



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee

1385 Canal Street SE, Washington, DC 20003

*Tuesday, March 23, 2021
9:30 a.m.*

Microsoft Teams

Join on your computer or mobile app

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Or call in (audio only)

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Phone Conference ID: 666 542 064#

- 1. **Call to Order** **Rachna Bhatt, Chairperson**
- 2. **Roll Call** **Linda Manley**
- 3. **Monthly Report to DC Retail Water & Sewer Rates Committee (Attachment A)****Matthew Brown**
- 4. **Proposed Ten-Year Financial Plan FY 2021 – FY 2030 (Attachment B)****Matthew Brown**
- 5. **FY 2021 Fire Protection Service Fee Cost of Service Review (Attachment C)****Matthew Brown**
- 6. **Action Items (Attachment D)****Matthew Brown**
 - **Proposed Ten-Year Financial Plan FY 2021 – FY 2030 (Action Item 1)**
 - **Proposed Fire Protection Service Fee FY 2022 – FY 2024 (Action Item 2)**
- 7. **DC Retail Water and Sewer Rates Committee Workplan****Matthew Brown**
 - **FY 2021 Proposed DC Retail Rates Committee Workplan (Attachment E)**
- 8. **Agenda for April 27, 2021 Committee Meeting (Attachment F)****Rachna Bhatt, Chairperson**
- 9. **Other Business****Matthew Brown**
- 10. **Executive Session***
- 11. **Adjournment**

*The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2- 575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

Attachment A



Fiscal Year 2021

Monthly Report to DC Retail Water and Sewer Rates Committee

Period Ending February 28, 2021

DEPARTMENT OF FINANCE

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

Syed Khalil, Director, Rates & Revenue

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of February 28, 2021

Operating Revenues (\$000's)

FY 2020		CATEGORY	FY 2021					
Actual			Year-to-Date Performance					
Total Annual	YTD February		Annual Budget	YTD Budget	Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)
\$396,884	\$169,764	Residential / Commercial / Multi-Family	\$421,633	\$175,680	\$153,559	36.4%	(\$22,121)	(12.6%)
71,954	36,357	Federal	77,571	38,786	38,586	49.7%	(200)	(0.5%)
18,067	7,592	Municipal (DC Govt.)	18,377	7,657	8,471	46.1%	814	10.6%
10,998	4,663	DC Housing Authority	11,941	4,975	5,038	42.2%	63	1.3%
11,829	4,955	Metering Fee	15,405	6,487	5,962	38.7%	(525)	(8.1%)
41,456	17,674	Water System Replacement Fee (WSRF)	39,717	17,054	18,151	45.7%	1,097	6.4%
79,157	41,009	Wholesale	81,986	40,993	40,672	49.6%	(321)	(0.8%)
21,546	9,560	PILOT/ROW	22,463	9,591	9,016	40.1%	(575)	(6.0%)
58,206	20,461	All Other	44,645	18,605	15,661	35.1%	(2,944)	(15.8%)
\$710,097	\$312,036	TOTAL	\$733,738	\$319,828	\$295,116	40.2%	(\$24,712)	(7.7%)



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of February 2021, cash receipts totaled \$295.1 million, or 40.2 percent of the FY 2021 budget. The total receipts for February were \$60.7 million as compared to the budgeted \$69.4 million. The lower receipts are mainly due to decline in consumption on account of the impact of COVID-19. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their second quarterly payment in January), and wholesale customers (which made their second quarter payment in February).

Areas of Overcollection	Areas of Undercollection
<p><u>District Government</u> – Receipts are slightly higher at \$8.5 million or 46.1 percent of the budget. The February receipts are at \$1.6 million. The February 2021 receipts are slightly higher by fifty four thousand dollars as compared to the monthly budget.</p> <p><u>DC Housing</u> - Receipts are slightly higher at \$5.0 million or 42.2 percent of the budget. The February 2021 receipts are slightly higher by fifty six thousand dollars as compared to the monthly budget of \$1.0 million.</p>	<p><u>Residential, Commercial and Multi-Family</u> – Receipts for this category are lower at \$153.6 million or 36.4 percent of the budget. The lower receipts are mainly due to decline in consumption in Commercial category on account of the impact of COVID-19. The February 2021 receipts were lower by \$6.0 million or 17.1 percent as compared to the monthly budget.</p> <p><u>Federal</u> - Actual receipts through February 2021 total \$38.6 million or 49.7 percent of the budget. The Federal government made their second quarter payment in January 2021.</p> <p><u>Wholesale</u> – The wholesale customers actual receipts through February 2021 total \$40.7 million or 49.6 percent of FY 2021 budget. The wholesale customers made their second quarter payment of \$19.6 million in February 2021.</p> <p><u>PILOT/ROW</u> – The YTD receipts for PILOT/ROW are slightly lower at \$9.0 million or 40.1 percent of the budget. The February 2021 receipts are slightly lower by \$0.2 million as compared to the monthly budget.</p> <p><u>Other Revenue</u> - Receipts are lower at \$15.7 million or 35.1 percent of the budget. The \$2.9 million lower receipts are primarily due to (i) \$1.5 million lower receipts from System Availability Fee, (ii) \$1.8 million lower miscellaneous receipts, and (iii) \$0.4 million lower Developer Contractor Fees (water and sewer). The February receipts were \$1.8 million lower than the budget primarily due to the \$3.1 million Fire Protection Services Fee payment received early in January for second quarter FY 2021 from the District Government, which was scheduled to be received in February 2021.</p>

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of February 28, 2021

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2021 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$421.6	\$175.7	\$153.6	(\$22.1)	-12.6%	36.4%
Federal	77.6	38.8	38.6	(0.2)	-0.5%	49.7%
District Government	18.4	7.7	8.5	0.8	10.6%	46.1%
DC Housing Authority	11.9	5.0	5.0	0.1	1.3%	42.2%
Customer Metering Fee	15.4	6.5	6.0	(0.5)	-8.1%	38.7%
Water System Replacement Fee (WSRF)	39.7	17.1	18.2	1.1	6.4%	45.7%
Wholesale	82.0	41.0	40.7	(0.3)	-0.8%	49.6%
Right-of-Way Fee/PILOT	22.5	9.6	9.0	(0.6)	-6.0%	40.1%
Subtotal (before Other Revenues)	\$689.1	\$301.2	\$279.5	(\$21.8)	-7.2%	40.6%
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	5.1	2.1	2.3	0.2	9.5%	45.1%
DC Fire Protection Fee	12.5	6.3	6.3	0.0	0.0%	50.4%
Stormwater (MS4)	1.0	0.4	0.6	0.2	50.0%	60.0%
Interest	3.4	1.4	1.9	0.5	35.7%	55.9%
Developer Fees (Water & Sewer)	6.0	2.5	2.1	(0.4)	-16.0%	35.0%
Transfer From Rates Stabilization	2.5	0.0	0.0	0.0	0.0%	0.0%
System Availability Fee (SAF)	7.7	3.2	1.7	(1.5)	-46.9%	22.1%
Others	6.4	2.7	0.9	(1.8)	-66.7%	14.1%
Subtotal	\$44.6	\$18.6	\$15.7	(\$2.9)	-15.8%	35.1%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$44.6	\$18.6	\$15.7	(\$2.9)	-15.8%	35.1%
Grand Total	\$733.7	\$319.8	\$295.1	(\$24.7)	-7.7%	40.2%

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

Customer Category	Clean Rivers					Total
	Water	Sewer	IAC	Metering Fee	WSRF	
Residential	\$13,690	\$21,593	\$11,551	\$2,654	\$3,975	\$53,463
Commercial	\$20,896	\$23,658	\$14,011	\$1,786	\$7,002	\$67,353
Multi-family	\$16,913	\$26,014	\$5,234	\$840	\$3,141	\$52,141
Federal	\$12,871	\$14,631	\$11,084	\$402	\$3,032	\$42,020
District Govt	\$2,166	\$2,931	\$3,374	\$214	\$827	\$9,512
DC Housing Authority	\$1,838	\$2,722	\$478	\$65	\$175	\$5,278
Total:	\$68,374	\$91,549	\$45,732	\$5,962	\$18,151	\$229,767

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

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

Customer Category	FY2021 Budget	Year-To-Date Budget	Actual Received	Variance	
				Favorable / <Unfavorable>	Variance % of YTD Budget
Residential	\$24,793	\$10,330	\$11,551	\$1,220	12%
Commercial	\$28,102	\$11,709	\$14,011	\$2,302	20%
Multi-family	\$11,370	\$4,738	\$5,234	\$496	10%
Federal	\$21,541	\$10,771	\$11,084	\$314	3%
District Govt	\$7,663	\$3,193	\$3,374	\$181	6%
DC Housing Authority	\$1,135	\$473	\$478	\$5	1%
Total:	\$94,604	\$41,213	\$45,732	\$4,518	11%

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of February 28, 2021

Retail Accounts Receivable (Delinquent Accounts)

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

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
September 30, 2020	\$17.9	13,775
October 31, 2020	\$18.9	14,276
November 30, 2020	\$19.8	14,772
December 31, 2020	\$22.7	15,605
January 31, 2021	\$23.4	15,444
February 28, 2021	\$23.9	14,973

Notes: The increase in the accounts receivable over 90 days (from the billing date) is due to the temporary suspension of collections procedures because of the new billing system VertexOne, which was implemented in December 2017. The increase in accounts receivable from March to February 2021 is primarily due to increased delinquencies and deferred payments due to the impact of COVID-19.

