



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, April 24, 2018

9:30am

- 1. **Call to Order** **Rachna Bhatt, Chairperson**
- 2. **FY 2018 Fire Protection Fee Cost of Service Update** (Attachment A) **Matthew Brown**
- 3. **System Availability Fee Update** (Attachment B) **Matthew Brown**
- 4. **Action Items** (Attachment C) **Matthew Brown**
 - **Approval of Revised District of Columbia Fire Protection Service Fee for FY 2018 – FY 2021** (Action Item 1)
 - **Approval of Revised System Availability Fee (SAF) Regulations in Notice of Final Rulemaking (NOFR)** (Action Item 2)
- 5. **Rate Stabilization Fund Review** (Attachment D) **Matthew Brown**
- 6. **DC Retail Water and Sewer Rates Committee Workplan** **Matthew Brown**
 - **FY 2018 Proposed DC Retail Rates Committee Workplan** (Attachment E)
- 7. **Agenda for June 26, 2018 Committee Meeting** (Attachment F)..... **Rachna Bhatt**
- 8. **Other Business** **Matthew Brown**
- 9. **Executive Session***
- 10. **Adjournment**

FOLLOW-UP-ITEMS – DC Retail Water and Sewer Rates Committee Meeting (March 27, 2018)

- 1) Provide an analysis on the typical residential customer bill to explore adding a third “higher” tier because the cost of delivering water to those customers is more than customers that use less than 6.2 Ccf. (Mr. Gibbs) **Status:** (May 2018)
- 2) Provide demographics of how many customers completed the Customer Satisfaction Survey and they represent what percent of our customer base. (Mr. Giancola) **Status:** (April 2018) **Complete**
- 3) Provide a copy of the Customer Satisfaction Survey. (Mr. Franco) **Status:** (April 2018) **Complete**

* 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.

FY 2018 Fire Protection Fee Cost of Service Update and Recommendation

- RRC recommended approval of proposed Fire Protection Fee – February 20, 2018
- Board approved Notice of Proposed Rulemaking (NOPR) – March 1, 2018
- No Comments were received as of April 16, 2018
- Today's proposed action:
 - RRC to recommend approval of final Fire Protection Fee – April 24, 2018
- Board to approve Notice of Final Rulemaking (NOFR) for final Fire Protection Fee – May 3, 2018
- Publish NOFR in DC Register – May 18, 2018

Attachment A



Retail Water & Sewer Rates Committee

Fire Protection Cost of Service Fees

April 24, 2018

Background

- DC Water assesses a fire protection fee to the District based on Title 21 DCMR, Chapter 21, Section 4103 Fire Protection Service Fee (April 2000).
- The purpose of this presentation is to review the findings of the 2018 Cost of Service (COS) Study and recommend the appropriate fees for recovering those costs from the District.

2013 Fire Protection MOU

DC Water and the District FEMS executed an MOU that required DC Water to perform the following:

- ❑ Inspect all public fire hydrants once per year in accordance with National Fire Protection Association (NFPA) guidelines
- ❑ Identify and install new hydrants as part of its ongoing CIP
- ❑ Develop manuals and protocols for hydrant inspection and inspection data management
- ❑ Ensure that the required preventative maintenance is performed on each hydrant as required by the manufacturer
- ❑ Flow test all hydrants every 6 years
- ❑ Providing water supply personnel on scene to FEMS when requested for 2 alarm fires or greater

Methodology

- Reviewed and tabulated historical fire service costs of DC Water (FY 2013-17)
- Compared recent DC Water costs with the revenues received from the District for fire protection services
- Developed projections of DC Water costs under the most recent MOU for FY 2018-21
- Developed cost recovery options for consideration by DC Water

Changes Since the Prior Report

- DC Water decreased usage of outside contractors for the fire protection work; in-house resources are now providing the services.
- Payments by the District of \$10.796 million from FY 2015 through the current year have enabled it to catch up somewhat on its obligations to DC Water for fire protection; the shortfall at the end of FY 2018 is estimated to be about \$0.9 million, assuming capitalization of construction costs.

Cost of Service - Historical and Projected

Cost Category	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Historical					Projected			
Direct Fire Costs									
1 Full time assigned personnel costs	1,369,145	903,814	852,481	928,964	1,006,617	1,036,815	1,067,920	1,099,957	1,132,956
2 Hydrant Parts	520,973	48,158	38,104	67,608	67,155	69,170	71,245	73,382	75,584
3 Material & Equipment (Fire Hydrant Program)	114,146	382,794	386,902	160,256	427,642	440,472	453,686	467,296	481,315
4 Hydrant Installation and Restoration	1,580,771	465,354	287,125	200,886	708,698	729,959	751,858	774,413	797,646
5 Personnel loaned from other departments (documented via WO)	546,562	1,328,698	1,228,069	1,054,792	2,053,752	2,115,365	2,178,826	2,244,191	2,311,516
6 DDOT Open Space Permits	23,203	32,986	284,548	435,591	358,096	368,839	379,904	391,301	403,040
7 Paid to Fire Department for Inspection Services (NTE)	134	0	0	0	0	0	0	0	0
8 Fire Protection Cost of Service Study		6,660	31,429			42,946			44,234
9 Burden applied to DC Water personnel costs Burden applies to Personnel loaned (Hourly Rate, Salary Rate & OH)	1,492,368	985,157	971,828	1,059,019	1,147,543	1,285,651	1,324,220	1,363,947	1,404,865
10	595,753	1,448,280	1,399,998	1,202,463	2,341,278	2,623,052	2,701,744	2,782,796	2,866,280
11 Burden applied to Parts	260,486	24,079	18,290	32,452	32,234	42,885	44,172	45,497	46,862
12 Burden applied to Material & Equipment	<u>57,073</u>	<u>191,397</u>	<u>185,713</u>	<u>76,923</u>	<u>205,268</u>	<u>273,092</u>	<u>281,285</u>	<u>289,724</u>	<u>298,415</u>
13 Subtotal Direct Costs	6,560,615	5,817,376	5,684,487	5,218,955	8,348,283	9,028,246	9,254,859	9,532,504	9,862,714
Allocated Fire Costs									
14 Fire Share of Water Base Costs @ 0.5%	489,717	546,010	513,771	530,766	532,574	559,197	575,973	593,253	611,050
15 Fire Share of Peak Costs @ 1.62% for 2013, increasing to 1.64% by 2016	<u>196,315</u>	<u>302,288</u>	<u>235,984</u>	<u>282,220</u>	<u>270,663</u>	<u>288,624</u>	<u>297,282</u>	<u>306,201</u>	<u>315,387</u>
16 Subtotal	686,033	848,298	749,754	812,986	803,236	847,821	873,256	899,453	926,437
17 Allocated Public Fire Costs	515,167	637,842	563,762	612,362	605,550	639,162	658,337	678,087	698,429
18 Total Direct and Allocated Public Fire Costs	7,075,782	6,455,218	6,248,250	5,831,317	8,953,833	9,667,407	9,913,195	10,210,591	10,561,143
19 PAYGO %	9%	4%	24%	12%	19%	20%	31%	29%	34%
20 Less: Construction Costs not Paid via PAYGO	1,441,563	448,933	217,891	176,643	572,889	586,990	518,209	551,583	527,296
21 Expense- Related Fire Costs	5,634,219	6,006,285	6,030,359	5,654,674	8,380,945	9,080,417	9,394,986	9,659,008	10,033,848
22 Capital Costs to be Amortized	1,441,563	448,933	217,891	176,643	572,889	586,990	518,209	551,583	527,296
23 Debt Service Allocation Ratio Based on Cumulative Costs	3.32%	2.75%	2.13%	1.77%	1.76%	1.56%	1.43%	1.39%	1.33%
24 Debt Service to be Allocated (Excludes Issuances Prior to 2007)	56,011,156	68,827,134	94,873,440	110,152,741	122,666,429	144,997,329	166,606,015	182,077,312	200,090,534
25 Fire Share of Debt Service	1,861,010	1,890,700	2,023,842	1,951,366	2,159,151	2,266,955	2,375,579	2,534,344	2,653,298
26 Total Annual Costs	7,495,229	7,896,985	8,054,201	7,606,040	10,540,096	11,347,372	11,770,565	12,193,352	12,687,146
27 District Payment	6,885,340	6,885,340	10,796,000	10,796,000	10,796,000	10,796,000	10,796,000	10,796,000	10,796,000
28 Annual Difference	-609,889	-1,011,645	2,741,799	3,189,960	255,904	-551,372			
29 2006-18 Cumulative Difference (Payments vs.Costs)	-5,513,073	-6,524,717	-3,782,918	-592,958	-337,054	-888,426			
30 Level charges (2019-21) including catch-up							12,527,000	12,527,000	12,527,000

Please see the COS Report for assumptions and notes

Cost Recovery: Recommendations

- From FY 2006 through FY 2018 (estimated), DC Water expended approximately \$84.1 million (including allocated debt service for certain capital costs) to provide fire protection services to the District.
- The District has reimbursed DC Water approximately \$83.2 million for the same period, including the anticipated 2018 payment, leaving approximately \$0.9 million unrecovered.
- It is recommended that the “true-up” of the shortfall in District reimbursements be spread over the next three years (FY 2019 – FY 2021) which, when added to the projected costs, results in a new fire protection service fee of approximately \$12.527 million per year, paid quarterly.



