



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Friday December 23, 2011

9:30am

- 1. **Call to Order** Howard Gibbs, Chairman
- 2. **Monthly Update (Attachment A)** Randy Hayman
 - Howard University
 - Soldier’s Home
 - Town of Vienna
- 3. **Action Items (Attachment B)** Olu Adebo
 - Ten Year Financial Plan FY 2011 – 2020 (Action Item 1)
 - FY 2013 Rates and Fee Adjustments (Action Item 2)
- 4. **Fire Protection Cost of Service Review**..... Olu Adebo
 - Fire Protection Cost of Service Presentation (Attachment C)
- 5. **Update of Permitting Fees (Attachment D)**..... Olu Adebo
- 6. **Retail Rates Committee Workplan** Olu Adebo
 - FY 2012 Retail Rates Committee Proposed Workplan (Attachment E)
- 7. **Emerging Issues/Other Business**..... Olu Adebo
- 8. **Agenda for January 2011 Committee Meeting (Attachment F)** Howard Gibbs, Chairman
- 9. **Adjournment**

FOLLOW-UP ITEMS – Retail Rates Committee Meeting (November 22, 2011)

- 1. Provide an example of the updating required and quality controls available to reconcile non-residential data found in the DCGIS 2005 flyover information and a more recent update to the flyover data. This example should be provided at a future Retail Rates Committee meeting (Mr. Bardin) Status: TBD based upon availability of data

2. Provide a list of customers names in water only category (Nancoo) Status: To be discussed at the December 2011 Committee Meeting
3. Provide summary of DC municipal regulations regarding DC Water's activities on private fire hydrants in the District of Columbia (Howard Gibbs) Status: Attachment G
4. Clarify the basis for residential versus small commercial permit fees adopted by the Board in July 2011 (Mr. Roth) Status: Attachment D
5. Refer potential detailed discussion of accounts receivable to the Finance and Budget Committee for further consideration (Mr. Roth) Status: Completed
6. Review of the Potomac Interceptor contracts to see if there are opportunities to modify contracts to be similar to the IMA contracts (Mr. Bardin) Status: Defer Pending Final IMA

December 2011 Update on Howard University and Soldiers' Home Delinquent Accounts and Town of Vienna Settlement Agreement

Howard University

Without waiving rights to contest, Howard accepted terms of agreement under which they would begin making payments on current bills on the "Exempt Accounts". A meeting occurred on December 1, 2011, involving CFOs, customer service and legal representatives to resume discussion of payment of arrearages. This was followed by a meeting on December 7, 2011, between legal departments to focus on issues affecting the scope of the collection activity regarding the claimed arrearages which total \$5,447,494.00. Howard has failed to produce any evidence of an agreement authorizing exemption from payment; the University does not dispute that it received the services in question. Howard finally tendered a counter-offer for consideration.

Howard has been paying current billings since June 2011. Effective Oct. 1, 2011, DC Water began billing Howard for water as well as sewer services. There are 119 accounts that Howard has routinely paid, and they are referred to as "Howard I". The 34 accounts previously treated as "exempt", are now referred to as "Howard II" to avoid confusion in addressing billing matters.

NEXT STEPS

1. Howard provided a list of street addresses of its properties regarding the buildings serviced by what was historically referred to as the "exempt accounts" to update our records tying meters to properties served. DC Water has not received that information for Howard properties outside that referenced group of accounts.
2. Provided the parties work in good faith to diligently pursue resolution, DC Water will not pursue further enforcement action.
3. If Howard fails to perform, DC Water's GM shall send notification of intent to lien to HU president.
4. DC Water will place liens on affected HU assets.
5. DC Water will pursue legal remedies to enforce collection against HU.

Soldiers' Home

The Office of the General Counsel is preparing a legal opinion regarding sewer services, which were not referenced in the 1938 agreement providing for perpetual free water service. The opinion is anticipated to be available by the January Board Meeting to permit sufficient time to complete research on the expansion of services since the date of the original agreement. The Appraisal Report prepared by RCDH & Company of Maryland was received on November 28, 2011 and is being reviewed for comments. It

is hoped that the Final Report will be issued before December 31, 2011. There have been no significant discussions regarding future development by Soldiers' Home since Spring 2011.

NEXT STEPS

1. Discussion has now commenced regarding additional sites for consideration which are located on private property as an alternative to the Soldiers' Home site. The alternative sites also raise issues of whether we should proceed with a single 5 million gallon tank, or one or two elevated tanks, which are limited to a maximum capacity of 3 million gallons, and a possible reconfiguration of the intended service area. An appraisal will be conducted regarding the alternative sites under consideration.
2. Engage Soldiers' Home in discussions to determine baseline for negotiations including:
 - a. Footprint for planned development
 - b. Metering to track current usage, as well as possible sub-metering to track usage for new facilities brought online through expanded development
3. Write letter from GM to the Soldiers' Home
 - a. Identify issues (reference new OGC legal opinion and Board Resolution 96-27)
 - b. Confirm Soldiers' Home's interest to renegotiate agreement equitably
 - c. Discuss next steps
 - d. Confirm identity of person authorized to negotiate on behalf of the Home

Town of Vienna

The executed Settlement Agreement was received from the Town of Vienna on December 12, 2011, along with a check in the amount of \$250,000, reconciling all claims for services rendered by DC Water for Fiscal Years 1964 through 2007.

DC Retail Water and Sewer Rates Committee

Action Items

1. FY 2013 proposed Ten Year Financial Plan
2. FY 2013 proposed Retail Rates and Fees Adjustments

ACTION ITEM 1

DC Retail Water and Sewer Rates Committee Proposed FY 2013 Action Item

Action Item 1: FY 2011 – FY 2020 Financial Plan

1. Attached is a summary of the 10-year plan, which is based on the following key assumptions for FY 2013;
 - Operating receipts totaling \$460.1, an increase of \$33.7 million funded through;
 - Retail Revenue – increase of \$28.3 million:
 - i. Proposed FY 2013 combined water and sewer rate increase of \$0.47 per Ccf {\$0.63 per 1,000 gallons}
 - ii. Proposed FY 2013 monthly Clean Rivers Impervious Area Charge (IAC) increase of \$3.09 per ERU
 - iii. Proposed FY 2013 PILOT fee increase of \$0.03 per Ccf {\$0.04 per 1,000 gallons}
 - iv. Proposed FY 2013 ROW fee increase of \$0.01 per Ccf {\$0.01 per 1,000 gallons}
 - Wholesale Revenue – increase of \$3.1 million
 - Other Revenue – increase of \$2.3 million
 - Operating disbursements of \$438.3 million in FY 2013; and
 - A ten-year capital improvement program of \$3.8 billion on a cash disbursement basis.

All years of this plan meet the Board's policy requirement of senior debt coverage of 140 percent and a reserve greater than 120 days' operating and maintenance costs or \$125.5 million.

DC Retail Water and Sewer Rates Committee - 3. Action Items (Attachment B) - Olu Adebo

DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY
FY 2011 - 2020 FINANCIAL PLAN
(In 000's)

