



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee

125 O Street SE, Washington, DC 20003

*Tuesday, May 28, 2019
9:30 a.m.*

- 1. **Call to Order** **Rachna Bhatt, Chairperson**
- 2. **Extend CAP2 Program to FY 2020 (Attachment A)** **Matthew Brown**
- 3. **Action Item (Attachment B)** **Matthew Brown**
 - **Proposal to Amend Regulations to Extend CAP2 Program to FY 2020 (Action Item 1)**
- 4. **2019 Potomac Interceptor Cost of Service Study Update (Attachment C)** **Matthew Brown**
- 5. **DC Retail Water and Sewer Rates Committee Workplan** **Matthew Brown**
 - **FY 2019 Proposed DC Retail Rates Committee Workplan (Attachment D)**
- 6. **Agenda for June 25, 2019 Committee Meeting (Attachment E)** **Rachna Bhatt, Chairperson**
- 7. **Other Business** **Matthew Brown**
- 8. **Executive Session***
- 9. **Adjournment**

* The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



Customer Assistance Program CAP2 Extension

Presentation to the DC Retail Water and Sewer Rates Committee

May 28, 2019

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant

Purpose

- Seek committee's recommendation to the full board for approval to amend regulations to extend CAP2 program to FY 2020

Definitions

- 💧 **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)

DC Water and District CAP Programs

- Comparison of existing (CAP) and new customer assistance programs (CAP2 and CAP3)

	CAP	CAP2	CAP3	CRIAC Non-Profit
	Existing	New	New	New
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	\$63.16	\$43.48	\$17.25	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, 2019, at the end of FY2019
- To date 78 households have applied and been accepted into the CAP2 program, and \$16,469 in benefits have been provided, as of April 30, 2019
 - The District Department of Energy and the Environment (DOEE) accepts and processes applications
 - To date 12 households have applied and been accepted into the CAP3 program, and \$1,452 in benefits has been provided
 - To date 113 non-profits have applied and been accepted into the CRIAC Non-profit Relief Program, and \$709,010 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 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
	Existing	New	New	New
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 April 30, 2019	2,393	78	12	113
Projected Enrollment FY 2019	3,175	150	32	190

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

CAP Program Outreach

Initial Notification/Outreach (December - January)

- 💧 Press release announcing the decision and CAP expansion
- 💧 Meetings
- 💧 Social Media
- 💧 Bill insert in residential bills and disconnect notices and given to DC Water Outreach Team and sent to District Department of Aging and District Department of Disability Services, to have in their offices (distributed in 2019)
- 💧 Bill message and robocall to 11k residential customers with past due balances

CAP Program Outreach – cont'd

Ongoing CAP Outreach (February - present)

- 💧 Press release and media outreach:
 - 💧 Covered in ***East of the River***
 - 💧 Posted to the website with homepage banner ads
 - 💧 Distributed to media lists, news lists and to customers signed up for DC Water info
- 💧 Robocalls to the target audience
- 💧 Bill message (directly on bills)
- 💧 Expanded DC Water social media
- 💧 Facebook/Instagram ads garnering about 200 hits per week
- 💧 Posted to Nextdoor with approximately 85,000 subscribers across the District
- 💧 Display ads placed in ***The Informer*** and ***East of the River***
- 💧 Information being distributed by District Department of Aging and District Department of Disability Services, Community Connections and elected officials
- 💧 Information posted to dozens of listservs in Washington, DC

Next Steps

- Based on expenditures to date, there will be approximately \$5.46 million in unexpected funds for CAP2 at the end of the fiscal year
- DC Water will award a contract this summer to a firm to complete an independent review of the rate structure, and the Customer Assistance Programs
- Based on this review, the Board could consider changes to the Customer Assistance Programs (CAP, and CAP2)

Timeline

October 1, 2019 Implementation

- 05/28/19 – **RRC** updated and recommend to amend CAP regulations to extend CAP2 Program to 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 to 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 to 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 to FY 2020
- 10/01/19 – **Go-Live** with amendment of CAP regulations to extend CAP2 Program to FY 2020

Recommendation

- 💧 Recommendation to the full board for approval to amend regulations to extend CAP2 program to FY 2020

Appendix

Appendix

Funding Source & Design Assumptions

	DC Water Funded		DOEE Funded	
	CAP	CAP2	CAP3	Non-Profit
Funding	\$1.2M Recovered through rates	\$6.0M from Rate Stabilization Fund \$5.5M for benefits *\$1.2M from DOEE for CRIAC benefits	\$1.3M from DOEE	\$3.58M from DOEE
Forecasted Customers	3,575	12,840	4,900	
Eligibility Validation	Performed by DOEE			
Account Status Validation	Performed by DCW			
Bill Application	Rate Credit		Payment Credit	
Impacted Charges	<u>4 CCF</u> Water, Sewer, PILOT, ROW <u>50%</u> CRIAC <u>100%</u> WSRF	<u>3 CCF</u> Water, Sewer <u>50%</u> CRIAC	Determined by DOEE for CRIAC only	Determined by DOEE up to 90% CRIAC
Retroactive	Back to later of: <ul style="list-style-type: none"> Date of enrollment As early as 10/1/2018 	Retroactive to 10/1/2018 if applied before 3/1/2019	Lump sum back to 10/1/2018 and monthly until 9/30/19	Lump sum back to 10/1/2018 and monthly until 9/30/19

