

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Special DC Retail Water and Sewer Rates Committee

Thursday, December 6, 2018

10:30 a.m.

- 1. **Call to Order** **Rachna Bhatt, Chairperson**
- 2. **FY2020 Budget Considerations (Attachment A)** **Matthew Brown**
- 3. **Path to Achieve Asset Management (Attachment B)** **Matthew Brown**
- 4. **DC Retail Water and Sewer Rates Committee Workplan** **Matthew Brown**
 - **FY 2019 Proposed DC Retail Rates Committee Workplan (Attachment C)**
- 5. **Agenda for January 22, 2019 Committee Meeting (Attachment D)**..... **Rachna Bhatt, Chairperson**
- 6. **Other Business** **Matthew Brown**
- 7. **Executive Session***
- 8. **Adjournment**

FOLLOW-UP-ITEMS – DC Retail Water and Sewer Rates Committee Meeting (November 29, 2018)

There were no follow-up items

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



FY2020 Budget Considerations

Presentation to the DC Retail Water and Sewer Rates Committee
December 6, 2018

District of Columbia Water and Sewer Authority



Blue Plains Advanced Wastewater Treatment Plant

FY 2020 Budget Considerations



FY 2020 Budget Considerations

Capital Plan

- Clean Rivers Impervious Area Charge
- District Stormwater Pumping Stations
- DDOT paving requirements

Financial Plan

- PILOT and ROW payments
- Days of cash on hand
- Clean Rivers Funding

FY 2020 Budget Considerations

- **Clean Rivers Impervious Area Charge**
 - Working with Stakeholder Alliance and Raftelis consulting to determine options
 - Revenue requirement of \$121.2 million for FY 2020
 - Options must be evaluated against criteria

Possible Criteria

Existing ERU Approach

Criteria		
Equity		Concern: that customers with little water use pay more than their “fair share”
Administrative Feasibility		Easily billable based on flyover results
Revenue Neutrality		Sufficient revenue is raised to pay debt service costs
Federal Government		Federal government pays about \$20 million a year, would pay less if allocated based on water usage
Legal defensibility		Has been defended in court
Executable		Yes – has been in effect since 2009
Adheres to Industry Practice		This is a common industry practice for recovering wet weather program costs

Possible Criteria

Recover some Clean River costs from a volumetric rate

Criteria		
Equity		Some would pay less, but others (including multi-family customers) would pay more
Administrative Feasibility		Easily billable based on flyover results and metered billings
Revenue Neutrality		Sufficient revenue is raised to pay debt service costs
Federal Government		Federal government would pay much less
Legal defensibility		Current methodology has been in place since 2009
Executable		This could be implemented
Adheres to Industry Practice		Sewer flows do contribute a large amounts to CSO volumes

Shifting Cost from CRIAC to Sewer Volumetric Rate

- 💧 Customer Impact:
 - 💧 Assessed here as 50% for illustrative purposes. Actual shift would be determined based on policy consideration
 - 💧 As a class, Multi-family and Commercial would pay more while Federal Government paid less
 - 💧 Small volume customers in every class would generally pay less

Monthly	Average Household	Sample Multi-Family	Sample Commercial	Sample Cemetery	Sample Church (High Con)	Sample Church (Low Con)
Monthly CCF	6.2	92.5	4,478	4.0	876	9.42
ERU	1	6.3	52.2	115.1	128.6	59.2
FY2019 Monthly Total Bill	\$108	\$1,301	\$59,448	\$3,015	\$14,946	\$1,654
FY 2019 Estimated Total Bill with 50% IAC recovered through Volumetric Charge	\$108	\$1,398	\$67,043	\$1,698	\$15,070	\$991

Possible Criteria

💧 DC and Fed pays for impervious area in right-of-way (streets & sidewalks)

Criteria		
Equity	●	The cost recovery burden shifts from utility customers to local taxpayers
Administrative Feasibility	●	New customer setup in billing system and new payables for DC government
Revenue Neutrality	●	Could be issues if DC and Fed do not agree to pay
Federal Government	●	Federal government would pay more IAC in its ROW
Legal defensibility	●	Would not be challenged if District agrees
Executable	●	Would not be difficult or costly to implement
Adheres to Industry Practice	●	It is uncommon for local right-of-way to be billed for impervious area

Clean Rivers Funding

- Federal and District Right-of-Way (ROW) is about 40% of impervious cover
 - This transportation infrastructure is not charged the IAC
 - 40% of the \$113 million IAC collected in FY17 is \$45 million
 - There are a total of 680,000 ERUs (Equivalent Residential Unit) in the District, and about 270,000 of ROW ERUs
 - If DC Water received payment for transportation right-of-way, the impervious area charge could be reduced by about \$9.15 per month

Clean Rivers Funding

- The suburban share of the Clean Rivers Program was determined as part of the 2012 IMA Agreement (a 12-year process); including the cost allocation basis in nitrogen and CSO (a 4-year process)
 - Cost allocation review involved chief executives of the five jurisdictions, and of the scenarios contemplated, a 7.1 percent cost allocation basis was adopted
 - Based on calculation of excess flow delivered to Blue Plains during wet weather events as well as discharge at meter locations for the various IMA jurisdictions
 - Analysis also considered other analysis:
 - Difference in tunnel storage volume required in a year and percent of suburban use in the Long-Term Control Plan (LTCP)
 - Difference in annual volume exceeding treatment capacity in an average year (Annual CSO Overflow Volume)
 - Difference in volume exceeding treatment capacity for the largest storm in a 3 year design period
 - Difference in annual wet weather volume handled in an average year
 - Evaluation of what suburban customers might need to do to if peak flows were not handled by the District of Columbia system

Clean Rivers Funding

- 💧 Since FY 2003, DC Water has received Congressional CSO appropriations totaling \$252.8 million
- 💧 Of this amount, \$14.0 million appropriated for FY 2018 under Public Law 115-41 was received from the Treasury in May 2018
- 💧 Under Public Law total federal payment to the District totaled \$90 million

Stormwater Pumping Stations

- 💧 16 Stormwater Pumping Stations protect District roads from flooding
- 💧 Constructed by the DC government from 1935 to 1974. In 2009, the DC Attorney General determined they were the responsibility of DC Water
- 💧 DC Water anticipates refurbishing them at a cost of approximately \$50 million over the ten year capital program, beginning in FY 2019
 - Within the 10-year timeframe, work at all 16 pump stations is planned
 - Upgrades include installation of new emergency generators, electrical gear, replacement pumps, valves, piping, supervisory control and data acquisition (SCADA) and high voltage systems, and improvements in lighting, access hatches and grating and fire alarms
- 💧 Work is partially funded by three FEMA grants totaling \$3.3 million, with potential for future grants

Fiscal Year	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Funding	\$5,901	\$7,160	\$1,514	\$6,146	\$1,897	\$3,185	\$5,435	5,759	\$4,073	5,726

Paving Requirements

- 💧 The District Department of Transportation (DDOT) Paving Requirement requires curb to curb surface restoration, rather than spot repairs
- 💧 DC Water estimates that this increases paving costs by about 50%, or about \$7 million each year

Below is an example from a Small Diameter Water Main (SDWM) contract comparing the cost of the DDOT requirement and without it:

Example from SDWM contract 10a (approx. 5.4 Miles of watermain)

12,204	SQYD of PCC Base	\$86.00 per sqyd	\$1,049,548
75,255	SQD asphalt	\$23.00 per sqyd	\$1,730,865
			\$2,780,413

If we paved the 'cuts' only, the patch area is approximately the same as the base area:

12,204	SQYD of PCC Base	\$86.00 per sqyd	\$1,049,548
12,204	SQD asphalt	\$23.00 per sqyd	\$280,692
			\$1,330,240

PILOT & ROW Payments

💧 PILOT and ROW payments

- PILOT (Payment in Lieu of Taxes) – Totals \$16.6 million for FY 2019. The PILOT payment is governed by an MOU signed on December 15, 2014 between the District and DC Water; the MOU provides for annual escalation of 2 percent beginning FY 2016 through 2024
- ROW (Right-of-Way) – This annual payment of \$5.1 million is governed by an MOU signed on October 6, 2014, between the District and DC Water, for the occupation of the public right-of-way by water and sewer mains maintained and operated by DC Water
- Both PILOT and ROW are passthrough charges that DC Water collects from its customers and remits to the District

Days of Cash On Hand

- 💧 DC Water Board policy is to maintain \$120 million, or 120 days of cash on hand
- 💧 DC Water management practice has been to maintain at least \$140 million
 - As expenditures increased every year, holding a \$140 million balance means that the number of days of cash will decreased each year
- 💧 \$140 million cash-on-hand plus \$61.450 million Rate Stabilization Fund balance have equaled more than 250 days of cash
 - Per rating agency scorecards, AAA utilities maintain a balance of greater than 250 days of cash
- 💧 A revision to Board policy to maintain 250 days-of-cash on-hand could help ensure that DC Water maintains the highest credit rating
 - Could be phased in, with an initial requirement to build days-of-cash on-hand through any year-end surplus

Days Cash on Hand

-  A change to the Board policy to require 250 days-of-cash on hand would help ensure high credit ratings
-  A drop in credit ratings from AAA to AA+ will cost the Authority \$19.1 million over a 10 year period

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Operating and Maintenance	\$ 313,869,035	\$ 320,137,447	\$ 338,498,706	\$ 348,334,650	\$ 358,462,353	\$ 368,890,500	\$ 379,628,035
Less: PILOT, ROW & Stormwater	21,057,041	21,376,182	23,701,706	22,033,740	23,372,415	22,717,863	23,429,624
Net Operating and Maintenance	\$ 292,811,994	\$ 298,761,265	\$ 314,797,000	\$ 326,300,910	\$ 335,089,938	\$ 346,172,637	\$ 356,198,411
Daily Operating Expenditures	\$ 813,367	\$ 829,892	\$ 874,436	\$ 906,391	\$ 930,805	\$ 961,591	\$ 989,440
Ending Cash Balance	\$ 147,212,244	\$ 166,795,693	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000
Rate Stabilization Fund (RSF)	\$ 61,450,000	\$ 61,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000
Ending Cash Balance including RSF	208,662,244	228,245,693	195,450,000	195,450,000	195,450,000	195,450,000	195,450,000
Days Cash on Hand	257	276	223	216	210	204	198





Path to Achieve Asset Management Financial Impacts - Customer & Debt Service

Presentation to the DC Retail Water and Sewer Rates Committee
December 6, 2018

District of Columbia Water and Sewer Authority





Agenda

- Review financial metrics important to DC Water and credit agencies
- Discuss the capital plan scenarios and their impact on those financial metrics
- Assess the impact of increased capital spending on our customers



