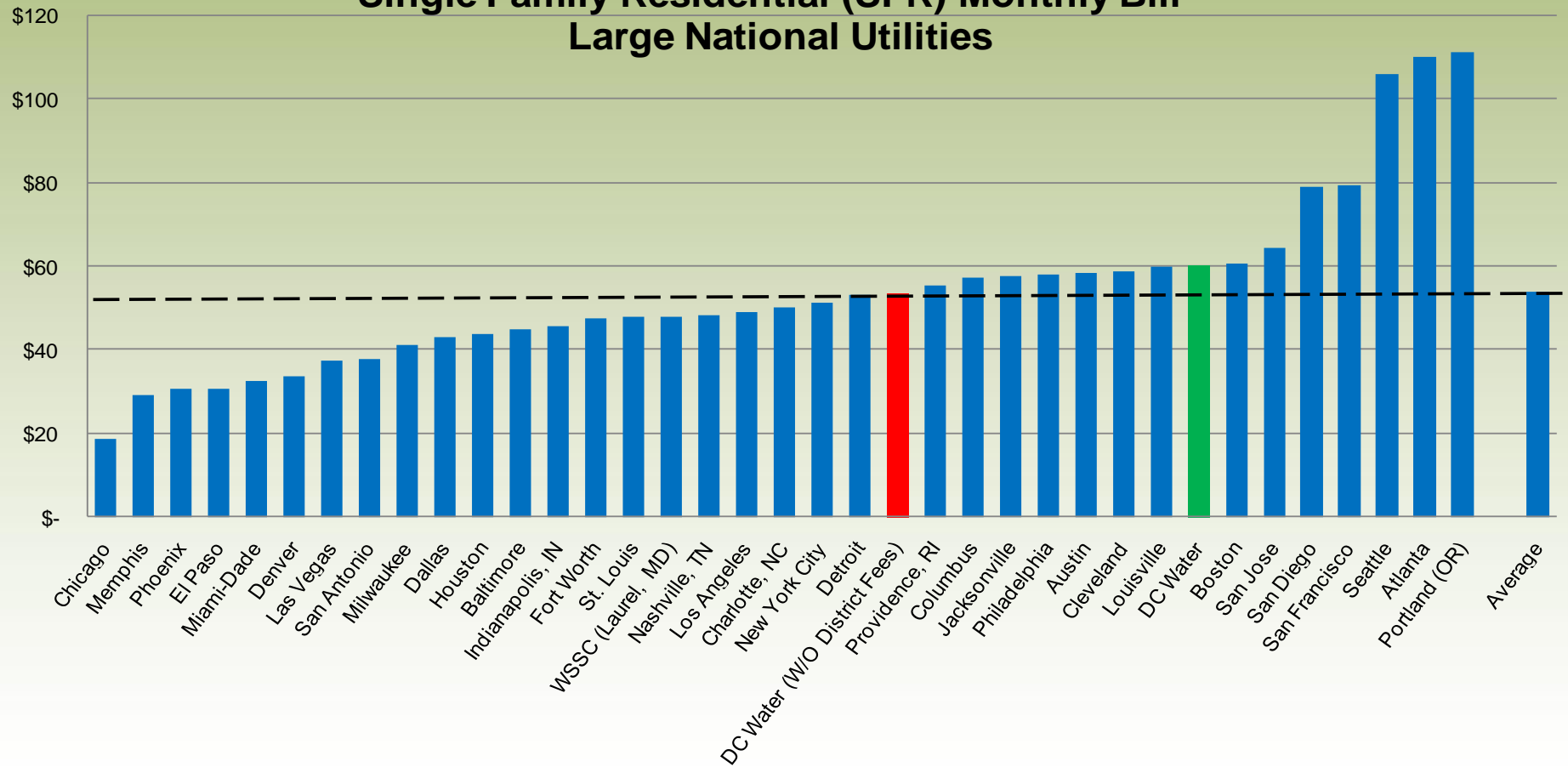
FY 2010 – 2019 Projected Retail Rates and Fee Changes

	Units	Actual FY 2010	Actual FY 2011	Proposed FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
DC Water Retail Rates Water	Ccf	\$ 2.51	\$ 3.10	\$ 3.24	\$ 3.45	\$ 3.66	\$ 3.88	\$ 4.13	\$ 4.38	\$ 4.58	\$ 4.74
DC Water Retail Rates Sewer	Ccf	\$ 3.61	\$ 3.79	\$ 3.96	\$ 4.22	\$ 4.47	\$ 4.74	\$ 5.05	\$ 5.35	\$ 5.59	\$ 5.79
DC Water Clean Rivers IAC	ERU	\$ 2.20	\$ 3.45	\$ 6.64	\$ 9.73	\$ 14.52	\$ 17.66	\$ 20.33	\$ 23.19	\$ 25.49	\$ 28.77
DC Water Customer Metering Fee		\$ 2.01	\$ 3.86	\$ 3.86	\$ 3.86	\$ 3.86	\$ 3.86	\$ 3.86	\$ 3.86	\$ 3.86	\$ 3.86
District of Columbia PILOT Fee	Ccf	\$ 0.43	\$ 0.49	\$ 0.52	\$ 0.55	\$ 0.58	\$ 0.61	\$ 0.65	\$ 0.69	\$ 0.72	\$ 0.75
District of Columbia Right of Way Fee	Ccf	\$ 0.14	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22
District of Columbia Stormwater Fee	ERU	\$ 2.57	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67	\$ 2.67



