



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY
Board of Directors**

DC Retail Water and Sewer Rates Committee

1385 Canal Street SE, Washington, DC 20003

Microsoft Teams

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PUBLIC HEARING ON

**Proposed Amendments to Customer Assistance Programs Regulations to
Extend DC Water Cares Residential & Multifamily Assistance Programs for
FY 2022 and Waive FY 2021 CAP2 Customer's Recertification Requirements
for FY 2022 and Proposed New High Flow Filter Backwash Sewer Rate for
Fiscal Year 2022**

Wednesday, November 10, 2021

6:30 p.m.

AGENDA

1. Call to Order..... Tommy Wells, Chairman
2. Roll Call..... Linda Manley, Board Secretary
3. Opening Statement Tommy Wells, Chairman
4. [DC Water Management PresentationMeisha Lorick, Acting Director Customer Care
Proposed Amendments to CAP Regulations to Extend DC Water Cares Residential andMultifamily
Assistance Programs for FY 2022 and Waive FY 2021 CAP2 Customer Recertification
Requirement for FY 2022](#)
5. [DC Water Management Presentation. Elaine Wilson, Manager Water Quality & Pretreatment
Proposed New High Flow Filter Backwash Sewer Rate for Fiscal Year 2022](#)
6. [Presentation by Independent ConsultantAmawalk Consulting
Independent Review of Proposed New High Flow Filter Backwash Sewer Rate for FiscalYear 2022](#)
7. Public Witnesses
 - [Pre-registered Speakers](#)
 - Other comments (time permitting)
8. Closing Statement..... Tommy Wells, Chairman
9. Adjournment..... Tommy Wells, Chairman



Notice of Emergency and Proposed Rulemaking for RAP and MAP and Waiver of CAP2 Recertification for FY 2022

Public Hearing Presentation, November 10, 2021

**District of Columbia Water and Sewer Authority
Meisha Lorick, Acting Director of Customer Care**



Purpose

To present for public hearing:

- The Notice of Emergency and Proposed Rulemaking, amending Section 4102, Customer Assistance Programs (CAP), to:
 - Extend the “DC Water Cares Program” for the Residential and Multifamily emergency assistance into FY2022
 - Waive the CAP 2 recertification requirements for FY 2022

FY2022 RAP & MAP Program Design

FY2022 DC Water Cares programs will continue with FY2021 design

	RAP	MAP
Property Eligibility	Residential (single-family or individually metered)	Multifamily (4+ units) -AND- property owner participation
Household Income Eligibility	80% AMI (CAP or CAP2)	80% AMI (SNAP, TANF, LIHEAP, AHU, or applies directly)
Benefit Occurrence	On-going throughout fiscal year	One-time per fiscal year
Benefit Calculation	Current past due balance, up to \$2,000 per fiscal year	Greater of, but not to exceed \$2,000 per fiscal year 1) 3-month average from 4/1/20 to 12/31/20 2) Past due balance as of 12/31/20
Fiscal Year Benefit Renewal Process	Existing and Renewal RAP Customers must submit CAP or CAP 2 Application to DOEE	Tenant: Reapply for programs listed under <i>Household Income Eligibility</i> above -AND- Owner: Reapply for property participation

AMI=Area Median Income
SNAP=Suppl. Nutrition Assist. Pgrm.

TANF=Temp Assist. for Needy Families
LIHEAP=Low Income HH Energy Assist.

AHU=Affordable Housing Unit

Amendment Overview

Proposing to revise 21 DCMR, Section 4102 as follows

- For RAP and MAP
 - Update fiscal year references from FY2021 to FY2022
 - Clarify language for program renewals as the benefit in the new fiscal year is a “reset” rather than a continuation

FY2021 Language	FY2022 Language
To <u>continue</u> receiving DC Water Cares benefits in Fiscal Year 2022 <u>without interruptions</u> , the customer must submit a renewal...	Customer that received DC Water Cares benefits in FY 2021 must submit a renewal application <u>to receive</u> DC Water Cares <u>benefits</u> in Fiscal Year 2022.

- For MAP only
 - Remove ineligibility clause if household previously received Federal or District-funded assistance for water and sewer services. Will allow units to receive MAP assistance.
 - Update benefit calculation date references

FY2021 Language	FY2022 Language
3-month average from <u>4/1/20 to 12/31/20</u> Past due balance as of <u>12/31/20</u>	3-month average from <u>10/1/20 to 9/30/21</u> Past due balance as of <u>9/30/21</u>

Waiver of CAP 2 Recertification

On August 9, 2021, Public Service Commission Order 20990 waived the recertification requirements for all FY21 Utility Discount Program (UDP) participants within its purview. DC Water is a member of UDP, and DC Water customers apply for assistance programs at the same time they apply for other UDP assistance programs. However, CAP 2 is not under Public Service Commission purview and they do not govern DC Water's programs.

