



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors
DC Retail Water and Sewer Rates Committee
Tuesday September 25, 2012
9:30am

- 1. **Call to Order** Howard Gibbs, Chairman
- 2. **Monthly Update (Attachment A)** Randy Hayman
 - Howard University
 - Soldier's Home
- 3. **Retail Rates Committee Workplan** Olu Adebo
 - [FY 2012 Retail Rates Committee Completed Workplan \(Attachment B\)](#)
 - [FY 2013 Retail Rates Committee Proposed Workplan \(Attachment C\)](#)
- 4. **Other Business** Olu Adebo
 - [Customer Communication Follow-up \(Attachment D\)](#)
- 5. **Agenda for October 25, 2012 Joint Committee Meeting (Attachment E)**.. Howard Gibbs, Chairman
- 6. **Executive Session** – To discuss legal, confidential or privileged matters under D.C. Official Code Section 2-575(b)(4).
- 7. **Adjournment**

FOLLOW-UP ITEMS – Retail Rates Committee Meeting (July 24, 2012)

- 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: TBD based upon availability of data
- 2. Review of the Potomac Interceptor contracts to see if there are opportunities to modify contracts to be similar to the IMA contracts (Mr. Bardin) Status: Defer Pending Final IMA
- 3. DC Water Staff to provide a comprehensive plan with all the data analysis, and rate proposal. Staff to re-create three (3) Customer Classes, and propose the rates with two options, a blended rate and differentiated rate for presentation to the Committee at their meeting in September or November. (Dr. Cotruvo) Status: November 2012

4. Add a rate design item to the Strategic Plan in order to explore and address rate setting policy and potential impacts to low income customers. (Dr. Cotruvo) Status: The DC Water strategic plan include objectives for affordability and realistic revenue targets. Specific committee activities are on-going and are included on the committee proposed workplan.

¹ The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

SEPTEMBER 2012 UPDATE ON HOWARD UNIVERSITY and
SOLDIERS' HOME DELINQUENT ACCOUNTS

Howard University

Without waiving rights to contest, Howard University (Howard) has accepted the terms of agreement under which they would begin making payments on the current bills on the 39 “exempt” (frozen) accounts. DC Water has asserted arrearages from these accounts that total \$5,447,494.08. Howard has recently tendered a counter-offer. DC Water is analyzing the counter-offer and will respond accordingly. In an effort to expedite negotiation, the parties have entered into a tolling agreement that serves to halt any applicable statute of limitations issues for 90 days. DC Water has retained the law firm of Douglas and Boykin to assist in the collection of these overdue accounts.

NEXT STEPS

1. With the tolling agreement in place, DC Water now has 90 days to negotiate a full and final settlement of the arrearages for the 39 exempted Howard accounts.
2. DC Water General Counsel Randy Hayman is scheduling a meeting with Howard to continue the negotiation.
3. Provided that the parties work in good faith to pursue resolution, there is a 90 day window to negotiate that is not impacted by the statute of limitations.
4. Failure to reach resolution within the 90 day window could trigger enforcement action including the placing of liens of the affected Howard assets.

Soldiers Home

On August 13, 2012, DC Water’s Office of the General Counsel retained Douglas & Boykin to assist with the collection of past due accounts. On September 6, 2012, the Chief Financial Officer, General Counsel and a member of Douglas & Boykin met with Steve McManus, the Chief Operating Officer for the Armed Forces Retirement Home (the “Soldiers Home”), to discuss payment for services provided by DC Water. Mr. McManus stated he was willing to work with DC Water to explore payment for sewer services. Mr. McManus noted however, that budgetary authorization issues could delay payment until FY 14. On September 13, 2012, DC Water submitted a tolling agreement to the Soldiers Home in order to toll the running of the statute of limitations while the parties had on-going talks to resolve the billing and payment issues for DC Water services. Mr. McManus acknowledged receipt of the tolling agreement and advised that the Soldiers Home legal staff would review the draft and respond to DC Water during the week of September 17, 2012.

NEXT STEPS

1. Negotiation and execution of the tolling agreement.
2. Upon full execution of that agreement, the DC Water's General Counsel Randy Hayman will schedule a meeting with the Soldiers Home decision making staff in an effort to negotiate resolution of all outstanding issues.
3. Provided the parties negotiate in good faith, the tolling agreement should allow for a 180 day window to negotiate that is not impacted by the statute of limitations.