OPERATING	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Retail*	300,599	324,549	354,672	388,824	420,300	450,482	482,549	505,885	532,324	557,097
Wholesale*	69,261	74,361	77,446	72,521	67,091	69,008	70,929	72,955	75,036	77,810
Other	24,614	21,006	21,531	24,429	27,870	31,135	33,154	34,296	35,168	35,933
RSF	9,500	6,500	6,500	-	2,950	4,000	5,000	2,000	-	2,000
Operating Receipts (1)	\$ 403,974	\$ 426,416	\$ 460,150	\$ 485,774	\$ 518,211	\$ 554,625	\$ 591,632	\$ 615,135	\$ 642,528	\$ 672,840
Operating Expenses	(269,804)	(299,130)	(310,692)	(309,473)	(304,762)	(314,230)	(323,932)	(333,578)	(343,392)	(356,362)
Debt Service	\$ (91,888)	\$ (100,776)	\$ (127,627)	\$ (150,387)	\$ (184,432)	\$ (207,532)	\$ (227,674)	\$ (238,925)	\$ (248,375)	\$ (265,764)
Net Revenues After Debt Service	\$ 42,282	\$ 26,511	\$ 21,830	\$ 25,914	\$ 29,018	\$ 32,862	\$ 40,026	\$ 42,633	\$ 50,761	\$ 50,713
Operating Reserve-Beg Balance	131,996	150,035	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(2,192)	(6,250)	(8,105)	(2,791)	-	-	-	-	-	-
Transfers To RSF	(9,500)	(12,250)								
Transfers To DC PILOT Fund	(10,000)									
Pay-Go Financing	(2,551)	(32,546)	(13,725)	(23,123)	(29,018)	(32,862)	(40,026)	(42,633)	(50,761)	(50,713)
Operating Reserve - Ending Balance	\$ 150,035	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Rate Stabilization Fund Balance RSF (2)	\$ (16,700)	\$ (22,450)	\$ (15,950)	\$ (15,950)	\$ (13,000)	\$ (9,000)	\$ (4,000)	\$ (2,000)	\$ (2,000)	\$ -
Senior Debt Service Coverage	321%	278%	232%	220%	201%	189%	183%	178%	177%	174%
Combined Debt Service Coverage	145%	130%	130%	132%	130%	129%	131%	131%	133%	131%
Proposed Water/Sewer Rate Increases	12.5%	4.5%	6.5%	5.0%	6.5%	6.5%	6.5%	4.5%	4.0%	4.5%
Operating Receipts \$ Increase/Decrease*										
Retail	38,365	23,949	30,122	34,151	31,474	30,181	32,065	23,335	26,438	24,772
Wholesale	1,789	5,099	3,085	(4,927)	(5,430)	1,915	1,920	2,024	2,080	2,773
Operating Receipts % Increase/Decrease*										
Retail	14.6%	8.0%	9.3%	9.6%	8.1%	7.2%	7.1%	4.8%	5.2%	4.7%
Wholesale	2.7%	7.4%	4.1%	-6.4%	-7.5%	2.9%	2.8%	2.9%	2.9%	3.7%
<i>(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund</i>										
<i>(2) FY 2011 Rate Stabilization Fund utilization brought the total fund balance to \$16.7 million</i>										

DC Retail Water and Sewer Rates Committee - 3. Action Items (Attachment B) - Olu Adebo

District of Columbia Water and Sewer Authority											
FY 2011-FY 2020 Capital Improvement Plan											
<u>Description</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
BEGINNING BALANCE	\$ 7,432,539	\$ 132,632,951	\$ 173,744,631	\$ 36,669,280	\$ 35,865,510	\$ 2,365,835	\$ 3,109,283	\$ 2,971,653	\$ 1,898,080	\$ 1,633,794	\$ 398,323,557
SOURCES OF FUNDS:											
Proceeds from Rev. Bonds	\$ 211,722,441	\$ 300,000,000	\$ 200,000,000	\$ 250,000,000	\$ 236,583,472	\$ 248,742,640	\$ 237,732,217	\$ 151,846,378	\$ 130,703,502	\$ 162,622,978	\$ 2,129,953,628
Proceeds from Treasury Notes/Digesters Financing Option	75,000,000	-	-	-	-	-	-	-	-	-	\$ 75,000,000
Capital Equipment Financing (for 5 yrs @ 3.25%)	6,000,000	8,184,000	12,279,200	12,272,800	9,907,200	7,338,400	-	-	-	-	\$ 55,981,600
Transfer from Operations	2,551,148	32,546,261	13,725,004	23,123,430	29,017,818	32,862,125	40,025,500	42,632,969	50,761,418	50,713,228	\$ 317,958,902
EPA Grants /DC Reimbursement	16,009,163	25,455,000	34,423,000	40,914,000	22,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	\$ 221,801,163
CSO Grants	28,258,996	31,332,000	30,000,000	-	-	-	-	-	-	-	\$ 89,590,996
Wholesale Customer Capital Contributions	82,005,363	175,242,000	237,897,000	141,354,000	84,098,000	75,834,000	65,020,000	27,191,000	14,538,000	7,992,000	\$ 911,171,363
Interest Income	1,033,301	93,419	301,445	1,875,000	2,365,835	3,109,283	2,971,653	1,898,080	1,633,794	2,032,787	\$ 17,314,597
Total Sources	\$ 422,580,412	\$ 572,852,680	\$ 528,625,649	\$ 469,539,230	\$ 384,472,325	\$ 384,386,448	\$ 362,249,370	\$ 240,068,427	\$ 214,136,714	\$ 239,860,993	\$ 3,818,772,249
USES OF FUNDS:											
Water Projects	\$ 44,115,000	\$ 51,585,000	\$ 57,646,000	\$ 65,488,000	\$ 55,477,000	\$ 54,916,000	\$ 60,187,000	\$ 63,131,000	\$ 52,840,000	\$ 61,783,000	\$ 567,168,000
Blue Plains Projects	125,880,000	275,845,000	378,648,000	209,313,000	110,798,000	104,080,000	95,922,000	42,224,000	16,822,000	4,350,000	\$ 1,363,882,000
Sanitary Sewer Projects	24,494,000	39,922,000	45,381,000	56,779,000	64,335,000	44,567,000	41,286,000	55,928,000	44,419,000	40,110,000	\$ 457,221,000
Combined Sewer	36,457,000	16,094,000	12,165,000	19,652,000	18,038,000	19,668,000	13,623,000	11,731,000	12,289,000	14,581,000	\$ 174,298,000
Combined Sewer LTCP	41,415,000	115,922,000	139,856,000	92,106,000	145,168,000	137,874,000	128,311,000	45,449,000	66,256,000	98,040,000	\$ 1,010,397,000
Stormwater Projects	2,160,000	2,775,000	4,276,000	2,545,000	801,000	775,000	737,000	810,000	900,000	506,000	\$ 16,285,000
Washington Aqueduct Division Projects	9,490,000	11,373,000	10,598,000	10,744,000	11,016,000	11,280,000	11,588,000	10,891,000	10,323,000	9,842,000	\$ 107,145,000
Capital Equipment	10,585,000	15,349,000	15,341,000	12,384,000	9,173,000	7,278,000	7,348,000	7,648,000	6,778,000	6,778,000	\$ 98,662,000
Meter Replacement / AMR	2,784,000	2,876,000	1,790,000	1,332,000	3,166,000	3,205,000	3,385,000	3,330,000	3,774,000	3,472,000	\$ 29,114,000
Reimbursement for Prior Capital Expend.	-	-	-	-	-	-	-	-	-	-	\$ -
Total Uses	\$ 297,380,000	\$ 531,741,000	\$ 665,701,000	\$ 470,343,000	\$ 417,972,000	\$ 383,643,000	\$ 362,387,000	\$ 241,142,000	\$ 214,401,000	\$ 239,462,000	\$ 3,824,172,000
SOURCES MINUS USES	125,200,412	41,111,680	(137,075,351)	(803,770)	(33,499,675)	743,448	(137,630)	(1,073,573)	(264,286)	398,993	(5,399,751)
ENDING BALANCE	\$ 132,632,951	\$ 173,744,631	\$ 36,669,280	\$ 35,865,510	\$ 2,365,835	\$ 3,109,283	\$ 2,971,653	\$ 1,898,080	\$ 1,633,794	\$ 2,032,787	\$ 392,923,805

District of Columbia Water & Sewer Authority
FY 2011 - 2020 Projected Average Residential Monthly Bill

	Units	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
DC Water Retail Rates (1)	Ccf	\$ 46.09	\$ 48.17	\$ 51.31	\$ 53.85	\$ 57.33	\$ 61.08	\$ 65.09	\$ 68.04	\$ 70.71	\$ 73.86
DC Water Clean Rivers IAC	ERU	3.45	6.64	9.73	14.52	17.66	20.33	23.19	25.49	28.75	31.17
DC Water Customer Metering Fee		3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86
Subtotal DC Water Rates & Charges		\$ 53.40	\$ 58.67	\$ 64.90	\$ 72.23	\$ 78.85	\$ 85.27	\$ 92.14	\$ 97.39	\$ 103.32	\$ 108.89
Percent Increase in DC Water Portion of Bill		18.3%	9.9%	10.6%	11.3%	9.2%	8.1%	8.1%	5.7%	6.1%	5.4%
District of Columbia PILOT (1)	Ccf	\$ 3.28	\$ 3.28	\$ 3.48	\$ 3.68	\$ 3.95	\$ 4.21	\$ 4.48	\$ 4.68	\$ 4.88	\$ 5.08
District of Columbia Right of Way Fee (1)	Ccf	0.94	1.00	1.07	1.14	1.20	1.27	1.34	1.40	1.47	1.54
District of Columbia PILOT/ROW Fee		4.22	4.28	4.55	4.82	5.15	5.48	5.82	6.08	6.35	6.62
District of Columbia Stormwater Fee (2)	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.89	\$ 6.95	\$ 7.22	\$ 7.49	\$ 7.82	\$ 8.15	\$ 8.49	\$ 8.75	\$ 9.02	\$ 9.29
Total Amount Appearing on DC Water Bill		\$ 60.29	\$ 65.62	\$ 72.12	\$ 79.72	\$ 86.67	\$ 93.42	\$ 100.63	\$ 106.14	\$ 112.34	\$ 118.18
Increase / Decrease Over Prior Year		\$ 8.76	\$ 5.33	\$ 6.50	\$ 7.60	\$ 6.95	\$ 6.75	\$ 7.21	\$ 5.51	\$ 6.20	\$ 5.84
Percent Increase in Total Bill		17.0%	8.8%	9.9%	10.5%	8.7%	7.8%	7.7%	5.5%	5.8%	5.2%

