



**MINUTES OF THE MEETING
DC RETAIL WATER AND SEWER RATES COMMITTEE
JUNE 24, 2025
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Rachna Bhatt, Chairperson, Principal
2. Howard Gibbs, Vice Chairperson, Principal
3. Richard Jackson, Principal
4. Jed Ross, Principal

DC WATER STAFF

1. David Gadis, Chief Executive Officer and General Manager
2. Matthew Brown, Chief Financial Officer and EVP
3. Marc Battle, Chief Legal Officer and EVP
4. Kirsten Williams, Chief Administration Officer and EVP
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Michelle Rhodd, Secretary to the Board

The DC Retail Water and Sewer Rates Committee meeting was called to order by Rachna Bhatt, Chairperson, at 9:32 AM. Board Secretary Michelle Rhodd called the roll.

I. MONTHLY REPORT TO THE DC RETAIL WATER AND SEWER RATES COMMITTEE

Matthew Brown, CFO and EVP, presented the monthly financial report for the period ending May 31, 2025. He reported that the Authority's revenue was favorable to the revised budget by approximately 1.7 percent or \$11.2 million. The largest positive variance was in the Residential, Commercial, and Multi-Family category, which was 2.1 percent above budget, driven by higher consumption and Clean Rivers Impervious Area Charge (CRIAC) collections. Unfavorable variances were reported in the District Government and DC Housing Authority categories.

Mr. Brown noted that, by the end of the fiscal year, revenues are expected to be within two percent of projections, resulting in a modest surplus. He stated that a recommendation regarding the allocation of this surplus will be presented to the Finance and Budget Committee for consideration and subsequent forwarding to the Board. He

then provided an overview of other revenue sources, including IMA reimbursements, System Availability Fees, Developer Fees, and Blue Drop revenue.

Delinquent accounts receivable had decreased by approximately one million dollars, along with a reduction in the number of accounts. Multifamily accounts for 53 percent of the 90-day delinquent balance.

Mr. Brown reviewed the Developer Deposits report and noted continued progress in reducing the backlog. In May, 15 accounts were processed, resulting in approximately \$302,000 in refunds. He noted that the number of accounts does not directly correlate with the dollar amounts, as some accounts are significantly larger than others.

Chair Bhatt highlighted the reduction in the number of delinquent accounts. In response to Chair Bhatt's question about changes in approach, Mr. Brown noted that the Authority was pursuing all options, including service disconnections, for multifamily accounts. The Authority had been working to educate the Council about the impact of delinquencies on revenue, and he cited efforts regarding the receivership process and landlord engagement.

Marc Battle, Chief Legal Officer and EVP, added that DC Water is coordinating with the Office of the Attorney General (OAG) to manage complaints and provide the Council with weekly updates on pending disconnections. He highlighted efforts to connect affected residents with resources such as Office of the People's Counsel and Office of Tenant Advocate.

Wayne Griffith, Chief of Staff and EVP, reported operational improvements, including better coordination between Customer Service and Meter Operations teams, which has streamlined the disconnection process while ensuring customers have access to assistance programs.

II. APPROVAL TO AMEND MISCELLANEOUS FEES AND CHARGES

Syed Khalil, Vice President of Rates and Revenue, presented to the committee, seeking their recommendation to the Board to amend DC Water's Miscellaneous Fees and Charges and adopt management's recommendations.

Mr. Khalil stated that a Cost of Service (COS) study is conducted every three years, with the most recent completed in FY2022. He noted that DC Water engages independent consultants to perform the study to provide an unbiased perspective and objectivity. This year, Raftelis conducted a comprehensive review of the miscellaneous fees and charges.

The review examined three types of fees: budget-based, cost of service-based, and inflation-based calculations. Miscellaneous fees are charged to recover staff time and to cover materials and technology costs. Major changes in the updated fee schedule include changing reimbursable developer fees to fixed fees, expanding ProjectDox fees to include

more specific fees for various circumstances, and adding new meter relocation fees.

Mr. Khalil reviewed questions from committee members and public comments with respect to the proposed fee changes and DC Water's responses.

There was one public comment from a customer who stated that, as a government agency, DC Water is not authorized to impose returned payment fees and further should limit any such fees to actual costs incurred for a returned payment. He noted that in the case of a declined credit card, the cost would be nominal. Management replied that per the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, DC Water is a cost-recovery authority. The Authority strives to ensure that costs imposed for individual customer actions are not included in rates charged to all ratepayers. Management recommended discontinuing the declined credit card fee in cases where the credit card was declined and not charged.

Ogechi Okpechi, Director of Permit Operations, discussed outreach to the developer community in moving to a new fixed developer deposit fee structure, noting that the new fees were presented for discussion at a meeting with the DC Building Industry Association and no concerns were raised. She noted that the current reimbursable fees had been complicated and caused delays in reimbursement.

Chair Bhatt raised concerns about the Authority's latitude to "blacklist" contractors. Ms. Okpechi clarified that DC Water would alert developers to contractors who had assisted with service theft, noting the developer community had expressed interest in being notified of industry bad actors. Chair Bhatt advised a careful approach to any action that impacts a company's reputation.

III. ACTION ITEM

Mr. Khalil presented Management's request for the Retail Water and Sewer Rates Committee's recommendation for Board adoption and approval to publish the Notice of Final Rulemaking (NOFR) for Miscellaneous Fees & Charges Adjustments, effective October 1, 2025.

The Committee agreed to recommend the NOFR to the Board for approval.

IV. DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN

Mr. Brown reviewed the FY2025 committee workplan, noting that all major items had been addressed.

The ratemaking process for FY2027 and FY2028 has begun, budget preparation is underway, and the proposed budget and rates would be presented in January 2026.

V. AGENDA FOR JULY 22, 2025, COMMITTEE MEETING

The July 22, 2025, meeting will include the monthly update, the committee workplan, and any other items the committee wishes to discuss.

VI. ADJOURNMENT

The meeting adjourned at 10:01 AM.