Overview of Capital Improvement Program



Rolling 10 year CIP Options Compared

Service Area	Current Baseline	Modified Baseline	Asset Management
DCCR	Fully funded to meet Consent Decree	Fully funded to meet Consent Decree	Fully funded to meet Consent Decree
Wastewater	Generally funded to meet NPDES Permit and established levels of service	Fully funded to meet NPDES Permit and established levels of service	Fully funded to meet NPDES Permit and established levels of service
Stormwater	Underfunded	Fully funded	Fully funded
Water			
Pump Stations & Storage Facilities	Generally funded to current service levels	Generally funded	Fully funded
Small Diameter WMs	Underfunded to meet 1% replacement/rehab goal [11 mi/year]	Funded to meet 1% per year replacement level (increased cost is due to switch to full replacement)	Fully funded to ramp up to 2% replacement level [22 mi/year]
Large Diameter WMs	Generally funded	Generally funded	Generally funded
Sewer			
Pump Stations	Underfunded	Fully funded	Fully funded
Sewer Lines < 60" dia.	Substantially underfunded [0.35%; 6.2 mi/year]	Funded to ramp up to 1.0% per year rehabilitation level [17.5 mi/year] by FY23 and onwards	Fully funded to ramp up to 2.3% rehabilitation level [40 mi/year]
Sewer Lines ≥ 60"	Generally Funded	Generally Funded	Generally Funded
Non Process	Fully funded for HQ, Fleet and Sewer Operations Facilities	Fully funded for HQ, Fleet and Sewer Operations Facilities	Fully funded for HQ, Fleet and Sewer Operations Facilities



Rolling 10 year CIP Options

x1000's	Current Baseline \$4.1 Billion	Modified Baseline \$5.0 Billion	Asset Management \$6.5 Billion
Engineering CIP Total	<u>\$3,764,107</u>	<u>\$4,435,378</u>	<u>\$ 5,417,230</u>
Capital Equipment	Underfunded	Generally Funded	Fully Funded
	\$170,539	\$347,529	\$370,434
Washington Aqueduct	Generally Funded	Fully Funded except Federally Owned Water Main (FOWM) and Advanced Treatment	Fully Funded
	\$118,600	\$187,303	\$670,827
Additional Capital Programs Total	<u>\$289,139</u>	<u>\$534,832</u>	<u>\$1,041,261</u>
TOTAL	<u>\$4,053,246</u>	<u>\$4,970,211</u>	<u>\$ 6,458,490</u>



Summary of CIP Options by Program

\$ in thousands

Approved Baseline (+FY28) \$4.1 Billion	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10 yr Total
Non Process Facilities	33,107	18,907	7,860	1,551	25	6,615	7,773	-	-	4,000	79,838
Wastewater Treatment	74,617	77,853	87,960	89,820	69,560	51,607	62,172	117,623	129,252	117,551	878,014
Combined Sewer Overflow	200,343	160,554	148,121	203,086	164,508	79,692	65,611	135,797	92,819	91,453	1,341,984
Stormwater	4,909	2,400	2,312	5,839	1,212	1,784	1,642	1,276	2,133	9,845	33,353
Sanitary Sewer	32,947	34,046	53,050	74,492	73,917	75,912	58,882	60,769	38,672	137,088	639,776
Water	45,747	84,256	62,341	48,241	53,471	88,055	99,661	101,344	89,510	118,514	791,143
Engineering CIP Total	391,670	378,015	361,644	423,029	362,694	303,666	295,742	416,809	352,386	478,452	3,764,107
Additional Capital Programs	47,448	42,327	41,037	22,618	22,618	22,618	22,618	22,618	22,618	22,619	289,139
Approved Total CIP	439,118	420,342	402,681	445,647	385,312	326,284	318,360	439,427	375,004	501,071	4,053,246

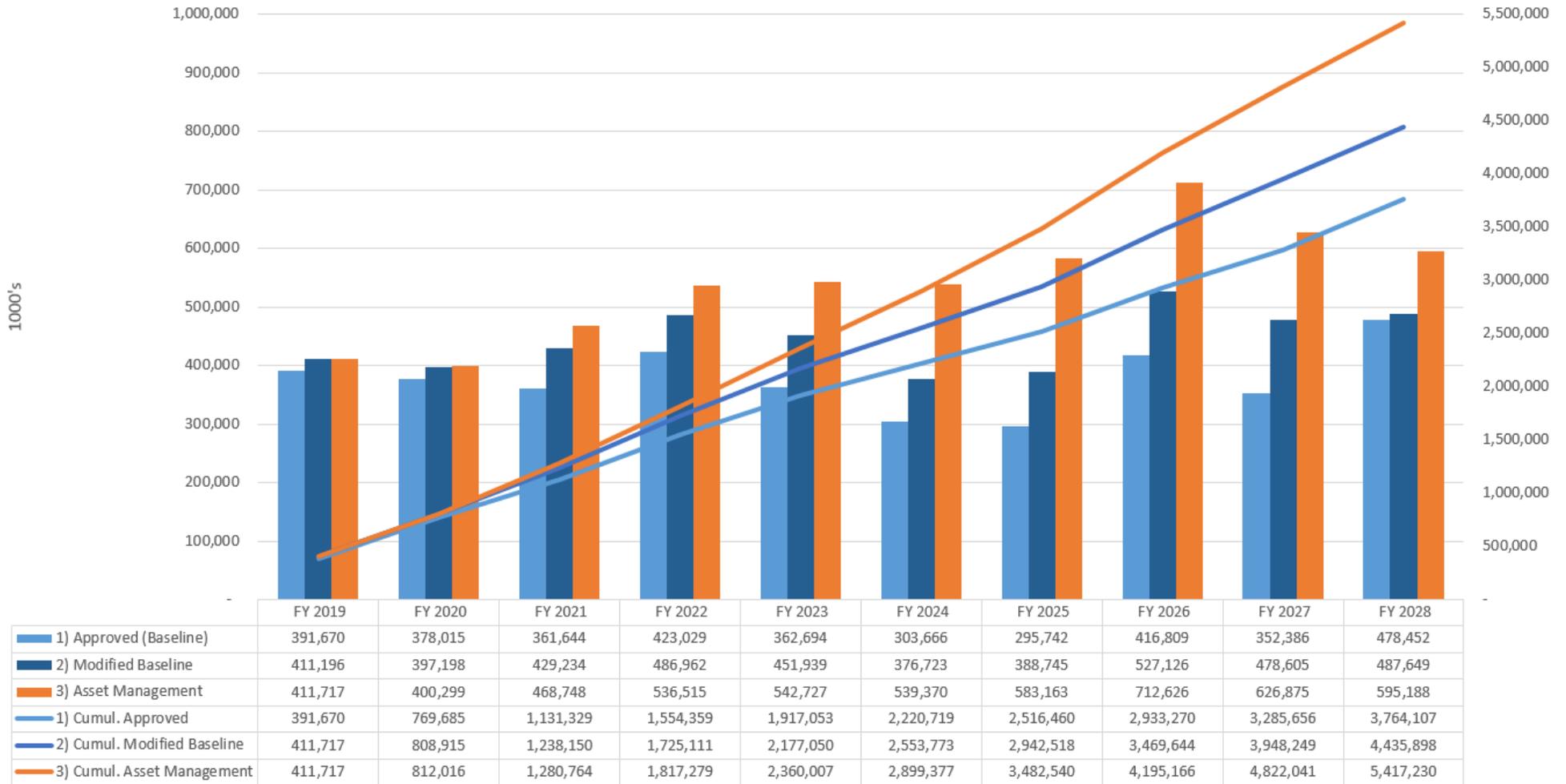
Modified Baseline Program \$5.0 Billion	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10 yr Total
Non Process Facilities	16,199	42,778	25,341	13,765	7,379	12,159	11,181	4,618	4,201	-	137,621
Wastewater Treatment	82,299	68,754	91,798	95,749	97,391	74,295	82,081	132,586	136,626	122,192	983,771
Combined Sewer Overflow	196,349	153,703	147,502	198,384	157,582	76,745	64,354	150,798	102,978	90,974	1,339,369
Stormwater	7,513	8,495	2,741	7,865	3,679	4,935	7,485	7,452	5,204	10,020	65,390
Sanitary Sewer	41,926	41,324	46,858	74,412	103,622	105,173	114,705	124,868	126,915	145,502	925,305
Water	66,911	82,143	114,995	96,786	82,287	103,415	108,939	106,804	102,681	118,961	983,923
Engineering CIP Total	411,196	397,198	429,234	486,962	451,939	376,723	388,745	527,126	478,605	487,649	4,435,378
Additional Capital Programs	47,624	52,740	50,165	48,408	67,416	51,509	68,272	44,461	46,637	57,600	534,832
Total Modified Baseline CIP	458,821	449,939	479,400	535,369	519,355	428,232	457,017	571,587	525,242	545,250	4,970,211
Increases vs Approved CIP	19,703	29,596	76,718	89,722	134,043	101,948	138,657	132,159	150,237	44,179	916,964

Asset Management \$6.5 Billion	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10 yr Total
Non Process Facilities	29,858	25,023	24,844	13,827	7,368	14,819	8,474	4,699	4,203	4,209	137,324
Wastewater Treatment	79,332	61,577	90,835	95,631	98,586	101,248	128,046	165,588	138,019	117,551	1,076,413
Combined Sewer Overflow	194,678	156,246	151,227	202,584	159,117	73,113	61,239	151,243	102,210	91,453	1,343,109
Stormwater	6,076	10,216	5,957	12,393	10,502	11,957	14,056	14,873	13,625	9,845	109,502
Sanitary Sewer	39,661	65,672	73,524	106,648	141,754	169,990	189,267	196,194	192,779	192,746	1,368,234
Water	62,113	81,566	122,361	105,433	125,400	168,242	182,081	180,030	176,039	179,383	1,382,647
Engineering CIP Total	411,717	400,299	468,748	536,515	542,727	539,370	583,163	712,626	626,875	595,188	5,417,230
Additional Capital Programs	51,996	53,202	56,493	76,500	89,975	121,266	81,928	58,231	395,774	55,895	1,041,261
Total AM CIP	463,712	453,501	525,241	613,015	632,703	660,636	665,091	770,857	1,022,650	651,083	6,458,490
Increases vs Approved CIP	24,595	33,159	122,560	167,367	247,391	334,353	346,732	331,430	647,646	150,013	2,405,244



Summary of CIP Plan Options

Summary of 10-yr CIP Plans Options (FY19-28)





Financial Metrics and Impacts



Value of Robust Credit Ratings

- Current credit ratings unlock significant value given size and scope of new money capital plan and potential refinancing
- 20-year average life for \$2 billion of capital borrowing

Rating	Yield Differential vs. AAA Rating	Individual Bond Sale (\$200 million)			Aggregate Debt Issuance for Capital Program (\$2 billion)		
		Annual Cost Differential (\$200 million)	Total Cost Differential (Through Maturity)	PV at 4%	Annual Cost (\$2 billion)	Total Cost Differential (Through Maturity)	PV at 4% (\$200MM Issued Annually, 10 Yrs)
AAA	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA+	0.10%	200,000	4,000,000	2,708,463	2,000,000	40,000,000	19,071,322
AA	0.20%	400,000	8,000,000	5,416,927	4,000,000	80,000,000	38,142,644
AA-	0.30%	600,000	12,000,000	8,125,390	6,000,000	120,000,000	57,213,966
A+	0.40%	800,000	16,000,000	10,833,853	8,000,000	160,000,000	76,285,288
A	0.50%	1,000,000	20,000,000	13,542,316	10,000,000	200,000,000	95,356,610
A-	0.60%	1,200,000	24,000,000	16,250,780	12,000,000	240,000,000	114,427,932