(1) Assumes average monthly consumption of 6.69 Ccf, or (5,004 gallons)

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

District of Columbia Water & Sewer Authority
FY 2011 - 2013 Projected Retail Rates and Fee Changes

	Units	FY 2011	FY 2012	Proposed FY 2013
DC Water Retail Rates Water	Ccf	\$ 3.10	\$ 3.24	\$ 3.45
DC Water Retail Rates Sewer	Ccf	<u>\$ 3.79</u>	<u>\$ 3.96</u>	<u>\$ 4.22</u>
DC Water Clean Rivers IAC	ERU	\$ 3.45	\$ 6.64	\$ 9.73
DC Water Customer Metering Fee		\$ 3.86	\$ 3.86	\$ 3.86
District of Columbia PILOT Fee	Ccf	\$ 0.49	\$ 0.49	\$ 0.52
District of Columbia Right of Way Fee	Ccf	<u>\$ 0.14</u>	<u>\$ 0.15</u>	<u>\$ 0.16</u>

ACTION ITEM 2

Action Item FY 2013 Rate & Fee Changes (Effective October 1, 2012)

1. Management recommendation for the following retail rate charges and fees:

Water Service Rates

- An increase in the rate for metered water services from \$3.24 per One Hundred Cubic Feet ("Ccf), (\$4.33 per 1,000 gallons) to:
 - Residential customers: \$3.45 per Ccf (\$4.61 per 1,000 gallons)
 - Non – residential customers: \$3.45 per Ccf (\$4.61 per 1,000 gallons)

Sewer Service Rates

- An increase in the rate for metered sewer services from \$3.96 per One Hundred Cubic Feet ("Ccf), (\$5.29 per 1,000 gallons) to:
 - Residential customers: \$4.22 per Ccf (\$5.64 per 1,000 gallons)
 - Non – residential customers: \$4.22 per Ccf (\$5.64 per 1,000 gallons)
- An increase in the annual Clean Rivers Impervious Area Charge (IAC) from \$79.68 to \$116.76 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:
 - Residential customers: \$9.73 for each ERU
 - Non – residential customers: \$9.73 for each ERU

Right of Way Occupancy Fee Pass Through Charge / PILOT Fee

- An increase in the District of Columbia Right of Way fee from \$0.15 per Ccf or (\$0.20 per 1,000 gallons) to:
 - Residential customers: \$0.16 per Ccf (\$0.21 per 1,000 gallons)
 - Non – residential customers: \$0.16 per Ccf (\$0.21 per 1,000 gallons)

- An increase in the Payment in Lieu of Taxes paid to the Office of the Chief Financial Officer (OCFO) of the District of Columbia from \$0.49 per Ccf or (\$0.66 per 1,000 gallons) to:
 - Residential customers: \$0.52 per Ccf (\$0.70 per 1,000 gallons)
 - Non – residential customers: \$0.52 per Ccf (\$0.70 per 1,000 gallons)



Attachment C

FY 2011 Fire Protection Cost of Service Study:

**Presented to the
DC Water Retail Rates Committee
December 23, 2011**



Background

- ❑ DC Water provides fire protection services and assesses a fee to the District of Columbia based on Title 21 DCMR, Chapter 21, Section 4103 Fire Protection Service Fee (since April 1, 2000).
 - ❑ Current fee (effective as of 4/12/10) is \$680 per hydrant annually resulting in charges of \$6.2 million per year

- ❑ The rate assessed for this service is re-evaluated every three years through an independent cost of service (COS) study:
 - ❑ The last COS was performed in 2008 using the AWWA recommended Fire Hydrant Rate Guidance and covered FY 2009-2011

- ❑ The most recent COS was undertaken in FY 2011. The study:
 - ❑ Projected costs and fees for the period FY 2012-2014: and
 - ❑ Reconciled actual costs for the period FY 2008 – 2010



FY 2011 Cost of Service

Scope

- Review the cost of service and rate methodology
- Compute historical DC Water fire service costs, including costs incurred under the MOU
- Assess the appropriate level of cost recovery required from the District government for fire protection services

Methodology

- Reviewed and tabulated historical fire service costs to DC Water from FY 2008-2011
 - 2008 actuals were estimated and have been trued-up
 - 2011 costs are preliminary expenses (unaudited)
- Projected costs covered under the current MOU for the period FY 2012-14
- Computed fire service costs using the most recent data and operations assumptions
- Developed cost recovery options



Study Results



Historic Cost Summary

- 1. As detailed in table 1, from FY 2006 to FY 2011, DC Water expended \$54.5 million to provide fire protection services to the District of Columbia, while the District so far has only reimbursed \$20.1 million for the same period. Leaving approximately \$34.4 million unrecovered.**
 - A. From FY 2006 – 2008, costs were:
 - FY 06 - \$1.4 million
 - FY 07 - \$6.4 million
 - FY 08 - \$17.0 million
 - B. From FY 2009 – 2011, costs were
 - FY 12 - \$15.7 million
 - FY 13 - \$7.7 million
 - FY 14 - \$6.3 million
- 2. As detailed in table 2 (with capital costs amortized), from FY 2006 to FY 2011, DC Water expended \$21.5 million (including debt service for the capital costs), while the District reimbursed \$20.1 million for the same period. Leaving \$1.4 million unrecovered.**



Annual Program Costs (\$)

Table 1

Year	2006	2007	2008	2009	2010	**2011	Totals
Cost Category							Projected
Direct Fire Costs							
Full time assigned personnel costs	376,560	584,945	902,798	1,109,400	887,875	952,228	4,813,806
Hydrant Parts	24,151	46,887	241,446	393,857	234,585	170,901	1,111,828
Material & Equipment (Fire Hydrant Program)	287,166	177,132	708,526	680,826	203,022	156,424	2,213,096
Contractor & DC Water Costs - Hyd Installation	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	38,948,031
Personnel loaned from other departments (documented via WO)	0	0	3,760	140,636	74,524	150,189	369,109
DDOT Open Space Permits	4,488	19,272	132,600	132,000	74,830	17,918	381,108
Paid to Fire Department for Inspection Services (NTE)	0		488,655	480,790	56,886	150	1,026,481
Burden applied to DC Water personnel costs	177,750	245,142	407,937	556,919	445,713	478,018	2,311,479
Burden applies to Personnel loaned (Hourly Rate, Salary Rate & OH)	0	0	0	70,599	37,411	75,395	183,405
Burden applied to Parts	4,395	8,533	43,943	71,682	42,695	31,104	202,353
Burden applied to Material & Equipment	52,264	32,238	128,952	123,910	36,950	28,469	402,783
Subtotal	1,111,914	5,972,736	16,603,665	15,246,356	7,273,469	5,755,340	51,963,481
Allocated Fire Costs							
Fire Share of Water Base Costs @ .005	333,640	362,656	402,980	407,970	462,503	519,861	2,489,611
Fire Share of Peak Costs @ 1.37% for 2006-07, 1.34% for 2008-14	97,178	112,352	124,120	144,702	159,720	168,370	806,443
Subtotal	430,818	475,009	527,100	552,672	622,224	688,231	3,296,054
Allocated Public Fire Costs**	350,456	389,627	432,720	409,828	460,387	509,208	2,552,226
Total Annual Costs	1,462,370	6,362,363	17,036,385	15,656,184	7,733,856	6,264,548	54,515,706
District Payment	1,927,176	1,927,176	1,927,176	1,927,176	1,452,176	10,922,440	20,083,320
Difference	464,806	-4,435,187	-15,109,209	-13,729,008	-6,281,680	4,657,892	-34,432,386
2006-8 Cumulative Difference (Actual \$ vs. MOU)	464,806	-3,970,381	-19,079,590	-32,808,598	-39,090,279	-34,432,386	

Note

(A.) Public fire allocations are provided in section 5.3 of the Appendix.

