

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY Board of Directors

DC Retail Water and Sewer Rates Committee

1385 Canal Street SE, Washington, DC 20003

Microsoft Teams

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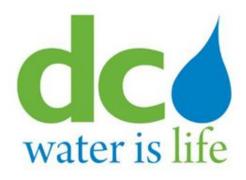
PUBLIC HEARING ON Amendments to Customer Assistance Program (CAP) Regulations to Establish "DC Water Cares" Emergency Residential Relief Program for Multi-family Customers

Wednesday, April 7, 2021 6:30 p.m.

AGENDA

1.	Call to Order	Rachna Bhatt, Vice Chairperson
2.	Roll Call	Linda Manley, Board Secretary
3.	Opening Statement	Rachna Bhatt, Vice Chairperson
4.	CEO TestimonyD	avid Gadis, CEO/General Manager
5.	DC Water Management Presentation	
6.	Public Witnesses Pre-registered Speakers Other comments (time permitting)	
7.	Closing Statement	Rachna Bhatt, Vice Chairperson
	Adjournment	•

*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)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(3); 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); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); 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.



STATEMENT OF RACHNA BUTANI BHATT DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

APRIL7, 2021 6:30 P.M. 1385 CANAL STREET SE WASHINGTON DC 20003

Good evening. My name is Rachna Bhatt and I am chairing this hearing tonight on behalf of our Chairman Tommy Wells. I have served as a member of the DC Water board of directors since 2012 and I am delighted to chair the board on a night when we are doing such innovative customer outreach.

Our hearing this evening was convened to provide the public with an opportunity to comment on our multifamily customer assistance program.

This is an exciting initiative at DC Water and we are treading new ground with this program.

The goal is to provide a new way to assist customers who are struggling due to job loss or economic insecurity even if they are not technically customers of ours. That's typically because their water bill is included as part of their monthly rent, or condo fees or it means that we do not have a direct relationship with those customers.

This evening we will hear from DC Water General Manager David Gadis, as well as anyone from the community who wishes to offer testimony. As with any new initiative at DC

Water, our goal is to proceed methodically and carefully, and also to weigh opinions from all sides before we move forward with new policy.

If we do adopt any changes to the customer assistance programs at DC Water, we will do so at a public meeting.

Joining me this evening are Board members (state their names).

Board Secretary will you please call the roll to establish the required quorum for tonight's hearing.

(Ms. Manley calls roll)

For the record, DC Water was established by the Council of the District of Columbia in 1996 as an independent authority with a separate legal existence apart from the District Government. DC Water operates the world's largest advanced wastewater treatment plant at Blue Plains and provides water and sewer services to all residents, visitors, institutions and businesses in the District of Columbia. Our drinking water comes from the Potomac River.

All of the proposed changes to our rates were published in the D.C. Register and have been discussed by Mr. Gadis at the recent DC Council oversight hearing and in conversations with stakeholders.

Part of our responsibility at DC Water is showing customers that we are sensitive to the cost of water service but also that this board is open minded about ways in which we can best balance the burden of the cost.

We're doing that while simultaneously working to restore the health of the Anacostia River by preventing combined sewer overflows as part of the Clean Rivers project. The legacy of that work will be felt for generations to come.

Most people watching this hearing knows that D.C. Water is a non-profit, unlike for-profit utilities in the electric or gas fields. We raise only the amount of money we need to carry out our mission – not a penny more. Our entire budget and all of the customer assistance initiatives we pursue are sustained by the revenue we raise.

Before we begin and hear from the public and DC Water's management, I will review the ground rules for this hearing:

• Individuals presenting testimony have up to five (5) minutes to speak.

- Representatives of an organization or group have a total of ten (10) minutes to address this committee.
- Those testifying should clearly state their name, name of organization (if any) and their address.
- Witnesses representing an organization should give a brief description of the organization, its services and its location.

The public comment period for this change started February 19, 2021 and will extend until April 12, 2021. Our board is tentatively scheduled to consider this issue at our May 6 meeting.

