



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday December 18, 2012

9:30am

- 1. **Call to Order**Howard Gibbs, Chairman
- 2. **Monthly Update (Attachment A)** Randy Hayman
 - Howard University
 - Soldier's Home
- 3. **Discussion of FY 2014 Customer Assistance Program (Attachment B)**Yvette Downs
- 4. **Discussion of Clean Rivers IAC Incentive Program (Attachment C)**Yvette Downs
- 5. **Action Items (Attachment D)**Yvette Downs
 - Ten Year Financial Plan FY 2012 – 2021 (Action Item 1)
 - FY 2014 Rates and Fee Adjustments (Action Item 2)
- 6. **Retail Rates Committee Workplan (Attachment E)**Yvette Downs
- 7. **Other Business**Yvette Downs
- 8. **Agenda for January 22, 2013 Committee Meeting (Attachment F)** Howard Gibbs, Chairman
- 9. **Adjournment**

FOLLOW-UP ITEMS – Retail Rates Committee Meeting (November 27, 2012)

- 1. Review the Future Non-Monitored customer groups (restaurants) and Development/Re-Development Impact Fee for future implementation. (GM Hawkins) Status: Included in committee workplan

**December 2012 Update on Howard University and
Soldiers' Home Delinquent Accounts**

Howard University

Howard University (Howard) has been current in payment of its water and sewer service bills since October, 2011. As part of our original negotiation efforts DC Water asserted arrearages on sewer accounts that date back to 2004. Howard has made an offer in full settlement of these arrearages, but that offer was unacceptably low and therefore rejected. DC Water reevaluated its position. DC Water and Howard have entered into a tolling agreement extension that halts the statute of limitations issues, as presented by Howard University, expiring on January 20, 2013. On November 2, 2012, DC Water issued to Howard individual invoices for both water and sewer services that detail usage for each of the overdue accounts. DC Water's current position is that accepting Howard's statute of limitation argument for settlement purposes only, Howard owes \$3.1 million for delinquent sewer and water charges. Negotiations in this regard are continuing.

NEXT STEPS

1. Anticipate Howard's response to the November 2, 2012 overdue invoice submission.
2. If there is agreement by Howard to the amounts used and billed, Howard should pay full value.
3. If there is minor disagreement with certain invoices, but Howard agrees in principal that the arrearages are due and owing, DC Water will negotiate to conclusion.
4. If there is major disagreement with the invoices, DC Water can file liens on each of the overdue accounts and file a lawsuit.

Soldiers Home

On September 6, 2012, the Chief Financial Officer, General Counsel and a member of Douglas & Boykin met with Steve McManus, the Chief Operating Officer for the Armed Forces Retirement Home (the "Soldiers Home"), to discuss payment for services provided by DC Water. Mr. McManus stated he was willing to work with DC Water to explore payment for sewer services. Mr. McManus noted however, that budgetary authorization issues could delay payment until FY 14. On September 13, 2012, DC Water submitted a tolling agreement to the Soldiers Home in order to toll the running of any alleged statute of limitations while the parties had on-going talks to resolve the billing and payment issues for DC Water services. The Soldiers Home legal staff questioned the need for it to enter the tolling agreement. Recently, DC Water's General Counsel communicated with Soldiers Home setting forth DC Water's legal authority in requesting arrearages from Soldiers Home and also requesting reconsideration of its

denial of a tolling agreement to allow time to negotiate. DC Water requested a response by December 10, 2012.

NEXT STEPS

1. Negotiation and execution of the tolling agreement.
2. Provided the parties negotiate in good faith, the tolling agreement should allow for a 180 day window to negotiate that is not impacted by the statute of limitations.
3. Soldiers Home's continued refusal to enter tolling agreement, however, will result in DC Water filing for a declaratory judgment in federal court that seeks to void any earlier agreement exempting Soldiers Home for water and sewer service charges.



Attachment - B

**Presented to the
DC Retail Water and Sewer Rates
Committee**

Customer Assistance Program

December 18, 2012



Program Background



DC Water Customer Assistance Programs (CAP)

- In recognition of the hardship upon low-income residents of any bills and the necessity of water for all while balancing conservation efforts:
 - The Authority implemented the CAP in 2000 providing a discount of 4 Ccf per months of water service for single family residential homeowners that meet income eligibility guidelines.
 - In FY 2004, the Authority expanded the CAP to include tenants who meet the financial eligibility requirements and whose primary residence is separately metered by the Authority.
 - In January 2009, the Authority further expanded the CAP to provide a discount of 4 Ccf per month of sewer services to eligible customers.
 - In FY 2011, the discount was expanded to the first 4 Ccf associated with the PILOT/ROW fee in addition to the current discount provided on water and sewer services.



Review of Customer Assistance Program

- In March 2012, the DC Water Retail Water and Sewer Committee reviewed various options for expansion of the CAP, including potential income-based credits to both the Clean Rivers IAC and the existing volumetric credits and changing the eligibility requirements
 - The Committee agreed that any change should be thoughtful and within existing budget expectations and directed staff to continue evaluation of the issue and include a proposal within a future budget cycle



Approval and Eligibility



Approval and Eligibility

- The District Department of the Environment (DDOE) certifies CAP eligibility based on federal low-income guidelines:
 - Applicants must provide proof of income
 - Only one application is required to apply for all utility discounts
 - Participants must certify that they are aware of water conservation measures to participate in the program

- Income eligibility criteria for LIHEAP is established by the federal government
 - Varies from state to state
 - Income eligibility in DC for the LIHEAP is currently set at 60% of median household income



Approval and Eligibility, Cont.

- ❑ The Utility Discount Programs use 150 percent of the federal poverty level as the maximum income level allowed in determining income eligibility:
 - Eligibility for Utility Discount Programs is established through the Public Service Commission for Gas, Electric, and Telephone, and DC Water Board for Water and Sewer

Income Guidelines FY 2013

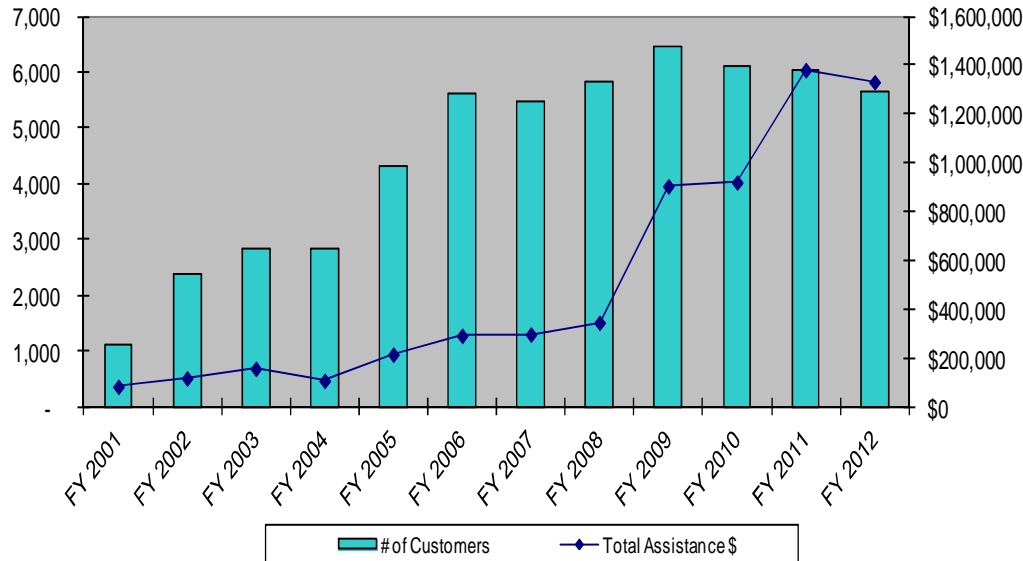
Household Size	Maximum Annual Income
1	\$23,915
2	\$31,374
3	\$38,632
4	\$45,991
5	\$53,350
6	\$60,708
7	\$68,067
8	\$75,426



CAP Residential Program

- DC Water provides assistance to approximately 6,000 customers every year through the CAP

Customer Assistance Program



Total annual maximum discounts available:

- \$336 – Pepco*
- \$276 – Washington Gas
- \$396 – DC Water

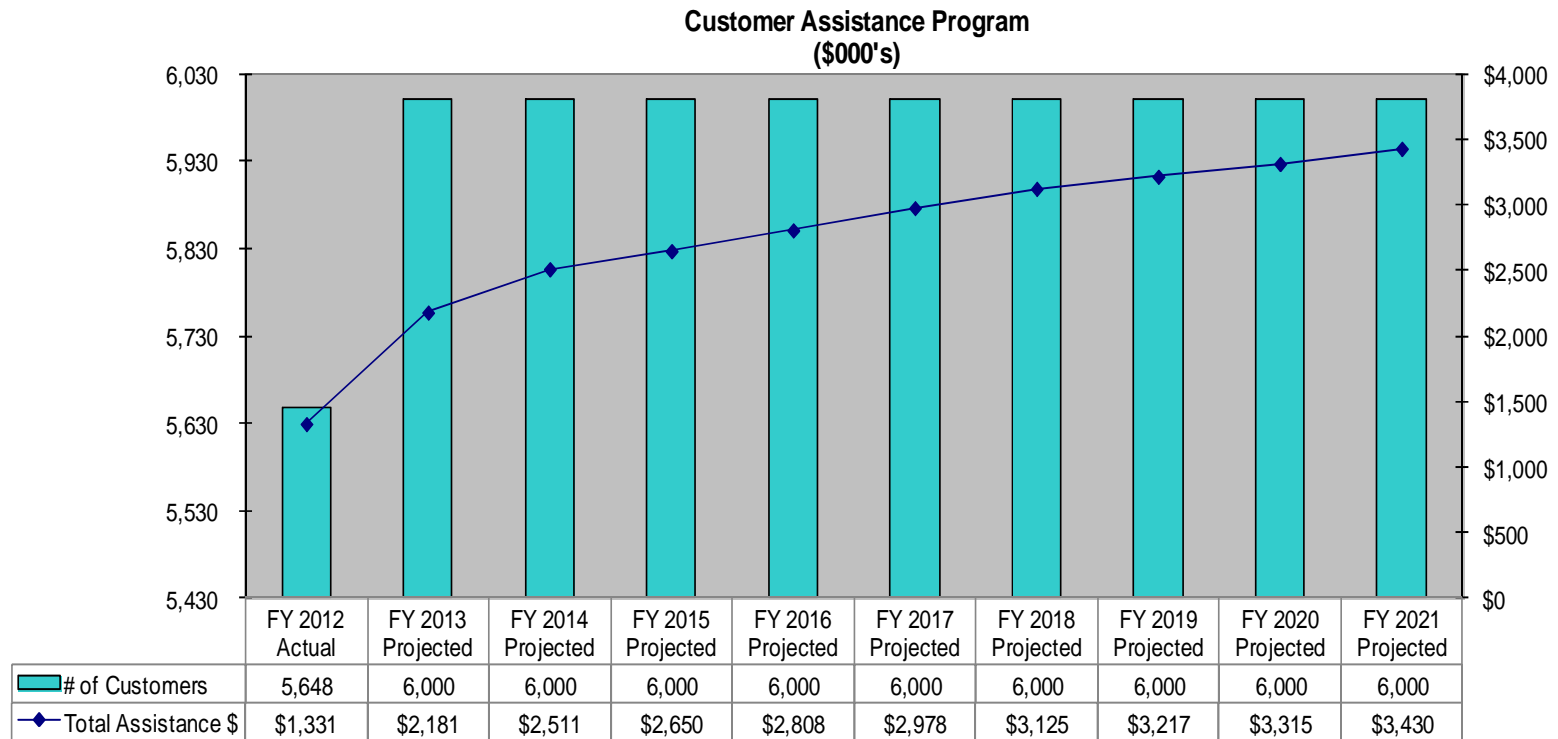
¹ 44 accounts billed in FY 2009 for FY 2008 eligibility year not included

* If heating is electric, maximum is \$528 per DDOE



Projected Costs of Current CAP

- The FY 2012 – 2021 Financial Plan includes the costs associated with the existing Customer Assistance Program.



*Assumes 6,000 CAP customers FY 2013 – 2021
 * FY 2012 actual



Customer Assistance Program (CAP) Options



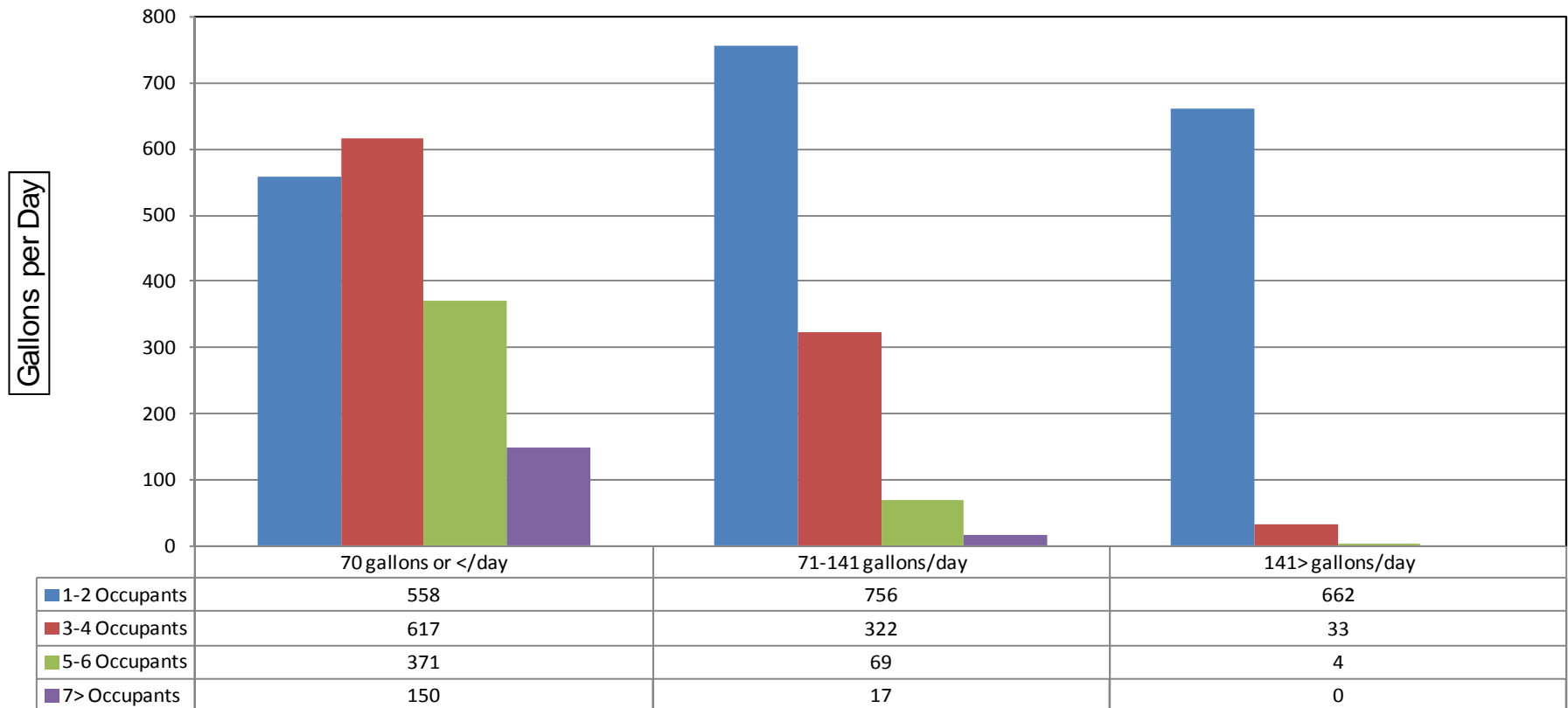
FY 2010 - 2012 Residential CAP Customer Consumption (in Ccf)

Usage	Number of accounts per Range	FY 2012 Annual Usage	Total Monthly Ccf	Mean Usage	Median per Percentile
Usage (0 - 4 ccf per Month)	1,257	36,438	3,037	2.42	2.67
Usage (5 - 7 ccf per Month)	1,582	105,703	8,809	5.57	5.58
Usage (8 - 10 ccf per Month)	1,271	128,534	10,711	8.43	8.42
Usage (11 & Above ccf per Month)	1,538	270,418	22,535	14.65	13.00
Total Usage	5,648	541,093	45,091	7.98	7.00
Usage	Number of accounts per Range	FY 2011 Annual Usage	Total Monthly Ccf	Mean Usage	Median Per Percentile
Usage (0 - 4 ccf per Month)	1,180	35,721	2,977	2.52	2.67
Usage (5 - 7 ccf per Month)	1,604	106,716	8,893	5.54	5.58
Usage (8 - 10 ccf per Month)	1,461	147,680	12,307	8.42	8.33
Usage (11 & Above ccf per Month)	1,780	315,553	26,296	14.77	13.17
Total Usage	6,025	605,670	50,473	8.38	7.42
Usage	Number of accounts per Range	FY 2010 Annual Usage	Total Monthly Ccf	Mean Usage	Median per Percentile
Usage (0 - 4 ccf per Month)	1,444	42,240	3,520	2.44	2.58
Usage (5 - 7 ccf per Month)	1,668	110,400	9,200	5.52	5.50
Usage (8 - 10 ccf per Month)	1,393	140,995	11,750	8.43	8.42
Usage (11 & Above ccf per Month)	1,602	291,567	24,297	15.17	13.25
Total	6,107	585,202	48,767	7.99	6.92



CAP Customers Average Water Usage per Occupant in Household

- A review of DDOE customer data indicates high average water use per person in many CAP households

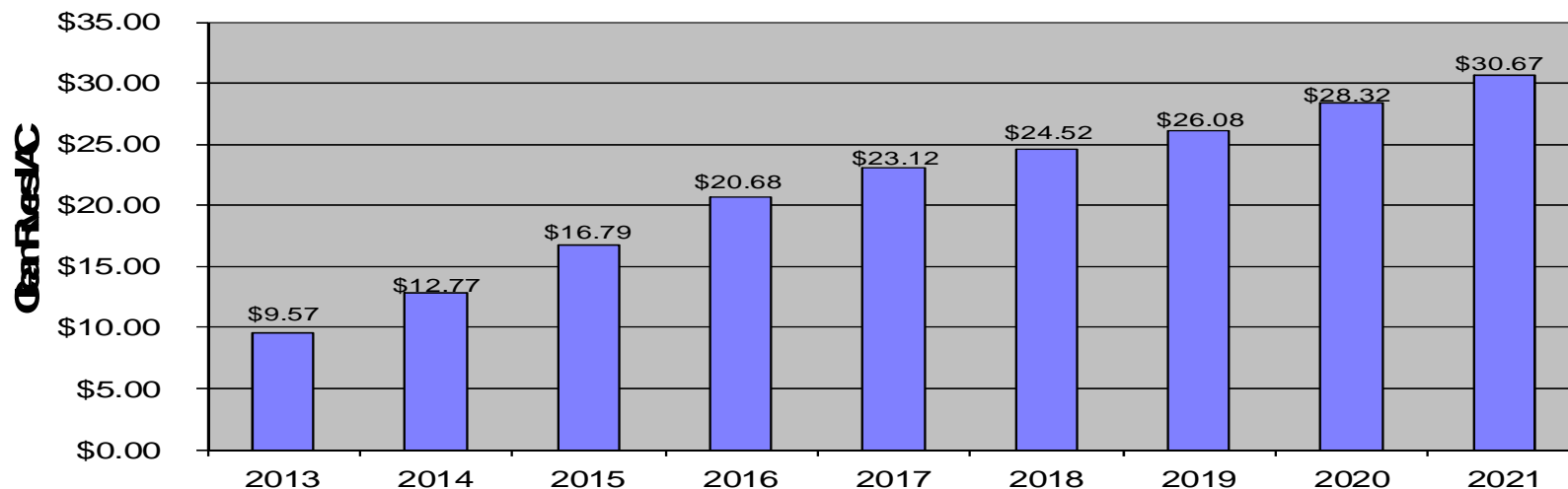


- Data range July 2011 – June 2012



Clean Rivers (IAC) Customer Impacts

- ❑ The current rate proposal assumes that the Clean Rivers IAC monthly rate will increase yearly from the current \$9.57/ERU to \$30.67 by FY 2021



- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the twenty year \$2.6 billion Clean Rivers Project, which includes the federally mandated CSO-LTCP and the nine-minimum controls program.
- The annual Clean Rivers Project IAC costs for the average Tier 2 residential customer (700 – 2,000 sq ft of impervious area) is projected to increase from \$153.24 in FY 2014 to \$368.04 in FY 2021.
- FY 2012 is the actual rate; all other rates are projected



Clean Rivers (IAC) Tier Distribution

- 98% of the FY 2012 approved Customer Assistance Program (CAP) customers were charged 1 ERU a month or less:

Tiers	Size of Impervious Area (Square Feet)	Equivalent Residential Unit (ERU)	# of CAP-eligible customers with this size property
Tier 1	100 - 600	0.6	1365
Tier 2	700 - 2,000	1.0	4147
Tier 3	2,100 - 3,000	2.4	106
Tier 4	3,100 - 7,000	3.8	15
Tier 5	7,100 - 11,000	8.6	0
Tier 6	11,100 and more	13.5	4



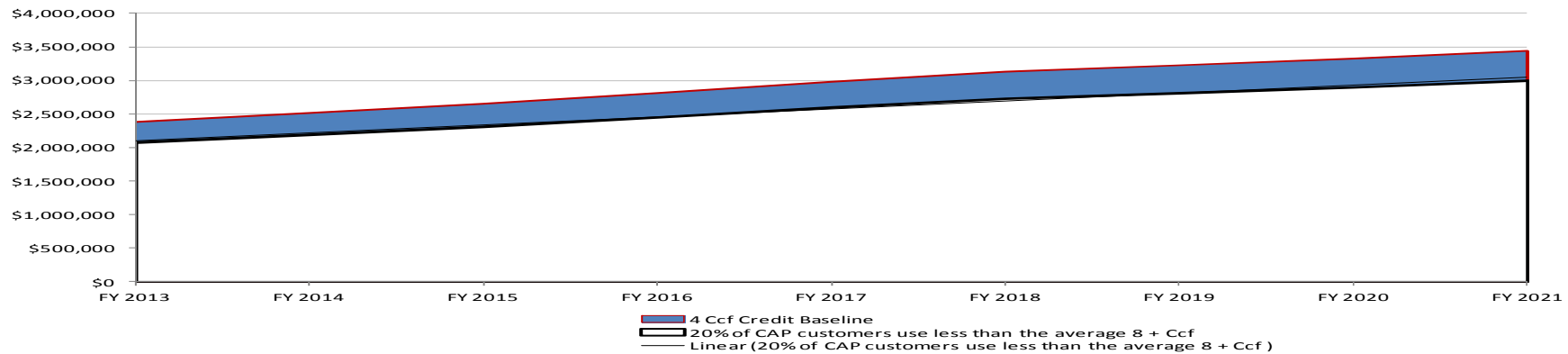
CAP Customer Bill Impact of Various Consumption Patterns

Size of Impervious Area on Account (ERUs)	<u>0 - 4 CCF or up to 2,992 gallons</u>			<u>5 CCF or up to 3,740 gallons</u>			<u>6 CCF or up to 4,488 gallons</u>			<u>7 CCF or up to 5,236 gallons</u>			<u>8 CCF or up to 5,984 gallons</u>			<u>9 CCF or up to 6,732 gallons</u>		
	2013 Total		Discount	2013 Total		Discount	2013 Total		Discount	2013 Total		Discount	2013 Total		Discount	2013 Total		Discount
	2013 Total	W/Out	as of %	2013 Total	W/Out	as of %	2013 Total with	W/Out	as of %	2013 Total with	W/Out	as of %	2013 Total with	W/Out	as of %	2013 Total with	W/Out	as of %
	with Discount	Discount	of Bill	with Discount	Discount	of Bill	Discount	Discount	of Bill	Discount	Discount	of Bill	Discount	Discount	of Bill	Discount	Discount	of Bill
0	\$ 3.86	\$ 36.90	90%	\$ 12.12	\$ 45.16	73%	\$ 20.38	\$ 53.42	62%	\$ 28.64	\$ 61.68	54%	\$ 36.90	\$ 69.94	47%	\$ 45.16	\$ 78.20	42%
0.6	\$ 11.20	\$ 44.24	75%	\$ 19.46	\$ 52.50	63%	\$ 27.72	\$ 60.76	54%	\$ 35.98	\$ 69.02	48%	\$ 44.24	\$ 77.28	43%	\$ 52.50	\$ 85.54	39%
1	\$ 16.10	\$ 49.14	67%	\$ 24.36	\$ 57.40	58%	\$ 32.62	\$ 65.66	50%	\$ 40.88	\$ 73.92	45%	\$ 49.14	\$ 82.18	40%	\$ 57.40	\$ 90.44	37%
2.4	\$ 33.24	\$ 66.28	50%	\$ 41.50	\$ 74.54	44%	\$ 49.76	\$ 82.80	40%	\$ 58.02	\$ 91.06	36%	\$ 66.28	\$ 99.32	33%	\$ 74.54	\$ 107.58	31%
3.8	\$ 50.37	\$ 83.41	40%	\$ 58.63	\$ 91.67	36%	\$ 66.89	\$ 99.93	33%	\$ 75.15	\$ 108.19	31%	\$ 83.41	\$ 116.45	28%	\$ 91.67	\$ 124.71	26%



Residential CAP Options, Cont.

- Based on actual consumption patterns of CAP customers, some opportunities may exist with the current financial plan to reduce rate burden to other customers or revise the current assistance program.



	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
4 Ccf Baseline	\$ 2,378,880	\$ 2,511,360	\$ 2,649,600	\$ 2,808,000	\$ 2,977,920	\$ 3,127,680	\$ 3,222,720	\$ 3,320,640	\$ 3,435,840	\$ 26,432,640
20% of CAP customers use less than the average 8 + Ccf	\$ 2,081,520	\$ 2,197,440	\$ 2,318,400	\$ 2,457,360	\$ 2,605,680	\$ 2,736,720	\$ 2,820,240	\$ 2,905,920	\$ 3,006,720	\$ 23,130,000
Variance	\$ 297,360	\$ 313,920	\$ 331,200	\$ 350,640	\$ 372,240	\$ 390,960	\$ 402,480	\$ 414,720	\$ 429,120	\$ 3,302,640

Assumes 6,000 CAP Customers



CAP Options

- Provide credit on Clean Rivers IAC along with revised volumetric assistance

- Develop and Fund Conservation Efforts – about 50% of eligible CAP customers use more than 8 Ccf of water monthly



Clean Rivers IAC CAP Credit

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
Budget	2,511,360	2,649,600	2,808,000	2,977,920	3,127,680	3,222,720	3,320,640	3,435,840	24,053,760
CAP Discount at 4 Ccf & IAC Discount of 25%	\$ 2,364,480	\$ 2,554,560	\$ 2,759,040	\$ 2,947,680	\$ 3,099,600	\$ 3,209,040	\$ 3,332,160	\$ 3,472,560	23,739,120
CAP Discount at 3 Ccf & IAC Discount of 50%	\$ 2,343,600	\$ 2,592,000	\$ 2,850,480	\$ 3,065,760	\$ 3,228,480	\$ 3,355,920	\$ 3,510,000	\$ 3,681,360	24,627,600
CAP Discount at 2 Ccf & IAC Discount of 100%	\$ 2,175,120	\$ 2,533,680	\$ 2,892,960	\$ 3,153,600	\$ 3,329,280	\$ 3,489,120	\$ 3,699,360	\$ 3,926,160	25,199,280

Assumes 6,000 CAP Customers



Residential CAP Options

CAP Discount of 4 Ccf and Clean Rivers IAC Credit (25%)	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: CAP Discount (4 Ccf per month)		\$ (34.88)	\$ (36.80)	\$ (39.00)	\$ (41.36)	\$ (43.44)	\$ (44.76)	\$ (46.12)	\$ (47.72)
Less: Clean Rivers IAC (25% Credit per 1 ERU)		\$ (3.19)	\$ (4.20)	\$ (5.17)	\$ (5.78)	\$ (6.13)	\$ (6.52)	\$ (7.08)	\$ (7.67)
Less: CAP Discount (4 Ccf per Month) and (Clean Rivers IAC Credit 25%)		\$ (38.07)	\$ (41.00)	\$ (44.17)	\$ (47.14)	\$ (49.57)	\$ (51.28)	\$ (53.20)	\$ (55.39)
Total Amount Appearing on DC Water Bill		\$ 39.57	\$ 43.87	\$ 48.27	\$ 51.68	\$ 54.13	\$ 56.19	\$ 58.78	\$ 61.63
Increase / Decrease Over Prior Year		\$ 54.48	\$ 4.30	\$ 4.40	\$ 3.41	\$ 2.45	\$ 2.06	\$ 2.59	\$ 2.85
CAP Customer Discount as a Percent of Total Bill		-49.0%	-48.3%	-47.8%	-47.7%	-47.8%	-47.7%	-47.5%	-47.3%

