

**PUBLIC HEARING ON**  
**Proposal to Extend DC Water’s Customer Assistance Program (CAP)**  
**to Eligible Customers through Fiscal Year 2020 and Amend the Retail Groundwater Sewer**  
**Charge, effective October 1, 2019 (FY 2020)**

Wednesday, August 14, 2019

6:30 p.m.

**DRAFT AGENDA**

1. Call to Order ..... Tommy Wells, Chairman
2. Opening Statement..... Tommy Wells, Chairman
3. DC Water Management Presentation..... Matthew Brown, CFO & EVP,  
Finance & Procurement
  - a) Proposal to Extend DC Water’s Customer Assistance Program II (CAP2) to Eligible Customers through Fiscal Year 2020
  - b) Proposal to Revise the Retail Sewer Service Rate for Groundwater Discharges
4. Public Witnesses
  - Pre-registered Speakers
  - Other comments (time permitting)
5. Closing Statement ..... Tommy Wells, Chairman
6. Adjournment ..... Tommy Wells, Chairman

**DC WATER PUBLIC HEARING**

**Sign-in Sheet**

**Proposal to Extend Customer Assistance Program (CAP) FY 2020**

**DC Water Headquarters -2nd Floor Boardroom**

**1385 Canal Street SE, Washington, DC 20003**

**Wednesday, August 14, 2019**

**6:30 pm - 8:30 pm**

<b>Name</b>	<b>Individual or Organization</b>	<b>Date Rec'd</b>
Grace D. Soderberg	Organization- Office of the People's Counsel	08/12/19

**PROPOSAL TO AMEND 21 DCMR CHAPTER 41 TO  
REVISE RETAIL GROUNDWATER SEWER SERVICE RATE  
AND EXTEND CAP2 PROGRAM FOR FY 2020**

**BOARD OF DIRECTORS OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**



**OPENING STATEMENT OF TOMMY WELLS  
CHAIRMAN OF THE BOARD OF DIRECTORS  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

**WEDNESDAY, AUGUST 14, 2018 AT 6:30 P.M.  
DEPARTMENT OF EMPLOYMENT SERVICES  
1385 CANAL STREET, S.E.  
(BOARD ROOM, 2<sup>ND</sup> FLOOR)**

Good evening. My name is Tommy Wells and I am the Chairman of the Board of Directors of the District of Columbia Water and Sewer Authority or DC Water. I am also the director of the District's Department of Energy and the Environment but this evening I am wearing my DC Water hat.

The purpose of this hearing is to receive public comment on DC Water's proposal to extend its Customer Assistance Program II (CAP2) through FY 2020 and to amend the Retail Groundwater Sewer Service Rate from \$2.33 per Ccf to \$2.83 per Ccf.

Joining me this evening are (list Board members in attendance...) and Board Secretary Linda Manley.

Ms. Manley, please call the roll to establish the required quorum for tonight's hearing.

(Ms. Manley calls roll)

For the record, DC Water was established by the Council of the District of Columbia in 1996 as an independent authority that has a separate legal existence

within the District Government. DC Water operates the world's largest advanced wastewater treatment plant at Blue Plains and provides water and sewer services to all residents, visitors, institutions and businesses in the District of Columbia. Our drinking water comes from the Potomac River.

The proposed CAP2 extension through FY 2020 and amendment to the Retail Groundwater Sewer Service Rate before you tonight were published in the D.C. Register in June 21, 2019 and November 16, 2018, respectively.

Before we begin and hear from the public and DC Water's management, I will review the ground rules for this hearing:

- Individuals presenting testimony have up to five (5) minutes to speak.
- Representatives of an organization or group have a total of ten (10) minutes to address this committee.
- Those testifying should clearly state their name, name of organization (if any) and their address.
- Witnesses representing an organization should give a brief description of the organization, its services and its location.

Please keep in mind that we are here to listen to comments on the proposals noted in the DC Register only. If there are individual questions or concerns about a particular service or billing matter, management and staff are here to talk with you after the public hearing.

