



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

*DC Retail Water and Sewer Rates Committee*

*Tuesday, October 23, 2018*

9:30am

- 1. **Call to Order** ..... **Rachna Bhatt, Chairperson**
- 2. **Miscellaneous Fees & Charges Cost of Service Study Update** (Attachment A) ....**Matthew Brown**
- 3. **Action Item** (Attachment B) .....**Matthew Brown**
  - **Approval of Proposal to Amend the Miscellaneous Charges & Fees (Action Item 1)**
  - **Approval of Proposal to Amend the Ground Water Sewer Retail Rate (Action Item 2)**
- 4. **CAP Expansion Implementation Update** (Attachment C) .....**Matthew Brown**
- 5. **FY19–28 Capital Improvement Program** (Attachment D) .....**Matthew Brown  
Leonard Benson**
- 6. **DC Retail Water and Sewer Rates Committee Workplan** .....**Matthew Brown**
  - **FY 2019 Proposed DC Retail Rates Committee Workplan (Attachment E)**
- 7. **Agenda for November 13, 2018 Committee Meeting** (Attachment F).**Rachna Bhatt, Chairperson**
- 8. **Other Business** .....**Matthew Brown**
- 9. **Executive Session\***
- 10. **Adjournment**

**FOLLOW-UP-ITEMS – DC Retail Water and Sewer Rates Committee Meeting (September 25, 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.



# DC WATER

## *Miscellaneous Fees and Charges*

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***2018 Miscellaneous Rates Study***

Study Results | October 23, 2018

# Agenda

- Objectives
- New Fees: Fats, Oils and Grease (FOG) and Backflow Preventer Fees
- Updated Fees:
  - Retail Customer Fees and Charges
  - Permitting Review Fees and Charges
  - Additional Fees and Charges

# OBJECTIVES

# Study Objectives

Conduct a comprehensive review of the  
Miscellaneous Fees and Charges

## Study Tasks

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

# NEW FEES

# New Fees and Methodology

- New Fees:
  - Fats, Oil and Grease (FOG) Inspection:
    - » program enforces installation and maintenance of FOG abatement systems as required by the plumbing code
    - » Fee assessed to Food Service Establishments; such as restaurants, bars, cafeterias, private clubs, etc.
  - Cross Connection (CC) / Backflow Prevention (BFP) Inspection:
    - » program enforces installation and maintenance of backflow prevention assemblies as required by plumbing code
    - » Fee assessed to sites with known backflow prevention assemblies
- “Bottom Up” approach to COS fee development

# FOG Inspection

## FOG Inspection - Costs include:

- Personnel
  - 3 specialists completing FOG inspections
  - 1 analyst supporting specialists
  - 1 indirect personnel supporting program
- Materials (Equipment and Vehicles)
  - Annual expenses
  - Amortized expenses over 5 years (vehicles)
- Training
- Billing system update
- Certification tracking software



# FOG Cost of Service Analysis

Cost Drivers	Annual Cost
Personnel	\$ 536,429
Materials	65,700
Training	10,000
Billing System	10,000
Certification Program	80,000
Total Annual Costs	\$ 702,129
Number of FOG Participants	4,700
Annual Cost per FOG Participant	\$ 151

# Backflow Prevention Inspection

## Backflow Prevention Inspection - Costs Include:

- Personnel
  - 3 specialists conducting site inspections for backflow preventers
  - 1 analyst supporting specialists
  - 1 indirect personnel supporting program
- Materials (equipment and vehicles)
  - Annual expenses
  - Amortized expenses over 5 years (vehicles)
- Training
- Billing system
- Tracking software

# CC/BFP Cost of Service Analysis

Cost Drivers	Annual Cost
Personnel	\$ 536,429
Materials	58,200
Training	10,000
Billing System with Tracking Portal	130,000
Total Annual Costs	\$ 734,629
Number of CC/BFP Assemblies	11,088
Annual Cost per CC/BFP Assembly	\$ 66

# New Monthly Fees Summary

## Proposed Monthly Fees:

FOG Inspection Fee	Monthly Fee
Monthly Cost (Annual Cost \$151)	\$ 12.50
Monthly Billing Cost	\$ 1.20
<b>Total FOG Monthly Fee per Customer</b>	<b>\$ 13.70</b>

CC / BFP Inspection Fee	Monthly Fee
Monthly Cost (Annual Cost \$66)	\$ 5.50
Monthly Billing Cost	\$ 1.20
<b>Total CC/BFP Monthly Fee per Assembly</b>	<b>\$ 6.70</b>

# Revenue Impact

Monthly Fees designed to recover cost of service, includes billing services, for FOG and CC/BFP inspection services provided.

## **FOG Inspection:**

- Number of Participants: 4,700
- Anticipated Annual Revenue: \$775,000

## **Cross Connection / Backflow Prevention Inspection:**

- Number of Assemblies: 11,088
- Anticipated Annual Revenue: \$900,000

# UPDATE EXISTING CUSTOMER FEES

# Methodology Behind Retail Fees

- Last updated in 2011
- Retail Customer Fees were mostly not changed
- Cross-connection violation charges added
  - Policy, not cost of service, driven
- Other fee increases reflect 30% inflationary increase for personnel costs from 2011-19
- Some fees are being realigned to better reflect how services are provided
- Utilities strive to keep retail fees in line with the cost of providing service
- Utilizing best industry practices and peer benchmarks

# Customer Fees Revenue Impact

- Miscellaneous Service Fees are being increased to account for an overall increase in cost of service
- The overall revenue impact is de minimus but it is important to reflect as fees have not been updated since 2011, whereas personnel and other costs have increased
- Overall revenue contribution of Customer Fees is about \$1.2 million annually



# Engineering Review Fees

# Engineering Review Fees

## Proposed:

- Total target revenue recovery of \$4.0 million
  - Up from approximately \$1.8 million for FY 2018
- Increase in revenue requirement is for additional resources required to:
  - Address increasing number of demands from customers and sister agencies (i.e. ProjectDox and TOPS)
  - Account for inflation
- “Top down” methodology for fee development

# Engineering Review Fees Methodology

- Each Review Category is allocated a percentage of the \$4.0 million in revenue requirements
  - Each fee is allocated a weighting factor based on time required to provide service
  - Weighting is used to determine equivalent units and calculate final fee based on unit cost
- Scaling factor for expedited service
  - Expedited reviews increase about 175% for every class
  - Provides a consistent standard-to-expedited relationship across all review fees
- There is no cross subsidization among fees

# ADDITIONAL FEES

# Event Fee Approach

- DC Water provides specialized services for events
- To determine an appropriate Event Fee, the fee will be the summation of personnel time and cost of rental equipment

# Additional Fees

- Potable water fee-phased out and new event fees proposed
- Pre-Treatment Fees – Treatment of discharged high strength waste (approved 10/17)
- High Strength Waste Fees – Treatment of hauled high strength waste (approved 10/17)
- Industrial Permitting Fees – Permitting for categorical dischargers (updated, approved 2012)
- Groundwater Sewer Charge – Discharge of groundwater from construction (updated as part of 2018 COS Study)
- Some of the existing Miscellaneous Fees realigned to cover costs

THANK  
YOU

**MSRB REGISTERED MUNICIPAL ADVISOR:** RFC is a Registered Municipal Advisor with the MSRB and SEC under the Dodd-Frank Act and is fully qualified and capable of providing advice related to all aspects of utility financial and capital planning, including the size, timing, and terms of future debt issues. Any opinion, information, or recommendation included in this presentation, related to the size, timing, and terms of a future debt issue may be relied upon only for its intended purpose. This information is not intended as a recommendation to undertake a specific course of action related to the issuance of debt, or to indicate that a particular set of assumptions for the size, timing and terms of issuing debt will be available at the time debt is actually issued.



RAFTELIS

# Appendix 1

# UPDATE EXISTING CUSTOMER FEES



# Retail Customer Fees

Fee Name	Existing	Proposed	
Customer Bad Check Fee <sup>(1)</sup>	\$25	\$25	
Declined Credit Card Fee <sup>(1)</sup>	\$35	\$35	
Customer Penalty Late Fee <sup>(2)</sup>	10% + 1% per month of Balance due	10% + 1% per month of Balance due	
Initiation Fee (previously named Turn on fee) <sup>(1)</sup>	\$50	\$50	
Turn Off Charges for Non-Payment <sup>(1)</sup>	\$50	\$50	
Reconnection Fee (previously named Turn on Fee) <sup>(1)</sup>	\$50	\$50	
Broken By-Pass Seal <sup>(1)</sup>	\$700	\$700	
Unauthorized Turn On <sup>(1)</sup>	\$245	\$245	
Second Water Audit within 24 months	\$125	\$125	
Manual Read (convenience charge for meter read)	\$0	\$20/month	New

1. No change to existing fees
2. Recommended based on peer comparison (WSSC, Philadelphia, Atlanta)

# Turn-Off Charges for Cross Connection Violation

Fee Name	Existing	Proposed	
Cross-Connection Turn-off 5/8" to 2"	\$0	\$200	New
Cross-Connection Turn-off 3" to 5"	\$0	\$400	New
Cross-Connection Turn-off 6" and larger	\$0	\$900	New

- The cross connection violation charge occurs when the cross-connection relationship is violated
- The charge serves as a deterrent to help prevent violations

# Water Taps and Connections Installation

Fee Name	Existing	Proposed <sup>(1)</sup>
1 Inch Tap Insertion	\$325	\$425
1.5 Inch Tap Insertion	\$380	\$500
2 Inch Tap Insertion	\$415	\$540
Water Tap Abandonment (2" or less diameter)	\$310	\$400
Water Service Connection Abandonment (greater than 2" diameter)	\$610	\$800
Inspect Pointing up Sewer Taps <sup>(3, 4)</sup>	\$660	\$860
Inspect Insertion of Y-Branch <sup>(3, 4)</sup>	\$235	\$306
Inspect Installation of Standard Cleanout <sup>(2,3,4)</sup>	\$235	\$306
Inspect Sewer Tap Removal <sup>(3, 4)</sup>	\$235	\$306

1. Reflects 30% increase for personnel costs
2. Only charged when clean out is the only work to be inspected
3. Includes labor hours and vehicle
4. Inspect fees recovers labor hours, O & M and fringes

# Fire Hydrant Flow Tests and Flush

Fee Name	Existing	Proposed <sup>(1)</sup>	
Fire Hydrant Flow Test (Field Test) <sup>(1)</sup>	\$225	\$300	
Fire Hydrant Flow Test (Computer Model) <sup>(2)</sup>	\$0	\$200	New
Fire Hydrant Flow Test (Recent Test Record Available) <sup>(3, 4)</sup>	\$25	\$125	
Letter in Lieu of Hydrant Flow Test <sup>(3, 4)</sup>	\$125	\$125	
Private Fire Hydrant Flush <sup>(5)</sup>	\$0	\$81	New

1. Reflects 30% increase for personnel costs
  2. Provided as more cost effective alternative to Field Test
  3. Consolidated into single fee
  4. Documentation recovers labor hours, O & M and fringes
  5. Recovers labor and material costs
- Fire flow tests are done at customer request

