



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee

*Tuesday, October 26, 2021
9:30 a.m.*

Microsoft Teams meeting

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Phone Conference ID: 986 347 471#

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 Revised Financial Plan Update (Attachment B)**..... **Ivan Boykin**
5. **DC Water Cares Program Progress Update (Attachment C)** **Meisha Lorick**
6. **Action Item (Attachment D)****Matthew Brown**
 - Recommendation for Board Approval of 10-year Financial Plan for FY2021-FY2030 that reflects FY2021 actuals, the proposed Rate Stabilization Fund transfer and rollover of unexpended capital budget from FY2021 to FY2022 (Action Item 1)
7. **DC Retail Water and Sewer Rates Committee Workplan (Attachment E)****Matthew Brown**
 - FY 2022 Proposed DC Retail Rates Committee Workplan
8. **Agenda for November 16, 2021 Committee Meeting (Attachment F)** ...**Rachna Bhatt, Chairperson**
9. **Other Business****Matthew Brown**
10. **Executive Session*** **Rachna Bhatt, Chairperson**
11. **Adjournment** **Rachna Bhatt, Chairperson**

*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.



Fiscal Year 2021

Monthly Report to DC Retail Water and Sewer Rates Committee

Period Ending September 30, 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 September 30, 2021

Operating Revenues (\$000's)

FY 2020 Actual Total Annual	CATEGORY	FY 2021 Year-to-Date Performance				
		Annual Budget	Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)
\$396,884	Residential / Commercial / Multi-Family*	\$421,633	\$396,892	94.1%	(\$24,741)	(5.9%)
71,954	Federal	77,571	76,206	98.2%	(1,365)	(1.8%)
18,067	Municipal (DC Govt.)	18,377	20,933	113.9%	2,556	13.9%
10,998	DC Housing Authority	11,941	12,173	101.9%	232	1.9%
11,829	Metering Fee	15,405	14,862	96.5%	(543)	(3.5%)
41,456	Water System Replacement Fee (WSRF)	39,717	42,212	106.3%	2,495	6.3%
79,157	Wholesale	81,986	82,986	101.2%	1,000	1.2%
21,546	PILOT/ROW	22,463	21,612	96.2%	(851)	(3.8%)
58,206	All Other	44,645	41,694	93.4%	(2,951)	(6.6%)
\$710,097	TOTAL	\$733,738	\$709,569	96.7%	(\$24,169)	(3.3%)

* Residential, Commercial & Multi-family receipts include credits for October 2020 through September 2021 for District's ERRP (\$1,071,464.11), DC Water Cares Residential (\$1,887,144.13) and DC Water Cares Multi-family (\$2,507,484.41).



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of September 2021, cash receipts totaled \$709.6 million, or 96.7 percent of the FY 2021 budget. The lower YTD receipts are mainly due to decline in consumption on account of the impact of COVID-19. The total receipts for September were \$53.1 million as compared to the budgeted \$48.3 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their fourth quarterly payment in July), and wholesale customers (which made their fourth quarter payment in August).

Areas of Overcollection	Areas of Undercollection
<p><u>District Government</u> – Receipts are higher at \$20.9 million or 113.9 percent of the budget. The higher receipts are partly on account of much higher consumption in September 2020 (FY 2020) and partly due to reopening of schools in the District. The September 2021 receipts of \$2.0 million are higher by \$0.5 million dollars as compared to the monthly budget.</p> <p><u>DC Housing</u> - Receipts are slightly higher at \$12.2 million or 101.9 percent of the budget. The September 2021 receipts are slightly higher by seven thousand dollars as compared to the monthly budget of \$1.0 million.</p> <p><u>Wholesale</u> – The wholesale customers actual receipts through September 2021 total \$83.0 million or 101.2 percent of FY 2021 budget.</p>	<p><u>Residential, Commercial and Multi-Family</u> – Receipts for this category are lower at \$396.9 million or 94.1 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 September 2021 receipts were higher by \$1.8 million or 5.2 percent as compared to the monthly budget of \$35.1 million.</p> <p><u>Federal</u> - Actual receipts through September 2021 total \$76.2 million or 98.2 percent of the budget. The Federal government made their fourth quarter payment in July 2021. The lower actual Federal receipt is mainly due to disputed accounts of Soldiers Home. On January 9, 2018, DC Water filed a complaint, first in the U.S. District Court for the District of Columbia (later transferred to U.S. Court of Federal Claims) to resolve the dispute over Armed Forces Retirement Home's (AFRH) payment for sewer service charges. As of May 24, 2021, DC Water and AFRH submitted the requested documents to the court. As of September 30, 2021, the Parties submitted a Joint Status Report.</p> <p><u>PILOT/ROW</u> – The YTD receipts for PILOT/ROW are slightly lower at \$21.6 million or 96.2 percent of the budget. The September 2021 receipts are slightly higher by 0.2 million dollars as compared to the monthly budget.</p> <p><u>Other Revenue</u> - Receipts are lower at \$41.7 million or 93.4 percent of the budget. The \$3.0 million lower receipts are primarily due to (i) \$2.3 million lower receipts from System Availability Fee and (ii) \$1.0 million lower miscellaneous receipts. The September 2021 Other Revenue receipts were \$7.1 million or 143.0 percent as compared to the monthly budget. This includes \$2.5 million transfer from the Rate Stabilization Fund.</p>