DC Water's CAP 1 is consistent with the UDP renewal deadline, which has been waived by the Public Service Commission. CAP 2 recertification deadline is not subject to the UDP deadline, and the FY21 CAP 2 customer must reapply for the FY22 assistance unless the CAP2 regulations are modified.

Cap 1 regulations permit such a waiver and DOEE is waiving the recertification requirements for DOEE's CAP 3 program.



Waiver of CAP 2 Recertification

Benefits:

- **Waiving recertification is prudent for:**
 - **Efficiency of implementing the program**
 - **Eliminating application requirements**
 - **Reducing the burden on customers**
 - **Potentially reducing administrative costs associated with the program**

Other Notables:

- **Waiving the recertification requirements will ensure FY21 participating customers will automatically continue to receive CAP 2 benefits**
- **RAP and MAP is not covered in the recertification waiver. Customers will have to recertify for these benefits.**

Questions

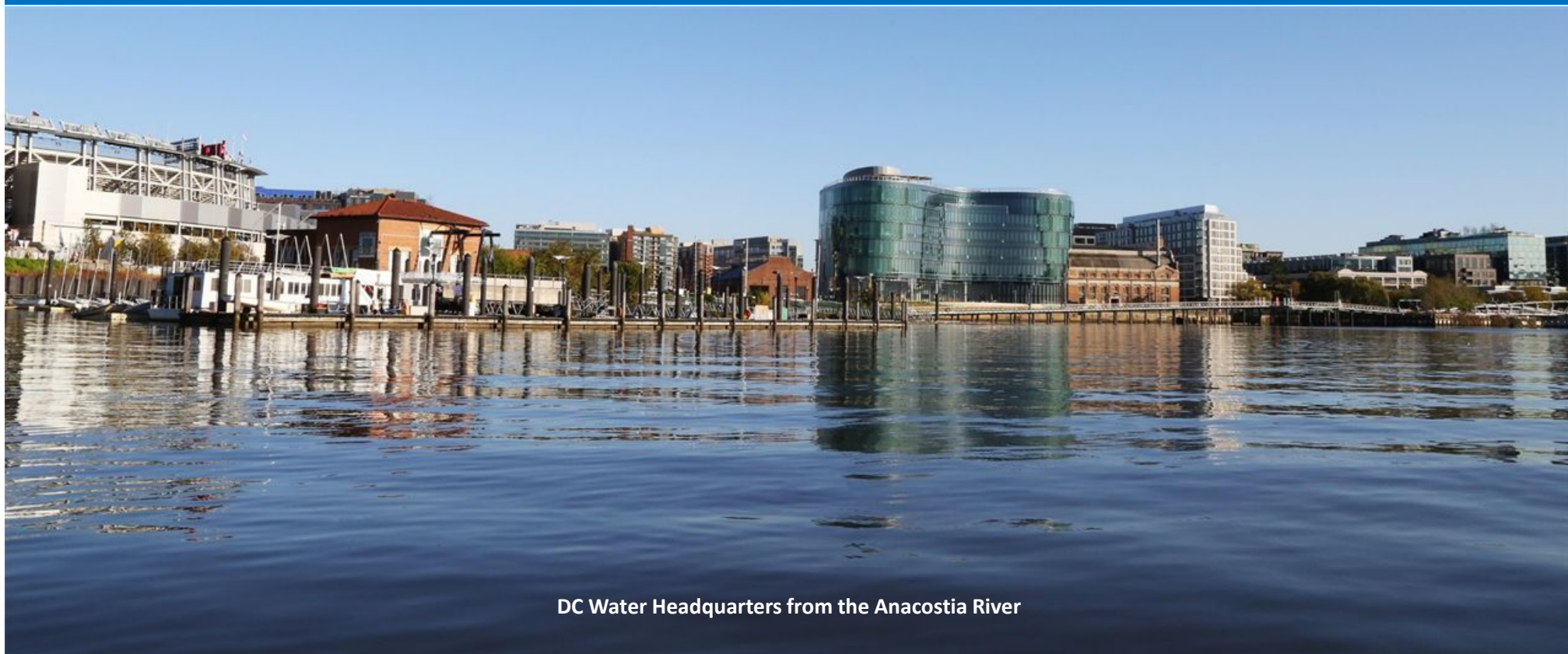




DC Water Management Presentation – Proposed Amendments to Retail Rates and Charges
Regulation 21 DCMR § 4101 to Establish a New High Flow Filter Backwash Sewer Rate
Public Hearing, November 10, 2021