# Fire Hydrant Use Charges

Fee Name	Existing	Proposed	Frequency	
Fire Hydrant Permit	\$0	\$75		New
Water and Sewer Rate	Prevailing	Prevailing	Usage Based	
3" Hydrant Meter Deposit	\$700	\$1,600		
3" Hydrant Meter Rental < 15 days	\$0	\$75	Flat rate	New
3" Hydrant Meter Rental > 15 days	\$0	\$5	Per day	New
3" Hydrant M w Back Flow Preventer Deposit	\$0	\$2,200	Flat rate	New
3" Hydrant M w Back Flow Preventer Rental < 15 days	\$0	\$150	Flat rate	New
3" Hydrant M w Back Flow Preventer Rental > 15 days	\$0	\$10	Per day	New
5/8" Hydrant M w Back Flow Preventer Deposit	\$0	\$700	Flat rate	New
5/8" Hydrant M w Back Flow Preventer Rental < 15 days	\$0	\$75	Flat rate	New
5/8" Hydrant M w Back Flow Preventer Rental > 15 days	\$0	\$5	Per day	New
Fire Hydrant Use Per Day	Usage Based	Usage Based		

- Existing practice is to assess a \$700 deposit held on account against usage charges

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## Appendix 2

# Engineering Review Fees

# Proposed Plan Submittal

Fee Name	Existing	Proposed Standard <sup>(1)</sup>	Proposed Expedited	
Base Plan Submission administrative Fee- for all review types	\$0	\$140	Not Applicable	New
Rejected Plan Resubmission Administrative fee for all review types	\$0	\$75	Not applicable	New

1. New fees are due to new online submission process – increasing service level

# Existing/Proposed Large Plan Reviews

Fee Name	Existing	Proposed	Proposed Expedited
Large Permits Expedited (15 working days review per submission)	\$10,000	\$17,400	
Large Permit Basic	\$7,500	\$10,000	
Foundation to Grade- Large Commercial	\$1,000	N/A Phased out	
Approved Project Plan Revision (Project Scope/Design Change)	\$1,000	\$1,000	\$1,750
Approved Plan Revision (Field Conditions)	\$250	\$1,000	\$1,750
Large Project Sheeting and Shoring (Large Commercial)	\$1,000	\$6,500	\$11,300
Abandonment Waiver Request	\$500	\$500	\$880
Water and sewer availability letter (large)	\$500	\$500	\$880
Temporary Water connections (previously Small Commercial-multi-family, apartments, store etc.)	\$2,500	\$3,300	\$5,800

- Both approvals require the same level of effort so the fee change reflects that

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# Existing / Proposed Permitting Fees

Fee Name	Existing	Proposed
Design Manuals-Initial	\$60	\$0
Design Manuals-Revisions/Updates	\$25	\$0
Construction Standards Details-Initial	\$35	\$0
Construction Standards Details-Revisions/Updates	\$10	\$0
Construction General Conditions & Standard Specifications-Initial	\$25	\$0
Construction General Conditions & Standard Specifications-Revisions/Updates	\$5	\$0
DC Water Pipeline Design Manual-Initial	\$75	\$0
DC Water Pipeline Design Manual-Revisions/Updates	\$30	\$0
Electronic Version of Water/Sewer Counter and As-Built Maps Per Project	\$100	\$0
Updates of the Electronic Version-Per Project	\$ 25	\$0

- Proposed to be discontinued (Publications now available on website)

# Proposed Large Plan Reviews

Fee Name	Existing	Proposed Standard	Proposed Expedited
Large Basic Plan Review Fee- 1 metered connection	\$7,500	\$10,000	\$17,400
Large Basic Plan Review Fee- 2 metered connections	\$7,500	\$20,000	\$34,800
Large Basic Plan Review Fee- 3 metered connections	\$7,500	\$30,000	\$52,200
Large Basic Plan Review Fee- 4 or more metered connections	\$7,500	\$40,000 + Determined on a per project basis	\$69,600+ Determined on a per project basis

- Large Permit Basic – will be charged on a per meter basis to reflect that effort increases by the number of connections

# Existing/Proposed Large Plan Reviews

Fee Name	Existing	Proposed Standard <sup>(1)</sup>	Proposed Expedited
Fire Service only > 2" (no interior renovations)	\$7,500	\$4,500	\$7,800
Sanitary or Combined Connection Only 8" or larger	\$7,500	\$4,500	\$7,800
Sanitary or Combined Connection Only 6" or less	\$2,500	\$700	\$1,200
Storm Connection Only 15" or larger	\$7,500	\$4,500	\$7,800
Storm Connection Only less than 15"	\$2,500	\$700	\$1,200

1. Reduced based on the time required to review plans where all connections (water, wastewater, and storm) are not included

# Existing/Proposed Large Plan Reviews

Fee Name	Existing	Proposed Standard	Proposed Expedited	
Large Renovation no new water/sewer work- Project Doc signoff only (inside a campus)	\$0	\$400	\$700	New
Large Project Approved Plan Revision (Project Scope/Design Change, or field change) <sup>(1)</sup>	\$1,000	\$1,000	\$1,750	
Large Project Sheeting and Shoring <sup>(2)</sup>	\$1,000	\$6,500	\$11,300	
Large water meter size reduction plan (no other work)	\$1,000	\$3,300	\$5,800	

1. Previously named Approved Project Plan Revision (project scope/design change)
2. Previously named Large Project Sheeting and Shoring (large commercial)

# Existing/Proposed Large Plan Reviews

Fee Name	Existing	Proposed Standard	Proposed Expedited
Large Project Raze utility release letter- no abandonments	\$150	\$300	\$500
Large Project Raze utility release letter- with abandonments	\$150	\$700	\$1,200

Previously named Raze Permits; Now split into two categories to reflect differences in the service and the appropriate cost for each.

# Existing/Proposed Small Plan Review Fees (service tap 2 inches or less)

Fee Name	Existing	Proposed/ Phased Out	Proposed Expedited
Availability Letter (small)	\$125	\$125	\$215
Small Commercial (multi-family, apartments, store, etc.) <sup>(1)</sup>	\$2,500	Phased Out	
Small Residential	\$300	Phased Out	
New Home from a Large Project Subdivision (10 or more units)	\$150	Phased Out	
Small Sheet and Shore	\$500	\$1,000	\$1,750

(1) The Phased Out fees reflect name changes and will be charged on a per meter basis to reflect that effort increases by the number of connections

# Proposed Small Plan Review Fees (service tap 2 inches or less)

Fee Name	Existing	Proposed Standard	Proposed Expedited
Small basic non-residential project- 1 metered connection	\$2,500	\$3,300	\$5,800
Small basic non-residential project- 2 metered connections	\$2,500	\$6,600	\$11,600
Small basic non-residential project- 3 metered connections	\$2,500	\$9,900	\$17,400
Small basic non-residential project- 4 or more metered connections	\$2,500	\$13,200 + Determined on a per project basis	\$23,200+ Determined on a per project basis

- Small Commercial (Multi-family, Apartments, Store, etc.) will be charged on a per meter basis to reflect that effort increases by the number of connections

# Proposed Small Plan Review Fees (service tap 2 inches or less) cont.

Fee Name	Existing	Proposed Standard	Proposed Expedited
Small Hybrid Non-Residential- 1 metered connection	\$7,500	\$5,000	\$8,700
Small Hybrid Non-Residential- 2 metered connections	\$7,500	\$10,000	\$17,400
Small Hybrid Non-Residential- 3 metered connections	\$7,500	\$15,000	\$26,100
Small Hybrid Non-Residential project- 4 or more metered connections	\$7,500	\$20,000 + Determined on a per project basis	\$34,800 + Determined on a per project basis

- Large Permit Basic will be charged on a per meter basis to reflect that effort increases by the number of connections
- Hybrid will be domestic service 2” or less, fire service 3” or greater will be charged on a per meter basis to reflect that effort increases by the number of connections



# Proposed Small non-residential Modified

Fee Name	Existing	Proposed Standard <sup>(1)</sup>	Proposed Expedited
Sanitary or combined Sewer <sup>(2)</sup> connection only 6” and less	\$300	\$700	\$1,200
Storm sewer connection only less than 15” <sup>(2)</sup>	\$300	\$700	\$1,200
Fire service only greater than 2” <sup>(3)</sup>	\$7,500	\$4,600	\$8,100

Modified means only what is above – no water service change

1. Adjusted based on the time required to provide the service
2. Previously named Small Residential
3. Previously named Large Permit Basic

# Proposed Small Basic Residential Project (domestic service 2” or less in diameter)

Fee Name	Existing	Proposed Standard <sup>(1)</sup>	Proposed Expedited
Single Family Residential/ metered connection up to 50 <sup>(2,3)</sup>	\$300/\$7,500	\$700 each Up to \$25,000	\$1,200 each
Town Houses/ metered connection up to 50 <sup>(2,3)</sup>	\$300/\$7,500	\$700 each Up to \$25,000	\$1,200 each
More than 50 SFU or Town Houses <sup>(3)</sup>	\$7,500	\$700 + each up to 50 and \$350 for each above 50	\$1,200 + each up to 50 and \$600 for each above 50

From 1-9 units \$300 and for 10 units and greater \$7,500

1. Adjusted based on the time required to provide the service
2. Previously named Small Residential
3. Previously named Large Permit Basic

# Proposed Small Raze

## Non-Residential or Residential

Fee Name	Existing	Proposed Standard (1)	Proposed Expedited	
Small Non-Residential or Residential Raze utility release letter- no abandonment	\$0	\$330	\$580	New
Small Non-Residential or Residential Raze permit review and utility release letter- with abandonments (2)	\$150	\$700	\$1,200	
As part of a project review	\$0	\$300	\$600	New

- Adjusted based on the time required to provide the service
- Previously named Raze Permits

# Proposed Excessive Submission (additional fee for 4<sup>th</sup> or more submissions)

Fee Name	Existing	Proposed Standard <sup>(1)</sup>	Proposed Expedited	
Large Plan Excessive Submission Review <sup>(2)</sup>	\$1,000	\$2,400	\$4,200	
Small Non Residential Plan Excessive Submission Review	\$0	\$600	\$1,050	New
Residential Plan Excessive Submission Review <sup>(3)</sup>	\$0	\$360	\$630	New

1. Adjusted based on the time required to provide the service
2. Previously named Large Permit Submissions (Excessive Submission: 4 or more)
3. A fee will be charged for each submission starting with the fourth

# Proposed Miscellaneous Engineering Fees

Fee Name	Existing	Proposed Standard <sup>(1)</sup>	Proposed Expedited	
Request for Information (RFI)	\$0	\$30	\$60	New
Letter in Lieu	\$0	\$50	\$90	New
Request for As-built Drawings	\$0	\$90/man hour	\$150/man hour	New
Water meter sizing Computation	\$0	\$90	\$150	New
Water and Sewer Availability Letter <sup>(2)</sup>	\$500	\$500	\$880	
Delayed abandonment or waiver from Standards Letter <sup>(3)</sup>	\$500	\$500	\$880	
Processing of standard easement covenant document	\$0	\$1,000	\$1,750	New
Processing of non-standard easement covenant document	\$0	\$5,000	\$8,750	New

1. Developed based on the time required to provide the service
2. Previously named Availability Letter (Large Commercial)
3. Previously named Abandonment Waiver Request

# Proposed Miscellaneous Engineering Fees cont.

Fee Name	Existing	Proposed
One Day Plan Design and Review and approval (Velocity type program)	New Service, Not Currently Provided	Determined on per project basis; minimum fee-\$20,000

# Existing / Proposed As-Built

Fee Name	Existing	Proposed Standard <sup>(1)</sup>	
SFU Residential service connection -Small Residential <sup>(2,4)</sup>	\$215	\$250	
Townhouses or SFU from multi unit project <sup>(2,4)</sup>	\$215	\$250	
Small non-residential, Large service connection (per connection) <sup>(2,4)</sup>	\$215	\$500	
Small Non-Residential Fire Service <sup>(2,4)</sup>	\$0	\$750	New
Large non-residential water service 3" or more, sewer service 8" or more, fire service 3" or more <sup>(2,4)</sup>	\$215	\$750	
New water or sewer main (20 to 100 feet) (each) <sup>(3,4)</sup>	\$215	\$2,500	
Each additional 200 ft. of water line <sup>(3)</sup>	\$0	\$2,000	New
Each additional 400 ft. sewer main/line <sup>(3)</sup>	\$0	\$2,000	New
If installing more than 200 linear feet or any Water line larger than 24" in diameter <sup>(4)</sup>	\$215	Determined on a per project basis	
If installing more than 200 LF of sewer or any Sewer larger than 60" in diameter <sup>(4)</sup>	\$215	Determined on a per project basis	

- (1) Developed based on the time required to provide the service
- (2) Per metered connection
- (3) Required electronic submittal of development plans in MD State Plane Geometry
- (4) Previously named Preparing As-Built Drawings for all the existing fees

## Appendix 3

# ADDITIONAL FEES



# Existing Temporary Potable Water Equipment Fee

Fee Name	Existing	Proposed
Temporary Potable Water Equipment Fee	\$262	Phased out
Each additional Temporary Potable Water Equipment Fee (Quench Buggy, Mistlers, Water Fountains, etc.)	\$54	Phased out

- Event Fee will be replacing this fee

# Event Fee: Personnel Component Cont'd

Fully Loaded Personnel Rate for Events: \$81.00 per hr.

