



# DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

## Board of Directors

*DC Retail Water and Sewer Rates Committee*

*Tuesday, November 14, 2017*

9:30am

- 1. **Call to Order** ..... **Rachna Butani, Chairperson**
- 2. **Review of Rate Setting Policy (Attachment A)** ..... **Matthew Brown**
- 3. **Impervious Surface Area Charge Discounts/Credits (Attachment B) Utilities Comparison** ..... **Matthew Brown**
- 4. **Review of Combined Domestic and Unmetered (Attachment C) Fire Service Lines** ..... **Matthew Brown**
- 5. **DC Retail Water and Sewer Rates Committee Workplan** ..... **Matthew Brown**
  - **FY 2018 Proposed DC Retail Rates Committee Workplan (Attachment D)**
- 6. **Copy of the FY 2018 VertexOne Customer Bill (Attachment E)** ..... **Matthew Brown**
- 7. **Agenda for December 19, 2017 Committee Meeting (Attachment F)** . **Rachna Butani, Chairperson**
- 8. **Other Business** ..... **Matthew Brown**
- 9. **Executive Session\***
- 10. **Adjournment**

### **FOLLOW-UP-ITEMS – DC Retail Water and Sewer Rates Committee Meeting (September 26, 2017)**

- 1.) Review of unmetered fire service lines and their financial impact **Status:** (November 2017).
- 2.) Review of combined domestic and fire service lines and their financial impact **Status:** (November 2017).
- 3.) Present a copy of the customer bill to the Committee before the new VertexOne Customer Billing System go-live date (**Ms. Butani Chairperson**). **Status:** (November 2017 meeting)

\* 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.



# Rate Setting Policy Review

Presented to:

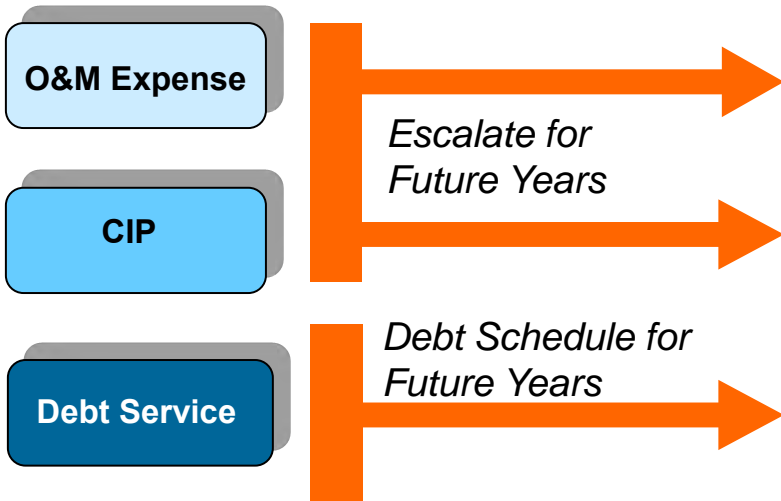
DC Retail Water and Sewer Rates Committee

November 14, 2017

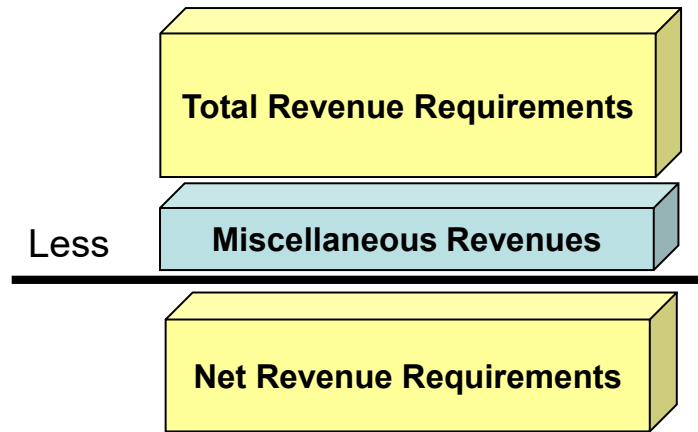


# Conceptual Design for Rates and Charges

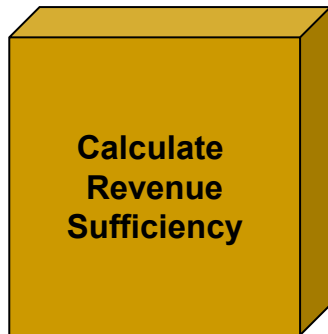
## Expenses



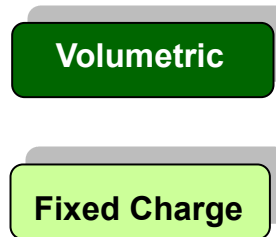
## Net Revenue Requirements



## Cashflow



## Rates

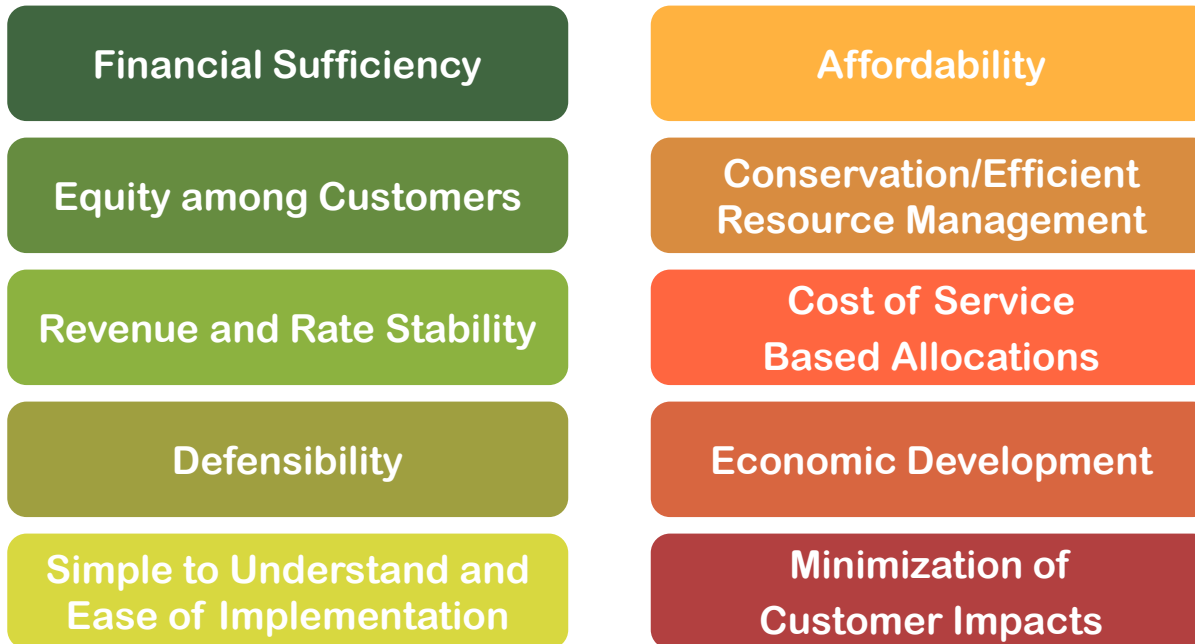


*Identify Appropriate Rates*

*Calculate Projected COS Rates*



# Background





# Cost of Service Cost / Allocation Framework

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## **Cost of Service Rationale**

The attempt to recover costs from users in proportion to their use of the system, and by recognizing the impact of each class on system facilities and operations.



# Cost of Service Cost / Allocation Framework

- Each customer class generates different costs because their use and demand characteristics are unique
- Each group pays for the services that they use, there are no “subsidies”
- Cost of Service studies help identify the costs of each category of customers
- DC Water examples:
  - Water and Sewer Rates
  - Clean Rivers Impervious Area Charge
  - Metering Fee
  - Waste Hauling Fee
  - Water System Replacement Fee
  - System Availability Fee

\*[https://www.saws.org/Who\\_we\\_are/community/rac/Docs/RAC\\_Presentation\\_PrinciplesofRateSetting.pdf](https://www.saws.org/Who_we_are/community/rac/Docs/RAC_Presentation_PrinciplesofRateSetting.pdf)



# Background

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- The DC Water Board of Directors makes statements about rates and rate policies through:
  - Board resolution
  - Annual budget and multi-year rate adoption
- Rates
  - Generate revenue for operations and capital investments
  - Impact all customers
  - Particular concern for low income customers



## Resolution #97-124

- First Board resolution on rates:
  - DC Water will strive to set rates and fees based on the actual cost to deliver each service
    - DC Water will periodically review the components that make up the rates through a cost-of-business study for every service DC Water provides
    - The Authority will achieve a positive net income and cash flow each year
    - DC Water will set rates to cover all current costs and to allow the utility to meet all bond covenant requirements
    - DC Water will set rates that are based on annually updated ten-year forecasts of operating and capital budgets
    - Based on the ten-year forecasts, DC Water will attempt to implement any required rate increase in a gradual and predictable manner and avoid larger, one-time rate increases
    - As cash reserves and/or revenues permit, DC Water will establish a rate stabilization fund or other innovative approaches to assist in mitigating annual rate increases





# Review of Rate Setting Policies

- In 2010 the Board further examined rate setting policies:
  - Hired Raftelis Financial Consultants, Inc. (RFC) to develop and make recommendations for updating DC Water’s existing rate setting policies
  - DC Retail Water and Sewer Rates Committee embarked on a review of the Rate Setting Policy to ensure that the overall Authority objectives continue to be met
  - The review included a comprehensive assessment of the various and sometimes competing objectives the Authority is seeking to accomplish in respect to different policy areas that affect rate setting
- The DC Retail Water and Sewer Rate Committee sought to identify and prioritize the major objectives while striving to achieve a reasonable balance between costs, costs allocations, customer impacts and other considerations in reaching rate decisions
  - On December 15, 2010, upon consideration the DC Retail Water and Sewer Rates Committee recommended that the Board adopted a revised Rate Setting Policy, replacing Resolution #97-124



## Resolution #11-10

- It is the policy of the Board of Directors of DC Water in setting retail rates, including charges and fees, pursuant to its statutory authority to strive to achieve the following:
  - Cover current costs and meet or exceed all bond and other financial requirements as well as goals set by the Board
  - Yield a reliable and predictable stream of revenues
  - Are based on annually updated forecasts or operating and capital budgets
  - A rate structure that is legally defensible, based on objective criteria, and transparently designed
  - A rate structures that customers can understand and DC Water can implement efficiently
  - Rate increases that are implemented transparently and predictably
- To the extent annual revenues exceed costs, the Board will utilize all available options to mitigate future customer impacts and annual rate increases, including transferring excess funds to the Rate Stabilization Fund



