



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, June 25, 2024
9:30 a.m.

Microsoft Teams
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Meeting ID: 283 311 515 470

Passcode: QupfB4

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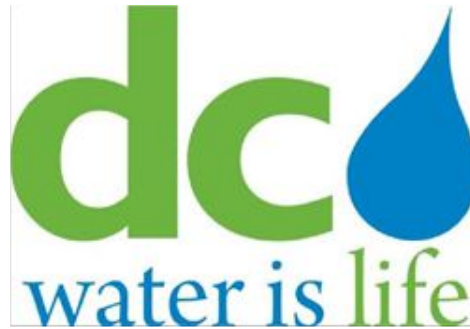
Phone Conference ID: 521 992 987#

- 1. Call to Order **Rachna Bhatt, Chairperson**
- 2. Roll Call.....**Michelle Rhodd**
- 3. [Monthly Report to DC Retail Water & Sewer Rates Committee \(Attachment A\)](#) **Matthew Brown**
- 4. [Responses to Comments and Recommendations for Approval of Proposed Rates for FY 2025 and FY 2026 \(Attachment B\)](#) **Matthew Brown**
- 5. [DC Water Cares Program Update and Recommendation for Approval for Proposed CAP+ Program \(Attachment C\)](#).....**Meisha Thomas**
- 6. [FY 2024 Fire Protection Fee Cost of Service Update and Recommendation for Approval \(Attachment D\)](#)..... **Matthew Brown**
- 7. [Action Items \(Attachment E\)](#) **Matthew Brown**
 - [Approval of FY 2025 & FY 2026 Rates, Charges and Fees \(Action Item 1\)](#)
 - [Approval of DC Water Cares Expansion Program - CAP+ \(Action Item 2\)](#)
 - [Approval of Fire Protection Fee FY 2025 – FY 2027 \(Action Item 3\)](#)
- 8. [DC Retail Water and Sewer Rates Committee Workplan \(Attachment F\)](#)**Matthew Brown**
 - FY 2024 Proposed DC Retail Rates Committee Workplan
- 9. [Agenda for July 23, 2024, Committee Meeting \(Attachment G\)](#) **Rachna Bhatt, Chairperson**
- 10. Other Business**Matthew Brown**
- 11. Executive Session*
- 12. Adjournment **Rachna Bhatt, Chairperson**

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov

*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)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); 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); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); 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.

ATTACHMENT A



Fiscal Year 2024

Monthly Report to DC Retail Water and Sewer Rates Committee

Period Ending May 31, 2024

DEPARTMENT OF FINANCE

Matthew T. Brown, CFO & Executive Vice President, Finance, Procurement and Compliance

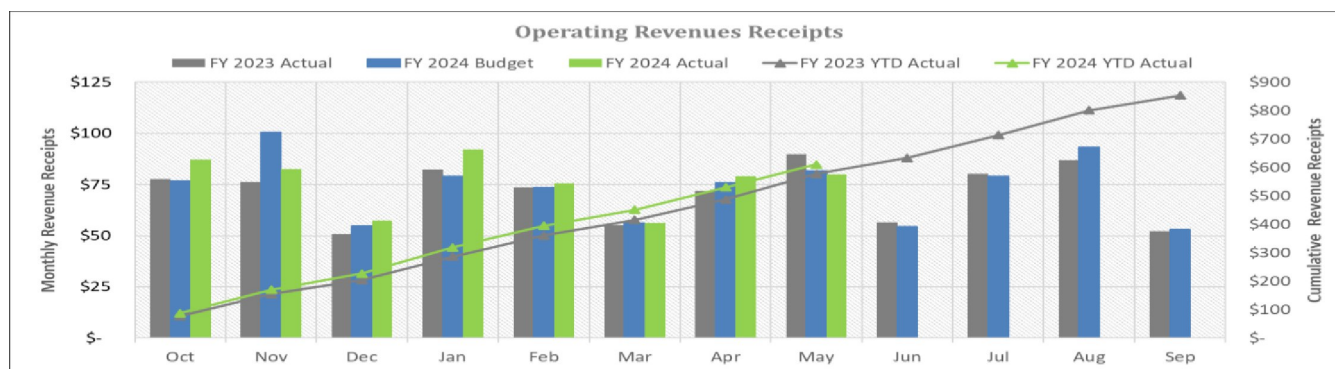
Syed Khalil, Vice President, Rates & Revenue

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of May 31, 2024

Operating Revenues (\$000's)

FY 2023		CATEGORY	FY 2024					
Actual			Year-to-Date Performance					Variance %
Total Annual	YTD May		Annual Budget	YTD Budget	Actual	% of Budget	Variance \$ Fav(Unfav)	
\$490,822	\$324,356	Residential / Commercial / Multi-Family*	\$510,581	\$340,388	\$343,269	67.2%	\$2,881	0.8%
83,839	62,879	Federal	90,273	67,705	68,504	75.9%	799	1.2%
21,495	13,444	Municipal (DC Govt.)	23,784	15,856	15,289	64.3%	(567)	(3.6%)
15,801	10,744	DC Housing Authority	15,925	10,617	10,943	68.7%	326	3.1%
24,104	16,184	Metering Fee	24,083	16,185	16,409	68.1%	224	1.4%
42,407	28,716	Water System Replacement Fee (WSRF)	40,717	27,616	29,267	71.9%	1,651	6.0%
105,250	75,392	Wholesale	106,519	79,890	80,082	75.2%	192	0.2%
23,760	15,668	PILOT/ROW	23,430	15,874	16,627	71.0%	753	4.7%
45,856	30,030	All Other	55,248	36,460	29,999	54.3%	(6,461)	(17.7%)
\$853,333	\$577,413	TOTAL	\$890,560	\$610,591	\$610,390	68.5%	(\$201)	(0.0%)



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of May 2024, cash receipts totaled \$610.4 million, or 68.5 percent of the FY 2024 Budget. The YTD budgeted receipts were \$610.6 million. The total receipts for May were \$80.1 million as compared to the budgeted \$85.3 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their third quarterly payment in April 2024), and wholesale customers (who made their third quarterly payment in May 2024).

Favorable	Unfavorable
<p><u>Residential, Commercial, and Multi-Family</u> – Receipts for this category are favorable at \$343.3 million or 67.2 percent of the budget. The higher receipts are partly due to slightly higher CRIAC and partly due to higher consumption in Commercial category as compared to the budget. The May 2024 receipts were lower by \$1.0 million, as compared to the monthly budget of \$42.5 million.</p> <p><u>Federal</u> - Actual receipts through May 2024 total \$68.5 million or 75.9 percent of the budget. The Federal government made its third quarter payment in April 2024.</p> <p><u>DC Housing Authority</u> – Receipts are higher at \$10.9 million or 68.7 percent of the budget. The May 2024 receipts are slightly lower by \$0.04 million as compared to the monthly budget of \$1.3 million.</p> <p><u>Wholesale</u> – Actual receipts for this category total \$80.1 million or 75.2 percent of the budget.</p> <p><u>PILOT/ROW</u> – The receipts for PILOT/ROW are favorable at \$16.6 million or 71.0 percent of the budget. The May 2024 receipts are slightly lower by \$0.05 million as compared to the monthly budget of \$1.7 million.</p>	<p><u>District Government</u> – Receipts are slightly lower at \$15.3 million or 64.3 percent of the budget mainly due to lower consumption as compared to the budget. The May 2024 receipts are lower by \$0.2 million as compared to the monthly budget of \$2.0 million.</p> <p><u>Other Revenue</u> – Receipts are lower at \$30.0 million or 54.3 percent of the budget mainly due to not receiving \$2.9 million Fire Protection Services Fee in May 2024. Also, Developer Fees, System Availability Fee, and Washington Aqueduct Backwash were lower as compared to the budget. The payment for Fire Protection Fee has been received in June 2024 and will be reflected in the next month's report.</p>

Monthly Report to DC Retail Water and Sewer Rates Committee

As of May 31, 2024

(\$ in millions)

Revenue Category	FY 2024 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$510.6	\$340.4	\$343.3	\$2.9	0.8%	67.2%
Federal	\$90.3	\$67.7	\$68.5	\$0.8	1.2%	75.9%
District Government	\$23.8	\$15.9	\$15.3	-\$0.6	-3.6%	64.3%
DC Housing Authority	\$15.9	\$10.6	\$10.9	\$0.3	3.1%	68.7%
Customer Metering Fee	\$24.1	\$16.2	\$16.4	\$0.2	1.4%	68.1%
Water System Replacement Fee (WSRF)	\$40.7	\$27.6	\$29.3	\$1.7	6.0%	71.9%
Wholesale	\$106.5	\$79.9	\$80.1	\$0.2	0.2%	75.2%
Right-of-Way Fee/PILOT	\$23.5	\$15.9	\$16.6	\$0.8	4.7%	70.4%
Subtotal (before Other Revenues)	\$835.4	\$574.2	\$580.4	\$6.3	1.1%	69.5%
IMA Indirect Cost Reimb. For Capital Projects	6.1	4.1	3.9	(0.2)	-3.8%	63.9%
DC Fire Protection Fee	11.5	8.7	5.8	(2.9)	-33.3%	50.4%
Stormwater (MS4)	1.1	0.7	0.7	0.0	1.3%	63.6%
Interest	8.5	5.7	7.6	1.9	34.1%	89.4%
Developer Fees (Water & Sewer)	9.0	6.0	4.0	(2.0)	-32.7%	44.4%
System Availability Fee (SAF)	7.7	5.1	1.7	(3.4)	-65.8%	22.1%
Washington Aqueduct Backwash	2.6	1.7	1.2	(0.5)	-27.8%	46.2%
Others	6.7	4.5	5.1	0.6	14.0%	196.2%
Subtotal	\$53.2	\$36.5	\$30.0	(\$6.5)	-17.7%	56.3%
Rate Stabilization Fund Transfer	\$2.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$55.2	\$36.5	\$30.0	(\$6.5)	-17.7%	54.3%
Grand Total	\$890.6	\$610.6	\$610.4	(\$0.2)	0.0%	68.5%

BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY (\$ in 000's)

Customer Category	Water	Sewer	Clean Rivers			Total
			IAC	Metering Fee	WSRF	
Residential	\$29,270	\$46,168	\$20,091	\$7,227	\$6,501	\$109,258
Commercial	56,074	63,487	24,536	4,892	11,517	160,506
Multi-family	37,152	57,143	9,347	2,394	5,359	111,396
Federal	24,921	28,329	15,253	1,168	4,246	73,917
District Govt	3,971	5,373	5,944	556	1,371	17,217
DC Housing Authority	4,089	6,057	797	172	274	11,388
Total:	\$155,478	\$206,558	\$75,969	\$16,409	\$29,267	\$483,682

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Clean Rivers IAC - Actual vs Budget (\$ in 000's)

Customer Category	FY2024 Budget	Year-To-Date Budget	Actual Received	Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$29,527	\$19,685	\$20,091	\$406	2%	68%
Commercial	35,697	23,798	24,536	738	3%	69%
Multi-family	14,147	9,431	9,347	(84)	-1%	66%
Federal	20,338	15,254	15,253	(0)	0%	75%
District Govt	9,255	6,170	5,944	(226)	-4%	64%
DC Housing Authority	1,212	808	797	(11)	-1%	66%
Total:	\$110,176	\$75,146	\$75,969	\$823	1%	69%

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of May 31, 2024

Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days (from the billing date) including a breakdown by customer class.

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
September 30, 2020	\$17.9	13,775
September 30, 2021	\$26.3	13,065
September 30, 2022	\$29.1	12,168
September 30, 2023	\$28.0	10,420
October 31, 2023	\$28.3	10,540
November 30, 2023	\$28.5	10,099
December 31, 2023	\$29.9	10,536
January 31, 2024	\$30.8	10,322
February 29, 2024	\$31.7	10,472
March 31, 2024	\$32.4	10,720
April 30, 2024	\$32.6	10,912
May 31, 2024	\$32.1	11,104

Greater Than 90 Days by Customer

Notes: The increase in the accounts receivable over 90 days (from the billing date) is due to the temporary suspension of collections procedures because of the new billing system VertexOne, which was implemented in December 2017. The increase in accounts receivable from March 2020 to September 2022 is primarily due to increased delinquencies and deferred payments due to the impact of COVID-19.

	Number of Accounts			Month of May (All Categories)				Total Delinquent				
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		Apr		May		%
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	
Commercial	9,022	1,965	10,987	873	\$5,163,110	103	\$456,037	997	\$6,508,214	976	\$5,619,147	18%
Multi-family	8,757	310	9,067	1,254	\$18,101,868	36	\$222,010	1,258	\$17,998,873	1,290	\$18,323,878	57%
Single-Family Residential	107,368	2,084	109,452	8,697	\$7,954,808	141	\$207,475	8,657	\$8,050,380	8,838	\$8,162,284	25%
Total	125,147	4,359	129,506	10,824	\$31,219,787	280	\$885,522	10,912	\$32,557,467	11,104	\$32,105,309	100%

Notes: Included in the above \$32.1M (or 11,104 accounts) of the DC Water Over 90 days delinquent accounts, \$4,062,667.55 (or 966 accounts) represents Impervious only accounts over 90 days delinquent.

-Reportable delinquencies do not include balances associated with a long-standing dispute between DC Water and a large commercial customer.

-Delinquent accounts (11,104) as a percentage of total accounts (129,506) is 8.6 percent.

-Delinquent impervious only accounts (966) as a percentage of total accounts (129,506) is 0.7 percent.