CAP Discount of 3 Ccf and Clean Rivers IAC Credit (50%)	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: CAP Discount (3 Ccf per month)		\$ (26.16)	\$ (27.60)	\$ (29.25)	\$ (31.02)	\$ (32.58)	\$ (33.57)	\$ (34.59)	\$ (35.79)
Less: Clean Rivers IAC (50% Credit per 1 ERU)		\$ (6.39)	\$ (8.40)	\$ (10.34)	\$ (11.56)	\$ (12.26)	\$ (13.04)	\$ (14.16)	\$ (15.34)
Less: CAP Discount (3 Ccf per Month) and (Clean Rivers IAC Credit 50%)		\$ (32.55)	\$ (36.00)	\$ (39.59)	\$ (42.58)	\$ (44.84)	\$ (46.61)	\$ (48.75)	\$ (51.13)
Total Amount Appearing on DC Water Bill		\$ 45.09	\$ 48.87	\$ 52.85	\$ 56.24	\$ 58.86	\$ 60.86	\$ 63.23	\$ 65.89
Increase / Decrease Over Prior Year		\$ 3.30	\$ 3.78	\$ 3.98	\$ 3.39	\$ 2.62	\$ 2.00	\$ 2.37	\$ 2.66
CAP Customer Discount as a Percent of Total Bill		-41.9%	-42.4%	-42.8%	-43.1%	-43.2%	-43.4%	-43.5%	-43.7%



Residential CAP Options, Cont.

CAP Discount of 2 Ccf and Clean Rivers IAC Credit (100%)	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: CAP Discount (2 Ccf per month)		\$ (17.44)	\$ (18.40)	\$ (19.50)	\$ (20.68)	\$ (21.72)	\$ (22.38)	\$ (23.06)	\$ (23.86)
Less: Clean Rivers IAC (100% Credit per 1 ERU)		\$ (12.77)	\$ (16.79)	\$ (20.68)	\$ (23.12)	\$ (24.52)	\$ (26.08)	\$ (28.32)	\$ (30.67)
Less: CAP Discount (2 Ccf per Month) and (Clean Rivers IAC Credit 100%)		\$ (30.21)	\$ (35.19)	\$ (40.18)	\$ (43.80)	\$ (46.24)	\$ (48.46)	\$ (51.38)	\$ (54.53)
Total Amount Appearing on DC Water Bill		\$ 47.43	\$ 49.68	\$ 52.26	\$ 55.02	\$ 57.46	\$ 59.01	\$ 60.60	\$ 62.49
Increase / Decrease Over Prior Year		\$ 2.16	\$ 2.25	\$ 2.58	\$ 2.76	\$ 2.44	\$ 1.55	\$ 1.59	\$ 1.89
CAP Customer Discount as a Percent of Total Bill		-38.9%	-41.5%	-43.5%	-44.3%	-44.6%	-45.1%	-45.9%	-46.6%



Conservation Activity Options

- ❑ DC Water provides a free in home use audit once a year:
 - Free dye tablets are provided upon customer request for leak detection in bathroom toilets

- ❑ Extensive outreach materials are provided to customers for conservation tips and education
 - Conservation education is required by DDOE at time of eligibility determination

- ❑ District Department of the Environment has established an energy management outreach effort:
 - District of Columbia Sustainable Energy Utility (DCSEU) is a contracted service and energy focus
 - Service includes replacement of shower heads and water faucets to support lower energy use
 - Provides free in home audits

- ❑ City of Atlanta has a Community Block Grant to assist low income homeowners with water conservation:
 - Replace toilets
 - Replace Showerheads and faucets

- ❑ Opportunity to partner with other agencies for outreach, home audits and fixture repair/replacement for CAP customers may exist:
 - Requires legal review
 - Identification of funding options



Discussion



Appendix



CAP Customer Distribution by Quadrant and Ward

CAP Customers Distribution By Quadrant FY 2012

	<u>Number of</u> <u>Accounts</u>	<u>% of</u> <u>Distribution</u> <u>By Quadrant</u>
CAP Customers in NE	2370	42%
CAP Customers in NW	1504	27%
CAP Customers in SE	1681	30%
CAP Customers in SW	93	2%
Total FY 2012 CAP Customers	<u>5648</u>	

CAP Customers Distribution By Ward FY 2012

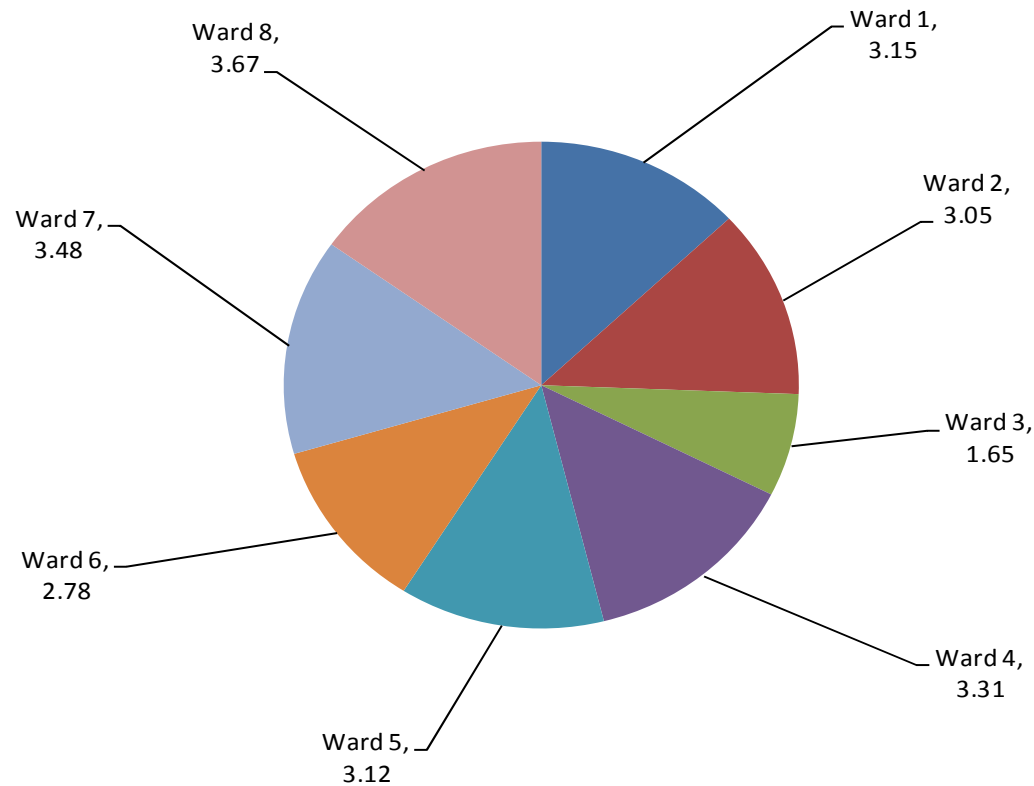
	<u>Number of</u> <u>Accounts</u>	<u>% of</u> <u>Distribution</u> <u>By Ward</u>
CAP Customers in WARD 1	324	6%
CAP Customers in WARD 2	68	1%
CAP Customers in WARD 3	25	0%
CAP Customers in WARD 4	1062	19%
CAP Customers in WARD 5	1283	23%
CAP Customers in WARD 6	493	9%
CAP Customers in WARD 7	1500	27%
CAP Customers in WARD 8	893	16%
Total FY 2012 CAP Customers	<u>5648</u>	