Attachment – B

FY 2012 Retail Rates Committee Workplan Completed Activities

Committee Activity	Committee Calendar	Completed
1. FY 2013 Retail Rate Activities a. Rate Proposal to committee b. Committee recommendation c. Public Outreach d. Public Hearing e. Committee recommendation on FY 2013 rates f. Board adoption of FY 2013 rates and fees	October 2011 December 2011 March/April 2012 May 2012 June 2012 July 2012	√ √ √ √ √ √
3. 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 b. Revisit CAP program and possible modifications (Expansion and or methodology) i. Update committee on CAP program c. Miscellaneous Fees and Charge i. Update Committee on Miscellaneous Fees ii. Committee Recommendation on Miscellaneous Fees iii. Board Approval on Miscellaneous Fees iv. Publish in DC Register v. Committee Action on Miscellaneous Fees vi. Board adoption of FY 2013 miscellaneous fees and charges	March 2012 December 2011 January 2012 February 2012 February 2012 June 2012 July 2012	√ √ √ √ √ √
4. FY 2012 Cost of Service Study i. Notice to Proceed ii. Receive Draft Report iii. Present to the Retail Rates Committee iv. Final COS Report	November 2011 June 2012 July 2012 September 2012	√ √ √ √

Attachment – B

5. Review of charges/rates for specific customers b. Town of Vienna	Completed	√
6. “PILOT” evaluation – In coordination with District Government Review and Propose replacement for assessing PILOT and related issues. a. PILOT discussion with committee	June 2012	√
7. IAC Program Evaluation	March 2012	√
8. Fire Protection Fee Cost of Service Study a. Present Draft Fire Cost of Service Study to Retail Rates	December 2011	√
b. Submit copy of report to DCCFO & DC City Administrator for review	December 2011	√
c. Rate proposal to Committee	March 2012	√
d. Committee Meeting & Public Hearing	May 2012	√
e. Committee recommendation on revised fee	June 2012	√
f. Board adoption of fire protection fee	July 2012	√
9. Billing Frequency Change for Impervious Only Accounts a. DC Retail Water & Sewer Rates Committee Discussion and Recommendation on FY 2013 Billing Frequency Change for Impervious Only Accounts	January 2012	√
b. Board Action on FY 2013 Billing Frequency Change for Impervious Only Accounts	February 2012	√
c. Publish in DC Register	February 2012	√
d. Board Approval	July 2012	√
e. Go-Live	October 2012	
10. Retail Groundwater Sewer Charge a. Rate Proposal to committee	March 2012	√
b. Committee recommendation	March 2012	√
c. Public Outreach	March/April 2012	√
d. Public Hearing	May 2012	√
e. Committee recommendation on FY 2013 rates	June 2012	√
f. Board adoption of retail groundwater sewer change	July 2012	√

FY 2013 Retail Rates Committee Proposed Workplan

Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
------------------------------------	------------------	-----------	------------------------

1. Develop Realistic Retail Rate Revenue Projections and Alternative Retail Revenue Sources			
<ul style="list-style-type: none"> a. <i>Propose and establish Retail Rates in FY 2014</i> <ul style="list-style-type: none"> i. Rate Proposal to Committee ii. Review customer segmentation options iii. Committee recommendation iv. Board approval v. Publish DCMR vi. Public Outreach vii. Public Hearing viii. Committee recommendation on FY 2014 rates b. <i>Review draft Developer Fees</i> c. <i>Potomac Interceptor Cost of Service</i> d. <i>Howard University/Soldiers Home Negotiations</i> 	<ul style="list-style-type: none"> October 2012 November 2012 December 2012 January 2013 February 2013 March/April 2013 May 2013 June 2013 September 2012 TBD Monthly 		<ul style="list-style-type: none"> Rates and Revenue Rates and Revenue Rates and Revenue General Counsel

2. DC Water Affordability			
<ul style="list-style-type: none"> a. <i>Revisit CAP program and possible modifications (Expansion and or methodology)</i> <ul style="list-style-type: none"> i. Committee recommendation on CAP program with FY 2014 Budget Submission b. <i>Implement LID Incentive Program for customers who utilize Best Management Practice in conjunction with DDOE</i> <ul style="list-style-type: none"> i. Legal evaluation of the DDOE proposed program; and ii. Evaluate alternatives for the Clean Rivers IAC discounts iii. Prepare revenue impact analysis c. <i>Propose IAC Discount Program</i> <ul style="list-style-type: none"> i. IAC Discount Program Proposal to committee ii. Committee recommendation iii. Public Outreach iv. Public Hearing v. Committee recommendation on FY 2013 IAC Discount Program 	<ul style="list-style-type: none"> December 2012 Ongoing-Coordinating with DDOE– On hold pending DDOE publication of revised regulation proposal TBD 		<ul style="list-style-type: none"> Rates and Revenue Rates and Revenue Rates and Revenue