-Delinquent impervious only accounts (966) as a percentage of total delinquent accounts (11,104) are 8.7 percent.

-Delinquent impervious only accounts (966) as a percentage of total impervious only accounts (4,359) are 22.2 percent.

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of May 31, 2024

Arrears by Customer Category:

Category	> 30 Days		> 60 Days		> 90 Days	
	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount
Commercial	2,086	\$8,436,739	1,310	\$6,426,724	976	\$5,619,147
Multi Family	2,219	23,277,351	1,537	20,199,909	1,290	18,323,878
Residential	18,934	11,274,617	11,813	9,330,259	8,838	8,162,284
Total	23,239	\$42,988,706	14,660	\$35,956,892	11,104	\$32,105,309

Arrears by WARD for Residential Category:

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount
1	1,182	\$666,084	697	\$536,670	500	\$466,901
2	522	189,434	252	132,930	162	110,200
3	658	302,849	308	222,327	207	191,512
4	3,207	1,795,567	1,907	1,462,502	1,362	1,282,368
5	3,757	1,989,713	2,357	1,608,766	1,725	1,376,197
6	1,100	570,353	669	476,614	478	420,643
7	5,246	3,703,456	3,512	3,214,385	2,717	2,837,605
8	3,262	2,057,161	2,111	1,676,065	1,687	1,476,857
Total	18,934	\$11,274,617	11,813	\$9,330,259	8,838	\$8,162,284

CAP, CAP2 and CAP3 Customers in Arrears*

	> 30 Days		> 60 Days		> 90 Days	
	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount
CAP	1,917	\$813,557	1,554	\$614,616	1,271	\$475,477
CAP2	86	32,926	66	25,424	54	19,364
CAP3	3	2,098	1	1,923	1	1,923
Total	2,006	\$848,581	1,621	\$641,962	1,326	\$496,765

* Based on number of accounts that have been given credit in May 2024

Monthly Report to DC Retail Water and Sewer Rates Committee

Customer Arrears Data

CAP Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount
1	88	\$52,282	74	\$44,795	62	\$35,935
2	11	6209	8	1831	7	1055
3	10	1707	6	723	3	414
4	262	83952	215	60493	165	41796
5	362	158328	296	118458	236	92183
6	64	26693	57	19908	46	16067
7	629	265073	512	201955	430	154574
8	491	219312	386	166452	322	133454
Total	1,917	\$813,557	1,554	\$614,616	1,271	\$475,477

* Based on number of accounts that have been given credit in May 2024

CAP2 Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount
1	3	\$118	0	\$0	0	\$0
2	1	226	1	187	1	110
3	1	72	0	0	0	0
4	10	9327	9	8301	8	7030
5	9	3020	7	2008	7	1345
6	2	382	2	350	1	226
7	43	14650	35	11504	29	8588
8	17	5131	12	3073	8	2065
Total	86	\$32,926	66	\$25,424	54	\$19,364

* Based on number of accounts that have been given credit in May 2024

CAP3 Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount	No. of Accts	Delinquent Amount
1	1	\$1,923	1	\$1,923	1	\$1,923
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	1	28	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	1	146	0	0	0	0
8	0	0	0	0	0	0
Total	3	\$2,098	1	\$1,923	1	\$1,923

* Based on number of accounts that have been given credit in May 2024

Monthly Report to DC Retail Water and Sewer Rates Committee

Developer Deposits

Developer Deposits are funds paid to DC Water for plans that are approved by the Permit Operations Department. They include:

- Flat fees for taps, abandonments, sewer connections, etc.
- Reimbursable fees for inspection labor hours charged to the account.
- Deposits held as security against damage and uncharged accounts.
- Miscellaneous non-commercial account items (hydrant use, groundwater dewatering, waste hauler fees, etc.)
- As of May 31, 2024, developer deposits had \$38.60 million in credit balances (liability) and \$10.79 million in debit balances (receivable).

Balances by Year as of May 31, 2024

Credit Balances	Debit Balances
(Liability)	(Receivables)
\$38.6 million	\$10.79 million

Year	Credit Balances	Number of Accounts with Credit Balances	Debit Balances	Number of Accounts with Debit Balances	Net Balance
2001	\$ -	-	\$ 960,164.05	1	\$ 960,164.05
2002	\$ -	-	\$ 1,836.00	2	\$ 1,836.00
2004	\$ -	-	\$ 9,066.08	6	\$ 9,066.08
2005	\$ (382,889.24)	84	\$ 268,327.91	89	\$ (114,561.33)
2006	\$ (277,569.36)	30	\$ 283,122.42	77	\$ 5,553.06
2007	\$ (148,340.89)	28	\$ 143,876.99	49	\$ (4,463.90)
2008	\$ (297,931.07)	33	\$ 193,399.13	50	\$ (104,531.94)
2009	\$ (146,051.09)	23	\$ 194,749.35	45	\$ 48,698.26
2010	\$ (151,949.35)	36	\$ 154,085.77	38	\$ 2,136.42
2011	\$ (247,339.41)	55	\$ 407,290.21	54	\$ 159,950.80
2012	\$ (653,035.99)	154	\$ 442,612.53	89	\$ (210,423.46)
2013	\$ (978,294.21)	139	\$ 253,228.00	78	\$ (725,066.21)
2014	\$ (1,500,524.04)	237	\$ 951,116.39	61	\$ (549,407.65)
2015	\$ (1,462,675.20)	278	\$ 258,983.77	36	\$ (1,203,691.43)
2016	\$ (2,279,384.70)	316	\$ 506,952.08	62	\$ (1,772,432.62)
2017	\$ (2,114,100.55)	392	\$ 485,839.21	109	\$ (1,628,261.34)
2018	\$ (2,960,381.18)	457	\$ 788,146.25	117	\$ (2,172,234.93)
2019	\$ (4,673,406.84)	412	\$ 1,641,865.59	161	\$ (3,031,541.25)
2020	\$ (4,476,114.90)	301	\$ 556,564.03	137	\$ (3,919,550.87)
2021	\$ (4,530,677.69)	326	\$ 622,506.17	153	\$ (3,908,171.52)
2022	\$ (5,737,909.61)	322	\$ 846,672.53	176	\$ (4,891,237.08)
2023	\$ (4,038,917.02)	202	\$ 538,623.09	135	\$ (3,500,293.93)
2024	\$ (1,541,191.59)	86	\$ 282,207.47	86	\$ (1,258,984.12)
Total	\$ (38,598,683.93)	3,911	\$ 10,791,235.02	1,811	\$ (27,807,448.91)

Forfeiture Action

Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts Forfeited on September 23, 2022	(1,286,705.10)	348
Accounts Forfeited on March 26, 2024	(1,621,242.25)	262
Accounts pending forfeiture determination and execution.	(4,783,924.65)	819

Monthly Report to DC Retail Water and Sewer Rates Committee

Developer Deposits

Customer Communication

Statements are provided to customers when there is activity on the account. To ensure that all customers are aware of the balances, statements are also mailed annually irrespective of whether there is an activity on the account. For the last three years, annual statements were mailed to customers on March 26, 2024, April 28, 2023, and January 25, 2022.

By law, refunds are to be requested by the account owner within two years of completion (DC Code § 34–2401.10). If not requested in that period, these accounts can be forfeited and closed. DC Water has placed a statement on invoices beginning in November 2019 notifying customers of the District law and that funds would be forfeited unless a refund is requested within two years of project completion or account inactivity. A notification to customers that is posted on our website indicates that unless a refund was requested, funds would be forfeited for projects without activity for ten years. AOBA and DCBIA have been asked to notify their membership to examine the invoices.

For accounts that were forfeited, zero balance statements were mailed out on August 16, 2021, September 21, 2022, and March 26, 2024.

Refund Requests and Forfeiture Disputes

In response to the annual account statements provided to customers in March 2024, it has been determined that refund requests submitted impact 1,957 accounts. This month, 68 new refund request accounts were received, which brings the total number of new accounts for FY24 to 296 where 114 were requested in the months of April and May. The increase in the number of requests is due to the annual statements and forfeiture letters mailed to customers on March 26, 2024.

While processing refunds, all accounts associated with any requested refunds associated with a particular construction project are reconciled. Through this process, it has been determined that some refund requests are not credits but money owed to DC Water. This month while processing the refund request for a developer, DC Water was able to obtain payment for an outstanding balance of \$282,991.41 for money owed for groundwater discharge bill.

The table below shows a breakdown of the work performed to date.

Construction Inspection Refund Data

	Number of Accounts	Amount (\$)
Refund request received to date	1957	
Refunded this month	47	\$955,965.98
Refunded last month	36	\$1,484,834.72
Refunded in FY24	300	\$5,559,051.65
Refunded in FY23 (Oct 22 - Sept 23)	105	\$1,756,574.39
Refund requests that are debits (\$0 balance or owe DC Water)	89	\$(149,095.75)

Monthly Report to DC Retail Water and Sewer Rates Committee

Payment Plan and Disconnection Report

Fiscal Year-to-Date
As of May 31, 2024

Number of Active Accounts by Zip Code & Customer Class

As of May 31, 2024

Zip Code	Residential					Commercial					Multifamily				
	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.*
	11,713	2,471	1,017	655	638	1,263	114	31	19	53	1,526	258	44	41	0
20001	203	37	13	9	26	37	6	1		2	7				
20009	137	16	8	3	8	27	5	2	3	4	30	8	1	1	
20010	348	83	34	11	27	53	9	4	3	4	29	1	1	2	
20001	76	12	2	2		35	6	1	1	1	12	4	1		
20004						4	1								
20005	8				1	14	1			1	3				
20006						4									
20007	102	6	2	1	2	44	4	2		1	2	1			
20008	8	2				22	1			1	1				
20009	40	3	1	1	4	17	1			3	12	4		1	
20036	1				1	24	3	1	1		4				
20037	15	4	2	2	1	10	2	1		1	3	1			
20245						1									
20418						1									
20007	65	8	1	3	4	15	2	1		1	11	1			
20008	47	11	2	3	7	12	1			1	7				
20015	53	10	3	2	11	2									
20016	138	25	6	1	10	95	2	1	1		3			1	
20010	26	4		1		3					1				
20011	1,513	363	138	75	106	111	12	3	5	4	120	15	3	7	
20012	297	74	31	26	50	19	2			4	7	1			
20015	54	13	4	2	8										
20001	185	47	19	13	16	23	3	1		5	2				
20002	578	106	47	26	20	87	10	1	2	2	178	26	6	4	
20010						1									
20011	197	38	18	18	9	4	1				5	1			
20017	596	123	46	29	10	36	6	3	1	2	22	2	1	1	
20018	790	154	72	45	38	88	8	2		2	25	8			
20001	16	6	1	1	1	12				1	4				
20002	395	72	21	22	12	74	2			3	12	2			
20003	196	33	15	9	3	41					12	2	1	1	
20024	46	6	1		2	16					14				
20032	1		1												
20001	4														
20002	225	51	23	9	4	16	5	2		1	28	8	1		
20003	96	12	9	4	2	26			1		8	4			
20016	2														
20019	2,616	544	236	168	126	129	15	4	1	3	393	52	6	11	
20020	546	106	39	31	17	14	1				81	39	3	1	
20000	1														
20002	4	1	1		1										
20003	20	4	2			6					1				
20009	1														
20020	1,181	259	121	69	58	61	2			1	250	37	7	4	
20023	1														
20032	885	238	98	69	53	79	3	1		5	239	41	13	7	

*Note: inactive accounts in arrears are not included in the above and the accounts by customer class are as follows: Res. 317, Com. 126 and MF 102

*Note: Disconnect Work Orders for Multi-Family Properties were created and not assigned for field completion but are manually managed for further collection actions



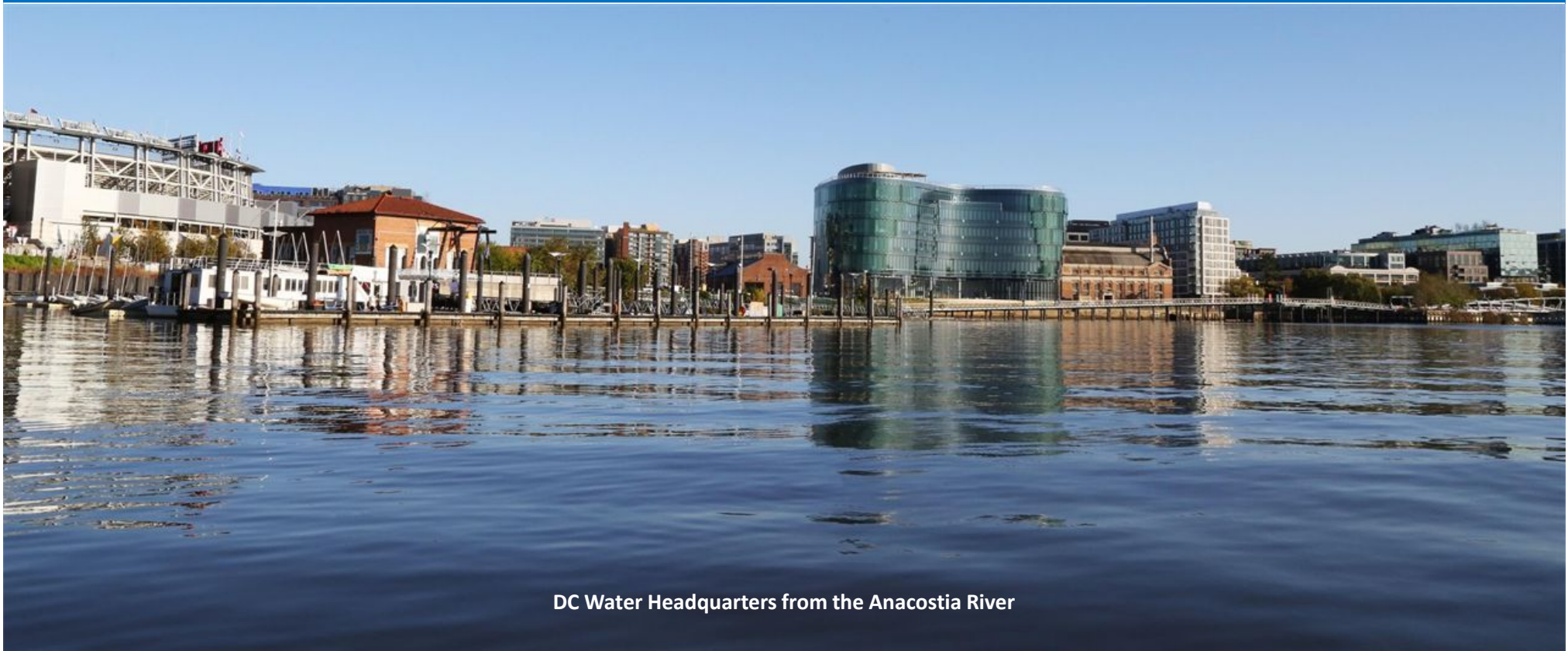
Responses to Comments and Recommendation on Proposed Rates