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of September 30, 2021

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2021 Budget	YTD Budget	Actual	Variance		Actual % of Budget	Year-End Projections	Variance Proj vs Budg	% of Budget
				Favorable /	(Unfavorable)				
Residential, Commercial, and Multi-family	\$421.6	\$421.6	\$396.9	(\$24.7)	-5.9%	94.1%	\$382.0	(\$39.7)	90.6%
Federal	77.6	77.6	76.2	(1.4)	-1.8%	98.2%	76.7	(0.9)	98.9%
District Government	18.4	18.4	20.9	2.6	13.9%	113.9%	20.3	1.9	110.6%
DC Housing Authority	11.9	11.9	12.2	0.2	1.9%	101.9%	12.5	0.6	105.0%
Customer Metering Fee	15.4	15.4	14.9	(0.5)	-3.5%	96.5%	14.8	-0.6	95.9%
Water System Replacement Fee (WSRF)	39.7	39.7	42.2	2.5	6.3%	106.3%	41.4	1.7	104.3%
Wholesale	82.0	82.0	83.0	1.0	1.2%	101.2%	82.0	0.0	100.0%
Right-of-Way Fee/PILOT	22.5	22.5	21.6	(0.9)	-3.8%	96.2%	20.7	(1.7)	92.3%
Subtotal (before Other Revenues)	\$689.1	\$689.1	\$667.9	(\$21.2)	-3.1%	96.9%	\$650.4	(\$38.6)	94.4%
IMA Indirect Cost Reimb. For Capital Projects	5.1	5.1	5.1	0.0	0.0%	100.0%	4.5	(0.6)	88.2%
DC Fire Protection Fee	12.5	12.5	12.5	0.0	0.0%	100.0%	12.5	0.0	100.0%
Stormwater (MS4)	1.0	1.0	1.1	0.1	10.0%	110.0%	1.1	0.1	110.0%
Interest	3.4	3.4	3.6	0.2	5.9%	105.9%	3.4	0.0	100.0%
Developer Fees (Water & Sewer)	6.0	6.0	6.0	0.0	0.0%	100.0%	5.0	(1.0)	83.3%
System Availability Fee (SAF)	7.7	7.7	5.4	(2.3)	-29.9%	70.1%	5.4	(2.3)	70.1%
Others	6.4	6.4	5.4	(1.0)	-15.6%	84.4%	3.7	(2.7)	57.8%
Subtotal	\$42.1	\$42.1	\$39.2	(\$3.0)	-7.0%	93.0%	\$35.7	(\$6.4)	84.7%
Rate Stabilization Fund Transfer	\$2.5	\$2.5	\$2.5	\$0.0	0.0%	100.0%	\$2.5	\$0.0	100.0%
Other Revenue Subtotal	\$44.6	\$44.6	\$41.7	(\$3.0)	-7.0%	93.4%	\$38.2	(\$6.4)	85.6%
Grand Total	\$733.7	\$733.7	\$709.6	(\$24.2)	-3.3%	96.7%	\$688.6	(\$45.1)	93.9%

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

Customer Category	Clean Rivers					Total
	Water	Sewer	IAC	Metering Fee	WSRF	
Residential	\$35,501	\$55,997	\$27,272	\$6,644	\$9,494	\$134,908
Commercial	\$57,711	\$65,340	\$33,294	\$4,578	\$16,763	\$177,687
Multi-family	\$43,074	\$66,251	\$12,452	\$2,146	\$7,620	\$131,543
Federal	\$25,583	\$29,082	\$21,541	\$804	\$6,063	\$83,073
District Govt	\$5,217	\$7,058	\$8,658	\$526	\$1,855	\$23,313
DC Housing Authority	\$4,447	\$6,588	\$1,138	\$163	\$417	\$12,753
Total:	\$171,533	\$230,315	\$104,356	\$14,862	\$42,212	\$563,277

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	
				Actual % of Budget		
Residential	\$24,793	\$24,793	\$27,272	\$2,479	10%	110%
Commercial	\$28,102	\$28,102	\$33,294	\$5,192	18%	118%
Multi-family	\$11,370	\$11,370	\$12,452	\$1,082	10%	110%
Federal	\$21,541	\$21,541	\$21,541	\$0	0%	100%
District Govt	\$7,663	\$7,663	\$8,658	\$995	13%	113%
DC Housing Authority	\$1,135	\$1,135	\$1,138	\$3	0%	100%
Total:	\$94,604	\$94,604	\$104,356	\$9,752	10%	110%