Size of Event (Attendees)	Number of DC Water Personnel Per Event*
100 – 2,000	2
2,000 – 5,000	4
5,000 or more	6

\*This refers to the minimum number of personnel required for the event. Upon review of the event specifications, staff reserves the right to increase level of staffing based on assessed need.

# Event Fee: Equipment Component

Equipment	Per Unit Per Event*
Misting Tent*	\$550
Mobile Brita Hydration Station*	\$600
Cooling Station	\$420
Quench Buggy*	\$2,500
DC Water Mascot	\$50

\*This refers to a per unit per event, assuming a single day event. For multi-day event, the per unit cost would be multiplied by the number of days.

# Existing Pre-Treatment Fees

Pre-Treatment	( Unit)
Waste Hauling – Annual Fee Per Vehicle	\$30.00
High strength grease trap waste	\$0.07 per gallon
High strength septage waste	\$0.07 per gallon
Domestic strength waste	\$0.003 per gallon
Low strength waste	\$0.003 per gallon

- Approved vide Board Resolution #17-69 dated October 5, 2017

# Existing High Strength Waste Fees

Pre-Treatment	(Unit)
Biochemical Oxygen demand (BOD)	\$0.135 per pound
Total Suspended Solids (TSS)	\$0.263 per pound
Total Kjeldahl Nitrogen (TKN) or Total Nitrogen (TN)	\$1.471 per pound
Total Phosphorus (TP)	\$4.524 per pound

- Approved vide Board Resolution #17-69 dated October 5, 2017

# Proposed Industrial Permitting Fees

Fee Name	Existing	Proposed
Industrial Permit Initial Fee	\$2,000	\$2,500
Industrial Permit Renew Fee	\$600	\$700
Significant or Non-Significant Categorical Industrial User Annual Compliance Fee- 1 Outfall	\$2,500	\$3,100
Significant or Non-Significant Categorical Industrial User Annual Compliance Fee- 2 or more Outfalls	\$3,500	\$4,300
Significant Non-Categorical Industrial User Annual Compliance Fee- 1 Outfall	\$2,500	\$3,100
Significant Non-Categorical Industrial User Annual Compliance Fee- 2 or more Outfalls	\$3,500	\$4,300
Non-Significant Non-Categorical Industrial User Annual Compliance Fee- 1 Outfall	\$550	\$700
Non-Significant Non-Categorical Industrial User Annual Compliance Fee- 2 Outfalls	\$700	\$900

\*Reflects 3% increase per year from FY 2012

# Groundwater Sewer Charge

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

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

# Existing Miscellaneous Fees

Legal Charges	(Unit)
Witness Fee	Salary + Fringe

Copying Charges	( Unit)
Xerographic	\$2.50
Vellum	\$4.00
Mylar	\$5.50

Standard Photocopying (per sheet)	Existing ( Unit)	Proposed ( Unit)
Standard Letter and Legal Pages	\$0.25	\$0.75

- Xerographic, Vellum and Mylar charges are proposed to be discontinued



## Attachment B

### DC Retail Water and Sewer Rates Committee

#### Action Items

1. Approval of Proposal to Amend the Miscellaneous Fees & Charges
2. Approval of Proposal to Amend the Ground Water Sewer Retail Rate

**ACTION ITEM 1****Approval of the Proposed Miscellaneous Fees & Charges Adjustments  
Effective January 18, 2019 (FY 2019)****Management Recommendation:**

- 1.) Revise the Miscellaneous Fees & Charges with the following changes:  
a.) Retail Customer Fees

Effective January 18, 2019, with the following fee increases and adoption of new fees:

Fee Name	Existing	Proposed	
FOG Monthly Fee per Customer	\$0	\$13.70	New
Cross-Connection / Back Flow Prevention Monthly Fee per Assembly	\$0	\$6.70	New

Fee Name	Existing	Proposed	
Customer Bad Check Fee	\$25	\$25	
Declined Credit Card Fee	\$35	\$35	
Customer Penalty Late Fee	10% + 1% per month of Balance due	10% + 1% per month of Balance due	
Initiation Fee (previously named Turn on fee)	\$50	\$50	
Turn Off Charges for Non-Payment	\$50	\$50	
Reconnection Fee (previously named Turn on Fee)	\$50	\$50	
Broken By-Pass Seal	\$700	\$700	
Unauthorized Turn On	\$245	\$245	
Second Water Audit within 24 months	\$125	\$125	
Manual Read (convenience charge for Meter Read)	\$0	\$20/month	New

- b.) Turn-Off Charges for Cross Connection Violation and Water Taps and Connections Installation

Fee Name	Existing	Proposed	
Cross-Connection Turn-off 5/8" to 2"	\$0	\$200	New
Cross-Connection Turn-off 3" to 5"	\$0	\$400	New
Cross-Connection Turn-off 6" and larger	\$0	\$900	New
1 Inch Tap Insertion	\$325	\$425	
1.5 Inch Tap Insertion	\$380	\$500	

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed</b>	
2 Inch Tap Insertion	\$415	\$540	
Water Tap Abandonment (2" or less diameter)	\$310	\$400	
Water Service Connection Abandonment (greater than 2' diameter)	\$610	\$800	
Inspect Pointing up Sewer Taps	\$660	\$860	
Inspect Insertion of Y-Branch	\$235	\$306	
Inspect Installation of Standard Cleanout	\$235	\$306	
Inspect Sewer Tap Removal	\$235	\$306	

## c.) Fire Hydrant Flow Test and Use Charges

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed</b>		
Fire Hydrant Flow Test (Field Test)	\$225	\$300		
Fire Hydrant Flow Test (Computer Model)	\$0	\$200		New
Fire Hydrant Flow Test (Recent Test Record Available)	\$25	\$125		
Letter in Lieu of Hydrant Flow Test	\$125	\$125		
Fire Hydrant Permit	\$0	\$75		New
Private Fire Hydrant Flush	\$0	\$81		New
Water and Sewer Rate	Prevailing	Prevailing	Usage Based	
3" Hydrant Meter Deposit	\$700	\$1,600		
3" Hydrant Meter Rental < 15 days	\$0	\$75	Flat rate	New
3" Hydrant Meter Rental > 15 days	\$0	\$5	Per day	New
3" Hydrant M w BP Deposit	\$0	\$2,200	Flat rate	New
3" Hydrant M w BP Rental < 15 days	\$0	\$150	Flat rate	New
3" Hydrant M w BP Rental > 15 days	\$0	\$10	Per day	New
5/8" Hydrant M w BP Deposit	\$0	\$700	Flat rate	New
5/8" Hydrant M w BP Rental < 15 days	\$0	\$75	Flat rate	New
5/8" Hydrant M w BP Rental > 15 days	\$0	\$5	Per day	New
Fire Hydrant Use Per Day	Usage Based	Usage Based		

## d.) Engineering Large Plans Review and Existing and Proposed Permitting Fees

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed</b>	<b>Proposed</b>	
		<b>Standard</b>	<b>Expedited</b>	
Base Plan Submission Administrative Fee- for all review types	\$0	\$140	Not Applicable	New
Reject Plan Submission Administrative fee for all review types	\$0	\$75	Not Applicable	New
Large Permits Expedited (15 working days review per submission)	\$10,000	\$17,400		
Large Permit Basic	\$7,500	\$10,000		
Approved Plan Revision (Field Conditions)	\$250	\$1,000	\$1,750	
Large Project Sheeting and Shoring (Large Commercial)	\$1,000	\$6,500	\$11,300	
Abandonment Waiver Request	\$500	\$500	\$880	
Water and sewer availability letter (large)	\$500	\$500	\$880	
Temporary Water connections (previously Small Commercial-multi-family, apartments, store etc.)	\$2,500	\$3,300	\$5,800	
Design Manuals-Initial	\$60	\$0		
Design Manuals-Revisions/Updates	\$25	\$0		
Construction Standards Details-Initial	\$35	\$0		
Construction Standards Details-Revisions/Updates	\$10	\$0		
Construction General Conditions & Standard Specifications-Initial	\$25	\$0		
Construction General Conditions & Standard Specifications-Revisions/Updates	\$5	\$0		
DC Water Pipeline Design Manual-Initial	\$75	\$0		
DC Water Pipeline Design Manual-Revisions/Updates	\$30	\$0		
Electronic Version of Water/Sewer Counter and As-Built Maps Per Project	\$100	\$0		
Updates of the Electronic Version-Per Project	\$25	\$0		
Large Basic Plan Review Fee- 1 metered connection	\$7,500	\$10,000	\$17,400	
Large Basic Plan Review Fee- 2 metered connections	\$7,500	\$20,000	\$34,800	
Large Basic Plan Review Fee- 3 metered connections	\$7,500	\$30,000	\$52,200	

Fee Name	Existing	Proposed Standard	Proposed Expedited	
Large Basic Plan Review Fee- 4 or more metered connections	\$7,500	\$40,000 + Determined on a per project basis	\$69,600+ Determined on a per project basis	
Fire Service only > 2" (no interior renovations)	\$7,500	\$4,500	\$7,800	
Sanitary or Combined Connection Only 8" or larger	\$7,500	\$4,500	\$7,800	
Sanitary or Combined Connection Only 6" or less	\$2,500	\$700	\$1,200	
Storm Connection Only 15" or larger	\$7,500	\$4,500	\$7,800	
Storm Connection Only less than 15"	\$2,500	\$700	\$1,200	
Large Renovation no new water/sewer work- Project Doc signoff only (inside a campus)	\$0	\$400	\$700	New
Large Project Approved Plan Revision (Project Scope/Design Change, or field change) (1)	\$1,000	\$1,000	\$1,750	
Large Project Sheeting and Shoring (2)	\$1,000	\$6,500	\$11,300	
Large water meter size reduction plan (no other work)	\$1,000	\$3,300	\$5,800	
Large Project Raze utility release letter- no abandonments	\$150	\$300	\$500	
Large Project Raze utility release letter- with abandonments	\$150	\$700	\$1,200	

e.) Existing Small Plan Review Fees (Service tap 2 inches or less)

Availability Letter (small)	\$125	\$125	\$215	
Small Commercial (multi-family, apartments, store, etc.) (1)	\$2,500	Phased Out		
Small Residential	\$300	Phased Out		
New Home from a Large Project Subdivision (10 or more units)	\$150	Phased Out		
Small Sheet and Shore	\$500	\$1,000	\$1,750	
Small basic non-residential project- 1metered connection	\$2,500	\$3,300	\$5,800	
Small basic non-residential project- 2 metered connection	\$2,500	\$6,600	\$11,600	
Small basic non-residential project- 4 or more metered connections	\$2,500	\$9,900	\$17,400	