June 25, 2024

Matthew T. Brown, Chief Financial Officer

Attachment B

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- Review responses to public comments and Office of People's Council (OPC) recommendations on proposed rates
 - Responses to public comments and OPC were provided to Board members and posted at DCWater.com on May 31, 2024
- Provide recommendation to Committee regarding adoption of the proposed rates



DC Water

- DC Water's goal is to provide safe and affordable water for everyone
 - Lead Free DC, with \$732 million in the CIP, to advance the replacement of lead service lines
 - The \$3.3 billion Clean Rivers Program will help make the Anacostia and Potomac Rivers swimmable and fishable again
 - Robust and expanded Customer Assistance Programs help customers who cannot afford their bills
- DC Water's budget invests in people and infrastructure
 - The 1,200 members of Team Blue work every day to provide excellent customer service
 - Chemicals and energy are major expenses, about \$84.4 million is anticipated in the budget
 - Portions of the District are a combined sewer system, despite reductions in water consumption chemical and energy use is fairly constant because of rainwater that is captured and conveyed to Blue Plains for treatment; unit costs are up
 - Contractual services of \$102.3 million impacted by inflationary cost pressures for insurance premiums, maintenance and repairs and various professional service contracts to ensure reliability of our assets
 - Debt service of \$249.5 million makes up 31.7 percent of the total operating budget – this pays for bonds issued to invest in our infrastructure and provide equity between generations of ratepayers





Multi-Year Rate Proposal for FY 2025 and FY 2026

Proposed rate changes:

- Water and sewer rates increase by 8.0% for FY 2025 and 6.0% for FY 2026
- Proposed CRIAC of \$21.23 per ERU in FY 2025 and \$24.23 per ERU in FY 2026
- Right-of-Way Fee at \$0.19 per Ccf for FY 2025 and \$0.20 per Ccf for FY 2026
- PILOT Fee at \$0.61 per Ccf for FY 2025 and \$0.62 per Ccf for FY 2026
- Proposed Groundwater Rate of \$3.50 for FY 2025 and \$3.76 for FY 2026
- Proposed High Flow Filter Backwash Sewer Rate of \$3.32 for FY 2025 and \$3.54 for FY 2026

Rates and charges that remain the same:

- Customer Metering Fee remains at \$7.75 for 5/8” meters
- Water System Replacement Fee (VSRF) at \$6.30 for 5/8” meters

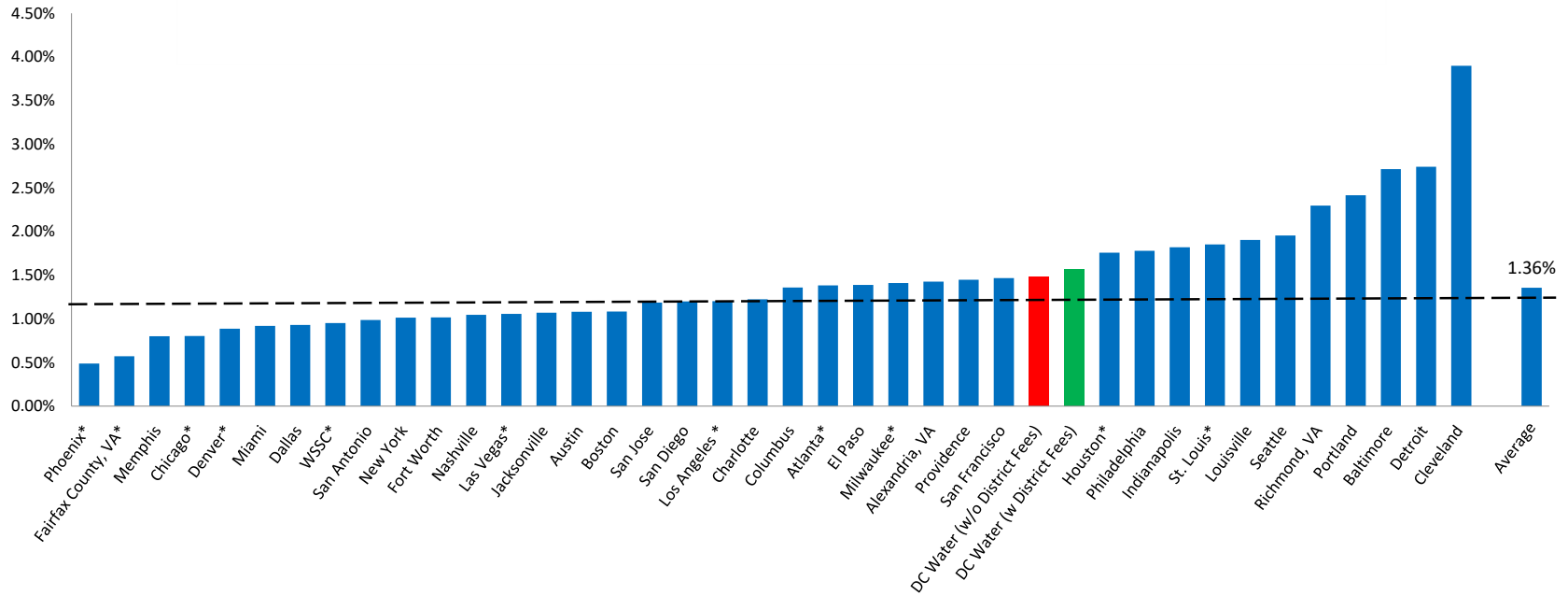
- Cost of Service Study aligned with rate proposal
- Combined rate increases lower than last year’s forecast

Change in Average Household Charge	Fiscal Year	
	2025	2026
Recommendation	4.8%	6.5%
Previous Forecast	7.0%	6.8%

Reflects updated changes based on cost of service study completed



DC Water's Rates are Affordable for Most Customers



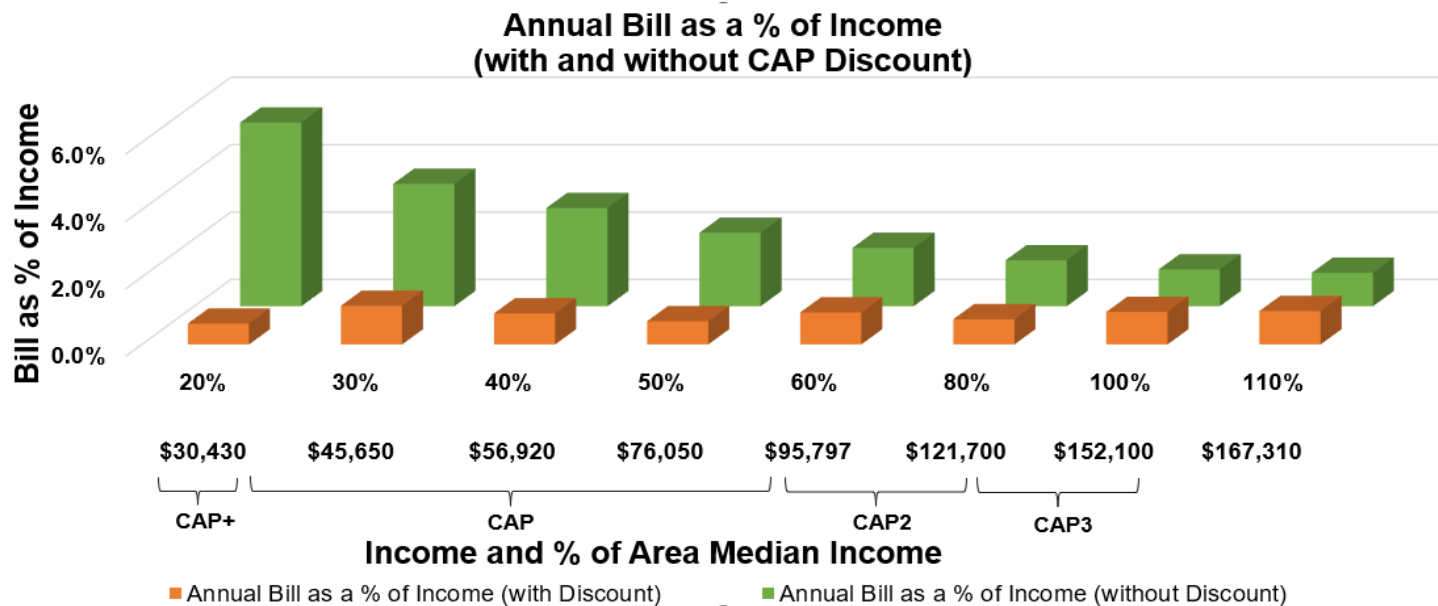
- Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons. Median household income from U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates

Note: Reflects rates and fees in place as of November 1, 2023. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.



Equitable

- 💧 CAP provides discounts to households up to 100% Area Median Income
- 💧 Those with lower incomes receive a greater benefit
- 💧 Programs assist with affordability for households below area median income
 - 💧 CAP+ is a new program to help customers at 20% AMI





DC Water's Budget Priorities



Advances removal of lead service lines



Achieves rate increases lower than previous forecasts



Holds the line on authorized headcount by reallocating vacancies



Expands customer assistance programs



Funds the consent decree requirement for the Clean Rivers program



Allocates additional funds to address aging water and sewer systems



Invests in critical infrastructure at the Aqueduct



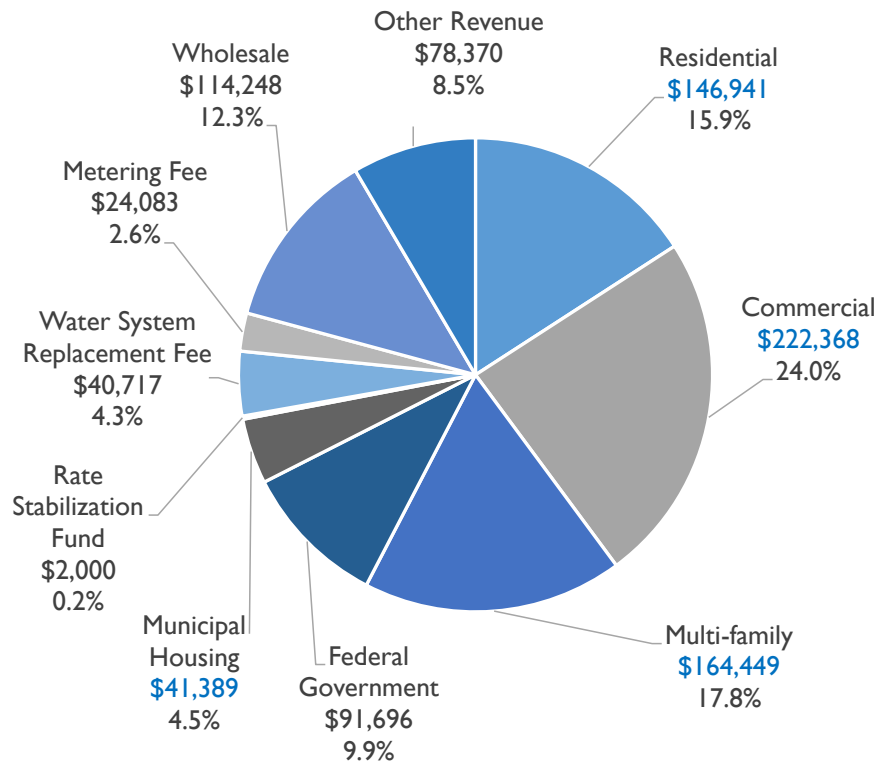
ESG report highlights progress towards meeting climate, equity, and governance goals