# General Principles of Affordability

- Low Income Customers
  - On July 22, 2014, the DC Retail Water and Sewer Rates Committee recommended several general principles of affordability for low-income customers
  - On September 4, 2014, the Board adopted Resolution #14-56 regarding the General Principles of Affordability for Low-Income Customers
- Resolution #14-56 stated that it is the policy of the Board of Directors of DC Water in setting retail rates, to follow the General Principles of Affordability for Low-Income Customers:
  - Consideration of rate impacts on low-income customers
  - Exploration of affordability alternatives for low-income customers
  - Development of a more innovative rate structure, the goal of which is to reduce the economic burden on low-income customers



# General Principles of Affordability

- FY2019 and FY2020 Rate Considerations
  - Expenditures
    - Operating expenditures, including debt service
    - Capital expenditures, including Clean Rivers
  - Revenue
    - Water and Sewer Rates
    - Clean Rivers Impervious Area Charge
    - Other charges
    - CAP Customers
    - Other

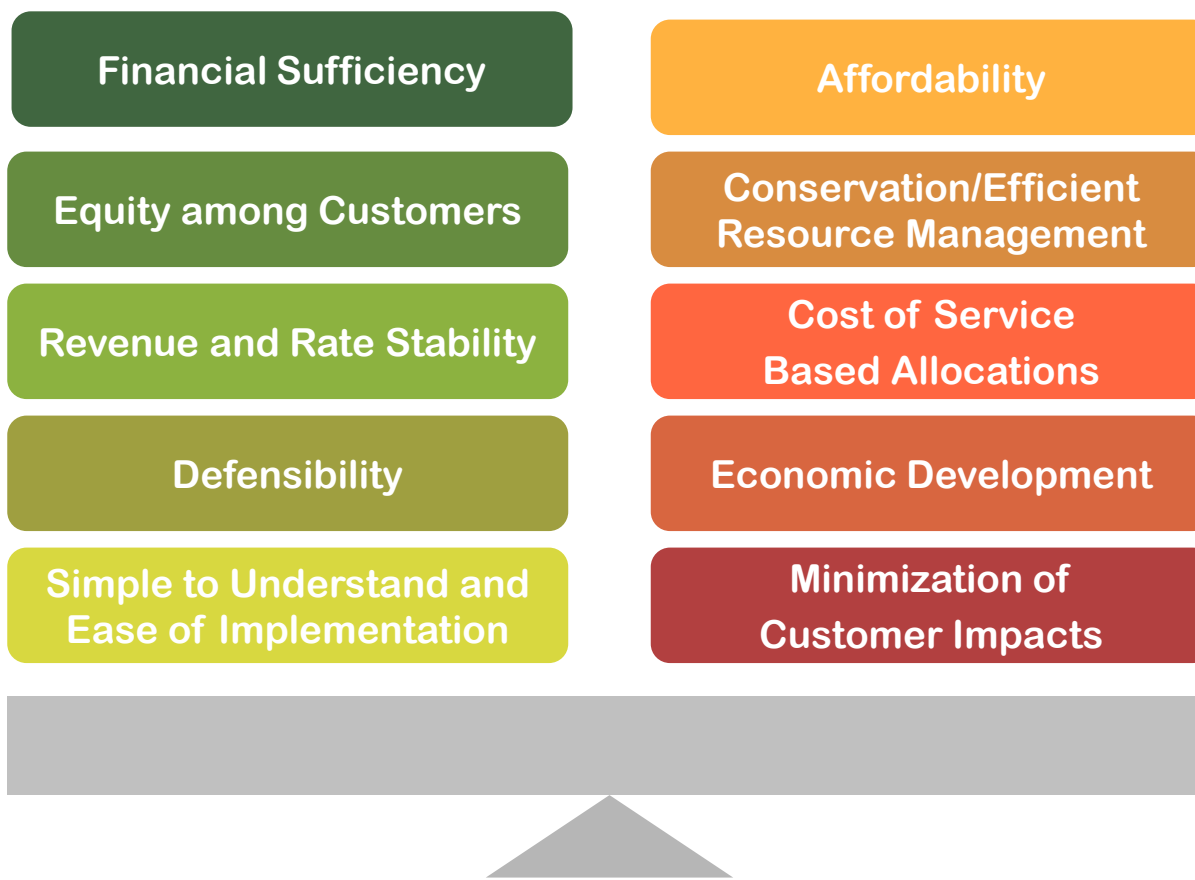


# Appendix



# Defining Goals & Objectives “Pricing Objectives”

- A prioritized list of pricing objectives was developed by staff that serves to guide DC Water’s rate-setting policy





# Results of Rate Setting Policy Exercise

Pricing objectives ranking results based on the order of importance

Classification	Rank	Objective	Score
<b>Essential</b>	1	Financial Sufficiency	57
	2	Revenue and Rate Stability	50
	3	Defensibility	47
	4	Affordability	45
	5	Equity among Customers	44
	6	Cost of Service Based Allocations	43
	7	Simple to Understand and Ease of Implementation	39
	8	Minimization of Customer Impacts	32
	9	Conservation/Efficient Resource Management	30
<b>Least Important</b>	10	Economic Development	21



## Implications of Results for Policy and Rate Design

- The prioritization exercise consisted of discussion of utility characteristics and challenges faced by different departments within DC Water
- Staff discussed rate structures used by other utilities and how prioritization of pricing objectives factored into the choice of an optimal rate structure
- The highest priority pricing objectives, as ranked by senior staff, include:

1. Financial Sufficiency

4. Affordability

2. Revenue and Rate Stability

5. Equity among Customers

3. Defensibility

6. Cost of Service Based Allocations

- Pricing objective ranked seven through ten were considered less important; they may be desirable attributes of the rate structure but do not necessarily qualify as foundational elements for the DC Water Rate Setting Policy





# Pricing Objectives Definitions

Pricing Objective	Description
<b>Financial Sufficiency</b>	The rates structure should ensure that adequate revenues are generated to recover the costs associated with providing services, and to meet bond coverage and reserve requirements.
<b>Equity among Customers</b>	The rate structure should ensure that customers pay in proportion to their direct use of the system.
<b>Revenue and Rate Stability</b>	The rate structure should provide for a steady and predictable stream of revenues to the utility such that the utility is capable of meeting its current financial requirements. The rate structure should minimize dramatic rate increases or decreases over the planning period.
<b>Defensibility</b>	The rate structure should be consistent with best practices, and applicable laws, in order to ensure that rates are defensible if challenged in court.
<b>Simple to Understand and Ease of Implementation</b>	The rate structure should be easy for customers to understand. The rate structure should be able to be effectively maintained by staff in future years. The rate structure should be compatible with existing billing system and should allow for the continuation of existing management and system reports.



# Pricing Objectives Definitions

Pricing Objective	Description
<b>Affordability to Disadvantaged Customers</b>	The rate structure should incorporate practices or procedures that help ensure that economically disadvantaged customers can afford wastewater service.
<b>Conservation/Efficient Resource Management</b>	The rate structure should encourage conservation as well as assist in managing system demand.
<b>Cost of Service Based Allocations</b>	The rate structure should ensure that each customer class is contributing equitably towards revenue requirements based upon the costs of providing service to each customer class.
<b>Economic Development</b>	The rate structure should incorporate a preferential rate that may be used to attract economic development.
<b>Minimization of Customer Impacts</b>	Changes to the rate structure or the level of rate adjustments should be structured to minimize customer impacts

# Impervious Surface Area Charge Discounts/Credits Utilities Comparison

Presentation to:  
DC Retail Water and Sewer Rates Committee

November 14, 2017



# Outline

- Objectives
- Utilities Researched
- Definitions of Non-Residential Customers
- Types of Price Breaks and Examples
- Combined Sewer System and Stormwater Programs
- Summary
- Next steps

# Objectives

## Study

- Assess impact of the CRIAC upon certain customer segments
  - Develop an idea of whether relief is needed or warranted and if so, what does that mean?
  - Determine how revenue will be impacted by any customer relief program or efforts
  - Develop cost recovery alternatives for consideration
- 

## Task

- Evaluate how other utilities segment non-residential customers
- Determine how and whether these customer segments are receiving price breaks
- Determine the motivations for providing these price breaks to these customer segments

## Utilities Researched

- New York\*
- Boston\*
- Philadelphia\*
- Columbus\*
- St. Louis\*
- Baltimore
- Denver
- Jacksonville
- Louisville\*
- Milwaukee\*
- Portland
- Toledo\*
- Minneapolis
- Kansas City\*
- Seattle\*
- Indianapolis\*
- Cleveland\*
- Richmond, VA\*
- Atlanta\*
- San Francisco\*
- Charlotte
- Northeast Ohio Regional Sewer District
- Chattanooga
- Detroit\*
- Memphis
- Nashville\*
- Georgetown County, SC
- Downers Grove, IL
- Augusta

\*CSO Communities



# What Programs are Impervious Area Charges Used to Fund?

## Programs

- Municipal Separate Storm Sewer System (MS<sub>4</sub>) Program
  - Many stormwater utilities utilize revenues from impervious area charges to at least partially fund MS<sub>4</sub> related compliance activities.
  - Impervious surface is the driver for many MS<sub>4</sub> program costs and as a result, impervious surface frequently forms the foundation of these fees.
- Combined Sewer System Program
  - For cities with combined sewer systems, impervious surface and wastewater consumption are the primary drivers for the operations and maintenance of the combined sewer system.
  - Some communities utilize wastewater charges and some utilize impervious area charges to fund combined sewer system operations and maintenance.
  - The charges associated with combined sewer system operations and maintenance are typically larger because they are more capital intensive
- The majority of impervious area charges are used to fund MS<sub>4</sub> program activities rather than combined sewer system operations and maintenance.