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed Standard</b>	<b>Proposed Expedited</b>	
Small basic non-residential project- 4 or more metered connections	\$2,500	\$13,200 + Determined on a per project basis	\$23,200 + Determined on a per project basis	
Small Hybrid Non-Residential- 1 metered connection	\$7,500	\$5,000	\$8,700	
Small Hybrid Non-Residential- 2 metered connections	\$7,500	\$10,000	\$17,400	
Small Hybrid Non-Residential- 3 metered connections	\$7,500	\$15,000	\$26,100	
Small Hybrid Non-Residential project- 4 or more metered connections	\$7,500	\$20,000 + Determined on a per project basis	\$34,800 + Determined on a per project basis	

Sanitary or combined Sewer connection only 6" and less	\$300	\$700	\$1,200	
Storm sewer connection only less than 15"	\$300	\$700	\$1,200	
Fire service only greater than 2"	\$7,500	\$4,600	\$8,100	
Single Family Residential/ metered connection up to 50	\$300/\$7,500	\$700 each Up to \$25,000	\$1,200 each	
Town Houses/ metered connection up to 50	\$300/\$7,500	\$700 each Up to \$25,000	\$1,200 each	
More than 50 SFU or Town Houses	\$7,500	700 + each up to 50 and \$350 for each above 50	1,200+ each up to 50 and \$600 for each above 50	
Small Non-Residential or Residential Raze utility release letter- no abandonment	\$0	\$330	\$580	New
Small Non-Residential or Residential Raze permit review and utility release letter- with abandonments (2)	\$150	\$700	\$1,200	
As part of a project review	\$0	\$300	\$600	New

f.) Proposed Excessive Submission (additional fee for 4<sup>th</sup> submission)

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed Standard</b>	<b>Proposed Expedited</b>	
Large Plan Excessive Submission Review (2)	\$1,000	\$2,400	\$4,200	
Small Non Residential Plan Excessive Submission Review	\$0	\$600	\$1,050	New
Residential Plan Excessive Submission Review (3)	\$0	\$360	\$630	New
Request for Information (RFI)	\$0	\$30	\$60	New
Letter in Lieu	\$0	\$50	\$90	New
Request for As-built Drawings	\$0	\$90/man hour	\$150/man hour	New
Water meter sizing Computation	\$0	\$90	\$150	New
Water and Sewer Availability Letter	\$500	\$500	\$880	
Delayed abandonment or waiver from Standards Letter (3)	\$500	\$500	\$880	
Processing of standard easement covenant document	\$0	\$1,000	\$1,750	New
Processing of Non-standard Easement covenant Document	\$0	\$5,000	\$8,750	New
One Day Plan Design and Review and approval (Velocity type program)	New Service, Not Currently Provided	Determined on per project basis; minimum fee- \$20,000		

## g.) Existing/ Proposed As-Built

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed Standard</b>		
SFU Residential service connection - Small Residential	\$215	\$250		
Townhouses or SFU from multi-unit project	\$215	\$250		
Small non-residential, Large service connection (per connection)	\$215	\$500		
Small non-residential Fire Service	\$0	\$750		New
Large non-residential water service 3" or more, sewer service 8" or more, fire service 3" or more	\$215	\$750		
New water or sewer main (20 to 100 feet) (each)	\$215	\$2,500		
Each additional 200 feet of water line	\$0	\$2,000		New
Each additional 400 ft. sewer main/line	\$0	\$2,000		New

Fee Name	Existing	Proposed Standard		
If installing more than 200 linear feet or any Water line larger than 24" in diameter	\$215	Determined on a per project basis		
If installing more than 200 LF of sewer or any Sewer larger than 60" in diameter	\$215	Determined on a per project basis		

## h.) existing Temporary Potable Water Equipment Fee

Fee Name	Existing	Proposed		
Temporary Potable Water Equipment Fee	\$262	Phased Out		
Each additional Temporary Potable Water Equipment Fee (Quench Buggy, Misters, Water Fountains, etc.)	\$54	Phased Out		

## i.) Event and Equipment Fee

Size of Event (Attendees)	Number of DC Water Personnel Per Event
100 – 2,000	2
2,000 – 5,000	4
5,000 or more	6
Equipment	Per Unit Per Event
Misting Tent*	\$550
Mobile Brita Hydration Station*	\$600
Cooling Station	\$420
Quench Buggy	\$2,500
DC Water Mascot	\$50

## j.) Existing Pre-Treatment Fees

Pre-Treatment	( Unit)
Waste Hauling – Annual Fee Per Vehicle	\$30.00
High strength grease trap waste	\$0.07 per gallon
High strength septage waste	\$0.07 per gallon
Domestic strength waste	\$0.003 per gallon
Low strength waste	\$0.003 per gallon

## k.) Existing High Strength Waste Fees

Pre-Treatment	(Unit)
Biochemical Oxygen demand (BOD)	\$0.135 per pound
Total Suspended Solids (TSS)	\$0.263 per pound
Total Kjeldahl Nitrogen (TKN) or Total Nitrogen (TN)	\$1.471 per pound
Total Phosphorus (TP)	\$4.524 per pound



l.) Industrial User Permitting & Sampling Fee to recover the cost of service

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed</b>
Industrial Permit Initial Fee	\$2,000	\$2,500
Industrial Permit Renew Fee	\$600	\$700
Significant or Non-Significant Categorical Industrial User Annual Compliance Fee- 1 Outfall	\$2,500	\$3,100
Significant or Non-Significant Categorical Industrial User Annual Compliance Fee- 2 or more Outfalls	\$3,500	\$4,300
Significant Non-Categorical Industrial User Annual Compliance Fee- 1 or more Outfalls	\$2,500	\$3,100
Significant Non-Categorical Industrial User Annual Compliance Fee- 2 or more Outfalls	\$3,500	\$4,300
Non-Significant Non-Categorical Industrial User Annual Compliance Fee- 1 Outfall	\$550	\$700
Non-Significant Non-Categorical Industrial User Annual Compliance Fee- 2 Outfalls	\$700	\$900

m.) Groundwater Sewer Charge

	<b>Existing</b>		<b>Proposed</b>	
Per Unit	CCF	KGAL	CCF	KGAL
Ground Sewer Charge	\$2.33	\$3.11	\$2.83	\$3.78

n.) Existing Miscellaneous Fees

	Unit	
Legal Charges	Unit	
Witness Fee	Salary + Fringe	
Copying Charges	<b>Existing (Unit)</b>	<b>Proposed</b>
Xerographic	\$2.50	Discontinued
Vellum	\$4.00	Discontinued
Mylar	\$5.50	Discontinued
Standard Letter and Legal Pages Photocopying (per sheet)	\$0.25	0.75

## Action Item 2

### Approval of Proposed Retail Groundwater Sewer Rates

Management recommends that the following amendment to the retail rates for sanitary sewer service rate regulations be posted in the DC Register for ratemaking:

**21 DCMR 4101.2** Effective January 18, 2019, the retail rates for sanitary sewer service for the discharge of groundwater, cooling water, and non-potable water sources shall be:

- (a) The retail groundwater sewer charge for an unimproved real property, property under construction or under groundwater remediation shall be two dollars and eighty-three cents (\$2.83) per Ccf (one hundred cubic feet (1 Ccf) equals seven hundred forty-eight and five hundredths gallons (748.05 gals.)) for groundwater discharged into the District's wastewater sewer system.
- (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.

#### **DEFINITION**

**Non-Potable Water Source** – water derived from a source or sources, including but not limited to, surface water, stormwater, pool drainage or trucked water, but excluding water from the District's water distribution supply system groundwater or cooling water.

# Customer Assistance Program Expansion Implementation

Presentation to the DC Retail Water and Sewer Rates Committee

October 23, 2018

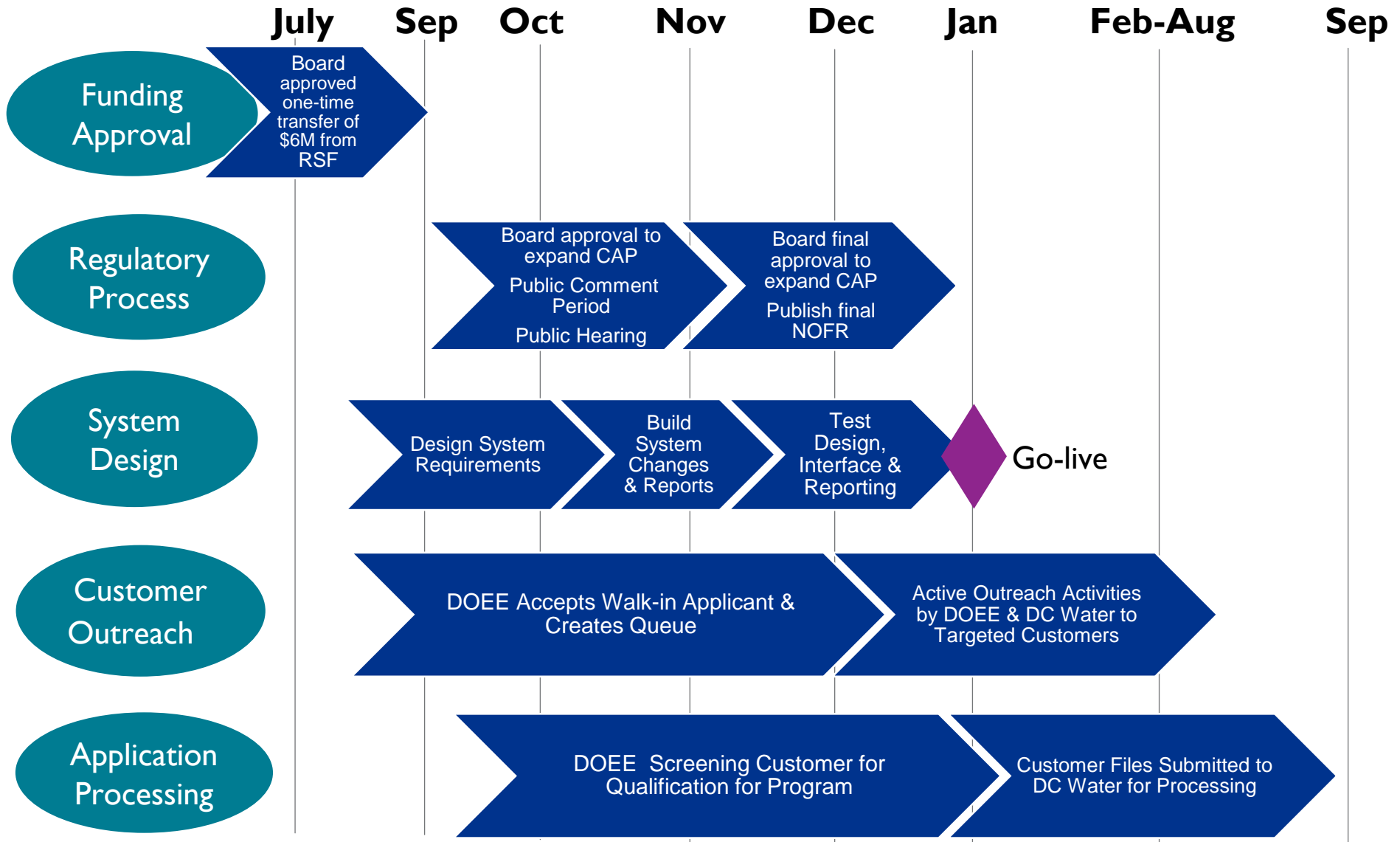


# Purpose

Share the proposed implementation plan for the expanded Customer Assistance Programs (CAP):