Presented by Elaine Wilson, Manager, Water Quality and Pretreatment

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Background and Purpose

- The Washington Aqueduct (WAD) produces drinking water for DC and neighboring jurisdictions in Virginia and DC pays for 75% of their operating costs.
- The McMillan Filtration Plant currently has a waiver from EPA to send filter backwash to a cove in the McMillan Reservoir but began discussions with DC Water in 2016 to send the filter backwash to the Blue Plains Advanced Wastewater Treatment Plant to try and meet the intent of EPA's Filter Backwash Rule.
- Due to capacity limitations in the sewer system, wet weather discharges of filter backwash will be prohibited, so WAD is constructing an equalization basin to accommodate DC Water flow restrictions.
- The filter backwash will be very high flow (2.87 MGD average), very low strength (<10 mg/L suspended solids and oxygen demand), and interruptible during wet weather conditions.
- These waste characteristics are similar to groundwater, which has an existing separate sewer rate, as well as the additional characteristic of interruptible flow during wet weather suggesting development of a new sewer rate for high flow filter backwash was required.



Rate Development

- DC Water engaged Raftelis to develop a High Flow Filter Backwash Rate for WAD.
- Projected FY22 rate is required since the proposed WAD discharge is anticipated to begin in February 2022.
- The rate will be generic to all high flow (>1 MGD) filter backwash discharges with interruptible flow (dry weather only).
- Rate is consistent with Cost of Service (COS) methodology and standard practices, ensures cost recovery, and is legally defensible.
- Rate was developed using the 2018 Groundwater COS methodology with updated 2020 COS data.
- Rate includes reductions in capital costs to account for use during dry weather only and indirect operational costs since billing will be done through Finance instead of Customer Service.



Proposed Rate

- High flow filter backwash rate of \$3.03/Ccf or \$4.05/TG was proposed for FY22 and published as a Proposed Rulemaking in the DC Register on September 17, 2021 with a 45-day public comment period ending on November 15 2021.
- Reflects a cost of service-based rate that is consistent with Board Rate Setting Policy and with all existing retail rates.
- Rate will be re-evaluated every two years beginning with upcoming COS Study starting in October 2021 for FY23 and FY24.



Next Steps

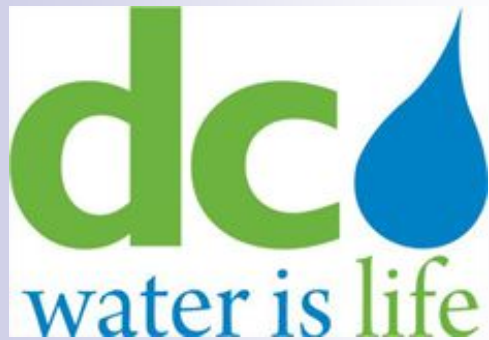


Next Steps

- 💧 Schedule for adoption of the new sewer rate:
- 💧 Nov. 10, 2021 – Hold Public Hearing
- 💧 Nov. 15, 2021 – Public comment closes
- 💧 Nov. 16, 2021 – Present comments to RRC or defer to December 14, 2021
- 💧 Nov. 16, 2021 – RRC approves final proposal to amend retail sewer rate regulations to establish new filter backwash sewer rate
- 💧 Nov. 30, 2021 – Post responses to comments on DC Water website
- 💧 Dec. 2, 2021 – BOD approval to publish NOFR
- 💧 Dec. 17, 2021 – Publish NOFR and incorporate into WAD permit prior to expected discharge in Feb 2022

Independent Review of the Proposed Washington Aqueduct Discharge Rate for 2022

November 16, 2021



Amawalk
Consulting Group LLC

Outline

- Background
- Washington Aqueduct Discharge Rate Proposal
- Our Methodology
- Amawalk Findings & Conclusions
- Estimated Impact on DC Water and Its Customers
- Recommended Areas of Focus in the Upcoming Cost of Service Study

Background – Discharge & Impacts

- The Washington Aqueduct (“WA”) approached DC Water in 2016 regarding the possibility of sending filter backwash to Blue Plains to meet the U.S. Environmental Protection Agency’s (“USEPA’s”) Filter Backwash Rule. DC Water agreed to accept the discharge at a nominal rate that would recover the costs of conveyance, treatment and disposal
- DC Water authorized Raftelis to study the cost of handling the discharge: based on that study, a new retail rate class and Washington Aqueduct Discharge Rate is proposed beginning in FY 2022
- The filter backwash has relatively weak waste characteristics; DC Water anticipates no significant impact on treatment and disposal expenses
- Filter backwash would be discharged to the combined sewer on the east side of McMillan Reservoir. That sewer flows by gravity and discharges to the Northeast Boundary Sewer; dry weather flows are then diverted to Main Pumping Station for conveyance to Blue Plains
- Based on the proposal above, there is no material incremental capital or operating expense for DC Water to convey/treat/dispose of the discharge