History

- **D.C. Code § 34-2202.16(b-1)(1) – Mandates that DC Water “offer financial assistance programs to mitigate the impact of any increases in retail water and sewer rates and the impervious area charge on low-income residents of the District...”**
- **Resolution #14-56 (9/4/14) - the Board of Directors adopted General Principles of Affordability for Low Income Customers which required “consideration of rate impacts on low income customers” and “exploration of affordability alternatives for low-income customers”**
 - Alternatives explored and implemented include but are not limited to the century bond, extension of the consent decree timeline, and regular reviews of the CRIAC rate
- **Resolution #16-60 (7/7/16) - Board directed the General Manager to: 1) evaluate the CAP and recommend expansion of CAP to include CRIAC; 2) review the impact of CRIAC on various customer segments including low-income customers who do not qualify for CAP and to report findings by December of 2016; and requested the Finance and Budget Committee to review the policy governing use of the Rate Stabilization Fund to reduce or moderate or eliminate the impact of CRIAC increases on ratepayers, particularly ratepayers eligible for CAP**

History – cont'd

- 2-21-17 DC Retail Rates Committee – approved recommendation to expand CAP to include 50% off of CRIAC; and postpone Phase 2 of CRIAC Restructuring until after VertexOne implementation in Nov 2017 to address low income residential customers not eligible for CAP, etc.
- Resolution #17-18 – Board approved CAP revisions for 50% CRIAC reduction
- 1-23-18 DC Retail Rates Committee – reviewed projected annual rate increase of 13% in water and sewer rates and 5% overall increase in the average household bill
- 2-21-17 DC Retail Rates Committee – reviewed projected rate increases and proposed Cost of Service study for all customers
- 4-28-18 DC Retail Rates Committee – reviewed Rate Policy Options and the Rate Stabilization Fund, including history of rate stabilization fund contributions and withdrawals and consideration of broad-based versus targeted relief to customers through CAP
- 7-5-18 Resolution #18-57 – after consideration and discussion, the Board directed the General Manager to recommend changes to CAP to address customers not eligible for CAP
- 9-25-18 DC Retail Rates Committee – reviewed and approved CAP Expansion Recommendation

Resolution #18-57

- **Board Resolution #18-57 (7/5/18) - directed the General Manager to:**
 - Transfer \$6 million from the Rate Stabilization Fund to assist low income residential customers
 - Deliver recommendations to the Board regarding changes to CAP:
 - a) Adding more low income customers using metrics, including, but not limited to household size, median income or other factors,...subject to the limitation of funds allocated herein;
 - b) Serve customers with household incomes up to 80% of the area median income, considering household size;
 - c) Expand new benefits accorded by the Customer Assistance Program up to three CCFs of water and sewer services and percent discount on the impervious area charge
 - d) Include caps in the proposed recommendation on the number of participants to ensure that the cost of the program does not exceed \$6 million; and
 - e) Include other suggestions deemed necessary by the General manager, consistent with principals expressed in this resolution

History – cont'd

- **Board Resolution #18-80 (12/06/18) – adopt regulations to expand DC Water’s Customer Assistance Program (CAP), effective January 1, 2019:**
 - CAP2 (Residential Customers)
 - a) Eligible single-family or individually metered Residential customers shall receive a discount of 3 Ccf on their billed water and sewer service charges and 50% on their billed Clean Rivers Impervious Area Charge (CRIAC)
 - CAP3 (Residential Customers)
 - a) Eligible single-family or individually-metered Residential customers shall receive CAP# benefits as defined by DOEE, subject to the availability of District funds, and conformance with applicable law and regulations
- **Board Resolution #18-84 (12/19/18) – established procedures to provide credits to certain nonprofit customers authorized by DDOE to receive the District’s Nonprofit Relief Program credit:**
 - CRIAC nonprofit relief Program (Non-Residential Customers)
 - a) Eligible non-residential customers shall receive CRIAC Nonprofit Relief Program benefits by DOEE, subject to the availability of District funds

CAP2 (Residential)

-  Customers are provided an exemption of up to three CCFs of water and sewer and 50% CRIAC
-  Benefits are provided to eligible households retroactively from October 1, 2018 or not more than the entire fiscal year, provided the CAP2 customer submits their complete application to DOEE before March 1, 2019. Applications submitted on or after March 1, 2019 receive benefits as of the month of submittal to not more than the entire fiscal year, subject to available funds.
-  At an average monthly discount of \$43.48 (3 CCFs of water and sewer and 50% off one ERU), DC Water can serve 10,541 customers
-  This program was authorized for one year, through September 30, 2019
-  Program is capped at \$6 million, \$5.5 million in benefits to customers and up to \$0.5 million for administrative costs; plus District contributing additional funds for this program
-  When this level is reached, the program will be discontinued