CAP Residential Program

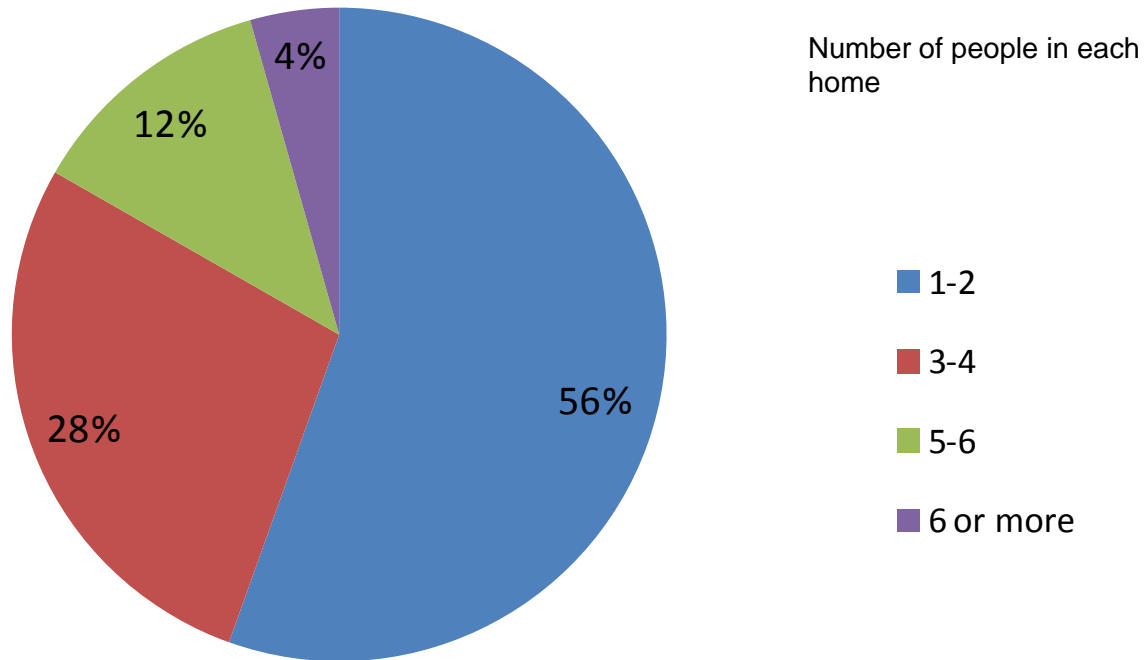
□ Average number of households by Ward

District of Columbia Average # of People Per Household Per Ward



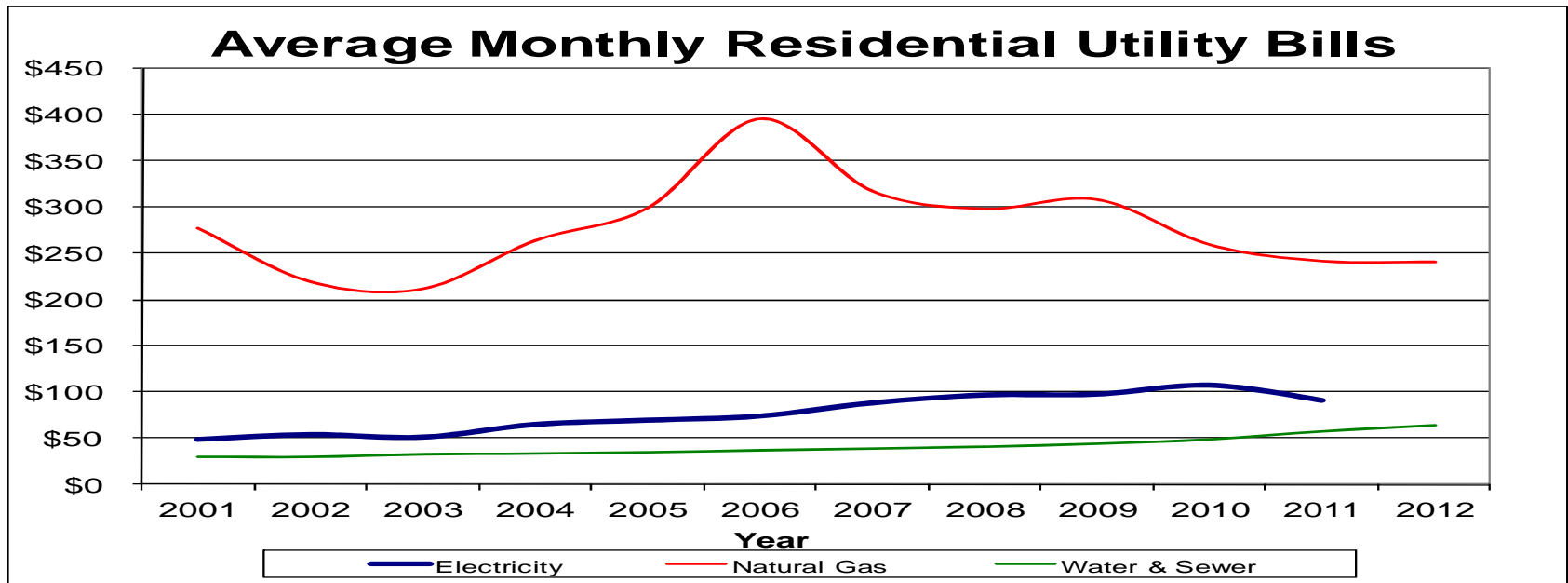


Distribution of CAP Customers Size Per Household





Compared to Other Household Utilities, DC Water Residential Bills are Low



Observation:

- Average electricity and natural gas are higher than water & sewer bills.

Assumption:

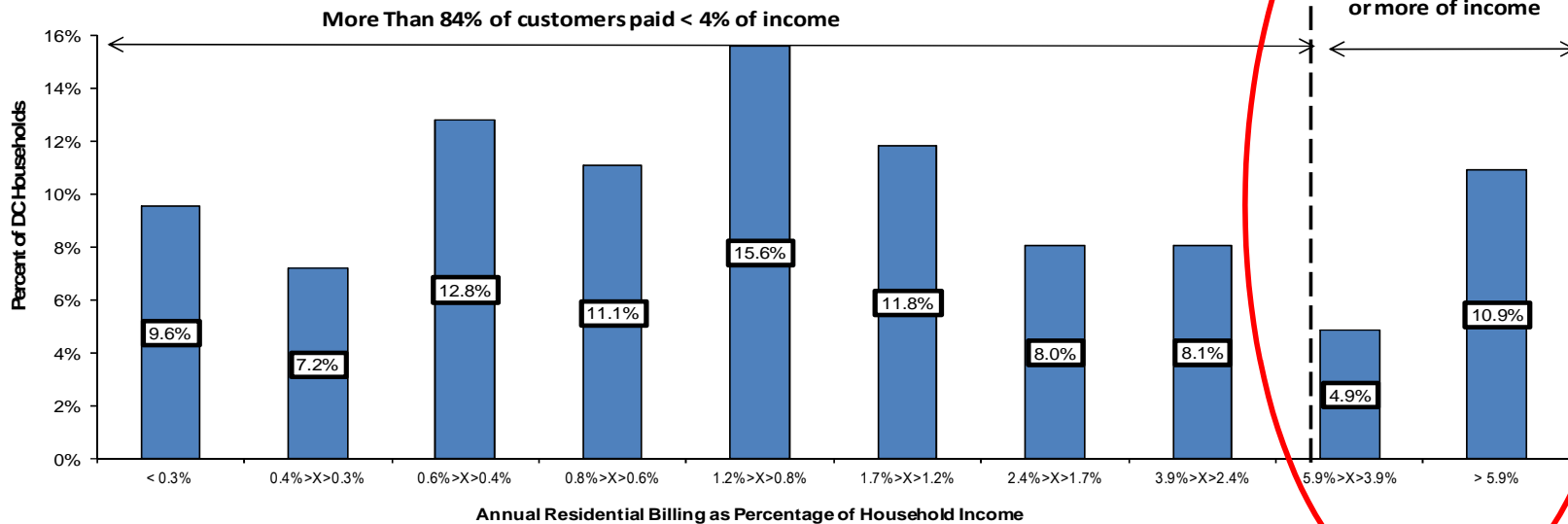
- Average DC customer is assumed to use 6.69 Ccf of water, 200 Therms of natural gas and almost 733 kWh of electricity per month.



DC Water Charges are Affordable and Competitive With Other Major Cities

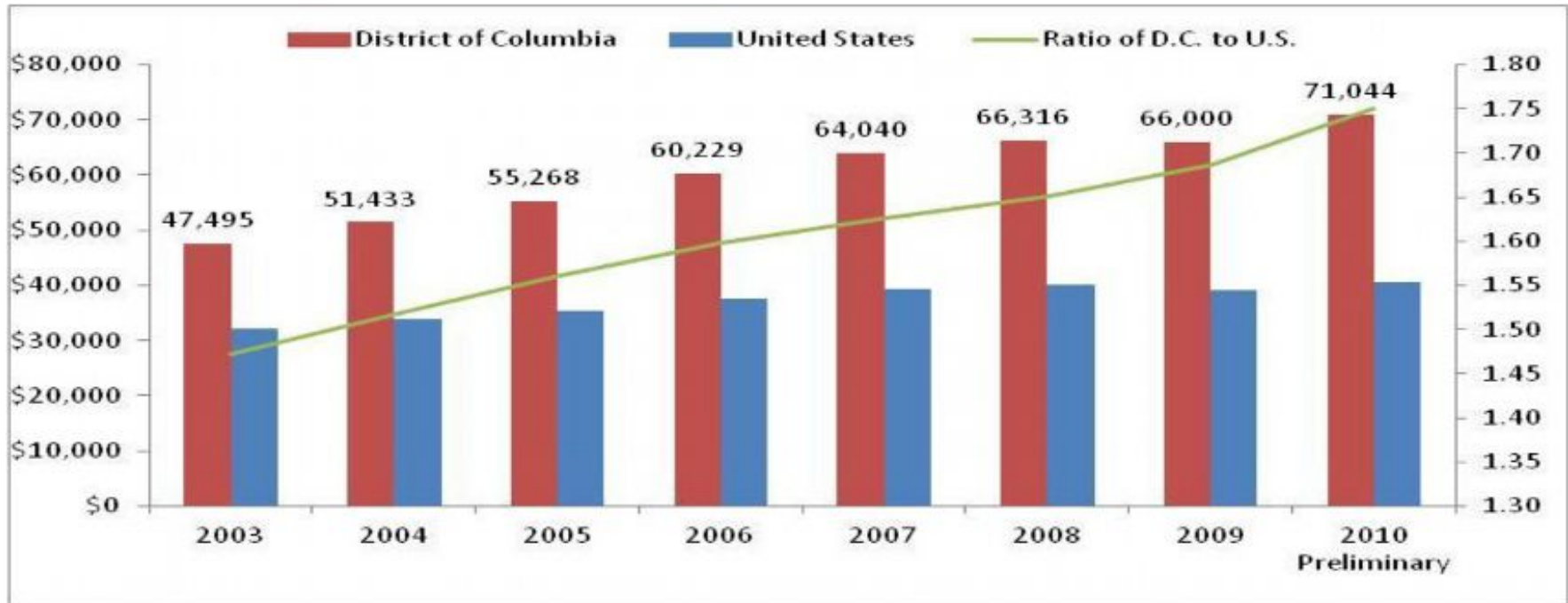
- **Median household income:** The average DC Water charges are less than 4% of income for 84% of the households in the District of Columbia. US EPA guidelines suggest that charges greater than 4% of median household income are typically viewed as a strain on household budgets (2% water + 2% sewer)
- **Typical DC Water residential bill as a percentage of income is about average when compared to other utilities of similar size.**
- **Customer Assistance programs are in place to help eligible low income customers with their water/sewer bills.**

Most Residents Pay Less Than 4% of Income





DC Personal Income Per Capita Is Higher Than the U.S. Average



- The scale on the left side of the chart shows personal income per capita which applies to the columns in each year for DC and the U.S. The scale on the right side of the chart shows the ratio of DC income to U.S. income which is reflected by the line in the chart



CAP Customer Aging Delinquencies Balance

CAP Customers Average Monthly Usage

FY 2012

	<u>Number of Accounts</u>
Greater than 4ccfs monthly	4391
Equal 4ccfs monthly	43
Less than 4ccfs monthly	1214
Total FY 2011 CAP Customers	<u>5648</u>

Note:

A total of 4391 CAP customers use more than 4ccfs monthly, and therefore pay more than the amount discounted monthly from the CAP program. While the remaining 1257 customers have their monthly usage covered by the CAP discount.