Greater Than 90 Days by Customer

	Number of Accounts			Month of Feb (All Categories)				Total Delinquent				
	W & S	Impervious Only	Total No. of	Active		Inactive		Jan		Feb		
				No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	%
a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)	%	
Commercial	8,979	2,265	11,244	1,538	\$6,424,805	42	\$110,788	1,582	\$6,522,347	1,580	\$6,535,593	27%
Multi-family	8,471	337	8,808	1,258	\$8,016,796	15	\$77,504	1,262	\$7,824,288	1,273	\$8,094,300	34%
Single-Family Residential	106,750	2,244	108,994	11,995	\$9,197,537	125	\$92,355	12,600	\$9,048,021	12,120	\$9,289,892	39%
Total	124,200	4,846	129,046	14,791	\$23,639,138	182	\$280,647	15,444	\$23,394,656	14,973	\$23,919,785	100%

Notes: Included in the above \$24.0 million (or 14,973 accounts) of the DC Water over 90 days delinquent accounts, \$4,186,642.84 (or 1,615 accounts) represents Impervious only accounts over 90 days delinquent.

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

- Delinquent accounts (14,973) as a percentage of total accounts (129,046) is 11.6 percent.

Monthly Report to DC Retail Water and Sewer Rates Committee

Arrears by Customer Category

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Residential	22,432	\$ 13,002,801.91	15,000	\$ 10,720,676.88	12,120	\$ 9,289,892.07
Multi-family	2,092	\$ 11,940,951.69	1,527	\$ 9,576,011.84	1,273	\$ 8,094,300.12
Commercial	2,600	\$ 9,149,543.35	1,854	\$ 7,366,857.32	1,580	\$ 6,535,592.99



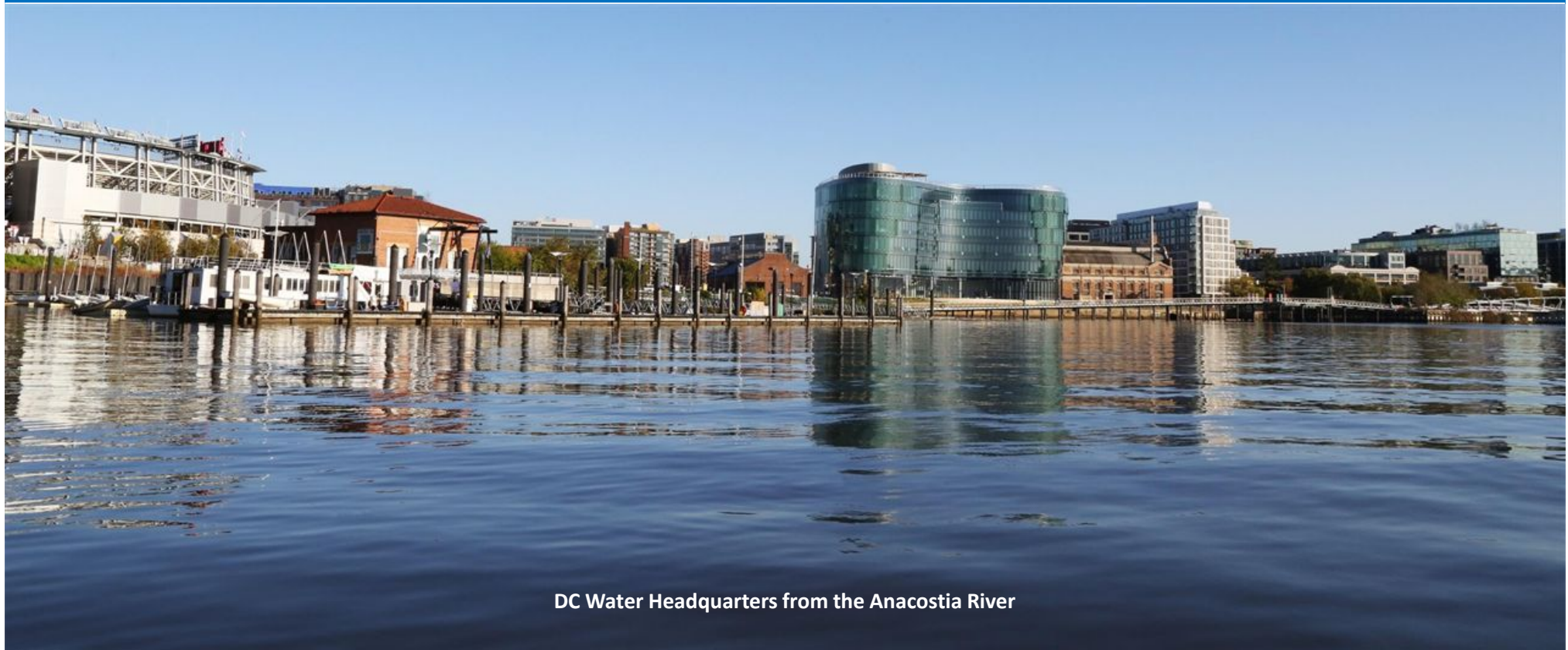
Overview of Proposed FY 2021 – FY 2030 Ten-Year Financial Plan

Attachment B

Presentation to Retail Rates Committee, March 23, 2021

Matthew Brown, CFO and EVP Finance and Procurement

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Purpose

- Obtain committee's recommendation to the Board on the following:
 - Proposed FY 2021 – FY 2030 Ten-year Financial Plan



Financial Plan Objectives

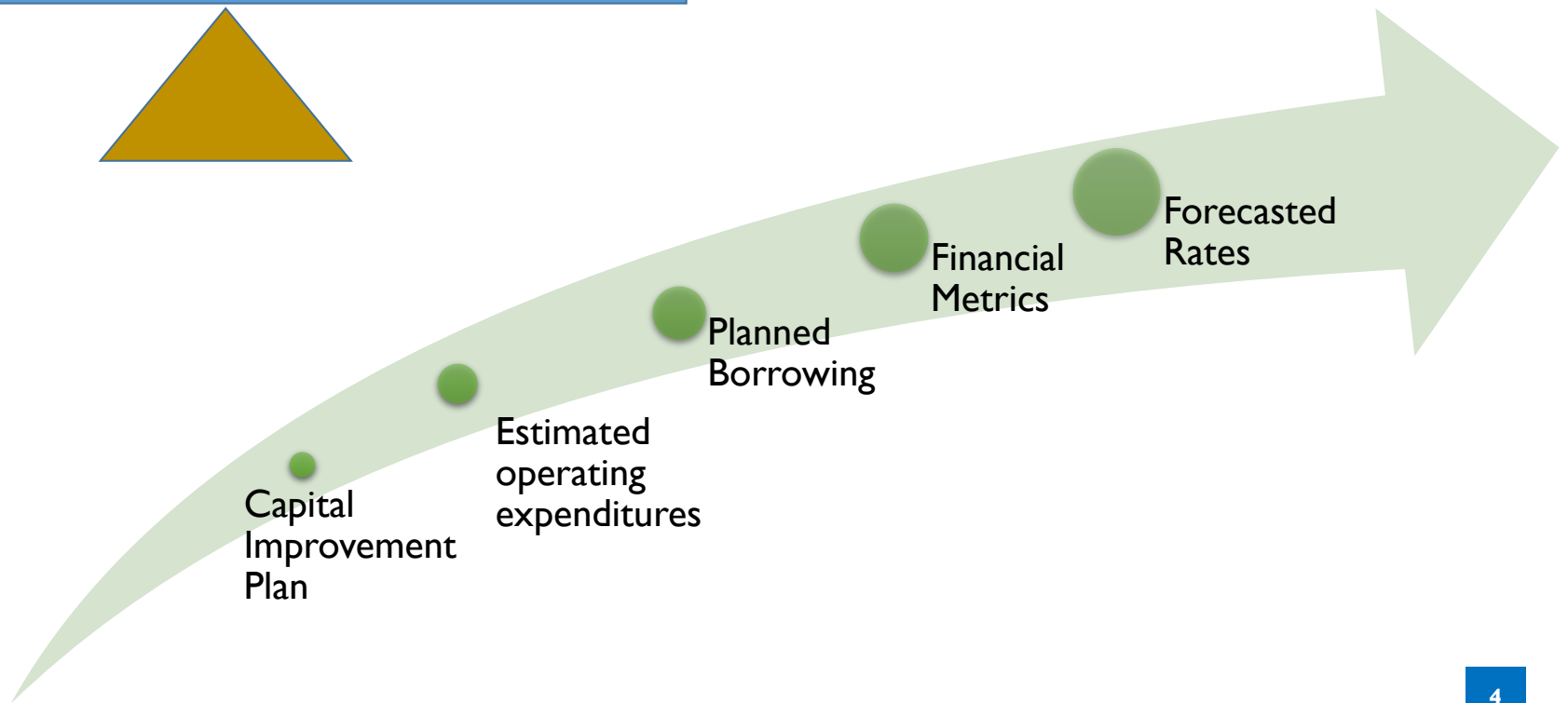
- DC Water’s 10-year financial plan serves as the fiscal roadmap to achieve the Board’s strategic plan
- It is one of management’s key tools to monitor progress in meeting financial goals and targets
- It also ensures meeting or exceeding all debt-related legal and policy requirements, as well as maintaining sufficient liquidity to meet all current financial obligations
- DC Water’s financial plan objectives focus on:
 - minimizing rate increases while meeting all financial obligations;
 - satisfying all indenture requirements and Board policies; and
 - maintaining the DC Water’s current credit ratings of AAA/Aa1/AA+