Attachment B

DC Retail Water and Sewer Rates Committee

Action Item 1

1. Approval to Amend Regulations to Extend DC Water's CAP2 Program to FY 2020

ACTION ITEM 1

Customer Assistance Program (CAP) Extension Summary

1. To amend regulations to extend DC Water's Customer Assistance Program (CAP), effective October 1, 2019, as summarized below and provided in Attachment A:

CAP2 (Residential Customers)

- CAP2 applicants that submit a complete CAP2 application to DOEE before November 1, 2019 shall receive CAP2 benefits retroactive for Fiscal Year 2020 from October 1, 2019 and terminate on September 30, 2020. CAP2 applicants that submit a complete CAP2 application to DOEE on or after November 1, 2019 shall receive CAP2 benefits from the date of submittal and terminate on September 30, 2020.

Attachment B

DC Water's CAP Expansion - Final Rulemaking Effective October 1, 2019

Chapter 41, RETAIL WATER AND SEWER RATES, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102 CUSTOMER ASSISTANCE PROGRAMS

4102.1 CUSTOMER ASSISTANCE PROGRAM

4102.2 CUSTOMER ASSISTANCE PROGRAM II (CAP2)

- (a) Upon DC Water's receipt of notice from DOEE that the CAP2 customer meets the financial eligibility requirements, DC Water shall provide the CAP2 benefits for not more than the entire Fiscal Year 2020, beginning October 1, 2019 and terminating on September 30, 2020, subject to the availability of budgeted funds.
 - (1) CAP2 customers that submit a complete application to DOEE before March 1, 2020, shall receive CAP2 benefits retroactive to October 1, 2019 and terminating on September 30, 2020.
 - (2) CAP2 customer that submit a complete application on or after March 1, 2020, shall receive CAP2 benefits as of the date of submittal and terminating on September 30, 2020.
- (b) If DC Water determines that the remaining budgeted funds are insufficient to provide CAP2 benefits, DC Water may:
 - (1) Suspend the process for accepting CAP2 applicants; or
 - (2) Suspend or adjust providing CAP2 benefits to CAP2 recipients.
- (c) The CAP2 Program shall terminate on September 30, 2020.



2019 Potomac Interceptor Cost of Service Study and Rate Update

District of Columbia Water and Sewer Authority

DC Retail Water and Sewer Rates Committee Meeting

May 28, 2019



Agenda

- 1. Background**
- 2. Objectives and Methodology**
- 3. True-Up Evaluation Results**
- 4. Wastewater Rate Projections**
- 5. Recommendations**

Background

- **The 86th U.S. Congress authorized the design and construction of the Potomac Interceptor (PI) on June 12, 1960.**
- **DC Water charges the “Smaller PI Users” (Dulles, National Park Service, Navy, Vienna) for wholesale wastewater services pursuant to separate but similar Agreements signed in the 1960s.**
 - These Agreements are separate from the IMA agreements and the Loudoun County Sanitation Authority Agreement – no duplication of cost recovery.
 - Under the Agreement, the Small PI Users’ rates are to be adjusted periodically (three-year or greater intervals).
 - Charges are based on a proportionate allocation of operating and capital costs, and are recovered through a calculated rate per million gallons of wastewater flow.
 - Small PI Users are billed quarterly, based on actual flows.

Objectives and Methodology

Study Objectives

- **Determine the cost of providing wastewater service to the Smaller PI customers**
 - Prepare a true-up evaluation for FY 2016 - FY 2019.
 - Using actual costs and wastewater flows.
 - FY 2019 is an estimate of the actual true-up amount.
 - Calculate projected rates per MG for cost recovery purposes in FY 2020 – FY 2022.
 - Using estimated costs and wastewater flows.

Cost of Service Methodology

Capital Cost Allocation:

$$\frac{\text{Annualized Capital Costs}}{\text{Reserve Capacity}} =$$

$$= \text{Capital Cost Share}$$

Operating Expense Allocation:

$$\frac{\text{Annual Operating Expenses}}{\text{Annual Wastewater Flows}} =$$

$$= \text{Operating Cost Share}$$

+

Total Small
PI User
Costs

$$\frac{\text{Total Small PI User Costs}}{\text{Wastewater Flow (MG)}} = \text{Rate / MG}$$

True-Up Evaluation Results (FY 2016 – FY 2019)

Eligible Operating Expenses

- **Eligible operating expenses are those related to:**
 - Wastewater Treatment Operations (95.0%)
 - Wastewater Treatment Process Engineering (95.0%)
 - Maintenance Services (94.0%)
 - Distribution/Conveyance System (32.6%)
 - Administration (22.4% to 27.1%)
 - WSSC Biosolids (100.0%)
- **Eligible cost percentages provided by DC Water**

Eligible Operating Expenses (in \$1,000s)