## Definitions of Non- Residential Customers

- Non-residential customers are defined similarly across all of the utilities researched
- Non-Residential properties typically include
  - Commercial properties
  - Industrial properties
  - Non-profit organizations
  - Religious organizations,
  - Schools
  - Colleges and Universities
  - Federal properties
  - State and local government properties
  - Parking lots
  - Multi-family properties – apartments, condos, buildings with 4 or more units, and sometimes duplexes and triplexes



## Types of Price Breaks and Examples

### Credits

- A credit is a conditional reduction in the fee if the customer performs some activity that reduces stormwater rate or volume and/or protects water quality. Credit programs are built on a cost-of-service foundation.
- Advantages
  - Most common price break type and is widely accepted
  - Results in a positive impact on water quality and/or water quantity
  - Low to Moderate impact on revenues
- Disadvantages
  - For customer, is conditioned upon investment of time and/or money
- Example: Northeast Ohio Regional Sewer District
  - Credits are available for both residential and non-residential customers
  - Credits include individual residential property credits, stormwater quality credits, stormwater quantity credits, and education credits
  - Multiple credits may be combined for up to 100% credit

## Types of Price Breaks and Examples

### Exemptions

- An exemption is a customer that is not subject to the impervious area charge based on some specified characteristic or status. Exemptions are typically implemented when fee is first created. They do not have a cost-of-service foundation.
- Advantage
  - Can target price breaks on specific customers segments
  - Revenue impact is easy to measure
- Disadvantages
  - Often, requires that the utility invest administrative effort to correctly characterize properties for exemption
  - Can be difficult to defend legally
  - Customers impact water quality and/or water quantity and utilize the stormwater system without paying for those impacts
- Example: City of Jacksonville
  - Charitable organizations (including churches) as defined by the Internal Revenue Code section 501(c)(3) are exempt from paying the stormwater fee
  - The City recognizes that charitable organizations provide valuable services to residents that the City may not be able to provide alone, thus the City created a program to exempt this group.
  - The City also has exemption for low-income customers

## Types of Price Breaks

### Discounts

- A discount is a non-conditional reduction in the fee based on some specified customer characteristic or status. Discounts are typically implemented when the utility is first created. They do not have a cost-of-service foundation.
- Advantages
  - Can target price breaks on specific customer segments
  - Some revenue is still obtained from these customers and revenue impact is easy to measure
- Disadvantages
  - Can be difficult to defend legally
  - Customers impact water quality and/or water quantity and utilize the stormwater system without fully funding those impacts
- Example: Baltimore
  - Structures that are used exclusively for religious worship or kindergarten through twelfth grade education located on property owned by religious organizations pay a discounted stormwater rate. Other impervious surface on the property pays the full fee.
  - This discount is state-mandated
  - This discounts results in approximately \$150,000 of lost revenue annually.

## Types of Price Breaks

### Cap

- The utility establishes a maximum impervious area charge or sets a maximum fee before customers are eligible for credits. Caps do not have a cost-of-service foundation.
- Advantages
  - Would potentially address affordability concerns for many non-residential customers
- Disadvantages
  - Difficult to target specific customer segments
  - Would likely result in large revenue losses
- Example: Chattanooga
  - Stormwater credits are only available to non-residential properties with 3 or more ERUs.
  - As part of their NPDES MS<sub>4</sub> permit, the City was required to develop an incentive program to increase the use of green infrastructure.
  - The credit program fulfills this permit requirement while limiting revenue impacts

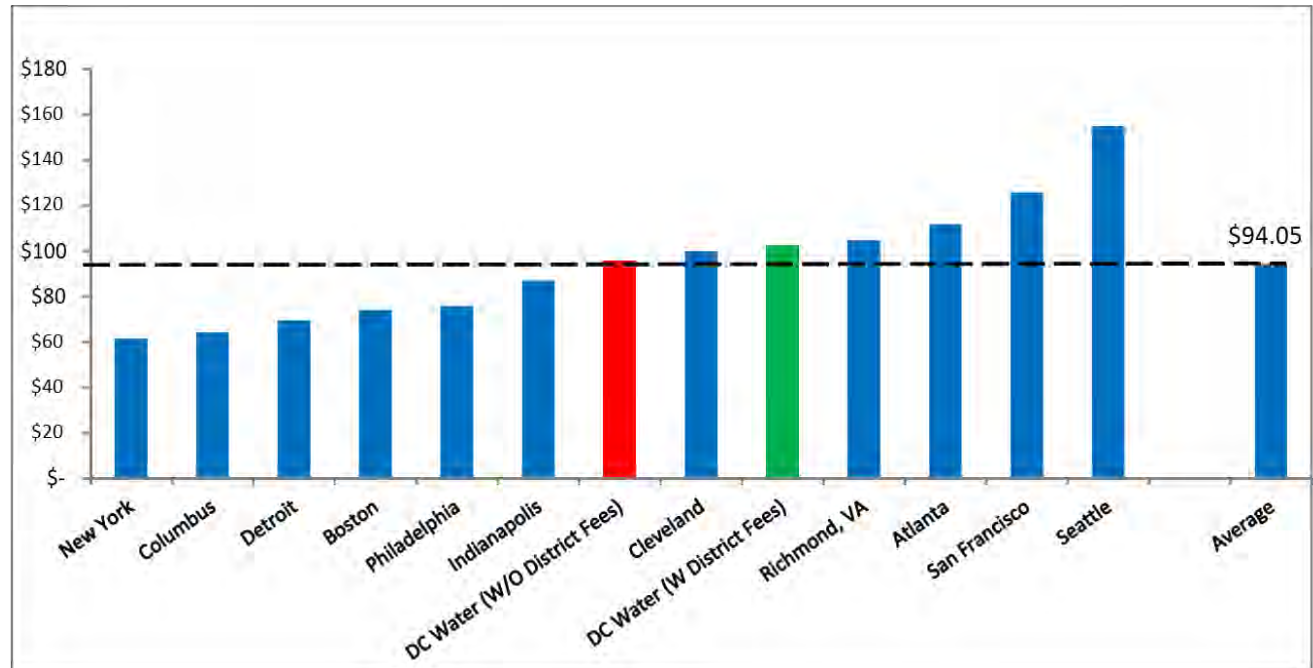
## Combined Sewer System and Stormwater Programs

- Most utilities give discounts or price breaks in communities with a combined sewer system and stormwater program
  - The City of Philadelphia has a combined sewer system and offers a credit program to reduce fees associated with stormwater charges
- There are no utilities that give separate discounts on combined sewer charges
  - The Boston Water and Sewer Commission (BWSC) does not have a separate stormwater charge and all costs associated with the combined sewer system are recovered through their sewer fees. No stormwater-related discounts or price breaks are given.
- Discounts or price breaks associated with combined sewer and stormwater programs are small and their revenue impact is not significant
  - The revenue associated with combined sewer and stormwater programs is so large that discounts applied on stormwater charges have minimal impact on the overall revenue of the programs.

# Combined Sewer System and Stormwater Programs

## DC Water Compared to CSO Communities (Based on Rates in effect Fall 2017)

### SFR Monthly Bill Utilities with CSO Programs



1. Assumes average residential consumption of 6.20 Ccf, or 4,638 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
2. Reflects rates and fees in place as of October 1, 2017. The Authority's rate includes the PILOT/ROW fee totaling \$0.67 per Ccf (effective October 1, 2017) and the DDOE residential stormwater rate of \$2.67 per ERU per month.
3. Some CSO communities have implemented double digit rate increases to recover CSO-LTCP costs
4. Increases do not reflect other available dedicated taxes or state funding potentially available to some agencies
5. Chart reflects SFR monthly bill utilities with CSO programs without offsets to user charges

## Summary

- Many of the utilities researched have much smaller impervious area charges because they are using the charges to fund MS<sub>4</sub> program activities rather than combined sewer system activities. However, the motivations behind the price breaks are the same regardless of program funding decisions.
- Many times affordability is not the main driver for price breaks.
  - Baltimore - Reduced fee schedule for churches and other “not-for-profits” is a legislated fee discount
  - Chattanooga – Credit program and cap fulfills a permit requirement
- There are multiple different ways to segment customers, but the segmentation driver is frequently politically motivated or motivated by program costs.
- Exemptions and discounts are uncommon and may not be legally defensible
- However, affordability may be used as an reason for allowing a particular price break.
- The governance structure of the utility can play a large role in how customers are segmented and how price breaks are used.
- Revenue impacts vary depending on the size and scope of the price break.
- Revenues lost due to reductions in fees given to any particular group will have to be replaced by other customers.

## Next Steps

- Development of project timeline
- Finalize customer segments for evaluation
- Finalize identification methodology
- Evaluate rate relief options
- Begin revenue impact modeling
- Identify revenue recovery opportunities
- Research, identify, and develop solutions



# Contact Information

## RAFTELIS FINANCIAL CONSULTANTS (RFC)

In 1993, RFC was founded to provide services that help utilities function as sustainable organizations while providing the public with clean water at an affordable price. With this goal in mind, RFC has grown to be the largest and most experienced firm in the nation that is solely focused on water, wastewater, and stormwater utility financial and management consulting. RFC has experience providing these services to hundreds of utilities across the country and abroad.



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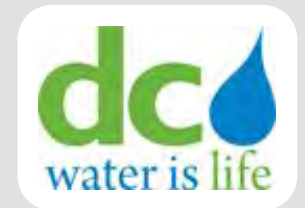
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# Appendix



	Washington D.C.	St. Louis	Baltimore
<b>Population</b>	672,228	318,416	622,793
<b>Non-Res Segmentation</b>	No Segmentation	No Segmentation	Several different credits and reduction programs available to businesses, churches, non-profits, and industries
<b>Price breaks</b>	DOEE RiverSmart and DC Water Clean Rivers Incentive Program  *Volume reduction  *D.C. Properties Exempt	None	Exempt: Properties owned by the State and local government. State and local governments exempt. Volunteer fire companies and veterans organizations are now exempt.  Stormwater Participation Event Credit
<b>Type of Break</b>	Credit	N/A	Credit/Exemptions
<b>Tax/Fee</b>	Fee	Property Tax	Fee
<b>Governance</b>	Unit of Local Government. Internal board	Unit of Local Government. Internal board	Department of City. City Council as board. Board of Estimates sets rates.
<b>Rate Structure</b>	6 tiers based on IA. IA used to calculate ERU. Rate is \$2.67/ERU/month	General Administrative Tax 1.95% Districtwide Stormwater Operations and Maintenance Tax 10% Operations, Maintenance, Construction and Improvement Taxes 0%	3 tiers for single family properties: < 820 sq ft impervious area: \$10/quarter 820 - 1,500 sq ft IA: \$15/quarter > 1,500 sq ft IA: \$30/quarter. Non-residential: \$15/1,050 sq ft/quarter, and structures of religious non-profits are billed at \$3/ERU/quarter.