Financial Plan

Infrastructure Investment

Rates and Affordability

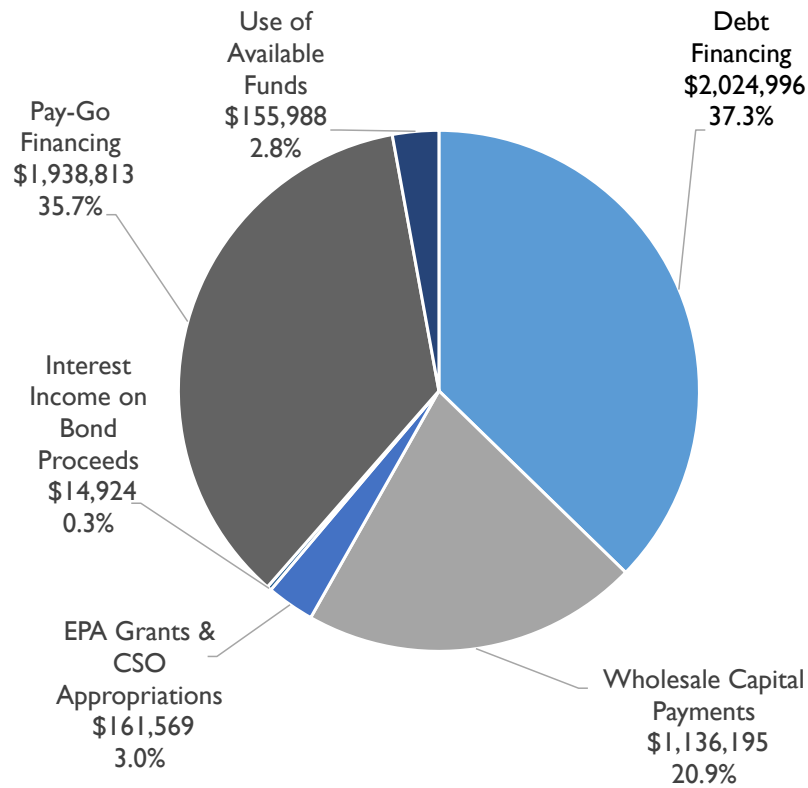




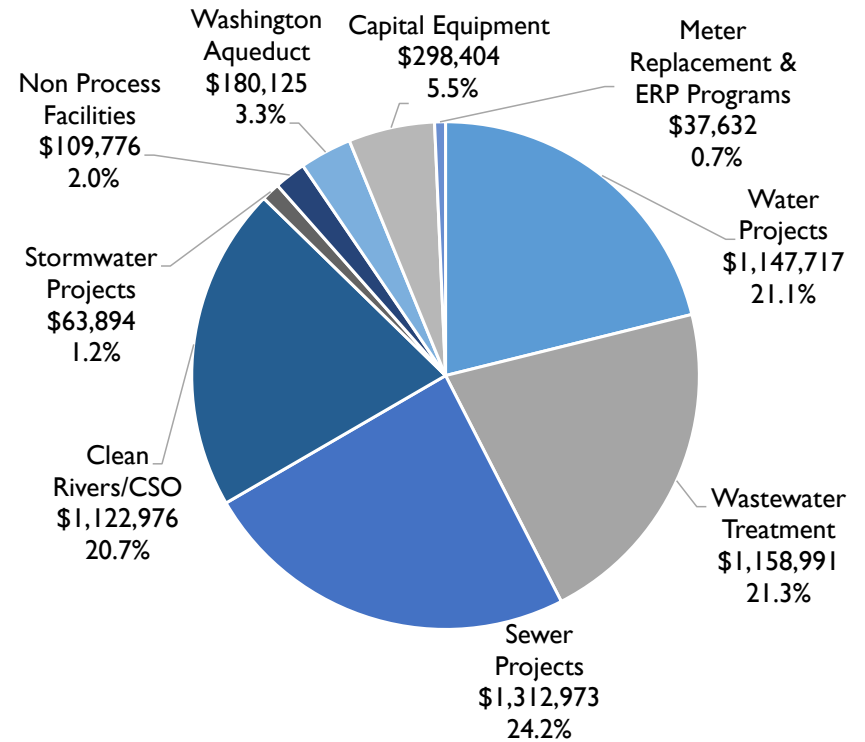
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$5.43 Billion



Uses - \$5.43 Billion





The Capital Improvement Program

- Total spending remains at \$5.4 billion in the ten-year plan, a decrease of \$17.5 million from previous CIP
- The Proposed FY 2021 – FY 2030 CIP disbursements include spending reductions of \$36.3 million in FY 2021 and \$134.9 million in FY 2022 compared to last year’s plan due to the impact of the COVID-19 pandemic on revenues
- The proposed lifetime budget is \$12.13 billion and covers total commitments, including labor, for active projects prior to, during, and beyond the ten-year window

\$ in 000's	FY 2021 - FY 2030 Proposed Disbursement Plan											Last Year's CIP	(Increase)/Decrease	Lifetime Budget
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	10-yr Total			
NON PROCESS FACILITIES	\$38,004	\$12,725	\$21,321	\$22,204	\$6,350	\$5,262	\$3,066	\$844	\$0	\$0	\$109,776	\$137,479	\$27,703	\$210,031
WASTEWATER TREATMENT	78,992	63,922	97,737	119,659	107,822	139,953	133,832	127,553	133,746	155,775	1,158,991	1,049,252	(109,739)	3,475,135
COMBINED SEWER OVERFLOW	170,842	165,276	126,598	77,962	77,216	157,621	104,808	91,414	124,593	26,645	1,122,976	1,311,366	188,390	2,979,072
STORMWATER	5,931	9,228	7,209	5,109	6,328	5,297	5,089	7,718	5,057	6,928	63,894	58,690	(5,204)	121,310
SANITARY SEWER	50,547	75,437	94,116	126,383	130,552	182,891	214,243	166,734	138,047	134,024	1,312,973	1,228,922	(84,052)	2,095,695
WATER	75,362	100,209	119,090	112,118	122,534	122,944	126,693	129,781	118,831	120,155	1,147,717	1,136,112	(11,605)	2,346,963
CAPITAL PROJECTS	419,678	426,797	466,072	463,435	450,803	613,968	587,731	524,044	520,274	443,526	4,916,327	4,921,821	5,493	11,228,206
CAPITAL EQUIPMENT	36,207	36,019	36,611	28,578	33,103	33,103	33,103	33,103	33,103	33,103	336,036	333,015	(3,021)	336,036
WASHINGTON AQUEDUCT	15,382	13,324	37,903	8,414	16,012	34,208	11,240	10,919	18,885	13,838	180,125	195,178	15,053	180,125
ADDITIONAL CAPITAL PROGRAMS	51,589	49,343	74,513	36,992	49,115	67,312	44,344	44,023	51,988	46,942	516,161	528,193	12,032	516,161
LABOR													-	388,747
TOTAL CAPITAL BUDGETS	471,267	476,140	540,585	500,427	499,918	681,280	632,075	568,067	572,262	490,468	5,432,489	5,450,013	17,524	12,133,115
Last Years CIP	507,590	611,008	531,323	438,195	461,193	580,092	589,978	628,404	650,006	-	5,450,013	5,450,013	17,524	12,390,598
(Increase)/Decrease	\$36,323	\$134,868	(\$9,262)	(\$62,232)	(\$38,725)	(\$101,188)	(\$42,096)	\$60,338	\$77,744	(\$490,468)	\$17,524	-	-	\$257,483



Operating Budget

- 💧 Total Operations & Maintenance expenditure is projected to decrease by \$0.95 million or 0.3%
- 💧 Overall Operating Expenditure is projected to increase by \$15.8 million or 2.4%

(\$000's)	FY 2020 Revised	FY 2020 Actual	FY 2020 Variance	FY 2021 Approved	FY 2021 Forecast	(Increase)/ Decrease		FY 2022 Proposed	(Increase)/ Decrease	
Regular Pay	\$ 123,293	\$ 116,480	\$ 6,813	\$ 127,675	\$ 121,994	\$5,681	4.7%	\$ 132,146	\$(4,471)	-3.4%
Benefits	39,303	35,930	3,373	42,034	39,153	2,881	7.4%	40,064	1,970	4.9%
Overtime	8,084	6,835	1,249	8,154	7,062	1,092	15.5%	8,143	11	0.1%
Total Personnel Services	170,680	159,245	11,435	177,863	168,209	9,654	5.7%	180,353	(2,490)	-1.4%
Chemical & Supplies	33,157	28,659	4,498	36,081	33,763	2,318	6.9%	34,201	1,880	5.5%
Utilities	26,953	24,705	2,248	27,911	27,771	140	0.5%	27,329	582	2.1%
Contractual Services	81,886	74,503	7,383	88,532	82,987	5,545	6.7%	88,504	28	0.0%
Water Purchases	34,929	31,696	3,233	36,250	33,750	2,500	7.4%	35,217	1,033	2.9%
Small Equipment	989	806	183	1,030	1,028	2	0.2%	1,108	(78)	-7.0%
Total Non-Personnel Services	177,914	160,369	17,545	189,804	179,299	10,505	5.9%	186,359	3,445	1.8%
Total Operations & Maintenance	348,594	319,614	28,980	367,667	347,508	20,159	5.8%	366,711	956	0.3%
Debt Service	207,340	199,056	8,284	222,268	222,268	-	0.0%	231,164	(8,896)	-3.8%
PILOT & ROW	22,034	22,034	-	22,372	22,372	-	0.0%	22,718	(346)	-1.5%
Cash Financed Capital Improvement	28,556	28,556	-	30,355	30,355	-	0.0%	37,830	(7,475)	-19.8%
Total Non-O&M	257,930	249,646	8,284	274,995	274,995	-	0.0%	291,712	(16,717)	-5.7%
Total Operating Expenditure	606,524	569,260	37,264	642,662	622,503	20,159	3.2%	658,423	(15,761)	-2.4%
Capital Labor Charges	(22,748)	(24,906)	2,158	(24,382)	(24,382)	-	0.0%	(25,086)	704	-2.8%
Net Operating Expenditure	583,776	544,354	39,422	618,280	598,121	20,159	3.4%	633,337	(15,057)	-2.4%