Department	FY 2016	FY 2017	FY 2018	FY 2019
WWT Operations	\$61,851	\$69,413	\$69,080	\$71,359
WWT Process Engineer	6,575	6,657	6,597	6,828
Maintenance Services	17,449	17,595	16,738	18,393
Distribution/Conveyance	<u>14,772</u>	<u>15,189</u>	<u>16,866</u>	<u>16,828</u>
Total	\$100,646	\$108,854	\$109,281	\$113,408
Administration	22,588	27,920	29,651	29,929
WSSC Biosolids	<u>2,114</u>	<u>1,980</u>	<u>2,004</u>	<u>2,033</u>
Total	\$125,348	\$138,754	\$140,936	\$145,369

Eligible Capital Costs

- **Eligible capital costs are those related to:**
 - Potomac Pump Station
 - Blue Plains WWTP
 - Montgomery County Composting Facility
 - Common-to-all CSO Related
 - Common-to-all Sanitary Sewer Related
- Annual costs are amortized and recovered over a period of 30 years using an assumed interest rate.

Eligible Capital Costs

Total Eligible Capital Costs

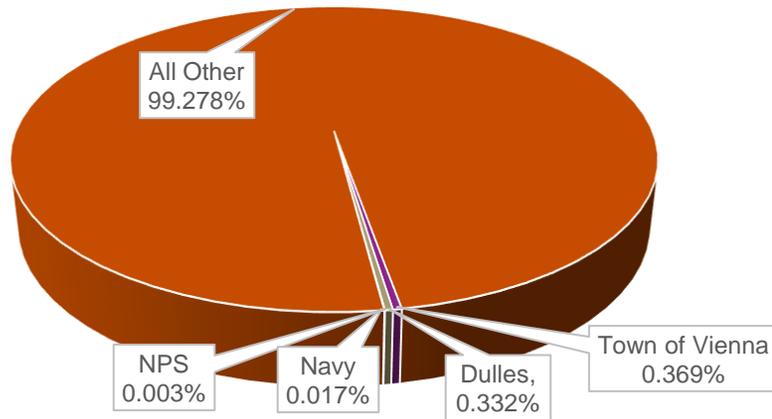
Fiscal Year	Potomac PS	Blue Plains WWTP	Montgomery County Composting Facility	Common-to-all CSO	Common-to-all Sanitary Sewer
1987 – 2015	\$5,157,500	\$2,589,018,583	\$35,131,600	\$70,369,246	\$105,172,416
2016	0	\$149,158,976	0	230,424,422	44,505,413
2017	0	141,602,396	0	221,898,941	44,219,600
2018	0	87,025,390	0	168,285,106	46,296,092
2019	0	69,979,000	0	195,350,000	44,927,000

Total Eligible Amortized Capital Costs

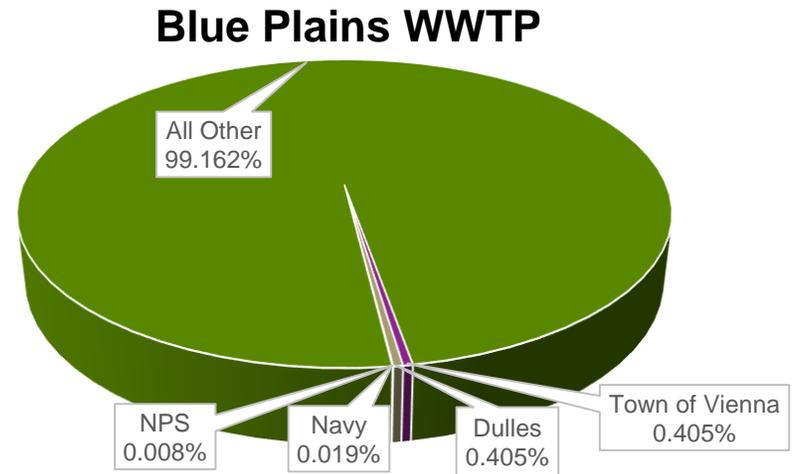
Fiscal Year / Interest Rate	Potomac PS	Blue Plains WWTP	Montgomery County Composting Facility	Common-to-all CSO	Common-to-all Sanitary Sewer
1987–2015 / Various	\$426,958	\$174,115,387	\$2,793,935	\$4,496,599	\$6,649,826
2016 / 3.518%	0	8,128,502	0	12,557,109	2,425,348
2017 / 3.895%	0	8,085,279	0	12,670,088	2,524,871
2018 / 4.452%	0	5,312,589	0	10,273,204	2,826,211
2019 / 4.649%	0	4,371,623	0	12,203,612	2,806,612