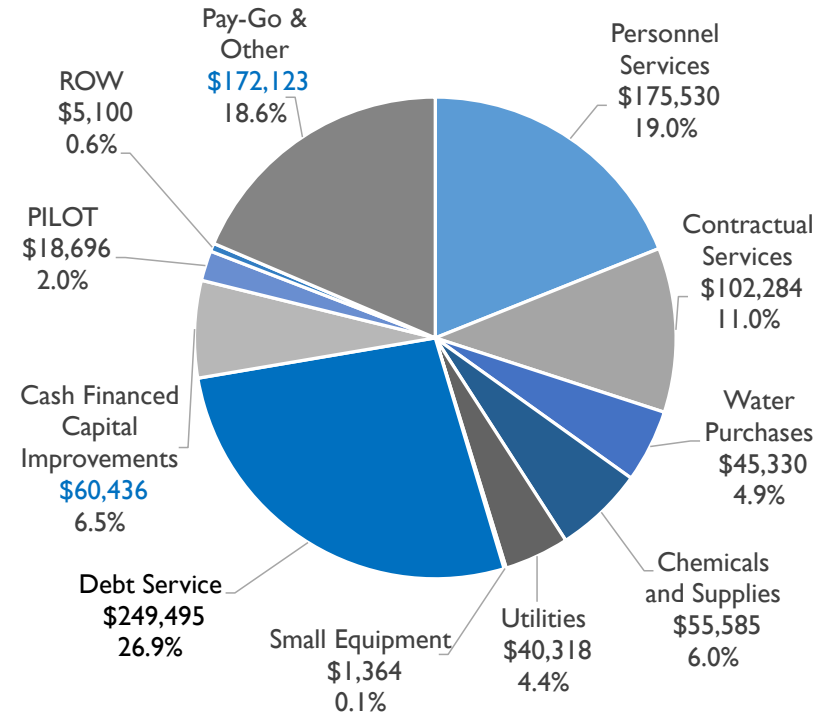
FY 2025 Operating: Sources and Uses of Funds

\$ in thousands

Sources - \$926.3 Million



Uses - \$926.3 Million

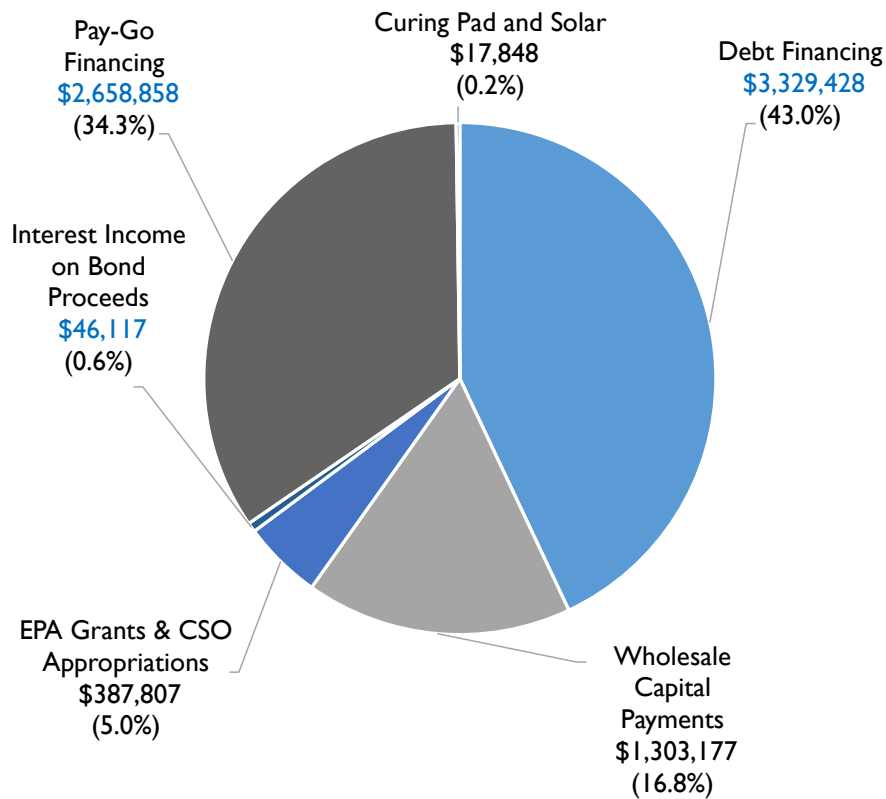




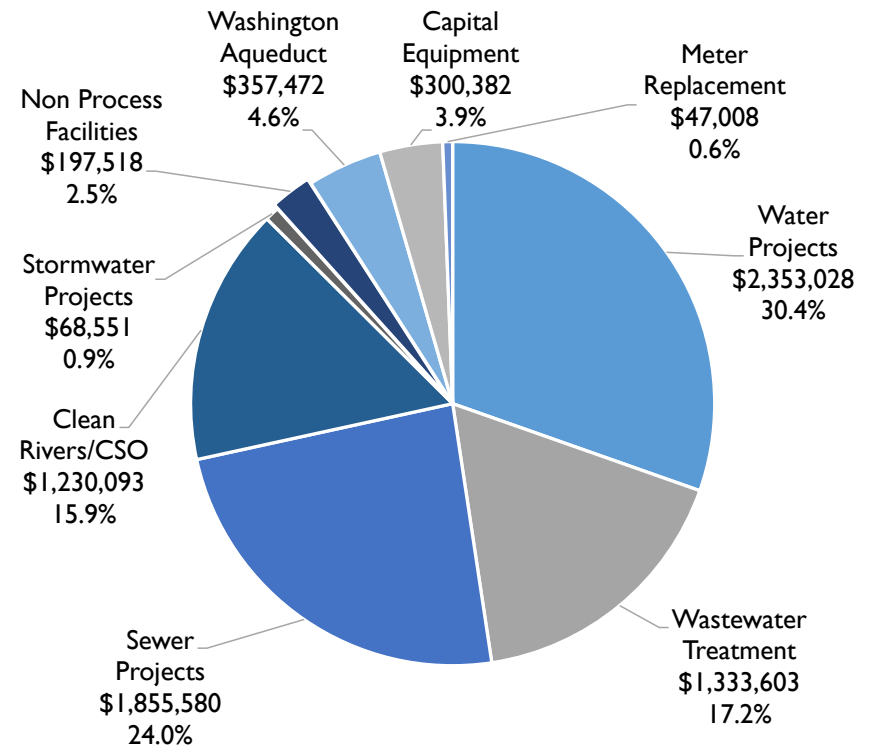
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$7.74 Billion



Uses - \$7.74 Billion





Financial Metrics

DC Water's Financial Metrics come from the Indenture, Board Policy and Management

Metrics	Indenture Requirement	Board Policy	Management Target	Financial Plan
Days of Cash on Hand (excluding RSF)	60 days	250 Days	—	267 - 267 Days
Combined Coverage Ratio	—	1.6X	—	1.81X – 2.13X
Senior Coverage	1.2X	—	—	5.79X – 8.18X
Subordinate Coverage	1.0X	—	—	2.15X – 2.52X
Debt Service as a % of Revenue	—	—	33% of Revenue or Less	25.2% - 33.0%
Rate Stabilization Fund (RSF)	—	—	—	—



* Board of Directors added to the cash balance at the end of FY2023 to reach 267 Days of Cash



Public Outreach

- DC Water met with residents and stakeholders at various community outreach events:
- Two in-person Town Halls
- Two online Town Halls
- Virtual briefings for business and non-profit partners
- Virtual briefing for Council Constituent Services Directors
- Virtual briefing for Mayor's Office of Community Relations staff (MOCRS)



- The meetings were widely publicized through numerous channels, including:
 - What's On Tap customer newsletter
 - Press release
 - DC Water website
 - Nextdoor
 - X (Twitter), Facebook and Instagram
 - Paid print advertising
 - Councilmember Offices, ANCs and MOCRS



Public Participation

- 💧 DC Water appreciates all who have participated in the budget and ratemaking process, including the Board, OPC, and the public from the time that the budget was introduced in January 2024
- 💧 We all share the goals of providing safe and affordable service for our customers





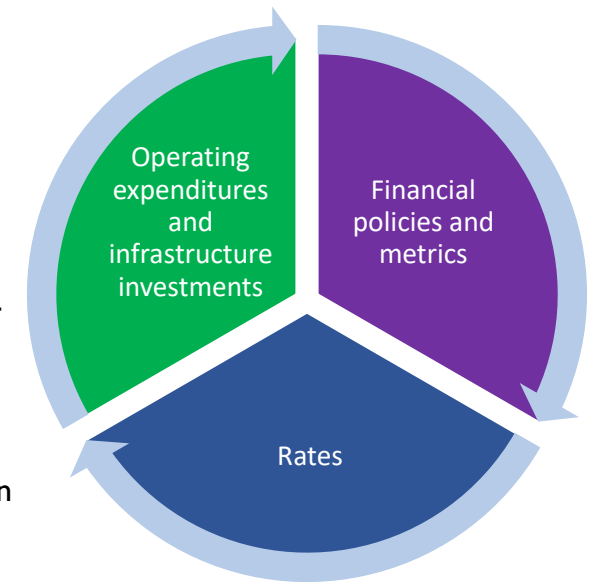
Case for a Rate Adjustment

💧 Operating Costs Grow 6.9 percent in the FY 2025 Budget

- Budgets for overall cost increases, including employee benefits and overtime
- Holds the line on authorized headcount to drive efficiencies by reallocating vacancies to new needs
- Includes chemicals, energy and insurance costs
- Reflects increased costs for critical spare parts, maintenance and repairs and various professional service contracts
- Over the ten-year period, debt service costs increase from \$221.6 million in FY 2024 to \$462.9 million by FY 2033

💧 Infrastructure Investment – Addition of \$792 million

- \$7.74 billion over ten years, an increase of \$792 million over previously approved plan
- \$732 million budgeted next year to continue investments in DC Water’s aging infrastructure including the LeadFree DC Program and Clean Rivers Project
- Prioritized projects using an asset management approach and other criteria (including mandates, health and safety, potential failure, and good engineering)
- \$3.3 billion in new debt to be leveraged over the next ten years to pay for infrastructure improvements





Case for a Rate Adjustment

- Comments received from the Office of People’s Counsel suggest changes to the way that the Right-of-Way fee and the Clean Rivers Impervious Area (CRIAC) fee are implemented and changes to the Multi-Family Water Rate structure
 - The proposal includes adjustments (increases) to the rates within the existing rate structure
 - Any changes to the rate structure would need additional time to implement
- A member of the public suggested that DC Water did not make a case for the rate increase based on information provided in the What’s on Tap newsletter and concern about the CRIAC fee
 - The What’s on Tap publication provided some brief information on the rate adjustment, and directed readers to the website for full and complete information
 - The CRIAC pays for the mandated Clean Rivers program and is based on the amount of impervious area
- Another member of the public called the “taxes and charges outrageous” and expressed concerns that they have been paying for the water meter for thirty five years and “can’t pay the meter off”
 - Through the budget and rate process, DC Water has provided information that justifies the rate increase
 - The meter fee pays not only for meter replacements but also for the customer service organization (including meter operations)





OPC Recommendation I

- 💧 **Recommendation:** Adopt what OPC views as a more equitable model for recovering Right-of-Way (ROW) fees paid to the District of Columbia. OPC’s recommendation suggests considering factors like meter size, usage tiers, and street frontage in fee calculations, which OPC asserts are a fairer allocation of costs and reflective of actual service usage per customer.
- 💧 **DC Water Response:**
 - DC Water does not concur with this recommendation given the low individual impact of the fee, the lack of available information to implement the OPC alternative, and difficulty of implementing if information were available, a cost-of-service basis for the proposed methodology, or how a change would enhance equity
 - The average residential customer paying about \$1.03 a month in FY2025 based on water usage
 - The ROW fee is calculated to recover \$5.1 million charged by the District of Columbia for water and sewer infrastructure use of the public ROW
 - Because the ROW fee is a “rental payment” to DC for all used ROW for the entire system, and not a cost to maintain it, DC Water believes that it is appropriate to treat as a whole and allocate that way. The ROW adjacent to a property is not reflective of the value of all ROW for the delivery of water and sewer to that property
 - Additionally, front footage data is not available in the DC Water CIS and would be difficult to develop for such a small component of the customer bill.