CAP Customers Aging Delinquency Balance

As of September 30, 2012

	<u>Number of Accounts</u>	Amount (\$)
Accounts with Current balance	4507	\$288,274.76
Accounts with a Credit balance	780	(\$82,183.13)
30 days delinquent	2552	\$149,929.68
60 days delinquent	1606	\$75,905.55
90 days delinquent	926	\$77,720.40
180 days delinquent	291	\$46,121.39
360 days delinquent	86	\$33,011.01

Attachment - C

Clean Rivers Impervious Area Charge Credit (Incentive) Program

Update of the Clean Rivers IAC Incentive Program

Retail Rates Committee

December 18, 2012



Agenda

- Background/Purpose
- Stakeholder Responsibilities
- Program Proposed Policies
- Credit Calculation
- DC Water Program Impacts
- Next Steps

Background/Purpose

DC Water in coordination with the District Department of Environment (“DDOE”) is developing a credit program for IAC customers:

- ❑ Consistent with Resolution # 08-34 adopted by the Board of Directors in March 2008 which states the “need to consider....to implement a credit and incentives policy”, and
- ❑ Per DC Council 2008 Water and Sewer Authority Equitable Ratemaking Amendment Act, which states that “within one year of the effective date of the act, the Authority shall establish, together with the District Department of Environment (“DDOE”), a low-impact design incentive program within DDOE
- ❑ In November 2010, management provided an overview of the anticipated credit program
- ❑ The goal of the credit program is to:
 - provide an incentive to install certain eligible stormwater management practices that reduce the amount of stormwater runoff generated from a property.

DDOE Actions and Status

- ❑ DDOE first proposed rulemaking was published on July 29, 2011
- ❑ DDOE received eleven comments from the initial proposed rulemaking for the Stormwater Fee Discount Program
- ❑ DDOE begin to revise the rules according to the feedback of the eleven comments
- ❑ DDOE published the second proposed rulemaking on October 5, 2012
 - Public comment period ended November 19, 2012
- ❑ **DDOE received seven comments from the second rulemaking and is currently reviewing the comments to decide whether or not the changes made are substantial enough to warrant an additional review period**

Stakeholder Responsibilities

□ DDOE

- Will design and implement credit program (in coordination with DC Water)
- Will be responsible for programmatic administration, including
 - Accepting and reviewing applications for eligibility
 - Determining eligibility for credits
 - Determining and approving credit amounts
 - Inspection, approval and administration
 - Providing administrative dispute processes for any challenge resulting from the application/approval process

□ DC Water

- Has provided support to DDOE in designing and implementing program
- Will make required changes to billing system to accommodate program requirements
- Will include approved credits on customer bills



Program Proposed Policies

☐ Requirements

- Submit a complete application
 - A Simplified Application will be developed for small installations – (for customers that install BMPs that retain runoff from an aggregate of two thousand square feet (2,000 sq.ft.) or less impervious surface)
 - 92% residential customers w/2,000 sq. ft. or less
- Would provide incentives for use of eligible best management practices to reduce stormwater runoff from properties
 - Practices are defined in 21 DCMR 556.3 and include green roofs, bioretention cells, permeable pavements, stormwater harvesting and reuse systems, and downspout disconnections
- Tenants must have approval of property owner in order to apply for the discounts
- The customer bill must be current

Program Proposed Policies - contd

□ Requirements

- Incentives would be subject to a cap
 - DDOE will offer 55% credit under their current proposal
 - DC Water proposal is for a 20% credit initially
- Customer must apply to DDOE to get a credit
- Credits expires as follows:
 - 3 years from approval and assumes BMP remains eligible
 - Transferred property title
 - Maybe renewed assuming BMP remains eligible
- Effective dates:
 - DDOE credit to be applied retroactively to May 1, 2009 and applicable retroactive payments will be credited to future stormwater billings
 - DC Water October 1, 2013

Program Proposed Policies - contd

Enforcement

- As part of the application review process or at any time during credit program, DDOE may inspect the property to determine eligibility or compliance to program requirements
 - Approved management practices must be maintained and effective during the period that the credit is received
 - During the entire period of any credit issued the customer must grant DDOE access to the property to allow for an inspection
 - DDOE retains the right to inspect during the period the discount is in effect

Program Proposed Policies - contd

- ❑ During the credit period, if inspection reveals lack of compliance, DDOE may revoke or reduce amount of credit issued
 - DDOE may also require reimbursement of credit amounts previously issued to the property
 - Failure to pay such reimbursement amount may result in a lien against the property
- ❑ Disputes and Appeals
 - DDOE will provide an appeal process for all determinations made under this program

DDOE Standard Calculation

The IAC Credit will be calculated by multiplying the square footage of the property's impervious surface area served by the eligible stormwater management practice by the percentage of a one (1.0) inch volume of stormwater runoff across that area which the stormwater management practice is designed to manage. An example of the calculation using a property with 20,000 square foot of impervious surface is shown below:

EXAMPLE

Impervious Surface Area	20,000
Total ERUs charged	20
Stormwater fee (@\$2.67/ERU) \$	53.40
Eligible Best Practice treated area	17,500
Ratio of treated area [17,500/20,000]	0.875
Maximum allowable discount [.875 X 30%]	26%
No. of ERUs credited	-5.2
Credit on bill \$	(13.88)
Total stormwater charge	\$ 39.52

DDOE Simplified Calculation

The IAC Credit will be calculated by the volume of stormwater retained (by DDOE-approved and eligible BMP per storm event) in gallons “retention volume” 10,362 gallons. This simplified calculation applies to small BMPs that retain runoff from an aggregate of two thousand square feet (2,000 sq. ft.) or less of impervious surface:

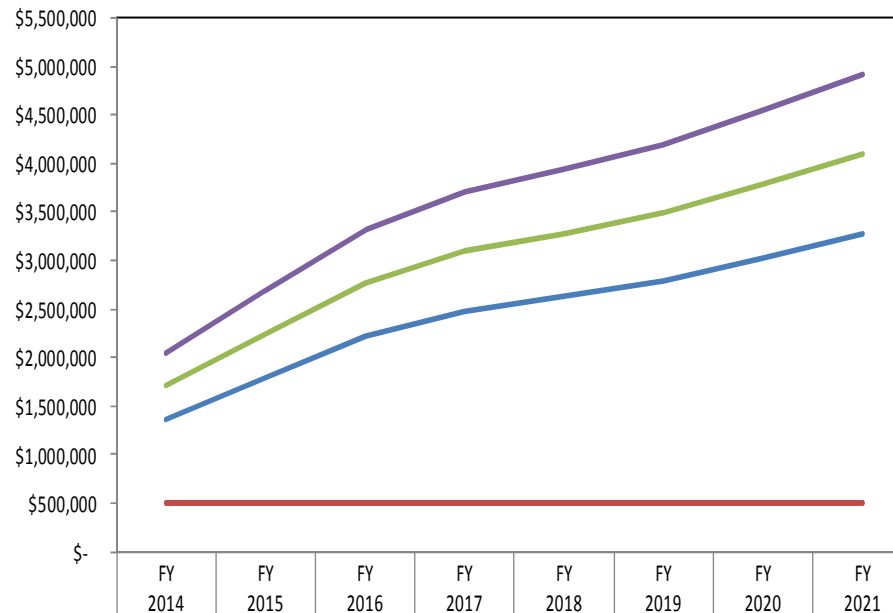
EXAMPLE

Retention Volume "maximum gallons"	10,362
Total Gallons	710.75
Maximum ERU (10,362 gallons/710.75 gallons)	14.6
Stormwater Fee (@\$2.67 ERU)	\$ 38.98
Allowable Discount ERU (14.6 ERU * 55%)	8.1
Stormwater Fee Discount ERU (8.1 ERU * \$2.67)	\$ (21.63)
Total Stormwater Charge	\$ 17.35

DC Water Clean Rivers IAC Incentive Budget Impact

DC Water implementation of a Clean Rivers credit will require increased budgets in future years

Cost of Alternatives
(Annual)



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Clean Rivers IAC Discount 20% in Dollars per FY	\$1,365,301	\$1,795,098	\$2,210,996	\$2,471,868	\$2,621,549	\$2,788,336	\$3,027,825	\$3,279,074
Clean Rivers IAC Discount 25% in Dollars per FY	\$1,706,626	\$2,243,873	\$2,763,746	\$3,089,835	\$3,276,936	\$3,485,420	\$3,784,781	\$4,098,843
Clean Rivers IAC Discount 30% in Dollars per FY	\$2,047,951	\$2,692,647	\$3,316,495	\$3,707,802	\$3,932,323	\$4,182,504	\$4,541,737	\$4,918,612
Clean Rivers IAC Budget	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000



Assumes January 2011 DDOE estimated BMPs totaling 44,547.8 ERU

DC Water Average Residential Customer Monthly Bill Impact

Average Residential Customer Monthly Bill and Clean Rivers Incentive (30%)