Allocation of Costs to Small PI Users

Operating Expenses Allocated Based on Wastewater Flows



Capital Costs Allocated Based on Reserve Capacity Shares



True-Up Evaluation Results

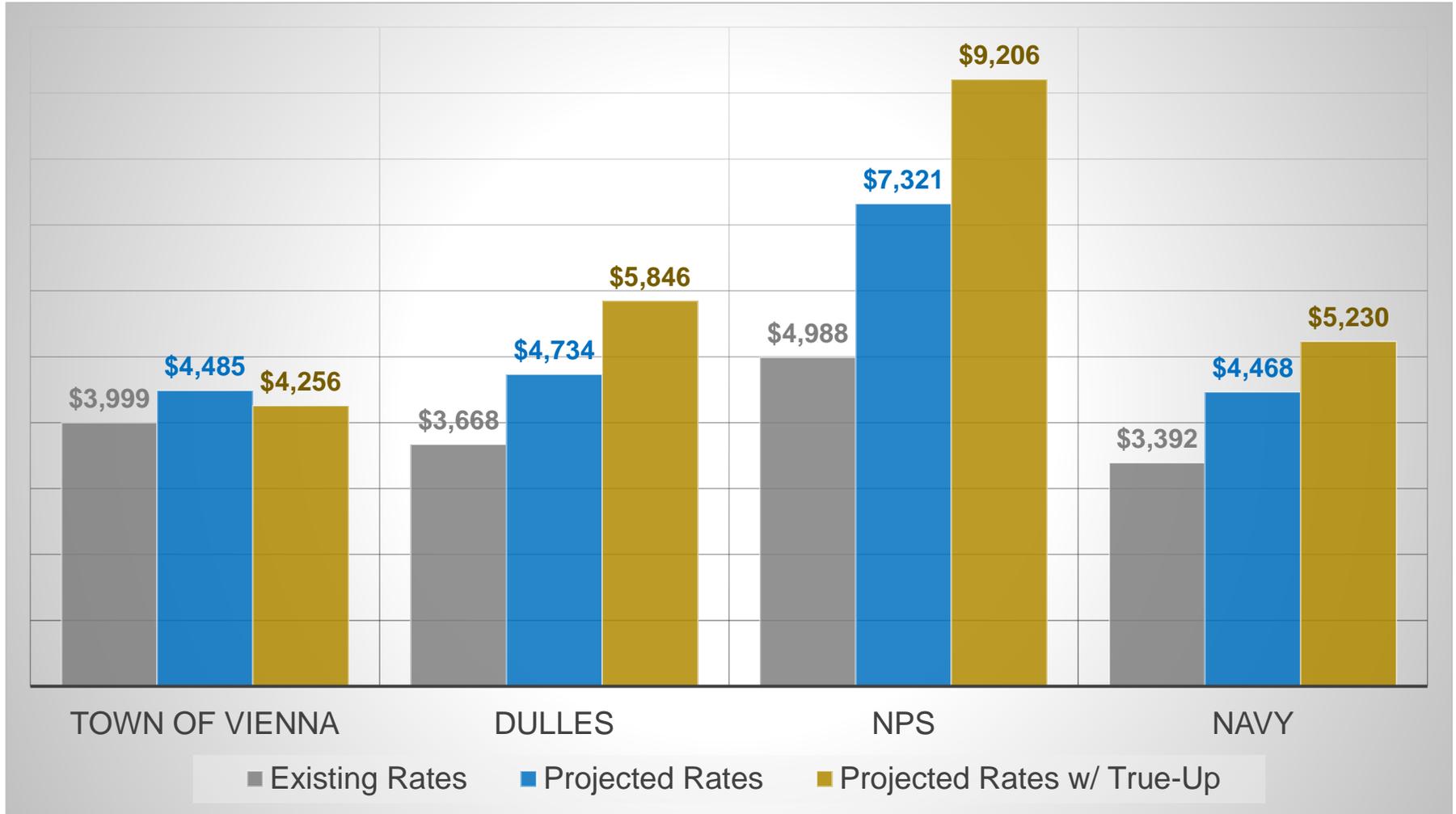
Description	Vienna	Dulles	NPS	Navy
FY 2016 (Actual)	\$1,331,605	\$1,326,559	\$22,403	\$62,902
Amount Paid	<u>1,408,890</u>	<u>806,626</u>	<u>26,988</u>	<u>52,537</u>
Difference	\$77,286	-\$519,933	\$4,585	-\$10,365
FY 2017 (Actual)	\$1,514,075	\$1,424,995	\$24,413	\$70,090
Amount Paid	<u>1,654,976</u>	<u>1,229,803</u>	<u>18,982</u>	<u>60,834</u>
Difference	\$140,901	-\$195,192	-\$5,431	-\$9,257
FY 2018 (Actual)	\$1,483,978	\$1,419,552	\$22,241	\$69,705
Amount Paid	<u>1,585,952</u>	<u>1,205,709</u>	<u>7,494</u>	<u>60,834</u>
Difference	\$101,974	-\$213,843	-\$14,747	-\$8,872
FY 2019 (Estimate)	\$1,601,202	\$1,550,047	\$26,862	\$74,928
To be Paid	<u>1,547,567</u>	<u>1,283,222</u>	<u>19,901</u>	<u>61,772</u>
Difference	-\$53,635	-\$266,826	-\$6,961	-\$13,156
Total	\$266,526 Overpayment	-\$1,195,794 Underpayment	-\$22,554 Underpayment	-\$41,649 Underpayment