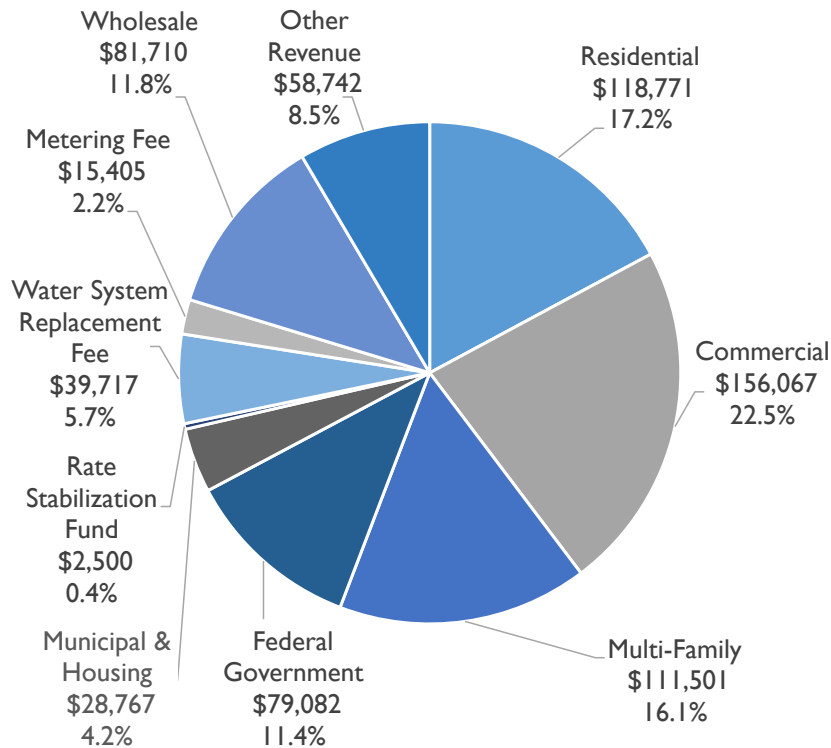
Operating Revenues



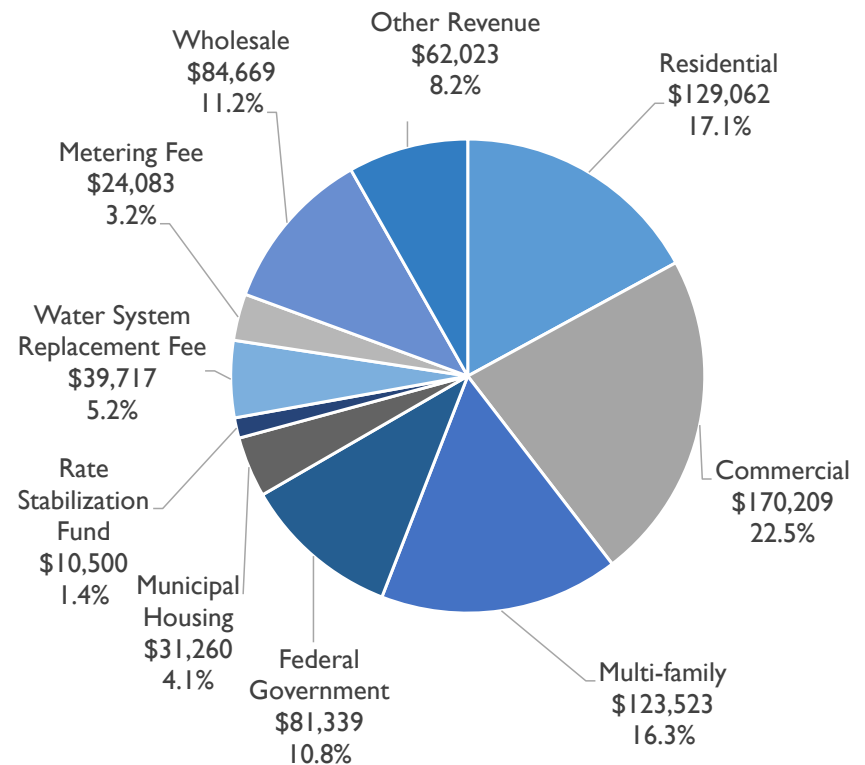
FY 2021 vs. FY 2022 Operating Revenues

\$ in thousands

Revised* FY 2021
\$692,262



Proposed FY 2022
\$756,385

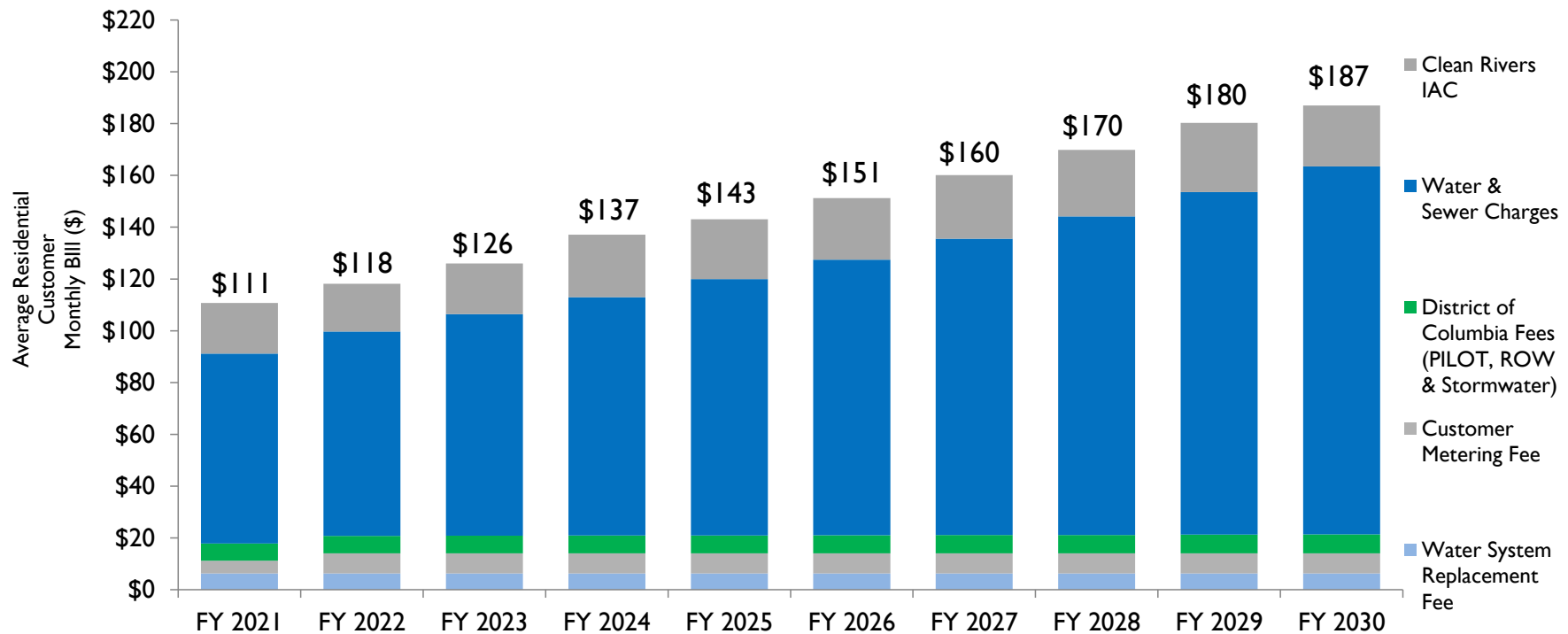


*Reduced from the Board-adopted FY 2021 revenue budget of \$733.7 million



Projected Average Residential Customer Bill

Projected average monthly residential customer bill ranges from \$111 in FY 2021 to \$187 in FY 2030



* Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons



Revenue Comparison by Customer Class

- 💧 Total revenue is projected to decrease by \$17.8 million or -2.5% for FY 2021 due to impact of COVID-19 and increase by \$64.1 million or 9.3% for FY 2022 mainly due to rate increase
- 💧 Retail revenue is projected to decrease by \$1.9 million or -0.3% for FY 2021 and increase by \$49.9 million or 9.1% for FY 2022
- 💧 Wholesale revenue is projected to increase by \$2.6 million or 3.2% for FY 2021 and increase by \$3.0 million or 3.6% for FY 2022 mainly due to 3.0 percent escalation