DC Water Retail Rates are Comparable to Other Utilities

Single Family Residential (SFR) Monthly Bill - Large National Utilities





DC Water Retail Rate Increases Compared to Other Utilities

Large CSO Communities	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
DC Water	-5.25%	2.50%	5.00%	5.50%	5.00%	5.50%	7.50%	9.00%	12.50%	*4.50%
New York City Dept. of Environmental Protection	6.60%	5.50%	5.50%	3.00%	9.40%	11.50%	14.50%	12.90%	12.90%	7.50%
Boston Water and Sewer Commission	12.80%	5.80%	0.00%	9.85%	9.25%	5.60%	3.48%	3.95%	2.90%	**0.00%
City of Atlanta Dept. of Watershed Management (Inside-City)	0.00%	22.00%	1.00%	4.40%	10.00%	10.00%	27.50%	12.50%	12.50%	12.00%
Philadelphia Water Department	7.00%	1.60%	12.80%	1.90%	6.70%	4.20%	7.10%	6.40%	5.70%	5.90%

* Management revised rate adjustment

** Adopt rates January 1

Increases do not reflect other available dedicated taxes or state funding potentially available to some agencies.



Appendix



Summary Review of Financial Plan Assumptions

Projected performance and recent actions have changed certain assumptions for both FY 2011 & 2012:

FY 2011 Financial Performance:

- Estimate \$16.6M excess cash above the operating reserve requirement in FY 2011
- Approximately \$2.9M of excess cash will be refunded in FY 2012 to wholesale customers.

FY 2012 Revised Budget

- Operating Budget- reduced by \$5.8m
- Financial Plan reduction of \$3.4m

FY 2012 Revenue Projections

- Clean Rivers IAC revenue remains at \$30.5m for FY 2012
- FY 2011 ERUs are projected to be slightly higher than the original estimate.
- Retail revenues projected to be in line with the budget except for DC Housing Authority, which is projected to be lower by approximately 11%.
- Additional \$1.5m from Miscellaneous Fee increase
- Committee desires that average bill impact should be less than 10%
- FY 2012 revised budget and revenue assumptions may result in additional \$4.0m surplus at FY 2012 year end.



FY 2012 Alternatives For Consideration

Using prioritized options, staff has reviewed several alternatives:

FY 2012 Alternatives

	Alternatives	Refund Wholesale Customers	Transfer to RSF	Fund Pay-Go	Other
1	4.5%	\$2.9m	\$7.0m	\$0	\$6.6m
2	4.5%	\$2.9m	\$7.0m	\$6.6m	\$0.00
3	5.0%	\$2.9m	\$7.0m	\$0	\$6.6m
4	5.0%	\$2.9m	\$7.0m	\$6.6m	\$0.00



FY 2012 Revenue Requirement – Original Approved Budgets

Operating	Revised FY 2011	Approved FY 2012	Variance	%
Volumetric and Metering (Retail)	258,474	267,576	9,102	3.5%
Right of Way / PILOT	21,982	23,401	1,419	6.5%
Clean Rivers IAC	14,900	30,503	15,603	104.7%
<i>Retail subtotal</i>	<u>295,356</u>	<u>321,480</u>	<u>26,124</u>	8.8%
Wholesale	68,825	71,439	2,614	3.8%
Other (1)	<u>34,927</u>	<u>19,302</u>	<u>(15,625)</u>	-44.7%
Operating Receipts	\$ 399,108	\$ 412,221	\$ 48,339	3.3%
Operating Expenses	\$ (302,421)	\$ (300,969)	\$ 1,452	-0.5%
Debt Service	\$ (96,334)	\$ (103,667)	\$ (7,333)	7.6%
Net Revenues After Debt Service	\$ 353	\$ 7,585	\$ 7,232	
Operating Reserve - Beg Balance	\$ 131,996	\$ 125,500		
Other Misc (Disbursements)/Receipts				
Wholesale/Federal True Up	(3,384)	(1,795)		
Transfer to RSF	(1,000)	(2,000)		
Pay-Go Financing	<u>(2,465)</u>	<u>(3,790)</u>		
Operating Reserve - Ending Balance	\$ 125,500	\$ 125,500		