The Board gives equal consideration and weight to written comments that will be reviewed as we receive them. Written comments can be submitted to the Office of the Board Secretary, DC Water, 1385 Canal Street, S.E., Washington, DC 20003 You may also e-mail comments to [imanley@dcwater.com](mailto:imanley@dcwater.com).

Written comments on the proposed rulemaking must be received no later than August 19, 2019.

A final decision on the proposed extension of the CAP2 program through FY 2020 and amendment to the Retail Groundwater Sewer Service Rate will be made by only the members of the Board who represent the District of Columbia at the Board's regularly scheduled meeting on September 5, 2019.

Matthew Brown, Executive Vice-President of Finance & Procurement, will provide a description of the proposed CAP2 extension through FY 2020 and amendment

to the Retail Groundwater Sewer Service Rate. Afterward, we will hear public comments on the proposal. Individuals who pre-registered will speak first and time permitting we will hear from others here tonight who wish to testify.

CLOSING:

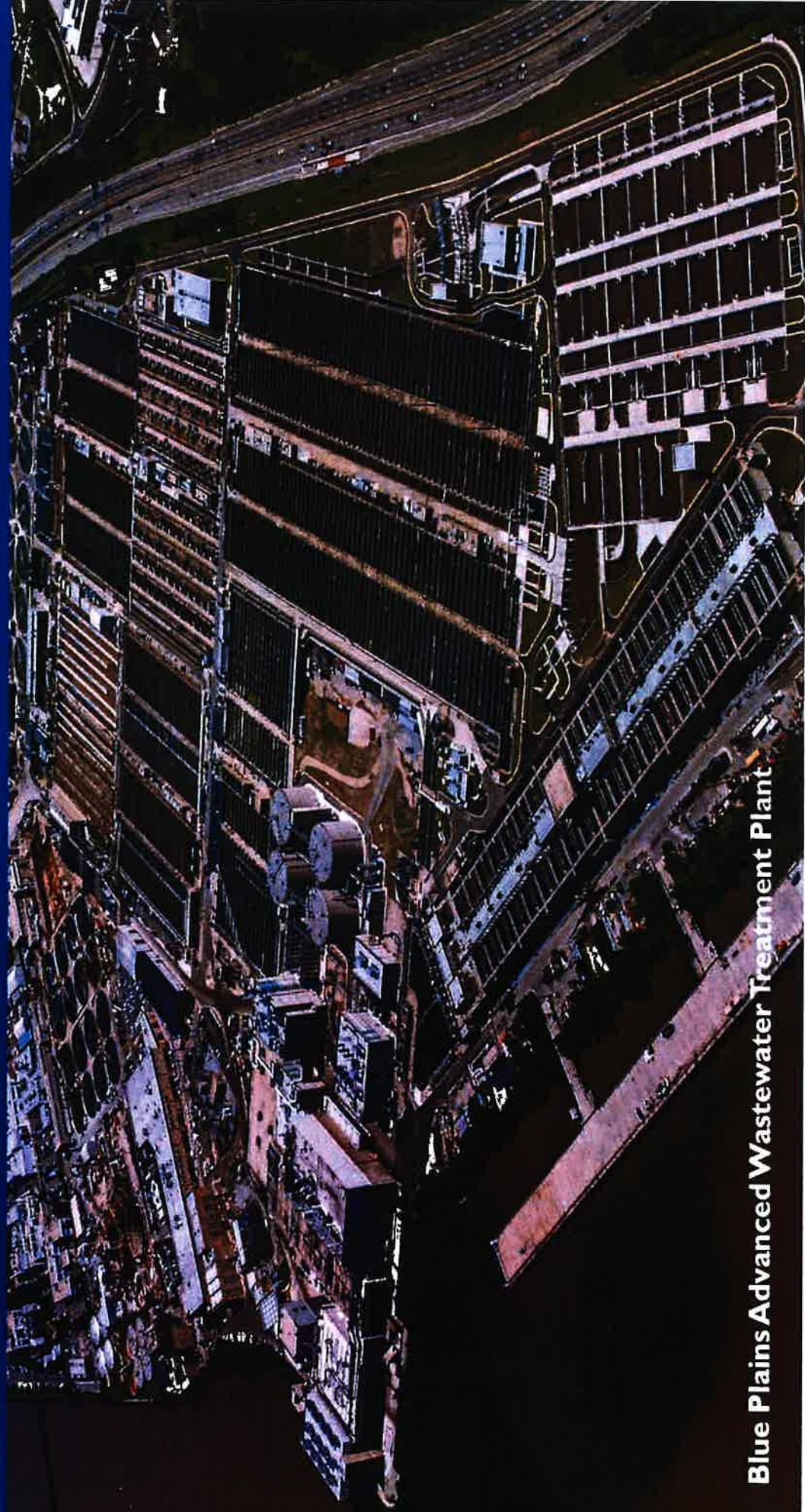
Management's CAP2 extension through FY 2020 and amendment to the Retail Groundwater Sewer Service Rate proposals are posted on DC Water's website. Thank you again for your time and your comments.