- 💧 Project Implementation Timelines and Milestones.....3
- 💧 Funding Source and Design Assumptions.....7
- 💧 Data Sharing for Application & Enrollment Process.....8
- 💧 Applying the Credits & Customer Messaging.....9
- 💧 Customer Outreach Method.....11
- 💧 Reporting & Tracking.....12
- 💧 Funding Reconciliation.....13

# High Level Project Timeline and Milestones



# MOU Guidelines

- DOEE (Department of Energy and the Environment) and DC Water will establish a process to ensure that the funds are transferred to DC Water to be applied to the identified eligible customers in a timely manner
- DOEE will determine the eligibility of the applications for the DC Water CAP2 (Customer Assistance Program II), DOEE CAP3 (Customer Assistance Program III) and DOEE CRIAC (Clean Rivers Impervious Area Charge) Non-profit Relief programs
- DOEE will provide a list of the eligible DC Water customers, the amount of the credits to be received and the dates when the credits will terminate
- DOEE shall transfer funds directly to DC Water via electronic funds transfer
- Concurrent to providing the list of eligible DC Water customers, DOEE will transfer the funds to DC Water for each eligible DC Water customer to cover the entire costs
- DC Water shall provide the funds provided by DOEE as credits to the eligible DC Water customer's account
- DOEE shall notify DC Water of any changes in the eligibility or amount of benefits for the selected DC Water customers

# Regulatory Timeline

DC Water Program benefits cannot begin until program regulations for CAP2, CAP3 and CRIAC Relief Program are approved by the DC Water Board. Process includes:

- 💧 10/19/2018 – Public comment period  
11/19/2018
- 💧 10/30/2018 – Public Hearing
- 💧 11/28 or 29/2018 – Special Retail Rates Committee meeting for final recommendation of CAP regulations
- 💧 12/06/2018 – Board Approval of final CAP regulations
- 💧 12/21/2018 – Publication of Notice of Final Rulemaking (NOFR) for CAP regulations

DOEE Program benefits associated with CRIAC Relief Program begin after regulations are approved

DC Water Go-Live with CAP2, CAP3 and CRIAC Relief Program begin 1/1/19, with retroactive benefits as beginning 10/1/2018 and terminating on 9/30/19

# System Design Timeline

- 9/2018 – Prepare business case, including meeting with DOEE resources to review interface/file transmission and reporting process design. Develop methodology for capturing & storing account details & payment information by program, as well as, each of the unique CAP programs
- 10/2018 – Validate requirements, testing plan, design & reporting with key stakeholders. Confirm the overall cost to implement & approve Change Request. Begin design build by DOEE and DC Water
- 11/2018 – Complete build design and perform unit testing. Finalize tracking program & customer communication plan
- 12/2018 – Perform regression and system testing with the new program. Finalize training and customer communication plan
- 1/2019 – Go-Live



# Funding Source & Design Assumptions

	DC Water Funded		DOEE Funded	
	CAP	CAP2	CAP3	Non-Profit
Funding	\$1.2M Recovered through rates	\$6.0M from Rate Stabilization Fund \$5.5M for benefits *\$1.2M from DOEE for CRIAC benefits	\$1.3M from DOEE	\$3.35M from DOEE
Forecasted Customers	3,575	12,840	4,900	
Eligibility Validation	Performed by DOEE			
Account Status Validation	Performed by DCW			
Bill Application	Rate Credit		Payment Credit	
Impacted Charges	<u>4 CCF</u> Water, Sewer, PILOT, ROW <u>50%</u> CRIAC <u>100%</u> WSRF	<u>3 CCF</u> Water, Sewer  <u>50%</u> CRIAC	Determined by DOEE for CRIAC only	Determined by DOEE up to 90% CRIAC
Retroactive	Back to later of: • Date of enrollment • As early as 10/1/2018	Retroactive to 10/1/2018 if applied before 3/1/2019	Final design still in process	Lump sum back to 10/1/2018

# Data Sharing for Application & Enrollment Process

## Application Process

- DC Water will provide DOEE with a daily file of all premises within the DC Water service territory
- DOEE determines the retroactive & monthly credit to be applied to CAP3 & Non-Profit
- DOEE determines and shares eligible customer's account for CAP and CAP2

## Enrollment Process

- DOEE will provide 4 files to DC Water each month with customer information and benefit amount 3 days before end of the month and payments will be posted by last day of month
  - CAP and CAP2: 1 file (List of customers eligible for these programs)
  - CAP3: 2 files (Retroactive)
  - Non-Profit: 2 files (Retroactive & Monthly)
- DC Water will validate that account and premise number for CAP3 and Non-Profit are a valid combination and no change of ownership has occurred
  - Enrollments that fail this validation will be sent back to DOEE for investigation and reprocessing utilizing existing exception processes

# CAP2-Applying the Credits & Customer Messaging

- Presentment of CAP2 credits on the bill will be the same as the existing assistance program, which displays the rate credits in the Current Charges section
- Similar to the current DC Water CAP program customer will receive a welcome message and bill adjustments back to the enrollment date

BILL SUMMARY		CURRENT CHARGES- RESIDENTIAL	
Bill Date	10/16/2018	Metering Fee 1 <sup>st</sup>	\$4.86
Previous Balance	\$200.00	Water System Replacement Fee 1 <sup>st</sup>	\$9.67
Payments as of XXXXXXXXXX	(\$200.00)	Water Services 3 CCF x \$2.91	\$8.73
Outstanding Amount Due	\$0.00	CAP Water Services 3.00 CCF X \$2.91 <i>cr</i>	\$8.73 <i>cr</i>
Other Charges and Credits	\$0.00	Sewer Services 3 CCF X \$7.75	\$23.25
Current Charges	\$30.74	CAP Sewer Services 4.00 CCF X \$6.00 <i>cr</i>	\$23.25 <i>cr</i>
<b>TOTAL AMOUNT DUE by 11/14/2018</b>	<b>\$30.74</b>	Clean Rivers IAC 1.0 ERU X \$23.00	\$23.00
		CAP Clean Rivers IAC 1.0 X \$11.50 <i>cr</i>	\$11.50 <i>cr</i>
		<b>DC GOVERNMENT FEES</b>	
		DC Government PILOT Fee 3 CCF x \$0.50	\$1.50
		DC Government ROW Fee 3 CCF x \$0.18	\$0.54
		DC Gov't <u>Stormwater</u> Fee 1.0 ERU X \$2.67	\$2.67
		<b>TOTAL CURRENT CHARGES</b>	<b>\$30.74</b>
<b>IMPORTANT MESSAGES</b>			
Welcome to DC Water's Customer Assistance Program(CAP) II. If you have questions about your CAP II credit, please contact Customer Service at 202-354-3750.			

# CAP3 & Nonprofit Applying the Credits & Customer Messaging

- 💧 CAP3 will receive the retroactive & monthly amount determined by DOEE and will have a reoccurring validation that the account is active through 9/30/19
- 💧 Nonprofit CRIAC Relief will receive a retroactive amount & monthly amount, as reported on the DOEE monthly file
- 💧 The credits will appear in the Other Charges and Credits Section of the bill
- 💧 Bill messages will inform customers of enrollment. Official descriptions to be finalized by 11/1/18

SUMMARY BILL		CURRENT CHARGES - COMMERCIAL	
Bill Date	2/1/2019	Metering Fee 1"	\$5.25
Previous Balance	\$2,208.12	Water System Replacement Fee 1"	\$11.13
Payments as of 1/31/19	\$2,208.12 cr	Water Services 107.02 CCF x \$4.40	\$470.89
Outstanding Amount Due	\$0.00	Sewer Services 107.02 CCF x \$6.00	\$642.12
Other Charges and Credits	\$972.90 cr	Clean Rivers IAC 9.40 ERU x \$23.00	\$216.20
Current Charges	\$1,442.39	<b>DC GOVERNMENT FEES</b>	
<b>Total Amount Due by 2/26/19</b>	<b>\$469.49</b>	DC Government PILOT Fee 107.02 CCF x \$0.49	\$52.44
		DC Government ROW Fee 107.02 CCF x \$0.18	\$19.26
		DC Govt Stormwater Fee 9.40 ERU x \$2.67	\$25.10
		<b>Total Current Charges</b>	<b>\$1,442.39</b>
		<b>OTHER CHARGES AND CREDITS</b>	
		DC Nonprofit Relief - Retroactive	\$778.32 cr
		DC Nonprofit Relief - Monthly	\$194.58 cr
		<b>Total Other Charges and Credits</b>	<b>\$972.90 cr</b>
		<b>TOTAL CURRENT BILL</b>	<b>\$469.49</b>

IMPORTANT MESSAGES	
CRIAC credit message will appear here.	

# Customer Outreach Method

## All Programs

- Information on all new programs will be available on both DOEE's and DC Water's websites starting in January 2019

## Residential

- DC Water will provide a bill insert in January 2019 explaining all the residential CAP programs (CAP, CAP2, & CAP3)
- DC Water will conduct targeted outreach via bill messaging and phone calling to residential customer who have a past due balance
- DC Water will target the CAP bill insert to customers receiving a disconnect notice in January 2019

## Nonprofit

- DOEE will send mailings to roughly 1100 organizations that may qualify for the nonprofit program based on tax records. Estimated to be January 2019-Timing to be finalized by DOEE
- DC Water will place messages on the customers' bills based on list provided by DOEE. Estimated to be January 2019-Timing to be finalized by DOEE

# Reporting & Tracking

- 💧 DC Water will set up 3 separate holding accounts for each of the programs that are being funded by DOEE by the initial payment at the start of the program
  - 💧 Nonprofit CRIAC Relief
  - 💧 CAP3
  - 💧 Excess CAP2
- 💧 DOEE will track and send to DC Water the current month spend by program and cumulative total of expenditure, along with the forecast of future payments for previously approved applicants to ensure program funds are not over spent on the 3<sup>rd</sup> work day after the end of the month
- 💧 DC Water will provide to DOEE a monthly report of the holding account balance and the summary transactions processed against the holding account (DOEE monthly credits applied to the account). In addition, the detailed customer account transactions for the summary will be provided on the 3<sup>rd</sup> work day after the end of the month
- 💧 DC Water will provide the exceptions by program along with the account detail monthly on the 3<sup>rd</sup> work day after the end of the month

# Funding Reconciliation

- 💧 DOEE & DC Water will reconcile the records maintained by both parties on a monthly to validate the program fund balance and confirm the following:
  - 💧 A need to transfer between the programs
  - 💧 Increase DOEE total funding to cover forecasted expenses
  - 💧 Cease program enrollment
  - 💧 Develop method to increase program participation
- 💧 By 10/30/19, any excess funds held by DC Water for the program will be returned to DOEE or rolled over into future years as determined by DOEE

# Appendix



# Customer Assistance Program – Definitions

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

# Draft Monthly Calendar

Month of Enrollment	DOEE Sends enrollment file	DC Water Posts Payment	Transfer Data & Reconcile
January	Dec 26, 2018	Dec 28, 2019	Jan 3, 2019
February	Jan 29, 2019	Jan 31, 2019	Feb 5, 2019
March	Feb 26, 2019	Feb 28, 2019	Mar 5, 2019
April	March 27, 2019	March 29, 2019	April 3, 2019
May	April 26, 2019	April 30, 2019	May 3, 2019
June	May 29, 2019	May 31, 2019	June 5, 2019
July	June 26, 2019	June 28, 2019	July 3, 2019
August	July 29, 2019	July 31, 2019	Aug 5, 2019
September	Aug 28, 2019	Aug 30, 2019	Sept 5, 2019

**Note:** Any file retroactive enrollments for the month of September will be processed as a final file based on the agreed upon year end reconciliation procedure & file transfer. This processed will be further defined by the start of the program.

