

## System Availability Fee

The System Availability Fee (SAF) is **one-time fee** assessed only on new development projects that requires a new potable water and sanitary sewer connection and renovation or redevelopment projects for existing connections to the District’s potable water and sewer systems that requires an increase in the size of the meter. The purpose of the SAF is for DC Water to recover the proportionate share of the increased system costs associated with the larger water and sewer demands that these new or bigger connections place on the District’s drinking water and wastewater infrastructure.

The amount of the SAF is determined based on the SAF meter size, which is computed based on the property’s peak water demand. DC Water developed the SAF consistent with industry standards nationally and best practices established by water and sewer utilities.

The SAF regulations were first published on June 17, 2016, effective January 1, 2018. In December 2017, the Board agreed to delay the effective date until June 1, 2018 to provide additional time to allow for extensive public input to address the SAF’s impact on affordable housing and other issues. On May 3, 2016, the Board of Directors, after receiving public comments during an Open House event and during a public comment period, approved the amendments to the SAF regulations for publication in the District of Columbia Register (*D.C. Register* or DCR) on May 18, 2018 at 65 DCR 5674, effective June 1, 2018.

The SAF charges are provided below:

**Residential Customers** shall be charged a SAF based on the SAF meter size as listed below:

<b>SAF Fee Schedule Table</b>			
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

**Multi-Family and all Non-Residential Customers** shall be charged a SAF based on the SAF meter size as listed below:

<b>SAF Fee Schedule Table</b>			
<b>SAF Meter Size (inches)</b>	<b>Water System Availability Fee</b>	<b>Sewer System Availability Fee</b>	<b>Total System Availability Fee</b>
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

## SAF Frequently Asked Questions

### 1. When will the DC Water SAF take effect?

The SAF regulations were amended on May 18, 2018 and will be effective on June 1, 2018.

### 2. For a project that was under review by DC Water before June 1, 2018, but a DC Water Certificate of Approval has not been issued before June 1, 2019, will I need to pay the SAF?

Yes, unless DC Water's issuance of the Certificate of Approval was delayed due to a force majeure event that closes DC Water's offices for one or more days one week before June 1, 2019.

### 3. My project is currently being reviewed by DC Water. Will the project be exempt from the SAF?

Your project may qualify for an exemption, provided, the plans and specifications for the project are submitted to DC Water Department of Permit Operations before June 1, 2018 and you satisfy the following requirements:

- (1) The plans, specifications and other information necessary to meet the requirements listed in DC Water Project Submission Checklist have been accepted for review by DC Water in support of a District Department of Consumer and Regulatory Affairs (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;
- (2) Before June 1, 2019, the DC Water Engineering Review fee(s) must be paid;
- (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 before June 1, 2019; and
- (4) DC Water issues the Certificate of Approval before June 1, 2019, 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.

### 4. What are the substantial changes and revisions that would disqualify the SAF exemption?

The following situations constitute substantial changes or revisions to the plans and specifications for a project, including but not limited to:

- 1) Changes to the type of project (small residential, small non-residential, large);
- 2) Changes to the number of structures; or

3) Changes to the number or size of large meter connections.

DC Water will review any proposed changes to the plans and specifications and notify the DCRA Construction Permit Application whether the changes or revisions are substantial.

**5. If DC Water requires the plans and specification to be revised and resubmitted, is the project disqualified for the SAF exemption?**

No. However, please be advised that any request by DC Water to revise and resubmit the plans and specifications to address review comments, must be submitted to DC Water in a timely manner, as directed. Delays in submitting the revisions may prevent DC Water from issuing the Certificate of Approval before January 1, 2019 and result in the loss of the SAF exemption.

**6. If I submit plans that do not have a hydrant flow test, are they acceptable for review?**

Yes, if a hydrant flow test is required, and the request for the test has been submitted and the fee paid, the plans submitted will be accepted for review.

**7. How is the SAF meter size determined?**

The SAF meter size is 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.

**8. Which projects will require the SAF?**

The SAF shall be assessed on new development, renovations, and redevelopment projects that require a metered water service connection to the District's potable water and sanitary sewer system. If the project requires a new or increased meter size, a SAF payment will be required.

**9. My property has an existing DC Water account. Do I still need to pay the SAF?**

The fee is only assessed if the meter size(s) is increased. For a renovation or redevelopment project on a property that has an existing connection, DC Water will determine the SAF based on the net meter size increase at the property.