(B.) Allocated fire cost for 2008 reflect actual 2008 operating expenses and debt services which are lower than projected numbers used in prior report.

** Allocated fire cost for FY 2011 are based on unaudited numbers and will subject to change.



Annual Program Costs (\$), including financing of capital costs (\$)

Table 2

Cost Category	2006	2007	2008	2009	2010	**2011	Total
	Historical					Projected	
Total Direct and Allocated Fire Costs	1,462,370	6,362,363	17,036,385	15,656,184	7,733,856	6,264,548	54,515,706
Less: Construction Costs	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	38,948,031
Operating Costs	1,277,231	1,503,776	3,491,336	4,170,448	2,554,879	2,570,005	15,567,675
Capital Costs to be Amortized	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	38,948,031
Debt Service on 2006 Capital Costs		12,405	12,405	12,405	12,405	12,405	62,024
Debt Service on 2007 Capital Costs			325,540	325,540	325,540	325,540	1,302,159
Debt Service on 2008 Capital Costs				863,533	863,533	863,533	2,590,600
Debt Service on 2009 Capital Costs					822,746	822,746	1,645,491
Debt Service on 2010 Capital Costs						285,381	285,381
Debt Service on 2011 Capital Costs							
Debt Service on 2012 Capital Costs							
Debt Service on 2013 Capital Costs							
Total Debt Service	0	12,405	337,945	1,201,478	2,024,224	2,309,604	5,885,655
Total Annual Costs	1,277,231	1,516,181	3,829,280	5,371,926	4,579,103	4,879,609	21,453,331
District Payment	1,927,176	1,927,176	1,927,176	1,927,176	1,452,176	10,922,440	20,083,320
Annual Difference	649,945	410,995	-1,902,104	-3,444,750	-3,126,927	6,042,831	
2006-11 Cumulative Difference (Actual \$ vs. District Payment)	649,945	1,060,940	-841,164	-4,285,915	-7,412,842	-1,370,011	
Level charges (2012-14) including catch-up							

(A.) Debt service is computed on the basis of a 30 year term; 5% interest and 3% cost of issuance for bonds issued for FY 2006 and FY 2007; actual interest and cost of issuance for FY 2008 - FY 2011 (FY 2010 and FY 2011 interest is net of BAB subsidy); and 5.5% and 6.5% for FY 2012 and FY 2013, respectively.

(B.) Positive annual difference indicates revenue received is more than the cost of service, negative annual difference indicates the revenue received is less than the cost of service.

(C.) FY 2011 District payment includes an offset made by DC Water from amounts owed to the District of \$4.774M

(D.) Allocated fire cost for FY 2008 reflect actual FY 2008 operating expenses and debt services which are lower than projected numbers used in prior report.

** Allocated fire cost for FY 2011 are based on unaudited numbers and will subject to change.



Projected Operating Cost FY 2012-FY 2014

Table 3

Cost Category	2012	2013 Projected	2014
Direct Fire Costs			
Full time assigned personnel costs	990,317	1,029,930	1,071,127
Hydrant Parts	250,000	250,000	250,000
Material & Equipment (Fire Hydrant Program)	300,000	300,000	300,000
Contractor & DC Water Costs - Hyd Installation	2,657,714	3,283,053	4,510,829
Personnel loaned from other departments (documented via WO)	161,354	162,540	163,783
DDOT Open Space Permits	48,905	90,112	100,341
Paid to Fire Department for Inspection Services (NTE)	0	0	0
Burden applied to DC Water personnel costs	782,350	813,644	846,190
Burden applies to Personnel loaned (Hourly Rate, Salary Rate & OH)	105,951	106,081	106,216
Burden applied to Parts	125,000	125,000	125,000
Burden applied to Material & Equipment	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Subtotal Direct Costs	5,571,592	6,310,359	7,623,486
Allocated Fire Costs			
Fire Share of Water Base Costs @ .005	521,645	537,294	553,413
Fire Share of Peak Costs @ 1.37% for 2006-07, 1.34% for 2008-14	<u>173,253</u>	<u>178,451</u>	<u>183,805</u>
Subtotal	694,898	715,745	737,218
Allocated Public Fire Costs	514,141	529,565	545,452
Total Costs	6,085,733	6,839,924	8,168,938
District Payment			
Annual Difference	-6,085,733	-6,839,924	-8,168,938
2006-11 Cumulative Difference (Actual \$ vs. MOU)	-40,518,119	-47,358,043	-55,526,982
Recovery of 2006-11 Difference + Current (2012-14)	19,642,000	19,642,000	19,642,000

Notes

- (A.) Direct fire protection costs are provided by DC Water.
 (B.) Allocated fire costs are anticipated to grow in proportion to forecasted budget and assumed 3.0% rate of increase for FY 2013 and FY2014.
 (C.) Public fire allocation percentages are provided in section 5.3 of the Appendix. It is assumed that the FY 2013 and FY 2014 public fire hydrant percentage stays the same as FY 2012.
 (D.) Projected 2011 - 2014 total direct and allocated public fire costs are shown as an annual expense without consideration of using bond proceeds for capital costs.
 (E.) FY 2011 District payment includes an offset made by DC Water from amounts owed to the District of \$4.774M
 (F.) Allocated fire cost for FY 2008 reflect actual FY 2008 operating expenses and debt service which are lower than the projected numbers used in the prior report.



Cost Recovery Options



Cost Recovery Options

To ensure full recovery of costs for fire protection services, DC Water evaluated multiple payment recovery options:

1. Finance capital costs of the program and recover the annual debt service plus all annual operating costs:

A. Payment of FY 2011 outstanding costs (\$1.4million), plus annual operating costs and amortized capital debt payments (Table 4)

- Annual future costs projected:
 - FY 12 would be \$7.3 million (or \$798 per hydrant)
 - FY 13 would be \$6.4 million (or \$694 per hydrant)
 - FY 14 would be \$6.6 million (or \$722 per hydrant)

Existing Approach

B. Same approach as 1A, with 3 year totals averaged in level charges for the period FY 2012-2014 (5% interest factor on operating portion) (Table 4)

- \$6.8 million annually FY 2012-2014 (or \$770 per hydrant)

C. One Lump sum payment of \$1.6 million in FY 2012, maintaining annual fee of \$6.2 million (\$680 per hydrant). (Table 5)

Recommended Approach

2. Annual Payment of total costs (see table 6):

A. Reimburse prior year underpayment in addition to projected future yearly costs

- Accumulated unreimbursed costs - \$34.4 million
- Annual future costs projected:
 - FY 12 would be \$6.1 million
 - FY 13 would be \$6.8 million
 - FY 14 would be \$8.2 million

B. Averaged annual payments incorporating gradual recovery of accumulated costs

- \$19.6 million each year for FY 12 through FY 14



Capital Amortization Payment Option

Table 4 – Options 1 A & B

Cost Category	2006	2007	2008	2009	2010	**2011	2012	2013	2014
	Historical					Projected			
Total Direct and Allocated Fire Costs	1,462,370	6,362,363	17,036,385	15,656,184	7,733,856	6,264,548	6,085,733	6,839,924	8,168,938
Less: Construction Costs	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	2,657,714	3,283,053	4,510,829
Operating Costs	1,277,231	1,503,776	3,491,336	4,170,448	2,554,879	2,570,005	3,428,019	3,556,871	3,658,109
Capital Costs to be Amortized	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	2,657,714	3,283,053	4,510,829
Debt Service on 2006 Capital Costs		12,405	12,405	12,405	12,405	12,405	12,405	12,405	12,405
Debt Service on 2007 Capital Costs			325,540	325,540	325,540	325,540	325,540	325,540	325,540
Debt Service on 2008 Capital Costs				863,533	863,533	863,533	863,533	863,533	863,533
Debt Service on 2009 Capital Costs					822,746	822,746	822,746	822,746	822,746
Debt Service on 2010 Capital Costs						285,381	285,381	285,381	285,381
Debt Service on 2011 Capital Costs							203,583	203,583	203,583
Debt Service on 2012 Capital Costs								185,608	185,608
Debt Service on 2013 Capital Costs									256,436
Total Debt Service	0	12,405	337,945	1,201,478	2,024,224	2,309,604	2,513,187	2,698,795	2,955,231
Total Annual Costs	1,277,231	1,516,181	3,829,280	5,371,926	4,579,103	4,879,609	5,941,206	6,363,287	6,613,340
District Payment	1,927,176	1,927,176	1,927,176	1,927,176	1,452,176	10,922,440			
Annual Difference	649,945	410,995	-1,902,104	-3,444,750	-3,126,927	6,042,831	-5,941,206	-6,363,287	-6,613,340
2006-11 Cumulative Difference (Actual \$ vs. District Payment)	649,945	1,060,940	-841,164	-4,285,915	-7,412,842	-1,370,011			
Level charges (2012-14) including catch-up							6,799,000	6,799,000	6,799,000

(A.) Debt service is computed on the basis of a 30 year term; 5% interest and 3% cost of issuance for bonds issued for FY 2006 and FY 2007; actual interest and cost of issuance for FY 2008 - FY 2011 (FY 2010 and FY 2011 interest is net of BAB subsidy); and 5.5% and 6.5% for FY 2012 and FY 2013, respectively.

