



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
15th SPECIAL MEETING OF THE BOARD OF DIRECTORS
Thursday, August 16, 2018
9:30 a.m.
5000 Overlook Avenue, SW**

- I. Call to Order (Chairman Tommy Wells)

- II. Roll Call (Linda Manley, Board Secretary)

- III. Update on District Residential and Not for Profit CRAIC (Matthew Brown, CFO)
Relief Program and Expansion of DC Water's CAP Program

- IV. Executive Session (Chairman Wells)

- V. Adjournment

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.



Customer Assistance Program Expansion

Presentation to the District of Columbia Water and Sewer Authority Board of Directors, August 16, 2018

District of Columbia Water and Sewer Authority






Blue Plains Advanced Wastewater Treatment Plant

Purpose

- 💧 Update the Board on establishment of an expanded Customer Assistance Program (CAP)

Background

-  The DC Water Board directed DC Water to propose changes to the Customer Assistance Program (CAP) program on July 5, 2018
 - Serve customers with incomes up to 80% AMI
 - Discount of up to three CCFs of water and sewer and provide discounts on the Impervious Area Charge
 - Program is capped at \$6 million, and benefits must be sized to cover all eligible households
-  Joint request from DC Water and District Budget Director to District's Office of Revenue Analysis to assist with estimate of number of eligible households, in June
-  The District of Columbia has approved \$7 million in FY 2019 to provide benefits for households up to 100 percent AMI and CRIAC credits to non-profits

Definitions

- 💧 **Customer Assistance Program (CAP)** – Existing program that uses LIHEAP (Low Income Home Energy Assistance Program) criteria to provide DC Water-funded discounts to low-income residential customers with incomes up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS))
- 💧 **CAP2** – DC Water’s proposed expanded program for low-income residential customers who do not qualify for CAP, and where household income up to 80% Area Median Income (AMI)
- 💧 **Customer Assistance Program Extended - CAPE** – New District-funded program to provide benefits to DC Water customers with incomes greater than 80% and up to 100% Area Median Income (AMI) who do not qualify for CAP or CAP2
- 💧 **CRIAC (Clean Rivers Impervious Area Charge) Nonprofit Relief Program** – New District-funded program to provide CRIAC credits to nonprofit organizations as determined by the District Department of the Environment (DOEE)

Customer Assistance Program (Existing)

- ▶ DC Water has a statutory mandate to mitigate the impact of any increases in retail water and sewer rates on low-income residents of the District
- ▶ CAP program eligibility requirements and benefits are defined in 21 DCMR § 4102, which will remain the same
- ▶ Existing CAP program provides an approximately 58% discount to those who qualify:
 - Exempt First four CCFs of water and sewer, and associated PILOT and ROW
 - Water System Replacement fee is waived
 - Fifty percent of the Clean Rivers Impervious Area Charge (CRIAC) is waived
- ▶ Eligibility is determined by the District Department of Energy and Environment (DOEE)
- ▶ DOEE determines eligibility based on the LIHEAP criteria (60% State Median Income per Health and Human Services). DOEE recently identified 399 additional households who qualify using existing criteria and DC Water has added those customers

Household Size	LIHEAP 60% SMI (HHS)
1	\$30,918
2	\$40,431
3	\$49,944
4	\$59,457
5	\$68,970
6	\$78,483
7	\$80,267
8	\$82,051

DC Water CAP Expansion – CAP2

Proposed DC Water CAP Expansion – CAP2

- DC Water Board approved CAP expansion to up to 80% of the Area Median Income (AMI)
- 80% AMI is calculated by Department of Housing and Urban Development for various household sizes, 80% of AMI is considered “low income”
- Customers would be provided an exemption of up to three CCFs of water and sewer and 50% CRIAC
- Approximately 10,200 customers could be served at exempting three CCFs and about 13,500 at two CCFs