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

**10. If I have a renovation or redevelopment project for an existing property that has a meter, how is the SAF computed?**

For a renovation or redevelopment project that already has/had a DC Water meter(s) and account(s), DC Water will determine the net SAF based on the difference between the properties's new SAF determined by the new SAF meter size(s) and the SAF determined by the old meter size(s) being removed from the system. The SAF based on the old meter(s) are the credits that will be applied towards the new SAF. If the net SAF is zero or less than the

SAF for the old meter size(s), then no SAF will be charged. If the net SAF is greater than zero, DC Water will provide SAF credits for the removed capacity and assess the net SAF.

**11. What if my property is currently inactive but used to have a water service connection?**

The SAF credit shall be computed based on the largest meter size installed on the property within 24 months before the issuance of the Certificate of Approval.

**12. What if my development project includes affordable housing units? Will I receive affordable housing credits for this type of development?**

Yes, but the amount of the credits that you may receive depend on the type of development and the number of affordable housing units or AHUs that you are developing:

Residential Development: If you are developing a residential structure with three or less units, DC Water will provide an AHU Credit of \$3,944 for each AHU in a metered residential structure (e.g., single-family structure, townhouse, condominium, cooperative housing association unit, or apartment).

$$\text{AHU Credit} = \# \text{ AHU Units} \times \$3,944$$

Multifamily Development: If you are developing a multi-family structure of 4 or more units, DC Water will provide an AHU Credit or % Net AHU Credit based on the percentage of affordable housing units credit (% AHU credit) or percentage of additional AHU credit (% Net AHU Credit) in the metered multi-family residential structure (condominium, cooperative housing association, or apartment). The % 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:

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

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

**13. What if my redevelopment project includes affordable housing units. Will I receive affordable housing credits for this type of development?**

Yes, but the amount of the credits that you may receive depends on how many additional affordable housing units you are developing in addition to number of AHUs you are replacing:

If you are replacing and adding new AHUs as part of your redevelopment project, DC Water will provide a Net AHU Credit based on the percentage of additional affordable housing units (% Net AHU). The % Net AHU equals the number of additional AHUs (Net AHU) divided by the total number of residential units times one hundred (100):

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

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

The Net AHU will 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):

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

If aAHU is less than bAHU (less than zero), no Net AHU Credit will be provided.

**14. Do I need to submit any documentation to qualify for a affordable housing credit?**

Yes. You need to submit one or more of the following documents with your plans and specifications:

- 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.

**15. When do we pay the SAF?**

For DCRA construction permit applicants, DC Water will assess the SAF for payment at the end of the permit review when the inspection fees/deposits are paid. Payment of the SAF must be made before DC Water's issuance of the Certificate of Approval. If a Payment Plan Agreement has been executed, the first installment payment must be paid before DC Water issues the Certificate of Approval.

For federal facilities, DC Water will assess the SAF for payment at the end of the review of the plans and specification when the inspection fees/deposits are paid. Payment of the SAF must be made before DC Water's issuance of the Certificate of Approval. If a Payment Plan Agreement has been executed, the first installment payment must be paid before DC Water issues the Certificate of Approval.

**16. Can I pay the SAF in installments?**

Yes, property owners may request to pay the SAF in four equal installments over the course of one year. The property owner must execute a System Availability Fee Payment Plan Agreement and include the first quarter payment with the Agreement as a condition of DC Water's issuance of the Certificate of Approval. The balance of the payments will be due as follows:

Second Payment – Due within 120 days of the issuance of the Certificate of Approval;

Third Payment – Due within 240 days of the issuance of the Certificate of Approval; and  
Final Payment – Due within one year of the issuance of the Certificate of Approval.

The installment payment option is only available before June 1, 2021.

**17. What happens to the SAF if my project is not constructed?**

If the DCRA Construction Permit is not issued or is revoked or the construction project is not constructed, the property owner must submit a written request to DC Water regarding the status of the project. Upon receipt, DC Water will issue the property owner a refund of the SAF.

**18. Will the construction of water or sewer utilities installed by the developer for the property be applied towards the SAF?**

No. The SAF is assessed to recover the proportionate share of the water and sewer system costs, not costs of the utilities constructed by the developer for the property. The SAF was determined based on the water infrastructure costs: Washington Aqueduct, Little Seneca Reservoir, Water Transmission systems, and Unrestricted Reserves, less Debt Service Costs; and wastewater infrastructure costs: Wastewater Treatment, Combined Sewer System, Stormwater System, Sanitary Sewer System, Unrestricted Reserved, less Debt Service Credit.