Wastewater Rate Projections (FY 2020 - FY 2022)

Projected Rates for FY 2020 – FY 2022

Description	Vienna	Dulles	NPS	Navy
<u>Estimated Cost of Service:</u>				
FY 2020	\$1,674,821	\$1,625,028	\$28,004	\$78,311
FY 2021	1,732,305	1,687,927	29,005	80,998
FY 2022	<u>1,812,656</u>	<u>1,775,166</u>	<u>30,618</u>	<u>84,748</u>
Total	\$5,219,782	\$5,088,122	\$87,626	\$244,058
Projected Flows (FY 2020 – 2022)	1,163.76 MG	1,074.88 MG	11.97 MG	54.63 MG
Projected Rate per MG	\$4,485.27	\$4,733.67	\$7,321.20	\$4,467.80
Current Rate per MG	\$3,999.23	\$3,668.37	\$4,988.32	\$3,392.47
\$ Change	\$486.04	\$1,065.30	\$2,332.88	\$1,075.33

Projected Rates for FY 2020 – FY 2022



*** “Projected Rates with True-Up” included for comparison purposes only. ***

FY2020 – 2022 Projected Rates

- **Inclusion of prior period true-up adjustments in the projected rates contributes to significant rate variability**
- **Excluding them will stabilize the rate adjustments**
- **Recommendation:**
 - **Settle True-Up Amounts outside of the FY2020-FY2022 rate calculations.**

Payment Options

- **2019 PI COS study includes enhancement of payment options:**
 - The cost recovery rates for FY 2020 - FY 2022 calculated:
 1. By including the prior period true-up adjustments; and
 2. Without applying the prior period true-up adjustment. The one-time true-up (over/underpayment) for FY 2017 - FY 2019 will be credited/debited in FY 2020
- **PI COS will be circulated to the PI Customers for review / comments and provide their preferred payment option**

Recommendations

Recommendations

- **Exclude prior year true-up amounts from the rate projections and settle those differences separately.**
- **Adopt projected cost recovery rates.**
 - To be effective from October 1, 2019 to September 30, 2022
- **Monitor billed vs. actual cost annually in future years.**
 - Track differences and where substantial, inform the affected Small PI Users

Recommendations

- **Track PI and Pump Station operating and capital costs separately**
- **Continue to track common-to-all conveyance operating and capital costs separately**
 - e.g. CSO-Related and Sanitary Sewers
- **Continue to track WWTP operating and capital costs separately**

Attachment D

FY 2019 Proposed RRC Committee Workplan

Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
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1. Propose and Establish Retail Rates for FY 2020			
a. FY 2020 Budget presentation to Board	February 7, 2019	√	Chief Financial Officer
b. FY 2020 Proposed Rates, Charges & Fees presented to RRC	February 28, 2019	√	Rates and Revenue
c. RRC recommendation on proposed FY 2020 rates	March 26, 2019	√	Rates and Revenue
d. Board approves proposed FY 2020 rates	April 4, 2019	√	
e. Publish Proposed Rates and Fees in <i>D.C. Register</i>	April 26, 2019	√	Legal Affairs
f. Public Comment (Consumer Protection Act 45-day Public Notice)	April 26 – June 17, 2019		Marketing & Comm.
g. Public Hearing	June 12, 2019		RRC
h. Public Hearing Record Closes	June 17, 2019		Board Secretary
i. RRC final recommendation to approve FY 2020 rates	June 25, 2019		Rates and Revenue
j. Board approves FY 2020 rates	July 11, 2019		
k. Publish Final Rates and Fees in <i>D.C. Register</i>	July 26, 2019		Legal Affairs
l. Rates Go-Live	October 1, 2019 (FY 2020)		Rates and Revenue

2. Conduct a Review of the Impact of the CRIAC on Various Customer Segments (on-going) <i>including low-income customers who do not qualify for CAP, non-profit organizations and small businesses owners</i>			
a. CRIAC overview to RRC	November 15, 2016	√	Rates and Revenue
b. Discuss the CRIAC restructuring of various segments including low-income customers who do not qualify for CAP, non-profit, charitable and religious organizations and small businesses.	February 21, 2017	√	
c. Comparison of how other utilities with impervious area charges segment non-residential customers and provide discounts/credits/ exemptions	November 14, 2017	√	
d. Stakeholder Alliance “Clean Rivers Reformulation Strategies” meeting	September 20, 2018	√	
	October 11, 2018	√	
	December 13, 2018	√	
	January 10, 2019	√	
	April 11, 2019	√	