(B.) Positive annual difference indicates revenue received is more than the cost of service, negative annual difference indicates the revenue received is less than the cost of service.

(C.) FY 2011 District payment includes an offset made by DC Water from amounts owed to the District of \$4.774M

(D.) Allocated fire cost for FY 2008 reflect actual FY 2008 operating expenses and debt services which are lower than projected numbers used in prior report.

** Allocated fire cost for FY 2011 are based on unaudited numbers and will subject to change.



Current Fee With Additional One Time Payment

Table 5 – Option 1 C

Cost Category	2006	2007	2008	2009	2010	**2011	2012	2013	2014
	Historical					Projected			
Total Direct and Allocated Fire Costs	1,462,370	6,362,363	17,036,385	15,656,184	7,733,856	6,264,548	6,085,733	6,839,924	8,168,938
Less: Construction Costs	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	2,657,714	3,283,053	4,510,829
Operating Costs	1,277,231	1,503,776	3,491,336	4,170,448	2,554,879	2,570,005	3,428,019	3,556,871	3,658,109
Capital Costs to be Amortized	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	2,657,714	3,283,053	4,510,829
Debt Service on 2006 Capital Costs		12,405	12,405	12,405	12,405	12,405	12,405	12,405	12,405
Debt Service on 2007 Capital Costs			325,540	325,540	325,540	325,540	325,540	325,540	325,540
Debt Service on 2008 Capital Costs				863,533	863,533	863,533	863,533	863,533	863,533
Debt Service on 2009 Capital Costs					822,746	822,746	822,746	822,746	822,746
Debt Service on 2010 Capital Costs						285,381	285,381	285,381	285,381
Debt Service on 2011 Capital Costs							203,583	203,583	203,583
Debt Service on 2012 Capital Costs								185,608	185,608
Debt Service on 2013 Capital Costs									256,436
Total Debt Service	0	12,405	337,945	1,201,478	2,024,224	2,309,604	2,513,187	2,698,795	2,955,231
Total Annual Costs	1,277,231	1,516,181	3,829,280	5,371,926	4,579,103	4,879,609	5,941,206	6,363,287	6,613,340
District Payment	1,927,176	1,927,176	1,927,176	1,927,176	1,452,176	10,922,440	1,600,000		
Annual Difference	649,945	410,995	-1,902,104	-3,444,750	-3,126,927	6,042,831	-4,341,206	-6,363,287	-6,613,340
2006-11 Cumulative Difference (Actual \$ vs. District Payment)	649,945	1,060,940	-841,164	-4,285,915	-7,412,842	-1,370,011			
Level charges (2012-14) including catch-up							6,239,000	6,239,000	6,239,000

(A.) Debt service is computed on the basis of a 30 year term; 5% interest and 3% cost of issuance for bonds issued for FY 2006 and FY 2007; actual interest and cost of issuance for FY 2008 - FY 2011 (FY 2010 and FY 2011 interest is net of BAB subsidy); and 5.5% and 6.5% for FY 2012 and FY 2013, respectively.

(B.) Positive annual difference indicates revenue received is more than the cost of service, negative annual difference indicates the revenue received is less than the cost of service.

(C.) FY 2011 District payment includes an offset made by DC Water from amounts owed to the District of \$4.774M

(D.) Allocated fire cost for FY 2008 reflect actual FY 2008 operating expenses and debt services which are lower than projected numbers used in prior report.

** Allocated fire cost for FY 2011 are based on unaudited numbers and will subject to change.



Reimbursable Cost

Table 6 – Options 2 A & B

Cost Category	2006	2007	2008	2009	2010	**2011	2012	2013	2014
	Historical					Projected			
Direct Fire Costs									
Full time assigned personnel costs	376,560	584,945	902,798	1,109,400	887,875	952,228	990,317	1,029,930	1,071,127
Hydrant Parts	24,151	46,887	241,446	393,857	234,585	170,901	250,000	250,000	250,000
Material & Equipment (Fire Hydrant Program)	287,166	177,132	708,526	680,826	203,022	156,424	300,000	300,000	300,000
Contractor & DC Water Costs - Hyd Installation	185,139	4,858,587	13,545,049	11,485,736	5,178,977	3,694,543	2,657,714	3,283,053	4,510,829
Personnel loaned from other departments (documented via WO)	0	0	3,760	140,636	74,524	150,189	161,354	162,540	163,783
DDOT Open Space Permits	4,488	19,272	132,600	132,000	74,830	17,918	48,905	90,112	100,341
Paid to Fire Department for Inspection Services (NTE)			488,655	480,790	56,886	150	0	0	0
Burden applied to DC Water personnel costs	177,750	245,142	407,937	556,919	445,713	478,018	782,350	813,644	846,190
Burden applies to Personnel loaned (Hourly Rate, Salary Rate & OH)				70,599	37,411	75,395	105,951	106,081	106,216
Burden applied to Parts	4,395	8,533	43,943	71,682	42,695	31,104	125,000	125,000	125,000
Burden applied to Material & Equipment	<u>52,264</u>	<u>32,238</u>	<u>128,952</u>	<u>123,910</u>	<u>36,950</u>	<u>28,469</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Subtotal Direct Costs	1,111,914	5,972,736	16,603,665	15,246,356	7,273,469	5,755,340	5,571,592	6,310,359	7,623,486
Allocated Fire Costs									
Fire Share of Water Base Costs @ .005	333,640	362,656	402,980	407,970	462,503	519,861	521,645	537,294	553,413
Fire Share of Peak Costs @ 1.37% for 2006-07, 1.34% for 2008-14	<u>97,178</u>	<u>112,352</u>	<u>124,120</u>	<u>144,702</u>	<u>159,720</u>	<u>168,370</u>	<u>173,253</u>	<u>178,451</u>	<u>183,805</u>
Subtotal	430,818	475,009	527,100	552,672	622,224	688,231	694,898	715,745	737,218
Allocated Public Fire Costs	350,456	389,627	432,720	409,828	460,387	509,208	514,141	529,565	545,452
Total Costs	1,462,370	6,362,363	17,036,385	15,656,184	7,733,856	6,264,548	6,085,733	6,839,924	8,168,938
District Payment	1,927,176	1,927,176	1,927,176	1,927,176	1,452,176	10,922,440			
Annual Difference	464,806	-4,435,187	-15,109,209	-13,729,008	-6,281,680	4,657,892	-6,085,733	-6,839,924	-8,168,938
2006-11 Cumulative Difference (Actual \$ vs. MOU)	464,806	-3,970,381	-19,079,590	-32,808,598	-39,090,279	-34,432,386	-40,518,119	-47,358,043	-55,526,982
Recovery of 2006-11 Difference + Current (2012-14)							19,642,000	19,642,000	19,642,000

Notes

- (A.) Direct fire protection costs are provided by DC Water.
- (B.) Allocated fire costs are anticipated to grow in proportion to forecasted budget and assumed 3.0% rate of increase for FY 2013 and FY2014.
- (C.) Public fire allocation percentages are provided in section 5.3 of the Appendix. It is assumed that the FY 2013 and FY 2014 public fire hydrant percentage stays the same as FY 2012.
- (D.) Projected 2011 - 2014 total direct and allocated public fire costs are shown as an annual expense without consideration of using bond proceeds for capital costs.
- (E.) FY 2011 District payment includes an offset made by DC Water from amounts owed to the District of \$4.774M
- (F.) Allocated fire cost for FY 2008 reflect actual FY 2008 operating expenses and debt service which are lower than the projected numbers used in the prior report.
- ** Allocated fire cost for FY 2011 are based on unaudited numbers and will subject to change.