**19. If the SAF credit for a meter taken out of service is greater than the SAF fee for the new service will I get any credit for that?**

Yes, provided the DC Water account for that property(s) was not inactive more than 24 months prior to DC Water's issuance of the Certificate of Approval. If the DC Water account was inactive for more than 24 months, no SAF Credit will be applied for the meter(s) taken out of service. If the SAF Credit is greater than the new SAF, then the Net SAF will be less than zero and no SAF will be charged.

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

**20. If I have redundant water service connections to my structure do I pay multiple SAF fees?**

No. Redundant connections to the same structure, will not be charged multiple SAF fees. However, if the water service connection support separate units or functions within the structure, the SAF will be based on the total peak water demand for all water connections, exclusive of fire demand. The SAF will only be computed based on the size of the meter determined by the peak water demand. If a water service connection is for a fire service, the SAF will not include that service connection in its calculations.

**21. If I downsize the existing service and corresponding meter size to reduce my Water System Replacement Fee costs, do I lose the value of my SAF Credit?**

The SAF credit value is equal to that of the largest size of the metered service for the 24

month period prior to issuance of the Certificate of Approval.

**22. If I have a private fire hydrant on my property do I pay SAF based on the meter size for the hydrant?**

No. The SAF will only be computed based on the peak water demand, exclusive of the fire service demand.

**23. What is the difference between the SAF and the DC Water's Engineering Review Fees?**

DC Water's Engineering Review Fees (for example \$2,500 for Small Commercial project) recuperates the costs associated with DC Water reviews of plans submitted for permit approval. The SAF is a separate fee designed to support capital costs associated with new and upsized connections to the potable water and sanitary sewer system.

**24. Is the SAF a tax?**

No. The SAF is not a tax, it is a fee designed to recover the proportionate share of potable water and sanitary sewer system costs for new developments and redevelopments and is based upon meter size computed for the peak water demand, excluding fire demand. The higher the peak water demand, the larger the meter size and higher the SAF.

**25. How does the SAF compare to similar fees in other jurisdictions?**

As discussed in the presentation to the DC Retail Water and Sewer Rates Committee on December 18, 2015, and represented on January 23, 2018 and February 20, 2018, DC Water conducted a Regional Fee Comparison of the proposed SAF to other fees charged by water utilities in the Washington Region, including: Arlington County (VA), City of Baltimore (MD), Fairfax County (VA), Loudoun County (VA), Howard County (MD), Prince William County (VA), and Washington Suburban Sanitary Commission (MD). The comparison of DC Water's SAF with these utilities showed that DC Water's SAF are lower than the current (2018) fees assessed by nearly every other regional utility for residential and non-residential customers.

**26. Why am I just hearing about this now?**

DC Water published the SAF regulations in the *D.C. Register* on June 17, 2016. That action preceded other a year and half of presentations and discussions since February 2015 before the Board of Directors' DC Retail Water and Sewer Rates Committee and extensive public outreach by DC Water's External Affairs. For information on these meetings, please see DC Retail Water and Sewer Rates Committee' meeting agenda and minutes for February 24, 2015 and December 18, 2015 and the Board of Directors' meeting agenda and minutes for January 7, 2016 and May 5, 2016.

In accordance with section 6(a) of the District of Columbia Administrative Procedure Act (Act), (D.C. Official Code § 2-505(a)), DC Water published the Notice of Proposed



Rulemaking for the SAF regulations in the *D.C. Register* on January 7, 2016, and kept open the public comment period beyond the statutory 30-day comment period to 45-days, ending on March 11, 2016. Thereafter, the DC Retail Water and Sewer Rates Committee met on April 26, 2016 to consider the comments submitted during the public comment period and the recommendations of the General Manager, and recommended approval to the Board. On May 5, 2016, the Board of Directors considered the recommendation of the DC Retail Water and Sewer Rates Committee and the General Managers recommendation and approved the SAF regulations.

On December 7, 2017, the DC Retail Rates Committee met and based on comments received concerning the potential impact of the SAF on affordable housing development, recommended that the Board delay the implementation of the SAF regulations until June 1, 2018 to provide additional time to consider the impacts and amend the regulations. On December 7, 2017, the Board approved the amendment of the SAF regulations through an Emergence and Proposed Rulemaking to revise the effective date to June 1, 2018. On February 9, 2018, DC Water held an Open House to receive comments from the public on the SAF regulations. On March 1, 2018, the Board approved, upon the recommendation of the DC Retail Water and Sewer Rates Committee, proposed amendments to the SAF regulations to address the impact on affordable housing development and other issues. On May 3, 2018, the Board approved, upon the recommendation of the DC Retail Water and Sewer Rates Committee, amendments to the SAF regulations, which were published in the *D.C. Register* on May 18, 2018 at 65 DCR 5674, effective June 1, 2018.