<i>\$ in thousands</i>	FY 2020	Revised	Proposed	FY 2021 vs		FY 2022 vs	
		FY 2021	FY 2022	FY 2020		FY 2021	
				Incr/(Decr)	Incr/(Decr)		
				\$	%	\$	%
Retail Revenue	\$551,188	\$549,310	\$599,193	-\$1,878	-0.3%	\$49,883	9.1%
Wholesale Revenue							
Potomac Interceptor (PI)	2,648	3,547	3,547	899	34.0%	-	-
Loudoun County Sanitation Authority (LCSA)	7,488	6,620	6,897	-868	-11.6%	277	4.2%
Washington Suburban Sanitary Commission (WSSC)	54,520	56,954	59,049	2,434	4.5%	2,095	3.7%
Fairfax County	14,501	14,589	15,176	88	0.6%	587	4.0%
Total Wholesale Revenue	\$79,157	\$81,710	\$84,669	\$2,553	3.2%	\$2,959	3.6%
Other Revenue	79,752	58,742	62,023	-21,010	-26.3%	3,281	5.6%
Rate Stabilization Fund	-	2,500	10,500	2,500	-	8,000	320.0%
Total Revenues	\$710,097	\$692,262	\$756,385	-\$17,835	-2.5%	\$64,123	9.3%



Financial Plan



Financial Metrics

Metrics	Indenture Requirement	Board Policy	Management Target	Financial Plan
Days of Cash on Hand	60 days	\$125.5 million or 120 Days	250 Days	276 - 306 Days
Combined Coverage Ratio	—	—	1.6X	1.68X – 1.88
Senior Coverage	1.2X	1.4X	—	4.77X – 6.42X
Subordinate Coverage	1.0X	1.0X	—	2.05X – 2.26X
Debt Service as a % of Revenue	—	—	33% of Revenue or Less	28.2% - 32.9%
Rate Stabilization Fund	—	—	10% of Revenue	



Ten-Year Financial Plan

\$ in thousands

OPERATING	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Retail*	\$ 570,055	\$ 620,781	\$ 648,304	\$ 700,728	\$ 727,823	\$ 766,019	\$ 805,865	\$ 850,203	\$ 896,819	\$ 924,823
Wholesale*	81,709	84,669	87,209	89,825	92,520	95,295	98,154	101,099	104,132	107,256
Other	37,997	40,435	41,136	44,580	47,256	52,054	54,209	56,710	58,977	59,700
RSF	2,500	10,500	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 692,262	\$ 756,385	\$ 776,649	\$ 835,133	\$ 867,599	\$ 913,369	\$ 958,228	\$ 1,008,012	\$ 1,059,928	\$ 1,091,778
Operating Expenses	(345,498)	(364,345)	(375,219)	(386,427)	(397,980)	(409,886)	(422,159)	(434,809)	(447,847)	(461,287)
Debt Service	(217,944)	(231,164)	(240,459)	(250,382)	(270,935)	(285,552)	(303,384)	(322,075)	(339,858)	(352,409)
Cash Financed Capital Improvement	\$ (30,355)	\$ (37,830)	\$ (45,381)	\$ (49,051)	\$ (58,226)	\$ (68,942)	\$ (72,528)	\$ (76,518)	\$ (80,714)	\$ (83,234)
Net Revenues After Debt Service	\$ 98,464	\$ 123,046	\$ 115,589	\$ 149,273	\$ 140,458	\$ 148,988	\$ 160,158	\$ 174,610	\$ 191,509	\$ 194,848
Operating Reserve-Beg Balance	186,827	185,000	194,000	201,000	205,000	215,000	220,000	230,000	240,000	250,000
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	918	(2,854)	(3,761)	(6,742)	-	-	-	-	-	-
Project Billing Refunds	(4,000)	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(97,209)	(111,192)	(104,828)	(138,532)	(130,458)	(143,988)	(150,158)	(164,610)	(181,509)	(189,848)
Operating Reserve - Ending Balance	\$ 185,000	\$ 194,000	\$ 201,000	\$ 205,000	\$ 215,000	\$ 220,000	\$ 230,000	\$ 240,000	\$ 250,000	\$ 255,000
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (87,744)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)
Senior Debt Service Coverage	477%	532%	489%	587%	620%	594%	572%	589%	642%	641%
Combined Debt Service Coverage	168%	178%	175%	186%	182%	185%	185%	186%	188%	186%
Actual/Projected Water/Sewer Rate Increases	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
Retail	(2,680)	50,727	27,523	52,425	27,094	38,196	39,846	44,337	46,617	28,004
Wholesale	2,553	2,959	2,540	2,616	2,695	2,776	2,859	2,945	3,033	3,124
*Operating Receipts % Increase/Decrease										
Retail	-0.5%	8.9%	4.4%	8.1%	3.9%	5.2%	5.2%	5.5%	5.5%	3.1%
Wholesale	3.2%	3.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

⁽²⁾ FY 2022 planned transfers of \$0.0 million to Rate Stabilization Fund and \$10.5 million utilization will bring the total fund balance to \$77.2 million



Action Items



Management Recommendation

Recommendation to the full Board to adopt and approve the proposed FY 2021 – FY 2030 Ten-Year Financial Plan:

- Proposed FY 2021 – FY 2030 Ten-year Financial Plan, including the revenue requirements to support the operating and capital budgets



Committee Recommendations & Actions

	Environmental Quality & Operations	DC Retail Water & Sewer Rates	Finance & Budget
FY 2021 - FY 2030 Capital Budget <ul style="list-style-type: none"> • Amendments to FY 2021 Capital Disbursements • Ten-Year Disbursements • Lifetime Project 	Action Taken March 18, 2021		Action Required
FY 2022 Operating Budget			Action Required
Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing			Action Required
FY 2021 – FY 2030 Financial Plan		March 23, 2021	Action Required



Appendix



Budget Adoption Calendar

Timeline (2021)	Activity	Status
February 4	Budget Workshop with Board of Directors	✓
February 12	Wholesale Customer Briefing	✓
Committee Discussions & Reviews		
February 18	Environmental Quality & Operations	✓
February 23	Joint DC Retail Water & Sewer Rates and Finance & Budget Committee	✓
March 4	Board Meeting (No Board Action Required)	✓
Committee Reviews, Recommendations & Actions		
March 18	Environmental Quality & Operations	✓
March 23	DC Retail Water & Sewer Rates	
March 25	Finance & Budget	
April 1	Board Adoption	
April	Submit budget via the District to U.S. Congress	



Customer Impacts

💧 Rates for FY 2022 have already been approved by the Board

💧 Customer Impacts

Residential Avg. Ccf 5.42, ERU 1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Water & Sewer Rate (%)	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
CRIAC (\$/ERU)	\$19.52	\$18.40	\$19.58	\$24.07	\$23.07	\$23.82	\$24.56	\$25.64	\$26.78	\$23.45
Avg. Customer Bill (\$)	\$111	\$118	\$126	\$137	\$143	\$151	\$160	\$170	\$180	\$187
Avg. Customer Bill (%)	6.6%	6.7%	6.7%	8.8%	4.4%	5.7%	5.8%	6.1%	6.2%	3.7%
Multi-family Avg. Ccf 86.14, ERU 6.83	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Water & Sewer Rate (%)	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
CRIAC (\$/ERU)	\$19.52	\$18.40	\$19.58	\$24.07	\$23.07	\$23.82	\$24.56	\$25.64	\$26.78	\$23.45
Avg. Customer Bill (\$)	\$1,447	\$1,538	\$1,654	\$1,791	\$1,896	\$2,022	\$2,157	\$2,304	\$2,461	\$2,600
Avg. Customer Bill (%)	8.0%	6.2%	7.6%	8.3%	5.9%	6.6%	6.7%	6.8%	6.8%	5.6%
Commercial Avg. Ccf 115.82 ERU 14.17	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Water & Sewer Rate (%)	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
CRIAC (\$/ERU)	\$19.52	\$18.40	\$19.58	\$24.07	\$23.07	\$23.82	\$24.56	\$25.64	\$26.78	\$23.45
Avg. Customer Bill (\$)	\$2,163	\$2,285	\$2,456	\$2,669	\$2,814	\$2,994	\$3,189	\$3,401	\$3,629	\$3,809
Avg. Customer Bill (%)	6.6%	5.7%	7.5%	8.7%	5.4%	6.4%	6.5%	6.7%	6.7%	5.0%



Average Residential Customer Monthly Bill

	Units	FY 2020	Current FY 2021	Approved FY 2022
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 66.25	\$ 73.30	\$ 78.92
DC Water Clean Rivers IAC ⁽²⁾	ERU	20.94	19.52	18.40
DC Water Customer Metering Fee	5/8"	3.86	4.96	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 97.35	\$ 104.08	\$ 111.37
Increase / Decrease		\$ 5.01	\$ 6.73	\$ 7.29
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.76	\$ 2.93	\$ 3.04
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.46	\$ 6.63	\$ 6.74
Total Amount Appearing on DC Water Bill		\$ 103.81	\$ 110.71	\$ 118.11
Increase / Decrease Over Prior Year		\$ 5.11	\$ 6.90	\$ 7.40
Percent Increase in Total Bill		5.2%	6.6%	6.7%

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) Assumes average 1 Equivalent Residential Unit (ERU)

(3) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(4) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015