	Denver	Jacksonville	Louisville
<b>Population</b>	649,495	842,583	584,775
<b>Non-Res Segmentation</b>	No Segmentation	Churches, Charitable Orgs	No Segmentation
<b>Price breaks</b>	None	501(c)(3) and Low income (below 150% FPL), Permitted Stormwater Pond Credit, Detailed Drainage Study Credit, Landlocked System Bonus Credit, Programs and Services Credit, NPDES Industrial Permit Credit, Education Credit, Other BMP Credit.	MSD Drainage Credit Program, Detention credit, or Drainage credit
<b>Type of Break</b>	N/A	Credit	Credit
<b>Tax/Fee</b>	Fee	Property Tax	Fee
<b>Governance</b>	Unit of Local Government. Internal board	Department of City. City Council as board.	Unit of Local Government. Internal board
<b>Rate Structure</b>	Minimum charge plus tiered charge based on IA/parcel ratio times corresponding rate.	\$5/SFU/Month SFU amount determined based on property type	Class A - 8.66/month/parcel having one or two residential dwelling units, Class B- 8.66/month/ESU

	Milwaukee	Portland	Toledo
<b>Population</b>	600,000	632,305	287,208
<b>Non-Res Segmentation</b>	No Segmentation	Commercial, multi-family residential (3 units or greater), industrial, and institutional properties.	No Segmentation
<b>Price breaks</b>	<u>Non residential</u> properties voluntarily investing in Green Infrastructure on property may receive a credit.	Clean River Rewards: user fee discounts of as much as 100% of the monthly stormwater management charge for <u>private on-site facilities</u> that manage stormwater runoff, and 100% of the monthly on-site stormwater management charge for Drainage District residents and businesses.	Up to 50% credit for <u>non-residential property owners</u> who do things such as constructing a stormwater detention pond or grass swale on their property.
<b>Type of Break</b>	Credit	Discount	Credit
<b>Tax/Fee</b>	Fee	Fee	Fee
<b>Governance</b>	Department of City. City Council as board.	Department of City. City Council as board.	Department of City. City Council as board.
<b>Rate Structure</b>	20.18/ERU (1610 sq. ft)/ qtr.	3 tiers for residential users. 1 tier for Non-residential users.	ERUs *\$3.80

	<b>Minneapolis</b>	<b>Kansas City, MO</b>	<b>Seattle</b>
<b>Population</b>	410,939	475,378	686,800
<b>Non-Res Segmentation</b>	No Segmentation	No Segmentation	No Segmentation
<b>Price breaks</b>	<p>Up to 50% credit in fee for management tools/practices that address stormwater quality.</p> <p>50% or 100% credit in fee management tools/practices that address stormwater quantity.</p> <p>Stormwater Credit System</p> <p>I.E. Rain Gardens, pervious paver, wet ponds, dry wells, sand filters, filter strips, infiltration trenches, green roofs</p>	<p>Ratio Credit: 50%</p> <p>Detention Credit: 10-50%</p>	<p>Exempt: Submerged land, houseboats, piers, city streets, State of Washington highways, and other streets that similarly provide drainage services, islands (less than 10% impervious surface area), riparian corridors, wetlands</p> <p>*Discounts for low impact undeveloped areas (doesn't apply to majority)</p> <p>Credit programs</p>
<b>Type of Break</b>	Credit	Credit	Credit
<b>Tax/Fee</b>	Fee	Fee	Property Tax
<b>Governance</b>	Department of City. City Council as board.	Department of City. City Council as board.	Department of City. City Council as board.
<b>Rate Structure</b>	<p>Group 1: (&lt; 1,485 sq. ft.) 0.75 Equiv. Stormwater Unit * \$9.27</p> <p>Group 2: (1,486 to 1,585 sq. ft.) 1.00 Equiv. Stormwater Unit * \$12.36</p> <p>Group 3: (&gt; 1,586 sq. ft.) 1.25 Equiv. Stormwater Unit * \$15.45</p>	<p>\$0.50 per month for each 500 square feet of runoff surface on a property.</p>	<p>Residential: 5 tiers based on square footage and calculated on a per parcel basis</p> <p>All other properties: 5 tiers based on percentage of impervious surface split into regular and low impact categories. Each tier and category has a specific rate per 1,000 square feet.</p>

	Charlotte	NEORS	Chattanooga
<b>Population</b>	809,958	996,571	178,000
<b>Non-Res Segmentation</b>	No Segmentation	Informal Segmentation: Commercial, Industrial, mix-use development, and other non-residential  Public/Private school, Primary to 12	Multi-family residential (apartments) and all other non-residential properties
<b>Price breaks</b>	County Line Credit Catawba River Credit Stormwater Control Measure Credit Pond Credit	Exemptions: Public Roads, Aggregated parcels with less than 400 st. feet of IAS, Non-self supporting parcels, Cemeteries, Parcels held for county land reutilization.  Credits: Individual residential property credit, stormwater quality credit, stormwater quantity credit, education credit	Credits for parcels with <u>3 ERUs or more</u> : Retrofit/Mitigation Plan, Tree Planting Plan, Water Quality Education, Water Quality Devices, Existing Detention/Retention facilities, Low impact Development or open space, LEED Certified Development, Stream Buffers or Conservation Easements, Property Line Buffers, NPDES Permitted Facilities
<b>Type of Break</b>	Credit	Credit	Credit
<b>Tax/Fee</b>	Fee	Fee	Fee
<b>Governance</b>	Combined city and county function. Governed by city and county boards.	Unit of Local Government. Internal board	Department of City. City Council as board.
<b>Rate Structure</b>	Detached Single Res: 4 tiers based on sq feet of impervious surface  All others: \$164.58 per month per acre of impervious surface	3 tiers for residential. 2 tiers for homestead and non-residential.	# of ERUs * \$115.20  Residential: 1 ERU @ \$115.20/year MFR (Condos): 1 ERU @ \$115.20/year MFR (Apartments) and non-Res parcels: \$115.20 * number of ERUs

	<b>Detroit</b>	<b>Memphis</b>	<b>Nashville</b>
<b>Population</b>	677,116	653,450	654,610
<b>Non-Res Segmentation</b>	Commercial, tax-exempt (excluding faith-based)	Developed commercial, industrial, governmental, institutional, and agricultural properties	No Segmentation
<b>Price breaks</b>	Stormwater management credits Transition credits	Educational Program, On-Site Refuse Control Program, On-Site Storm Water System Maintenance and Cleaning Program, Paved Area Sweeping Program, Used Motor Oil Recycling Program, Sanitary Sewer/Storm Drain Cross-Connection Inventory, Landscaping for Run-Off Rate Control and Water Quality, Storm Drain Stenciling Program, Designated Vehicle Washing Area	Detention Credit Quality Credit Education Credit Low Impact Development Credit
<b>Type of Break</b>	Credit	Credit	Credit
<b>Tax/Fee</b>	Fee	Fee	Fee
<b>Governance</b>	Department of City. City Council as board.	Department of City. City Council as board.	Department of City. City Council as board.
<b>Rate Structure</b>	6 tiers based on either meter size or IA. Each with an individual rate.	# of SFUs * \$4.02  A multifamily unit is assessed 41% of one SFU, a town home/condominium is assessed 57% of one SFU, a mobile home is assessed 77% of one SFU, and a high rise apartment is assessed 13% of one SFU. An average home is assessed one SFU, a small home is assessed 58% of one SFU, and a large home is assessed 152% of one SFU.	Priced by tier  4 tiers for Residential Properties 7 tiers for Non-Residential Properties  Fee maxed out at \$400 for Non-Res with > 1 million sq. ft.  <u>***Proposed change in pricing. Could affect Max amount.</u>



	<b>Georgetown County, SC</b>	<b>Downers Grove, IL</b>	<b>Augusta</b>
<b>Population</b>	60,158	49,670	194,350
<b>Non-Res Segmentation</b>	New development, Educational institutions	Tax-exempt properties	No Segmentation
<b>Price breaks</b>	<p>Credits:                      NPDES Permit                      Education Credit                      Low Impact Development                      Individually Calculated Credit                      Porous Pavement                      Acknowledgement</p> <p>Exemptions:                      Total homestead exemption                      Totally disabled veteran exemption</p>	<p>Incentives:                      Rain Barrel                      Rain Garden                      Permeable Pavers                      Other Jobs</p> <p>Credits:                      Site Run-off Rate Reduction                      Volume Reduction                      Water Quality                      Direct Discharge                      Education                      Partnership</p>	<p>Credits:                      Detention Pond                      Water Quality Devices                      State Industrial Permit                      Detention Facilities</p>
<b>Type of Break</b>	Credit/ Exemption	Credits/Incentives/Exemption	Credits
<b>Tax/Fee</b>	Fee (listed on annual tax bill)	Fee	Fee
<b>Governance</b>	Department of County. County Council as board.	Department of City. City Council as board.	Department of City. City Council as board.
<b>Rate Structure</b>	<p>Detached single-family dwelling units- 1 ERU = \$52                      Other -\$52 per ERU (3,770 sq. ft.)</p> <p>No charge for developed lands with less than 400 sq. ft.</p>	<p>SFR- 3 tiers                      NSFR- \$10.53 per ERU</p>	<p>SFR &lt;4,400 Sq. ft. \$6.40                      SFR &gt;4,400 Sq. ft. \$12.80</p> <p>Other (total sq. ft. /2,200) * \$6.40</p>



# Review of Combined Domestic and Unmetered Fire Service Lines

D.C. Retail Water and Sewer Rates Committee  
November 14, 2017



## Background: WSRF and Service Types

- **Water System Replacement Fee (WSRF):**
  - Charged to Residential, Multi-Family, and Non-residential customers based on the customers' meter size and average flow.
  - Expected to generate \$40 million annually to recover the costs of the 1 percent renewal and replacement program for aging water infrastructure
  - Based on meter size and considers average usage determined for each meter size
- **DC Water's system contains three basic configurations:**
  - Domestic Service Only: Service lines provide domestic usage only; meter sized for domestic demand. Assessed monthly WSRF
  - Combined Domestic Service: Service lines provide both domestic usage and fire suppression; Meter sized for fire suppression and domestic demand. Assessed monthly WSRF.
  - Unmetered Fire Service: Service lines providing fire suppression only. Not metered. Not assessed monthly WSRF.