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



Rate Alternatives and Impacts: Base 6.0% Water/Sewer Increase – Current Adopted Financial Plan

DC WATER
FY 2010 - 2019 FINANCIAL PLAN - Base 6.0%
(In 000's)

Operating	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Retail*	262,233	295,356	321,480	350,997	387,880	417,802	447,853	478,109	501,297	525,884
Wholesale*	67,471	68,825	71,439	72,868	67,805	62,234	64,005	65,777	67,647	69,569
Other (1)	<u>43,834</u>	<u>34,927</u>	<u>19,302</u>	<u>21,633</u>	<u>26,836</u>	<u>29,111</u>	<u>32,612</u>	<u>32,690</u>	<u>32,980</u>	<u>33,999</u>
Operating Receipts	\$ 373,538	\$ 399,108	\$ 412,221	\$ 445,498	\$ 482,521	\$ 509,147	\$ 544,470	\$ 576,576	\$ 601,924	\$ 629,452
Operating Expenses	\$ (258,386)	\$ (302,421)	\$ (300,969)	\$ (311,193)	\$ (307,944)	\$ (303,101)	\$ (312,534)	\$ (322,083)	\$ (331,678)	\$ (341,310)
Debt Service	\$ (83,514)	\$ (96,334)	\$ (103,667)	\$ (124,787)	\$ (164,084)	\$ (189,825)	\$ (215,385)	\$ (236,342)	\$ (249,632)	\$ (261,502)
Net Revenues After Debt Service	\$ 31,638	\$ 353	\$ 7,585	\$ 9,518	\$ 10,493	\$ 16,221	\$ 16,551	\$ 18,151	\$ 20,614	\$ 26,640
Operating Reserve - Beg Balance	\$ 131,298	\$ 131,996	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(87)	(3,384)	(1,795)	(4,599)	-	-	-	-	-	-
Transfer to RSF	(16,100)	(1,000)	(2,000)	-	-	-	-	-	-	-
Pay-Go Financing	<u>(14,752)</u>	<u>(2,465)</u>	<u>(3,790)</u>	<u>(4,919)</u>	<u>(10,493)</u>	<u>(16,221)</u>	<u>(16,551)</u>	<u>(18,151)</u>	<u>(20,614)</u>	<u>(26,640)</u>
Operating Reserve - Ending Balance	\$ 131,996	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Rate Stabilization Fund Balance RSF (2)	\$ 16,700	\$ 8,200	\$ 10,200	\$ 7,200	\$ 5,200	\$ 5,200	\$ 3,000	\$ 2,000	\$ 2,000	\$ 2,000
Senior Debt Service Coverage	275%	296%	279%	237%	196%	186%	172%	162%	157%	155%
Combined Debt Service Coverage	136%	128%	126%	124%	122%	123%	121%	120%	121%	122%
Operating Receipts % Increase/Decrease*										
Retail	10.8%	12.6%	8.8%	9.2%	10.5%	7.7%	7.2%	6.8%	4.8%	4.9%
Wholesale	2.7	2.0%	3.8%	2.0%	-6.9%	-8.2%	2.8%	2.8%	2.8%	2.8%

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

(2) FY 2010 Rates Stabilization Fund utilization brought the total fund balance to \$16.7 million



Alternative 1a: Includes 4.5% Retail Water & Sewer & Other Funding of \$6.6m

DC WATER

FY 2010 - 2019 FINANCIAL PLAN - Alternative 1a - 4.5% Retail Water & Sewer Increase & \$6.6m Other
(In 000's)

Operating	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Retail*	262,233	292,407	317,457	346,750	383,421	413,121	442,915	472,925	495,929	520,378
Wholesale*	67,471	69,260	71,439	72,868	67,805	62,234	64,005	65,777	67,647	69,569
Other (1)	43,834	34,581	22,802	23,148	28,504	30,749	34,243	36,343	36,590	35,482
Operating Receipts	\$ 373,538	\$ 396,248	\$ 411,698	\$ 442,766	\$ 479,730	\$ 506,104	\$ 541,163	\$ 575,045	\$ 600,166	\$ 625,429
Operating Expenses	\$ (258,386)	\$ (288,256)	\$ (299,907)	\$ (310,917)	\$ (307,651)	\$ (302,791)	\$ (312,204)	\$ (321,733)	\$ (331,313)	\$ (340,932)
Debt Service	\$ (83,514)	\$ (92,189)	\$ (101,347)	\$ (123,454)	\$ (162,747)	\$ (188,620)	\$ (214,344)	\$ (236,317)	\$ (250,302)	\$ (262,572)
Net Revenues After Debt Service	\$ 31,638	\$ 15,803	\$ 10,444	\$ 8,395	\$ 9,332	\$ 14,693	\$ 14,615	\$ 16,995	\$ 18,551	\$ 21,925
Operating Reserve - Beg Balance	\$ 131,298	\$ 131,996	\$ 135,123	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(87)	(2,211)	(4,335)	(7,194)	-	-	-	-	-	-
Other	-	-	(6,600)	-	-	-	-	-	-	-
Transfer to RSF	(16,100)	(8,000)	(5,000)	-	-	-	-	-	-	-
Pay-Go Financing	(14,752)	(2,465)	(4,132)	(1,201)	(9,332)	(14,693)	(14,615)	(16,995)	(18,551)	(21,925)
Operating Reserve - Ending Balance	\$ 131,996	\$ 135,122	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500