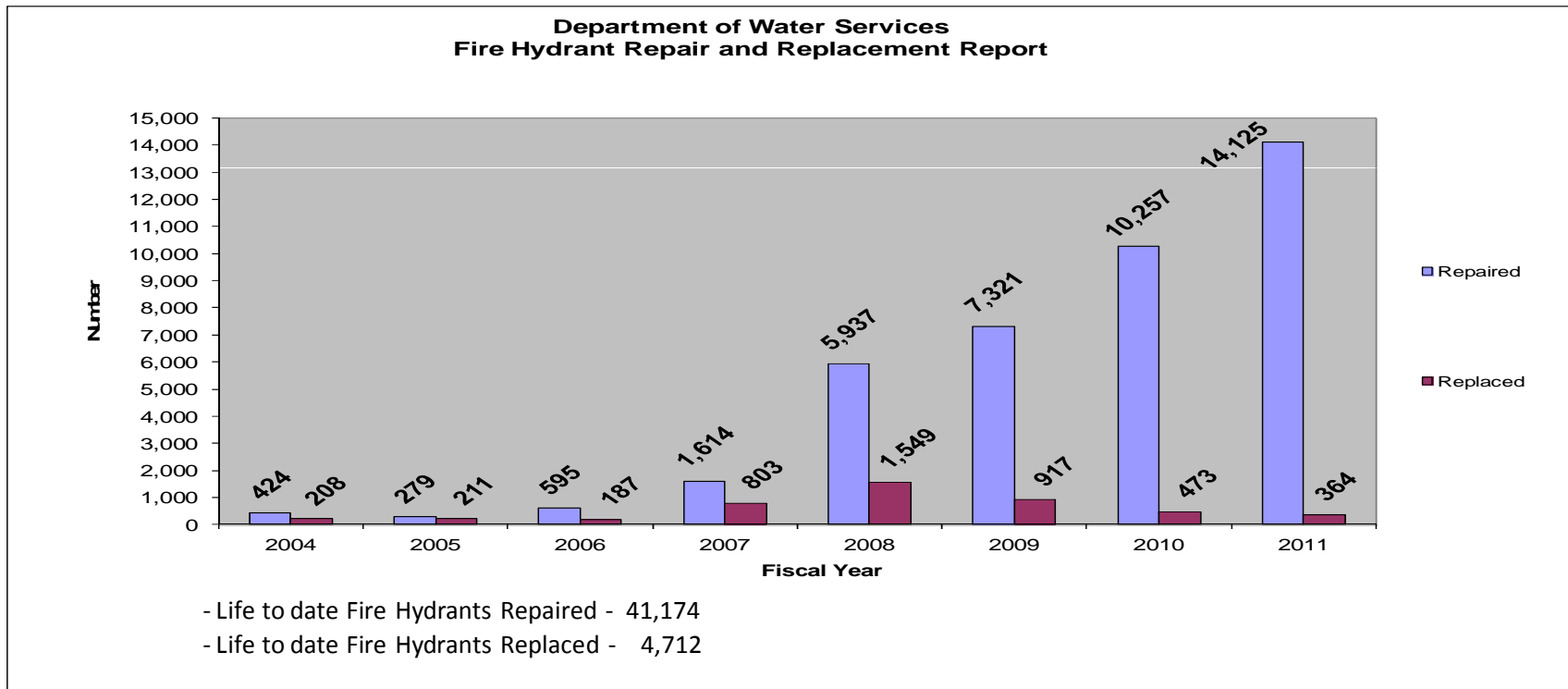


Fire Hydrant Program Update



Discussion of Program Results

DC Water continues to reduce the number of out-of-service hydrants, while upgrading obsolete inventory and increasing operating cost efficiencies



*Repairs or replacements may represent multiple service calls to same hydrants



Discussion of Program Results Cont'd

- ❑ Based upon discussions with the DC Administrator's office as well as the DC Fire and EMS, DC Water has tailored its in-house crew and contractor resources to ensure that critical operation targets are met with cost effective staffing complements:



Discussion of Program Results Cont'd

- Repair crew complement
 - Six (6) Fire Hydrant repair crews performing preventive, corrective and emergency maintenance on approximately 9,100 public fire hydrants in the District of Columbia (2ppl/crew)
- Replacement contractor and DC Water personnel
 - Currently
 - One (1) Fire Hydrant Contract crew daily
 - Replace approximately 10 hydrants per week.
 - Based on 200 calendar day contract to replace 235 fire hydrants
 - As needed
 - One (1) IR&R Contract Crew
 - One (1) DC Water System Repair Crew
- Valve contractor crews
 - One (1) valve operating crew
 - One (1) flow test crew
- Additional support staff – planners, valve operations personnel, inspectors, clerical, GIS consultants

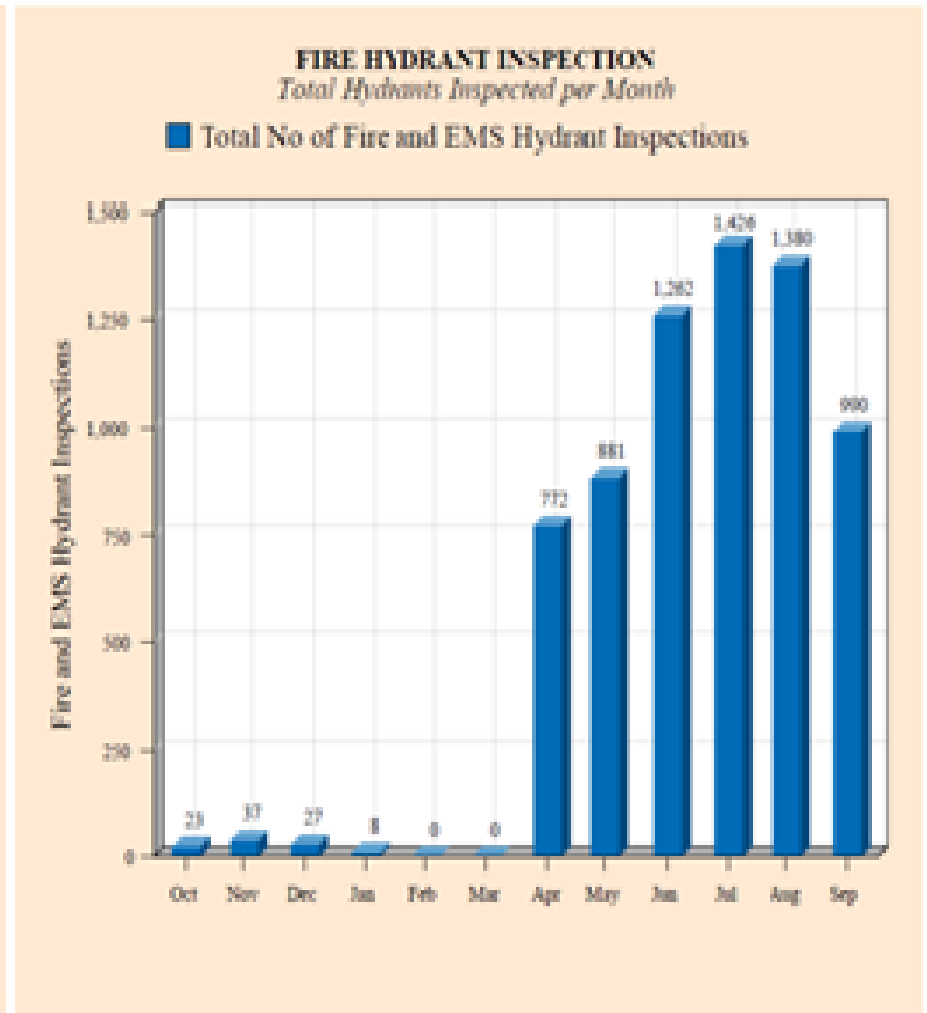
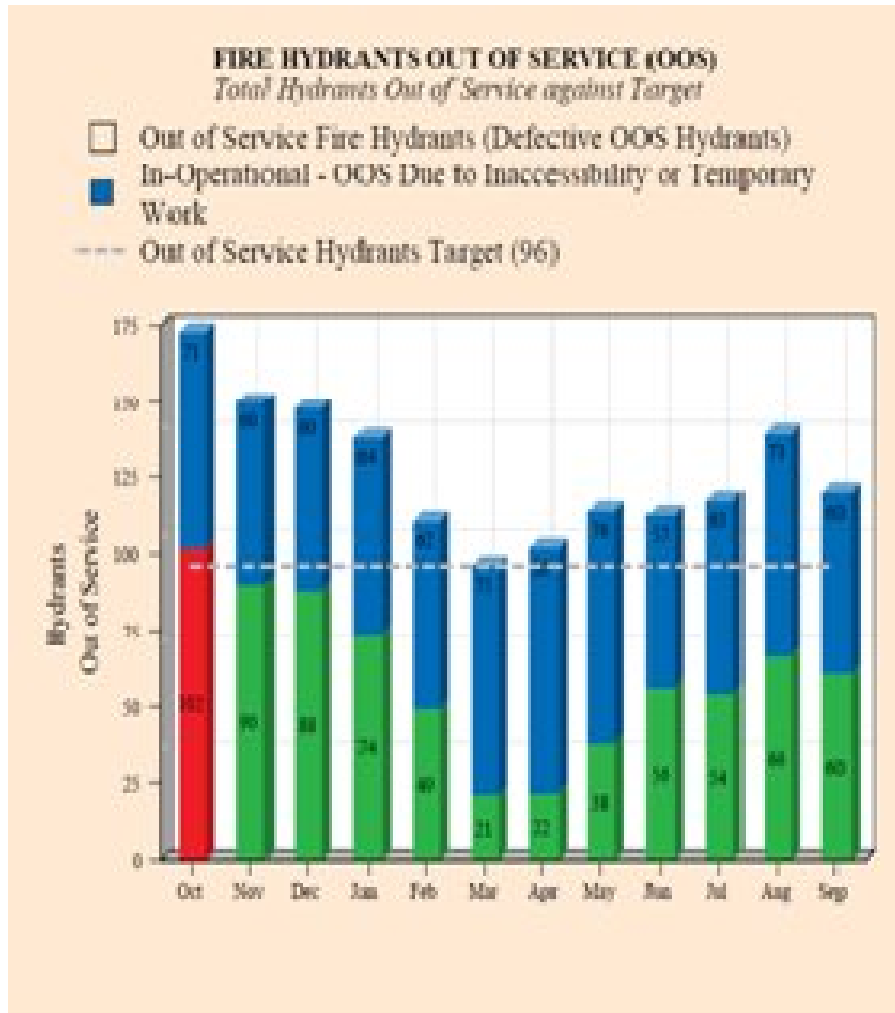