Average CAP Customer Monthly Bill

	Units	FY 2020	Current FY 2021	Approved FY 2022
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 66.25	\$ 73.30	\$ 78.92
DC Water Clean Rivers IAC	ERU	20.94	19.52	18.40
DC Water Customer Metering Fee	5/8"	3.86	4.96	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 97.35	\$ 104.08	\$ 111.37
Increase / Decrease		\$ 5.01	\$ 6.73	\$ 7.29
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.76	\$ 2.93	\$ 3.04
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.46	\$ 6.63	\$ 6.74
Total Amount		\$ 103.81	\$ 110.71	\$ 118.11
Less: CAP Discount (4 Ccf per month) ^{(1), (2)}		(50.60)	(55.96)	(60.08)
Water System Replacement Fee (WSRF) ⁽³⁾		(6.30)	(6.30)	(6.30)
Clean Rivers IAC ⁽⁵⁾		(10.47)	(14.64)	(13.80)
Total Amount Appearing on DC Water Bill		\$ 36.44	\$ 33.81	\$ 37.93
Increase / Decrease Over Prior Year		\$ 0.90	\$ (2.63)	\$ 4.12
CAP Customer Discount as a Percent of Total Bill		-64.9%	-69.5%	-67.9%

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) Expansion of CAP program in FY 2009 assumes discount to first 4 Ccf of Water and Sewer and to first 4 Ccf of PILOT and ROW in FY 2011

(3) Assumes 100 percent discount for Water System Replacement Fee (WSRF) to CAP customers effective October 1, 2015

(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) Assumes 50 percent discount for FY2020 and 75% discount for FY2021 and FY2022 for the Clean Rivers IAC

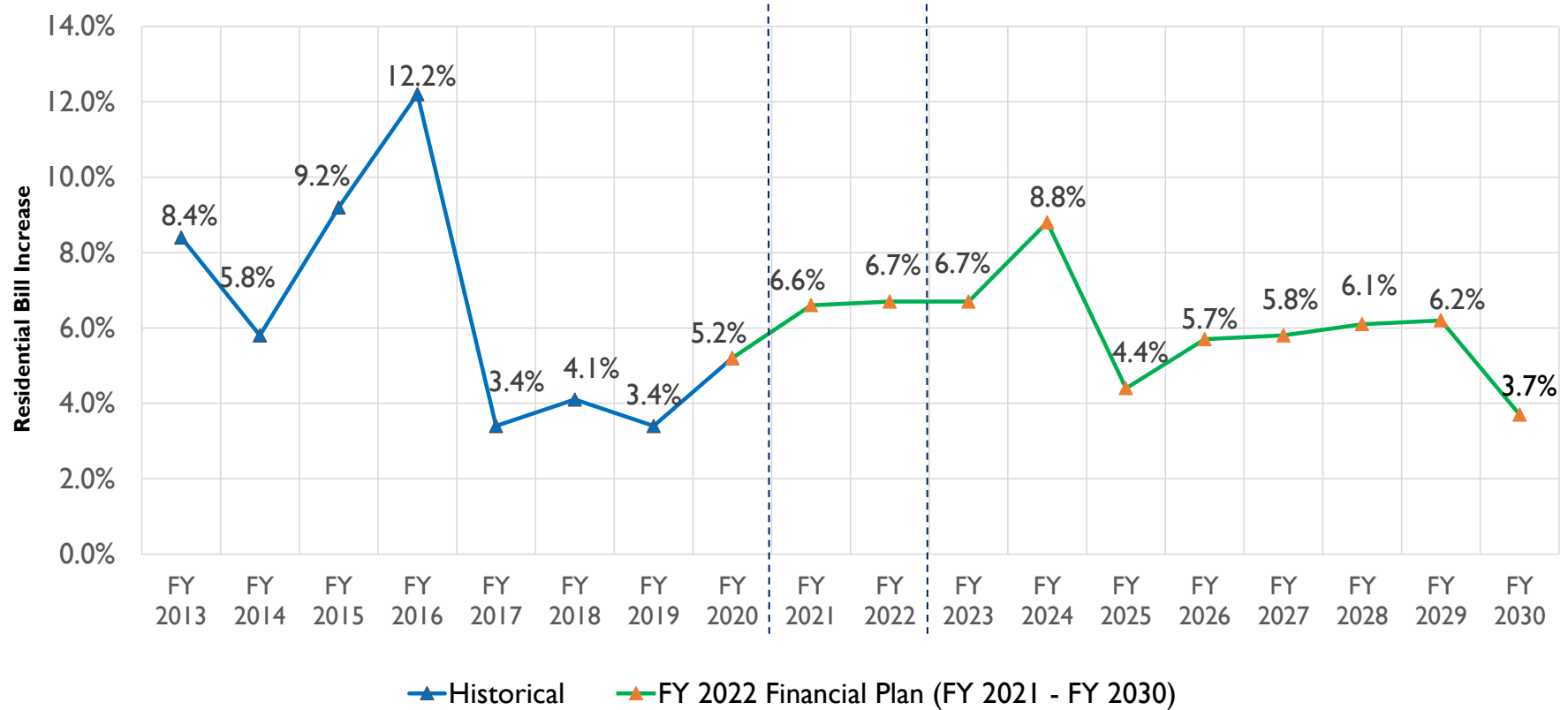


Approved FY 2021 & FY 2022 Rates, Charges & Fees

	Units	FY 2020	Approved FY 2021	Approved FY 2022	Incr. /(Decr.) FY 2021		Incr. /(Decr.) FY 2022	
					\$	%	\$	%
DC Water Retail Rates – Water:								
Residential – Lifeline (0- 4 Ccf)	Ccf	\$3.06	\$3.49	\$3.63	\$0.43	14.1%	\$0.14	4.0%
Residential – (> 4 Ccf)	Ccf	4.10	4.50	4.74	0.40	9.8	0.24	5.3
Multi-family	Ccf	3.54	3.96	4.15	0.42	11.9	0.19	4.8
Non-Residential	Ccf	4.25	4.65	4.91	0.40	9.4	0.26	5.6
DC Water Retail Rates – Sewer	Ccf	8.89	9.77	10.64	0.88	9.9	0.87	8.9
DC Water Clean Rivers IAC	ERU	20.94	19.52	18.40	-1.42	-6.8	-1.12	-5.7
DC Water Customer Metering Fee	5/8”	3.86	4.96	7.75	1.10	28.5	2.79	56.3
DC Water System Replacement Fee	5/8”	6.30	6.30	6.30	-	-	-	-
District of Columbia PILOT Fee	Ccf	0.51	0.54	0.56	0.03	5.9	0.02	3.7
District of Columbia Right of Way Fee	Ccf	0.19	0.19	0.19	-	-	-	-
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	-	-	-	-



Historical and Projected Combined Rate Increases



Attachment C



Retail Water & Sewer Rates Committee

Fire Protection Cost of Service Fees

March 23, 2021

Background

- DC Water assesses a fire protection fee to the District based on Title 21 DCMR, Chapter 21, Section 4103 Fire Protection Service Fee (April 2000).
- The purpose of this presentation is to review the findings of the 2021 Cost of Service (COS) Study and recommend the appropriate fees for recovering fire protection costs from the District.

2013 Fire Protection MOU

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

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

Methodology

- Reviewed and tabulated historical fire service costs of DC Water (FY 2016-20)
- Compared recent DC Water costs with the revenues received from the District for fire protection services
- Developed projections of DC Water costs under the most recent MOU for FY 2021-24
- Developed cost recovery options for consideration by DC Water, recognizing that prior annual charges have reflected the capitalization of certain costs of service
- No changes to the Methodology since the prior report

Changes Since the Prior Report, Part 1

- DC Water personnel advise that hydrant repair and replacement has reached relatively stable annual levels; the level of service should continue in future years
- The District paid \$10.796 million annually from FY 2015 through FY 2018, and \$12.527 million per year from FY 2019 through the current year.
- The preceding payments have enabled the District to catch-up on its prior obligations to DC Water for fire protection; the net credit due to the District at the end of FY 2021 is estimated to be about \$2.4 million, assuming the continued capitalization of certain construction costs.

Changes Since the Prior Report, Part 2

- The fire protection work performed and actual costs incurred during FY 2020 reflect DC Water's experience during approximately six months of the COVID-19 outbreak. The experience of working in the pandemic continues thus far in FY 2021.
- DC Water has advised that there has been some impact on fire hydrant replacement and maintenance; however, the actual and anticipated effects on performance and operating and capital spending due to COVID-19 remain uncertain through the pandemic.
- The projections presented in this Report do not assume potential operating expense or capital cost adjustments due to impacts from COVID-19.