Select Peer Group

Triple AAA and double AA rated companies within the water and sewer industry

Selected Peer	Type	Moody's Rating (Senior)	S&P Rating (Senior)	Total Operating Revenues (\$000s)	Total Annual Debt Service (\$000s)	Debt Ratio	Long Term Debt (\$000s)	Total Debt Service Coverage	DS as a % of Total Operating Revenues	Days Cash on Hand	Average Bill as % of Median Effective Buying Income
Atlanta, GA	Water & Sewer	Aa2	AA-	486,285	213,856	45.6%	2,924,317	1.9x	44.0%	1,364	4.1%
Charlotte, NC	Water & Sewer	Aaa	AAA	378,019	132,439	40.9%	1,527,327	1.8x	35.0%	864	2.0%
Dallas, TX	Water & Sewer	Aa1	AAA	632,469	182,000	46.7%	2,605,865	2.1x	28.8%	225	1.8% ¹
DC Water	Water & Sewer	Aa1	AAA	624,447	169,346	62.8%	3,224,567	1.9x	27.1%	259	1.6%
Louisville MSD, KY	Sewer	Aa3	AA	273,907	137,857	61.9%	1,865,260	1.4x	50.3%	220	1.3% ¹
Metro St. Louis Sewer District, MO	Sewer	Aa1	AAA	333,470	69,328	40.4%	1,351,437	2.4x	20.8%	623	1.2% ¹
NE Ohio Regional Sewer District	Sewer	Aa1	AA+	343,880	110,603	50.4%	1,546,085	1.9x	32.2%	754	2.3%
NYC Water	Water & Sewer	Aa1	AAA	3,828,715	821,000	97.8%	31,266,750	3.1x	21.4%	382	2.2%
San Antonio, TX	Water & Sewer	Aa1	AA+	678,110	173,005	46.0%	2,811,870	2.1x	25.5%	440	1.7%



Moody's Water & Sewer Utility Scorecard

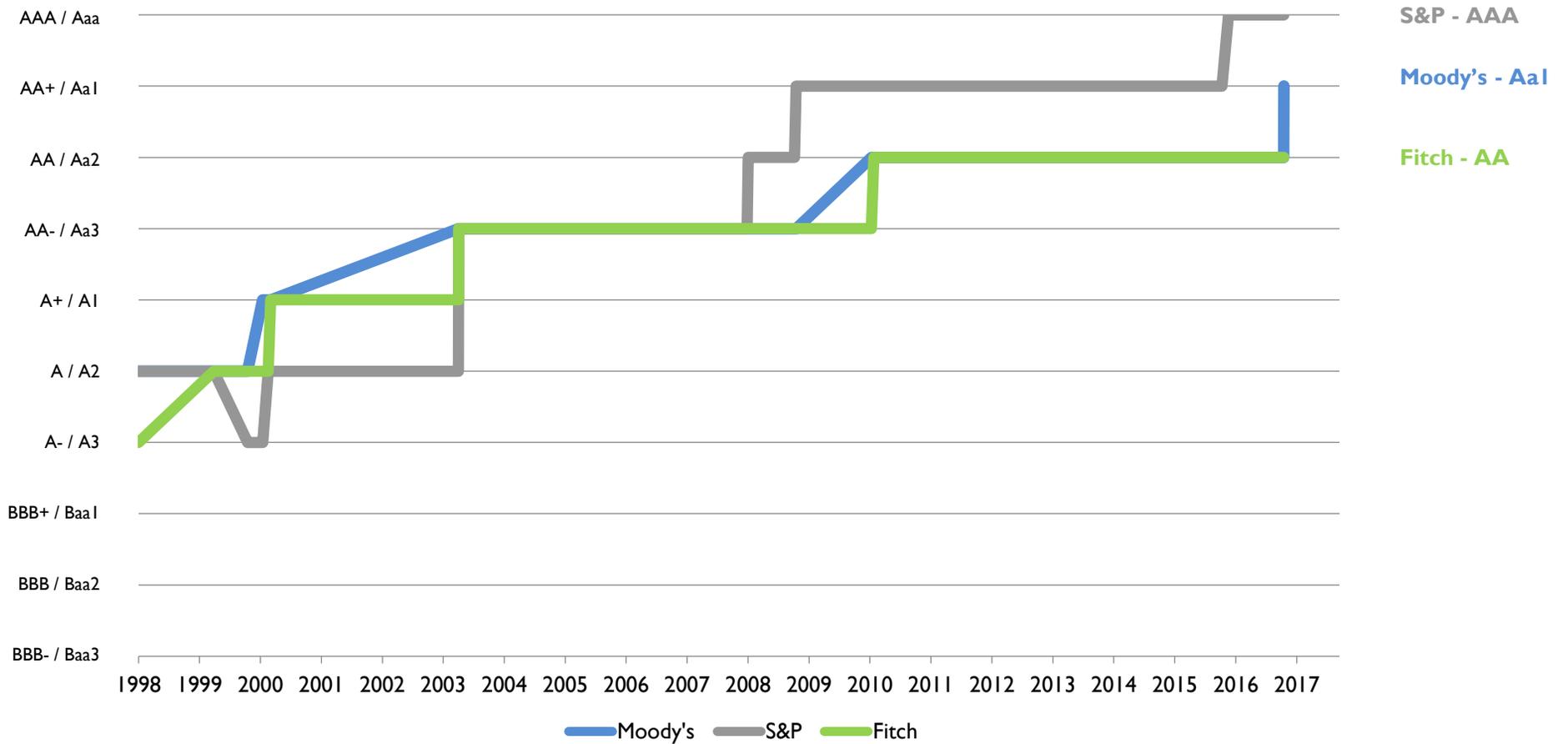
Scoring on Moody's Municipal Utility Methodology										
Factor	Description	Weight	Aaa 0.50-1.49	Aa 1.50-2.49	A 2.50-3.49	Baa 3.50-4.49	Ba 4.50-5.49	DC Water Input	Category Score	DC Water Est. Score
System Characteristics (30%)	Asset Condition - Remaining Useful Life (Net Fixed Assets / Annual Depreciation)	10%	> 75 Years	75 years ≥ n > 25 years	25 years ≥ n > 12 years	12 years ≥ n > 9 years	9 years ≥ n > 6 years	66.8 years	2	0.200
	System Size: (O&M in 000s)	7.5%	> \$65 million	\$65 M ≥ n > \$30 M	\$30 M ≥ n > \$10 M	\$10 M ≥ n > \$3 M	\$3 M ≥ n > \$1 M	\$299.4 million	1	0.075
	Service Area Wealth: MFI	12.5%	> 150% of US median	150% to 90% of US Median	90% to 75% of US Median	75% to 50% of US Median	50% to 40% of US Median	131%	2	0.250
Financial Strength and Liquidity (40%)	Annual Debt Service Coverage	15%	> 2.00x	2.00x ≥ n > 1.70x	1.70x ≥ n > 1.25x	1.25x ≥ n > 1.00x	1.00x ≥ n > 0.70x	1.9x	2	0.300
	Days Cash on Hand	15%	> 250 days	250 days ≥ n > 150 days	150 days ≥ n > 35 days	35 days ≥ n > 15 days	15 days ≥ n > 7 days	259 days	1	0.150
	Debt to Operating Revenues	10%	Less than 2.00x	2.00x < n ≤ 4.00x	4.00x < n ≤ 7.00x	7.00x < n ≤ 8.00x	8.00x < n ≤ 9.00x	5.2x	3	0.300
Management of System (20%)	Rate Management	10%	Excellent rate setting; no material political, practical, or regulatory limit to rate increases	Strong rate setting; little material political, practical, or regulatory limit to rate increases	Average rate setting; some material political, practical, or regulatory limit to rate increases	Adequate rate setting; political, practical, or regulatory impediments place material limits to rate increases	Below average rate setting; political, practical, or regulatory impediments place material limits to rate increases	Strong rate setting	1	0.100
	Regulatory Compliance and Capital Planning	10%	Fully compliant OR proactively addressing compliance issues; Maintains sophisticated and manageable Capital Improvement Plan that addresses more than a 10-year period	Actively addressing minor compliance issues; Maintains comprehensive and manageable 10-year Capital Improvement Plan	Moderate violations with adopted plan to address issues; Maintains manageable 5-year Capital Improvement Plan	Significant compliance violations with limited solutions adopted; Maintains single year Capital Improvement Plan	Not fully addressing compliance issues; Limited or weak capital planning	Addressing compliance Issues	1	0.100
Legal Provisions (10%)	Rate Covenant	5%	>1.30x	1.30x ≥ n > 1.20x	1.20x ≥ n > 1.10x	1.10x ≥ n > 1.00x	≤ 1.00x	1.20x	3	0.150
	Debt Service Reserve Requirement	5%	DSRF funded at MADS	DSRF funded at lesser of standard 3 prong test	DSRF funded at less than 3 prong test	No explicit DSRF	No explicit DSRF	1998 Reserve only	3	0.150
(Aaa = 0.50 to 1.50; Aa1 = 1.50 to 1.83; Aa2 = 1.83 to 2.17)										1.775

Source: Moody's US Municipal Utility Debt Methodology, October 19, 2017. Data from Series 2018 Moody's Report, updated where available.