System Availability Fee

Presentation to the DC Retail Water and Sewer Rates Committee, April 24, 2018

District of Columbia Water and Sewer Authority

Attachment B



Purpose

- Seek approval of the System Availability Fee, consistent with changes proposed on February 20, 2018

SAF Timeline

- 02/24/15 – *Management proposed Development Impact Fee (DIF)*
- 12/18/15 – *RRC recommended proposed System Availability Fee (SAF)*
- 01/07/16 – *Board approval of the SAF Notice of Proposed Rulemaking (NOPR)*
- 01/22/16 – *Published SAF NOPR in D.C. Register*
- 02/22/16 – *Comment period ended*
- 03/04/16 – *Published SAF notice of extension of public comment period in D.C. Register*
- 03/11/16 – *Extended comment period ended*
- 04/26/16 – *RRC review of public comments and recommendation on SAF*
- 05/05/16 – *Board approval of SAF Notice of Final Rulemaking (NOFR)*
 - *Delay the SAF effective date from April 1, 2016 until January 1, 2018*
 - *Extend the SAF installment plan period from December 31, 2019 to December 31, 2020*
 - *Extend the inactivity period for properties under renovation or redevelopment that are/have been inactive prior to DC Water's issuance of the Certificate of Approval from 12 months to 24 months*

SAF Timeline, (cont'd)

- 05/20/16 – *Published SAF NOFR in D.C. Register*
- 01/01/18 – *Proposed effective date of SAF (which was extended as listed below)*
- 12/07/17 – *RRC Recommended approval of the revised effective date (from January 1, 2018 to June 1, 2018) of the SAF regulations in Notice of Emergency & Proposed Rulemaking (NOE&PR)*
- 12/07/17 – *Board adopts (NOE&PR)*
- 12/22/17 – *Published NOE&PR in DC Register*
- 12/22/17-01/21/18 – *Public Comment Period – No comments received as of January 16th*
- 01/23/18 – *RRC recommends approval of final action to revise the effective date of the SAF in Notice of Final Rulemaking (NOFR) to June 1, 2018*
- 02/01/18 – *Board approves NOFR*
- 02/16/18 – *Publish NOFR in DC Register*

SAF Timeline, (cont'd)

- 11/28/17 – DC Water staff engages public outreach – Open House on 01/09/2018
- 02/20/18
- 02/20/18 – RRC meets to consider and recommend proposed amendments to SAF regulations
- 03/01/18 – Board approves Notice of Proposed Rulemaking (NOPR) that will change substantive provisions of the SAF regulations to accommodate impacts on projects with significant affordable housing components and/or other concerns (NOPR)
- 03/16/18 – Publish NOPR in DC Register
- 03/16/18- – Public Comment Period
- 04/16/18
- 04/24/18 – RRC meets and recommends final action to approve Notice of Final Rulemaking (NOFR)
- 05/03/18 – Board approves NOFR
- 05/18/18 – Publish NOFR in DC Register
- 06/01/18 – SAF Go-Live

Approval of Revised SAF Regulations in Notice of Final Rulemaking (NOFR)

- Based on public comments, the management recommended (1) to change the effective date for SAF from January 1, 2018 to June 1, 2018 and (2) add procedures and requirements to receive credits for affordable housing unit (AHU) development and redevelopment.
- RRC recommended approval of proposed amendments to SAF regulations in Notice of Proposed Rulemaking (NOPR) – February 20, 2018
- Board approved NOPR – March 1, 2018
- Published NOPR in DC Register – March 16, 2018
- One comment received as of April 16, 2018
- RRC recommends final action to approve Notice of Final Rulemaking (NOFR) – April 24, 2018
- Board approved NOFR – May 3, 2018
- Publish NOFR in DC Register – May 18, 2018
- SAF Go-Live – June 1, 2018

Approval of Revised SAF Regulations in Notice of Final Rulemaking (NOFR)

Comment	Response	Recommendation
Provide a credit for required public infrastructure improvements	DC Water requires property owners to pay full costs of public required to support development project without credit or reimbursement	Not included in management recommendation
Provide exemptions for charitable organizations and affordable housing	DC Water added procedures and requirements to receive credits for Affordable Housing Units (AHU) development and redevelopment in the recent Notice of Proposed Rulemaking (NOPR)	AHU credits included in management recommendation. No credits for charitable organizations included in recommendation
Allow building owners to “neck down” water laterals	DC Water allows property owners to “neck-down” water lateral lines to smaller water meter sizes	This is already allowed

Approval of Revised SAF Regulations in Notice of Final Rulemaking (NOFR), (cont'd)

Comment	Response	Recommendation
Consider the impact of existing rates and fees on DCBIA members	DC Water SAF is comparable to regional utilities	No recommendation
Provide adequate information about the implementation of the SAF	DC Water is committed to providing accurate and timely information to potentially impacted customers. The SAF information has been made available in DC Water's website, NOPR, and open house. FAQs will be posted to our website when final regulations are published in the DC Register (May 18, 2018)	No recommendation

Recommendation

- Management recommends approval of the System Availability fee
 - (1) to change the effective date for SAF from January 1, 2018 to June 1, 2018 and
 - (2) add procedures and requirements to receive credits for affordable housing unit (AHU) development and redevelopment.

Appendix

Appendix



System Availability Fee

Presentation to the DC Retail Water and Sewer Rates Committee, February 20, 2018

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant

System Availability Fee (SAF)

- 💧 **Recommendation regarding changes to the System Availability Fee (SAF)**
- 💧 **Incorporates suggestions from:**
 - Public Comments
 - Open House
 - Board of Directors
 - The District, through the Deputy Mayor for Economic Development's office

SAF Timeline

- 02/24/15 – *Management proposed Development Impact Fee (DIF)*
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- 04/26/16 – *RRC review of public comments and recommendation on SAF*
- 05/05/16 – *Board approval of SAF Notice of Final Rulemaking (NOFR)*
 - *Delay the SAF effective date from April 1, 2016 until January 1, 2018*
 - *Extend the SAF installment plan period from December 31, 2019 to December 31, 2020*
 - *Extend the inactivity period for properties under renovation or redevelopment that are/have been inactive prior to DC Water's issuance of the Certificate of Approval from 12 months to 24 months*

SAF Timeline, (cont'd)

- 05/20/16 – *Published SAF NOFR in D.C. Register*
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- 01/23/18 – *RRC recommends approval of final action to revise the effective date of the SAF in Notice of Final Rulemaking (NOFR) to June 1, 2018*
- 02/01/18 – *Board approves NOFR*
- 02/16/18 – *Publish NOFR in DC Register*

SAF Timeline, (cont'd)

- 11/28/17 – DC Water staff engages public outreach – Open House on 01/09/2018
02/20/18
- 02/20/18 – RRC meets to consider and recommend proposed amendments to SAF regulations
- 03/01/18 – Board approves Notice of Proposed Rulemaking (NOPR) that will change substantive provisions of the SAF regulations to accommodate impacts on projects with significant affordable housing components and/or other concerns (NOPR)
- 03/16/18 – Publish NOPR in DC Register
- 03/16/18- – Public Comment Period
04/16/18
- 04/24/18 – RRC meets and recommends final action to approve Notice of Final Rulemaking (NOFR)
- 05/03/18 – Board approves NOFR
- 05/18/18 – Publish NOFR in DC Register
- 06/01/18 – SAF Go-Live

Purpose of System Availability Fee (SAF)

- **Many utilities have implemented a fee assessed to new development (or redevelopment) to recover the investment in available system capacity:**
 - Water supply and treatment
 - Water storage and distribution
 - Wastewater and stormwater conveyance
 - Wastewater treatment
- **DC Water's SAF is designed to recover the proportionate share of system costs for new developments or redevelopments that require additional system capacity and is based upon meter size and average flow per meter size**
- **All revenue will be applied to the capital program as PAYGO, to reduce debt service costs for all retail customers**

Calculation of SAF - Net System Asset Value

- The SAF is a one-time fee based upon prior capital investments made by DC Water in certain system assets
- Specifically, only “trunk and treatment” assets were used in calculating the SAF (i.e., water and wastewater treatment plants, water transmission mains, and wastewater interceptors)
- The assets were valued at replacement cost less accumulated depreciation and outstanding debt service principle
- The net system asset value is calculated at a cost per gallon per day (GPD) based on total system capacity
- The capacity for any new account (development or redevelopment) is based on meter size and GPD for that meter size

SAF Methodology (cont'd)

SAF Based Upon Meter Size

- The SAF fee schedule is scaled based on meter size and average water use for customers of the same meter size within the DC Water system
- Scaling for the SAF is consistent with methodology used for the WSRF (Water System Replacement Fee)
- The SAF methodology is consistent with industry standards published by American Water Works Association (AWWA) and Water Environment Federation (WEF)
- Other utilities, such as WSSC, have adopted a SAF based upon the number of fixtures

Methodology (cont'd)

Meter Size Versus Fixture Count

- Water meter size is a function of fixture count as well as mechanical demands and system requirements
- Fixture count alone may not capture all of the water demand; however, the meter size computations do so more precisely
- In addition, the SAF is only based upon peak demand flow and excludes fire service demand

Ability To Right-Size Water Meters

- DC Water allows property owners to “neck-down” water lateral lines to smaller water meter sizes
- The service pipe should be sized for velocity and head loss and the meter sized to match the peak demand flow
- Reductions by one standard pipe size will be approved, reductions greater than one pipe diameter would be by exception

Methodology (cont'd)

SAF Credits For Existing Connections

- A SAF credit will be given if development/redevelopment projects are removing existing connections from the water and sewer system
- The net SAF due will be equal to the difference between the property's new SAF and the SAF determined by the old meters being removed
- Accordingly, projects that do not require a marginal increase in system capacity will not be assessed a SAF

Sample Redevelopment Scenario With SAF Credit

- A non-residential redevelopment project will demolish 20 residential properties with 1" meters and require a new single 4" meter:
 - New 4" SAF = \$289,782
 - Less SAF credit = \$78,880 (20 x \$3,944)
 - Net SAF due = \$210,902