Rate Stabilization Fund Balance RSF (2)	\$ (11,900)	\$ (1,500)	\$ 3,000	\$ (3,000)	\$ (2,000)	\$ -	\$ (2,200)	\$ (3,000)	\$ (2,000)	\$ -
Senior Debt Service Coverage	275%	310%	268%	228%	193%	183%	170%	161%	155%	152%
Combined Debt Service Coverage	136%	139%	124%	121%	121%	122%	120%	120%	120%	120%
Operating Receipts % Increase/Decrease*										
Retail	10.8%	11.5%	8.6%	9.2%	10.6%	7.7%	7.2%	6.8%	4.9%	4.9%
Wholesale	2.7	2.7%	3.1%	2.0%	-6.9%	-8.2%	2.8%	2.8%	2.8%	2.8%

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

(2) FY 2010 Rates Stabilization Fund utilization brought the total fund balance to \$16.7 million



Alternative 1b : Includes 4.5% Retail Water & Sewer & Pay-Go Funding of \$6.6m

DC WATER

FY 2010 - 2019 FINANCIAL PLAN - Alternative 1b - 4.5% Retail Water & Sewer Increase & Pay-Go \$6.6m
(In 000's)

Operating	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Retail*	262,233	292,407	317,457	346,750	383,421	413,121	442,915	472,925	495,929	520,378
Wholesale*	67,471	69,260	71,439	72,868	67,805	62,234	64,005	65,777	67,647	69,569
Other (1)	43,834	34,581	22,802	23,169	28,507	30,766	32,260	36,360	36,608	35,500
Operating Receipts	\$ 373,538	\$ 396,248	\$ 411,698	\$ 442,787	\$ 479,733	\$ 506,121	\$ 539,180	\$ 575,062	\$ 600,184	\$ 625,447
Operating Expenses	\$ (258,386)	\$ (288,256)	\$ (299,907)	\$ (310,917)	\$ (307,651)	\$ (302,791)	\$ (312,204)	\$ (321,733)	\$ (331,313)	\$ (340,932)
Debt Service	\$ (83,514)	\$ (92,189)	\$ (101,066)	\$ (122,868)	\$ (162,079)	\$ (187,890)	\$ (213,545)	\$ (235,443)	\$ (249,346)	\$ (261,527)
Net Revenues After Debt Service	\$ 31,638	\$ 15,803	\$ 10,725	\$ 9,002	\$ 10,003	\$ 15,440	\$ 13,431	\$ 17,886	\$ 19,525	\$ 22,988
Operating Reserve - Beg Balance	\$ 131,298	\$ 131,996	\$ 135,123	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(87)	(2,211)	(4,335)	(7,194)	-	-	-	-	-	-
Transfer to RSF	(16,100)	(8,000)	(5,000)	-	-	-	-	-	-	-
Pay-Go Financing	(14,752)	(2,465)	(11,013)	(1,808)	(10,003)	(15,440)	(15,432)	(17,886)	(19,525)	(22,988)
Operating Reserve - Ending Balance	\$ 131,996	\$ 135,123	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 123,499	\$ 125,500	\$ 125,500	\$ 125,500
Rate Stabilization Fund Balance RSF (2)	\$ (11,900)	\$ (1,500)	\$ 3,000	\$ (3,000)	\$ (2,000)	\$ -	\$ (2,200)	\$ (3,000)	\$ (2,000)	\$ -
Senior Debt Service Coverage	275%	310%	270%	230%	194%	184%	170%	161%	156%	153%
Combined Debt Service Coverage	136%	139%	124%	121%	122%	122%	120%	120%	120%	121%
Operating Receipts % Increase/Decrease*										
Retail	10.8%	11.5%	8.6%	9.2%	10.6%	7.7%	7.2%	6.8%	4.9%	4.9%
Wholesale	2.7	2.7%	3.1%	2.0%	-6.9%	-8.2%	2.8%	2.8%	2.8%	2.8%

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

(2) FY 2010 Rates Stabilization Fund utilization brought the total fund balance to \$16.7 million