# Customer Assistance Program CAP2 Extension Through FY2020

Public Hearing  
August 14, 2019

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant



# Proposal

- Extend Customer Assistance Program II (CAP2) to FY 2020

# Customer Assistance Programs

- **Customer Assistance Program (CAP)** – Existing program that uses LIHEAP (Low Income Home Energy Assistance Program) criteria to provide DC Water-funded discounts to low-income residential customers with incomes up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS))
- **Customer Assistance Program II (CAP2)** – DC Water’s proposed expanded program for low-income residential customers who do not qualify for CAP with household income up to 80% Area Median Income (AMI)
- **Customer Assistance Program III (CAP3)** – New District-funded program to provide benefits to DC Water customers with household income greater than 80% and up to 100% Area Median Income (AMI) who do not qualify for CAP or CAP2
- **CRIAC (Clean Rivers Impervious Area Charge) Nonprofit Relief Program**
  - New District-funded program to provide CRIAC credits to nonprofit organizations as determined by the District Department of the Environment (DOEE)

# Customer Assistance Programs

## Comparison of the programs

	CAP	CAP2	CAP3	CRIAC Non-Profit
	2001	2019	2019	2019
Funding	DC Water	DC Water	District	District
Income Eligibility (Households of four persons)	\$59,457	\$93,750	\$117,200	Non-residential customers
Water and Sewer	4 CCFs	3 CCFs	-	-
District Fees	Waived	-	-	-
Water System Replacement Fee	Waived	-	-	-
CRIAC	50% discount	50% discount	75% discount	90% discount
Monthly Discount FY 2020	\$67.37	\$46.32	\$15.71	Varies based on the no. of ERUs

# Background

- **CAP2 was funded by a \$6 million Board-directed withdrawal from the Rate Stabilization Fund**
  - The District funded the CAP3 program (\$1.30 million), and anticipated providing \$1.20 million in FY2019 to pay for the CAP2 program
  - Additionally, the District funded the \$3.58 million non-profit relief program
- **The program was enacted by regulations, and the program is set to sunset on September 30, 2020, at the end of FY2020**
- **To date 166 households have applied and been accepted into the CAP2 program, and \$34,220 in benefits have been provided, as of July 31, 2019**
  - The District Department of Energy and the Environment (DOEE) accepts and processes applications
    - To date 27 households have applied and been accepted into the CAP3 program, and \$4,716 in benefits has been provided
    - To date 136 non-profits have applied and been accepted into the CRIAC Non-profit Relief Program, and \$1,128,937 in benefits has been provided
- **Based on participation to date, DC Water forecasts that less than \$5.46 million of the \$6 million authorized by the Board for the CAP2 expansion will be applied in FY2019. \$0.5 million was allocated for administrative expenses.**

# DC Water and District CAP Program Funding and Enrollment to date

 CAP program participation and funding to date:

	CAP	CAP2	CAP3	CRIAC Non-Profit
Funding	DC Water	DC Water	District	District
Funding for Benefits	\$3.0 million	\$5.5 million (\$0.5 million admin expenses)	\$1.30 million	\$3.58 million
Ending Balance as of April 30 2019	\$2.45 million	\$5.48 million	\$1.298 million	\$2.871 million
Projected Unexpended Balance FY 2019	\$1.8 million	\$5.46 million	\$1.296 million	\$1.99 million
Actual Enrollment as of July 31, 2019	2,393	166	27	136

Note: Projections are based on enrollment trend for the January 2019 to April 2019 period  
The District Government paid \$1.2 million for CAP2

# Timeline October 1, 2019 Implementation

- 05/28/19 – **Retail Rate Committee (RRC)** updated and recommend to amend CAP regulations to extend CAP2 Program through FY 2020
- 06/06/19 – **Board approved** proposed amendment to CAP regulations
- 06/21/19 – Published Notice of Proposed Rulemaking (NPR) to amend CAP regulations to extend CAP2 Program through FY 2020
- 06/21/19 – Public Comment Period (Consumer Protection 45-day Public Notice)
- 08/19/19
- 08/14/19 – **Public Hearing**
- 08/19/19 – Public Hearing Record Closes
- 08/27/19 – **Special RRC meeting** to recommend amendment of CAP regulations to extend CAP2 Program through FY 2020
- 09/05/19 – **Board approval** of final CAP regulations
- 09/20/19 – Publish Notice of Final Rulemaking (NOFR) amend CAP regulations to extend CAP2 Program through FY 2020
- 10/01/19 – **Go-Live** with amendment of CAP regulations to extend CAP2 Program through FY 2020