Proposed SAF Schedule

💧 Residential accounts with a 1" or smaller meter size will be charged the same fees:

Meter Size	# of Accounts	Est. Usage (GPD)	Water Fee	Sewer Fee	Total Fee
Residential (5/8", 3/4", 1")	101,440	206.24	\$ 1,135	\$ 2,809	\$ 3,944

💧 Residential (> 1"), Multi-Family and Non-Residential accounts will have fees based on meter size:

Meter Size	# of Accounts	Est. Usage (GPD)	Water Fee	Sewer Fee	Total Fee
1" or smaller	10,917	233	\$1,282	\$3,173	\$4,455
1"x1.25"	0	372	\$2,047	\$5,066	\$7,113
1.5"	4,173	998	\$5,491	\$13,591	\$19,082
2"	3,803	2,022	\$11,125	\$27,536	\$38,661
3"	1,064	5,907	\$32,500	\$80,442	\$112,942
4"	1,091	15,156	\$83,388	\$206,394	\$289,782
6" or larger	710	41,666	\$229,246	\$567,408	\$796,654

SAF Scaled for Larger Meter Sizes

- Reason why \$796,653 was the maximum SAF for meter sizes 6" and above and not higher for 8", 10", etc. is listed below:



The SAF was scaled up for larger meter sizes looking at average usage by meter size in the DC Water System. The main reasons to group larger meter sizes are:

- There are very few of these larger meters in the system (about 35 meters 8" or larger). As a result, the average usage was quite variable and was not a reliable indicator of the capacity a new account of the size would command
- Several of these larger meters were used on emergency connections to the water system and, under normal operations, had no flow at all, which further skewed the calculation of average flow
- In FY 2016 and FY 2017, no meter large greater than 6" was installed for new development
- Due to these reasons, 6" meters and larger were grouped (totaling 699 meters) to get a more consistent average

Preliminary SAF Revenue Projections

-  Preliminary revenue projections were based on the number of new permits issued less an allowance for redevelopment credits

Meter Size	Proposed Fee	Estimated # per year	Estimated Credit (%)	Net Additions	Projected Revenue
1" Meter	\$3,944	150	40%	90	\$ 354,960
1.5" Meter	\$19,082	50	40%	30	\$ 572,460
3" and Larger	\$112,942	100	40%	60	\$ 6,776,520
Total:					\$ 7,703,940

-  All SAF revenue would be allocated for Pay-Go capital contributions towards the system's "truck and treatment" assets
-  Any SAF revenue would help to mitigate future required water and sewer rate increases resulting from lower debt service costs

SAF Budget Assumptions

Board Resolution #16-39 gave approval to:

- Delay the SAF effective date from April 1, 2016 until January 1, 2018
- Extend the SAF installment plan period from December 31, 2019 to December 31, 2020
- Extend the inactivity period for properties under renovation or redevelopment that are/have been inactive prior to DC Water's issuance of the Certificate of Approval from 12 months to 24 months
- DCRA Construction Permit applicants that submitted plans and specifications to DC Water prior to the effective date of these regulations, shall not be subject to the SAF
- After the effective date of these regulations to December 31, 2020, the property owner may request to pay the SAF in four equal installments, with the final payment due on or before one year after the execution date of a Payment Plan Agreement

In consideration of the above, the projected SAF revenue in the Financial Plan FY 2018 – FY 2027 was calculated as follows:

- FY 2018 - \$7.7million x 25% = \$1.9 million
 - FY 2019 - \$7.7million x 50% = \$3.9 million
 - FY 2020 - \$7.7million x 75% = \$5.8 million
 - FY 2021 - \$7.7 million x 100% = \$7.7 million
- FY 2027

Recommendation

DC Water recommends approval of the System Availability Fee:

- Effective June 1, 2018
- **With changes that incentivize the creation of additional affordable housing units**
 - Responds to one of the most frequently heard comments
 - DC Water would provide credits equal to:
 - \$3,944 for each individually metered affordable housing residential structure of three units or less
 - The percent of affordable housing units in a residential structure of four or more units
 - Affordable Housing Units defined consistent with existing Federal or District programs

Recommendation

Management has considered both oral and written comments

Most fall into these major categories:

- Provide a discount for developments with multiple connections
- Lower the cost for a single family connection
- Delay implementation
- Delay implementation for specific events
- Provide refunds more easily
- Spread out payments or extend the payment plan
- Provide “credit” for water and sewer infrastructure work that is performed by developers
- Allow necking down of laterals
- Provide more information to developers about the implementation process
- Provide credit for the creation of affordable housing

Comments

- **Suggestion: Provide discounts for developments with multiple connections**
- **DC Water Response: No change recommended**
 - Misconception that the SAF would be duplicated for back-up meters
 - Calculation relies on per meter connection to calculate peak domestic demand excluding fire demand
 - Credits given for existing connections based on existing meter size

Suggestion: Lower the cost for a single family connection

DC Water Response: No change recommended

- The SAF for Residential accounts with a 1” or smaller meter size would be \$3,944
- The SAF is based on peak domestic demand excluding the cost of fire suppression
- Very highly unlikely that there is a single family residential unit home that has peak domestic demand requiring a 1.5” meter

Comments

- 💧 **Suggestion: Delay implementation** (example: extend one-year exemption period to two years)

- 💧 **DC Water Response:** No change recommended. DC Water will provide clarity on project grandfathering
 - The effective date has been extended twice to June 1, 2018
 - Construction permit applicants that submit project plans and specifications prior to June 1, 2018 will not be required to pay the SAF if Certificate of Approval is issued before June 1, 2019
 - After the effective date, DC Water will require all projects to submit their plans to DCRA prior to DC Water's issuance of the Certificate of Approval

Comments

- 💧 **Suggestion: Extend grandfathering period due to specific events**
(example: other DC agency approval delays, appeals, litigation, and force majeure events)

- 💧 **DC Water Response:** Consider extensions on a case-by-case basis for force majeure events
 - In the event a force majeure event results in the closure of DC Water for one or more days one week before June 1, 2019, which prevents DC Water from issuing the Certificate of Approval, DC Water will extend the SAF grandfathering period for those impacted projects

Previous SAF Comments from Notice Publications in DC Register

- 💧 **Suggestion: Provide refunds more easily** (Example: Receive an automatic refund when DCRA denies or revokes a construction permit)

- 💧 **DC Water Response: No change recommended**
 - Under the current regulations, an applicant whose DCRA permit is not issued or revoked or the project is not constructed must submit a written request to DC Water for a refund of the SAF

 - DC Water agrees with the need to issue refunds in a timely manner

 - However, automatic refunds cannot be provided because DC Water would not otherwise be aware of the status of the permit or project

 - Applicants need to notify DC Water of the change in the status of their permit or project

Previous SAF Comments from Notice Publications in DC Register

- 💧 **Suggestion: Spread out payments or extend the payment plan period**
- 💧 **DC Water Response: No change to the payment plan period**
 - Extension of the payment plan schedule would create an administrative burden for tracking
 - Current SAF regulations enable payment in four equal installments payments over a one year period
 - Tracking payments could be complicated with changes in ownership
 - Due to the extension of the effective date, the installment period has been extended

Previous SAF Comments from Notice Publications in DC Register

- 💧 **Suggestion: Provide “credit” for water and sewer infrastructure work that is performed by developers**
- 💧 **DC Water response: No change recommended**
 - The SAF recovers needed investments in additional system capacity in the water and sewer treatment systems and the trunk water and sewer conveyance systems
 - There is no “double count”; the SAF calculation does not include assets for the local distribution of water and sewer
 - New developments often need upgraded water and sewer infrastructure in order to accommodate the system demands requirements for their project
 - DC Water’s capital plan replaces water and sewer infrastructure (currently the water program replaces about 1 percent a year)

Suggestion: Allow necking down of water laterals

DC Water Response: This is already allowed

- DC Water supports necking down of laterals where appropriate
- Necking down is already allowed under current practice
- Project applicants can categorically reduce laterals by one size, and can further reduce if appropriate documentation is submitted to DC Water that confirms that the small meter size meets peak water demand (including fire demand) requirements

Comments

 **Suggestion: Provide more information about the implementation of the fee**

 **DC Water Response: DC Water agrees**

- DC Water is committed to providing accurate and timely information to potentially impacted customers
- We will provide updated FAQs on our website when proposed regulations are published in the DC Register (March 16, 2018)
- Customer Service and Permit Center staff will answer additional questions as they arise

Comments

💧 Suggestion: Provide credit for creation of affordable housing

DC Water Response: Agree

- For any new premises, building or structure that includes one or more affordable housing unit (AHU), DC Water shall provide a AHU Credit equal to:
 - \$3,944 for each individually metered affordable housing residential structure of three (3) or less units (e.g., single-family structure, townhouse, condominium, cooperative housing unit, or apartment).
 - The percent of affordable housing units in a residential structure of four or more units
- For a renovation or redevelopment project that includes replacing existing affordable housing units and the construction of additional affordable housing units, DC Water shall provide a credit based on the net number of affordable housing units
- **Affordable Housing Unit** – a housing unit that is offered for rent or for sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by the federal or District program or agency or the Council for the District of Columbia
- Documentation including Land Disposition Development Agreement, Zoning Commission Order, Planned Unit Development Covenant, Certificate of Inclusionary Zoning, or Letter from District financing agency at the time of project plan submission to DC Water will be required to demonstrate creation of affordable housing units

Changes to the Proposed Regulations

The SAF regulations have been revised to include the following changes:

- Added Affordable Housing Credit procedures and requirements
- Changed “DC Water’s Guideline Masters” to “DC Water’s Meter Sizing Instructions and Worksheets” - used for determining the peak water demand
- Clarified the documents needed to qualify for grandfathering projects and requirement to submit DCRA Building Permit and have it “accepted for review” before issuance of Certificate of Approval
- Clarified that any overdue payments for Payment Plan Agreement will be subject to DC Water’s collections process
- Other editorial revisions

Proposed Action

Board approves Notice of Proposed Rulemaking (NOPR) that will change substantive provisions of the SAF regulations to accommodate impacts on projects with significant affordable housing components and/or other concerns (NOPR)

Appendix

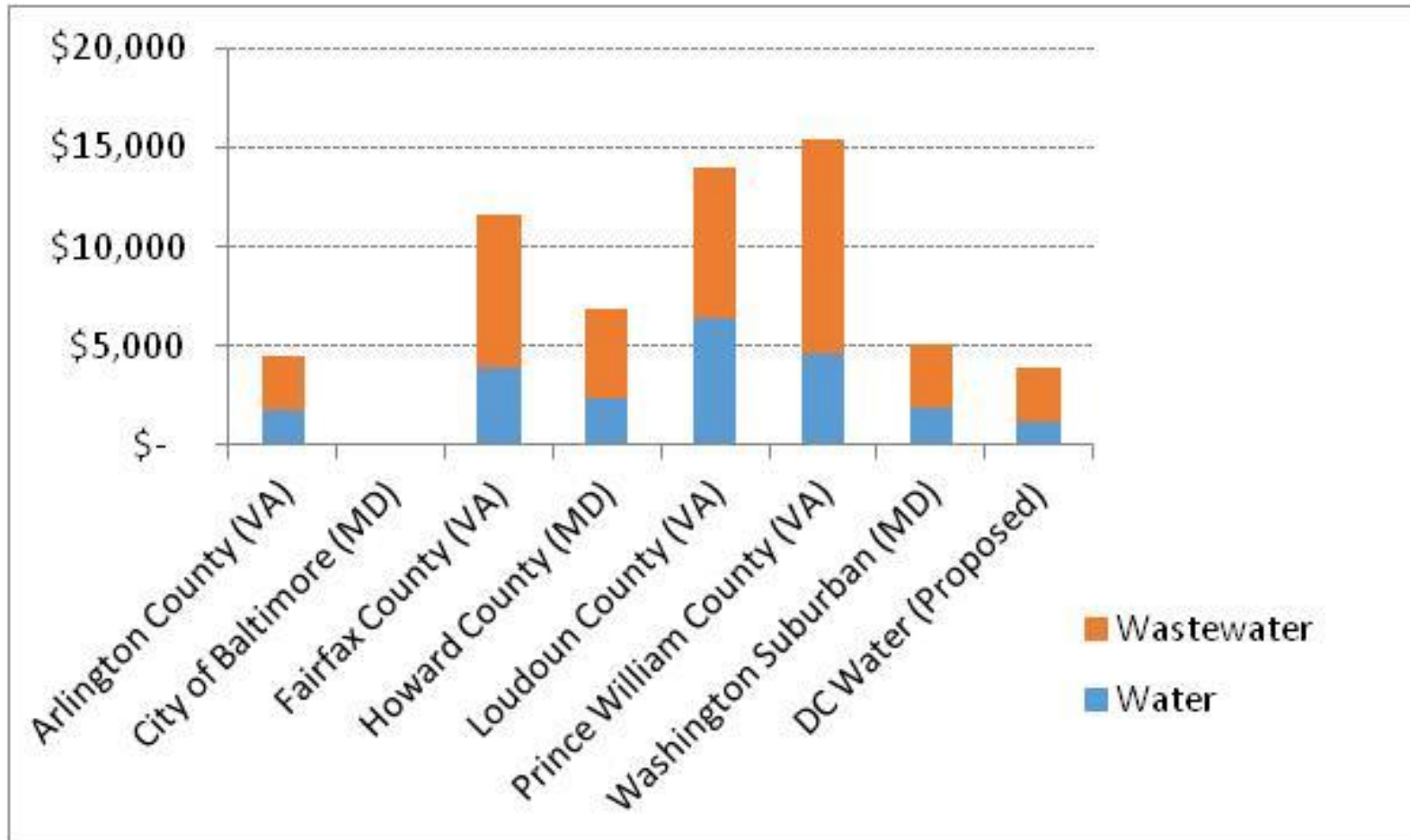
SAF Timeline

SAF Not Required If

SAF Payment Plan If

Before June 1, 2018	Before June 1, 2019	Before June 1, 2021
Applicants	DC Water	Applicants
<p>Submit to DC Water Civil Site utility plans proposing the connections of water and sewer between the structure to be served and the public water and sewer system. Plans submitted must include documents required by submission checklist.</p>	<p>Issues Certificate of Approval within one year of the effective date. Requires payment of plan review fees and other fees, review of plans, issuance of invoice, approved SWM plans (if required) and approval of the project in Project Dox by DC Water.</p> <p>DCRA Building Permit must be accepted for review before June 1, 2019</p>	<p>May Request Payment Plan Agreement to pay SAF in four equal installments paid within one year. Last payment must be no later than one year after the execution date of a Payment Plan Agreement.</p>

Regional Fee Comparison (Residential 1" and Less)



* Source: Raftelis Financial Consultants, Inc. 2013 Survey

Regional Fee Comparison (Non-Residential)

Utility	Service	Size	Fee	DC Water Proposed Fee	Difference
Fairfax Water Authority (VA)	water	2"	\$42,150	\$11,125	\$31,025
	water	10"	\$605,700	\$229,246	\$376,454
Howard County DPW (MD)	water	2"	\$7,680	\$11,125	(\$3,445)
	water	10"	\$336,000	\$229,246	\$106,754
Loudoun Water Authority (VA)	water	2"	\$78,168	\$11,125	\$67,043
Prince William County Service Authority (VA)	water	2"	\$55,200	\$11,125	\$44,075
Loudoun Water Authority (VA)	sewer	2"	\$94,752	\$27,536	\$67,216
Prince William County Service Authority (VA)	sewer	2"	\$129,600	\$27,536	\$102,064

- Comparisons for regional utilities that publish System Availability Fee by meter size are shown here
- Some utilities do not publish fees for larger accounts or they scale fees differently
- WSSC charges its fee based upon number of fixtures and not meter size

Water Fee Calculation

		OCLD	RCNLD	OCLD + CIP	RCNLD + CIP
Categories:					
AQU	Aqueduct	\$ 233,657,382	\$ 333,682,481	\$ 263,657,382	\$ 363,682,481
SEN	Little Senaca Reservoir	6,334,718	14,973,524	6,334,718	14,973,524
WAT	Water Transmission (8)	563,052,893	866,774,067	563,138,002	866,859,177
	Unrestricted Reserves (5)	49,175,000	49,175,000	49,175,000	49,175,000
Total Buy-In Value		\$ 852,219,992	\$ 1,264,605,073	\$ 882,305,102	\$ 1,294,690,182
	less: Debt Service Credit	20.0%	\$ (228,099,829)	\$ (228,099,829)	\$ (238,382,031) \$ (238,382,031)
Net Buy-In Value		\$ 624,120,163	\$ 1,036,505,243	\$ 643,923,071	\$ 1,056,308,151

		Unit Cost (in \$/gpd)		Unit Cost (in \$/gpd)		
		OCLD	RCNLD	OCLD + CIP	RCNLD + CIP	
Categories:						
AQU	Aqueduct	192	\$ 1.217	\$ 1.738	\$ 1.373	\$ 1.894
SEN	Little Senaca Reservoir	192	0.033	0.078	0.033	0.078
WAT	Water Transmission (8)	192	2.933	4.514	2.933	4.515
	Unrestricted Reserves (5)	192	0.256	0.256	0.256	0.256
Total Buy-In Value		\$ 4.439	\$ 6.586	\$ 4.595	\$ 6.743	
	less: Debt Service Credit	192	\$ (1.188)	\$ (1.188)	\$ (1.242) \$ (1.242)	
Net Buy-In Value (in \$/gpd)		\$ 3.251	\$ 5.398	\$ 3.354	\$ 5.502	
Water Capacity per ERU (gpd)		206.24	206.24	206.24	206.24	
Fee per ERU		\$ 670.41	\$ 1,113.38	\$ 691.68	\$ 1,134.65	

Wastewater Fee Calculation

		OCLD	RCNLD	OCLD + CIP	RCNLD + CIP
Categories:					
WWT	Wastewater Treatment	\$ 1,407,632,232	\$ 4,379,762,892	\$ 1,996,300,232	\$ 4,968,430,892
CSO	Combined Sewer System (5)	102,773,706	185,231,640	755,726,706	838,184,640
STW	Stormwater	-	-	-	-
SEW	Sanitary Sewer System (6)	39,628,722	67,817,821	66,088,422	94,277,521
	Unrestricted Reserves (7)	91,325,000	91,325,000	91,325,000	91,325,000
Total Buy-In Value		\$ 1,641,359,660	\$ 4,724,137,353	\$ 2,909,440,360	\$ 5,992,218,053
	less: Debt Service Credit	80.0%	\$ (912,399,317)	\$ (912,399,317)	\$ (953,528,123)
Net Buy-In Value		\$ 728,960,343	\$ 3,811,738,036	\$ 1,955,912,237	\$ 5,038,689,930