## Background: Previous WSRF Review

- Following a customer inquiry, concern that WSRF was excessive for a Multi-family Residential private development with several single family homes served by a large combined domestic meter sized for fire suppression
- On October 20, 2016, the Water Quality Water Services Committee:
  - Directed DC Water to examine the process, identify other similarly situated properties, and evaluate the impact of adjusting WSRF fees
- On May 25, 2017, DC Water presented the review to this committee
- The review:
  - Identified two properties: Chain Bridge Road Corporation at 2800 Battery Place NW and Southern Homes and Garden Cooperative Association at 5800 Southern Ave SE
  - Determined a minimal loss of annual revenue (estimated \$35,248) if WSRF assessed monthly based on peak water demand excluding fire, based on specific characteristics of property

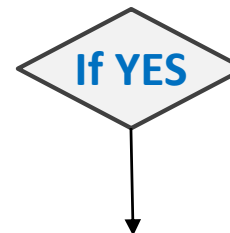


## Background: Previous WSRF Review (cont.)

- DC Water recommended amending Customer Classifications, Definitions, and WSRF regulations to:
  - Clarify definitions and allow multi-family customers whose premises meet certain requirements to request an WSRF adjustment to modify the combined domestic meter size based on peak demand, excluding fire, for that premises
- On September 29<sup>th</sup>, the notice of final rulemaking was published in the DC Register, and the rules were effective October 1, 2017
- Study raised additional questions:

If a modified meter size is to be considered for the two Private Developments, then should the WSRF approach be reviewed for all Combined Domestic Meters?

Should Unmetered Fire Lines contribute to cost recovery?



What would the annual revenue impact be if all the policy concerns are considered?



## Current Study

- Black and Veatch evaluated potential modifications to the current WSRF for combined domestic meters and unmetered fire service lines and their annual revenue impact

### Objectives:

#### ***Combined Domestic Meters***

- Define an alternative approach to assess the monthly WSRF for the 179 combined domestic meters; and
- Determine the annual WSRF revenue impact of using an alternative charge assessment approach for the combined domestic meters.

#### ***Unmetered Fire Lines:***

- Develop an estimate of the total number of unmetered fire lines that are likely in the DC Water system;
- Define an approach to assess the monthly WSRF and the monthly Base Fee for the estimated unmetered fire lines in the DC Water system; and
- Determine the annual WSRF and Base Fee revenue impact of assessing these two fees on the unmetered fire lines.

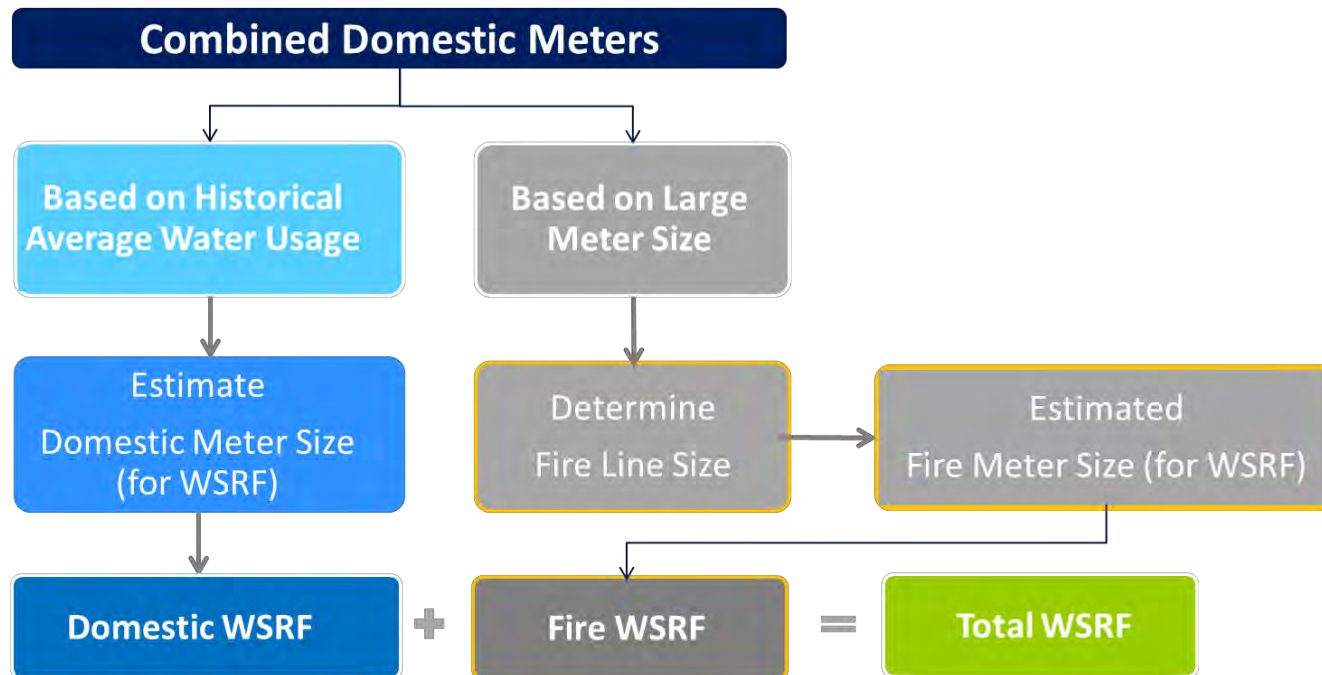


# Study Approach

- Combined domestic meters**

Step 1: Alternative Meter Size for the “Domestic Service” component

Step 2: Alternative Meter Size for the “Fire Service” component





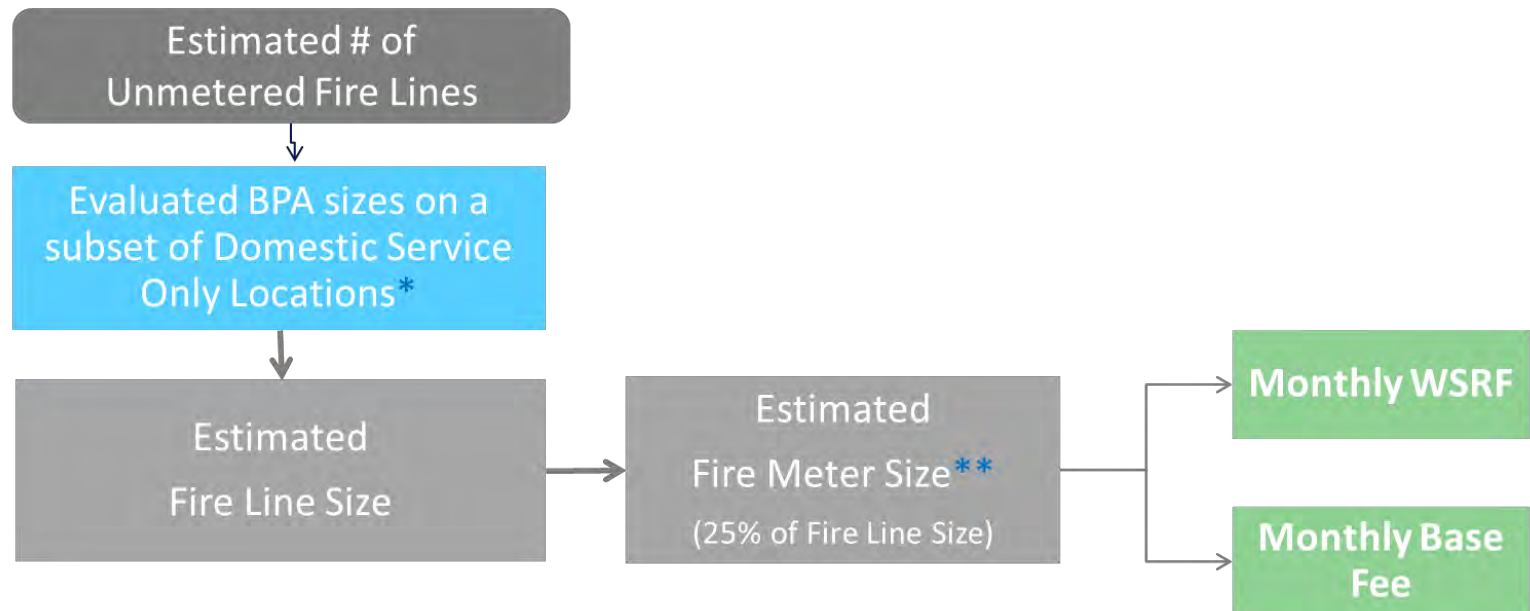
# Study Approach

- **Unmetered Fire Service Lines**

Step 1: Estimate Number of Unmetered Fire Service Lines

Step 2: Estimate Potential Unmetered Fire Line Size

Step 3: Estimate Potential WSRF meter size



*\*Locations refers to distinct addresses*

**7** *\*\*Translation of Fire Line Size to Fire Meter Size is necessary as the existing WSRF is defined based on average usage and not on line capacity*





# Potential Revenue Impact: Combined Domestic Meters

Meter Size	Meter Count	Existing WSRF Charge		Estimated DOMESTIC Meter Size WSRF Charge <sup>(a)</sup>			Estimated FIRE Meter Size WSRF Charge <sup>(b)</sup>			Total Potential WSRF Monthly Fee	Total Potential WSRF Annual Fee	Reduction from "Existing" Annual Fee
		Monthly Fee	Annual Fee	Estimated WSRF Meter Size (DOMESTIC)	Potential WSRF Monthly Fee (DOMESTIC)	Potential WSRF Annual Fee (DOMESTIC)	Estimated WSRF Meter Size (FIRE)	Potential WSRF Monthly Fee (FIRE)	Potential WSRF Annual Fee (FIRE)			
(1)	(2)	(3)	(4)=(3)*12	(5)	(6)	(7)=(6)*12	(8)	(9)	(10)=(9)*12	(11)=(6)+(9)	(12)=(7)+(10)	(13)=(12)-(4)
4x1"	8	\$4,488	\$53,856	3"	\$1,857	\$22,284	1"	\$77	\$924	\$1,934	\$23,208	-\$30,648
6x1x1/2"	2	\$2,584	\$31,008	4"	\$1,122	\$13,464	1.5"	\$83	\$996	\$1,205	\$14,460	-\$16,548
6x1.5"	25	\$32,304	\$387,648	4"	\$14,026	\$168,312	1.5"	\$1,034	\$12,408	\$15,060	\$180,720	-\$206,928
6x3x3/4"	1	\$1,292	\$15,504	4"	\$561	\$6,732	1.5"	\$41	\$492	\$602	\$7,224	-\$8,280
8x2"	113	\$214,655	\$2,575,860	6"	\$146,012	\$1,752,144	2"	\$9,464	\$113,568	\$155,476	\$1,865,712	-\$710,148
8x4x1"	7	\$17,068	\$204,816	6"	\$9,045	\$108,540	2"	\$586	\$7,032	\$9,631	\$115,572	-\$89,244
10x2"	23	\$153,632	\$1,843,584	8"	\$133,067	\$1,596,804	3"	\$5,339	\$64,068	\$138,406	\$1,660,872	-\$182,712
	<b>179</b>	<b>\$426,023</b>	<b>\$5,112,276</b>		<b>\$305,690</b>	<b>\$3,668,280</b>		<b>\$16,624</b>	<b>\$199,488</b>	<b>\$322,314</b>	<b>\$3,867,768</b>	<b>-\$1,244,508</b>

**Notes:**

<sup>(a)</sup> Modified DOMESTIC Meter Size reflects a fee estimate and impact based on assuming an alternative meter size just for recovering WSRF for the Domestic service component of a Combined Domestic Meter.

