

**DISTRICT OF COLUMBIA**

**WATER AND SEWER AUTHORITY**

# Board of Directors

DC Retail Water and Sewer Rates Committee

## Tuesday, February 21, 2017

9:30 a.m.

 MEETING MINUTES

**Committee Members in Attendance**

 **DC Water Staff**

Rachna Butani, Chairperson

Matthew Brown, Chairman

Howard Gibbs

Ellen Boardman

Tommy Wells

Anthony Giancola

Mark Kim, Chief Financial Officer

Meena Gowda, Deputy General Counsel

Syed Khalil, Director Rates & Revenue

Linda Manley, Secretary to the Board

**Call to Order**

Chairperson Butani convened the meeting at 9:30 a.m.

**CAP Customer 50% CRIAC Credit Update**

Mr. Kim updated the Committee on the status of the proposed rulemaking to provide a 50% CRIAC for customers who qualify for the Authority’s low-income Customer Assistance Program (CAP). Mr. Kim informed the Committee that the public comment period had closed without any comments being received and that, accordingly, management is recommending to proceed to final rulemaking.

After a brief discussion which included questions concerning the implementation of the credit, cost of the credit and size of the DC Clean Rivers Project, the Committee agreed to recommend the Action Item to the full Board. If approved by the Board a Notice of Final Rulemaking (NOFR) is expected to be published in March and the 50% CRIAC credit would become effective May 1, 2017.

**CRIAC Restructuring Update** (Attachment B)

Mr. Kim then briefed the Committee on the status of the CRIAC restructuring proposal.

Mr. Kim began by recommending that the Authority reevaluate and reconsider the existing exemptions it is currently granting to certain customers on the CRIAC prior to creating any new exemptions for other customer classes. The Committee then began an extended discussion of the CRIAC and the exemption for public rights of way (e.g., roads, alleys, sidewalks) that the District government receives on the CRIAC. The Committee discussed the amount of the impervious surface area that the District government owns, the amount of CRIAC paid by the District government, cost of the CRIAC exemption the District government receives and the impact on the Authority’s other customers to recover the lost CRIAC revenue. The Committee also discussed the rulemaking process for modifying the CRIAC and creating/eliminating exemptions, as well as the potential impact on the District government if its CRIAC exemption were removed, which would require legislative action by the District Council.

Mr. Kim then informed the Committee that the Authority is undergoing a complete replacement of its customer billing system and the likely impact this project would have on restructuring the CRIAC. Mr. Kim provided a brief overview of the expected capabilities of the new system to capture more granular customer data, which would allow the Authority to undertake the analysis the Committee requested on the impact of the CRIAC on certain identified customer segments. The Authority’s current system does not have this functionality and any efforts to gather this new data and reprogram the existing system that is scheduled to be replaced later this year in November 2017 would be time-consuming, expensive and redundant once the new system is implemented. The Committee wished to be briefed on the new customer billing system and its ability to gather more granular customer data during the design and implementation stage prior to go-live.

In light of the foregoing discussion, the Committee recommended that staff delay initiating “Phase 2” of the CRIAC restructuring proposal until the new customer billing system has been successfully implemented.

**DC Retail Water and Sewer Rates Committee Workplan** (Attachment C)

Mr. Kim then gave a brief overview of the Committee’s workplan for the remainder of the fiscal year.

**Executive Session**

N/A.

**Agenda for March 28, 2017 Committee Meeting** (Attachment D)

There were no comments on the March agenda.

**Adjournment**

The meeting was adjourned at 10:30 a.m.

**FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (February 21, 2017)**

Schedule an overview of the new customer billing system from the project team for the Committee (target June or July 2017).