		Capacity (MGD)	Unit Cost (in \$/gpd)		Unit Cost (in \$/gpd)	
			OCLD	RCNLD	OCLD + CIP	RCNLD + CIP
Categories:						
WWT	Wastewater Treatment	370	\$ 3.804	\$ 11.837	\$ 5.395	\$ 13.428
CSO	Combined Sewer System (5)	370	0.278	0.501	2.043	2.265
STW	Stormwater	370				
SEW	Sanitary Sewer System (6)	370	0.107	0.183	0.179	0.255
	Unrestricted Reserves (7)	370	0.247	0.247	0.247	0.247
Total Buy-In Value			\$ 4.436	\$ 12.768	\$ 7.863	\$ 16.195
	less: Debt Service Credit	370	\$ (2.47)	\$ (2.47)	\$ (2.58)	\$ (2.58)
Net Buy-In Value (in \$/gpd)			\$ 1.970	\$ 10.302	\$ 5.286	\$ 13.618
WWater Capacity per ERU (gpd)			206.24	206.24	206.24	206.24
Fee per ERU			\$ 406.33	\$ 2,124.68	\$ 1,090.24	\$ 2,808.59

DC Retail Water and Sewer Rates Committee

Action Items

1. Approval of Revised District of Columbia Fire Protection Service Fee for FY 2018 - FY 2021 (Action Item 1)
2. Approval of Revised System Availability Fee (SAF) Regulations in Notice of Final Rulemaking (NOFR) (Action Item 2)

Action Item 1

DC RETAIL WATER AND SEWER RATES COMMITTEE APPROVAL OF REVISED DISTRICT OF COLUMBIA FIRE PROTECTION SERVICE FEE FOR FISCAL YEARS 2018 THROUGH 2021

ACTION ITEM 1: DISTRICT OF COLUMBIA FIRE PROTECTION SERVICE FEE

DC Water requests that the DC Retail Water and Sewer Rates Committee recommend to the Board of Directors the publication of the Notice of Final Rulemaking for the revised District of Columbia fire protection service fee, as shown below:

4103 FIRE PROTECTION SERVICE FEE

4103 The charge to the District of Columbia for fire protection service, including, but not limited to the delivery of water flows for firefighting as well as maintaining and upgrading public fire hydrants in the District of Columbia, (plus the cost of fire hydrant inspections performed by the DC Fire and Emergency Medical Services) shall be Ten Million Seven Hundred Ninety Six Thousand Dollars (\$10,796,000) for fiscal year (FY) 2018 and Twelve Million Five Hundred Twenty Seven Thousand Dollars (\$12,527,000) per fiscal year for FY 2019, FY 2020, and FY 2021.

4103.1 The fee may be examined every three years to determine if the fee is sufficient to recoup the actual costs for providing this service.

4103.2 In the event the actual costs are not being recouped, the District of Columbia shall pay the difference and the fee will be appropriately adjusted pursuant to the rulemaking process.

4103.3 In the event the costs paid by the District of Columbia exceed DC Water's actual costs, the fee shall be adjusted pursuant to the rulemaking process.

This rulemaking will be effective upon publication of the Notice of Final Rulemaking in the *D.C. Register*.

The proposed schedule of rulemaking shall be as follows:

February 20, 2018	Presentation of proposal to Rates Committee
March 1, 2018	BOD Approval of NOPR
March 16, 2018	Publish NOPR in the <i>D.C. Register</i>
March 16 - April 16, 2018	Public Comment period
April 24, 2018	Presentation of final proposal to Rates Committee
May 3, 2018	BOD Approval of NOFR
May 18, 2018	Publish NOFR in the <i>D.C. Register</i>

ACTION ITEM 2

Approval of Revised System Availability Fee (SAF) Regulations in Notice of Final Rulemaking (NOFR)

Management Recommendation:

Approve the revisions to the System Availability Fee (SAF) regulations in Notice of Final Rulemaking (NOFR) as provided in Attachment A.

Attachment A – SAF Notice of Proposed Rulemaking

Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

Section 112, FEES, is amended by revising the effective date of Subsection 112.11 to read as follows:

112.11 Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the District’s potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements:

- (a) Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$ 1,135	\$ 2,809	\$ 3,944
3/4"	\$ 1,135	\$ 2,809	\$ 3,944
1"	\$ 1,135	\$ 2,809	\$ 3,944
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942

- (b) Multi-Family and all Non-Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
1" or smaller	\$ 1,282	\$ 3,173	\$ 4,455
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942
4"	\$ 83,388	\$ 206,394	\$ 289,782
6"	\$ 229,246	\$ 567,408	\$ 796,654
8"	\$ 229,246	\$ 567,408	\$ 796,654
8"x2"	\$ 229,246	\$ 567,408	\$ 796,654
8"x4"x1"	\$ 229,246	\$ 567,408	\$ 796,654
10"	\$ 229,246	\$ 567,408	\$ 796,654
12"	\$ 229,246	\$ 567,408	\$ 796,654
16"	\$ 229,246	\$ 567,408	\$ 796,654

- (c) The SAF meter size shall be computed for the peak water demand, excluding fire demand in accordance with D.C. Construction Codes Supplement, as amended, Chapter 3 (Water Meters) of this title, and DC Water's Meter Sizing Instructions and Worksheets.
- (d) The SAF shall be assessed for any premise, building or structure that requires a new metered water service connection to the District's potable water and/or sanitary sewer systems.
- (e) The Net SAF shall be assessed for renovation or redevelopment projects for any premise, building or structure that uses an existing metered water service connection to the District's potable water and/or sanitary sewer systems.
- (f) For a renovation or redevelopment project on a property that already had/has a DC Water meter(s) and account(s), DC Water shall determine the Net SAF based on the difference between the property's new System Availability Fee determined by the SAF meter size(s) (SAF) and the SAF Credit determined by the old meter size(s) for the meters(s) being removed from the system:

$$\text{Net SAF} = \text{SAF} - \text{SAF Credit}$$

- (g) Properties under renovation or redevelopment shall not receive a SAF Credit for the DC Water account(s) that have been inactive for more than twenty-four (24) months prior to DC Water's issuance of the Certificate of Approval.
- (h) For any new premise, building or structure that includes one or more affordable housing unit (AHU), DC Water shall also provide an AHU Credit equal to:
 - (1) AHU Credit - Three Thousand Nine Hundred Forty-Four dollars (\$3,944) for each AHU in a metered residential structure of three (3) or less units (e.g., single-family structure, townhouse, condominium, cooperative housing association unit, or apartment).
 - (2) % AHU Credit or % Net AHU Credit - The percentage of affordable housing units credit (% AHU credit) or percentage of additional AHU credit (% Net AHU Credit) in a metered multi-family residential structure of four or more housing units (condominium, cooperative housing association, or apartment) determined as follows: % AHU (or % Net AHU) equals the number of AHUs (or Net AHU) divided by total number of residential units (RU) times one hundred (100) times the SAF:

$$\% \text{ AHU} = (\text{AHU} \div \text{RU}) \times 100$$

$$\text{AHU Credit} = \% \text{ AHU} \times \text{SAF}$$

- (i) For a renovation or redevelopment project that includes replacing existing affordable housing units and/or the construction of additional affordable housing units, DC Water shall provide a Net AHU Credit as provided in Section 112.11(h) based on the percentage of additional affordable housing units (% Net AHU) determined as follows: % Net AHU equals the number of additional AHUs (Net AHU) divided by the total number of residential units times one hundred (100):

$$\% \text{ Net AHU} = ((\text{Net AHU}) \div \text{RU}) \times 100$$

$$\text{Net AHU Credit} = (\% \text{ Net AHU}) \times \text{SAF}$$

- (j) The Net AHU shall be determined based on the difference between the total number of affordable housing units constructed after completing the renovation/redevelopment project (aAHU) and the total number of affordable housing units existing prior to the renovation/redevelopment project (bAHU). If aAHU is less than bAHU (less than zero), no Net AHU Credit will be provided:

$$\text{Net AHU} = (\text{aAHU} - \text{bAHU})$$

- (k) Projects that request AHU or Net AHU Credits shall submit one or more of the following documents:
- (1) Land Disposition Development Agreement;
 - (2) Zoning Commission Order;
 - (3) Planned Unit Development Covenant;
 - (4) Certificate of Inclusionary Zoning; or
 - (5) Letter from the District financing agency that establishes the number of AHU in the property.
- (l) If the Net System Availability Fee (less AHU Credit or Net AHU Credit) is zero or less, no System Availability Fee shall be charged.
- (m) If the Net System Availability Fee (less AHU Credit or Net AHU Credit) is greater than zero, DC Water shall assess the System Availability Fee.
- (n) DC Water may request documentation to confirm the number of proposed affordable housing units that were actually constructed. If the number of constructed AHUs is less than the proposed AHUs, DC Water shall bill the property owner the amount of the AHU Credit or Net AHU Credit for the unconstructed AHUs.

- (o) For DCRA Construction Permit applicants, payment of the System Availability Fee shall be a condition for DC Water's issuance of the Certificate of Approval.
- (p) DCRA Construction Permit applicants that submitted plans and specifications to DC Water prior to the effective date of these regulations, shall not be subject to the System Availability Fee provided:
 - (1) The DC Water Engineering Review fee(s) has been paid;
 - (2) The plans, specifications and other information necessary to meet the requirements listed in DC Water Project Submission Checklist has been accepted for review by DC Water in support of a DCRA Building Permit for the project, without substantial revisions that result in the change in the peak water demand that changes the size or number of meter connections for the project;
 - (3) The DCRA Building Permit for the premise, building, or structure requiring water and sewer service is submitted to DCRA and accepted for review by DCRA within one calendar year after the effective date of these regulations; and
 - (4) DC Water issues the Certificate of Approval within one calendar year after the effective date of these regulations, unless DC Water's review is delayed due to a force majeure event that closes DC Water's offices for one or more days one week before June 1, 2019.
- (q) For federal facilities, payment of the System Availability Fee shall be a condition of DC Water's issuance of the Certificate of Approval.
- (r) Before June 1, 2021, the property owner may request to pay the System Availability Fee in four equal installments, with the final payment due no later than one calendar year after the execution date of a Payment Plan Agreement. Execution of a Payment Plan Agreement and payment of the first installment payment, shall be a condition of DC Water's issuance of the Certificate of Approval. Any overdue payments under the Payment Plan Agreement shall be treated as an overdue bill for water and sewer service charges as set forth in D.C. Official Code § 34-2407.02.
- (s) In the case that the DCRA Construction Permit is not issued or is revoked or the project is not constructed, upon written request from the property owner, DC Water shall issue the property owner a refund of the System Availability Fee.