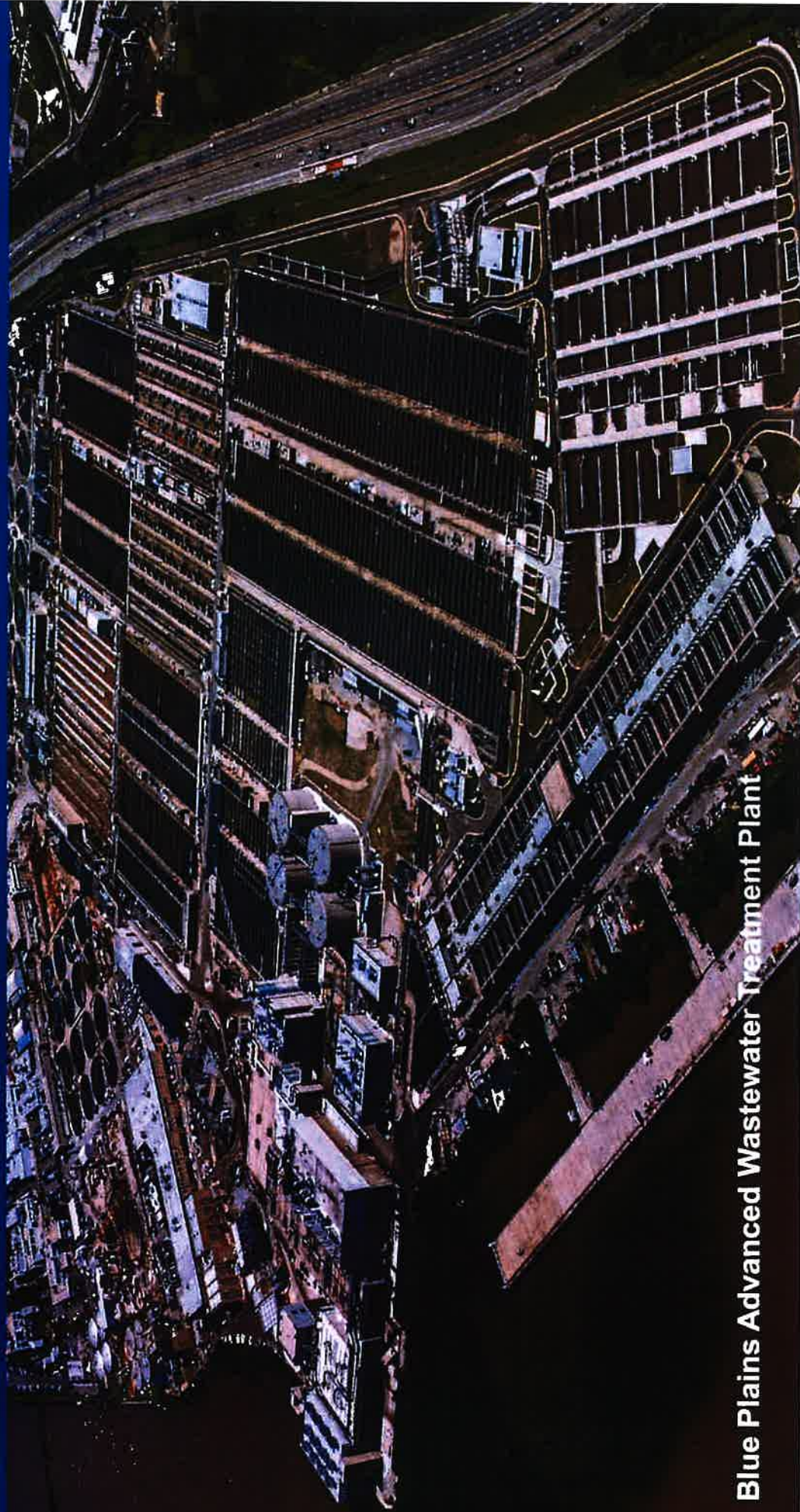


Attachment B

# Groundwater Sewer Charge Presentation

Public Hearing  
August 14, 2019

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant

# Proposal

- Proposal to increase the groundwater charge to \$2.83 per Ccf to reflect the cost of the service



# Background

Raftelis consulting conducted a review of DC Water's miscellaneous fees and charges, which have not been adjusted since 2011

The scope was to:

1. FOG/Backflow Preventer Analysis – Develop FOG and Backflow Preventer Inspection fees based on budgeted FY 2019 cost of service
2. Update Existing Fees – Review existing fee structure to align with the services being provided as well as the cost of providing those services

## Methodology Behind Retail Fees

- Utilities strive to keep retail fees in line with the cost of providing service
- Last updated in 2011
- Retail Customer Fees were mostly not changed
- Other fee increases reflect 30% inflationary increase for personnel costs from 2011-19
- Some fees are being realigned to better reflect how services are provided

# Groundwater Sewer Charge

The Groundwater Sewer Charge captures costs associated with conveying groundwater pumped into the sewer system from construction activities. Costs for treatment are removed from the standard sewer volumetric charge.

	Existing		Proposed	
Per Unit	CCF	KGAL	CCF	KGAL
Groundwater Sewer Charge	\$2.33	\$3.11	\$2.83	\$3.78

# Timeline to Implementation October 1, 2019

- 10/23/18 – **Retail Rates Committee (RRC)** updated and recommend to amend Retail Groundwater Sewer Rate
- 11/21/18 – **Board approved** proposed amendment Retail Groundwater Sewer Rate
- 11/16/18 – **Published** Notice of Proposed Rulemaking (NOPR) to amend Retail Groundwater Sewer Rate
- 11/16/18 – **Public Comment Period**
- 12/17/18
- 08/14/19 – **Public Hearing**
- 08/19/19 – **Public Hearing Record Closes**
- 08/27/19 – **Special RRC meeting** to recommend amendment of Retail Groundwater Sewer Rate
- 09/05/19 – **Board approval** of final Retail Groundwater Sewer Rate
- 09/20/19 – **Publish** Notice of Final Rulemaking (NOFR) to amend Retail Groundwater Sewer Rate
- 10/01/19 – **Go-Live** with amendment of Retail Groundwater Sewer Rate