Senior Lien Credit Rating History

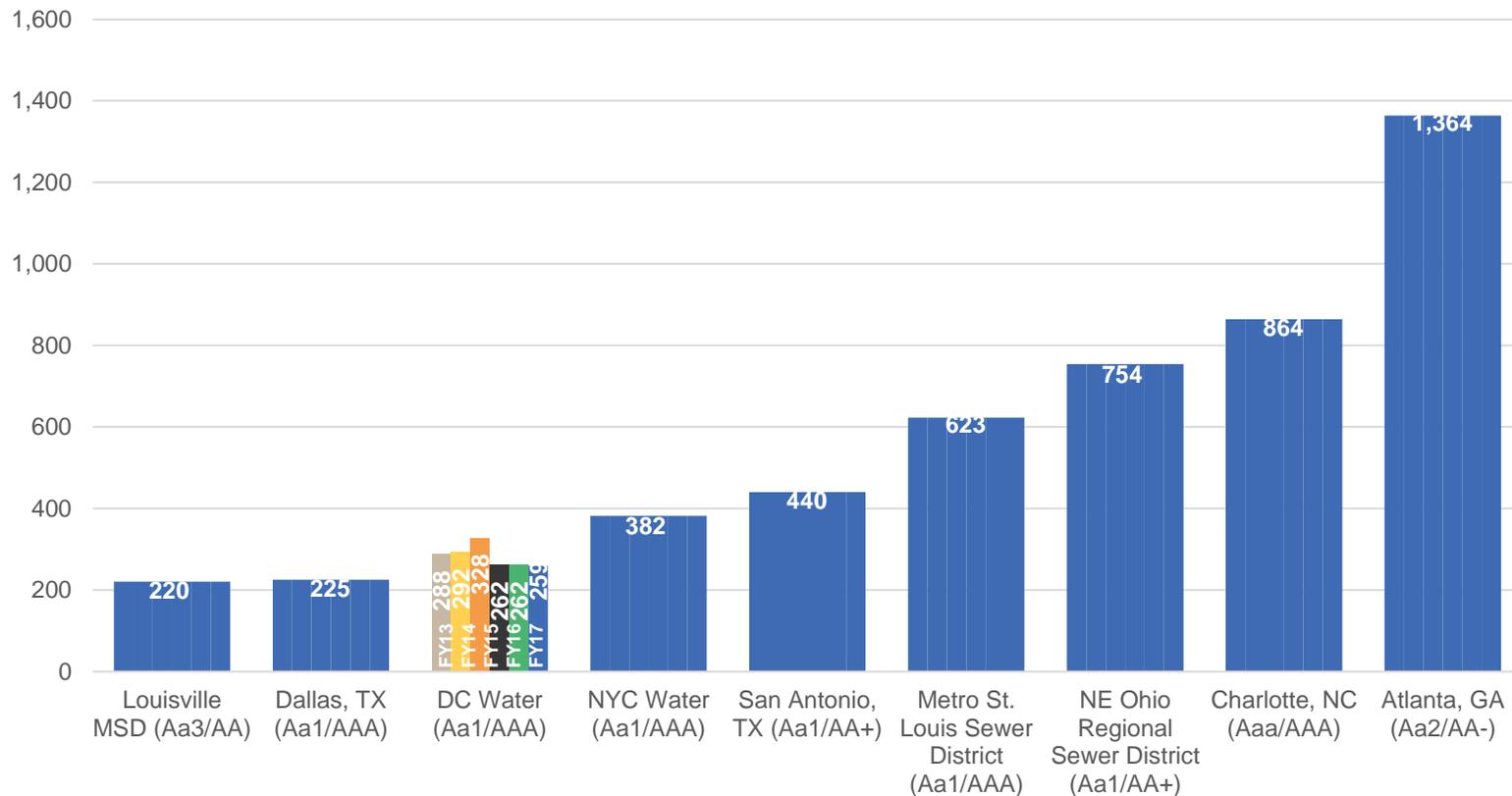
Senior Lien Ratings History (1998 – Present)





Days of Cash on Hand

- Days of cash on hand is an important measure of short and long term liquidity due to operational needs of an organization; DC Water typically exceeds 250 days of cash
- Current Board policy is to keep \$120 million, or 120 days of cash on hand, but to maintain current credit ratings, DC Water should keep 250+ days cash on hand
- All three scenarios hold Days of Cash on hand to 250 days





Days of Cash Calculation

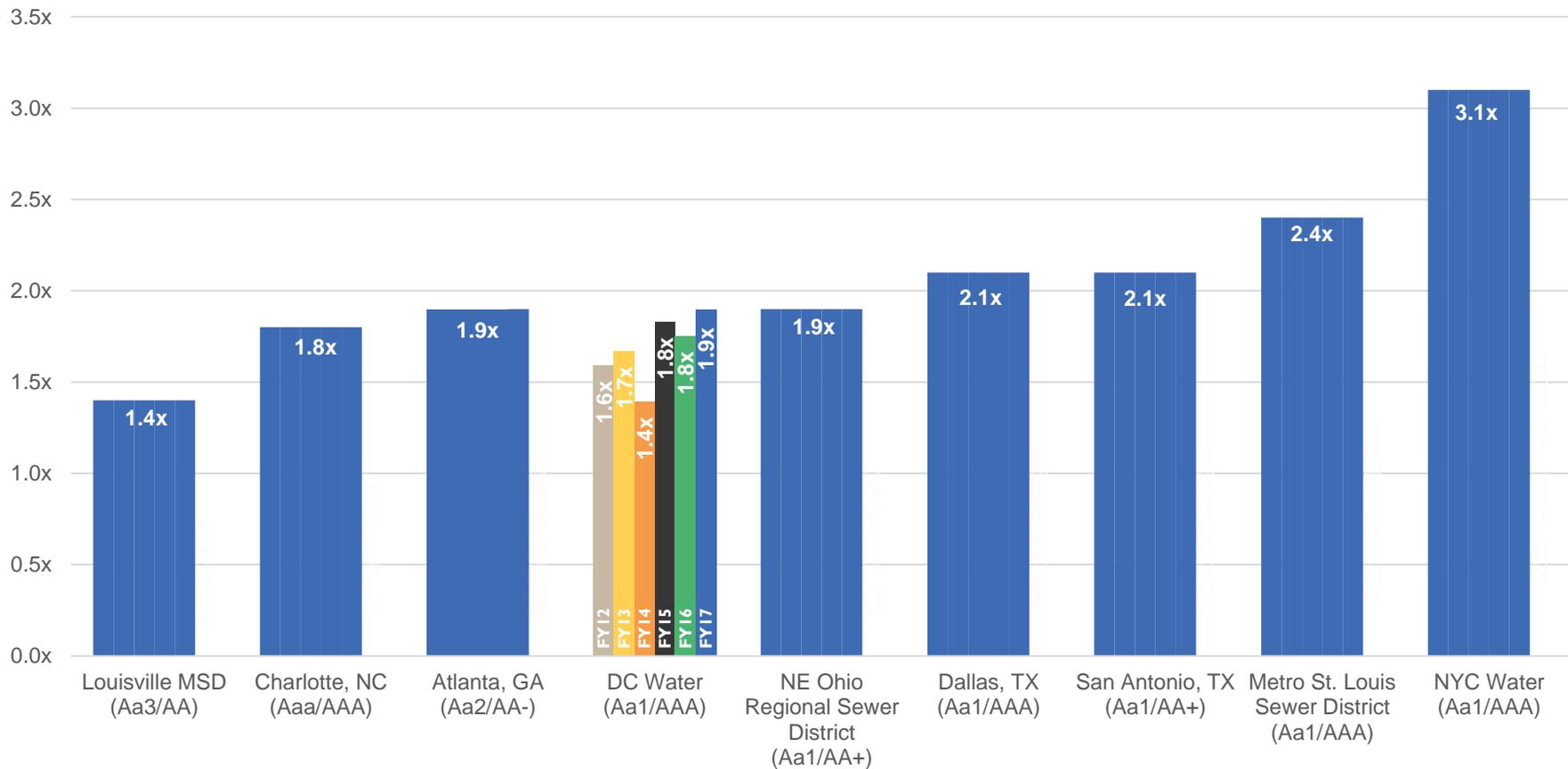
- DC Water is recognized by rating agencies for having over 250 days of cash
- Board Policy is 120 days-of-cash

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Operating and Maintenance	\$ 313,869,035	\$ 320,137,447	\$ 338,498,706	\$ 348,334,650	\$ 358,462,353	\$ 368,890,500	\$ 379,628,035
Less: PILOT, ROW & Stormwater	21,057,041	21,376,182	23,701,706	22,033,740	23,372,415	22,717,863	23,429,624
Net Operating and Maintenance	\$ 292,811,994	\$ 298,761,265	\$ 314,797,000	\$ 326,300,910	\$ 335,089,938	\$ 346,172,637	\$ 356,198,411
Daily Operating Expenditures	\$ 813,367	\$ 829,892	\$ 874,436	\$ 906,391	\$ 930,805	\$ 961,591	\$ 989,440
Ending Cash Balance	\$ 147,212,244	\$ 166,795,693	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000
Rate Stabilization Fund (RSF)	\$ 61,450,000	\$ 61,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000
Ending Cash Balance including RSF	208,662,244	228,245,693	195,450,000	195,450,000	195,450,000	195,450,000	195,450,000
Days Cash on Hand	257	276	223	216	210	204	198



Coverage

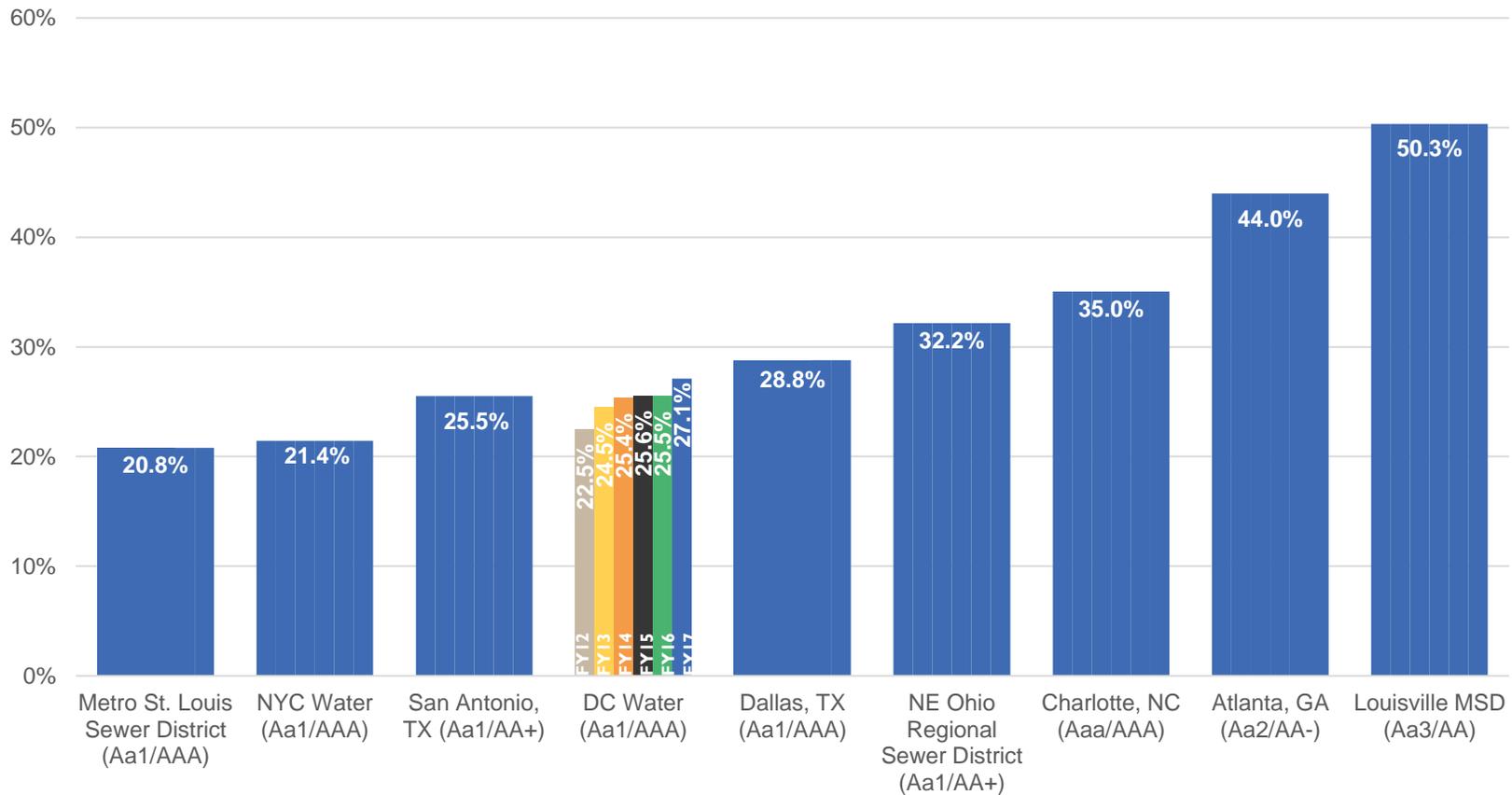
- Senior lien debt service coverage is typically at or above 3x each year, where management budgets combined coverage to achieve 1.6x - 1.7x
- Coverage for utilities with AAA rating range is typically from 1.8 to 3.1
- All three scenarios maintain combined coverage at 1.6x - 1.7x