Section 199, DEFINITIONS, is amended by adding the following terms and definitions to read as follows:

Affordable Housing Unit – a housing unit that is offered for rent or for sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by a federal or District program or agency or the Council for the District of Columbia.

Force Majeure Event - an event arising from causes beyond the control of DC Water or the control of any entity controlled by DC Water, which results in the closure of DC Water facilities.



Rate Policy Options and the Rate Stabilization Fund

Presentation to Retail Rates Committee, April 24, 2018

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant

Agenda

- 💧 Policy Options
- 💧 Rate Stabilization Fund (RSF)
 - 💧 Board Policy
 - 💧 History

- Operating revenues of \$649.5 million for FY2019
- Operating expenditures of \$582.8 million for FY2019, a 3.7 percent increase over FY2018
- \$4.0 billion ten-year capital program
- Currently implementing \$2.7 billion Clean Rivers program
- \$3.4 billion in debt (principal) outstanding, including current \$300 million issuance
- \$7.3 billion in total assets
- 34% of the operating budget is debt service costs (\$199 million in FY2019)
- Required cash reserves of \$140.0 million, plus \$61.5 million Rate Stabilization Fund (RSF)

Some overall rate considerations

Volumetric rates versus fixed charges

- Volumetric rates charge customers based on the water that they use
- DC Water has taken steps to align fixed costs with fixed revenues

Rate principal that rates and fees will be based on the actual cost to deliver each service

- Federal government pays because the charge is a “fair approximation” of the pollutants they contribute and the services they receive


Use of one-time funds

- Recurring revenues should equal or exceed recurring expenditures¹
- Rate Stabilization Funds could be used to “smooth out” a rate increase over multiple years²

1 <http://www.gfoa.org/achieving-structurally-balanced-budget>

2 Amawalk Consulting Group “Report on the Reserves and the Rate Stabilization Fund of the Authority February 9, 2018

Broad-based versus targeted relief

-  To date, use of the Rate Stabilization Fund has been for broad-based rate relief
 - Broad-based relief would be applied to all customers through a rate
 - Targeted relief would be applied to customers through other criteria, such as to low income households through the existing Customer Assistance Program (CAP)

Examples of broad-based relief

Examples of providing broad based relief:

	Impact	Considerations
1. Apply \$6 million from the RSF to Water and Sewer Rates in FY2019	<ul style="list-style-type: none"> - Average household would save \$1.11 per month - A multi-family building that uses \$92.5 CCFs would be reduced by \$16.65 per month 	One-time use of funds
2. Apply \$6 million from the RSF to Impervious Area Charges for FY19	<ul style="list-style-type: none"> - Monthly charge for 1 ERU would be reduced by \$1.20 - The average household would save \$1.20 - A multi-family building that uses 92.5 CCFs and has 6.3 ERUs would be reduced \$7.56 	One-time use of funds
3. Apply \$6 million from the RSF to the sewer rate only	<ul style="list-style-type: none"> - Average household would save \$1.16 per month - A multi-family building that uses 92.5 CCFs would be reduced by \$17.58 per month 	One-time use of funds

Examples of targeted relief

Examples of providing targeted relief:

	Impact	Considerations
Provide a IAC credit to cemeteries	<ul style="list-style-type: none"> - Would vary depending on discount - A 50% discount is worth approximately \$246,000 in FY2019 	
Provide IAC relief to non-profits	<ul style="list-style-type: none"> - Would vary depending on discount 	<ul style="list-style-type: none"> - Could be scaled depending on financial resources - Administrative costs of identifying recipients and applying credits
Provide IAC credit to residential customers at 120% of AMI or less	<ul style="list-style-type: none"> - Would reduce IAC for these customers - Per a District calculation, \$10 million would reduce the monthly IAC for 39,000 by \$17.50 per ERU 	<ul style="list-style-type: none"> - Administrative costs of identifying recipients and applying credits - Only DC Water customers would receive discount
Expand the Customer Assistance (CAP) program	<ul style="list-style-type: none"> - Would vary depending on discount - In FY2017 the CAP program credits totaled \$1.1 million 	<ul style="list-style-type: none"> - Administrative costs of identifying recipients and applying credits - Only DC Water customers would receive discount

Other possible options

Pursue non-ratepayer funds

- Seek additional federal funds
 - \$56 million has been provided from FY15 through FY18, \$14 million in each of those years
- Other

Negotiate further changes to the consent decree

- Previous changes allowed an additional five years, and the incorporation of Green Infrastructure

Refinance the Clean Rivers Debt

- DC Water will continue to aggressively pursue options to save ratepayers
- Tax law changes make advance refundings taxable

Consider funding a portion of Clean Rivers expenses through the sewer rate (next pages)

Other possible options

- Recover a portion of Clean River costs from a source other than the Impervious Area Charge, such as the sewer rate
 - In FY2018, there was \$162.5 million recovered in the sewer rate, and \$112.9 million in impervious area charges
 - The amount and percentage of revenues paid by each customer class is in the table below:

	Sewer			IAC	
Residential	\$41,373	25.5%		\$31,056	27.5%
Non-Residential	\$56,613	34.8%		\$38,245	33.9%
Multi-Family	\$37,463	23.0%		\$13,373	11.8%
Federal	\$17,983	11.1%		\$20,615	18.3%
DC	\$5,187	3.2%		\$8,197	7.3%
DCHA	\$3,922	2.4%		\$1,389	1.2%
Total	\$162,541			\$112,875	

Other possible options

- 💧 Clean Rivers expenditures could be recovered from the sewer charge
 - If Clean Rivers costs were allocated 50 percent to the Impervious Area Charge and 50 percent to the sewer rate, there would be shifts among and between customers categories
- 💧 The table below shows an estimate of how the \$112.9 million collected in FY2017 would be recovered if half were recovered through the Sewer Rate and half through the Impervious Area Charge

	Current IAC			"50/50" Scenario	
Residential	\$31,056	27.5%		\$29,894	26.5%
Non-residential	\$38,245	33.9%		\$38,780	34.4%
Multi-Family	\$13,373	11.8%		\$19,694	17.4%
Federal	\$20,615	18.3%		\$16,552	14.7%
DC	\$8,197	7.3%		\$5,900	5.2%
DCHA	\$1,389	1.2%		\$2,056	1.8%
Total	\$112,875			\$112,875	



Average Residential Customer Monthly Bill – Estimated with “50/50” Change to IAC

Residential

	Units		FY 2017	FY 2017 ⁽³⁾	Incr/Decr (\$)	Incr/Decr (%)
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$	57.25	\$ 68.35	\$ 11.10	19.4%
DC Water Clean Rivers IAC ⁽²⁾	ERU		22.24	11.12	\$ (11.12)	-50.0%
DC Water Customer Metering Fee	5/8"		3.86	3.86	-	0.0%
DC Water Water System Replacement Fee ⁽⁵⁾	5/8"		6.30	6.30	-	0.0%
Subtotal DC Water Rates & Charges		\$	89.65	\$ 89.63	\$ (0.02)	0.0%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$	2.98	\$ 2.98	-	0.0%
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf		1.05	1.05	-	0.0%
District of Columbia Right-of-Way Fee / PILOT	Ccf		4.03	4.03	-	0.0%
District of Columbia Stormwater Fee ⁽⁴⁾	ERU		2.67	2.67	-	0.0%
Subtotal District of Columbia Charges		\$	6.70	\$ 6.70	\$ -	0.0%
Total Amount Appearing on DC Water Bill		\$	96.35	\$ 96.33	\$ (0.02)	0.0%

(1) Assumes average monthly consumption of 6.2 Ccf, or 4,638 gallons

(2) Assumes monthly 1 ERU

(3) Assumes financing of Clean Rivers project split 50-50 between CRIAC and increase in Sewer rate

(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

(6) The 50-50 split between CRIAC and increase in the Sewer rate is an approximation. For precise numbers, Cost of Service Study is needed



Example - Large Hotel Monthly Bill- Estimated with “50/50” Change to IAC

Large Hotel

	Units	FY 2017	FY 2017 ⁽³⁾	Incr/Decr (\$)	Incr/Decr (%)
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 44,332.20	\$52,347.82	\$ 8,015.62	18.1%
DC Water Clean Rivers IAC ⁽²⁾	ERU	1,160.93	580.46	(580.47)	-50.0%
DC Water Customer Metering Fee	8 x 2"	323.29	323.29	-	0.0%
DC Water Water System Replacement Fee ⁽⁵⁾	8 x 2"	1,899.60	1,899.60	-	0.0%
Subtotal DC Water Rates & Charges		\$ 47,716.02	\$55,151.17	\$ 7,435.15	15.6%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2,149.44	\$ 2,149.44	\$ -	0.0%
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	761.26	761.26	-	0.0%
District of Columbia Right-of-Way Fee / PILOT	Ccf	2,910.70	2,910.70	-	0.0%
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	139.37	139.37	-	0.0%
Subtotal District of Columbia Charges		\$ 3,050.07	\$ 3,050.07	\$ -	0.0%
Total Amount Appearing on DC Water Bill		\$ 50,766.09	\$58,201.24	\$ 7,435.15	14.6%