# CLEAN RIVERS IMPERVIOUS AREA CHARGE (CRIAC) RELIEF PROGRAM FOR NONPROFITS

## October 23, 2018



# PRESENTATION OUTLINE

- Overview of the legislation enabling the CRIAC Relief Program for Nonprofit Organizations
- Nonprofit Eligibility
  - What type of nonprofits are eligible?
  - How do we determine financial hardship?
  - Stormwater Mitigation Options
- Program Implementation

# BUDGET SUPPORT ACT (BSA)

Directed the Mayor to establish a program to assist nonprofits with payment of their CRIAC. To receive relief, nonprofits must:

1. Demonstrate hardship in paying the CRIAC
2. Implement a stormwater mitigation project
  - Install and maintain stormwater mitigation, or green infrastructure (GI), on site or implement an “alternative” stormwater mitigation measure in the District
  - Receive DOEE approval and complete project within one year
  - Organizations can receive approval for previously installed GI

# HARDSHIP – WHICH NONPROFITS QUALIFY?

The District examined the nonprofit categories for CRIAC ratepayers and determined hardship is most relevant for following types of organizations:

- E1 – Religious;
- E3 – Charitable; and
- E7 – Cemetery

# HARDSHIP – COMPARING REVENUE TO CRIAC

- E3 – Charitable organizations:
  - CRIAC is at least 5% of revenue after expenses
  - Verified with IRS Form 990
- E1 – Religious and E7 – Cemetery organizations:
  - CRIAC is at least 0.75% of revenue after expenses
  - Self-certified on application (these properties do not file IRS Form 990)

# ON-SITE STORMWATER MITIGATION

- 90% of CRIAC rate relief ( $\approx$ \$250/year/ERU)
  - 1) Plant one tree per ERU; or
  - 2) Manage 10% of impervious area through installation of GI practices (Previously installed GI may qualify)



# OFF-SITE STORMWATER MITIGATION

- 90% of CRIAC rate relief for:
  - 1) Purchasing or otherwise providing 10 Stormwater Retention Credits (SRCs) per ERU (**≈\$230 net relief/year per ERU**); or
  - 1) Allowing DOEE to perform stormwater mitigation on their behalf by reducing relief granted by the current market value of 10 SRCs per ERU (**≈\$230 net relief/year per ERU**)

# RATE RELIEF FOR AVERAGE NONPROFIT

## CRIAC Relief for an Average Sized Nonprofit

	<b>Billed ERUs</b>	<b>FY2019 CRIAC/ ERU</b>	<b>Annual CRIAC</b>	<b>Annual Relief (90%)</b>	<b>Off-Site Mitigation Cost</b>	<b>Net Relief (83%)</b>
<b>Average Nonprofit Institution</b>	<b>12.3</b>	<b>\$23.00</b>	<b>\$3,395</b>	<b>\$3,055</b>	<b>\$20/ERU or \$228</b>	<b>\$2,582.00</b>

# CRIAC NONPROFIT RELIEF PROGRAM IMPLEMENTATION

- DOEE will determine financial eligibility, stormwater mitigation compliance, and approved relief amount
- The District estimates:
  - 1)  $\approx$  1,200 eligible nonprofits; and
  - 2)  $\approx$  \$3.4M in relief
- DOEE will transfer \$3.4 M in initial funds to DC Water upon execution of MOU
- DC Water will apply approved relief to ratepayers' bills
- Subsequent transfer of funds will occur:
  - 1) When approved relief exceeds the initial transfer amount; and
  - 2) At the end of the fiscal year

# MORE INFORMATION

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Presentation to the DC Retail Water and Sewer Rates Committee  
October 23, 2018

## FY19-28 CAPITAL IMPROVEMENT PROGRAM PATH TO ASSET MANAGEMENT

District of Columbia Water and Sewer Authority



Grit Chamber Effluent Sluice Gate



SDWM unlined Cast Iron pipe tuberculation



Vitrified Clay Pipe collapsed Small Dia. sewer

### Identifying Asset Risks & Capital Investment Needs



## Agenda

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- I. Review Path to Asset Management Presentations
- II. Overview of CIP Options
  - I. Current Approved Funding (FY18-27 Baseline)
  - II. FY19-28 Modified Baseline CIP (Run3e)
  - III. Asset Management CIP
- III. Challenges of Baseline Program CIP
- IV. Modified Baseline Program & Risks
- V. Conclusions
- VI. Additional Background Slides



## Path to Asset Management Presentations

Committee	Meeting Date	Topic Title
EQ & Ops	15-Mar-18	Path to Asset Management Work Plan
Finance & Budget	22-Mar-18	Proposed Workplan - Path to Asset Management CIP
EQ & Ops	19-Apr-18	Path to Asset Management - Benchmarking with PEER Utilities
EQ & Ops	17-May-18	Site visit to Blue Plains
Finance & Budget	24-May-18	Update on Pathway to Asset Management
EQ & Ops	21-Jun-18	Path to Asset Management - Cost of Proactive Action vs Reactive Action
EQ & Ops	19-Jul-18	Path to Asset Management Work Plan - Sewer & Storm Water Pump Stations
EQ & Ops	20-Sep-18	Site visits to Sewer and Stormwater Pump Stations
EQ & Ops	18-Oct-18	FY19-28 CIP Path to Asset Management



# Rolling 10 year CIP Options Compared

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

**DC Water**

‘Generally Funded’ = What we know or expect to find can be repaired ‘Underfunded’ = What we know or expect to find is not all funded ‘Fully Funded’ = All needs known or expected are met





# Rolling 10 year CIP Options

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



# 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
<b>Engineering CIP Total</b>	<b>391,670</b>	<b>378,015</b>	<b>361,644</b>	<b>423,029</b>	<b>362,694</b>	<b>303,666</b>	<b>295,742</b>	<b>416,809</b>	<b>352,386</b>	<b>478,452</b>	<b>3,764,107</b>
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
<b>Approved Total CIP</b>	<b>439,118</b>	<b>420,342</b>	<b>402,681</b>	<b>445,647</b>	<b>385,312</b>	<b>326,284</b>	<b>318,360</b>	<b>439,427</b>	<b>375,004</b>	<b>501,071</b>	<b>4,053,246</b>

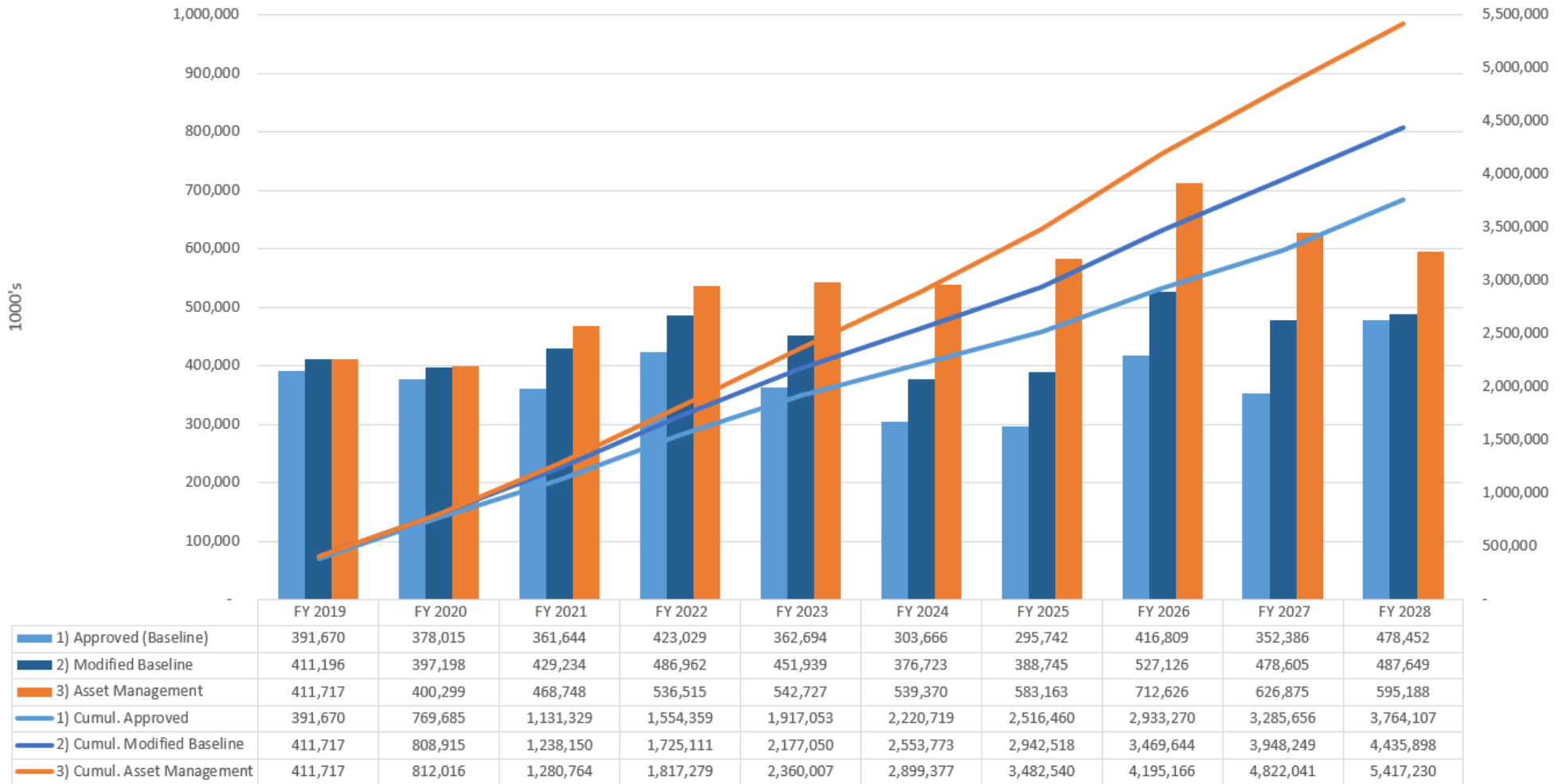
Modified Baseline Program \$5.0 Billion	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10 yr Total
Non Process Facilities	16,199	42,778	25,341	13,765	7,379	12,159	11,181	4,618	4,201	-	137,621
Wastewater Treatment	82,299	68,754	91,798	95,749	97,391	74,295	82,081	132,586	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
<b>Engineering CIP Total</b>	<b>411,196</b>	<b>397,198</b>	<b>429,234</b>	<b>486,962</b>	<b>451,939</b>	<b>376,723</b>	<b>388,745</b>	<b>527,126</b>	<b>478,605</b>	<b>487,649</b>	<b>4,435,378</b>
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
<b>Total Modified Baseline CIP</b>	<b>458,821</b>	<b>449,939</b>	<b>479,400</b>	<b>535,369</b>	<b>519,355</b>	<b>428,232</b>	<b>457,017</b>	<b>571,587</b>	<b>525,242</b>	<b>545,250</b>	<b>4,970,211</b>
<b>Increases vs Approved CIP</b>	<b>19,703</b>	<b>29,596</b>	<b>76,718</b>	<b>89,722</b>	<b>134,043</b>	<b>101,948</b>	<b>138,657</b>	<b>132,159</b>	<b>150,237</b>	<b>44,179</b>	<b>916,964</b>