OPC Recommendation 2

- 💧 **Recommendation:** Revise the rate structure to reflect actual service costs and distribute conservation incentives more equitably across user groups, as seen in other utilities. Conduct a cost-of-service study geared to categorizing water usage more granularly or differentiate between residential unit types to purportedly improve equity and support sustainable water use
- 💧 **DC Water Response:**
 - DC Water does not concur with this recommendation
 - DC Water's rate structure is based on cost-of-service study with class-based water rates reflecting class peaking characteristics
 - A study by DC Water found that multi-family residences (MFR) had the lowest peaking, followed by single-family residences (SFR)
 - SFR class received a slightly higher blended rate due to higher peaking, with the first tier (0-4 Ccf) recovering only the base cost-of-service (and the higher rate recovering the base and peaking costs)
 - Adding additional tiers to the SFR class structure is unnecessary as existing tiers represent the minimum and maximum tiered rate that could be charged
 - Developing a tiered structure for MFR class is challenging due to the disparity in size between small and very large customers, and data limitations in DC Water's Customer Information System (CIS)
 - Despite the inability to develop tiered rates for MFR, they are charged the lowest blended average water rate
 - Sewer service fees are typically differentiated based on strength and DC Water sewer customers are considered to have uniform domestic strength wastewater; sewer fees are not typically based on peaking factors



OPC Recommendation 3

- 💧 **Recommendation:** Integrating narrower square footage bands and recalibrating the fee structure for the Clean Rivers Impervious Area Charge (CRIAC) imposed by DC Water to reflect each property's impervious surface area and runoff potential more accurately and better align with environmental impact and equity goals based on the assertion that charges structured on a per Equivalent Residential Unit (ERU) basis, disproportionately affects residents in smaller homes or apartments, leading to equity concerns
- 💧 **DC Water Response:**
 - DC Water believes that additional analysis is needed and will perform that work before the next two-year rate proposal
 - DC Water currently uses a six-tier CRIAC with ranges for residential customers, with more tiers than many of our peers
 - Initially, DC Water used a single tier for residential properties to avoid hand-measuring impervious area for over 100,000 properties. Later, DC Water implemented a six-tier SFR structure, exceeding the norm for impervious area charges
 - Adding additional tiers to enhance equity must be balanced with challenges of measurement and record keeping for over 100,000 properties



Other Comments

- 💧 **Comment 1:** The customer hopes the adjustment to the current water rate is to eliminate some of the taxes and charges that are outrageous, and indicates they have been paying for water meter for over thirty-five years and can't pay the meter off
- 💧 **DC Water Response:** The Metering Fee does not just cover the one-time cost of a meter. The Metering Fee is set to cover the capital costs of meters, the Customer Service organization, and all metering and billing costs



Other Comments (cont'd)

- 💧 **Comment 2(A):** Customer strongly disagrees with such a large increase and suggests that the arguments supporting the increase are not compelling (less than initial forecast - the initial 7% forecast was not a sincere amount; Extending the CAP - yes, increase the rates and more will be unable to pay; Identification and repair of existing leaks - such a program should not require a 4.8% increase across all rate payers. The DC Water monthly cost is already exceptionally high with the Clean Rivers IAC, which for their household is over \$50 per month! Co-workers in nearby Virginia and Maryland are amazed to learn that my water bill is consistently greater than my electricity and gas bills. Water is an essential requirement for living and DC Water should balance its budget without enormous rate increases
- 💧 **DC Water Response:** The rate increase is necessary to ensure the continued reliability, efficiency, and improvement of water services while addressing financial sustainability and supporting community needs

 - **Rising Operational Costs:** The costs of chemicals, critical spare parts, insurance premiums, and various operational services have increased due to rising inflation. These higher costs impact the overall expenses needed to maintain and operate water services
 - **Infrastructure Investments:** Significant investments are required for the maintenance and upgrade of the aging water and sewer systems which includes pipes with median age of 80 years. DC Water is also funding major projects like the DC Clean Rivers Program and Lead-Free DC program, which are essential for enhancing the reliability and resilience of the water infrastructure
 - **Capital Improvement Program (CIP):** A ten-year CIP totaling \$7.74 billion is in place to address infrastructure challenges and ensure sustainable growth. This long-term investment necessitates additional revenue
 - **Debt and Borrowing Costs:** Although borrowing costs have been lower than expected due to strong financial performance and good bond ratings, there is still a need to service debt and fund the ongoing and future projects
 - **Revenue Requirements:** The proposed rate increases are based on the results of a cost-of-service study and an independent rate review, ensuring that the rates meet the required revenue to cover the costs of delivering services to customers
 - **Customer Assistance Programs:** To support financially vulnerable households, DC Water is expanding its Customer Assistance Programs, which require funding. These programs ensure that all customers have access to essential water services despite financial challenges



Other Comments (received after the comment period ended)

- 💧 **Comment 2(B):** [Received from same commenter May 27, 2024 after end of comment period] Customer says that their water bill of \$72.92 is over \$875 annually in base charges. The proposed 4.8% rate increase will push charges over \$1,000 yearly. These hikes are unsustainable. Water is essential; please balance the budget without significant rate increase
- 💧 **DC Water Response:**
 - DC Water operates on a cost recovery basis, setting rates in accordance with the expenses incurred for water and sewer services as well as infrastructure upgrades. The organization does not generate profits. Maintaining a balance between enhancing infrastructure and keeping rates reasonable poses a challenge. DC Water proactively explores ways to minimize the burden on our customers while guaranteeing the provision of water services
 - Some fees are unchanged in FY 2025 compared to FY 2024 including Metering Fee and Water System Replacement Fee. Clean Rivers impervious area charge (CRIAC) is \$0.63 per ERU lower in FY 2025 as compared to FY 2024
 - The increase in average Residential Household charges of 4.8 percent is less than previously forecasted 7.0 percent
 - To help mitigate the impact of rate increases on low-income residential homeowner and tenant customers, DC Water provides Customer Assistance Programs (Income Eligibility Households)
 - Flexible payment plans are available to help spread the cost over a more manageable period
 - Implementing water-saving practices can reduce overall usage and costs



Establishment of Rates

Board Committee Review

Operating and Capital Costs to Environmental Quality and Operations, Finance and Budget, and DC Retail Water and Sewer Rates Committee;

Cost of Service Study

Presented to Rates Committee and published on the website; Also submitted to the Mayor and DC Council

Independent Review of Rates

Presented to Rates Committee and published on the website; Also submitted to the Mayor and DC Council

Public Feedback

Publication of the rate proposal in the *D.C. Register* for public comment; Public Hearing to receive comments on the rate proposal; Review of comments received and DC Water's response to comments

Recommendation from the General Manager to the DC Retail Water and Sewer Rates Committee

DC Water's rigorous budget process balances the level infrastructure investment with customer rates



Recommendation

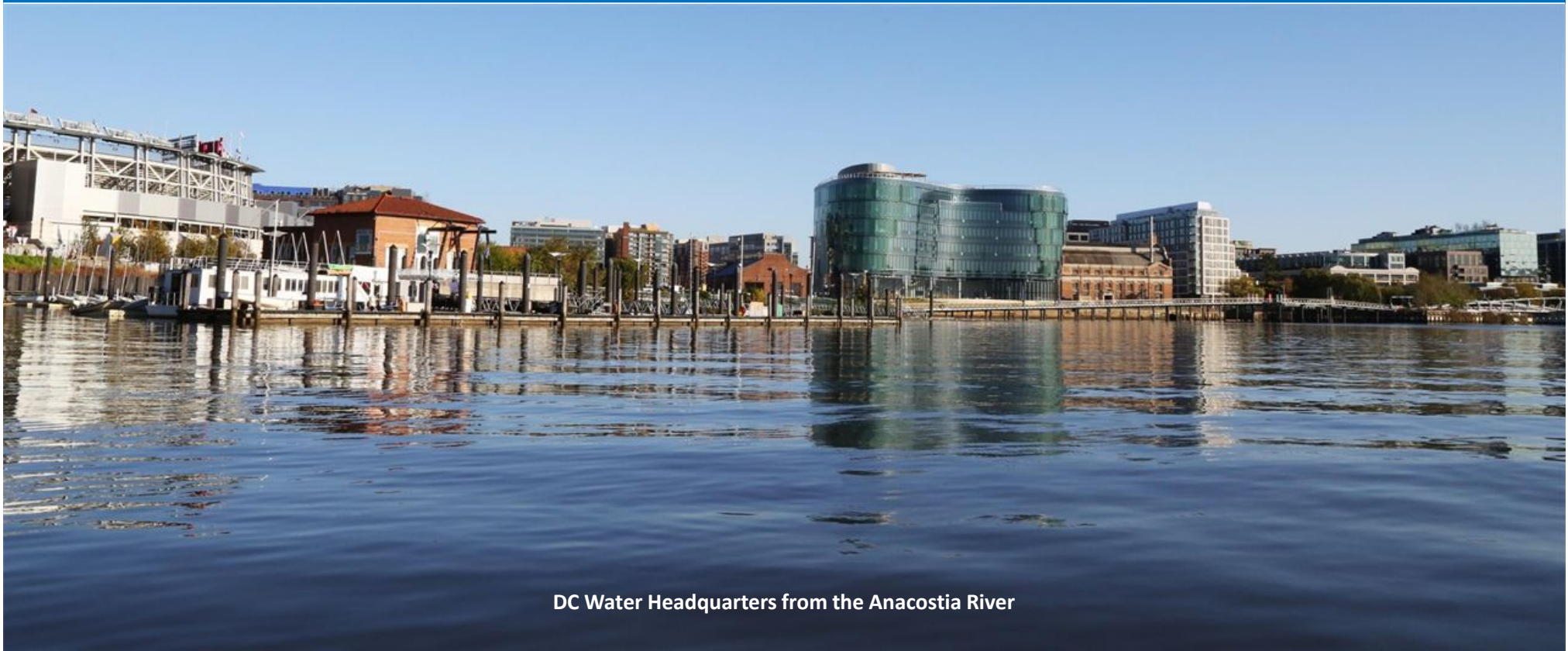
- Management requests that the Committee recommend the proposed rates (non-joint matter) to the Board for adoption at the next meeting on July 3, 2024



DC Water Cares Program Amendment – CAP+ Attachment C

Presentation to Recommend Approval and Adoption of Final Rulemaking to Amend CAP Rules
Meisha Thomas, Director of Customer Care – June 25, 2024

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- 💧 Recommend Board Approve and Adopt Notice of Final Rulemaking to Amend Customer Assistance Program Regulations:
 - To consider comments submitted during Public Comment Period and at Public Hearing
 - Recommend Amending 21 DC Municipal Regulations (DCMR) 4102 to add rules for Customer Assistance Program Plus (CAP+), effective October 1, 2024



History

- 💧 On March 22, 2024, DC Water published the Notice of Proposed Rulemaking (NOPR) to amend 21 DCMR 4102 to add rules for new Customer Assistance Program Plus (CAP+) to receive comments from the public
- 💧 On March 22, 2024, DC Water also published the Notice of Public Hearing to receive public testimony on the NOPR on May 9, 2024
- 💧 On Wednesday, May 9, 2024, DC Water's Board of Directors convened a Public Hearing to receive testimony on the new CAP+
- 💧 The new CAP+ program will expand the current DC Water Cares platform by adding an additional assistance category for customers with household income at or below 20% median family income (MFI)



NEW CAP Plus (+)

Fiscal Year	CAP Participants	CAP+ Eligible	% CAP+ Eligible
FY23	4,744	2,933	62%
FY24 (April 25)	3,577	2,131	57%

CAP+

At or Below 20% MFI
(\$30,430 family of 4)

- 100% Discount on first six (6) CCF of water and sewer charges
- Waiver of Water System Replacement fee
- 75% discount on Clean Rivers Impervious Area Charge
- \$122 monthly discount

CAP

Above 20% MFI and At or Below 60% SMI
(\$95,797 family of 4)

- 100% Discount on first four (4) CCF of water and sewer charges
- Waiver of Water System Replacement fee
- 75% discount on Clean Rivers Impervious Area Charge
- \$95 monthly discount



CAP+ Public Comments

- On May 16, 2024, the public comment period and public hearing record closed:
 - No witnesses testified during the public hearing about CAP+
 - During the public comment period, DC Water received one public comment disagreeing with the proposed rate increase, but supporting the CAP expansion, stating "Extending the CAP - yes"



Final Revisions to CAP+ Regulations

Revisions were made to clarify household income limit qualification requirements for CAP+, CAP, CAP2:

Program	Current Language	New Language
CAP+	"below" 20% MFI	"at or below" 20% MFI
CAP	"at or above" 20% MFI and "below" 60% SMI	"above 20% MFI and "at or below" 60% SMI
CAP2	"equal to or above" 60% SMI and "below" 80% MFI	"above" 60% SMI and "at or below" 80% MFI



Board Recommendation

- Management requests the D.C. Retail Water and Sewer Rates Committee recommend the Board approve and adopt amendments to 21 DCMR 4102:
 - Approve publication of Notice of Final Rulemaking to amend 21 DCMR 4102 to add rules for CAP+, effective October 1, 2024



DC Water Cares CAP+ Program Rulemaking Timeline

Date	Action
February 27, 2024	RRC Recommend proposal to Amend regulations to add new Customer Assistance Program, CAP Plus (CAP+)
March 7, 2024	Board approves Notice of Proposed Rulemaking (NOPR) for new CAP+
March 22, 2024	Publish NOPR in D.C Register for Proposed new CAP+
March 22 – May 16, 2024	Outreach and Public Comment Period
May 9, 2024	Public Hearing
May 16, 2024	Public Hearing Record Closes
May 31, 2024	Submit a Response to Public Comments report to the Board and post on the DC Water website and respond to OPC Comments, if applicable
June 25, 2024	Present final new CAP+ Rulemaking Proposal to RRC for recommendation to the Board
July 3, 2024	Board approves Notice of Final Rulemaking (NOFR) for new CAP+
July 19, 2024	Public NOPR in D.C. Register for new CAP+
October 1, 2024	New CAP+ - Go Live



Fire Protection Cost of Service Fee

Presentation to DC Retail Water and Sewer Rates Committee, June 25, 2024

Matthew Brown, CFO & EVP Finance and Procurement

District of Columbia Water and Sewer Authority



Purpose

- Request the Committee's recommendation to the Board to approve the final proposal of the Fire Protection Service Fee for FY 2025 – FY 2027

FY 2024 Fire Protection Service Fee COS Update

- 💧 RRC recommended approval of proposed Fire Protection Fee – April 23, 2024
- 💧 Board approved Notice of Proposed Rulemaking (NOPR) – May 2, 2024
- 💧 No Comments were received
- 💧 Today's proposed action:
 - RRC to recommend approval of final Fire Protection Fee – June 25, 2024
- 💧 Board to approve Notice of Final Rulemaking (NOFR) for final Fire Protection Fee – July 3, 2024
- 💧 Publish NOFR in DC Register – July 19, 2024
- 💧 Fire Protection Service Fee Go-Live October 1, 2024 (FY 2025)

Next Steps

- 4/23/24 – Presentation to RRC on proposal for Fire Protection Service Fee
- 4/23/24 – RRC recommend approval of proposal to Board to for Fire Protection Service Fee
- 5/02/24 – Board approval of Notice of Proposed Rulemaking (NOPR)
- 5/17/24 – Publish NOPR in D.C. Register
- 5/17/24 – Public Comment Period Begins
- 6/16/24 – Public Comment Period Ends
- 6/25/24 – **RRC recommends approval of final proposal of Fire Protection Service Fee**
- 7/03/24 – Board approval of Notice of Final Rulemaking (NOFR)
- 7/19/24 – Publish NOFR in D.C. Register
- 10/01/24 – Fire Protection Service Fee Go-Live (FY 2025)

Recommendation

- Management recommends to Board to adopt and approve the final proposal of the Fire Protection Service Fee for FY 2025 – FY 2027

Appendix



Retail Water & Sewer Rates Committee

Fire Protection Cost of Service Fees

April 23, 2024

Background

- DC Water assesses a fire protection fee to the District based on Title 21 DCMR, Chapter 21, Section 4103 Fire Protection Service Fee (April 2000).
- Every 3 years, a Cost of Service (COS) Study is prepared to recommend the appropriate fees for recovering fire protection costs from the District. The purpose of this presentation is to review the findings of the 2024 Study.