Alternative 2a : Includes 5.0% Retail Water & Sewer & Pay-Go Funding of \$0.00

DC WATER
FY 2010 - 2019 FINANCIAL PLAN - Alternative 2a - 5.0% Retail Water & Sewer Increase & \$6.6m Other
(In 000's)

Operating	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Retail*	262,233	292,407	318,554	347,909	384,639	414,400	444,266	474,344	497,398	521,886
Wholesale*	67,471	69,260	71,439	72,868	67,805	62,234	64,005	65,777	67,647	69,569
Other (1)	<u>43,835</u>	<u>34,581</u>	<u>22,802</u>	<u>23,155</u>	<u>28,539</u>	<u>30,817</u>	<u>34,316</u>	<u>36,419</u>	<u>36,670</u>	<u>35,565</u>
Operating Receipts	\$ 373,539	\$ 396,248	\$ 412,795	\$ 443,932	\$ 480,983	\$ 507,451	\$ 542,587	\$ 576,540	\$ 601,715	\$ 627,020
Operating Expenses	\$ (258,386)	\$ (288,256)	\$ (306,593)	\$ (311,009)	\$ (307,749)	\$ (302,894)	\$ (312,314)	\$ (321,850)	\$ (331,435)	\$ (341,058)
Debt Service	\$ (83,514)	\$ (92,189)	\$ (101,304)	\$ (123,319)	\$ (162,437)	\$ (188,167)	\$ (213,729)	\$ (235,519)	\$ (249,299)	\$ (261,342)
Net Revenues After Debt Service	\$ 31,639	\$ 15,803	\$ 4,898	\$ 9,604	\$ 10,797	\$ 16,390	\$ 16,544	\$ 19,171	\$ 20,981	\$ 24,620
Operating Reserve - Beg Balance	\$ 131,298	\$ 131,996	\$ 135,123	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(87)	(2,211)	(4,335)	(7,194)	-	-	-	-	-	-
Transfer to RSF	(16,100)	(8,000)	(5,000)	-	-	-	-	-	-	-
Pay-Go Financing	<u>(14,752)</u>	<u>(2,465)</u>	<u>(5,186)</u>	<u>(2,410)</u>	<u>(10,797)</u>	<u>(16,390)</u>	<u>(16,544)</u>	<u>(19,171)</u>	<u>(20,981)</u>	<u>(24,620)</u>
Operating Reserve - Ending Balance	\$ 131,997	\$ 135,123	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500

Rate Stabilization Fund Balance RSF (2)	\$ (11,900)	\$ (1,500)	\$ 3,000	\$ (3,000)	\$ (2,000)	\$ -	\$ (2,200)	\$ (3,000)	\$ (2,000)	\$ -
Senior Debt Service Coverage	275%	310%	271%	231%	195%	185%	171%	162%	157%	154%
Combined Debt Service Coverage	136%	139%	125%	122%	122%	123%	121%	121%	121%	122%
Operating Receipts %Increase/Decrease*										
Retail	10.8%	11.5%	8.9%	9.2%	10.6%	7.7%	7.2%	6.8%	4.9%	4.9%
Wholesale	2.7	2.7%	3.1%	2.0%	-6.9%	-8.2%	2.8%	2.8%	2.8%	2.8%

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

(2) FY 2010 Rates Stabilization Fund utilization brought the total fund balance to \$16.7 million



Alternative 2b : Includes 5.0% Retail Water & Sewer & Pay-Go Funding of \$6.6m

DC WATER

FY 2010 - 2019 FINANCIAL PLAN - Alternative 2a - 5.0% Retail Water & Sewer Increase & Pay-Go \$6.6m

(In 000's)

Operating	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Retail*	262,233	292,407	318,554	347,909	384,639	414,400	444,266	474,344	497,398	521,886
Wholesale*	67,471	69,260	71,440	72,868	67,805	62,234	64,005	65,777	67,647	69,569
Other (1)	43,834	34,581	22,802	23,176	28,541	30,834	34,333	36,437	36,687	35,583
Operating Receipts	\$ 373,538	\$ 396,248	\$ 412,796	\$ 443,953	\$ 480,985	\$ 507,468	\$ 542,604	\$ 576,558	\$ 601,732	\$ 627,038
Operating Expenses	\$ (258,386)	\$ (288,256)	\$ (299,993)	\$ (311,009)	\$ (307,749)	\$ (302,894)	\$ (312,314)	\$(321,850)	\$(331,435)	\$(341,058)
Debt Service	\$ (83,514)	\$ (92,189)	\$ (101,023)	\$ (122,733)	\$ (161,770)	\$ (187,437)	\$ (212,930)	\$(234,645)	\$(248,343)	\$(260,296)
Net Revenues After Debt Service	\$ 31,638	\$ 15,803	\$ 11,780	\$ 10,211	\$ 11,466	\$ 17,137	\$ 17,360	\$ 20,063	\$ 21,954	\$ 25,684
Operating Reserve - Beg Balance	\$ 131,298	\$ 131,996	\$ 135,123	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(87)	(2,211)	(4,335)	(7,194)	-	-	-	-	-	-
Transfer to RSF	(16,100)	(8,000)	(5,000)	-	-	-	-	-	-	-
Pay-Go Financing	(14,752)	(2,465)	(12,068)	(3,017)	(11,466)	(17,137)	(17,360)	(20,063)	(21,954)	(25,684)
Operating Reserve - Ending Balance	\$ 131,996	\$ 135,123	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500