(1) Assumes average monthly consumption of 4,478 Ccf, or 3,349,544 gallons

(2) Assumes monthly 52.2 ERUs

(3) Assumes financing of Clean Rivers project split 50-50 between CRIAC and increase in Sewer rate

(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) DC Water "Water System Replacement Fee" of \$1,899.60 for 8 x 2" meter size effective October 1, 2015

(6) The 50-50 split between CRIAC and increase in the Sewer rate is an approximation. For precise numbers, Cost of Service Study is needed



Example - Multi-family Customer Monthly Bill Estimated with "50/50" Change to IAC

Multi-family

	Units	FY 2017	FY 2017 ⁽³⁾	Incr/Decr (\$)	Incr/Decr (%)
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 863.03	\$ 1,028.60	\$ 165.57	19.2%
DC Water Clean Rivers IAC ⁽²⁾	ERU	140.11	70.06	(70.05)	-50.0%
DC Water Customer Metering Fee ⁽⁴⁾	1.5"	6.88	6.88	-	0.0%
DC Water Water System Replacement Fee ⁽⁵⁾	1.5"	41.35	41.35	-	0.0%
Subtotal DC Water Rates & Charges		\$ 1,051.37	\$ 1,146.89	\$ 95.52	9.1%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 44.40	\$ 44.40	\$ -	0.0%
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	15.73	15.73	-	0.0%
District of Columbia Right-of-Way Fee / PILOT	Ccf	60.13	60.13	-	0.0%
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	16.82	16.82	-	0.0%
Subtotal District of Columbia Charges		\$ 76.95	\$ 76.95	\$ -	0.0%
Total Amount Appearing on DC Water Bill		\$ 1,128.32	\$ 1,223.84	\$ 95.52	8.5%

(1) Assumes average monthly consumption of 92.5 Ccf, or 69,190 gallons

(2) Assumes monthly 6.3 ERUs

(3) Assumes financing of Clean Rivers project split 50-50 between CRIAC and increase in Sewer rate

(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) DC Water "Water System Replacement Fee" of \$41.35 for 1 x 5" meter size effective October 1, 2015

(6) The 50-50 split between CRIAC and increase in the Sewer rate is an approximation. For precise numbers, Cost of Service Study is needed



Example - Church Customer Monthly Bill Estimated with "50/50" Change to IAC

Church

	Units	FY 2017	FY 2017 ⁽³⁾	Incr/Decr (\$)	Incr/Decr (%)
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 138.60	\$ 163.66	\$ 25.06	18.1%
DC Water Clean Rivers IAC ⁽²⁾	ERU	467.04	233.52	(233.52)	-50.0%
DC Water Customer Metering Fee	3"	76.98	76.98	-	0.0%
DC Water Water System Replacement Fee ⁽⁵⁾	3"	232.13	232.13	-	0.0%
Subtotal DC Water Rates & Charges		\$ 914.75	\$ 706.29	\$ (208.46)	-22.8%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 6.72	\$ 6.72	\$ -	0.0%
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	2.38	2.38	-	0.0%
District of Columbia Right-of-Way Fee / PILOT	Ccf	9.10	9.10	-	0.0%
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	56.07	56.07	-	0.0%
Subtotal District of Columbia Charges		\$ 65.17	\$ 65.17	\$ -	0.0%
Total Amount Appearing on DC Water Bill		\$ 979.92	\$ 771.46	\$ (208.46)	-21.3%

(1) Assumes average monthly consumption of 14 Ccf, or 10,472 gallons

(2) Assume monthly 21 ERUs

(3) Assume financing of Clean Rivers project split 50-50 between CRAIC and increase in Sewer rate

(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) DC Water "Water System Replacement Fee" of \$232.13 for 3" meter size effective October 1, 2015

(6) The 50-50 split between CRIAC an increase in the Sewer rate is an approximation. For precise numbers, Cost of Service Study is needed



Example - Cemetery Customer Monthly Bill Estimated with "50/50" Change to IAC

Cemetery

	Units	FY 2017	FY 2017 ⁽³⁾	Incr/Decr (\$)	Incr/Decr (%)
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 24.75	\$ 29.23	\$ 4.48	18.1%
DC Water Clean Rivers IAC ⁽²⁾	ERU	6,189.39	3,094.70	(3,094.69)	-50.0%
DC Water Customer Metering Fee	3x5/8"	77.94	77.94	-	0.0%
DC Water Water System Replacement Fee ⁽⁵⁾	3x5/8"	232.13	232.13	-	0.0%
Subtotal DC Water Rates & Charges		\$ 6,524.21	\$ 3,434.00	\$ (3,090.21)	-47.4%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 1.20	\$ 1.20	\$ -	0.0%
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	0.43	0.43	-	0.0%
District of Columbia Right-of-Way Fee / PILOT	Ccf	1.63	1.63	-	0.0%
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	743.06	743.06	-	0.0%
Subtotal District of Columbia Charges		\$ 744.69	\$ 744.69	\$ -	0.0%
Total Amount Appearing on DC Water Bill		\$ 7,268.90	\$ 4,178.69	\$ (3,090.21)	-42.5%

(1) Assumes average monthly consumption of 2.5 Ccf, or 1,870 gallons

(2) Assume monthly 278.3 ERUs

(3) Assume financing of Clean Rivers project split 50-50 between CRAIC and increase in Sewer rate

(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) DC Water "Water System Replacement Fee" of \$232.13 for 3x5/8" meter size effective October 1, 2015

(6) The 50-50 split between CRAIC an increase in the Sewer rate is an approximation. For precise numbers, Cost of Service Study is needed

The Rate Stabilization Fund

The Rate Stabilization Fund

Purpose of the Rate Stabilization Fund

- Avoid unexpected increases in operating expenses or reductions in revenue
 - Example: Unexpected reduction in water use, or in the event of an unanticipated expense at Blue Plains
- To smooth rate increases over multiple years, in the event that there was a large increase in one year
 - As “one-time” funds, the rate stabilization fund could “buy down” a rate increase in one or multiple years

Board Policy and Practice

Current Rate Stabilization Fund (RSF) Policy

- Board Resolution 10-78, adopted July 1, 2010

Some provisions:

- Annual operating budget shall include planned use of the RSF over ten years
- Planned use will be approved by the Board as part of the annual budget process
- Transfers into the RSF will be determined annually based on financial performance

Board Policy and Practice

RSF History

- The Rate Stabilization Fund (RSF) was established by DC Water Board on December 4, 1997 – Board Resolution (#97-124)
 - “As cash reserves and / or revenues permit, WASA (The Authority) will establish a Rate Stabilization Fund or other innovative approaches to assist in mitigating annual rate increases.




Board Policy and Practice

RSF History (Cont)

- Board Resolution (#07-87) adopted November 1, 2007
 - (7a) During the fourth quarter of each fiscal year, the General Manager [or designee] will conduct an analysis of the Authority financial performance, including operating revenues, operating expenditures, capital disbursement and reserves
 - (7b) The General Manager will report the results of this analysis and his recommendations to the Finance & Budget Committee no later than its regularly scheduled meeting in September, for recommendation of Board action at its October meeting
- Board Resolution (#10-76) adopted July 1, 2010
 - (7c) Transfers into the RSF will be made no later than September 30th of each year
 - (7d) In October, the General Manager will report to the Board of Directors the amount of the final transfer into the RSF

- 💧 The Rate Stabilization Fund has been generated from:
 - Planned contributions of funds generated through the Water and Sewer rates charged to all retail customers
 - Year end surplus from revenues that exceeded forecasts, or expenditure savings

History

-  The current balance of the rate stabilization fund is \$61.45 million
-  Since its inception, there have been deposits of \$175.85 million, and withdrawals of \$114.40 million
-  From FY07 – FY15, budgeted RSF withdrawals reduced total revenue requirements (residential, commercial, multi-family, federal, DC government, DCHA) by between one and nine percent when applied

(\$M)	Beginning	Contributions	Withdrawals	Balance
2001	\$0.00	\$6.50	\$0.00	\$6.50
2002	\$6.50	\$8.00	\$0.00	\$14.50
2003	\$14.50	\$7.00	\$0.00	\$21.50
2004	\$21.50	\$6.00	\$0.00	\$27.50
2005	\$27.50	\$4.00	\$0.00	\$31.50
2006	\$31.50	\$27.00	\$0.00	\$58.50
2007	\$58.50	\$10.00	(\$24.90)	\$43.60
2008	\$43.60	\$0.00	\$0.00	\$43.60
2009	\$43.60	\$10.00	(\$25.00)	\$28.60
2010	\$28.60	\$16.10	(\$28.00)	\$16.70
2011	\$16.70	\$9.50	(\$9.50)	\$16.70
2012	\$16.70	\$17.75	(\$6.50)	\$27.95
2013	\$27.95	\$7.50	(\$6.50)	\$28.95
2014	\$28.95	\$0.00	(\$6.50)	\$22.45
2015	\$22.45	\$17.50	(\$7.50)	\$32.45
2016	\$32.45	\$19.00	\$0.00	\$51.45
2017	\$51.45	\$10.00	\$0.00	\$61.45