FY 2013 Retail Rates Committee Proposed Workplan			
Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
3. Develop Alternative Revenue Sources and Achieve Realistic Revenue Projections (DC Water Strategic Plan Framework)			
a. <i>Identify and evaluate potential revenue generating initiatives annually</i>	TBD		Rates and Revenue

Service Address
 407 Constitution Ave NE
 Washington, DC 20002-5923

Account Number 0132666-9
Square/Suffix/Lot 0815/ /0805
Impervious Surface Square Footage 800

Customer Service / Servicio Al Cliente: (202) 354-3600
 Emergencies / Emergencia: (202) 612-3400

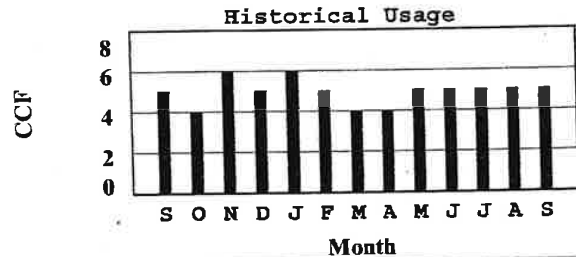
Bill Summary

Billing Date 09/05/12
 Previous Balance \$53.00
 Payments as of 09/04/12 - Thank you \$53.00 CR
 Late Fees From Prior Balance \$0.00
 Outstanding Amount Due \$0.00
 Total Current Bill \$53.00
Total Amount Due - Please Pay by 10/01/12 \$53.00

Meter Number	Prior Read Date	Current Read Date	Number Of Days	Prior Read	Current Read	Usage (CCF)	Usage (Gallons)	Read Type
12725285	07/31/12	08/31/12	31	678	683	5	3,740	ACTUAL

CURRENT WATER AND SEWER CHARGES - RESIDENTIAL	
Watering Fee	\$3.86
Water Services 5 CCF x \$ 3.24	\$16.20
Sewer Services 5 CCF x \$ 3.96	\$19.80
Clean Rivers IAC 1 ERU x \$ 6.64	\$6.64
CURRENT CHARGES AND CREDITS	
DC Government PILOT Fee 5 CCF x \$.49	\$2.45
DC Government Right of Way Fee 5 CCF x \$.15	\$0.75
DC Govt Stormwater Fee 1 ERU x \$ 2.67	\$2.67
SPLASH Contribution	\$0.63
TOTAL CURRENT CHARGES	\$53.00
TOTAL CURRENT BILL	\$53.00

IMPORTANT MESSAGES



Please return the portion below with your payment to ensure proper credit to your account. For payment options, see reverse.

"WATER IS LIFE"

Take the opportunity to help your neighbor. Make a **SPLASH** by signing up for bill roundup. We will automatically roundup your bill each month to the next highest dollar. Your pennies will help those in need to pay their water bills. This program is administered by the **Greater Washington Urban League** for DC Water. See reverse for more details.

- Roundup Roundup plus \$1.00 Roundup plus \$2.00

Account Number 0132666-9
Please Pay By 10/01/12 \$0.00
 Amount Due after 10/09/12 \$0.00
 1-Time SPLASH Donation _____
 Amount Enclosed _____

Pay online at www.dcwater.com
 Pay By Telephone (202)354-3600

000000078 01 AV 0.347 1/1 12.00001 09052012 UTL DCWA 1PGSD



WASHINGTON DC 20002-5923



DO NOT PAY
 Balance will be automatically deducted on the due date.

000013266693 1 0000000000 0000000000

EXPLANATION OF TERMS

ACT	Actual Meter Reading	CAP	Customer Assistance Program	CUST	Customer Meter Reading
EST	Estimated Meter Reading	CCF	100 cubic feet = 748 gallons	NSF	Payment returned by your bank or financial institution
ERU	Equivalent Residential Unit = 1,000 Square Feet of Impervious Area				

FINAL BILL

If you are planning to move or wish to close your account please contact Customer Service for a FINAL BILL within five (5) business days of your planned move. DC Water holds the owner of the property responsible for payment of all bills.

PAYMENT INFORMATION AND OPTIONS

For automated account access or to pay by phone or online, visit our website at www.dewater.com or call us at (202) 354-3600. If you pay by mail, please write your account number on your check or money order and make the check payable to District of Columbia Water and Sewer Authority.

PAYMENT CENTERS

DC Water Business Office 810 First Street NE, Monday through Friday 8:00 AM to 5:00 PM, or at TD Bank and Premier Bank branches. In-person payments must be made at least 3 business days before the due date to avoid late charges.