The Board gives equal consideration and weight to written comments that will be reviewed as we receive them. Written comments can be submitted to the Office of the Board Secretary, DC Water, 1385 Canal Street, S.E., Washington, DC 20003. You may also e-mail comments to lmanley@dcwater.com.

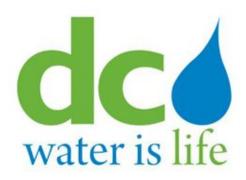
A final decision on the proposed rate increases will be made only by the members of the Board who represent the District of Columbia at the Board's regularly scheduled meeting.

Now Mr. Gadis will provide his testimony on the proposed creation of the multifamily discount program.

CLOSING:

This board does not take any changes to rates or customer assistance lightly. In this case, this new program represents a new opportunity to assist District residents who rely on DC Water but do not pay direct water bills. As always, this board will weigh the pros and cons of any changes carefully and deliberatively before taking any action.

Thank you for being here this evening.



STATEMENT OF DAVID L. GADIS CHIEF EXECUTIVE OFFICER & GENERAL MANAGER DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

APRIL 7, 2021 6:30 P.M. 1385 CANAL STREET, SE WASHINGTON, DC 20003

Good evening. My name is David L. Gadis and I have the honor of serving as Chief Executive Officer and General Manager of the District of Columbia Water and Sewer Authority or DC Water. I have held this job for three years, but this past year has undoubtably been one of the hardest.

The last 12 months of the COVID-19 pandemic have been a struggle. We've all lost friends, family members and neighbors during the pandemic and our whole way of life has been altered.

The pandemic has also directly impacted DC Water in countless other ways; from the way we interact with our customers to the precautions our crews in the field take and even the way we transitioned to having much of our office staff work from home. Even this hearing is virtual in order to minimize risks to our employees and to the community.

And that gets us to where we are this evening.

Tonight, we are here to discuss a new customer assistance program that is intended to help District residents even if they are not customers of DC Water.

This may be one of the most progressive and proactive policies of any water utility in the country, and I am proud to talk about it this evening. Essentially what we are doing is taking some of the assistance funds that we have set aside for our customers and found a new way to extend a helping hand to those not paying a monthly DC Water bill.

This new program is aimed at low and moderate income people in the District who live in multi-family dwellings, meaning a building with four or more units.

It does not apply to single family homes, such as an owner who rents a house and/or basement apartment. Those customers are already eligible for the DC Water Cares Residential Assistance program approved by the board in February.

To that end, we are applying the program to households whose income is less than or equal to 80 percent of the Average Median Income. DC Water spent many hours consulting with stakeholders in the community to develop this program to ensure it would provide the benefit to the financially struggling household, and that the process was easy and efficient to ensure maximum participation.

A key element of the application process is that all eligible households do not need to complete an application. Once the owner of the multi-family building enrolls, tenants will be notified of the benefit and can accept or decline it. Eligible households include those

who live in Affordable Dwelling Units or receive Department of Human Services benefits or Department of Energy and the Environment energy assistance.

The way the program is designed is that any eligible tenant can received a credit of up to \$2,000 in a year. That credit will be passed along to them by the landlord or property owner. The process is intended to encourage owners to participate by allowing them to keep 10 percent of the credit total, while allocating the remaining 90 percent to their tenants. Of course, they must be able to show proof that they passed the credit on to their tenant. This innovative design has allowed us to provide nearly \$2 million in support since the approval of the program in February.

As this Board knows, for the 13 months of this COVID-19 pandemic DC Water had gone the extra mile to assist customers.

We were among the first utilities in the country to immediately cease disconnections of service, moving to protect vital drinking water in the early days of this crisis. We also provided flexible payment plans to customers, regardless of income or arrearage.

Now as we begin to turn the corner, we still know that there are many families, seniors and others in this community who are struggling. And that is why we wanted to create this new program to assist those people.