Cost of Service - Historical and Projected

Cost Category	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Historical					Projected			
Direct Fire Costs									
1 Full time assigned personnel costs	928,964	1,014,998	1,034,526	1,289,095	1,206,274	1,242,463	1,279,736	1,318,129	1,357,672
2 Hydrant Parts	67,608	67,154	85,926	52,551	41,571	54,127	55,751	57,423	59,146
3 Material & Equipment (Fire Hydrant Program)	160,256	511,096	660,368	500,460	416,168	515,474	530,938	546,866	563,272
4 Hydrant Installation and Restoration	200,886	956,607	914,512	768,017	1,098,077	1,131,020	1,164,950	1,199,899	1,235,896
5 Personnel loaned from other departments (documented via WO)	1,054,792	1,847,677	1,640,246	1,847,942	2,042,592	2,103,870	2,166,986	2,231,996	2,298,956
6 DDOT Open Space Permits	435,591	377,858	496,714	371,249	329,148	339,023	349,193	359,669	370,459
7 Paid to Fire Department for Inspection Services (NTE)	0	0	0	0	0	0	0	0	0
8 Fire Protection Cost of Service Study			42,727			42,946			42,946
9 Burden applied to DC Water personnel costs	1,059,019	1,157,098	1,282,813	1,598,478	1,495,780	1,279,736	1,318,129	1,357,672	1,398,403
10 Burden applies to Personnel loaned (Hourly Rate, Salary Rate & OH)	1,202,463	2,106,352	2,033,905	2,291,448	2,532,815	2,166,986	2,231,996	2,298,956	2,367,924
11 Burden applied to Parts	32,452	32,234	53,274	32,581	25,774	25,981	26,760	27,563	28,390
12 Burden applied to Material & Equipment	76,923	245,326	409,428	310,285	258,024	247,427	254,850	262,496	270,371
13 Subtotal Direct Costs	5,218,955	8,316,402	8,654,439	9,062,108	9,446,224	9,149,053	9,379,291	9,660,669	9,993,436
Allocated Fire Costs									
14 Fire Share of Water Base Costs @ 0.5%	530,766	513,113	550,519	574,719	638,030	771,519	794,664	818,504	843,059
15 Fire Share of Peak Costs @ 1.64% for 2016, decreasing to 1.58% by 2019	<u>282,220</u>	<u>247,738</u>	<u>276,977</u>	<u>272,756</u>	<u>292,908</u>	<u>347,636</u>	<u>358,066</u>	<u>368,808</u>	<u>379,872</u>
16 Subtotal	812,986	760,850	827,495	847,475	930,938	1,119,155	1,152,730	1,187,312	1,222,931
17 Allocated Public Fire Costs	612,362	573,596	629,493	643,459	700,197	841,763	867,016	893,026	919,817
18 Total Direct and Allocated Fire Costs	5,831,317	8,889,998	9,283,931	9,705,567	10,146,422	9,990,817	10,246,307	10,553,696	10,913,253
19 PAYGO %	12%	19%	19%	60%	24%	24%	26%	28%	41%
20 Less: Construction Costs not Paid via PAYGO	176,643	773,291	742,055	306,167	832,281	862,889	863,500	861,061	728,961
21 Expense- Related Fire Costs	5,654,674	8,116,707	8,541,876	9,399,401	9,314,141	9,127,928	9,382,807	9,692,635	10,184,291
22 Capital Costs to be Amortized	176,643	773,291	742,055	306,167	832,281	862,889	863,500	861,061	728,961
23 Debt Service Allocation Ratio Based on Cumulative Costs	1.77%	1.76%	1.57%	1.42%	1.43%	1.34%	1.25%	1.19%	1.13%
24 Debt Service to be Allocated (Excludes Issuances Prior to 2007)	110,152,741	122,666,429	139,838,768	160,754,197	173,095,643	190,230,822	208,460,060	225,418,550	244,665,611
25 Fire Share of Debt Service	1,951,366	2,159,151	2,196,750	2,275,688	2,467,892	2,544,521	2,605,502	2,674,219	2,767,002
26 Total Annual Costs	7,606,040	10,275,858	10,738,626	11,675,089	11,782,033	11,672,449	11,988,309	12,366,854	12,951,294
19 District Payment	10,796,000	10,796,000	10,796,000	12,527,000	12,527,000	12,527,000	12,527,000	12,527,000	12,527,000
27 Annual Difference	3,189,960	520,142	57,374	851,911	744,967	854,551			
28 2006-21 Cumulative Difference (Payments vs.Costs)	-592,958	-72,817	-15,443	836,469	1,581,435	2,435,987			
29 Level charges (2022-24) including catch-up							11,535,000	11,535,000	11,535,000

Please see the Report Regarding Fire Service Charges for applicable assumptions and notes ⁷

Cost Recovery: Recommendations

- From FY 2006 through FY 2021 (the current year is estimated), DC Water expended about \$118.4 million to provide fire protection services to the District.
- The District has reimbursed DC Water approximately \$120.8 million for the same period, including the anticipated FY 2021 payment, resulting in a calculated \$2.4 million credit.
- It is recommended that the “true-up” of the credit in District reimbursements be spread over the next three years (FY 2022 – FY 2024) which, when applied to the projected costs, results in a proposed fire protection service fee of approximately \$11.535 million per year, paid quarterly.

DC Retail Water and Sewer Rates Committee

Action Items

1. Proposed Ten-Year Financial Plan FY 2021 – FY 2030
(Action Item 1)
2. Proposed FY 2021 Fire Protection Service Fee FY 2022 – FY 2024
(Action item 2)

ACTION ITEM 1

Proposed Ten-Year Financial Plan FY 2021- FY 2030

1. Attached is a summary of the 10-year Financial Plan, which is based on the following key assumptions for FY 2022:

FY 2022

- Operating receipts totaling \$756.4 million, an increase of \$64.1 million over FY 2021 funded through;
 - Retail Revenue – increase of \$49.9 million
 - Wholesale Revenue – increase of \$2.9 million
 - Other Revenue – increase of \$11.3 million
- Operating disbursements of \$633.3 million in FY 2022; and
- A ten-year capital improvement plan (FY 2021 – FY 2030) of \$5.43 billion on a cash disbursement basis.

The FY 2021 – FY 2030 Financial Plan is projected to meet the Board's policy requirement in Resolution #13-57, dated May 2, 2013 for senior debt coverage of 140 percent and an operating reserve of 120 days of budgeted operations and maintenance costs with the objective of maintaining at least \$125.5 million in operating reserves.

District of Columbia Water & Sewer Authority
FY 2021 – 2030 Financial Plan
(In 000's)

OPERATING	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Retail*	\$ 570,055	\$ 620,781	\$ 648,304	\$ 700,728	\$ 727,823	\$ 766,019	\$ 805,865	\$ 850,203	\$ 896,819	\$ 924,823
Wholesale*	81,709	84,669	87,209	89,825	92,520	95,295	98,154	101,099	104,132	107,256
Other	37,997	40,435	41,136	44,580	47,256	52,054	54,209	56,710	58,977	59,700
RSF	2,500	10,500	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 692,262	\$ 756,385	\$ 776,649	\$ 835,133	\$ 867,599	\$ 913,369	\$ 958,228	\$ 1,008,012	\$ 1,059,928	\$ 1,091,778
Operating Expenses	(345,498)	(364,345)	(375,219)	(386,427)	(397,980)	(409,886)	(422,159)	(434,809)	(447,847)	(461,287)
Debt Service	(217,944)	(231,164)	(240,459)	(250,382)	(270,935)	(285,552)	(303,384)	(322,075)	(339,858)	(352,409)
Cash Financed Capital Improvement	\$ (30,355)	\$ (37,830)	\$ (45,381)	\$ (49,051)	\$ (58,226)	\$ (68,942)	\$ (72,528)	\$ (76,518)	\$ (80,714)	\$ (83,234)
Net Revenues After Debt Service	\$ 98,464	\$ 123,046	\$ 115,589	\$ 149,273	\$ 140,458	\$ 148,988	\$ 160,158	\$ 174,610	\$ 191,509	\$ 194,848
Operating Reserve-Beg Balance	186,827	185,000	194,000	201,000	205,000	215,000	220,000	230,000	240,000	250,000
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	918	(2,854)	(3,761)	(6,742)	-	-	-	-	-	-
Project Billing Refunds	(4,000)	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(97,209)	(111,192)	(104,828)	(138,532)	(130,458)	(143,988)	(150,158)	(164,610)	(181,509)	(189,848)
Operating Reserve - Ending Balance	\$ 185,000	\$ 194,000	\$ 201,000	\$ 205,000	\$ 215,000	\$ 220,000	\$ 230,000	\$ 240,000	\$ 250,000	\$ 255,000
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (87,744)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)	\$ (77,244)
Senior Debt Service Coverage	477%	532%	489%	587%	620%	594%	572%	589%	642%	641%
Combined Debt Service Coverage	168%	178%	175%	186%	182%	185%	185%	186%	188%	186%
Actual/Projected Water/Sewer Rate Increases	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
Retail	(2,680)	50,727	27,523	52,425	27,094	38,196	39,846	44,337	46,617	28,004
Wholesale	2,553	2,959	2,540	2,616	2,695	2,776	2,859	2,945	3,033	3,124
*Operating Receipts % Increase/Decrease										
Retail	-0.5%	8.9%	4.4%	8.1%	3.9%	5.2%	5.2%	5.5%	5.5%	3.1%
Wholesale	3.2%	3.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

⁽²⁾ FY 2022 planned transfers of \$0.0 million to Rate Stabilization Fund and \$10.5 million utilization will bring the total fund balance to \$77.2 million