Slide 2

Background – Interruptible Classification

- The McMillian Backwash Equalization Basin has a total working volume of 660,000 gallons to provide short-term equalization storage of the filter backwash flow. If the Equalization Basin capacity is reached, backwash flow will be diverted to the existing discharge location at the Reservoir.
- WA will monitor the flow based on real-time SCADA sewer elevations provided by DC Water. Operating protocol will establish a certain number of minutes for WA to close valve upon receiving stop signal from DC Water. The process is monitored by SCADA and reported to DC Water pretreatment staff for confirmation of compliance
- No wet weather discharges are authorized under the proposal

WA Discharge Rate Proposal

- New retail rate class proposed for all high flow filter backwash discharges that meet the following criteria:
 - Low strength (below 10mg/L for total suspended solids and biological oxygen demand on average)
 - High volume (above 1 MGD)
 - Moderated through use of an equalization basin
 - Interruptible during wet weather events
 - Metered and monitored
 - Governed by a discharge permit issued by DC Water
- Proposed Washington Aqueduct Discharge Rate for FY 2022 is \$3.03/Ccf or \$4.05/Kgal; discharges are expected to begin in 2Q of FY 2022
- Reflects a cost of service-based rate that is consistent in methodology with Board Rate-Setting Policy and with all existing retail rates
- Rate will be re-evaluated every two years beginning with upcoming Cost of Service Study starting in October 2021 for FY 2023 and FY 2024

Our Methodology

- Reviewed background information including the Discharge Rate Calculation memo and the 2020 Cost of Service Study Report
- Made inquiries regarding the support for a new retail rate class
- Examined the basis for the “Interruptible” designation
- Reviewed the expectation for minimal incremental operating and capital costs for DC Water
- Estimated the financial impacts of the proposed rate on DC Water and its customers
- Examined the inclusion and exclusion of certain revenue requirements and offsets
- Confirmed the potential customer(s) for the proposed new rate

Amawalk Findings & Conclusions

- A new retail rate class is appropriate; the flow characteristics differ significantly from existing classes
- The Interruptible designation is reasonable; DC Water is in control to avoid situations where the discharge could add to overflows or flooding
- Minimal incremental operating expenses and no capital improvements needed for DC Water to convey, treat and dispose of the discharge: no staffing changes, modest incremental energy costs for pumping
- On a full year basis, projected revenues would increase by \$4.24 million based on estimated flow of 2.87 MGD and a rate of \$4.05 per Kgal
- DC Water's share of WA expenses is expected to increase by 75% of the expected revenues or \$3.18 million, to reflect DC Water's share of the water produced by the WA
- Amawalk recommends adoption of the rate proposal for FY 2022; an important first step to address a need of the WA and enable DC Water to charge for services provided
- The proposed rate would be subject to change in FY 2023 following the upcoming Cost of Service Study

Slide 6

Estimated Impact on DC Water and Its Customers

		FY 2022
Proposed WA Discharge Rate (\$/Kgal)	\$	4.05
Estimated Flow (MGD)		2.87
Estimated Annual Flow (Gallons)		1,047,550,000
Estimated Annual Revenue	\$	4,243,418
Estimated WA Share of Cost	\$	1,060,854
Estimated DC Water Share of Cost	\$	3,182,563

- Net positive annual cash flow impact of \$1.06 million for a full year
- Net impact of the cash flow improvement represents about 0.14% of DC Water's projected total revenues in FY 2022
- Estimated impact of the proposal on a SFR customer is about \$0.17 per month in FY 2022.

Recommended Areas of Focus in the Upcoming Cost of Service Study

- Update the revenue requirements
- Re-examine the offsets to the cost of service for applicability to the costs and rate
- Consider assigning a portion of cash-financed construction/defeasance to the cost of service
- Update sewer usage projections based on recent experience and DC Water expectations

Questions?

Thank you!

DC WATER PUBLIC HEARING
Sign-in Sheet

Proposed Amendments to Customer Assistance Programs Regulations to
 Extend DC Water Cares Residential & Multifamily Assistance Programs for FY 2022 and Waive FY 2021 CAP2 Customer's Recertification Requirements for
 FY 2022 and Proposed New High Flow Filter Backwash Sewer Rate for Fiscal Year 2022
 via Microsoft Teams
 November 10, 2021
 6:30 PM

Name	Individual or Organization	Date Rec'd
Grace Soderberg	Organization-Office of the People's Counsel	11/08/21