Debt Service as Percent of Revenue

- Large capital program creates high leverage with projected rate increases for increasing annual debt service costs
- FY2019 budgeted debt service is 30.7% of revenues
- All three scenarios hold debt service as 33% of revenues, or less



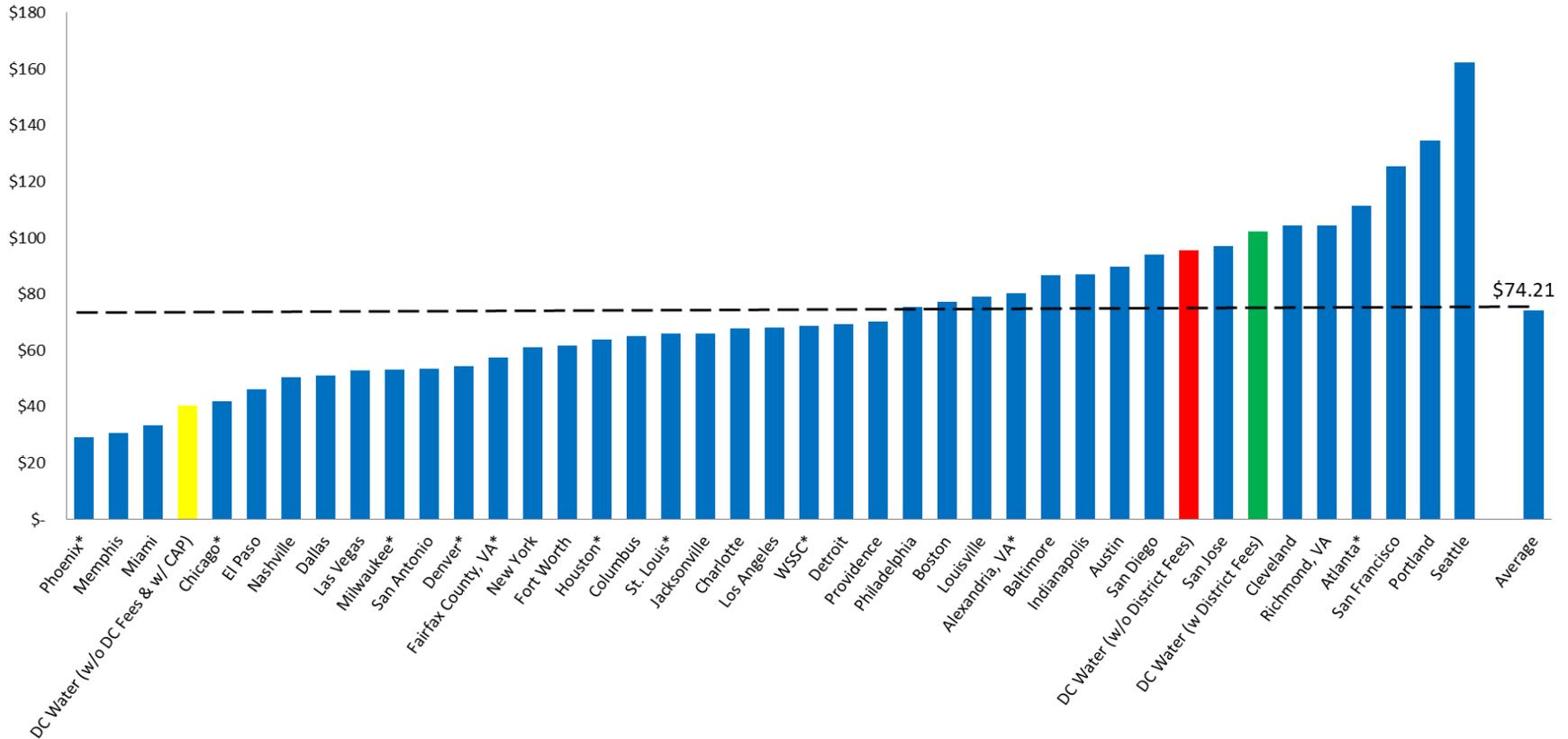


Other Financial Metrics

- PAYGO is the use of cash, rather than borrowing, for capital expenditures
 - Baseline - \$1.6 Billion
 - Modified Baseline - \$2.0 Billion
 - Asset Management - \$2.3 Billion
- New Borrowing
 - Baseline - \$1.3 Billion
 - Modified Baseline - \$ 1.8 Billion
 - Asset Management - \$ 2.6 Billion



DC Water Retail Rates Compared to Other Large Utilities

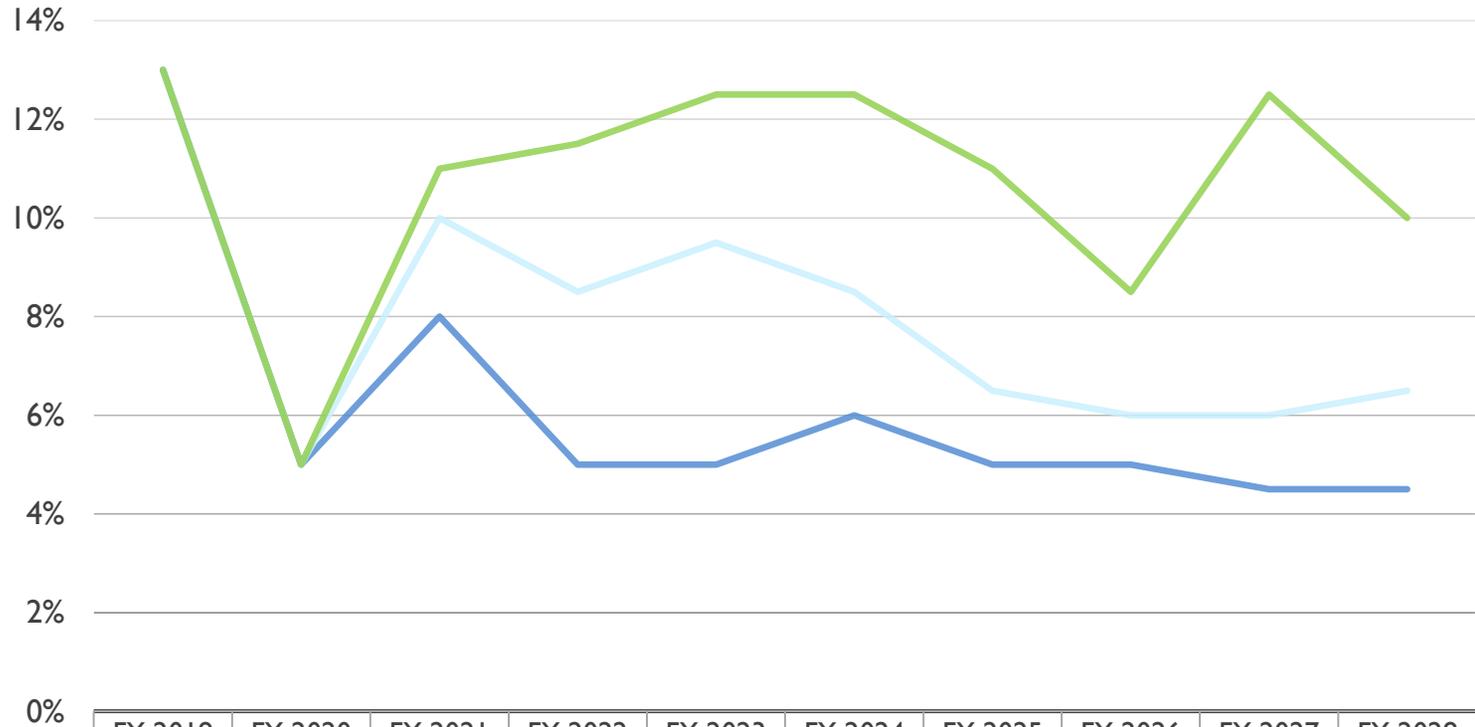


- (1) Assumes average residential consumption of 6.20 Ccf, or 4,638 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
- (2) Reflects rates and fees in place as of March 1, 2018. The Authority's rate includes the PILOT/ROW fee totaling \$0.67 per Ccf (effective October 1, 2017) and the DOEE residential stormwater rate of \$2.67 per ERU per month
- (3) 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
- (4) Based on rates in effect Spring 2018