FEES AND CHARGES

Late fees, where applicable: 10% additional charge will be assessed on any bill not paid by the stated due date. An additional 1% interest, compounded monthly, is assessed for any charges outstanding for sixty (60) days or more.

Returned payments fee: \$25.00 for returned checks; up to \$35 for returned credit card payments; \$20 for returned electronic funds payments.

Service suspension/restoration \$50.00 fee for suspension and/or restoration of service due to non-payment (separate fees per suspension and restoration).

Turn without authorization fee: \$245.00 fee when water is turned on without authorization. \$700 fee for a broken bypass seal.

Customer Metering fee relates to the use, maintenance and repair of DC Water owned meters. It is based on the size of the meter.

CLEAN RIVERS IMPERVIOUS AREA CHARGE (IAC)

The Clean Rivers IAC is based on the surface area on your property that impedes water from going into the ground as it would under natural conditions. This type of surface, called an impervious surface, causes water to run off into the combined sewers and sanitary sewers at an increased rate of flow relative to the flow under natural conditions. The fee is designed so property parcel owners pay a fair share of the costs of a long term combined sewer overflow control plan. The fee structure uses the term *Equivalent Residential Unit*, or ERU, representing 1,000 square feet of impervious surface. Residential properties are categorized into tiered ranges based on the amount of impervious area on their property, and owners are charged an amount equal to the average ERU value for their range. The ranges are:

Less than 700 square feet = 0.6 ERU. 700 to 2,099 square feet = 1.0 ERU.
 2,100 to 3,099 square feet = 2.4 ERU. 3,100 to 7,099 square feet = 3.8 ERU.
 7,100 to 11,099 square feet = 8.6 ERU and 11,100 square feet or more = 13.5 ERU.

Non-residential properties are charged an amount equal to the impervious surface on their property, truncated to the closest 100 square feet.

RIGHT OF WAY FEE and PILOT FEE

DC Water pays the District of Columbia a right of way fee to build, operate and maintain water and sewer infrastructure and facilities that serve you. DC Water pays the District of Columbia a payment in lieu of taxes (PILOT) to compensate the District of Columbia for tax revenue it loses from DC Water's infrastructure and facilities located in public space.

STORMWATER FEE

The District of Columbia's Department of the Environment establishes the storm water fee to fund the stormwater management program.

BILLING QUESTIONS

Call Customer Service at (202)354-3600, or by TTY at (202)354-3677, or email us at custserv@dewater.com. We are open Monday through Friday 8:00 AM to 5:00 PM. Please provide your phone number and email address so we may serve you better. If you think your bill is incorrect, please contact our Customer Service Department at (202) 354-3600 or email us at custserv@dewater.com. You may dispute your bill by submitting a written challenge within ten (10) business days of receipt of the bill, or you may pay the bill and submit a written challenge before receipt of the following month's bill. You must file a separate bill dispute for each bill that you challenge. You are responsible for all other charges not under dispute. Please send your challenge to: District of Columbia Water and Sewer Authority, Customer Service Department, 810 First Street NE, 11th Floor, Washington, DC 20002.

CUSTOMER ASSISTANCE PROGRAM (CAP)

Low-income residents may qualify for a discount. Contact the DC Department of the Environment Energy Office at (202) 673-6750 to apply.

SERVING THE PUBLIC LENDING A SUPPORTING HAND (SPLASH) PROGRAM

SPLASH helps residents most in need pay their water bills. Your donations fund **SPLASH** and all donations go to needy DC residents. Just add the amount of your donation to your payment and fill in the amount on the payment form. With the **SPLASH ROUNDUP PROGRAM** we can automatically roundup your bill to the next highest dollar as a **SPLASH** contribution. For example, a \$25.62 bill is rounded up to \$26.00, and the extra 38 cents is donated to **SPLASH**. You may also add \$1.00 or \$2.00 to this amount. To contribute to the roundup program, please check the appropriate box. The monthly roundup contribution will be made automatically. **PLEASE BE SURE YOUR ACCOUNT BALANCE IS CURRENT BEFORE CONTRIBUTING.**



Attachment - D

D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
FINANCE & BUDGET,
ENVIROMENTAL QUALITY & SEWERAGE SERVICES,
WATER QUALITY & WATER SERVICES AND
DC RETAIL WATER & SEWER RATES
OCTOBER JOINT COMMITTEE MEETING

TUESDAY, October 25, 2012; 9:30 a.m.
AGENDA

Call to Order	Chairman
September 2012 Financial Report	Director of Finance & Budget
Action Items	Chairman
Agenda for November Committee Meeting	Chairman
Adjournment	Chairman

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