Rate Stabilization Fund Balance RSF(2)	\$ (11,900)	\$ (1,500)	\$ 3,000	\$ (3,000)	\$ (2,000)	\$ -	\$ (2,200)	\$ (3,000)	\$ (2,000)	\$ -
Senior Debt Service Coverage	275%	310%	272%	233%	196%	186%	172%	163%	158%	155%
Combined Debt Service Coverage	136%	139%	125%	122%	123%	123%	121%	121%	121%	122%
Operating Receipts % Increase/Decrease*										
Retail	10.8%	11.5%	8.9%	9.2%	10.6%	7.7%	7.2%	6.8%	4.9%	4.9%
Wholesale	2.7	2.7%	3.1%	2.0%	-6.9%	-8.2%	2.8%	2.8%	2.8%	2.8%

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

(2) FY 2010 Rates Stabilization Fund utilization brought the total fund balance to \$16.7 million

Action Item
FY 2012 Rate & Fee Changes
(Effective October 1, 2011)

1. Adopt the following retail rate charges and fees:

Water Service Rates

- a. An increase in the rate for retail metered water service from \$3.10 per One Hundred Cubic Feet ("Ccf"), (\$4.14 per 1,000 gallons) to:
- Residential customers: \$3.24 per Ccf (\$4.33 per 1,000 gallons)
 - Non – residential customers: \$3.24 per Ccf (\$4.33 per 1,000 gallons)

Sewer Service Rates

- b. An increase in the rate for retail sanitary sewer service from \$3.79 per One Hundred Cubic Feet ("Ccf"), (\$5.07 per 1,000 gallons) to:
- Residential customers: \$3.96 per Ccf (\$5.29 per 1,000 gallons)
 - Non – residential customers: \$3.96 per Ccf (\$5.29 per 1,000 gallons)
- c. An increase in the **annual** Clean Rivers Impervious Area Charge (IAC) from \$41.40 to \$79.68 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:
- Residential customers: \$6.64 for each ERU
 - Non – residential customers: \$6.64 for each ERU

Right of Way Occupancy Fee Pass Through Charge / PILOT Fee

- i. An increase in the District of Columbia Right of Way fee from \$0.14 per Ccf or (\$0.19 per 1,000 gallons) to:
1. Residential customers: \$0.15 per Ccf (\$0.20 per 1,000 gallons).
 2. Non – residential customers: \$0.15 per Ccf (\$0.20 per 1,000 gallons).

- ii. An increase in the Payment in Lieu of Taxes paid to the Office of the Chief Financial Officer (OCFO) of the District of Columbia from \$0.49 per Ccf or (\$0.66 per 1,000 gallons) to:
 - 1. Residential customers: \$0.52 per Ccf (\$0.70 per 1,000 gallons)
 - 2. Non – residential customers: \$0.52 per Ccf (\$0.70 per 1,000 gallons)

2. **Miscellaneous Fees & Charges:**

a. **Engineering Reviews, Sale of Documents, Maps and Manuals**

<i>Large Project Permit Review Fees (public main greater than 2 inches)</i>	
Availability Letter (Large Commercial)	\$500
Large Permits Fast Track (15 working days review per submission)	\$10,000
Large Permit Basic	\$7,500
Large Permits Submissions (Excessive Submission: 4 or more)	\$1,000
Foundation to Grade - Large Commercial	\$1,000
Approved Project Plan Revision (Project Scope/Design Change)	\$1,000
Approved Plan Revision (Field Conditions)	\$250
Large Project Sheeting and Shoring (Large Commercial)	\$1,000
Raze Permits	\$150
Abandonment Waiver Request	\$500
<i>Small Project Permit Review Fees (public main less than 2 inches)</i>	
Availability Letter (Small)	\$125
Small Residential	\$300
New Home from a Large Project Subdivision (10 or more units)	\$150
Small Commercial (multi-family, apartments, store, etc)	\$2,500