	Current CAP	Proposed CAP2
Household Size	LIHEAP 60% SMI (HHS)	80% AMI (HUD)
1	\$30,918	\$54,250
2	\$40,431	\$62,000
3	\$49,944	\$69,750
4	\$59,457	\$77,450
5	\$68,970	\$83,650
6	\$78,483	\$89,850
7	\$80,267	\$96,050
8	\$82,051	\$102,250

District Government Programs

- The District plans to fund two programs in FY 2019:
 - **CAPE (Residential):**
 - Eligibility - Single-family households and individually metered tenants with household income at or above 80% AMI and below 100% AMI
 - Benefits - one CCF of water and sewer services and 50% of the CRIAC
 - **CRIAC Non-Profit Relief Program:**
 - Eligibility - Non-profits must:
 - Successfully obtain status as a non-profit
 - Show significant financial hardship
 - Comply with on-site and off-site stormwater mitigation BMP
 - Allow DOEE to visit the site of the organization
 - Benefit - Credit up to 90% on the billed CRIAC charges

Principles

- 💧 DC Water will cap the number of households in the CAP2 program to ensure that the authorized budget is not exceeded
- 💧 DC Water will credit the account, as directed by DOEE for the CRIAC Non-Profit Relief Program; funds must be received by DC Water before the account is credited
- 💧 DOEE will manage eligibility determinations for all programs
- 💧 DOEE will set the benefits for the CAPE and CRIAC Relief Programs and will manage their program to meet their authorized budget limits

Issues and Next Steps

- 💧 Proposed regulations for DC Water's program requires a public hearing
- 💧 When estimates of residential program participants are completed, DC Water Retail Rates Committee will recommend to Board the publication of draft regulations
- 💧 If DC Water draft regulations are approved by the September Board meeting, implementation can be done by December 1, 2018. If the draft regulations are approved in October, implementation can be done by January 1, 2019
- 💧 DC Water providing comments on draft DOEE regulations
- 💧 Reconsider length of CAP2 program, 12 months or FY2019 only

Appendix

Timeline Scenario I

December 2018 Implementation

- 07/05/18 – Board approved one-time transfer from Rate Stabilization Fund (RSF) in FY 2019
- 08/28/18 – **Special RRC meeting** to update and recommend proposed CAP regulations
- 09/06/18 – **Board approval** of proposed CAP regulations
- 09/21/18 – Publish Notice of Proposed Rulemaking (NOPR) for CAP regulations
- 09/21/18 – Publish Notice of Public Hearing (NOPH) for CAP regulations
- 09/21/18 – Public Comment Period
- 10/22/18 – End of Public Comment Period

- TBD – **Public Hearing**
- 10/25/18 – **Special RRC meeting** to recommend final CAP regulations
- 11/01/18 – **Board approval** of final CAP regulations
- 11/23/18 – Publish Notice of Final Rulemaking (NOFR) for CAP regulations
- 12/01/18 – **Go-Live** with CAP2 and implement CAPE and CRIAC Relief Program benefits

Timeline Scenario II January 2019 Implementation

- 07/05/18 – Board approved one-time transfer from Rate Stabilization Fund (RSF) in FY 2019
- 09/25/18 – **RRC** to update and recommend proposed CAP regulations
- 10/04/18 – **Board approval** of proposed CAP regulations
- 10/19/18 – Publish Notice of Proposed Rulemaking (NOPR) for CAP regulations
- 10/19/18 – Publish Notice of Public Hearing (NOPH) for CAP regulations
- 10/19/18 – Public Comment Period
- 11/19/18 – End of Public Comment Period

- TBD – **Public Hearing**
- 11/27/18 – **Special RRC meeting** to recommend final CAP regulations
- 12/06/18 – **Board approval** of final CAP regulations
- 12/21/18 – Publish Notice of Final Rulemaking (NOFR) for CAP regulations
- 01/01/19 – **Go-Live** with CAP2 and implement CAPE and CRIAC Relief Program benefits