Count of Hydrants by Install Year



Replacement & installation of hydrants and related components increased dramatically starting in 2006 and peaked in 2010; there are 9,787 active hydrants today, or 99.5% in service out of a total of 9,832 hydrants

2013 Fire Protection MOU

The first MOU was signed in 2007. In 2013, DC Water and the District FEMS executed an MOU that required DC Water to perform the following:

- ❑ Inspect all public fire hydrants once per year in accordance with National Fire Protection Association (NFPA) guidelines.
- ❑ Identify and install new hydrants as part of its ongoing CIP.
- ❑ Develop manuals and protocols for hydrant inspection and inspection data management.
- ❑ Ensure that the required preventative maintenance is performed on each hydrant as required by the manufacturer.
- ❑ Flow test all hydrants every 6 years.
- ❑ Provide water supply personnel on scene to FEMS when requested for 2 alarm fires or greater.

2023 Fire Protection MOU

DC Water and the District FEMS executed an MOU that required the following:

- The 2023 MOU added a third standard fire hydrant to current selections of hydrants.

Methodology

- Reviewed and tabulated historical fire service costs of DC Water (2019-23); reflecting the use of cash-financed capital \$ and debt to fund capital costs.
- Developed projections of DC Water costs for 2024-27.
- Compared recent DC Water costs with the revenues received from the District for fire protection services to calculate a cumulative amount due or a credit.
- Prepared cost recovery options: a) a one-time catch-up payment; then equal annual payments for 2025-27 or b) 3 equal annual payments including the catch-up.
- No changes to the Methodology since the prior report

Changes Since the Prior Report

- The cost of service was higher in 2023 compared to 2019 through 2022.
 - ❑ Inflation is impacting the costs of materials, parts and labor.
 - ❑ Pandemic-period job vacancies are being filled (+13 positions).
 - ❑ More difficult hydrant replacements are being handled now requiring additional time and effort; the easier-to-replace hydrants have been tackled in prior years.
 - ❑ The number of hydrant repairs in 2023 increased substantially compared to 2021 and 2022.
 - ❑ More work is being required during overtime periods.
 - ❑ Hydrant flow testing is more complex than in prior years.

- DC Water personnel advise that there is a high level of service in hydrant repair and replacement in 2023; it is anticipated that this level of service will continue in future years.

Changes Since the Prior Report

- The District paid \$12.527 million per year from 2019 through 2021, and \$11.535 million per year in 2022 and 2023 as well as in the current year.
- The District caught-up on its prior obligations to DC Water for fire protection through 2021. The trend was reversed starting in 2022: annual costs again began to exceed the annual charge for services. The net cumulative obligation due to DC Water at the end of 2024 is estimated to be about \$5.7 million.

Cost of Service - Historical and Projected

Cost Category		2019	2020	2021	2022	2023	2024	2025	2026	2027
Historical						Projected				
Direct Fire Costs										
1	Full time assigned personnel costs	1,289,095	1,206,274	1,411,581	1,592,518	1,773,469	1,826,673	1,881,473	1,937,917	1,996,055
2	Hydrant Parts	52,551	41,571	40,770	16,537	22,235	22,902	23,589	24,296	25,025
3	Material & Equipment (Fire Hydrant Program)	500,460	416,168	145,159	230,387	318,873	328,440	338,293	348,442	358,895
4	Hydrant Installation and Restoration	768,017	1,098,077	583,979	631,191	914,317	941,747	969,999	999,099	1,029,072
5	Personnel loaned from other departments (documented via WO)	1,847,942	2,042,592	2,687,650	2,670,335	2,887,748	2,974,380	3,063,612	3,155,520	3,250,186
6	DDOT Open Space Permits	371,249	329,148	14,597	23,634	26,113	26,897	27,704	28,535	29,391
7	Paid to Fire Department for Inspection Services (NTE)	0	0	0	0	0	0	0	0	0
8	Fire Protection Cost of Service Study			38,127	0	0	49,955			51,454
9	Burden applied to DC Water personnel costs	1,598,478	1,495,780	1,538,623	1,735,845	1,933,081	1,972,807	2,031,991	2,092,951	2,155,739
10	Burden applies to Personnel loaned (Hourly Rate, Salary Rate & OH)	2,291,448	2,532,815	2,929,539	2,910,665	3,147,645	3,212,331	3,308,701	3,407,962	3,510,200
11	Burden applied to Parts	32,581	25,774	19,570	7,938	10,673	10,535	10,851	11,176	11,512
12	Burden applied to Material & Equipment	310,285	258,024	69,676	110,586	153,059	151,082	155,615	160,283	165,092
13	Subtotal Direct Costs	9,062,108	9,446,224	9,479,269	9,929,635	11,187,213	11,517,747	11,811,826	12,166,181	12,582,620
Allocated Fire Costs										
14	Fire Share of Water Base Costs @ 0.5%	574,719	496,117	522,971	536,510	631,445	682,839	703,324	724,424	746,156
15	Fire Share of Peak Costs; percentage varies: 1.83% from 2022-2027	<u>272,756</u>	<u>516,827</u>	<u>568,088</u>	<u>631,828</u>	<u>736,218</u>	<u>788,708</u>	<u>812,369</u>	<u>836,740</u>	<u>861,842</u>
16	Subtotal	847,475	1,012,944	1,091,058	1,168,338	1,367,663	1,471,547	1,515,693	1,561,164	1,607,999
17	Allocated Public Fire Costs	643,459	768,072	829,454	888,707	1,040,326	1,119,640	1,153,229	1,187,826	1,223,461
18	Total Direct and Allocated Fire Costs	9,705,567	10,214,297	10,308,723	10,818,342	12,227,539	12,637,387	12,965,055	13,354,007	13,806,081
23	PAYGO %	60.1%	29.1%	56.7%	27.0%	61.6%	59.2%	28.2%	23.7%	27.6%
24	Less: Construction Costs not Paid via PAYGO	306,167	778,273	252,813	460,573	351,017	383,763	696,905	762,075	745,329
25	Expense- Related Fire Costs	9,399,401	9,436,024	10,055,910	10,357,769	11,876,522	12,253,625	12,268,150	12,591,932	13,060,752
26	Capital Costs to be Amortized	306,167	778,273	252,813	460,573	351,017	383,763	696,905	762,075	745,329
27	Debt Service Allocation Ratio Based on Cumulative Costs	1.4%	1.4%	1.3%	1.3%	1.2%	1.2%	1.2%	1.1%	1.0%
28	Debt Service to be Allocated (Excludes Issuances Prior to 2007)	160,754,197	171,061,509	174,832,493	181,683,031	204,028,164	218,449,255	240,575,644	268,081,033	298,369,470
29	Fire Share of Debt Service	2,275,688	2,438,891	2,308,909	2,413,176	2,444,494	2,637,838	2,929,777	3,049,111	3,097,741
30	Total Annual Costs	11,675,089	11,874,915	12,364,819	12,770,945	14,321,016	14,891,463	15,197,927	15,641,044	16,158,493
19	District Payment	12,527,000	12,527,000	12,527,000	11,535,000	11,535,000	11,535,000			
31	Annual Difference	851,911	652,085	162,181	-1,235,945	-2,786,016	-3,356,463			
32	2006-24 Cumulative Difference (Payments vs.Costs)	836,469	1,488,554	1,650,735	414,790	-2,371,226	-5,727,689			
33	Level charges (2025-27) including catch-up							17,575,000	17,575,000	17,575,000

Please see the Report Regarding Fire Service Charges for applicable assumptions and notes ¹⁴

Reasons for the Increase in Proposed Fire Protection Fee

The proposed fire protection fee will provide \$52.7M over three years, an increase of \$18.1M compared to the amount under the existing annual charge. The increase is for:

- The recovery of a projected \$5.7M gap in District payments versus the actual cost of service in 2022-2024; the actual annual cost of service increased by 13% in 2022-2024 compared to 2021.
- The recovery of a projected \$12.4M gap in District payments versus the DC Water cost of service in 2025-2027 if the current annual charge of \$11.5M were to remain in place; this considers the projected further increases in costs during those years.

Cost Recovery: Recommendations

- Including the estimates for the current year, from 2006 through 2024, DC Water has spent about \$161.1 million to provide fire protection services to the District.
- The District has reimbursed DC Water approximately \$155.4 million for the same period, including the anticipated 2024 payment, resulting in a calculated \$5.7 million obligation from the District.
- It is recommended that the “true-up” of the obligation in District reimbursements be spread over the next three years (2025 – 2027) which, when applied to the projected costs, results in a proposed fire protection service fee of approximately \$17.575 million per year, paid quarterly.

Attachment E

DC Retail Water and Sewer Rates Committee

Action Items

1. Approval of proposed FY 2025 & FY 2026 Water and Sewer Rates, Charges & Fees, Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate (Action Item 1)
2. Approval of proposed DC Water Cares Expansion Program – CAP+ (Action Item 2)
3. Approval of Revised District of Columbia Fire Protection Service Fee for FY 2025 – FY 2027 (Action item 3)

ACTION ITEM 1

Approval of proposed FY 2025 & FY 2026 Water and Sewer Rates, Charges & Fees, Retail Groundwater Sanitary Sewer Service Rate And High Flow Filter Backwash Sewer Rate (Effective October 1, 2024 and October 1, 2025)

Management requests the DC Retail Water and Sewer Rates Committee recommend to the Board of Directors the approval and adoption of the Notice of Final Rulemaking to amend the Right-of-Way and PILOT fees in 21 DCMR 112.8; Retail Metered Water Rates in 4100.3; Retail Sanitary Sewer Rate in 4101.1(a); Groundwater Sewer Rate in 4101.2; CRIAC in 4101.3; and High Flow Filter Backwash Sewer Rate in 4101.8 for FY 2025 and FY 2026, as summarized below and presented in Attachment A:

1. FY 2025 & FY 2026 Rates, Charges & Fees

Water Service Rates

- Propose increasing the retail rates for **Metered Water Service** for FY 2025 and FY 2026 as follows:

Metered Water Services										
	FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024		FY 2026 vs. FY2025	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential – Lifeline (0- 4 Ccf)	\$4.38	\$5.86	\$5.21	\$6.97	\$5.78	\$7.73	\$0.83	\$1.11	\$0.57	\$0.76
Residential – (> 4 Ccf)	\$5.70	\$7.62	\$6.81	\$9.10	\$7.60	\$10.16	\$1.11	\$1.48	\$0.79	\$1.06
Multi-family	\$5.00	\$6.68	\$5.82	\$7.78	\$6.47	\$8.65	\$0.82	\$1.10	\$0.65	\$0.87
Non-Residential	\$5.89	\$7.88	\$7.03	\$9.40	\$7.84	\$10.48	\$1.14	\$1.52	\$0.81	\$1.08

Sanitary Sewer Service Rates

- Propose increasing the retail rate for **Sanitary Sewer Service** per 1 Ccf of water use for FY 2025 and FY 2026 as follows:

Meterd Sewer Services										
	FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024		FY 2026 vs. FY2025	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$11.70	\$15.64	\$12.07	\$16.14	\$12.52	\$16.74	\$0.37	\$0.50	\$0.45	\$0.60
Multi-family	\$11.70	\$15.64	\$12.07	\$16.14	\$12.52	\$16.74	\$0.37	\$0.50	\$0.45	\$0.60
Non-Residential	\$11.70	\$15.64	\$12.07	\$16.14	\$12.52	\$16.74	\$0.37	\$0.50	\$0.45	\$0.60

- Propose decreasing the **annual CRIAC** from \$262.32 to \$254.76 per Equivalent Residential Unit (ERU) in FY 2025. Propose increasing the **annual CRIAC** from \$254.76 to \$290.76 per ERU in FY 2026.
- The proposed CRIAC charge per ERU billed monthly for FY 2025 and FY 2026 is as follows:

Clean River Impervious Area Charge (CRIAC)

	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY2024 Incr. /(Decr.)	FY 2026 vs. FY2025 Incr. /(Decr.)
	ERU	ERU	ERU	ERU	ERU
Residential Customers	\$21.86	\$21.23	\$24.23	(\$0.63)	\$3.00
Multi-family	\$21.86	\$21.23	\$24.23	(\$0.63)	\$3.00
Non-Residential	\$21.86	\$21.23	\$24.23	(\$0.63)	\$3.00