Water and Sewer Rates

Water and Sewer rates will increase under all of the scenarios

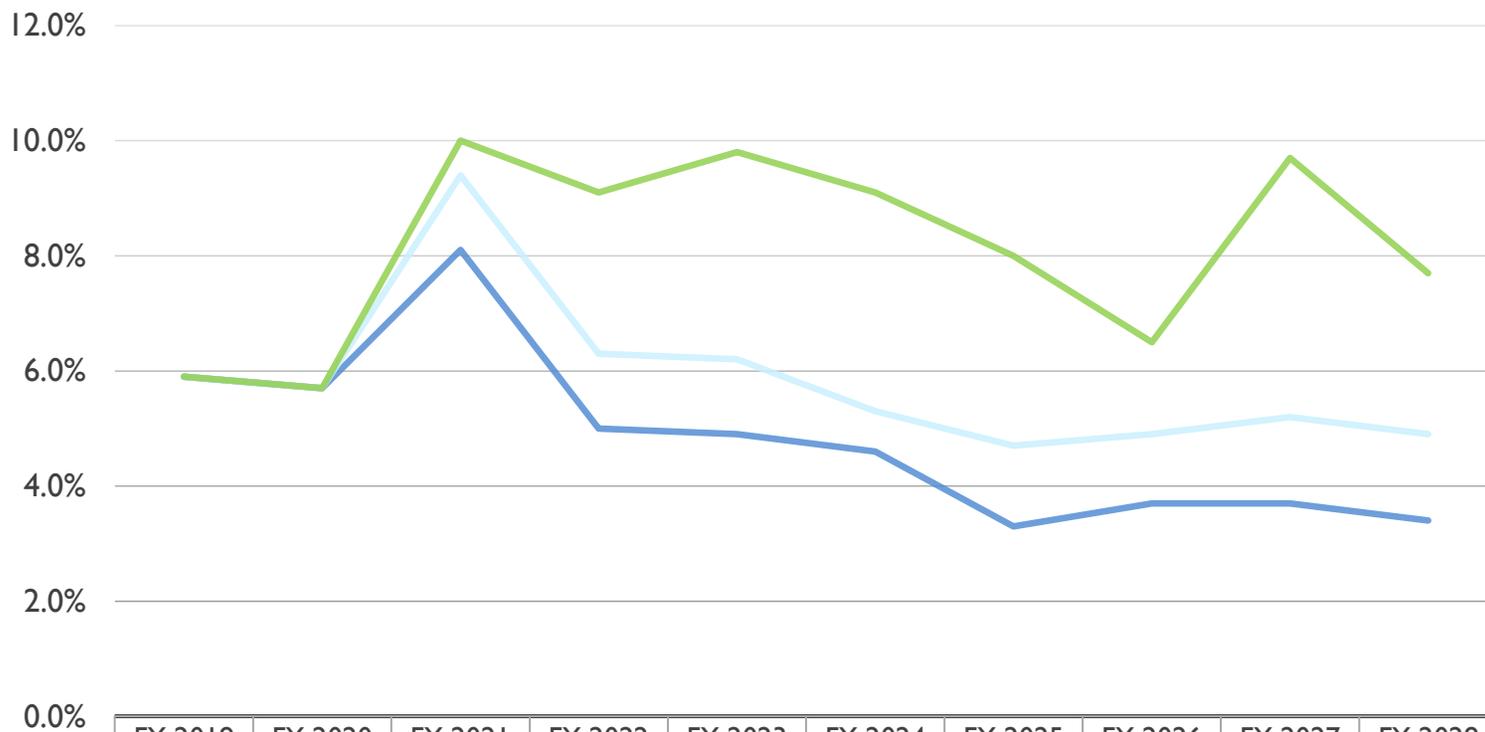


	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Baseline	13%	5%	8%	5%	5%	6%	5%	5%	5%	5%
Modified	13%	5%	10%	9%	10%	9%	7%	6%	6%	7%
Asset Management	13%	5%	11%	12%	13%	13%	11%	9%	13%	10%



Average Residential Customer Bill – Percentage Increases

Average residential customer bill percentage increases under all of the scenarios



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Baseline	5.9%	5.7%	8.1%	5.0%	4.9%	4.6%	3.3%	3.7%	3.7%	3.4%
Modified	5.9%	5.7%	9.4%	6.3%	6.2%	5.3%	4.7%	4.9%	5.2%	4.9%
Asset Management	5.9%	5.7%	10.0%	9.1%	9.8%	9.1%	8.0%	6.5%	9.7%	7.7%



Customer Bill Comparisons

	Average Residential 6.2 Ccf 1 ERU			Multi-family 92.6 Ccf 6.3 ERU			Commercial 114 Ccf 13.1 ERU			Average Residential Customer Bill as % of MHI -		
	Base Line	Mod	Asset Mgt	Base Line	Mod	Asset Mgt	Base Line	Mod	Asset Mgt	Base Line	Mod	Asset Mgt
Average Annual Rate Increase (water & sewer)	6.1%	7.9%	10.8%	6.1%	7.9%	10.8%	6.1%	7.9%	10.8%			
Average Bill FY 2019	\$108	\$108	\$108	\$1,303	\$1,303	\$1,303	\$1,850	\$1,850	\$1,850	1.5%	1.5%	1.5%
Average Bill FY 2023	\$136	\$145	\$151	\$1,633	\$1,757	\$1,851	\$2,331	\$2,495	\$2,617	1.6%	1.7%	1.7%
Average Bill FY 2028	\$164	\$185	\$224	\$2,017	\$2,328	\$2,915	\$2,848	\$3,262	\$4,025	1.6%	1.8%	2.1%



Retail Customer Impacts

Baseline (Proposed) \$4.0 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	8.0%	5.0%	5.0%	6.0%	5.0%	5.0%	4.5%	4.5%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.07	\$31.33	\$33.62	\$34.66	\$34.75	\$35.45	\$36.46	37.08
Avg. Customer Bill (\$)	\$108	\$114	\$124	\$130	\$136	\$143	\$147	\$153	\$158	\$164
Avg. Customer Bill (%)	5.9%	5.7%	8.1%	5.0%	4.9%	4.6%	3.3%	3.7%	3.7%	3.4%

Modified Baseline \$4.6 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	10.0%	8.5%	9.5%	8.5%	6.5%	6.0%	6.0%	6.5%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.03	\$31.28	\$33.57	\$34.66	\$34.84	\$35.73	\$36.97	\$37.64
Avg. Customer Bill (\$)	\$108	\$114	\$125	\$134	\$145	\$154	\$161	\$168	\$176	\$185
Avg. Customer Bill (%)	5.9%	5.7%	9.4%	6.3%	6.2%	5.3%	4.7%	4.9%	5.2%	4.9%

Asset Management \$5.1 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	11.0%	11.5%	12.0%	12.5%	11.5%	8.5%	12.5%	10.0%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.03	\$31.28	\$33.57	\$34.66	\$34.84	\$35.73	\$36.97	\$37.64
Avg. Customer Bill (\$)	\$108	\$114	\$126	\$137	\$151	\$165	\$178	\$189	\$208	\$224
Avg. Customer Bill (%)	5.9%	5.7%	10.0%	9.1%	9.8%	9.1%	8.0%	6.5%	9.7%	7.7%

Assumes: Average monthly consumption of 6.2 Ccf and 1ERU



Multi-family Customer Impacts

Baseline (Proposed) \$4.0 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	8.0%	5.0%	5.0%	6.0%	5.0%	5.0%	4.5%	4.5%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.07	\$31.33	\$33.62	\$34.66	\$34.75	\$35.45	\$36.46	\$37.08
Avg. Multi-family Bill (\$)	\$1,303	\$1,373	\$1,482	\$1,556	\$1,633	\$1,707	\$1,776	\$1,852	\$1,934	\$2,017
Avg. Multi-family Bill (%)	9.2%	5.4%	7.9%	5.0%	5.0%	4.5%	4.0%	4.3%	4.4%	4.3%

Modified Baseline \$4.6 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	10.0%	8.5%	9.5%	8.5%	6.5%	6.0%	6.0%	6.5%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.03	\$31.28	\$33.57	\$34.66	\$34.84	\$35.73	\$36.97	\$37.64
Avg. Multi-family Bill (\$)	\$1,303	\$1,373	\$1,503	\$1,619	\$1,756	\$1,884	\$1,987	\$2,091	\$2,204	\$2,328
Avg. Multi-family Bill (%)	9.2%	5.4%	9.5%	7.7%	8.5%	7.3%	5.4%	5.3%	5.4%	5.7%

Asset Mgt. Ramp-up \$5.1 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	11.0%	11.5%	12.0%	12.5%	11.5%	8.5%	12.5%	10.0%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.03	\$31.28	\$33.57	\$34.66	\$34.84	\$35.73	\$36.97	\$37.64
Avg. Multi-family Bill (\$)	\$1,303	\$1,373	\$1,515	\$1,668	\$1,851	\$2,048	\$2,246	\$2,413	\$2,679	\$2,915
Avg. Multi-family Bill (%)	9.2%	5.4%	10.4%	10.1%	11.0%	10.7%	9.6%	7.5%	11.0%	8.8%

Assumes: Average monthly consumption of 92.6 Ccf and 6.3 ERU



Commercial Customer Impacts

Baseline (Proposed) \$4.0 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	8.0%	5.0%	5.0%	6.0%	5.0%	5.0%	4.5%	4.5%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.07	\$31.33	\$33.62	\$34.66	\$34.75	\$35.45	\$36.46	\$37.08
Avg. Commercial Bill (\$)	\$1,850	\$1,954	\$2,113	\$2,220	\$2,331	\$2,448	\$2,539	\$2,643	\$2,746	\$2,848
Avg. Commercial Bill (%)	7.7%	5.6%	8.2%	5.1%	5.0%	5.0%	3.7%	4.1%	3.9%	3.7%

Modified Baseline \$4.6 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	10.0%	8.5%	9.5%	8.5%	6.5%	6.0%	6.0%	6.5%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.03	\$31.28	\$33.57	\$34.66	\$34.84	\$35.73	\$36.97	\$37.64
Avg. Commercial Bill (\$)	\$1,850	\$1,954	\$2,141	\$2,304	\$2,495	\$2,668	\$2,801	\$2,943	\$3,096	\$3,262
Avg. Commercial Bill (%)	7.7%	5.6%	9.6%	7.6%	8.3%	6.9%	5.0%	5.1%	5.2%	5.4%

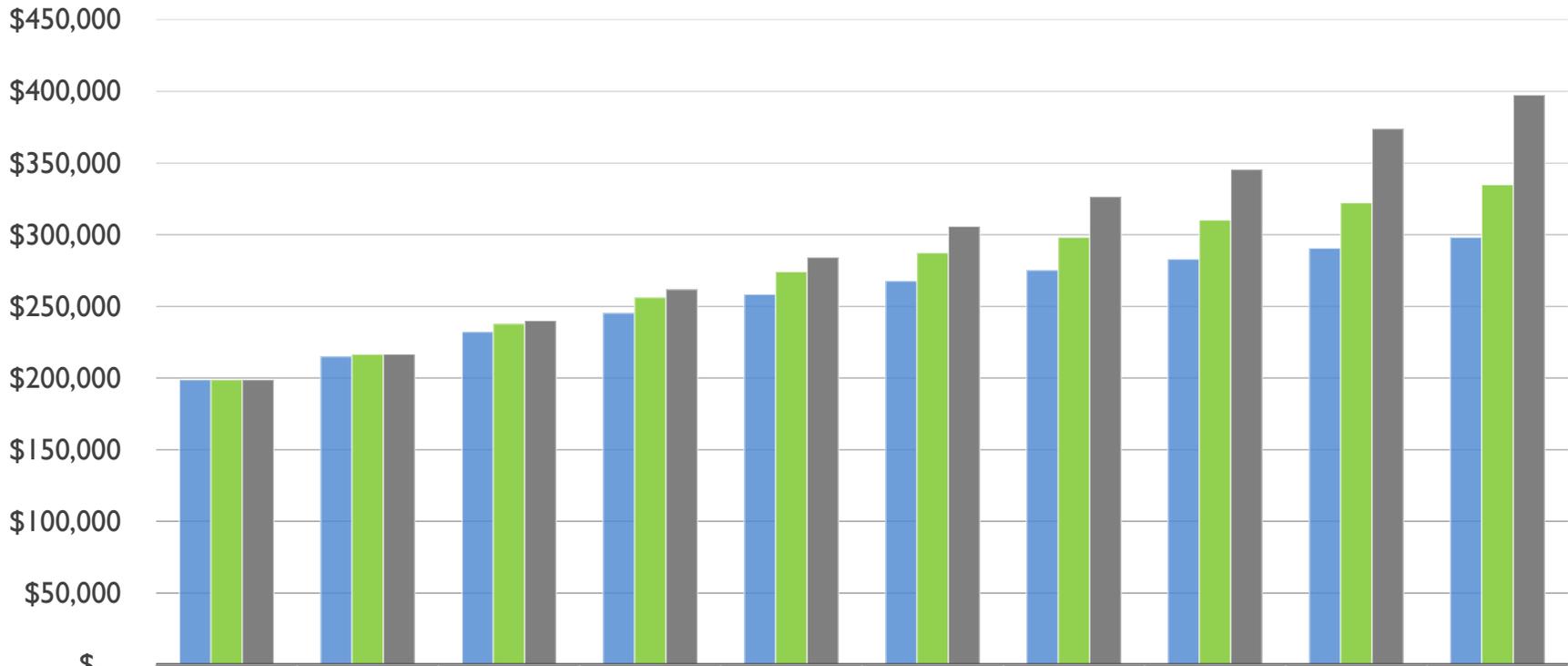
Asset Mgt. Ramp-up \$5.1 Billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water & Sewer Rate (%)	13.0%	5.0%	11.0%	11.5%	12.0%	12.5%	11.5%	8.5%	12.5%	10.0%
CRIAC (\$/ERU)	\$23.00	\$25.58	\$29.03	\$31.28	\$33.57	\$34.66	\$34.84	\$35.73	\$36.97	\$37.64
Avg. Commercial Bill (\$)	\$1,850	\$1,954	\$2,156	\$2,367	\$2,617	\$2,859	\$3,115	\$3,360	\$3,713	\$4,025
Avg. Commercial Bill (%)	7.7%	5.6%	10.4%	9.8%	10.6%	9.3%	8.9%	7.9%	10.5%	8.4%