Appendix

Appendix

Summary of Rating Agency Views		
Moody's Investors Service	Standard & Poor's	Fitch Ratings
Aa1 (Sr.) / Aa2 (Sub.) / P-1 (Short-term) Stable Outlook	AAA (Sr.) / AA (Sub.) / A-1+ (Short-term) Stable Outlook	AA (Sr.) / AA- (Sub.) / F1+ (Short-term) Positive Outlook
Strengths		
<ul style="list-style-type: none"> — Large service area bolstered by considerable wealth and institutional presence — Excellent rate management record — Liquidity is solid, and indenture requirements and board policies will protect the authority's cash position in the future — Excellent financial metrics because the utility has consistently raised rates to ensure good debt service coverage — No unfunded pension or OPEB liability 	<ul style="list-style-type: none"> — Robust service area that has continued to demonstrate a strong economic rebound from the recession — Strong financial management, including conservative financial forecasts and a detailed CIP — Governing board's demonstrated willingness to adjust rates — View that the management team remains committed to balancing environmental stewardship and a socially responsible agenda with ongoing financial commitments — Liquidity and reserves that include high levels of unrestricted cash and investments 	<ul style="list-style-type: none"> — Essential service provider to a large and economically diverse territory and affluent customer base — Demonstrated ability to raise rates independent of outside oversight — Continued shift towards greater fixed cost recovery — Financial projections include rate increases sufficient for stable debt service coverage metrics — Retail rates are considered affordable for the base majority of the rate base and are regionally competitive — Strong financial margins and healthy liquidity
Challenges		
<ul style="list-style-type: none"> — Heavy capital needs, in part from regulatory mandates — Need for further rate increases to support substantial capital plan 	<ul style="list-style-type: none"> — Downward pressure could come from a collapse in financial performance, a change in the way the federal government pays the Authority, or prolonged interruption in operations 	<ul style="list-style-type: none"> — Leverage is considered high, but projected rate increases should offset annual debt service costs — An unexpected or material increase in the current capital spending plan, or a sharp escalation in unfunded capital mandates could preclude or delay future upward rating potential

Attachment E

FY 2018 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
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1. Propose and Establish Retail Rates for FY 2019 & FY 2020			
a. <i>FY 2019 & FY 2020 Budget presentation to Board</i>	January 4, 2018	√	Chief Financial Officer
b. <i>FY 2019 & FY 2020 Proposed Rates, Charges & Fees presented to RRC</i>	January 23, 2018	√	Rates and Revenue
c. <i>RRC recommendation on proposed FY 2019 & FY 2020 rates</i>	February 20, 2018	√	Rates and Revenue
d. <i>Board approves proposed FY 2019 & FY 2020 rates</i>	March 1, 2018	√	
e. <i>Publish Proposed Rates and Fees in DC Register</i>	March 16, 2018	√	General Counsel
f. <i>Public Comment and Outreach</i>	March 16 - June 11, 2018		External Affairs
g. <i>Public Hearing</i>	May 9, 2018		Board Secretary
h. <i>Public Hearing Record Closes</i>	June 11, 2018		
i. <i>RRC final recommendation to approve FY 2019 & FY 2020 rates</i>	June 26, 2018		Rates and Revenue
j. <i>Board approves FY 2019 & FY 2020 rates</i>	July 5, 2018		
k. <i>Publish Final Rates and Fees in DC Register</i>	July 20, 2018		General Counsel
l. <i>Rates Go-Live</i>	October 1, 2018 (FY 2019) October 1, 2019 (FY 2020)		Rates and Revenue and Customer Service

2. Conduct a Review of the Impact of the CRIAC on Various Customer Segments (on-going) <i>including low-income customers who do not qualify for CAP, non-profit organizations and small businesses owners</i>			
a. CRIAC overview to RRC	November 15, 2016	√	Rates and Revenue
b. Discuss the CRIAC restructuring of various segments including low-income customers who do not qualify for CAP, non-profit, charitable and religious organizations and small businesses.	February 21, 2017	√	
c. Comparison of how other utilities with impervious area charges segment non-residential customers and provide discounts/credits/ exemptions	November 14, 2017	√	

FY 2018 Proposed Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
3. Waste Hauler and High Strength Waste Fee Regulations			
a. RRC recommend proposal for Waste Hauler and High Strength Waste Fees	September 26, 2017	√	Rates & Revenue Wastewater Treatment
b. Board approves proposal for Waste Hauler and High Strength Waste Fees	October 5, 2017	√	
c. Publish NOPR for Waste Hauler and High Strength Waste Fees in DC Register	October 27, 2017	√	General Counsel
d. Public Comment and Outreach	October 27 – November 27, 2017	√	Board Secretary
e. RRC final recommendation for Waste Hauler and High Strength Waste Fees	December 7, 2017	√	Rates & Revenue Wastewater Treatment
f. Board approves final Waste Hauler and High Strength Waste Fees	January 4, 2018	√	
g. Publish final NOFR for Waste Hauler and High Strength Waste Fees in DC Register	January 19, 2018	√	General Counsel
h. Waste Hauler Fees Go-Live	February 1, 2018	√	Wastewater Treatment
i. High Strength Waste Fees Go-Live	April 1, 2018	√	
4. Fire Protection Service Fee for FY 2018 - FY 2021			
a. RRC recommends approval of proposed Fire Protection Service Fee	February 20, 2018	√	Rates and Revenue
b. BOD approves Notice of Proposed Rulemaking (NOPR)	March 1, 2018	√	
c. Publish NOPR in DC Register	March 16, 2018	√	General Counsel
d. Public Comment Period	March 16 - April 16, 2018	√	Board Secretary
e. RRC recommends approval of final Fire Protection Service Fee	April 24, 2018	√	Rates and Revenue
f. BOD approves Notice of Final Rulemaking (NOFR) for final Fire Protection Service Fee	May 3, 2018		
g. Publish NOFR in DC Register	May 18, 2018		General Counsel
h. Fire Protection Service Fee Go-Live	May 18, 2018		Rates and Revenue

Attachment E

FY 2018 Proposed Committee Workplan			
Objective/ <i>Activities/Task</i>	Date of Activity	Completed	Responsible Department
5. 2018 Cost of Service Study for Water, Sewer and CRIAC			
a. <i>Present COS to Retail Rates Committee</i>	February 20, 2018	√	Rates & Revenue
b. <i>Present final COS to Board</i>	March 1, 2018	√	
6. Rate Setting Policy			
a. <i>Review of Rate Setting Policies</i>	November 14, 2017	√	Rates & Revenue
7. Water System Replacement Fee			
a. <i>Review of unmetered fire service lines and their financial impact.</i>	November 14, 2017	√	Rates & Revenue General Manager
b. <i>Review of combined domestic and fire service lines and their financial impact.</i>	November 14, 2017	√	
8. New VertexOne ECIS Billing System (on-going)			
a. <i>New VertexOne customer bill</i>	November 14, 2017	√	Customer Service
9. Delinquent Accounts			
a. <i>Soldiers Home Negotiations</i>	Monthly, as needed		General Counsel

FY 2018 Proposed Committee Workplan

Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
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10. System Availability Fee			
<i>a. Publish a Notice of Emergency and Proposed Rulemaking to Extend Effective Date of the System Availability Fee (SAF)</i>			
1) <i>RRC recommends approval of only the revised effective date of the SAF regulations in Notice of Emergency & Proposed Rulemaking (NOE&PR)</i>	December 7, 2017	√	Rates & Revenue/ Permits
2) <i>Board adopts NOE&PR</i>	December 7, 2017	√	General Counsel Board Secretary
3) <i>Publish NOE&PR in DC Register</i>	December 22, 2017	√	
4) <i>Public Comment Period</i>	December 22, 2017 – January 21, 2018	√	
5) <i>RRC recommends approval of final action to revise the effective date of the SAF in Notice of Final Rulemaking (NOFR) to June 1, 2018</i>	January 23, 2018	√	Rates & Revenue Permits
6) <i>Board approves NOFR</i>	February 1, 2018	√	General Counsel
7) <i>Publish NOFR in DC Register</i>	February 16, 2018	√	
8) <i>Go-Live June 1, 2018</i>	February 16, 2018	√	

10. System Availability Fee (continued)			
<i>b. Publish a Notice of Proposed Rulemaking to Amend Substantive Provisions of the SAF Regulations</i>			
1) <i>DC Water conducts public outreach (includes Open House on Feb. 9, 2018)</i>	November 28 – February 20, 2018	√	Rates & Revenue Permits and OGC
2) <i>RRC recommends approval of proposed amendments to SAF regulations in Notice of Proposed Rulemaking (NOPR)</i>	February 20, 2018	√	Rates & Revenue Permits
3) <i>Board approves NOPR</i>	March 1, 2018	√	General Counsel Board Secretary
4) <i>Publish NOPR in DC Register</i>	March 16, 2018	√	
5) <i>Public Comment Period</i>	March 16 – April 16, 2018	√	
6) <i>RRC recommends final action to approve Notice of Final Rulemaking (NOFR)</i>	April 24, 2018	√	Rates & Revenue Permits
7) <i>Board approves NOFR</i>	May 3, 2018		General Counsel & Permits
8) <i>Publish NOFR in DC Register</i>	May 18, 2018		
9) <i>SAF Go-Live</i>	June 1, 2018		

Attachment E

FY 2018 Proposed Committee Workplan			
Objective/ <i>Activities/Task</i>	Date of Activity	Completed	Responsible Department
10. System Availability Fee (continued)			
<i>c. System Availability Fee Review</i>			
1) <i>System Availability Fee (SAF) Methodology and Assumptions Review</i>	January 23, 2018	√	Rates & Revenue/ Permits

* Dates subject to change



Attachment F

**D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
RETAIL WATER & SEWER RATES
COMMITTEE MEETING**

**TUESDAY, June 26, 2018; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for July 24, 2018 Committee Meeting	Committee Chairman
Other Business	Chief Financial Officer
Adjournment	

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