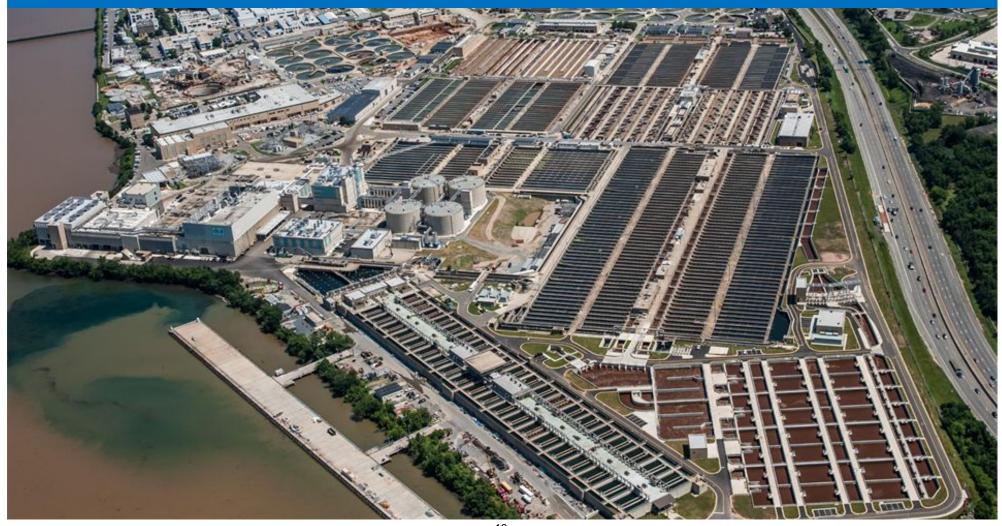
It is my hope that the new multi-family assistance program will serve as a model for other water systems across the country but more importantly that it will provide a much-needed lifeline to our neighbors who are most in need.

That concludes my statement this evening but of course I am happy to take questions.



Multi-Family Emergency Assistance Program Public Hearing Presentation, April 7, 2021

District of Columbia Water and Sewer Authority Presented by Carolyn MacKool



Purpose

Provide information and hear from our customers on our amendment to Section 4102, Customer Assistance Programs, to create regulations for the "DC Water Cares Program" for multifamily emergency assistance approved in DC Water Board Resolution 20-65

Program Design

DC Water's intent is to assist tenants living in multi-family dwellings (4+ units), not owned by District or Federal government, facing financial risk; due to COVID-19 with a two-pronged program design to serve those tenants in need. This program includes master metered condominium and cooperative housing.

- "Affordable Housing Unit" owner program based on the DC Housing Department approved and completed projects, as well as the Housing & Urban Development Low-Income Housing Tax Credit locations
- Qualified tenants (less than or equal to 80% AMI) who do not live-in affordable housing units or are not fully subsidized by other programs

Owners will enter an agreement with DC Water to comply with required program obligations. Once the owners are enrolled tenants are legible for the assistance.

Benefit Calculation

Total Maximum per Account

DC Water identified all multi-family locations and determine the maximum credit allowed per account. The credit will be based on the greater of the average water bill for **3-month Covid period or the past due balance** as of 12/31/2020. Actual unit credits will be confirmed once the Owner signs up for the program.



Greater value



Maximum Account Credit

DC Water Total average bill from April to December x 3 months

\$200 (ave. April-Dec) x 3=\$600)

Past Due Amount on the account at 12/31/2020 (i.e. Past due \$1,500)

Past Due amount \$1,500

Per Unit Account Credit

Maximum Account Credit



Number of Units at the location, adjusted for mixed use if applicable

Total Units = 5



Unit Credit = \$300, not to exceed \$2,000 per unit

Total= \$1,500

Owner Enrollment & Obligation

DC Water outreach to target customer

Stakeholder communication

Tenant request for assistance

Owner review obligations & completes application on DC Water program portal

DC Water
verifies
agreement with
available
records &
confirms benefit
amount

DC Water sends communication to owner and all tenants receiving the benefit Follow-up compliance audits conducted, as needed

Owner obligations:

- Sign and return the owner application & certification
- Communicate tenant specific assistance details with the tenant and DC Water including statement about COVID-19 impact and that it has not been covered through other federal or District assistance programs, such as the federal Paycheck Protection Program.
- Apply assistance credit to the tenant rental account for 90% of the credit within 30 days of receipt of credit
- Establish payment terms for any remaining account balance (where applicable)
- Owners agree that credits will remain on the account through FY 2021 or change in ownership/ tenancy of the DC Water account
- Provide proof of rental credit posting to the tenant and DC Water, upon request
- Agree to partner with DC Water on ensuring on-going transmission of the automated meter reads and if not possible, will provide picture reads to ensure accurate billing

Tenant Program Design

Affordable Housing Unit

- Owner completes application with occupied affordable housing unit
- DC Water approves owner
- Tenant receives communication about benefit & is instructed to contact the Program Coordinator if they do not want the credit
- DC Water applies credit after 10 days, unless opted out

DOEE LIHEAP/UDP- No DC Water Account

- DOEE provides categorically eligible tenants to DC Water monthly
- DC Water notifies tenants where the owner is participating about the benefit
- Tenant receives communication about benefit & is instructed to contact the Program Coordinator if they do not want the credit
- DC Water applies credit after 10 days, unless opted out

Qualified Tenant Data sent to Owner

DHS Categorically eligible

- DHS provides categorically eligible tenants to DC Water
- For participating owners, tenant receives communication about benefit & is instructed to log into the DC Water portal to opt into the program using a unique tracking number.
- Tenant logs in to DC Water portal to opt into the program & assistance is provided

Tenant seeks assistance

- Tenant goes to DOEE for assistance & completes Water application
- DOEE verifies income sends to DC Water
- DC Water reviews owner enrollment. If enrolled, process assistance. If not enrolled, reach out to owner to request to participate in the program.
- Tenant is notified of final decision

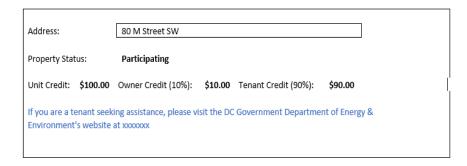
Customer Facing System Enhancements

DC Water wanted to make it easier for both the owners & tenants, so several enhancements were developed to provide easy 24 hour a day access to information they need. This includes:

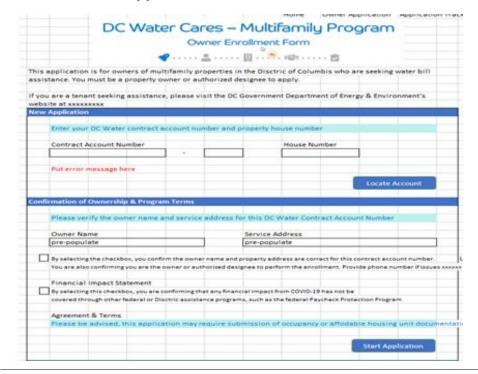
- Tenants or owner's ability to check the status can credit amount for the property
- Owners' easy online applications with ability to upload & request AHU credits
- Tracking number and portal to allow categorically eligible DHS customers to accept assistance

Feature to check Property status





Owner online application



Next Steps

- ◆ Public Comment Period February 19, 2021 April 12, 2021
- Public Comment Period ends April 12, 2021
- Present Public Comments and Final Proposal to Retail Rates Committee on April 27, 2021
- Retail Rates Committee final review and recommendation to Board on April 27, 2021
- Continue providing assistance for eligible tenants & owners
- Board Review and Approval on May 6, 202 I
- Publish Final Rulemaking and continue implementation on May 21, 2021

Appendix

Income Limits for Customer Programs

	CAP Income Limit	CAP 2 Income Limit	CAP 3 Income Limit
Persons	60% of SMI	80% of AMI	100% AMI
1	\$37,575	\$70,600	\$88,200
2	\$49,137	\$80,650	\$100,800
3	\$60,698	\$90,750	\$113,400
4	\$72,260	\$100,800	\$126,000*
5	\$83,822	\$110,900	\$126,000*
6	\$95,383	\$121,000	\$126,000*
7	\$97,551	\$126,000 *	\$126,000*
8	\$99,719	\$126,000*	\$126,000*