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
<b>Engineering CIP Total</b>	<b>411,717</b>	<b>400,299</b>	<b>468,748</b>	<b>536,515</b>	<b>542,727</b>	<b>539,370</b>	<b>583,163</b>	<b>712,626</b>	<b>626,875</b>	<b>595,188</b>	<b>5,417,230</b>
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
<b>Total AM CIP</b>	<b>463,712</b>	<b>453,501</b>	<b>525,241</b>	<b>613,015</b>	<b>632,703</b>	<b>660,636</b>	<b>665,091</b>	<b>770,857</b>	<b>1,022,650</b>	<b>651,083</b>	<b>6,458,490</b>
<b>Increases vs Approved CIP</b>	<b>24,595</b>	<b>33,159</b>	<b>122,560</b>	<b>167,367</b>	<b>247,391</b>	<b>334,353</b>	<b>346,732</b>	<b>331,430</b>	<b>647,646</b>	<b>150,013</b>	<b>2,405,244</b>



# Summary of CIP Plan Options

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





## Challenges of Baseline Program CIP

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- Project & Program needs defined by the Asset Management process are essential and do not go away
  - Projects are deferred, delayed or phased to meet fiscal constraints
  
- When capital improvements are deferred, delayed or phased
  - Risk exposure increases
    - Permit Compliance
    - Health and Safety
    - System Reliability
    - Public Confidence/DC Water Reputation (“Priceless”)
    - Boiled Water
  
  - Cost increases
    - Likelihood of emergency repairs (x10 increase compared to planned work)
    - Operations & Maintenance
    - Escalation over time



## Modified Baseline Program

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- Restores funding for several projects currently being deferred due to budget and/or spending concerns
- Increased funding for wastewater and stormwater pumping stations based on recent assessments
- Includes funding for accelerated work on the Potomac Interceptor and Anacostia Force Main based on recent assessments
- Increased funding for 1%, 11 miles/year water main replacement to cover increased costs, in particular the increased cost due to elimination cleaning and lining rehabilitation
- Includes funding to ramp up to 1%, 17.5 miles/year rehabilitation for sewers
- Increased funding for Non-Process facilities in out years



## Modified Baseline Program - Risks/Vulnerabilities

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### 💧 Linear

- Small Diameter Water Mains replacement underfunded compared to asset management needs (11 miles/year vs 22 miles/year)
- Sewer Rehabilitation underfunded compared to asset management needs (17 miles/year vs 40 miles/year)

### 💧 Vertical:

- Complete Blue Plains Odor control master plan recommendations not included
- Mainstream Deammonification
- Water pumping – variable speed pressure management



# Conclusions



## Conclusions

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- 💧 Investments made by DC Water are driven by environmental impact and reliability—excellent results (Clean Rivers and Blue Plains)
- 💧 However, due to funding, the sewer collection and water distribution systems have become less reliable, jeopardize the environment and public health & safety
- 💧 Band aid solutions and emergency response are growing and will only accelerate causing more service issues and frustration with both our customers and internally with our operations and engineering team
  - Public confidence liability
  - Employee morale
- 💧 Asset management provides the framework for identifying Asset Risk and True Capital Investment Needs
- 💧 At this time, the Modified Baseline CIP balances infrastructure risks and impacts on the financial plan
- 💧 Rate impacts will be further analyzed and presented at November committee meetings





## Budget Adoption Calendar

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- 💧 Financial Plan Impacts – **November (Retail Rates Committee)**
- 💧 CEO & Executive Team Recommendations – **January**
- 💧 Committee Reviews, Recommendations – **January/February**
- 💧 Wholesale Customer Briefing – **February/March**
- 💧 Budget Adoption – **March**



# Additional Background Slides



## CIP – Asset Management (Preferred)

- AM Includes the Modified Baseline Program, Plus;
  - Linear
    - Funding to ramp up to 2%, 22 miles/year for water main replacement (vs 11 miles/year)
    - Funding to ramp up to 2.3%, 40 miles/year for sewer rehabilitation on recent assessments (vs 17 miles/year)
  - Vertical
    - Water pumping facilities: addresses variable speed pressure management (\$17M starting 2023)



### Regulatory/Consent Decree/Permitting:

- E. Coli Total Maximum Daily Load (TMDL) – lawsuit by environmental groups seeking more restrictive TMDL
- MS4 permit - repair of Stormwater Outfalls, total scope and cost unknown (currently \$5M approved)
- National Parks Service permitting requirements for sewer projects
- Anacostia River Sediment Clean-up



## CIP Risks/Sensitivities (cont.)

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### Regulatory/Consent Decree/Permitting, cont.:

- Chesapeake Bay TMDL – Phase 3 Watershed Implementation Plans being prepared, possible TMDL reassessment in the future
- Green Infrastructure (GI) Practicability Assessment - Clean Rivers practicability assessment of GI to be performed in 2020. Currently, construction of GI in the District is higher than originally estimated
- SSOs – risk of SSO Consent Decree
- Blue Plains Odor Control (\$250M)



## CIP Risks/Sensitivities (cont.)

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### Blue Plains Process Optimization & Revenue Opportunities

- Full Plant Deammonification (>\$60M)
- Resource Recovery (Hot Water Heating Loop; Sludge Drying)

### Other:

- Pepco DC Power Line Undergrounding (DC PLUG) – (\$57M, DC Water Share is 50% = \$28M)
- Condition assessment of large sewers could lead to additional CIP needs
- Washington Aqueduct –
  - FY2019-2030 Proposed CIP (\$291M, DC Water share = \$218M)
  - Federally Owned Water Main Repairs (\$86M, all DC Water)
  - Travilah Quarry Acquisition & Outfitting (\$284M, cost sharing unknown)
  - Advanced Treatment Facilities (\$540M, DC Water share = \$405M)  
unknown



# Challenges of Fiscal Constraints - Sewer Linear



Sewer sinkhole, 14th Street blocked between New York and Pennsylvania Avenues NW



Montana Ave 18" VCP, deformed, blocked



10" VCP Sewer pipe, installed in 1914, near Morrow Dr NW, located in Rock Creek Park.



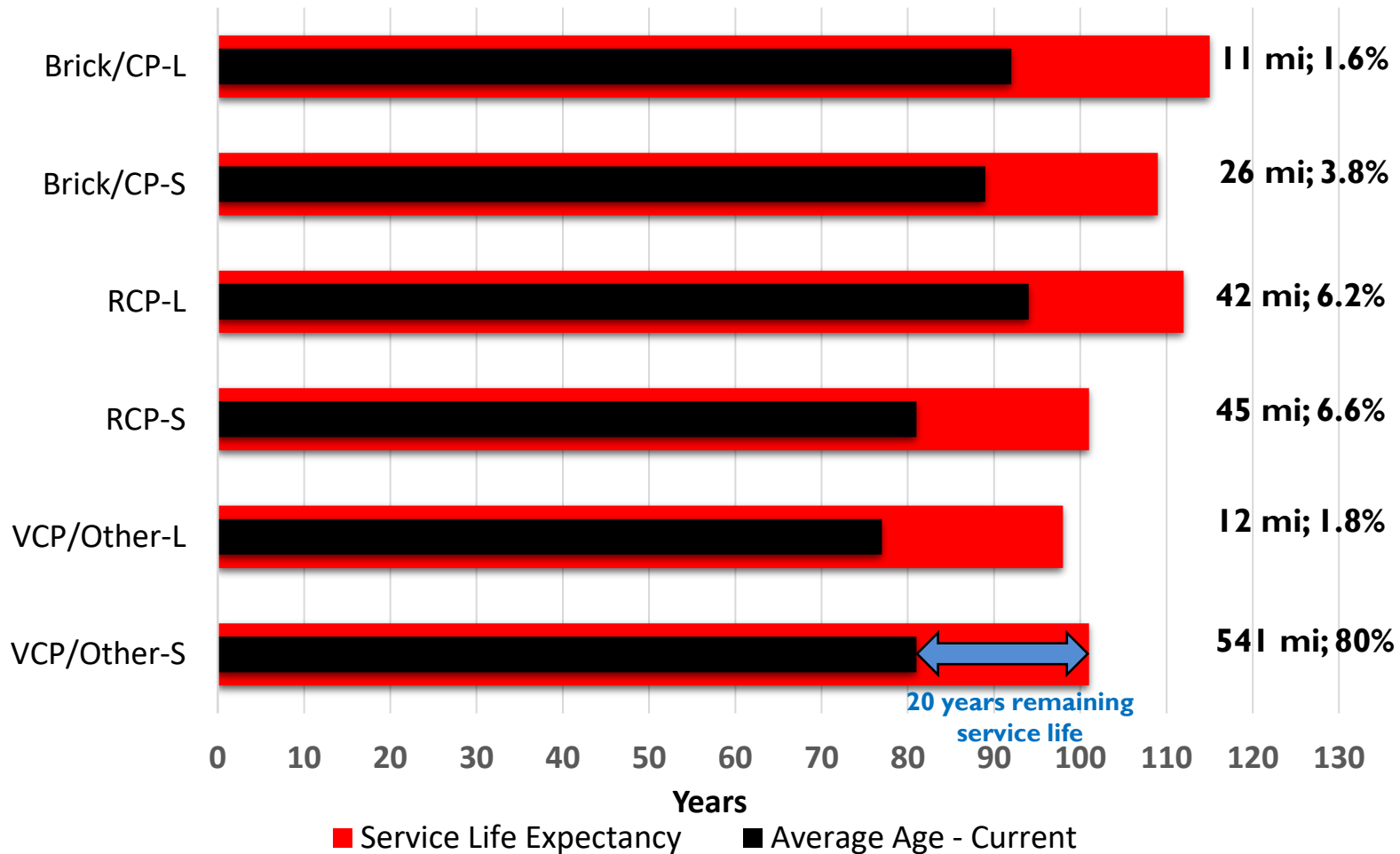
10<sup>th</sup> St at Otis St, NE (10" VCP, deformed, broken)



# Service Life Expectancies & Projected Renewal Requirements for the District Sewers

Average Age and Service Life Expectancies by Sanitary Sewer Material Type - FY2018

**Average Age: 82 years**







# Challenges of Fiscal Constraints - Water Linear



30-inch Tuberculated cast iron pipe (Rhode Island Ave)