Inspection Program

- ❑ DC Fire and EMS perform fire hydrant inspections based on the American Water Works Association recommendations.
- ❑ Current negotiations for a new MOU allow DC Fire and EMS to conduct annual inspections
 - Nine (9) month duration for coordinated inspections
 - FY11 DC Fire and EMS performed 6,806 fire hydrant inspections
- ❑ Asset Management
 - DC Fire and EMS utilizes a GIS computer application to capture and transmit fire inspection assessments to DC Water.
 - Maintenance and Inspection records are stored in Maximo.
 - Draft Hydrant Program Manual currently under review.



Fire Hydrants Update





Total Capital Program Budget

Budgeted	
\$("000)	# of Hydrants
56,700	6,500

Actual To Date (FY 2011)	
\$("000)	# of Hydrants
38,900	4,712

Cost/Hydrant	8,723
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Cost/Hydrant	8,256
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- The budgeted capital cost per hydrant is \$8,723 while the actual Life -To-Date is \$8,256.
- If cost trends continues, DC Water would be able to exceed the target replacement of 6,500 hydrants with the available budget

Capital Activities

- Completed hydrant inventory
- Google Earth to provide water maps and satellite images
- Use of hand held devices to capture inspection data
- Provision of vehicles for inspections by FEMS
- Provided GIS and Field Maps of the water distribution system
- Assessment Initiative – resulted in accelerated replacement of out-of-service hydrants that cannot be repaired and/or upgraded



Next Steps



Status / Next Steps

- Draft report will be transmitted to the City Administrator and DC Chief Financial Officer in December
 - Meetings will be scheduled with each office to review and answer questions, if any

- Report will be finalized in January, after all stakeholder input

- If Required, rate making process will commence in February

- Public Hearing in May, 2011

- Committee Recommendation in June, 2011

- Board Approval July, 2012

- Effective date October, 2012



ATTACHMENT - D

Presented to the
DC Water Retail Water and Sewer
Rates Committee

December 23, 2011

Update of Miscellaneous Fees and Charges



Background

- In FY 2010 the Independent Consulting firm Raftelis Financial Consultant Inc was engaged by DC Water for various rate analysis including the review of several Miscellaneous Fees and Charges to determine if they should be updated to synchronize with cost of service.
- Prior to this review, DC Water had not changed these fees since 2003.
 - Prior fee structure for Engineering Review activities recovered only \$750,000 annually while our FY 2012 budget is about \$1.9million.
- Through out FY 2011 management and the Board discussed various miscellaneous fees and charges.



Background Cont'd

Description of Fees	Adopted	Pending	No Action
Engineering Review and Permitting Fees	X		
Environmental Impact Study Fees			X
Large Meter Installation Fees			X
Turn-On/Turn-Off Fees			X
Industrial User Permitting & Sampling Fees		X	
Temporary Discharge Fees			X
Waste Hauler Fees	X		
High Strength Surcharges			X

- Based upon a year long study and discussion, the new engineering review and permitting fees were approved by the Board in July 2011.
- Industrial User Permitting and Sampling fees were deferred pending new regulation:
 - Retail Rates Committee recommendation proposed for January 2012
 - Board Action anticipated February 2012



Background Cont'd

In October 2011, the following Miscellaneous Fees & Changes became effective

- Engineering Reviews, Sale of Documents, Maps and Manuals

Engineering Review		
	Previous Fees	Current Fees
<i>Large Project Permit Review Fees (public main greater than 2 inches)</i>		
Availability Letter (Large Commercial)	\$300	\$500
Large Permits Fast Track (15 working days review per submission)		\$10,000
Large Permit Basic	\$2,500	\$7,500
Large Permits Submissions (Excessive Submission: 4 or more)		\$1,000
Foundation to Grade - Large Commercial		\$1,000
Approved Project Plan Revision (Project Scope/Design Change)		\$1,000
Approved Plan Revision (Field Conditions)		\$250
Large Project Sheeting and Shoring (Large Commercial)	\$1,000	\$1,000
Raze Permits		\$150
Abandonment Waiver Request		\$500
<i>Small Project Permit Review Fees (public main less than 2 inches)</i>		
Availability Letter (Small)		\$125
Small Residential *	\$250	\$300
New Home from a Large Project Subdivision (10 or more units)		\$150
Small Commercial (multi-family, apartments, store, etc)*	\$250	\$2,500
Small Sheet and Shore	\$250	\$500

* Small Residential – Single-family residential (up to three units) with meter connection 2 inches or less.

* Small Commercial – 4 or more units or other non-residential entities with meter connection of 2 inches or less.



Background Cont'd

- Engineering Reviews, Sale of Documents, Maps and Manuals - cont.

	Previous Fees	Current Fees
Sale of Manuals		
Design Manuals	\$60.00	\$60.00
Revisions/Updates	\$25.00	\$25.00
Construction Standard Details	\$35.00	\$35.00
Revisions/Updates	\$10.00	\$10.00
Construction General Conditions & Standard Specifications	\$25.00	\$25.00
Revisions/Updates	\$5.00	\$5.00
Fee for WASA Pipeline Design Manual	\$75.00	\$75.00
Revisions/Updates	\$30.00	\$30.00
Preparing As-Built Drawings	\$215.00	\$215.00
Reproduction of Maps and Technical Documents (Charge per Sheet)		
Xerographic	\$2.50	\$2.50
Vellum	\$4.00	\$4.00
Mylar	\$5.50	\$5.50
Standard Photocopying (Charge Per Page) - For Legal and Letter Size Paper	\$0.25	\$0.25
Electronic Version of Water/Sewer Counter and As-Built Maps per project	\$100.00	\$100.00
Updates of Electronic Version of Water/Sewer Counter and As Built Maps per project	\$25.00	\$25.00



Background Cont'd

- Pretreatment Fees

	Previous Fees	Current Fees
Waste Hauling - Annual Fee per Vehicle		
Vehicles 0 - 49 gallons	\$100	\$160.00
Vehicles 50 - 799 gallons	\$255	\$2,265.00
Vehicles 800 - 1,499 gallons	\$590	\$6,170.00
Vehicles 1,500 gallons or more	\$1,650	\$14,640.00



Small Residential vs. Small Commercial

- The Cost of Service analysis attempts to indentify appropriate rates and fees to recover the costs of providing the associated services:
 - Permit reviews can be very detailed and complex taking weeks or months to review or very simple and completed through a walk-in process.
 - The total Engineering review fees attempt to provide for these variations and are consistent with fee levels of other utilities.
 - The average hourly rate was estimated to be \$61 per review hour
 - 98.5% of small residential customers have 1” or less meters requiring minimal review time (6 – 8 hours).
 - The majority of small (2” or less) commercial customers require additional reviews, usually for various regulatory/fire related requirements. This process can often require an additional fire service evaluation by 2 or more engineers and usually requires multiple reviews due to corrections and resubmission requirements.
 - These reviews can range from 30 – 48 hours of review time.