<sup>(b)</sup> Domestic FIRE Meter Size reflects a fee estimate and impact based on assuming an alternative meter size, just for recovering WSRF for the Fire Service component of a Combined Domestic Meter.



## Study Challenges

- Assessing annual revenue impact required assumptions
- Combined Domestic Meters:
  - WSRF Based on meter size and considers average usage determined for each meter size
  - On an average basis, there will be very little fire suppression related usage
  - Required a surrogate fire meter size based on best professional judgement
- Unmetered Fire Service Lines:
  - Unknown number in system
  - Reviewed billing data set and Backflow Preventer Assembly (BPA) data
  - Similarly required surrogate fire meter size



## Key Considerations

- For equity, WSRF adjustments for combined domestic meters should be considered together with new fees for unmetered fire service lines
- Consistent Engineering Standards are needed to ensure consistency in design and billing for services
- An accurate, verified inventory of unmetered fire service lines is necessary to assess any future fees
- Additionally, DC Water's service area includes 1,316 privately owned fire hydrants in approximately 119 private developments. It may also be appropriate to charge a fee for the private hydrants.



## Recommendations and Next Steps

1. Update Engineering Standards to ensure consistent configuration with separate domestic and fire service
2. Develop a comprehensive, verified inventory of unmetered fire service lines
3. Evaluate an appropriate flow-based fee structure for private fire hydrants

DC Water estimates these actions will be completed in two years, and will simultaneously develop necessary regulatory amendments



# Appendix:

## Study Details



## Objectives

- Evaluate a fair and equitable recovery of costs by considering both the *domestic service* and the *fire suppression service* that properties receive from DC Water

1

### Combined Domestic Meters

- Evaluate alternative approach to assess the monthly WSRF
- Determine the potential annual WSRF revenue impact

2

### Unmetered Fire Lines

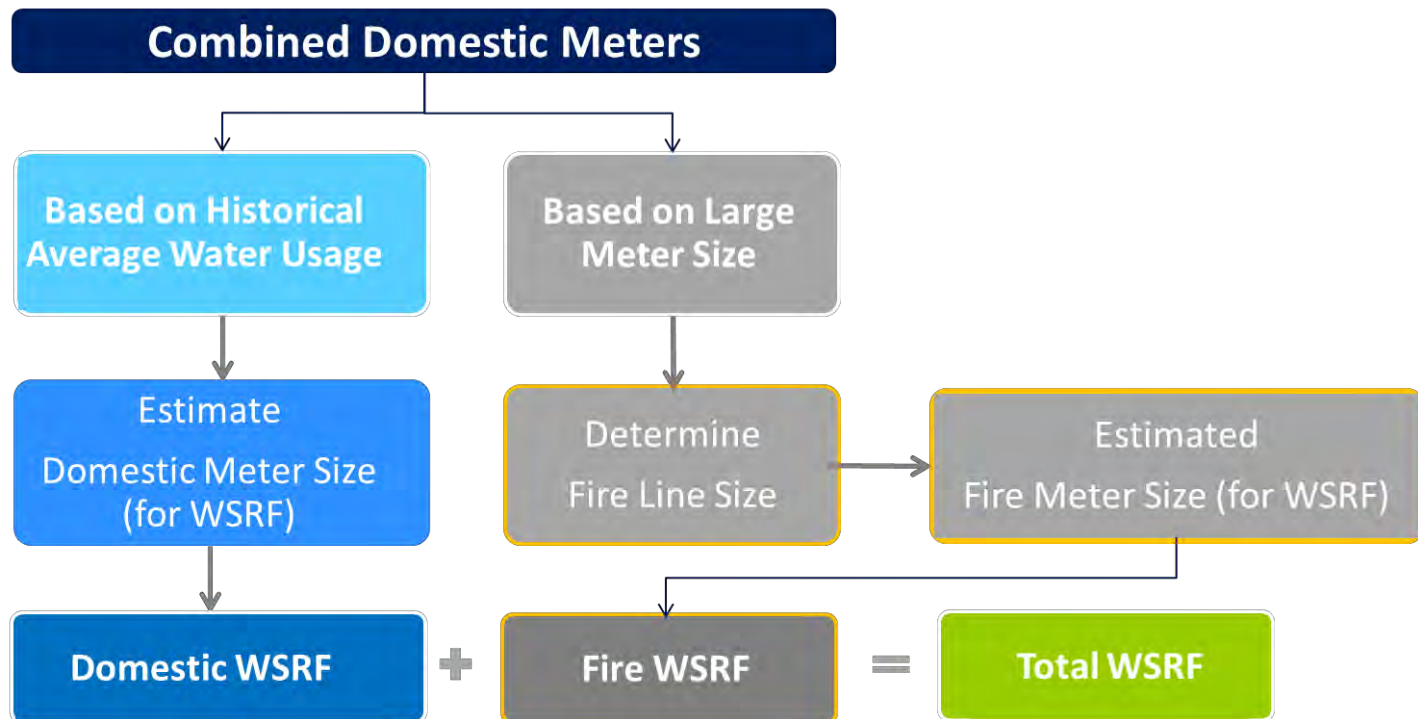
- Develop an estimate of the total number of unmetered fire lines
- Evaluate an approach to assess the monthly WSRF and the monthly Base Fee
- Determine the potential annual WSRF and Base Fee revenue impact



# Approach: Combined Domestic Meters

## Step 1: Alternative Meter Size for the “Domestic Service” component

- Compared the three-year average usage of the combined domestic meter sizes with the three-year average usage of the domestic only meter sizes
- Determined an appropriate alternative meter size for the Domestic Service component





# Approach: Combined Domestic Meters

## Step 1: Alternative Meter Size for the “Domestic Service” component

- Compared the three-year average usage of the combined domestic meter sizes with the three-year average usage of the domestic only meter sizes
- Determined an appropriate alternative meter size for the Domestic Service component

Meter Size	Combined Domestic Meters		Domestic Only Meters	
	Combined Domestic Annual AVG Usage (Per Size) ccf	Three-Year Average Usage Per Meter ccf	Domestic Annual AVG Usage (Per Size) ccf	Three-Year Average Usage Per Meter ccf
3"			2,446,455	2,327
4"	7,820	978	4,141,148	5,303
6"	192,263	6,867	3,935,729	12,664
8"	1,700,026	14,407	761,097	34,604
10"	727,251	31,620	240,837	42,530

ccf: Hundred cubic feet

Combined Domestic Meter Size	Meter Count	Estimated Meter Size (Domestic) <sup>a</sup>
4x1"	8	3"
6x1x1/2"	2	4"
6x1.5"	25	4"
6x3x3/4"	1	4"
8x2"	113	6"
8x4x1"	7	6"
10x2"	23	8"
	<b>179</b>	





# Approach: Combined Domestic Meters

## Step 2: Alternative Meter Size for the “Fire Service” component

- Used the large flow meters size of the Combined Domestic Meter sizes as the “Fire Line” size. Rationale: The large flow meter is sized to meet the critical fire flow needs of the property
- Assumed 25% of the Fire Line size as the “Fire Meter” Size. Rationale: The fire line will have very low average fire usage, triggered only in the event of fire or testing



## Approach: Combined Domestic Meters

Combined Domestic Meter Size	Meter Count	Estimated Meter Size (Domestic)	Estimated Fire Line Size (Fire)	Estimated WSRF Fire Meter Size (Fire)
(1)	(2)	(3)	(4)	(5) = (4) * 25%
4x1"	8	3"	4"	1"
6x1x1/2"	2	4"	6"	1.5"
6x1.5"	25	4"	6"	1.5"
6x3x3/4"	1	4"	6"	1.5"
8x2"	113	6"	8"	2"
8x4x1"	7	6"	8"	2"
10x2"	23	8"	10" or greater	3"
	<b>179</b>			

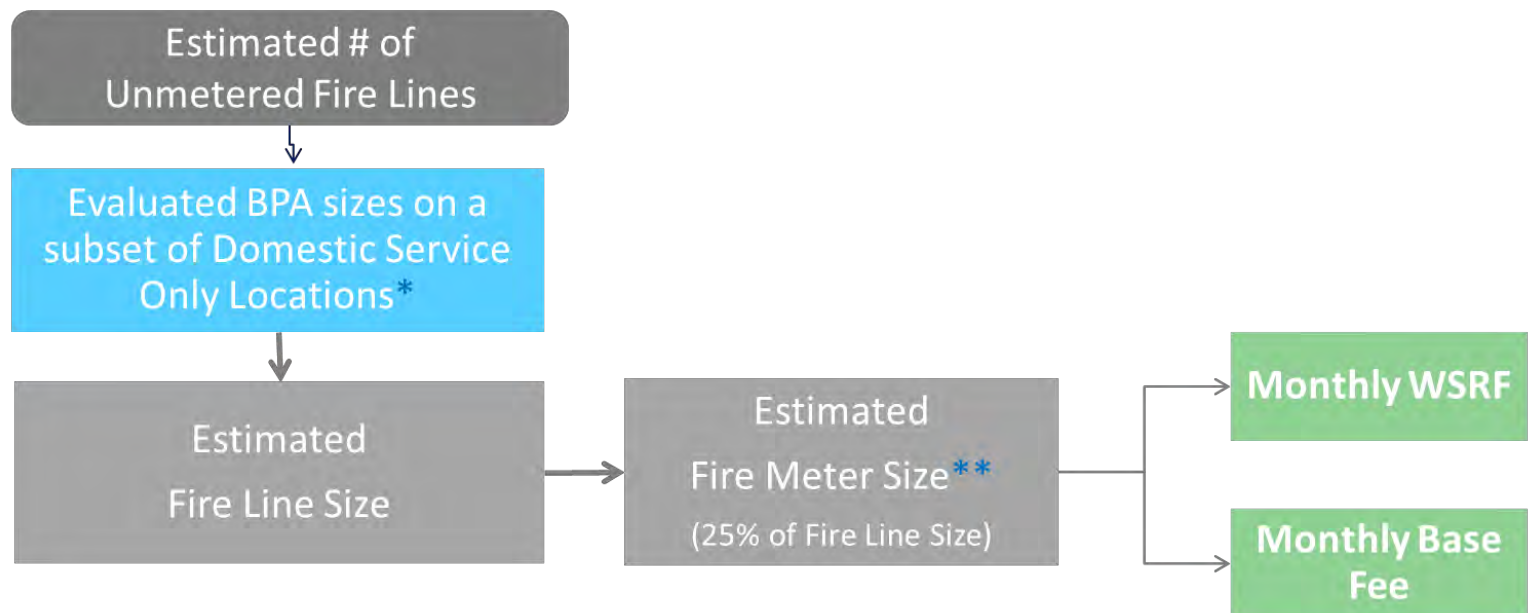
*Establish 3" Meter Size as the "Minimum" for the modified meter size for Combined Domestic Meters*