Small Sheet and Shore	\$500
Sale of Manuals	
Design Manuals	\$60.00
Revisions/Updates	\$25.00
Construction Standard Details	\$35.00
Revisions/Updates	\$10.00
Construction General Conditions & Standard Specifications	\$25.00
Revisions/Updates	\$5.00
Fee for WASA Pipeline Design Manual	\$75.00
Revisions/Updates	\$30.00
Preparing As-Built Drawings	\$215.00
Reproduction of Maps and Technical Documents (Charge per Sheet)	
Xerographic	\$2.50
Vellum	\$4.00
Mylar	\$5.50
Standard Photocopying (Charge Per Page) - For Legal and Letter Size Paper	\$0.25
Electronic Version of Water/Sewer Counter and As-Built Maps per project	\$100.00
Updates of Electronic Version of Water/Sewer Counter and As Built Maps per project	\$25.00

b. **Pretreatment Fees**

Waste Hauling - Annual Fee per Vehicle	
Vehicles 0 - 49 gallons	\$160.00
Vehicles 50 - 799 gallons	\$2,265.00
Vehicles 800 - 1,499 gallons	\$6,170.00
Vehicles 1,500 gallons or more	\$14,640.00
Industrial User Permitting Fee	
Permit Initial Fee	\$2,000.00
Permit Renewal Fee	\$600.00
Industrial User Annual Compliance Fees	
Significant or Non-Significant Categorical Industrial User	
1 Outfall	\$2,500.00
2 or more Outfalls	\$3,500.00
Significant Non-Categorical Industrial User	
1 Outfall	\$2,500.00
2 or more Outfalls	\$3,500.00
Non-Significant Non-Categorical User	
1 Outfall	\$550.00
2 or more Outfalls	\$700.00

Attachment – E

FY 2011 Retail Rates Committee Workplan & FY 2012 Proposed Workplan

Committee Activity	Committee Calendar	Completed
1. FY 2012 Retail Rate Activities <ul style="list-style-type: none"> a. Rate Proposal to committee b. Committee recommendation c. Public Outreach d. Public Hearing e. Committee recommendation on FY 2012 rates 	October 2010 December 2010 March/April 2011 May 2011 June 2011	√ √ √ √
2. Implement LID Incentive Program for customers who utilize Best Management Practice <ul style="list-style-type: none"> a. Prepare revenue impact analysis 	Ongoing-Coordinating with DDOE on program planning; Overview presented December 15, 2010; Request to post public notice to be determined TBD	
3. Review and Update BOD Resolution for Rate Setting <ul style="list-style-type: none"> a. Last reviewed in 1997 b. Ways to Minimize Customer Impacts from Rate Increases 	January 6, 2011, Board approved resolutions	√
4. Review and Update Committee on long-range rate issues, including follow-up on FY 2009 Cost of Service Study results, prior to next cost of service study <ul style="list-style-type: none"> a. Review and understand customer demographics b. Consider/Review Other Misc Charges/Fees c. Consider Implementation of Developer/Impact Fees 	April - July, 2011 March - April, 2011 FY 2012 March 22, 2011: Management update on items 4b for FY 2012 implementation April 26, 2011: Retail Rate Committee to approve and recommend to Board implementation of items 4b in FY 2012 May 5, 2011: Board to adopt Retail Rates Committee proposal of items 4b for FY 2012	√ √ √ √

Attachment – E

<ul style="list-style-type: none"> d. Evaluate future strategies for unbundling volumetric rates (Fixed/Volumetric rates) e. Alternative rate structures review f. Revisit CAP program and possible modifications (Expansion and or methodology) g. Preliminary understanding of revenue subtractions, discounts, exemptions 	<p>April - July, 2011</p> <p>FY 2012 Cost of Service Study FY 2012</p> <p>April, 2011</p>	<p>√</p>
<p>5. Effectively Communicate Rates/Charges</p> <ul style="list-style-type: none"> a. Determine appropriate benchmark <ul style="list-style-type: none"> i. Typical Residential Customer & Non – Residential Customer ii. Utility and City Peer Comparison b. Consider changing from Ccf to Gallons c. Review names/titles of certain bill line items d. Howard University and Soldier’s Home Negotiations Update e. Improving cost allocations communications with Board (e.g., NMC Outfall Sewer Rehab D2) 	<p>March, 2011</p> <p>January, 2011</p> <p>March, 2011</p> <p>Monthly</p> <p>March 2011</p>	<p>√</p> <p>√</p> <p>√</p> <p></p> <p>√</p>
<p>6. “PILOT” evaluation – In coordination with District Government Review and Propose new methodology for assessing PILOT and unrelated issues.</p>	<p>To be determined</p>	<p></p>
<p>7. IAC Program Evaluation</p>	<p>February 2012</p>	<p></p>
<p>8. FY 2013 Retail Rate Activities</p> <ul style="list-style-type: none"> a. Rate Proposal to committee b. Committee recommendation c. Public Outreach d. Public Hearing e. Committee recommendation on FY 2013 rates 	<p>October 2011</p> <p>December 2011</p> <p>March/April 2012</p> <p>May 2012</p> <p>June 2012</p>	<p></p>
<p>9. FY 2012 Cost of Service Study</p>	<p>July 2012</p>	<p></p>