Assumes: Average monthly consumption of 114 Ccf and 13.1ERU



Debt Service Cost Impacts

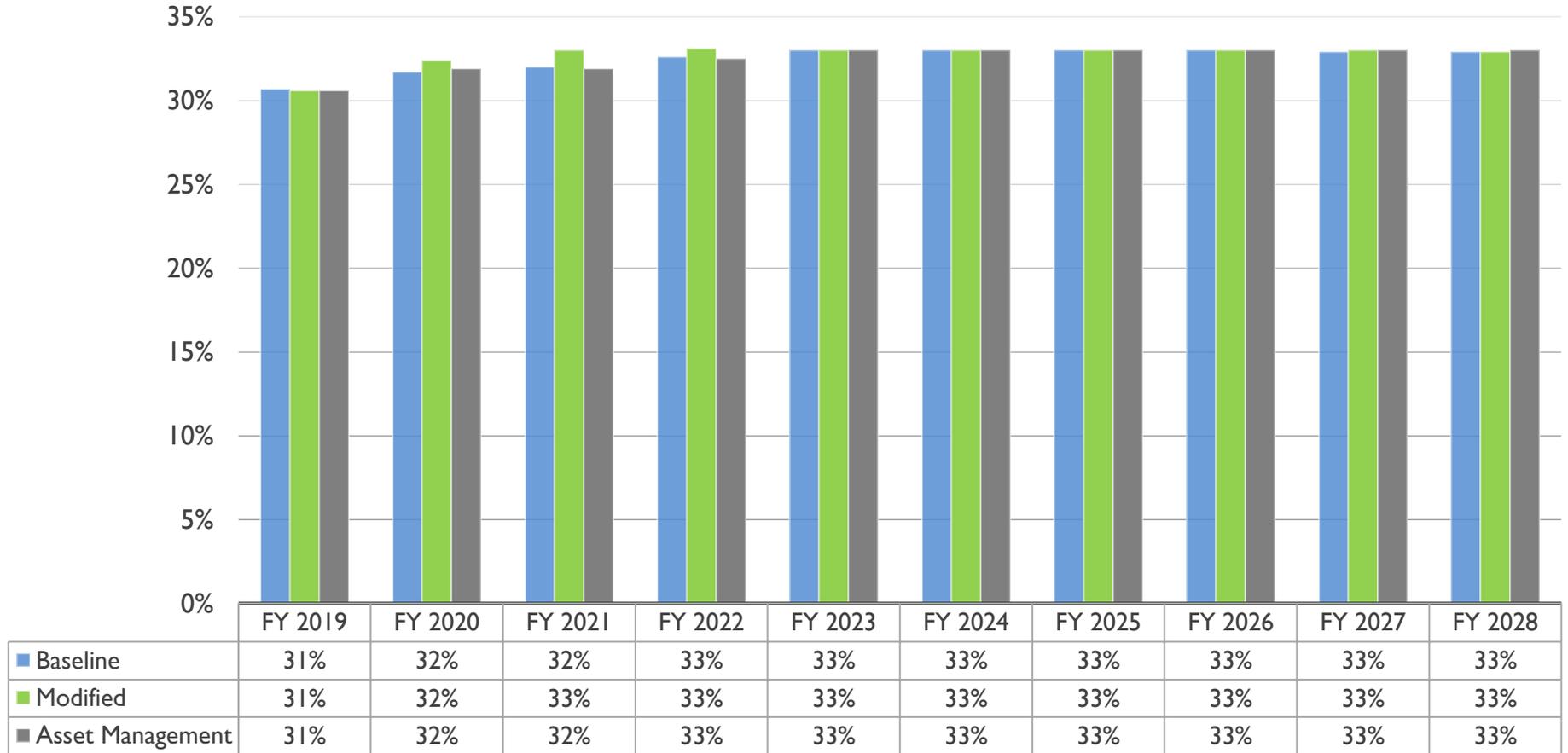
Under the Asset Management Plan, annual debt service costs will be close to \$400 million by 2028



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
■ Baseline	\$198,754	\$215,098	\$232,248	\$245,392	\$258,411	\$267,735	\$275,138	\$282,936	\$290,737	\$298,148
■ Modified	\$198,754	\$216,476	\$237,888	\$256,268	\$274,159	\$287,302	\$298,114	\$310,158	\$322,448	\$334,833
■ Asset Management	\$198,754	\$216,848	\$240,229	\$261,910	\$284,111	\$305,874	\$326,576	\$345,614	\$373,926	\$397,522