Q St. NW Rupture of 30" cast iron pipe c1860,

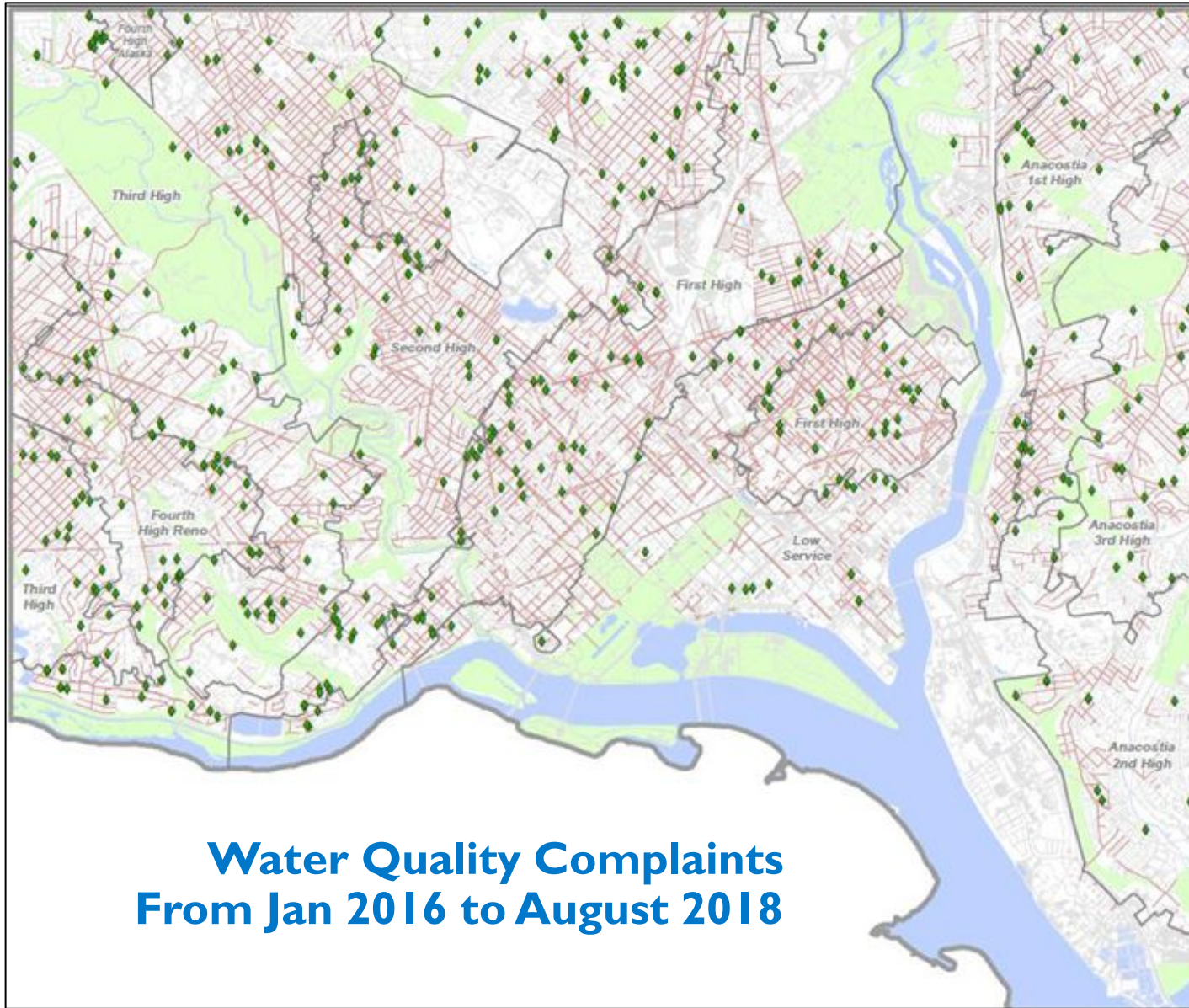


Pipe break, 8-inch tuberculated cast iron pipe Colonial Village



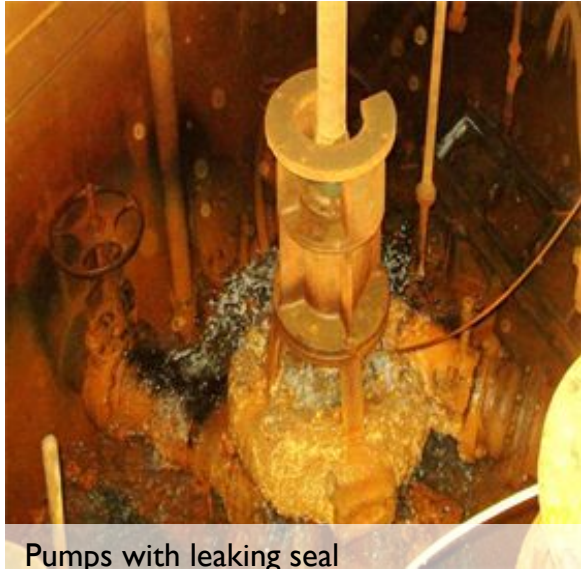


# Water Quality Complaints





# Challenges of Fiscal Constraints - Pump Stations



Pumps with leaking seal



Stormwater Discharge Conduit



Failed Stormwater Pumps



Lack of conveyance, washing and compacting



# Influent Pumping Stations and Headworks



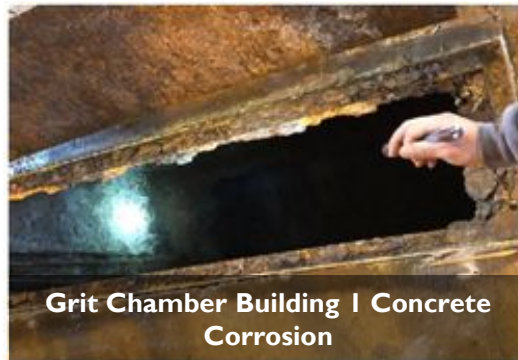
**RWWPS I 1930s Original Motor**



**RWWPS I Worn out Pump**



**Influent Structures Corrosion**



**Grit Chamber Building I Concrete Corrosion**



**Grit Chamber I, Effluent Sluice Gate Corrosion**



**Influent Structures Corrosion**

Influent structures gather and equalize plant influent before RWWPS I & 2 wet wells

Headworks remove debris and grit, protecting and improving downstream equipment and performance

Influent Structures	
Brick Lined Sewer	1,500 SF
Box Conduit	68,000 SF
Access Slabs	82,000 lb
RWWPS I/Grit Chamber Building 1	
Pumps	3 @ 400 hp (80mgd) 2 @ 300 hp (60 mgd) 1 @ 200 hp (40 mgd)
Fine Bar Screens	4 total; 3 duty
Aerated Grit Tanks	4 total; 3 duty
RWWPS 2/Grit Chamber Building 2	
Pumps	4 @ 560 hp (100 mgd) 5 @ 500 hp (100 mgd)
Fine Bar Screens	9 total
Aerated Grit Tanks	12 total; 10 duty

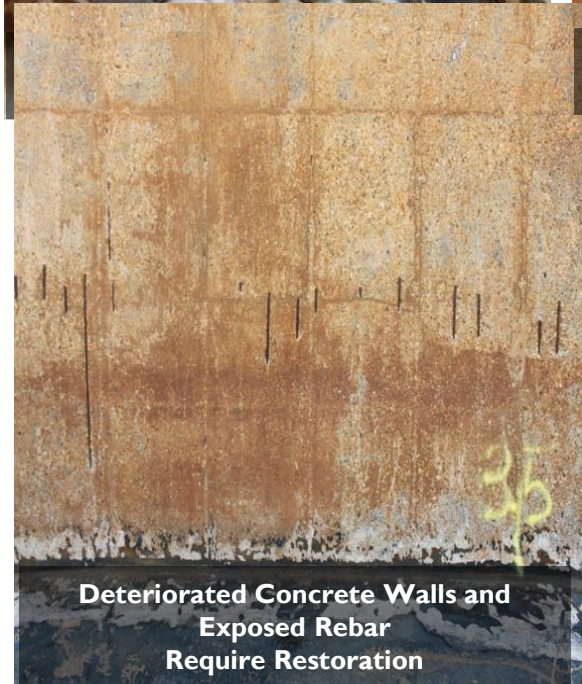
**Risk Level - HIGH**



# Gravity Thickening



**Rusted Weir Plate, Scum Baffle, and Embedded Connection Angle Require Replacement**



**Deteriorated Concrete Walls and Exposed Rebar Require Restoration**



**Unsettled Sludge Buildup on Surface Damaging Collector Mechanisms**

Gravity Thickening reduces the volume and increases the solids concentration in the sludge that requires further treatment for beneficial reuse

Gravity Thickening	
Gravity Thickeners	10 Originally installed 6 Operable 4 Inoperable
Degritter Feed Pumps	6 @ 75 hp EA
GT Sludge Pumps	12 Total 8 @ 30 hp EA 4 @ 25 hp EA
GT Scum Pumps	8 @ 40 hp EA
Primary Sludge Screens	4 @ 1,200 gpm EA
Primary Sludge Degritting	8 Hydrocyclones originally installed 4 Classifiers originally installed

**Risk Level - HIGH**



# Discussion

## Attachment E

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
1. Propose and Establish Retail Rates for FY 2020			
a. FY 2020 Budget presentation to Board	January 3, 2019		Chief Financial Officer
b. FY 2020 Proposed Rates, Charges & Fees presented to RRC	January 22, 2019		Rates and Revenue
c. RRC recommendation on proposed FY 2020 rates	February 26, 2019		Rates and Revenue
d. Board approves proposed FY 2020 rates	March 7, 2019		
e. Publish Proposed Rates and Fees in <i>D.C. Register</i>	March 22, 2019		General Counsel
f. Public Comment and Outreach	March 22 – April 22 2019		External Affairs
g. Public Hearing	May TBD, 2019		Board Secretary
h. Public Hearing Record Closes	TBD, 2019		
i. RRC final recommendation to approve FY 2020 rates	June 25, 2019		Rates and Revenue
j. Board approves FY 2019 & FY 2020 rates	July 4, 2019		
k. Publish Final Rates and Fees in <i>D.C. Register</i>	July 19, 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 November 15, 2018	√ √	

**Attachment E**

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 E

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/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 and CRIAC Nonprofit Relief Programs	November 28 or 29, 2018		Rates & Revenue
13) Board approval of CAP2 Program and rules implementing District CAP3 and CRIAC Nonprofit Relief Programs	December 6, 2018		
14) Publish final NOFR for CAP2 Program and rules implementing District CAP3 and CRIAC Nonprofit Relief Programs	December 21, 2018		General Counsel
15) Go-Live	January 1, 2019		Rates and Revenue and Customer Service
5. 2018 Cost of Service Miscellaneous Fees and Charges			
a. <i>RRC COS Update and Recommendation on Proposed Amendments to Miscellaneous Fees &amp; Charges</i>	October 23, 2018	√	Rates & Revenue
b. <i>Board Approval on Notice of Proposed Rulemaking (NOPR) for Miscellaneous Fees &amp; Charges</i>	November 1, 2018		
c. <i>Publish NOPR in DC Register</i>	November 16, 2018		General Counsel Board Secretary
d. <i>Public Comment period</i>	November 16 – December 17, 2018		
e. <i>RRC Final Recommendation to Approve Amendments for Miscellaneous Fees &amp; Charges</i>	December 18, 2018		Rates & Revenue
f. <i>Board Approval of Notice of Final Rulemaking (NOFR)</i>	January 3, 2019		
g. <i>Publish NOFR in DC Register</i>	January 18, 2019		General Counsel
h. <i>Miscellaneous Fees &amp; Charges Go-Live</i>	January 18, 2019 (FY 2019)		Rates and Revenue/ Customer Service

## Attachment E

FY 2019 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
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 (NOFR) 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>	TBD		Board Secretary
f. <i>RRC Final Recommendation to Approve Amendments for Retail Groundwater Sewer Rate</i>	December 18, 2018		Rates & Revenue
g. <i>Board Approval of Notice of Final Rulemaking (NOFR)</i>	January 3, 2019		
h. <i>Publish NOFR in DC Register</i>	January 18, 2019		General Counsel
i. <i>Retail Groundwater Sewer Charge Go-live</i>	January 18, 2019 (FY 2019)		Rates and Revenue/ Customer Service
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

\* Dates subject to change



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

**Tuesday, November 13, 2018; 9:30 a.m.  
AGENDA**

<b>Call to Order</b>	Committee Chairman
<b>Monthly Updates</b>	Chief Financial Officer
<b>Committee Workplan</b>	Chief Financial Officer
<b>Agenda for December 18, 2018 Committee Meeting</b>	Committee Chairman
<b>Other Business</b>	Chief Financial Officer
<b>Adjournment</b>	

\*Detailed agenda can be found on DC Water’s website at [www.dewater.com/about/board\\_agendas.cfm](http://www.dewater.com/about/board_agendas.cfm)