# Approach: Unmetered Fire Service Lines

## Step 1: Estimate Number of Unmetered Fire Service Lines

- Reviewed billing data set that included all the water meter accounts and associated meter size and premise number
- Reviewed Backflow Preventer Assembly (BPA) list



\*Locations refers to distinct addresses

\*\*Translation of Fire Line Size to Fire Meter Size is necessary as the existing WSRF is defined based on average usage and not on line capacity



# Approach: Unmetered Fire Service Lines

## Step 1: Challenges

- Not all of the BPAs are fire-rated, as some are on domestic service lines
- Some locations had no fire line BPAs, some had two, three or four fire line BPAs
- Not all BPAs were characterized by service type (domestic, fire, etc)
- As a result, could not conclusively determine the number of unmetered fire service lines

## Step 1: Revised approach

- Assumption: 1,709 distinct locations with 3" larger combined domestic meters
  - 80% will have just one fire line
  - 20% will have an average of three fire lines
- = estimated total of 2,500 unmetered fire lines in the DC Water service area



# Approach: Unmetered Fire Service Lines

## Step 2: Estimate Potential Unmetered Fire Line Size

- Evaluated Subset of 216 locations and size of BPAs in each location

Domestic Meters	Fire Line Size
3"; 4"; 6" Domestic	6" Fire Line
8" Domestic	8" Fire Line
10" Domestic	10" Fire Line

Domestic Only Meter Size	Domestic Only Accounts	Potential Unmetered Fire Line Size	Estimated Number of Unmetered Fire Lines
3"	1,092	6"	990
4"	1,115	6"	1,010
6"	516	6"	468
8"	20	8"	18
10"	6	10"	5
12"	3	10"	3
16"	5	10"	6
	<b>2,757</b>		<b>2,500</b>



# Approach: Unmetered Fire Service Lines

## Step 2: Estimate Potential Unmetered Fire Line Size

- Evaluated Subset of 216 locations and size of BPAs in each location

Domestic Meters	Fire Line Size
3"; 4"; 6" Domestic	6" Fire Line
8" Domestic	8" Fire Line
10" Domestic	10" Fire Line

## Step 3: Estimate Potential WSRF meter size

- Retain previous assumption that fire purposes of assessing a WSRF, the unmetered fire line be assigned a surrogate meter size that is 25% of the size of the fire line



# Approach: Unmetered Fire Service Lines

Domestic Only Meter Size	Domestic Only Accounts	Potential Unmetered Fire Line Size	Estimated Number of Unmetered Fire Lines
3"	1,092	6"	990
4"	1,115	6"	1,010
6"	516	6"	468
8"	20	8"	18
10"	6	10"	5
12"	3	10"	3
16"	5	10"	6
<b>2,757</b>			
<b>2,500</b>			

Potential Unmetered Fire Line Size	Estimated WSRF Meter Size	Potential Monthly WSRF Fee
(1)	(2) = (1) * 25%	
6"	1.5"	\$ 41.35
8"	2"	\$ 83.75
10"	3"	\$ 232.13



# Potential Revenue Impact: Unmetered Fire Service Lines

Potential Unmetered Fire Line Size	Estimated Number of Unmetered Fire Lines	Estimated Fire Meter Size & WSRF Charge			Estimated Fire Meter Size Base Charge		
		Estimated WSRF Meter Size	Potential Monthly Fee	Potential Annual Fee	Estimated Base Fee Meter Size	Potential Monthly Fee	Potential Annual Fee
6"	990	1.5"	\$40,937	\$491,244	1.5"	\$6,811	\$81,732
6"	1,010	1.5"	\$41,764	\$501,168	1.5"	\$6,949	\$83,388
6"	468	1.5"	\$19,352	\$232,224	1.5"	\$3,220	\$38,640
8"	18	2"	\$1,508	\$18,096	2"	\$136	\$1,632
10"	5	3"	\$1,161	\$13,932	3"	\$385	\$4,620
10"	3	3"	\$696	\$8,352	3"	\$231	\$2,772
10"	6	3"	\$1,393	\$16,716	3"	\$462	\$5,544
	<b>2,500</b>		<b>\$106,811</b>	<b>\$1,281,732</b>		<b>\$18,194</b>	<b>\$218,328</b>

In addition to assessing a WSRF for the unmetered fire lines, it would also be appropriate to assess a Base Fee for the unmetered fire lines, as all the metered combined domestic and domestic only meters are currently assessed a monthly Base Fee.

23 Including the base fee, the potential revenue impact for unmetered fire service lines totals \$1,500,060.





# Potential Net Revenue Impact

Revenue Stream	Estimated Existing Charges		Estimated Alternative Charges		Net Change	
	Monthly Fee	Annual Fee	Monthly Fee	Annual Fee	Monthly Fee	Annual Fee
WSRF for Combined Domestic Accounts	\$426,023	\$5,112,276	\$322,314	\$3,867,768	-\$103,709	-\$1,244,508
WSRF for Unmetered Fire Lines	\$0	\$0	\$106,811	\$1,281,732	\$106,811	\$1,281,732
Base Charge for Unmetered Fire Service	\$0	\$0	\$18,194	\$218,328	\$18,194	\$218,328
<b>Net Revenue Impact</b>	<b>\$426,023</b>	<b>\$5,112,276</b>	<b>\$447,319</b>	<b>\$5,367,828</b>	<b>\$21,296</b>	<b>\$255,552</b>

**Attachment D**

**FY 2018 Proposed 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 &amp; FY 2020 Budget presentation to Board</i>	January 4, 2018		General Counsel  External Affairs Board Secretary
b. <i>RRC recommendation on proposed FY 2019 &amp; FY 2020 rates</i>	January 23, 2018		
c. <i>Board approval on proposed FY 2019 &amp; FY 2020 rates</i>	February 1, 2018		
d. <i>Publish Proposed Rates and Fees in DC Register</i>	February 16, 2018		
e. <i>Public Comment and Outreach</i>	February 16 - May 9, 2018		
f. <i>Public Hearing</i>	May 9, 2018		
g. <i>Public Hearing Record Closes</i>	June 11, 2018		
h. <i>RRC final recommendation to approve FY 2019 &amp; FY 2020 rates</i>	June 26, 2018		
i. <i>Board Approval on FY 2019 &amp; FY 2020 rates</i>	July 5, 2018		
j. <i>Publish Final Rates and Fees in DC Register</i>	July 20, 2018		
k. <i>Rates go into effect</i>	October 1, 2018 (FY 2019)		

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

## Attachment D

FY 2018 Proposed Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
<b>3. Waste Hauler and High Strength Waste Fee Regulations</b>			
a. <i>RRC recommend proposal for Waste Hauler and High Strength Waste Fees</i>	September 26, 2017	√	Rates & Revenue Wastewater Treatment
b. <i>Board approval on proposal for Waste Hauler and High Strength Waste Fees</i>	October 5, 2017	√	
c. <i>Publish NOPR for Waste Hauler and High Strength Waste Fees in DC Register</i>	October 27, 2017	√	General Counsel
d. <i>Public Comment and Outreach</i>	October 27 – November 27, 2017	√	External Affairs
e. <i>RRC final recommendation for Waste Hauler and High Strength Waste Fees</i>	December 19, 2017		
f. <i>Board approval for Waste Hauler and High Strength Waste Fees</i>	January 4, 2018		
g. <i>Publish final NOFR for Waste Hauler and High Strength Waste Fees in DC Register</i>	January 19, 2018		General Counsel
h. <i>Waste Hauler Fees go into effect</i>	February 1, 2018		
i. <i>High Strength Waste Fees go into effect</i>	April 1, 2018		
<b>4. Fire Protection Service Fee for FY '18, '19, '20, and '21</b>			
a. <i>Fire Protection Service Fee</i>			Rates and Revenue
i. <i>RRC recommend proposal for Fire Protection Service Fee</i>	February 20, 2018		
ii. <i>BOD approval of Notice of Proposed Rulemaking (NOPR)</i>	March 1, 2018		
iii. <i>Publish NOPR in DC Register</i>	March 16, 2018		General Counsel
iv. <i>Public Comment and Outreach</i>	March 16 - April 16, 2018		External Affairs
v. <i>RRC approval of proposed Fire Protection Fee</i>	June 26, 2018		
vi. <i>BOD approval of Notice of Final Rulemaking (NOFR)</i>	July 5, 2018		
vii. <i>Publish NOFR in DC Register</i>	July 20, 2018		General Counsel
viii. <i>Fire Protection Service Fee goes in effect</i>	July 20, 2018		