Attachment – F

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

TUESDAY, July 26, 2011; 9:30 a.m.
AGENDA

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Future Rate Strategies Update	Director Finance & Budget
Committee Workplan	Chief Financial Officer
Emerging Issues/Other Business	Chief Financial Officer
Agenda for September 27, 2011 Committee Meeting	Chief Financial Officer
Adjournment	Committee Chairman

*Detailed agenda can be found on DC Water’s website at www.dewater.com/about/board_agendas.cfm

Alternate Comparisons of Similar Utilities

AWWA Median Household Income ratio (as compared to DC)	AWWA Affordability Index	Cost of Living Index	SFR Monthly Bill	If you live in:
0.81	N/A	89.70	\$ 29.24	Memphis
1.03	0.9%	101.00	\$ 30.44	Phoenix
0.80	1.0%	93.40	\$ 30.76	El Paso
0.59	1.6%	-	\$ 32.63	Miami-Dade
0.98	N/A	103.80	\$ 33.41	Denver
1.10	N/A	110.30	\$ 37.26	Las Vegas
0.90	1.2%	94.50	\$ 37.75	San Antonio
0.94	1.4%	91.50	\$ 42.90	Dallas
0.91	1.4%	-	\$ 43.66	Houston
			\$ 45.76	Indianapolis, IN
0.92	1.5%	-	\$ 47.29	Fort Worth
1.23	1.3%	-	\$ 47.85	WSSC (Laurel, MD)
0.98	1.4%	-	\$ 48.32	Nashville, TN
0.91	N/A	145.40	\$ 48.85	Los Angeles
1.17	1.2%	90.00	\$ 49.97	Charlotte, NC
0.95	1.6%	214.30	\$ 51.11	New York City
-	N/A	98.60	\$ 53.12	Detroit
1.00	1.5%	137.20	\$ 53.40	DC Water (W/O District Fees)
0.67	N/A	-	\$ 55.36	Providence, RI
0.94	1.6%	-	\$ 57.32	Columbus
1.01	1.5%	99.10	\$ 57.69	Jacksonville
0.77	2.1%	124.10	\$ 57.85	Philadelphia
1.06	1.7%	-	\$ 58.23	Austin
0.65	N/A	99.30	\$ 58.63	Cleveland
0.72	N/A	-	\$ 59.88	Louisville
1.00	1.5%	137.20	\$ 60.29	DC Water
0.99	2.1%	135.40	\$ 60.44	Boston
1.75	N/A	-	\$ 64.35	San Jose
1.14	2.1%	140.30	\$ 78.78	San Diego
0.00	0.0%	169.50	\$ 79.23	San Francisco
1.14	2.8%	121.50	\$ 105.95	Seattle
0.87	4.1%	96.50	\$ 110.04	Atlanta
1.00	N/A	121.40	\$ 111.16	Portland (OR)

\$ 55.72 Average

Attachment G

Explanations of Attachment E provided in the May 2011 Retail Rates Committee Package:

The **Ratio of household income to DC's** is found by dividing the median household income for each city by the median household income of the District of Columbia. For consistency, the median household income used is the data provided in the *2010 Water and Wastewater Rate Survey* co-produced by the American Water Works Association and Raftelis Financial Consultants. The study notes that the data is from the 2000 Census adjusted to January 2010 using the national Consumer Price Index.

This ratio was an attempt to compare average incomes of various cities to the DC average income.

The **AWWA Affordability Index** attempts to show water and wastewater bill affordability for each city. This information is found in the *AWWA 2010 Water and Wastewater Rate Survey* and compares the combined water and wastewater bill for a residential customer using 1,000 CF monthly to the median household income in that same city. In other words, the index measures the water/wastewater bill as a percentage of the median household income. Assuming EPA guidance of 4% (2% water and 2% wastewater), this is an indication of service affordability for each city listed. Not all utilities have a combined index as the survey data may have only included water or wastewater rather than both services.

The **Cost of Living Index** is a figure that “indicates relative price levels for consumer goods and services. The average composite index for the nation is 100%, and each city's index is read as a percentage of the overall average.” Essentially, it is a measure of how expensive it is to live in the given city. The source of these figures is *ACCRA Cost of Living Index, ACCRA, P.O. Box 100127, Arlington Va., 22210*, and the figures for the selected cities can also be found at <http://www.infoplease.com/business/economy/cost-living-index-us-cities.html>.