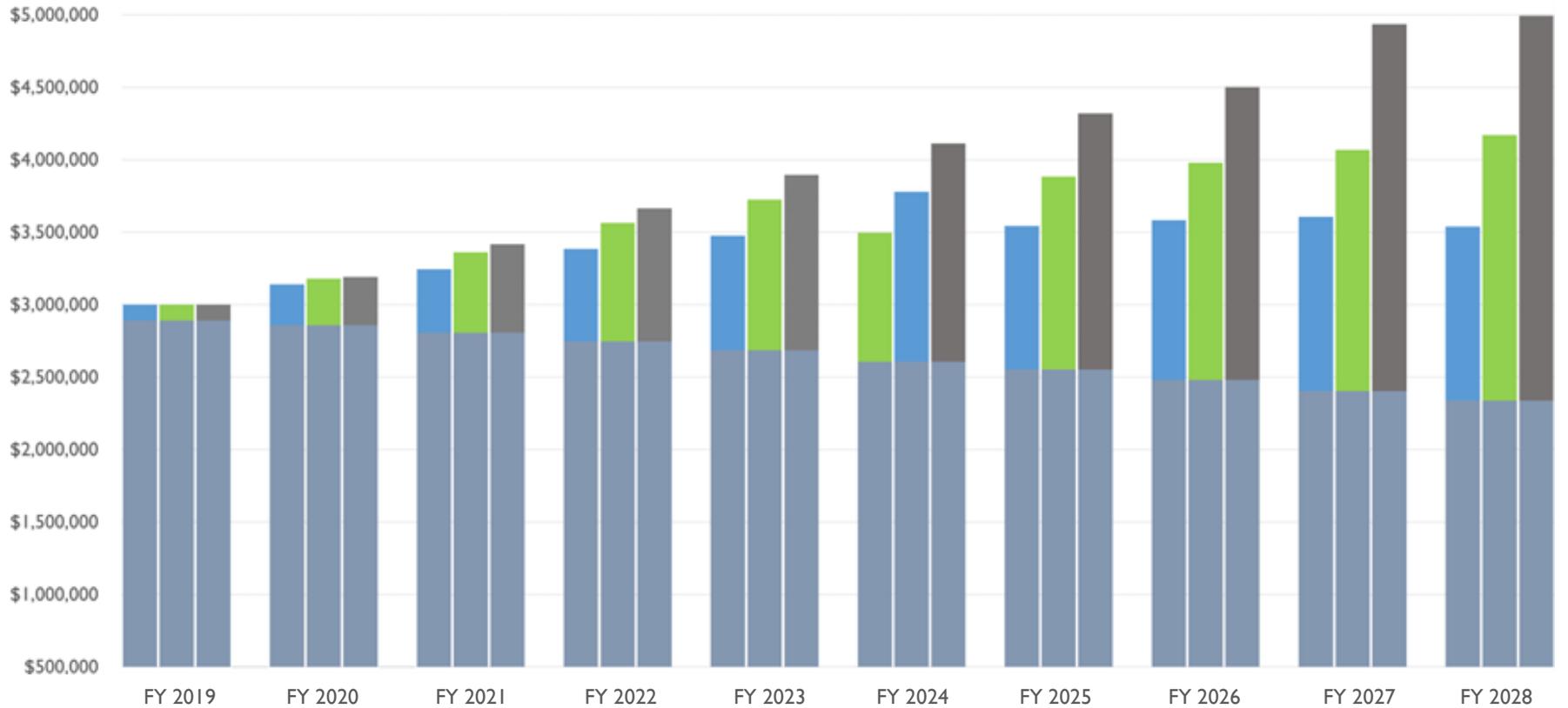


Debt Service % of Revenue





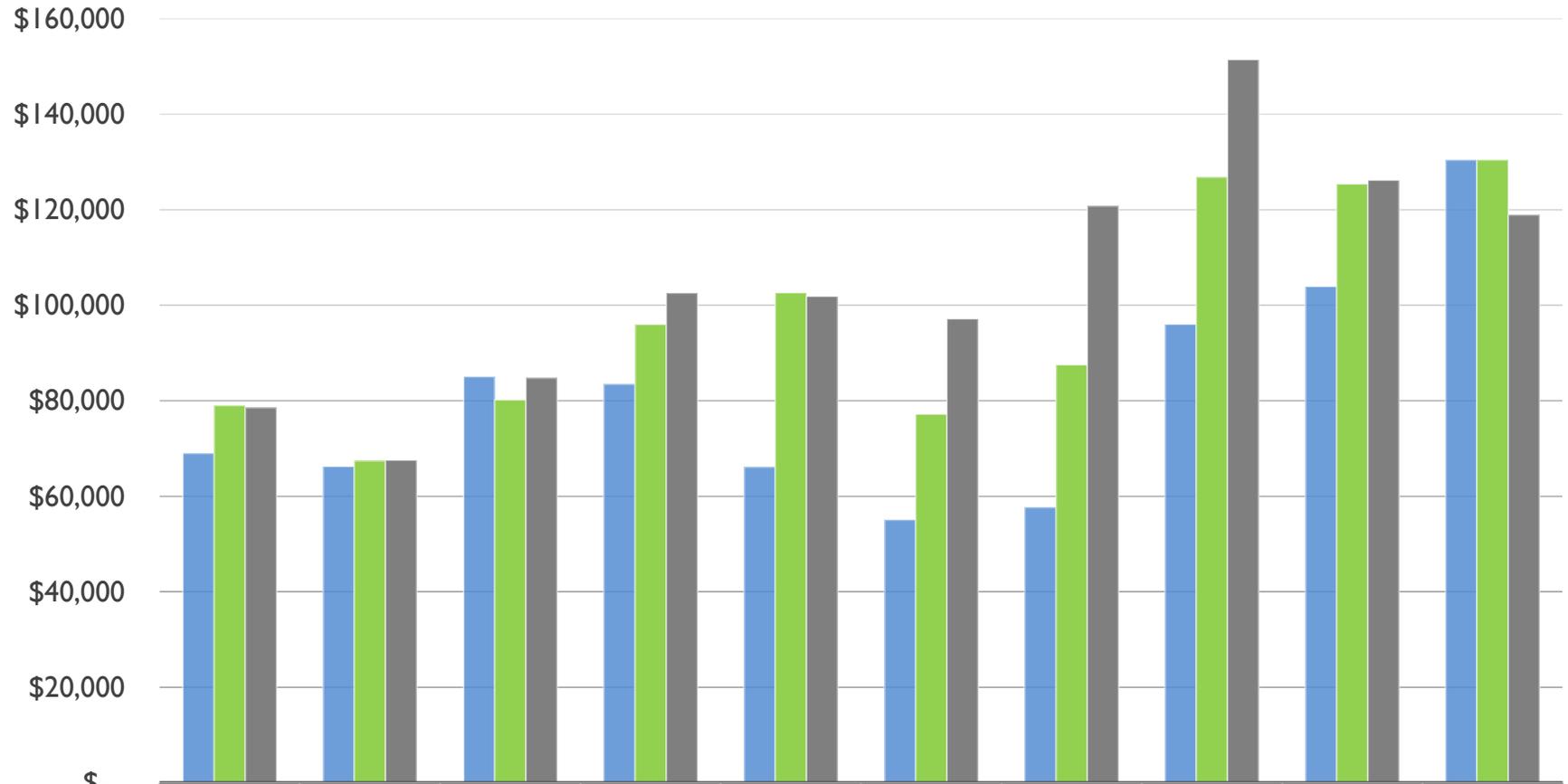
Debt Outstanding – Existing vs. Projected



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Existing Debt	\$2,890,445	\$2,857,315	\$2,805,995	\$2,745,955	\$2,685,340	\$2,605,625	\$2,552,680	\$2,481,520	\$2,404,340	\$2,338,255
Baseline	\$110,000	\$283,819	\$439,878	\$639,166	\$790,868	\$890,868	\$990,868	\$1,101,369	\$1,201,369	\$1,201,369
Modified Baseline	\$110,000	\$323,182	\$557,034	\$819,733	\$1,039,416	\$1,174,415	\$1,331,378	\$1,499,437	\$1,662,951	\$1,833,577
Asset Management	\$110,000	\$333,799	\$610,725	\$919,391	\$1,209,352	\$1,506,557	\$1,768,028	\$2,020,197	\$2,531,701	\$2,656,701



Wholesale Customer Revenue/Impacts



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Baseline	\$69,007	\$66,263	\$85,059	\$83,471	\$66,147	\$55,086	\$57,663	\$96,061	\$103,958	\$130,451
Modified	79,007	67,442	80,222	95,957	102,614	77,209	87,524	126,849	125,430	130,451
Asset Management	78,543	67,577	84,818	102,600	101,916	97,161	120,802	151,435	126,207	118,936



Public Outreach/Customer Engagement

DC Water is committed to our community

- Our water and sewer infrastructure has served us well for 100-plus years but is showing its age. We need to ensure it remains in good condition
- Over the next 10 years DC Water will invest more than \$4 billion in its utility systems to meet federal environmental mandates and to ensure safety and reliability
- While these investments will require rate increases, they will create hundreds of jobs, boost the local economy and provide quality of life benefits for residents
- We are already seeing significant economic development and activity along the Anacostia River as a result of better water quality



Public Outreach/Customer Engagement

Strategy

- Highlight what DC Water has done to benefit residents, create jobs and enhance economic development
- Be honest about consequences of not investing adequately in water and sewer systems
- Arm customers with information on what they can do to help keep their bills low and help the environment
- Use tiered communications that begins with messaging to closest stakeholders, such as the Stakeholders Alliance group, and work outwardly through key audiences to build support
- When appropriate, initiate face-to-face contact with customers and community members to provide updates, gain public input and deliver key messages
- Generate productive earned media coverage
- Develop compelling electronic and printed tools to reinforce key messages and refute opposition
- Utilize online content, advertising and social media to deliver key information and messages to connect with customers and the public



Budget Adoption Calendar

- 💧 CEO & Executive Team Budget Recommendations – **January**
- 💧 Committee Reviews, Recommendations – **January/February**
- 💧 Wholesale Customer Briefing – **January**
- 💧 Budget Adoption – **March**



Discussion



Appendix

Attachment C

FY 2019 Proposed RRC Committee Workplan

Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
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1. Propose and Establish Retail Rates for FY 2020			
a. FY 2020 Budget presentation to Board	February 7, 2019		Chief Financial Officer
b. FY 2020 Proposed Rates, Charges & Fees presented to RRC	February 26, 2019		Rates and Revenue
c. RRC recommendation on proposed FY 2020 rates	March 26, 2019		Rates and Revenue
d. Board approves proposed FY 2020 rates	April 4, 2019		
e. Publish Proposed Rates and Fees in <i>D.C. Register</i>	April 19, 2019		General Counsel
f. Public Comment and Outreach	April 19 – May 20, 2019		External Affairs
g. Public Hearing	May XX, 2019		
h. Public Hearing Record Closes	May 20, 2019		Board Secretary
i. RRC final recommendation to approve FY 2020 rates	June 25, 2019		Rates and Revenue
j. Board approves FY 2020 rates	July 3, 2019		
k. Publish Final Rates and Fees in <i>D.C. Register</i>	July 26, 2019		General Counsel
l. Rates Go-Live	October 1, 2019 (FY 2020)		Rates and Revenue and Customer Service

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

Attachment C

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

Attachment C

FY 2019 Proposed RRC Committee Workplan			
Objective/ <i>Activities</i> /Task	Date of Activity	Completed	Responsible Department
4. Establish CAP2 Program and Rules to Implement District CAP3 and CRIAC Nonprofit Relief Programs to Mitigate Impacts of DC Water Rates, Fees and Charges on Low-Income Residents Currently not Eligible for CAP and District of Columbia Identified Customers, (Continued)			
12) Special RRC meeting to recommend final CAP2 Program and rules implementing District CAP3 Program and reserve action on CRIAC Nonprofit Relief Program	November 29, 2018	√	Rates & Revenue
13) Board approval of CAP2 Program and rules implementing District CAP3 Program	December 6, 2018		
14) Publish final NOFR for CAP2 Program and rules implementing District CAP3 Program	December 21, 2018		General Counsel
15) Go-Live	January 1, 2019		Rates and Revenue and Customer Service
16) RRC meeting to recommend final action on rules implementing District CRIAC Nonprofit Relief Program	January 22, 2019		
17) Board approval of rules implementing District CRIAC Nonprofit Relief Program	February 7, 2019		
18) Publish final NOFR for rules implementing District CRIAC Nonprofit Relief Program	February 22, 2019		General Counsel
19) Go-Live	March 1, 2019		Rates and Revenue and Customer Service

Attachment C

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
5. 2018 Cost of Service Miscellaneous Fees and Charges			
a. <i>RRC COS Update and Recommendation on Proposed Amendments to Miscellaneous Fees & Charges</i>	October 23, 2018	√	Rates & Revenue
b. <i>Board Approval of Notice of Proposed Rulemaking (NOPR) for Miscellaneous Fees & Charges</i>	November 1, 2018	√	
c. <i>Publish NOPR in DC Register</i>	November 23, 2018	√	General Counsel
d. <i>Public Comment period</i>	November 23 – December 24, 2018	√	Board Secretary
e. <i>RRC Final Recommendation to Approve Amendments for Miscellaneous Fees & Charges</i>	January 22, 2019		Rates & Revenue
f. <i>Board Approval of Notice of Final Rulemaking (NOFR)</i>	February 7, 2019		
g. <i>Publish NOFR in DC Register</i>	February 22, 2019		General Counsel
h. <i>Miscellaneous Fees & Charges Go-Live</i>	February 22, 2019 (FY 2019)		Rates and Revenue/ Customer Service
6. Retail Groundwater Sewer Rate Ratemaking			
a. <i>RRC Update and Recommendation on Proposed Retail Groundwater Sewer Rate</i>	October 23, 2018	√	Rates & Revenue
b. <i>Board Approval of Proposed Notice of Proposed Rulemaking for Retail Groundwater Sewer Rate</i>	November 1, 2018	√	
c. <i>Publish Notice of Proposed Rulemaking (NOPR) in DC Register</i>	November 16, 2018	√	General Counsel
d. <i>Public Comment period</i>	November 16 – December 17, 2018	√	External Affairs
e. <i>Public Hearing</i>	May XX, 2019		Board Secretary
f. <i>RRC Final Recommendation to Approve Amendments for Retail Groundwater Sewer Rate</i>	June 25, 2019		Rates & Revenue
g. <i>Board Approval of Notice of Final Rulemaking (NOFR)</i>	July 3, 2019		
h. <i>Publish NOFR in DC Register</i>	July 26, 2019		General Counsel
i. <i>Retail Groundwater Sewer Charge Go-live</i>	October 1, 2019 (FY 2020)		Rates and Revenue/ Customer Service

Attachment C

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
7. 2019 Potomac Interceptor Cost of Service Study			
a. <i>2019 Potomac Interceptor Cost of Service Study (FY 2020 – FY 2022 rates are proposed)</i>	April 23, 2019		Rates & Revenue
8. Path to Achieve Asset Management			
a. <i>Path to Achieve Asset Management Update</i>	October 23, 2018 December 6, 2018	√	Rates & Revenue
9. FY2020 Budget Considerations			
a. <i>FY2020 Budget Considerations</i>	December 6, 2018		Rates & Revenue
10. Cost of Service Studies			
a. <i>Cost of Service Studies Update</i>	TBD		Rates & Revenue

* Dates subject to change



Attachment D

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

**Tuesday, January 22, 2019; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for February 26, 2019 Committee Meeting	Committee Chairman
Other Business	Chief Financial Officer
Adjournment	

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