	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: Clean Rivers IAC (30% Credit per 1 ERU)	ERU	\$ (3.83)	\$ (5.04)	\$ (6.20)	\$ (6.94)	\$ (7.36)	\$ (7.82)	\$ (8.50)	\$ (9.20)
Total Amount Appearing on DC Water Bill		\$ 73.81	\$ 79.83	\$ 86.24	\$ 91.88	\$ 96.34	\$ 99.65	\$ 103.48	\$ 107.82
Increase / Decrease Over Prior Year		\$ 5.32	\$ 6.02	\$ 6.41	\$ 5.64	\$ 4.46	\$ 3.31	\$ 3.83	\$ 4.34
Clean Rivers IAC Incentive as a Percent of Total Bill		-4.9%	-5.9%	-6.7%	-7.0%	-7.1%	-7.3%	-7.6%	-7.9%

Average Residential Customer Monthly Bill and Clean Rivers Incentive (25%)

	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: Clean Rivers IAC (25% Credit per 1 ERU)	ERU	\$ (3.19)	\$ (4.20)	\$ (5.17)	\$ (5.78)	\$ (6.13)	\$ (6.52)	\$ (7.08)	\$ (7.67)
Total Amount Appearing on DC Water Bill		\$ 74.45	\$ 80.67	\$ 87.27	\$ 93.04	\$ 97.57	\$ 100.95	\$ 104.90	\$ 109.35
Increase / Decrease Over Prior Year		\$ 5.48	\$ 6.22	\$ 6.60	\$ 5.77	\$ 4.53	\$ 3.38	\$ 3.95	\$ 4.45
Clean Rivers IAC Incentive as a Percent of Total Bill		-4.1%	-4.9%	-5.6%	-5.8%	-5.9%	-6.1%	-6.3%	-6.6%

Average Residential Customer Monthly Bill and Clean Rivers Incentive (20%)

	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: Clean Rivers IAC (20% Credit per 1 ERU)	ERU	\$ (2.55)	\$ (3.36)	\$ (4.14)	\$ (4.62)	\$ (4.90)	\$ (5.22)	\$ (5.66)	\$ (6.13)
Total Amount Appearing on DC Water Bill		\$ 75.09	\$ 81.51	\$ 88.30	\$ 94.20	\$ 98.80	\$ 102.25	\$ 106.32	\$ 110.89
Increase / Decrease Over Prior Year		\$ 5.64	\$ 6.42	\$ 6.79	\$ 5.90	\$ 4.60	\$ 3.45	\$ 4.07	\$ 4.57
Clean Rivers IAC Incentive as a Percent of Total Bill		-3.3%	-4.0%	-4.5%	-4.7%	-4.7%	-4.9%	-5.1%	-5.2%



DC Water Average Residential CAP Customer Monthly Bill Impact

CAP Discount (4 Ccf per month) and Clean Rivers Incentive (30%)	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: CAP Discount (4 Ccf per month)	Ccf	\$ (34.88)	\$ (36.80)	\$ (39.00)	\$ (41.36)	\$ (43.44)	\$ (44.76)	\$ (46.12)	\$ (47.72)
Less: Clean Rivers IAC (30% Credit per 1 ERU)	ERU	\$ (3.83)	\$ (5.04)	\$ (6.20)	\$ (6.94)	\$ (7.36)	\$ (7.82)	\$ (8.50)	\$ (9.20)
Less: CAP Discount (4 Ccf per month) and Clean Rivers IAC Incentive (30% Credit per 1 ERU)		\$ (38.71)	\$ (41.84)	\$ (45.20)	\$ (48.30)	\$ (50.80)	\$ (52.58)	\$ (54.62)	\$ (56.92)
Total Amount Appearing on DC Water Bill		\$ 38.93	\$ 43.03	\$ 47.24	\$ 50.52	\$ 52.90	\$ 54.89	\$ 57.36	\$ 60.10
Increase / Decrease Over Prior Year		\$ 3.48	\$ 4.10	\$ 4.21	\$ 3.28	\$ 2.38	\$ 1.99	\$ 2.47	\$ 2.74
CAP Discount and Clean Rivers IAC Incentive as a Percent of Total Bill		-49.9%	-49.3%	-48.9%	-48.9%	-49.0%	-48.9%	-48.8%	-48.6%

CAP Discount (4 Ccf per month) and Clean Rivers Incentive (25%)	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: CAP Discount (4 Ccf per month)	Ccf	\$ (34.88)	\$ (36.80)	\$ (39.00)	\$ (41.36)	\$ (43.44)	\$ (44.76)	\$ (46.12)	\$ (47.72)
Less: Clean Rivers IAC (25% Credit per 1 ERU)	ERU	\$ (3.19)	\$ (4.20)	\$ (5.17)	\$ (5.78)	\$ (6.13)	\$ (6.52)	\$ (7.08)	\$ (7.67)
Less: CAP Discount (4 Ccf per month) and Clean Rivers IAC Incentive (25% Credit per 1 ERU)		\$ (38.07)	\$ (41.00)	\$ (44.17)	\$ (47.14)	\$ (49.57)	\$ (51.28)	\$ (53.20)	\$ (55.39)
Total Amount Appearing on DC Water Bill		\$ 39.57	\$ 43.87	\$ 48.27	\$ 51.68	\$ 54.13	\$ 56.19	\$ 58.78	\$ 61.63
Increase / Decrease Over Prior Year		\$ 3.64	\$ 4.30	\$ 4.40	\$ 3.41	\$ 2.45	\$ 2.06	\$ 2.59	\$ 2.85
CAP Discount and Clean Rivers IAC Incentive as a Percent of Total Bill		-49.0%	-48.3%	-47.8%	-47.7%	-47.8%	-47.7%	-47.5%	-47.3%

CAP Discount (4 Ccf per month) and Clean Rivers Incentive (20%)	Units	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Total Amount		\$ 77.64	\$ 84.87	\$ 92.44	\$ 98.82	\$ 103.70	\$ 107.47	\$ 111.98	\$ 117.02
Less: CAP Discount (4 Ccf per month)	Ccf	\$ (34.88)	\$ (36.80)	\$ (39.00)	\$ (41.36)	\$ (43.44)	\$ (44.76)	\$ (46.12)	\$ (47.72)
Less: Clean Rivers IAC (20% Credit per 1 ERU)	ERU	\$ (2.55)	\$ (3.36)	\$ (4.14)	\$ (4.62)	\$ (4.90)	\$ (5.22)	\$ (5.66)	\$ (6.13)
Less: CAP Discount (2 Ccf per month) and Clean Rivers IAC Incentive (20% Credit per 1 ERU)		\$ (37.43)	\$ (40.16)	\$ (43.14)	\$ (45.98)	\$ (48.34)	\$ (49.98)	\$ (51.78)	\$ (53.85)
Total Amount Appearing on DC Water Bill		\$ 40.21	\$ 44.71	\$ 49.30	\$ 52.84	\$ 55.36	\$ 57.49	\$ 60.20	\$ 63.17
Increase / Decrease Over Prior Year		\$ 3.80	\$ 4.50	\$ 4.59	\$ 3.54	\$ 2.52	\$ 2.13	\$ 2.73	\$ 2.97
CAP Discount and Clean Rivers IAC Incentive as a Percent of Total Bill		-48.2%	-47.3%	-46.7%	-46.5%	-46.6%	-46.5%	-46.2%	-46.0%



DC Water Recommendation

- Staff Recommends:
 - DC Water implement a Clean Rivers IAC Incentive Program in FY 2014 in accordance with the Resolution #08-34 adopted by the Board of Directors in March 2008
 - This incentive program would provide billing credits on the Clean Rivers Impervious Area Charge to eligible DC Water customers
 - Customer eligibility will be determined by DDOE
 - Incentive amounts would be determined annually, with the initial credit to be no greater than 20 percent of the DC Water Clean Rivers Impervious Area Charge
 - The effective date for the DC Water Clean Rivers Impervious Area Credit Program would be no earlier than October 1, 2013

Next Steps

- ❑ DDOE is seeking approval on proposed rulemaking
- ❑ Committee to take action on Clean Rivers IAC Incentive Program in January 2013
- ❑ Board approval in February 2013 to post rulemaking in DC Register
- ❑ Procedural guidance and processes must be written
 - Data sharing protocols to be defined
 - Billing databases need to be updated
 - Administrative procedures
- ❑ Final Board approvals for DC Water Credits
 - DDOE and DC Water credits to appear on bills beginning October 1, 2013.

DC Retail Water and Sewer Rates Committee
Action Items

1. FY 2014 proposed Ten Year Financial Plan
2. FY 2014 proposed Retail Rates and Fees Adjustments

ACTION ITEM 1

DC Retail Water and Sewer Rates Committee Proposed FY 2014 Action Item

Action Item 1: FY 2012 – FY 2021 Financial Plan

1. Attached is a summary of the 10-year plan, which is based on the following key assumptions for FY 2014;
 - Operating receipts totaling \$477.6, an increase of \$30.1 million funded through;
 - Retail Revenue – increase of **\$25.6 million**:
 - i. Proposed FY 2014 combined water and sewer rate increase of \$0.42 per Ccf {\$0.56 per 1,000 gallons}
 - ii. Proposed FY 2014 monthly Clean Rivers Impervious Area Charge (IAC) increase of \$3.20 per ERU
 - iii. Proposed FY 2014 PILOT fee increase of \$0.03 per Ccf {\$0.04 per 1,000 gallons}
 - iv. Proposed FY 2014 ROW fee increase of \$0.01 per Ccf {\$0.01 per 1,000 gallons}
 - Wholesale Revenue – increase of \$5.7 million
 - Other Revenue – increase of \$1.27 million
 - Operating disbursements of \$459.1 million in FY 2014; 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 an operating reserve of 120 days' of budgeted operating and maintenance costs or \$125.5 million, whichever is greater.