**District of Columbia Pass Through Charge
Right-of-Way Occupancy / PILOT Fee**

- For FY 2025, there is no increase of the **Right-of-Way Occupancy Fee, which remains at \$0.19 per Ccf**. For FY 2026, propose increasing the **Right-of-Way Occupancy Fee** from \$0.19 per Ccf to \$0.20 per Ccf.
- Propose increasing the **Right-of-Way Occupancy Fee** for FY 2025 and FY 2026 as follows:

ROW

	FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024 Incr. /(Decr.)		FY 2026 vs. FY2025 Incr. /(Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.20	\$0.27	\$0.00	\$0.00	\$0.01	\$0.02
Multi-family	\$0.19	\$0.25	\$0.19	\$0.25	\$0.20	\$0.27	\$0.00	\$0.00	\$0.01	\$0.02
Non-Residential	\$0.19	\$0.25	\$0.19	\$0.25	\$0.20	\$0.27	\$0.00	\$0.00	\$0.01	\$0.02

- Proposed increasing the **Payment-in-Lieu of Taxes Fee** for FY 2025 and FY 2026 as follows:

PILOT

	FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024 Incr. /(Decr.)		FY 2026 vs. FY2025 Incr. /(Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$0.61	\$0.82	\$0.61	\$0.82	\$0.62	\$0.83	\$0.00	\$0.00	\$0.01	\$0.01
Multi-family	\$0.61	\$0.82	\$0.61	\$0.82	\$0.62	\$0.83	\$0.00	\$0.00	\$0.01	\$0.01
Non-Residential	\$0.61	\$0.82	\$0.61	\$0.82	\$0.62	\$0.83	\$0.00	\$0.00	\$0.01	\$0.01

2. Retail Groundwater Sanitary Sewer Service Rate

- Propose increasing the retail **Groundwater Sanitary Sewer Service** rate for the discharge of groundwater from an unimproved real property, property under construction, or under groundwater remediation for FY 2025 and FY 2026 as follows:

Groundwater

FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024 Incr. /(Decr.)		FY 2026 vs. FY2025 Incr. /(Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.50	\$4.68	\$3.50	\$4.68	\$3.76	\$5.03	\$0.00	\$0.00	\$0.26	\$0.35

3. High Flow Filter Backwash Sewer Rate

- Propose increasing the **High Flow Filter Backwash Sewer Rate** for FY 2025 and FY 2026 as follows:

High Flow Filter Backwash Wastewater retail Sewer Rate

FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024 Incr. /(Decr.)		FY 2026 vs. FY2025 Incr. /(Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.30	\$4.41	\$3.32	\$4.44	\$3.54	\$4.73	\$0.02	\$0.03	\$0.22	\$0.29

**ATTACHMENT A
NOTICE OF PROPOSED RULEMAKING
Amended Rates and Fees for FY 2025 and FY 2026**

Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

Section 112, FEES, Subsection 112.8 is amended to read as follows:

112.8 The District of Columbia Right-of-Way Occupancy (ROW) Fee pass through charge and the Payment-in-Lieu of Taxes (PILOT) Fee shall be as follows:

- (a) District of Columbia Right-of-Way Fee, assessed to recover the cost of fees charged by the District of Columbia to DC Water for use of District of Columbia public space and rights of way, for each one hundred cubic feet (1 Ccf) of water use shall be:

Customer	Effective October 1, 2024		Effective October 1, 2025	
	Per Ccf of water use	Per 1,000 Gals. Of water use	Per Ccf of water use	Per 1,000 Gals. Of water use
Residential	\$0.19	\$0.25	\$0.20	\$0.27
Multi-Family	\$0.19	\$0.25	\$0.20	\$0.27
Non-Residential	\$0.19	\$0.25	\$0.20	\$0.27

- (b) Payment-in-Lieu of Taxes (PILOT) Fee to the District of Columbia Office of the Chief Financial Officer (OCFO), assessed to cover the amount which DC Water pays each fiscal year to the District of Columbia, consistent with DC Water's enabling statute for public goods and services received from the District of Columbia, for each one hundred cubic feet (1 Ccf) of water use shall be:

Customer	Effective October 1, 2024		Effective October 1, 2025	
	Per Ccf of water use	Per 1,000 Gals. Of water use	Per Ccf of water use	Per 1,000 Gals. Of water use
Residential	\$0.61	\$0.82	\$0.62	\$0.83
Multi-Family	\$0.61	\$0.82	\$0.62	\$0.83
Non-Residential	\$0.61	\$0.82	\$0.62	\$0.83

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

Section 4100, RATES FOR WATER SERVICE, Subsection 4100.3, is amended to read as follows:

4100.3 The retail rates for metered water service for each one hundred cubic feet (1 Ccf) of water use shall be as follows:

Customer	Effective October 1, 2024		Effective October 1, 2025	
	Per Ccf of water use	Per 1,000 Gals. of water use	Per Ccf of water use	Per 1,000 Gals. of water use
Residential – 0 to 4 Ccf	\$5.21	\$6.97	\$5.78	\$7.73
Residential - Greater than 4 Ccf	\$6.81	\$9.10	\$7.60	\$10.16
Multi-Family	\$5.82	\$7.78	\$6.47	\$8.65
Non-Residential	\$7.03	\$9.40	\$7.84	\$10.48

Section 4101, RATES AND CHARGES FOR SEWER SERVICE, is amended as follows:

Paragraph 4101.1(a) is amended to read as follows:

4101.1(a) The retail rates for sanitary sewer service for each one hundred cubic feet (1 Ccf) of water use shall be as follows:

Customer	Effective October 1, 2024		Effective October 1, 2025	
	Per Ccf of water use	Per 1,000 Gals. of water use	Per Ccf of water use	Per 1,000 Gals. of water use
Residential	\$12.07	\$16.14	\$12.52	\$16.74
Multi-Family	\$12.07	\$16.14	\$12.52	\$16.74
Non-Residential	\$12.07	\$16.14	\$12.52	\$16.74

Subsection 4101.2 is amended to read as follows:

4101.2 The retail rates for sanitary sewer service for the discharge of groundwater, cooling water, and non-potable water sources shall be as follows:

- (a) The retail groundwater sewer charge for an unimproved real property, property under construction, or under groundwater remediation shall be:

Customer	Effective October 1, 2024		Effective October 1, 2025	
	Per Ccf of water use	Per 1,000 Gals. of water use	Per Ccf of water use	Per 1,000 Gals. of water use
All Customers	\$3.50	\$4.68	\$3.76	\$5.03

- (b) The retail cooling water sewer charge shall be the retail sanitary sewer service rate as provided in Section 4101.1(a) for cooling water discharged into the District's wastewater sewer system.
- (c) The retail non-potable water source sewer charge shall be the retail sanitary sewer service rate as provided in Section 4101.1(a) for non-potable water discharged into the District's wastewater sewer system.

Subsection 4101.3 is amended to read as follows:

4101.3 The annual Clean Rivers Impervious Area Charge (CRIAC) per Equivalent Residential Unit (ERU) shall be as follows:

Customer	Effective October 1, 2024		Effective October 1, 2025	
	Annual CRIAC per ERU	Monthly CRIAC per ERU	Annual CRIAC per ERU	Monthly CRIAC per ERU
Residential	\$254.76	\$21.23	\$290.76	\$24.23
Multi-Family	\$254.76	\$21.23	\$290.76	\$24.23
Non-Residential	\$254.76	\$21.23	\$290.76	\$24.23

Subsection 4101.8 is amended to read as follows:

4101.8 High Flow Filter Backwash sewer rate and conditions shall be as follows:

(a) Charged the following sewer service rate:

Customer	Effective October 1, 2024		Effective October 1, 2025	
	Per Ccf of water use	Per 1,000 Gals. of water use	Per Ccf of water use	Per 1,000 Gals. of water use
All Customers	\$3.32	\$4.44	\$3.54	\$4.73

(b) Subject to the following conditions:

- (1) discharge must exceed an annual average of one (1) million gallons per day (MGD), but not more than an annual average of ten (10) MGD;
- (2) the discharge must be interruptible and only occur during periods of dry weather flow, as determined by DC Water; and
- (3) the discharge is subject to a wastewater discharge permit.

ACTION ITEM 2

Customer Assistance Program (CAP) Expansion – new CAP Plus

Management requests the DC Retail Water and Sewer Rates Committee recommend to the Board of Directors the approval and adoption of the Notice of Final Rulemaking to amend 21 DCMR 4102, the Customer Assistance Program regulations to add the new CAP Plus program, effective October 1, 2024, as summarized below and presented in Attachment A:

- CAP+ applicants that submit a complete CAP application to DOEE, receive CAP+ benefits equivalent to CAP benefits plus an additional two (2) CCF of water and sewer credit.

ATTACHMENT A

**DC Water's CAP Expansion CAP+
Final Rulemaking, effective October 1, 2024**

Chapter 41, RETAIL WATER AND SEWER RATES AND CHARGES, 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 PLUS (CAP+)

- (a) Participation in the Customer Assistance Program (CAP+) shall be limited to a single-family or individually-metered Residential Customer that meets the following eligibility requirements:
 - (1) The applicant is responsible for paying for water and sewer services and/or the Clean Rivers Impervious Surface Area Charge (CRIAC); and
 - (2) The Department of Energy & Environment (DOEE) has determined that the CAP+ applicant's annual household income is at or below twenty percent (20%) of the Washington Metropolitan Statistical Area Median Family Income (MFI) for the District of Columbia, previously referred to as the Area Median Income (AMI) for the District of Columbia, not capped by the United States median low-income limit.
- (b) An approved CAP+ customer shall receive the following benefits:
 - (1) Exemption from water service charges, sewer service charges, Payment-in-Lieu of Taxes (PILOT) fees and Right-of-Way (ROW) fees for the first Six Hundred Cubic Feet (6 Ccf) per month of water used. If the customer uses less than Six Hundred Cubic Feet (6 Ccf) of water in any month, the exemption will apply based on the amount of that month's billed water usage;
 - (2) Credit of one hundred percent (100%) off of the monthly billed Water System Replacement Fee; and
 - (3) Credit of seventy-five percent (75%) off of the monthly billed CRIAC.

- (c) Upon DC Water's receipt of notice from DOEE that the CAP+ applicant meets the bill payment and financial eligibility requirements of 4102.1(a), DC Water shall apply the CAP+ benefits to the CAP+ customer's account from the date that DOEE accepts a completed CAP application to the end of the fiscal year in which the application was submitted.
- (d) To continue receiving CAP+ benefits without interruptions, the CAP+ customer must submit a renewal CAP application to DOEE in accordance with the Utility Discount Program renewal deadline. A CAP+ customer that submits their renewal CAP application after this period, and is subsequently approved by DOEE, will receive CAP+ benefits as of the date of the application.

4102.2 CUSTOMER ASSISTANCE PROGRAM (CAP)

- (a) Participation in the Customer Assistance Program (CAP) shall be limited to a single-family or individually-metered Residential Customer that meets the following eligibility requirements:
 - (1) The applicant maintains an active DC Water account and is responsible for paying for water and sewer services and/or CRIAC; and
 - (2) The Department of Energy & Environment (DOEE) has determined that the CAP applicant's annual household income is above twenty percent (20%) of the Washington Metropolitan Statistical Area Median Family Income (MFI) for the District of Columbia and at or below sixty percent (60%) of the State Median Income (SMI) for the District of Columbia.
- (b) An approved CAP customer shall receive the following benefits:
 - (1) Exemption from water service charges, sewer service charges, Payment-in-Lieu of Taxes (PILOT) fees and Right-of-Way (ROW) fees for the first Four Hundred Cubic Feet (4 Ccf) per month of water used. If the customer uses less than Four Hundred Cubic Feet (4 Ccf) of water in any month, the exemption will apply based on the amount of that month's billed water usage;
 - (2) Credit of one hundred percent (100%) off of the monthly billed Water System Replacement Fee; and
 - (3) Credit of seventy-five percent (75%) off of the monthly billed CRIAC.

- (c) Upon DC Water's receipt of notice from DOEE that the CAP applicant meets the bill payment and financial eligibility requirements of 4102.2(a), DC Water shall apply the CAP discounts to the CAP customer's account from the date that DOEE accepts a completed CAP application to the end of the fiscal year in which the application was submitted.
- (d) To continue receiving CAP benefits without interruptions, the CAP customer must submit a renewal CAP application to DOEE in accordance with the Utility Discount Program renewal deadline. A CAP customer that submits their renewal CAP application after this period, and is subsequently approved by DOEE, will receive CAP benefits as of the date of the application.

4102.3 CUSTOMER ASSISTANCE PROGRAM II (CAP2)

- (a) Participation in the CAP2 Program shall be limited to a single-family or individually-metered Residential Customer that meets the following eligibility requirements:
 - (1) The applicant maintains an active DC Water account and is responsible for paying for water and sewer services and/or CRIAC; and
 - (2) DOEE has determined that the CAP2 applicant's annual household income is above the household income-eligibility limits for the District's LIHEAP of sixty percent (60%) of the SMI for the District of Columbia and at or below eighty percent (80%) of the Washington Metropolitan Statistical Area Median Family Income (MFI), previously referred to as the Area Median Income (AMI) for the District of Columbia, not capped by the United States median low-income limit.
- (b) An approved CAP2 customer shall receive the following benefits:
 - (1) Exemption from water service charges, sewer service charges, Payment-in-Lieu of Taxes (PILOT) fees and Right-of-Way (ROW) fees for the first Three Hundred Cubic Feet (3 Ccf) per month of water used. If the customer uses less than Three Hundred Cubic Feet (3 Ccf) of water in any month, the exemption will apply based on the amount of that month's billed water usage; and
 - (2) Credit of fifty percent (50%) off of the monthly billed CRIAC.
- (c) Upon DC Water's receipt of notice from DOEE that the CAP2 customer meets the bill payment and financial eligibility requirements of 4102.3(a), DC Water shall provide the CAP2 benefits for not more than the entire fiscal

year, beginning October 1st and terminating on September 30th, subject to the availability of budgeted funds.