## Attachment D

FY 2018 Proposed Committee Workplan			
Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
5. 2018 Cost of Service Study and Amendments for Miscellaneous Fees & Charges			
<i>a. 2018 Cost of Service Study and Amendments for Miscellaneous Fees &amp; Charges</i> <ul style="list-style-type: none"> <li>i. RRC recommend COS and proposed amendments for Miscellaneous Fees &amp; Charges</li> <li>ii. Board approval of Notice of Proposed Rulemaking (NOPR)</li> <li>iv. Publish NOPR in DC Register</li> <li>v. Public Comment and Outreach</li> <li>vi. RRC approval of proposed miscellaneous charges</li> <li>vi. BOD approval of Notice of Final Rulemaking (NOFR)</li> <li>vii. Publish NOFR in DC Register</li> <li>viii. Miscellaneous Fees &amp; Charges go in effect</li> </ul>	February 20, 2018  March 1, 2018  March 16, 2018 March 16 - April 16, 2018 June 26, 2018  July 5, 2018  July 20, 2018 October 1, 2018 (FY 2019)		Rates & Revenue    General Counsel External Affairs   General Counsel
6. Rate Setting Policy			
<i>a. Review of Rate Setting Policies</i>	November 14, 2017	√	Rates & Revenue
7. Water System Replacement Fee			
<i>a. Review of unmetered fire service lines and their financial impact.</i>	November 14, 2017	√	Rates & Revenue General Manager
<i>b. Review of combined domestic and fire service lines and their financial impact.</i>	November 14, 2017	√	
8. New VertexOne ECIS Billing System (on-going)			
<i>a. New VertexOne customer bill</i>	November 14, 2017	√	Customer Service
9. Delinquent Accounts			
<i>a. Soldiers Home Negotiations</i>	Monthly, as needed		General Counsel

**Attachment D**

FY 2018 Proposed Committee Workplan			
Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
10. Alternative Charges			
a. <i>System Availability Fee (SAF)</i> <i>Go-live</i>	January 1, 2018		Permits

\* Dates subject to change



**Account Number:**  
**Service Address:**  
**Square/Suffix/Lot:**  
**Impervious Sq. Ft.:**

**Questions/Preguntas:** (202) 354-3600   
**Emergencias/Emergencia:** (202) 612-3400   
**Visit Us Online:** DCWater.com

Meter Number	Meter Size	Prior Read Date	Current Read Date	Number of Days	Prior Read	Current Read	Usage (CCF)	Usage (Gallons)	Read Type
52639203	1"	10/31/17	11/29/17	30	635	640	5	3,740	ACT

**BILL SUMMARY**

Bill Date	11/29/17
Previous Balance	\$82.32
Payments as of 11/29/17	\$82.32 cr
Outstanding Amount Due	\$0.00
Other Charges and Credits	\$0.00
Current Charges	\$93.25
<b>Total Amount Due by 12/24/17</b>	<b>\$93.25</b>

**CURRENT CHARGES - RESIDENTIAL**

Metering Fee 1"	\$4.56
Water System Replacement Fee 1"	\$9.67
Water Services 4 CCF X \$3.39	\$13.56
Water Services 1 CCF X \$4.26	\$4.26
Sewer Services 5 CCF X \$6.00	\$30.00
Clean Rivers IAC 1 ERU X \$25.18	\$25.18

**DC GOVERNMENT FEES**

DC Government PILOT Fee 5 CCF X \$0.49	\$2.45
DC Government ROW Fee 5 CCF X \$0.18	\$0.90
DC Govt Stormwater Fee 1 ERU X \$2.67	\$2.67

**Total Current Charges \$93.25**

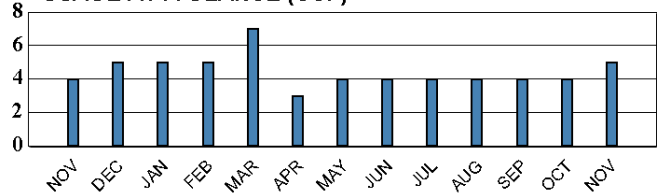
**TOTAL CURRENT BILL \$93.25**

**IMPORTANT MESSAGES**

With paperless billing, you can receive and pay your bill online. Log into Customer Advantage for more information.

During the holiday season, please consider donating to our SPLASH program, which offers water bill assistance for families in crisis who are facing service disconnection. For more information, please visit www.dcwater.com or contact Customer Service.

**USAGE AT A GLANCE (CCF)**



Please return the portion below with your payment to ensure proper credit to your account.



**Make a SPLASH to help those in need pay their water bill**

R-Up  R-Up + \$1  R-Up + \$5  R-Up + \$\_\_\_\_  \$\_\_\_\_

**ROUND UP (R-Up)**  
 Round your bill up to the next dollar or more\*  
 (Starts on next bill, recurring monthly)

**ONE-TIME**  
 (Include with payment)

Account Number  
**Total Amount Due: 12/24/17 \$93.25**  
 Amount Due After: 12/29/17 \$102.58  
**Amount Enclosed \$\_\_\_\_\_**  
 Please allow time for your payment to reach us.

Remit payment to:





DC WATER  
 CUSTOMER SERVICE DEPARTMENT  
 P.O. BOX 97200  
 WASHINGTON DC 20090

0000014530919 1 0000093252 0000102582

**Account Number:** 145309-1

**EXPLANATION OF TERMS**

<b>ACT</b> ACTUAL METER READING	<b>CUST</b> CUSTOMER METER READING	<b>ERU</b> EQUIVALENT RESIDENTIAL UNIT
<b>CAP</b> CUSTOMER ASSISTANCE PROGRAM	<b>EST</b> ESTIMATED METER READING	<b>NSF</b> INSUFFICIENT FUNDS
<b>CCF</b> CENTUM CUBIC FEET (100)	 1 CCF = 748 GALLONS 	<b>WSRF</b> WATER SYSTEM REPLACEMENT FEE

CUSTOMER CLASSIFICATION	DESCRIPTION
RESIDENTIAL	A single-family dwelling; condominiums or apartments where each unit is served by a separate service line and is individually metered, or a multi-family structure (4 apartments or less) served by a single service line that is metered.
MULTI-FAMILY	Condominium or apartment dwellings with 4 or more units that are metered.
NON-RESIDENTIAL OR COMMERCIAL	All customers not referenced within the Residential or Multi-Family class.

SERVICE FEES & CHARGES	REASON	AMOUNT
LATE FEE	Bill is not paid by the due date Bill is outstanding for more than 60 days	10% 1% Interest compounded monthly
SERVICE DISCONNECTION/RESTORATION	Disconnection of service Restoration of service	\$50 \$50
ON WITHOUT AUTHORIZATION (OWA)	Following a disconnection for non-payment, where the water is turned on without authorization	\$245
METERING FEE	Maintenance and repair of DC Water-owned meters	Based on meter size
RETURNED PAYMENT CHARGE	Returned electronic funds transfer (EFT) Returned check Returned credit card charge	\$20 \$25 Up to \$35
WATER REPLACEMENT FEE	To replace aging water infrastructure; approximately 1% is renewed annually	Based on meter size and average water flow
CLEAN RIVERS IMPERVIOUS AREA CHARGE (CRIAC)	This charge is based on the impervious area of a property and was designed so that property owners pay a fair share towards the cost of the long term combined sewer overflow control plan. The charge structure uses the term Equivalent Residential Unit or ERU to measure the impervious area. Residential properties are categorized into tiered ranges. Multi-Family and Non-Residential properties are charged based on square footage of impervious area. For more information, please visit us at <a href="http://dcwater.com/impervious-area-faq">dcwater.com/impervious-area-faq</a> .	
START SERVICE	If you are a property owner in the District of Columbia and need to start water service, contact DC Water and provide a copy of your settlement statement. Tenants are unable to start service. A \$50 fee is assessed to establish service.	
STOP SERVICE	If you are a property owner in the District of Columbia and need to stop water service, contact customer service within five (5) business days to request a FINAL BILL. DC Water holds the owner of the property responsible for the payment of the bill. Tenants are unable to stop service.	

DC GOVERNMENT CHARGES	PURPOSE
STORMWATER	Funds the DC Department of Energy & Environment's stormwater management program.
ROW (RIGHT-OF-WAY)	For the use of DC public spaces and rights of way.
PILOT (PAYMENT IN LIEU OF TAXES)	For services that benefit DC Water facilities and personnel.

BILLING & PAYMENT	ACTION
PAYING BY MAIL	Write your account number on your check or money order and make it payable to DC Water.
CAP (CUSTOMER ASSISTANCE PROGRAM)	Low-income residents may qualify for a discount. Contact the DC Department of Energy & Environment (DOEE) at (202) 673-6750 or 311.
SPLASH (SERVING PEOPLE BY LENDING A SUPPORTING HAND)	Round your bill up to the next dollar or two, and donate the difference to a DC resident in need. To contribute to the roundup program, please check the appropriate box on the payment stub. The monthly roundup contribution will be made automatically. Please be sure your account balance is current before contributing.

**BILLING DISPUTES**

An owner or occupant may challenge the most recent bill by either: (a) Paying the bill under protest and notifying DC Water in writing that he or she believes the bill to be incorrect; or, (b) Not paying the current charges contained in the bill and notifying DC Water in writing, within ten (10) working days after receipt of the bill of the reason(s) why the bill is believed to be incorrect. Challenges received after the ten-day (10) period will be deemed untimely and will not stop the imposition of a penalty for nonpayment of charges or the possibility of termination of service for nonpayment. DC Water will investigate a challenged water, sewer or groundwater bill, and suspend an owner or occupant's obligation to pay the disputed bill until he/she has been provided written results of the investigation and the date that the bill should be paid. If it is determined that the bill is erroneous, DC Water shall adjust the bill accordingly and refund any overcharges paid. If the owner/occupant is not satisfied with DC Water's decision, then he/she may request in writing an administrative hearing within fifteen (15) calendar days of the date of the decision. The owner or occupant is not relieved of the responsibility for paying all previously or subsequently rendered, uncontested water, sewer and groundwater sewer service charges, penalties, interest, and administrative costs. For more information on your rights please visit us at [dcwater.com/disputing-bill](http://dcwater.com/disputing-bill).



**Attachment F**

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

TUESDAY, December 19, 2017; 9:30 a.m.  
AGENDA

<b>Call to Order</b>	Committee Chairman
<b>Monthly Updates</b>	Chief Financial Officer
<b>Committee Workplan</b>	Chief Financial Officer
<b>Agenda for January 23, 2018 Committee Meeting</b>	Committee Chairman
<b>Other Business</b>	Chief Financial Officer
<b>Adjournment</b>	

\*Detailed agenda can be found on DC Water's website at [www.dewater.com/about/board\\_agendas.cfm](http://www.dewater.com/about/board_agendas.cfm)