*District of Columbia Water & Sewer Authority
FY 2012 – 2021 Financial Plan
(In 000's)*

OPERATING	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<i>Retail*</i>	321,702	340,310	365,968	397,732	430,974	458,277	478,207	492,574	510,169	524,915
<i>Wholesale*</i>	74,705	75,195	80,900	75,124	75,485	77,756	80,156	82,555	85,063	97,191
<i>Other</i>	23,998	25,474	23,703	25,650	26,419	29,259	32,128	33,258	33,423	27,008
<i>RSF</i>	6,500	6,500	7,000	-	-	-	-	-	-	-
Operating Receipts (1)	\$ 426,906	\$ 447,479	\$ 477,570	\$ 498,506	\$ 532,878	\$ 565,292	\$ 590,490	\$ 608,387	\$ 628,655	\$ 649,114
Operating Expenses	(271,659)	(302,302)	(311,295)	(304,976)	(310,711)	(320,565)	(330,632)	(343,388)	(353,596)	(365,853)
Debt Service	\$ (99,251)	\$ (116,179)	\$ (147,792)	\$ (168,985)	\$ (185,775)	\$ (206,160)	\$ (219,425)	\$ (227,102)	\$ (239,755)	\$ (253,255)
Net Revenues After Debt Service	\$ 55,996	\$ 28,998	\$ 18,484	\$ 24,545	\$ 36,392	\$ 38,567	\$ 40,433	\$ 37,898	\$ 35,305	\$ 30,006
Operating Reserve-Beg Balance	150,035	139,565	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(6,660)	(10,905)	(7,500)	-	-	-	-	-	-	-
Customer Rebate	-	(4,200)	-	-	-	-	-	-	-	-
Transfers To RSF	(17,750)	(4,100)	-	-	-	-	-	-	-	-
Transfers To DC PILOT Fund	(4,468)	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(37,588)	(23,857)	(10,984)	(24,545)	(36,392)	(38,567)	(40,433)	(37,898)	(35,305)	(30,006)
Operating Reserve - Ending Balance	\$ 139,565	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500	\$ 125,500
Rate Stabilization Fund Balance RSF (2)	\$ (27,950)	\$ (25,550)	\$ (18,550)	\$ (18,550)	\$ (18,550)	\$ (18,550)	\$ (18,550)	\$ (18,550)	\$ (18,550)	\$ (18,550)
Senior Debt Service Coverage	354%	325%	253%	250%	241%	221%	209%	197%	189%	179%
Combined Debt Service Coverage	149%	131%	124%	130%	134%	133%	132%	130%	128%	125%
Actual/Projected Water/Sewer Rate Incr:	4.5%	5.5%	5.5%	5.5%	6.0%	6.0%	5.0%	3.0%	3.0%	3.5%
*Operating Receipts \$ Increase/Decrease										
Retail	21,103	18,608	25,658	31,765	33,242	27,303	19,930	14,367	17,595	14,745
Wholesale	5,444	490	5,705	(6,775)	361	2,271	2,400	2,399	2,508	12,129
*Operating Receipts % Increase/Decrease										
Retail	7.0%	5.8%	7.5%	8.7% ⁽³⁾	8.4% ⁽³⁾	6.3%	4.3%	3.0%	3.6%	2.9%
Wholesale	7.9%	0.7%	7.6%	-7.1%	0.6%	3.0%	3.1%	3.0%	3.0%	14.3%

(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund
(2) FY 2012 Rate Stabilization Fund utilization brought the total fund balance to \$27.95 million
(3) Savings anticipated from implementation of new biosolids management beginning in FY 2015

ACTION ITEM 2

Action Item FY 2014 Rate & Fee Changes (Effective October 1, 2013)

1. Management recommendation for the following retail rate charges and fees, customer classification definitions for water and sewer rates and Clean Rivers Impervious Surface Area Charge (CRIAC):

Customer Classifications for Water and Sewer Rates and Clean Rivers Impervious Surface Area Charge (CRIAC)

The Customer classifications for water and sewer rates and Clean Rivers Impervious Surface Area Charge (CRIAC) shall consist of a residential class, multi-family and non-residential classes:

- Residential: a single-family dwelling used for domestic purposes; a condominium or apartment unit where each unit is served by a separate service line and is individually metered and the unit is used for domestic purposes, or a residential structure of less than four apartment units where all units are served by a single line that is master metered.
- Multi-Family: a structure of four or more units within one building serviced by a master meter.
- Non-Residential: all customers not within the residential and multi-family classes.

Water Service Rates

- An increase in the rate for metered water services from \$3.42 per One Hundred Cubic Feet ("Ccf), (\$4.57 per 1,000 gallons) to:
 - Residential customers: \$3.61 per Ccf (\$4.83 per 1,000 gallons)
 - Multi-Family customers: \$3.61 per Ccf (\$4.83 per 1,000 gallons)
 - Non-Residential customers: \$3.61 per Ccf (\$4.83 per 1,000 gallons)

Sewer Service Rates

- An increase in the rate for metered sewer services from \$4.18 per One Hundred Cubic Feet (“Ccf), (\$5.59 per 1,000 gallons) to:
 - Residential customers:
\$4.41 per Ccf (\$5.89 per 1,000 gallons)
 - Multi-Family customers: \$4.41 per Ccf (\$5.89 per 1,000 gallons)
 - Non-Residential customers: \$4.41 per Ccf (\$5.89 per 1,000 gallons)
- An increase in the annual Clean Rivers Impervious Area Charge (IAC) from \$114.84 to \$153.24 per Equivalent Residential Unit (ERU). The charge per ERU will be billed monthly at:
 - Residential customers: \$12.77 for each ERU
 - Multi-Family customers: \$12.77 for each ERU
 - Non-Residential customers: \$12.77 for each ERU

All multi-family and non-residential customers shall be assessed ERU(s) based upon the total amount of impervious surface area on each lot. This total amount of impervious surface shall be converted into ERU(s), truncated to the nearest one-hundred (100) square feet.

Right of Way Occupancy Fee Pass Through Charge / PILOT Fee

- An increase in the District of Columbia Right of Way fee from \$0.16 per Ccf or (\$0.21 per 1,000 gallons) to:
 - Residential customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons)
 - Multi-Family customers: \$0.17 per Ccf (\$0.22 per 1,000 gallons)
 - Non-Residential customers: \$0.17 per Ccf (\$0.22 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 \$0.50 per Ccf or (\$0.67 per 1,000 gallons) to:
 - Residential customers: \$0.53 per Ccf (\$0.71 per 1,000 gallons)
 - Multi-Family customers: \$0.53 per Ccf (\$0.71 per 1,000 gallons)
 - Non-Residential customers: \$0.53 per Ccf (\$0.71 per 1,000 gallons)

FY 2013 Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department

1. Develop Realistic Retail Rate Revenue Projections and Alternative Retail Revenue Sources			
<ul style="list-style-type: none"> a. <i>Propose and establish Retail Rates in FY 2014</i> <ul style="list-style-type: none"> i. Rate Proposal to Joint Committee ii. Review rate design options (customer segmentation) iii. Committee recommendation iv. Board approval v. Publish DCMR vi. Public Outreach vii. Public Hearing viii. Committee recommendation on FY 2014 rates b. <i>Review draft Developer Fees</i> c. Final FY 2012 Cost of Service Study d. <i>Potomac Interceptor Cost of Service</i> e. <i>Howard University/Soldiers Home Negotiations</i> 	<ul style="list-style-type: none"> October 2012 November 2012 December 2012 January 2013 February 2013 March/April 2013 May 2013 June 2013 November 2012 November 2012 TBD Monthly 	<ul style="list-style-type: none"> √ √ √ √ 	<ul style="list-style-type: none"> Rates and Revenue Rates and Revenue Rates and Revenue Rates and Revenue General Counsel

2. DC Water Affordability			
<ul style="list-style-type: none"> a. <i>Revisit CAP program and possible modifications (Expansion and or methodology)</i> <ul style="list-style-type: none"> i. Committee recommendation on CAP program with FY 2014 Budget Submission ii. Public Outreach iii. Public Hearing iv. Committee recommendation on FY 2014 IAC Discount Program b. <i>Implement LID Incentive Program for customers who utilize Best Management Practice in conjunction with DDOE</i> <ul style="list-style-type: none"> i. Legal evaluation of the DDOE proposed program; and <ul style="list-style-type: none"> - Evaluate alternatives for the Clean Rivers IAC discounts - Prepare revenue impact analysis 	<ul style="list-style-type: none"> December 2012 March/April 2013 May 2013 June 2013 December 2012 		<ul style="list-style-type: none"> Rates and Revenue Rates and Revenue

FY 2013 Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
2. DC Water Affordability			
ii. Committee recommendation on CRIAC Incentive Program with FY 2014 Budget Submission	December 2012		Rates and Revenue
ii. Public Outreach	March/April 2013		
iv. Public Hearing	May 2013		
v. Committee recommendation on FY 2014 CRIAC Discount Program	June 2013		
3. Develop Alternative Revenue Sources and Achieve Realistic Revenue Projections (DC Water Strategic Plan Framework)			
a. <i>Identify and evaluate potential revenue generating initiatives annually</i>	To be incorporated within Strategic Planning Initiatives		Rates and Revenue
4. 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			
	TBD based upon availability of data		Rates and Revenue
5. Review of the Potomac Interceptor contracts to see if there are opportunities to modify contracts to be similar to the IMA contracts			
	Defer Pending Final IMA		Rates and Revenue
6. Rate Structure Alternatives			
a. <i>Implement Customer Segmentation water volumetric rates by customer class with differentiation based on peaking characteristics</i>	October 1, 2015		Rates and Revenue
b. <i>Implement Re-Development Impact Fee</i>	October 1, 2015		Rates and Revenue
c. <i>High Strength Rate Alternatives</i>	October 1, 2015		Rates and Revenue



Attachment - F

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

TUESDAY, January 22, 2013; 9:30 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 26, 2013 Committee Meeting	Chief Financial Officer
Adjournment	Committee Chairman

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