Attachment D

FY 2019 Proposed RRC Committee Workplan			
Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
3. Delinquent Accounts			
a. <i>Soldiers Home Negotiations</i>	Monthly, as needed		Legal Affairs
4. Establish CAP2 Program and Rules to Implement District CAP3 and CRIAC Nonprofit Relief Programs to Mitigate Impacts of DC Water Rates, Fees and Charges on Low-Income Residents Currently not Eligible for CAP and District of Columbia Identified Customers			
a. <i>Regulations to Establish CAP2 Program and Rules for Implementing District CAP3 and CRIAC Nonprofit Relief Programs</i>			
1) Presentation to RRC on Rate Policy Options and the RSF	April 24, 2018	√	Rates & Revenue
2) Presentation to Joint RRC & F&B Committees on one-time transfer of \$6 Million from the RSF to FY 2019 Budget	June 26, 2018	√	
3) F&B Committee recommends one-time transfer of \$6 Million from the RSF to FY 2019 Budget	June 26, 2018	√	Rates & Revenue
4) Board approved one-time transfer from RSF in FY 2019	July 5, 2018	√	
5) RRC update and approval of proposed CAP2 Program and rules implementing District CAP3 and CRIAC Nonprofit Relief Programs	September 25, 2018	√	Rates & Revenue
6) Board approval of CAP2 Program and rules implementing District CAP3 Nonprofit Relief Programs	October 4, 2018	√	
7) Publish NOPR for CAP2 Program and rules implementing District CAP3 and Nonprofit Relief Programs in <i>D.C. Register</i>	October 19, 2018	√	Legal Affairs
8) Publish NOPH for Public Hearing	October 19, 2018	√	Legal Affairs
9) Public Comment Period	October 19 – November 19, 2018	√	Marketing & Comm.
10) Update the RRC on the CAP expansion communication plan & system implementation	October 23, 2018	√	Rates & Revenue
11) Public Hearing	October 30, 2018	√	RRC

Attachment D

FY 2019 Proposed RRC Committee Workplan			
Objective/ <i>Activities/Task</i>	Date of Activity	Completed	Responsible Department
4. Establish CAP2 Program and Rules to Implement District CAP3 and CRIAC Nonprofit Relief Programs to Mitigate Impacts of DC Water Rates, Fees and Charges on Low-Income Residents Currently not Eligible for CAP and District of Columbia Identified Customers, (Continued)			
12) Special RRC meeting to recommend final CAP2 Program and rules implementing District CAP3 Program and reserve action on CRIAC Nonprofit Relief Program	November 29, 2018	√	Rates & Revenue
13) Board approval of CAP2 Program and rules implementing District CAP3 Program	December 6, 2018	√	
14) Publish final NOFR for CAP2 Program and rules implementing District CAP3 Program in D.C. Register	December 21, 2018	√	Legal Affairs
15) Go-Live	January 1, 2019	√	Rates and Revenue and Customer Care
16) RRC meeting to recommend final action on rules implementing District CRIAC Nonprofit Relief Program	December 18, 2018	√	Rates and Revenue
17) Board approval of rules implementing District CRIAC Nonprofit Relief Program	December 19, 2018	√	
18) Publish final NOFR for rules implementing District CRIAC Nonprofit Relief Program in <i>D.C. Register</i>	December 28, 2018	√	Legal Affairs
19) Go-Live	January 1, 2019	√	Rates and Revenue and Customer Care
4a. <u>Amend Regulations to Extend CAP2 Program to FY 2020</u>			
1) Presentation to RRC to Extend CAP2 Program to FY 2020	May 28, 2019		Rates & Revenue
2) Board Approval to Extend CAP2 Program to FY 2020	June 6, 2019		
3) Publish NOPR to Extend CAP2 Program to FY 2020 in <i>D.C. Register</i>	June 21, 2019		Legal Affairs
4) Public Comment Period (Consumer Protection Act 45-day Public Notice)	June 21, 2019 – August 19, 2019		Board Secretary
5) Public Hearing	August 14, 2019		RRC
6) Public Hearing Record Closes	August 19, 2019		Board Secretary

Attachment D

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
4a. Amend Regulations to Extend CAP2 Program to FY 2020			
7) Special RRC Meeting to Recommend Final CAP2 Program Extension to FY 2020	August 27, 2019		Rates & Revenue
8) Board Approval of Final CAP2 Program Extension to FY 2020	September 5, 2019		Legal Affairs
9) Publish NOFR Rules to Extend CAP2 Program to FY 2020 in <i>D.C. Register</i>	September 20, 2019		Rates and Revenue and Customer Care
10) Go-Live	October 1, 2019 (FY 2020)		
5. 2018 Cost of Service Miscellaneous Fees and Charges			
a. <i>RRC COS Update and Recommendation on Proposed Amendments to Miscellaneous Fees & Charges</i>	October 23, 2018	√	Rates & Revenue
b. <i>Board Approval of Notice of Proposed Rulemaking (NOPR) for Miscellaneous Fees & Charges</i>	November 1, 2018	√	
c. <i>Publish NOPR in DC Register</i>	November 23, 2018	√	Legal Affairs
d. <i>Public Comment period</i>	November 23 – December 24, 2018	√	Board Secretary
e. <i>RRC Final Recommendation to Approve Amendments for Miscellaneous Fees & Charges</i>	January 22, 2019	√	Rates & Revenue
f. <i>Board Approval of Notice of Final Rulemaking (NOFR)</i>	February 7, 2019	√	
g. <i>Publish NOFR in DC Register</i>	February 22, 2019	√	Legal Affairs
h. <i>Miscellaneous Fees & Charges Go-Live</i>	June 3, 2019 (FY 2019)		Rates and Revenue/ Customer Care/Permit Operations/Pretreatment
i. <i>Permitting & Engineering Fees Go-Live</i>	August 1, 2019 (FY 2019)		Legal Affairs
5a. <u>Adopt Regulations to Implement New FOG and CCC-BPA Fees</u>			
a. <i>Present Proposed Implementation Regulations to EQ&O Committee for New FOG and CCC-BFP Fees</i>	April 18, 2019	√	
b. <i>Board Approval of Notice of Proposed Rulemaking for Implementing New FOG and CCC-BFP Fees</i>	May 2, 2019	√	
c. <i>Publish NOPR in DC Register</i>	May 17, 2019		Legal Affairs
d. <i>Public Comment Period</i>	May 17– June 17, 2019		Board Secretary
e. <i>Present Final Rulemaking to EQ&O Committee to Implement New FOG and CCC-BFP Fees</i>	June 20, 2019		