**District of Columbia Water & Sewer Authority
Average Residential Customer Monthly Bill
FY 2021 - FY 2030**

	Units	Current		Approved								
		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 73.30	\$ 78.92	\$ 85.61	\$ 92.07	\$ 98.98	\$ 106.40	\$ 114.41	\$ 123.04	\$ 132.26	\$ 142.14	
DC Water Clean Rivers IAC ⁽²⁾	ERU	19.52	18.40	19.58	24.07	23.07	23.82	24.56	25.64	26.78	23.45	
DC Water Customer Metering Fee	5/8"	4.96	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	
DC Water Water System Replacement Fee ⁽⁴⁾	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	
Subtotal DC Water Rates & Charges		\$ 104.08	\$ 111.37	\$ 119.24	\$ 130.19	\$ 136.10	\$ 144.27	\$ 153.02	\$ 162.73	\$ 173.09	\$ 179.64	
Increase / Decrease		\$ 6.73	\$ 7.29	\$ 7.87	\$ 10.95	\$ 5.91	\$ 8.17	\$ 8.75	\$ 9.71	\$ 10.36	\$ 6.55	
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.93	\$ 3.04	\$ 3.09	\$ 3.14	\$ 3.20	\$ 3.25	\$ 3.31	\$ 3.36	\$ 3.41	\$ 3.47	
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.08	1.08	1.08	1.08	1.08	1.14	1.19	
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	
Subtotal District of Columbia Charges		\$ 6.63	\$ 6.74	\$ 6.79	\$ 6.89	\$ 6.95	\$ 7.00	\$ 7.06	\$ 7.11	\$ 7.22	\$ 7.33	
Total Amount Appearing on DC Water Bill		\$ 110.71	\$ 118.11	\$ 126.03	\$ 137.08	\$ 143.05	\$ 151.27	\$ 160.08	\$ 169.84	\$ 180.31	\$ 186.97	
Increase / Decrease Over Prior Year		\$ 6.90	\$ 7.40	\$ 7.92	\$ 11.05	\$ 5.97	\$ 8.22	\$ 8.81	\$ 9.76	\$ 10.47	\$ 6.66	
Percent Increase in Total Bill		6.6%	6.7%	6.7%	8.8%	4.4%	5.7%	5.8%	6.1%	6.2%	3.7%	

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) Assumes average 1 Equivalent Residential Unit (ERU)

(3) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(4) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees
FY 2021 - FY 2022

	Units		Current FY 2021		Approved FY 2022
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$	3.49	\$	3.63
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$	4.50	\$	4.74
DC Water Retail Rates Water (Multi-Family)	Ccf	\$	3.96	\$	4.15
DC Water Retail Rates Water (Non-Residential)	Ccf	\$	4.65	\$	4.91
DC Water Retail Rates Sewer	Ccf	\$	9.77	\$	10.64
DC Water Clean Rivers IAC	ERU	\$	19.52	\$	18.40
DC Water Customer Metering Fee	5/8"	\$	4.96	\$	7.75
DC Water Water System Replacement Fee	5/8"	\$	6.30	\$	6.30
District of Columbia PILOT Fee	Ccf	\$	0.54	\$	0.56
District of Columbia Right-of-Way Fee	Ccf	\$	0.19	\$	0.19
District of Columbia Stormwater Fee	ERU	\$	2.67	\$	2.67

Action Item 2

**DC RETAIL WATER AND SEWER RATES COMMITTEE
PROPOSED DISTRICT OF COLUMBIA FIRE PROTECTION SERVICE FEE**

DC Water requests that the DC Retail Water and Sewer Rates Committee recommend to the Board of Directors the publication of the proposed amendment to the Fire Protection Service Fee charged to the District of Columbia consist with the Cost of Service Study, dated February 11, 2021, as shown below:

Section 4103, FIRE PROTECTION SERVICE FEE, of Chapter 41, RETAIL WATER AND SEWER RATES, of Title 21 DCMR, WATER AND SANITATION, shall be amended as follows:

4103 FIRE PROTECTION SERVICE FEE

4103.1.1 The charge to the District of Columbia for fire protection service, including, but not limited to the delivery of water flows for firefighting as well as maintaining and upgrading public fire hydrants in the District of Columbia, (plus the cost of fire hydrant inspections performed by the DC Fire and Emergency Medical Services) shall be Twelve Million Five Hundred Twenty Seven Thousand Dollars (\$12,527,000) per Fiscal Year (FY) for FY 2021, and Eleven Million Five Hundred Thirty Five Thousand Dollars (\$11,535,000) per Fiscal Year for FY 2022, FY 2023, and FY 2024.

4103.2 The fee may be examined every three years to determine if the fee is sufficient to recoup the actual costs for providing this service.

4103.3 In the event the actual costs are not being recouped, the District of Columbia shall pay the difference and the fee will be appropriately adjusted pursuant to the rulemaking process.

4103.4 In the event the costs paid by the District of Columbia exceed DC Water’s actual costs, the fee shall be adjusted pursuant to the rulemaking process.

This rulemaking will be effective upon publication of the Notice of Final Rulemaking in the *D.C. Register*.

The proposed rulemaking schedule shall be as follows:

March 23, 2021	Presentation of proposal to Rates Committee
April 1, 2021	BOD Approval of NOPR
April 23, 2021	Publish NOPR in the <i>D.C. Register</i>
April 23 - May 24, 2021	Public Comment period
May 25, 2021	Presentation of final proposal to Rates Committee
June 3, 2021	BOD Approval of NOFR
June 18, 2021	Publish NOFR in the <i>D.C. Register</i>
October 1, 2021 (FY2022)	Fire Protection Fee Go-live

Attachment E

FY 2021 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
1. Fire Protection Service Fee for FY 2022, FY 2023, and FY 2024			
a. RRC recommend proposal for Fire Protection Service Fee	March 23, 2021		Rates and Revenue
b. Board approval of Notice of Proposed Rulemaking (NOPR)	April 1, 2021		
c. Publish NOPR in D.C Register	April 23, 2021		DGLA
d. Public Comment and Outreach	April 23 – May 24, 2021		Marketing & Comm.
e. RRC approval of final proposed Fire Protection Service Fee	May 25, 2021		Rates and Revenue
f. Board approval of Notice of Final Rulemaking (NOFR)	June 3, 2021		
g. Publish NOFR in D.C. Register	June 18, 2021		DGLA
h. Fire Protection Service Fee go-live	October 1, 2021 (FY 2022)		Rates & Revenue
2. Proposal to Amend Customer Assistance Program Regulations to Establish “DC Water Cares”, and Emergency Residential Relief Program for Low-Income Residential (CAP and CAP2) Customers			
a. Presentation to RRC on proposal to amend Customer Assistance Program (CAP) regulations for Residential Emergency Relief Program	October 20, 2020	√	Customer Service
b. RRC recommend approval of proposal to amend the CAP regulations for residential emergency relief program in FY2021	October 20, 2020	√	Customer Service
c. Board approval to publish Notice of Emergenct and Proposed Rulemaking (NOERP) to amend the CAP regulations for residential emergency relief program – Go-Live	November 5, 2020	√	Board of Directors
d. Publish NOERP and Notice of Public Hearing in D.C. Register	November 20, 2020	√	DGLA
e. Public Comment Period	November 20, 2020 - January 5, 2021	√	Marketing & Comm.
f. Public Hearing*	January 13, 2021*	√	RRC
g. Public Comment Closes	January 18, 2021	√	Board Secretary
h. RRC approves final proposal to amend CAP regulations for residential emergency relief program	January 26, 2021	√	Customer Service
i. Board approval to publish Notice of Final Rulemaking (NOFR)	February 4, 2021	√	Board of Directors
j. Publish NOFR in D.C. Register	February 19, 2021	√	DGLA
k. Continue implementation under Final Emergency Relief Program Rules	February 19, 2021	√	Customer Service

* Date subject to change

Attachment E

FY 2021 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
<p>3. New Program to Provide Assistance to Tenants in Multi-Family Buildings where Occupants have been Negatively Impacted by COVID and Payment Plans are Established and Adhered to; Assistance Amount to be Determined and Provided per Affordable Unit, and will be on a Matching Basis</p>			
<p>a. Presentation to RRC on update to amend Customer Assistance Program (CAP) regulations for Multi-Family Emergency Relief Program</p>	November 17, 2020	√	Customer Service
<p>b. RRC recommend approval of proposal to amend the CAP regulations for multi-family emergency relief program</p>	January 26, 2021	√	Customer Service
<p>c. Board approval to publish Notice of Emergency and Proposed Rulemaking (NOERP) to amend the CAP regulations for Multi-Family Emergency Relief Program</p>	February 4, 2021	√	Board of Director
<p>d. Publish NOERP and Notice of Public Hearing in D.C. Register</p>	February 19, 2021	√	DGLA
<p>e. Public Comment Period</p>	February 19 – April 12, 2021	√	Marketing & Comm.
<p>f. Public Hearing*</p>	April 7, 2021		RRC
<p>g. Public Comment Period Closes</p>	April 12, 2021		Board Secretary
<p>h. RRC approves final proposal to amend CAP regulations for Multi-Family Emergency Relief Program</p>	April 27, 2021		Customer Service
<p>i. Board approval to publish Notice of Final Rulemaking (NOFR)</p>	May 6, 2021		Board of Directors
<p>j. Publish NOFR in D.C. Register</p>	May 21, 2021		DGLA
<p>k. Continue Implementation under Final Multi-Family Emergency Relief Program</p>	May 21, 2021		Customer Service

* Date subject to change

Attachment E

FY 2021 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
4. Establish Separate Sewer Area Backwater Reimbursement Program			
<i>a. RRC Proposes to the Board the Proposal to Implement Separate Sewer Area Backwater Reimbursement Program</i>	January 26, 2021	√	DETS
<i>b. Board Approval to Implement Separate Sewer Area Backwater Reimbursement Program</i>	February 4, 2021	√	Board of Director
5. 2022 Cost of Service Study (COS) for Water, Sewer and CRIAC			
<i>a. Present COS to RRC</i>	June 1, 2021		Rates & Revenue
<i>b. Post Final COS on DC Water's website</i>	January 31, 2022		
6. Delinquent Accounts			
<i>a. Soldiers Home Negotiations</i>	Monthly, as needed		DGLA
7. Rate Stabilization Fund			
<i>a. Rate Stabilization Fund</i>	Monthly, as needed		Rates & Revenue

* Date subject to change



Attachment F

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

**Tuesday, April 27, 2021; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for May 25, 2021 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