- (1) Approved CAP2 customers that submitted a complete application to DOEE before November 1st, shall receive CAP2 benefits retroactive to October 1st and terminating on September 30th of that fiscal year.
- (2) Approved CAP2 customers that submitted a complete application on or after November 1st, shall receive CAP2 benefits as of the date of submittal and terminating on September 30th of that fiscal year.
- (3) Customers shall reapply each year for CAP2 benefits to receive CAP2 benefits.
- (d) 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.

4102.4 Eligibility for the CAP+, CAP, and CAP2 Programs shall be determined by DOEE based on the income eligibility criteria provided in § 4102.1(a)(2), § 4102.2(a)(2), and § 4102.3(a)(2).

4102.5 DOEE CUSTOMER ASSISTANCE PROGRAM III FOR SINGLE-FAMILY AND INDIVIDUALLY METERED HOUSEHOLDS

- (a) DC Water shall apply DOEE Customer Assistance Program III (CAP3) benefits to an eligible single-family or individually-metered Residential Customer's account in accordance with the following:
 - (1) The applicant maintains an active DC Water account and is responsible for paying for water and sewer services and/or the CRIAC;
 - (2) DOEE has notified DC Water that the customer has met the requirements of applicable laws and regulations and is eligible to receive the CAP3 benefits;
 - (3) DOEE has notified DC Water of the amount of the CAP3 benefits to be applied to the CAP3 customer's account; and
 - (4) DOEE has transferred funds to DC Water for the benefits applied to the customer's account.

- (b) DC Water shall stop applying CAP3 benefits to a CAP3 customer's account upon receipt of notice from DOEE that the customer is no longer eligible for the CAP3 benefits, or receipt of notice from DOEE regarding the unavailability of funds.
- (c) If DC Water determines that the remaining budgeted funds are insufficient to provide CAP3 benefits, DC Water may:
 - (1) Suspend the process for accepting CAP3 applicants; or
 - (2) Suspend providing CAP3 benefits to CAP3 recipients.

4102.6 DOEE CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE RELIEF PROGRAM FOR NONPROFIT ORGANIZATIONS

- (a) DC Water shall apply DOEE CRIAC Relief Program for Nonprofit Organizations (CRIAC Nonprofit Relief Program) benefits to an eligible non-profit organization's account in accordance with the following:
 - (1) The applicant maintains an active DC Water account and is responsible for paying for the CRIAC charges;
 - (2) DOEE has notified DC Water that the customer has met the requirements of applicable laws and regulations and is eligible to receive CRIAC Nonprofit Relief Program benefits;
 - (3) DOEE has notified DC Water of the amount of the benefits to be applied to the nonprofit organization's account each billing period; and
 - (4) DOEE has transferred funds to DC Water for the CRIAC Nonprofit Relief Program benefits applied to the customer's account.
- (b) DC Water shall stop applying CRIAC Nonprofit Relief Program benefits to a customer's account upon notice from DOEE that the customer is no longer eligible for the CRIAC Nonprofit Relief Program benefits.
- (c) If DC Water determines that the remaining budgeted funds are insufficient to provide CRIAC Nonprofit Relief Program benefits, DC Water may:
 - (1) Suspend the process for accepting CRIAC Nonprofit Relief Program applicants; or
 - (2) Suspend or adjust providing CRIAC Nonprofit Relief Program benefits to CRIAC Nonprofit Relief Program recipients.

- 4102.7 Nothing in this section shall be interpreted to mean that the benefits provided through DC Water's CAP+, CAP or CAP2 Programs or DOEE's CAP3 or CRIAC Nonprofit Relief Programs are an entitlement, continuing or otherwise.
- 4102.8 For the purposes of this section, the term "SMI" means the state median income as determined on an annual basis by the U.S. Department of Health and Human Services (HHS).
- 4102.9 For the purposes of this section, the term "MFI" means the Washington Metropolitan Statistical Area Median Family Income previously referred to as "AMI," which means the Area Median Income (AMI), and alternately referred to as the HUD Area Median Family Income (HAMFI), determined on an annual basis by the U.S. Department of Housing and Urban Development (HUD).
- 4102.10 [RESERVED]

Action Item 3

**DC RETAIL WATER AND SEWER RATES COMMITTEE
APPROVAL OF REVISED DISTRICT OF COLUMBIA FIRE PROTECTION
SERVICE FEE FOR FISCAL YEARS 2025 THROUGH 2027**

Management requests the DC Retail Water and Sewer Rates Committee recommend to the Board of Directors the approval and adoption of the Notice of Final Rulemaking to amend 21 DCMR 4103, the Fire Protection Service Fee regulations, consistent with the Cost of Service Study, dated May 15, 2024, as presented below:

21 DCMR § 4103 FIRE PROTECTION SERVICE FEE is amended as follows:

4103 FIRE PROTECTION SERVICE FEE

- 4103.1 Effective October 1, 2024, the District of Columbia shall be charged the Fire Protection Service Fee of Seventeen Million Five Hundred Seventy Five Thousand Dollars (\$17,575,000) each fiscal year for fire protection service, including, but not limited to the delivery of water flows for firefighting as well as inspecting, maintaining, replacing and upgrading public fire hydrants in the District of Columbia, plus the cost of fire hydrant inspections performed by the DC Fire and Emergency Medical Services.
- 4103.2 The fee may be examined every three years to determine if the fee is sufficient to recoup the actual costs for providing this service.
- 4103.3 In the event the actual costs are not being recouped, the District of Columbia shall pay the difference and the fee will be appropriately adjusted pursuant to the rulemaking process.
- 4103.4 In the event the costs paid by the District of Columbia exceed DC Water’s actual costs, the fee shall be adjusted pursuant to the rulemaking process.

The rulemaking schedule shall be as follows:

April 23, 2024	Presentation of proposal to Retail Rates Committee
May 2, 2024	BOD Approval of Notice of Proposed Rulemaking (NOPR)
May 17, 2024	Publish NOPR in the D.C. Register
May 17 – June 16, 2024	Public Comment Period
June 25, 2024	Presentation of final proposal to Retail Rates Committee
July 3, 2024	BOD Approval of Notice of Final Rulemaking (NOFR)
July 19, 2024	Publish NOFR in the D.C. Register
October 1, 2024	Fire Protection Fee Go-live

Attachment F

FY 2024 Proposed RRC Committee Workplan

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
1. 2023 COS for Engineering Inspection			
a. Present 2023 Cost of Service Study for Engineering Inspection for FY 2024 – FY 2028 to the Board	September 7, 2023	√	Engineering
b. Post Final COS on DC Water’s website	October 31, 2023	√	
2. 2023 COS for Stormwater Charges and Recovery Methodology			
a. Present 2023 Cost of Service Study for Stormwater Charges and Recovery Methodology to RRC	October 24, 2023	√	Rates and Revenue
b. Post Final COS on DC Water’s website	March 14, 2024	√	
3. DC Water Cares RAP Program Extension to FY 2024			
a. Presentation to RRC on proposal to amend (CAP) regulations for DC Water Cares RAP extension to FY 2024	9/26/2023	√	Rates and Revenue
b. RRC recommends Board approval to amend the CAP regulations for RAP extension	9/26/2023	√	
c. F&B Recommends Board approval to (1) Rollover the FY 2023 RAP and MAP Program’s year-end balance ~\$924,942.94 to the budget for the FY 2024 RAP Program	9/28/2023	√	
d. Board approval and adoption of Notice of Emergency and Proposed Rulemaking (NOEPR) to amend the CAP regulations for extension to FY 2024	10/5/2023	√	
e. DC Cares RAP for FY 24 – Go-Live	10/5/2023	√	DGLA Marketing & Comm.
f. Publish NOEPR in D.C. Register	10/20/2023	√	
g. Public comment period begins	10/20/2023	√	
h. Public Hearing	12/5/2023	√	Board Secretary Rates and Revenue
i. Public comment period closes	12/12/2023	√	
j. RRC recommends to board final proposal to amend CAP regulations for extension	12/19/2023	√	
k. Board approval of Notice of Final Rulemaking (NOFR) for publication in D.C. Register	1/04/2024	√	DGLA
l. Publish NOFR in the D.C Register	1/19/2024	√	
m. DC Cares RAP Program continues			

FY 2024 Proposed RRC Committee Workplan

4. Propose and Establish Retail Rates for FY 2025 & FY 2026	Date of Activity	Completed	Responsible Department
<i>a. Present FY 25 & FY 26 Budget to Board</i>	January 4, 2024	√	Rates and Revenue
<i>b. Present FY 25 & FY 26 Proposed Rates, Fees & Charges to RRC</i>	January 23, 2024	√	
<i>c. Independent Review of Rates- Presentation by Consultants</i>	February 27, 2024	√	
<i>d. RRC recommendation on Proposed FY 25 & FY 26 Rates, Fees & Charges</i>	February 27, 2024	√	Rates and Revenue
<i>e. Submit Independent Review of Proposed Rates and 2023 Cost of Service Study to Mayor and Council and post both on DC Water's website</i>	March 15, 2024	√	
<i>f. Board approves Notice of Proposed Rulemaking (NOPR) for Proposed FY 25 & FY 26 Rates, Fees & Charges</i>	March 7, 2024	√	
<i>g. Publish NOPR in D.C. Register for Proposed FY 25& FY 26 Rates, Fees & Charges</i>	March 22, 2024	√	DGLA
<i>h. Outreach and Public Comment Period</i>	March 22 - May 16, 2024	√	Marketing & Comm.
<i>i. Public Hearing</i>	May 9, 2024	√	
<i>j. Public Hearing Record Closes</i>	May 16, 2024	√	
<i>k. Submit Response to Public Comments report to Board and post on DC Water website and respond to OPC Comments, if applicable</i>	May 31, 2024	√	
<i>l. Present final FY 25 & FY 26 Rates, Fees & Charges to RRC for recommendation to Board</i>	June 25, 2024		Rates and Revenue
<i>m. Board approves Notice of Final Rulemaking (NOFR) for FY 25 & FY 26 Rates, Charges & Fees</i>	July 3, 2024		
<i>n. Publish NOFR in D.C. Register for Amended Rates, Fees & Charges</i>	July 19, 2024		DGLA
<i>o. Amended Rates, Fees & Charges Go-Live</i>	October 1, 2024 (FY '25) October 1, 2025 (FY '26)		Customer Care

5. 2023 COS for Water, Sewer and CRIAC			
<i>a. Present 2023 Cost of Service Study for Water, Sewer and CRIAC to RRC</i>	January 23, 2024	√	Rates and Revenue
<i>b. Post Final COS on DC Water's website</i>	March 15, 2024	√	

Attachment F

6. Establish new DC Water’s Customer Assistance Program, CAP Plus (CAP+)	Date of Activity	Completed	Responsible Department
<i>a. RRC recommend proposal to Amend regulations to add new Customer Assistance Program, CAP Plus (CAP+)</i>	February 27, 2024	√	Rates and Revenue
<i>b. Board approves Notice of Proposed Rulemaking (NOPR) for new CAP+</i>	March 7, 2024	√	
<i>c. Publish NOPR in D.C. Register for Proposed new CAP+</i>	March 22, 2024	√	DGLA
<i>d. Outreach and Public Comment Period</i>	March 22 - May 16, 2024	√	Marketing & Comm.
<i>e. Public Hearing</i>	May 9, 2024	√	
<i>f. Public Hearing Record Closes</i>	May 16, 2024	√	
<i>g. Submit Response to Public Comments report to Board and post on DC Water website and respond to OPC Comments, if applicable</i>	May 31, 2024	√	
<i>h. Present final new CAP+ to RRC for recommendation to Board</i>	June 25, 2024		Rates and Revenue
<i>i. Board approves Notice of Final Rulemaking (NOFR) for new CAP+</i>	July 3, 2024		
<i>j. Publish NOFR in D.C. Register for new CAP+</i>	July 19, 2024		DGLA
<i>k. New CAP+ – Go Live</i>	October 1, 2024		Customer Care

7. Fire Protection Service Fee for FY 2025, FY 2026, and FY 2027			
<i>a. RRC recommend proposal for Fire Protection Service Fee</i>	April 23, 2024	√	Rates and Revenue
<i>b. Board approval of Notice of Proposed Rulemaking (NOPR)</i>	May 2, 2024	√	
<i>c. Publish NOPR in D.C Register</i>	May 17, 2024	√	DGLA
<i>d. Public Comment and Outreach</i>	May 17 – June 16, 2024	√	Marketing & Comm.
<i>e. Presentation of Final Proposal of Fire Protection Service Fee to RRC</i>	June 25, 2024		Rates and Revenue
<i>f. Board approval of Notice of Final Rulemaking (NOFR)</i>	July 3, 2024		
<i>g. Publish NOFR in D.C. Register</i>	July 19, 2024		DGLA
<i>h. Fire Protection Service Fee Go-Live</i>	October 1, 2024		Rates & Revenue

8. Delinquent Accounts			
<i>a. Soldiers Home Negotiations</i>	Monthly, as needed		DGLA



Attachment G

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

**Tuesday, July 23, 2024; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for September 24, 2024 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