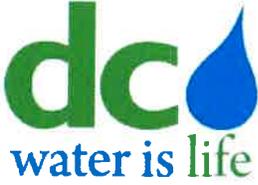
Attachment D

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
5a. Adopt Regulations to Implement New FOG and CCC-BPA Fees			
f. Board Approval of Notice of Final Rulemaking (NOFR) to Implement New FOG and CCC-BFP Fees	July 11, 2019		Legal Affairs
g. Publish NOFR in DC Register	July 26, 2019		
h. To Implement New FOG and CCC-BFP Fees Go-Live	August 1, 2019		
6. Retail Groundwater Sewer Rate Ratemaking			
a. RRC Update and Recommendation on Proposed Retail Groundwater Sewer Rate	October 23, 2018	√	Rates & Revenue
b. Board Approval of Proposed Notice of Proposed Rulemaking (NOPR) for Retail Groundwater Sewer Rate	November 1, 2018	√	
c. Publish NOPR in DC Register	November 16, 2018	√	Legal Affairs
d. Public Comment period	November 16 – December 17, 2018	√	Marketing & Comm.
e. Public Hearing	June 12, 2019		Board Secretary
f. RRC Final Recommendation to Approve Amendments for Retail Groundwater Sewer Rate	June 25, 2019		Rates & Revenue
g. Board Approval of Notice of Final Rulemaking (NOFR)	July 11, 2019		
h. Publish NOFR in DC Register	July 26, 2019		Legal Affairs
i. Retail Groundwater Sewer Charge Go-live	October 1, 2019 (FY 2020)		Rates and Revenue/ Customer Care
7. Amend District of Columbia Clean Rivers Impervious Area Charge Incentive Program from 4% to 20%			
a. FY 2020 Budget presentation to Board	February 7, 2019	√	Rates & Revenue
b. RRC update on Proposed Amendments for CRIAC Incentive Program	February 28, 2019	√	Rates and Revenue
c. RRC recommendation on proposed FY 2020 CRIAC Incentive	March 26, 2019	√	Rates and Revenue
d. Board approval of proposed Amendments for CRIAC Incentive program	April 4, 2019	√	
e. Publish proposed Amendments to CRIAC Incentive Program in D.C. Register	April 26, 2019	√	Legal Affairs
f. Public Comment	April 26 – May 27, 2019		Marketing & Comm.

Attachment D

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
7. Amend District of Columbia Clean Rivers Impervious Area Charge Incentive Program			
g. RRC final recommendation for approval of Amendments to <i>CRIAC Incentive program</i>	June 25, 2019		Rates and Revenue
h. Board approval of Amendments for <i>CRIAC Incentive program</i>	July 11, 2019		Rates & Revenue
i. Publish Final Amendments CRIAC Incentive program in <i>D.C. Register</i>	July 26, 2019		Legal Affairs
j. Amended CRIAC Incentive program Go-Live	October 1, 2019 (FY 2020)		Rates and Revenue/ Customer Care
8. 2019 Potomac Interceptor Cost of Service Study			
a. <i>2019 Potomac Interceptor Cost of Service Study (FY 2020 – FY 2022 rates are proposed)</i>	May 28, 2019		Rates & Revenue
9. Path to Achieve Asset Management			
a. <i>Path to Achieve Asset Management Update</i>	October 23, 2018 December 6, 2018	√ √	Rates & Revenue
10. FY2020 Budget Considerations			
a. <i>FY2020 Budget Considerations</i>	December 6, 2018	√	Rates & Revenue
11. Cost of Service Studies			
a. <i>Cost of Service Studies Update</i>	TBD		Rates & Revenue

* Dates subject to change



Attachment E

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

**Tuesday, June 25, 2019; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for July 23, 2019 Committee Meeting	Committee Chairman
Other Business	Chief Financial Officer
Adjournment	

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