Small Residential vs. Small Commercial, Cont'd

- The various fees for the categories reflected both the estimated effort required as well as the estimate number of reviews anticipated in each category.
- Actual activity during this first year (FY 2012) utilizing these new fees will be reviewed in FY 2013. Staff will update the Committee on the results.



Industrial User Permitting Fees

- Industrial User Annual Compliance Fees was discussed by the DC Retail Water and Sewer Committee in April 2011 with the following outcome:

Industrial User Permitting Fee		
Permit Initial Fee		\$2,000.00
Permit Renewal Fee		\$600.00
Industrial User Annual Compliance Fees		
Significant or Non-Significant Categorical Industrial User		
1 Outfall		\$2,500.00
2 or more Outfalls		\$3,500.00
Significant Non-Categorical Industrial User		
1 Outfall		\$2,500.00
2 or more Outfalls		\$3,500.00
Non-Significant Non-Categorical User		
1 Outfall		\$550.00
2 or more Outfalls		\$700.00

- DC Water granted an extension to the comment period on new Pre-treatment Regulations through December 2011.
- In the June 2011, DC Retail Water and Sewer Committee meeting General Manager Hawkins recommended postponement of a final decision on the Industrial User Permitting Fees pending further action on the pre-treatment regulations.
- New fees will be necessary once regulations have been established and will be brought back to this Committee for recommendation and action.



- January 2012 – EQ&SS Committee to approve Pre-treatment Regulations
- January 2012 - DC Retail Water and Sewer Rates Committee Discussion and Recommendation on FY 2013 Industrial User Permitting Fees
- July 2012 - Board Action on FY 2013 Industrial User Permitting Fees
- Oct. 1, 2012 - FY 2013 Industrial User Permitting Fees effective October 1, 2012

Attachment – E

FY 2012 Retail Rates Committee Proposed Workplan

Committee Activity	Committee Calendar	Completed
1. FY 2013 Retail Rate Activities <ul style="list-style-type: none"> a. Rate Proposal to committee b. Committee recommendation c. Public Outreach d. Public Hearing e. Committee recommendation on FY 2013 rates 	October 2011 December 2011 March/April 2012 May 2012 June 2012	√
2. Implement LID Incentive Program for customers who utilize Best Management Practice in conjunction with DDOE <ul style="list-style-type: none"> a. Legal evaluation of the DDOE proposed program; and b. Evaluate alternatives for the Clean Rivers IAC discounts c. Prepare revenue impact analysis d. Propose IAC Discount Program <ul style="list-style-type: none"> i. IAC Discount Program Proposal to committee ii. Committee recommendation iii. Public Outreach iv. Public Hearing v. Committee recommendation on FY 2013 IAC Discount Program 	Ongoing-Coordinating with DDOE on program planning – <i>On hold pending DDOE publication of revised regulation proposal</i> TBD TBD TBD TBD	
3. Review and Update Committee on long-range rate issues, including follow-up on FY 2009 Cost of Service Study results, prior to next cost of service study <ul style="list-style-type: none"> a. Consider Implementation of Developer/Impact Fees b. Revisit CAP program and possible modifications (Expansion and or methodology) 	FY 2012 FY 2012	

Attachment – E

<ul style="list-style-type: none"> c. Miscellaneous Fees and Charge <ul style="list-style-type: none"> i. Update Committee on Miscellaneous Fees ii. Committee Recommendation on Miscellaneous Fees iii. Board Approval on Miscellaneous Fees iv. Board Action on Miscellaneous Fees 	<ul style="list-style-type: none"> December 2011 January 2012 February 2012 July 2012 	
<ul style="list-style-type: none"> 4. FY 2012 Cost of Service Study <ul style="list-style-type: none"> i. Notice to Proceed ii. Receive Draft Report iii. Present to the Retail Rates Committee iv. Final Report 	<ul style="list-style-type: none"> November 2011 February 2012 March 2012 April 2012 July 2012 	√
<ul style="list-style-type: none"> 5. Review of charges/rates for specific customers <ul style="list-style-type: none"> a. Howard University, Soldier’s Home Negotiations and Town of Vienna Update 	<ul style="list-style-type: none"> Monthly 	
<ul style="list-style-type: none"> 6. “PILOT” evaluation – In coordination with District Government Review and Propose replacement for assessing PILOT and related issues. 	<ul style="list-style-type: none"> TBD 	
<ul style="list-style-type: none"> 7. IAC Program Evaluation 	<ul style="list-style-type: none"> February 2012 	
<ul style="list-style-type: none"> 8. Fire Protection Fee Cost of Service Study <ul style="list-style-type: none"> a. Present Draft Fire Cost of Service Study to Retail Rates b. Submit copy of report to DCCFO & DC City Administrator for review c. Rate proposal to Committee d. Public Hearing e. Committee recommendation on revised fee 	<ul style="list-style-type: none"> December 2011 December 2011 January 2012 May 2012 June 2012 	



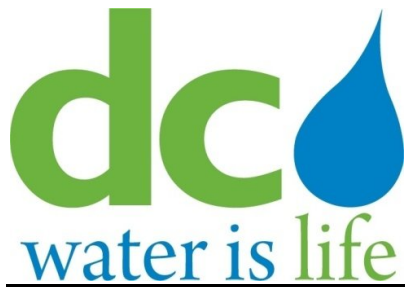
Attachment F

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

TUESDAY, January TBD, 2012; 9:00 a.m.
AGENDA

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Emerging Issues/Other Business	Chief Financial Officer
Agenda for February 2012 Committee Meeting TBD	Chief Financial Officer
Adjournment	Committee Chairman

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



MEMORANDUM

To: Olu Adebo, Chief Financial Officer

Through: Randy E. Hayman, General Counsel

From: Katherine Cahill, Principal Counsel

Date: December 15, 2011

Re: Summary of Private Fire Hydrant Regulations

The Office of the General Counsel (OGC) has been requested to summarize the regulations pertaining to private fire hydrants.

The “Private Fire Hydrant Act of 2010” (Act) which became effective March 31, 2011(codified in the District of Columbia Official Code § 34-2410.01 -34-2410.06) addresses the ownership, inspection, maintenance, replacement and repair of private fire hydrants. A copy of the Act is attached to this memorandum.

The Act includes the following:

Defines the term “private fire hydrant”

Denies permits for private fire hydrant installation until an agreement is recorded in the land records stating the entity/person responsible for the maintenance, repair, and replacement of the private fire hydrant

Grants DC Water the right of access to inspect, maintain, repair or replace private fire hydrants

Requires an identified owner of a private fire hydrant who fails to maintain, repair or replace the private fire hydrant to pay DC water for such work or be faced with the placement of a lien on their property

Requires DC Water to maintain records for a ten year period, of all repairs, inspections, maintenance, and replacements of private fire hydrants and to make such records available to the owner

Provides for the Mayor and DC Water to enter into a Memorandum of Understanding to designate the agency or authority responsible for the inspection of private fire hydrants

Further provides that in the event the Memorandum of Understanding is not executed, the Mayor will be the Inspection Agency

Establishes the procedures to be followed by the Inspection Agency

Establishes procedures to determine the ownership of private fire hydrants

Current Status

The Memorandum of Understanding mentioned in the Act has not been executed and is not in effect. Therefore, pursuant to the Act, the Mayor is the Inspection Agency. DC Water is prepared to enter into negotiations for the execution of such a Memorandum of Understanding in the future, should the Mayor approach DC Water for this purpose.