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of September 30, 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	\$24.0	14,973
March 31, 2021	\$23.6	14,613
April 30, 2021	\$24.0	14,707
May 31, 2021	\$25.0	14,672
June 30, 2021	\$25.3	14,177
July 31, 2021	\$25.9	13,902
August 31, 2021	\$26.4	13,603
September 30, 2021	\$26.3	13,065

Notes: The increase in the accounts receivable over 90 days (from the billing date) is due to the temporary suspension of collections procedures because of the new billing system VertexOne, which was implemented in December 2017. The increase in accounts receivable from March 2020 to September 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 Sep (All Categories)				Total Delinquent				
	W & S	Impervious Only		Active		Inactive		Aug		Sep		
		a/c	a/c	Total No. of a/c	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)
Commercial	9,131	2,207	11,338	1,411	6,141,032	42	\$123,118	1,454	\$6,423,026	1,453	\$6,264,150	24%
Multi-family	8,463	349	8,812	1,197	9,474,407	17	\$100,071	1,249	\$9,515,168	1,214	\$9,574,477	36%
Single-Family Residential	106,799	2,173	108,972	10,259	10,332,641	139	\$140,012	10,900	\$10,472,770	10,398	\$10,472,653	40%
Total	124,393	4,729	129,122	12,867	\$25,948,080	198	\$363,201	13,603	\$26,410,964	13,065	\$26,311,281	100%

Notes: Included in the above \$26.3 million (or 13,065 accounts) of the DC Water over 90 days delinquent accounts, \$4,274,489.72 (or 1,454 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 (13,065) as a percentage of total accounts (129,122) is 10.1 percent.

Monthly Report to DC Retail Water and Sewer Rates Committee

Customer Arrears Data

Arrears by Customer Category

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Commercial	2,400	\$ 9,854,630.07	1,726	\$ 7,325,638.32	1,453	\$ 6,264,150.40
Multi-family	1,902	\$ 13,235,505.56	1,463	\$ 11,103,836.83	1,214	\$ 9,574,477.47
Residential	19,421	\$ 13,656,231.04	13,034	\$ 11,862,670.47	10,398	\$ 10,472,653.19

Arrears by WARD for Residential Category

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Ward 1	1,391	\$ 1,083,082.02	908	\$ 947,756.95	711	\$ 851,951.61
Ward 2	786	\$ 496,845.20	477	\$ 406,772.92	354	\$ 358,609.26
Ward 3	870	\$ 547,747.87	505	\$ 427,909.21	370	\$ 360,302.26
Ward 4	3,514	\$ 2,466,063.49	2,272	\$ 2,116,025.14	1,779	\$ 1,876,481.64
Ward 5	3,828	\$ 2,558,596.25	2,619	\$ 2,222,483.68	2,094	\$ 1,973,652.19
Ward 6	1,761	\$ 953,541.45	1,120	\$ 816,243.51	880	\$ 724,758.75
Ward 7	4,669	\$ 3,433,088.22	3,324	\$ 3,056,225.07	2,669	\$ 2,615,071.41
Ward 8	2,602	\$ 2,117,266.54	1,809	\$ 1,869,253.99	1,541	\$ 1,711,826.07
Total	19,421	\$ 13,656,231.04	13,034	\$ 11,862,670.47	10,398	\$ 10,472,653.19

CAP, CAP2 and CAP3 Customers in Arrears*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
CAP	451	\$ 333,017.82	206	\$ 279,781.17	175	\$ 246,379.49
CAP2	29	\$ 35,182.75	20	\$ 31,948.40	17	\$ 21,640.45
CAP3	74	\$ 47,984.01	57	\$ 39,881.04	53	\$ 34,189.02

*Based on number of accounts that have been given credit in September 2021.

Monthly Report to DC Retail Water and Sewer Rates Committee

Customer Arrears Data

CAP Customer Arrears by Ward*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Ward 1	15	\$ 10,917.54	7	\$ 8,840.98	6	\$ 7,477.85
Ward 2	2	\$ 17.00	0	\$ -	0	\$ -
Ward 3	2	\$ 2,411.89	2	\$ 1,863.97	2	\$ 1,147.76
Ward 4	56	\$ 53,645.88	39	\$ 45,708.44	32	\$ 38,508.84
Ward 5	80	\$ 67,268.36	40	\$ 58,609.94	34	\$ 50,276.09
Ward 6	14	\$ 4,795.88	5	\$ 4,162.42	5	\$ 3,714.92
Ward 7	168	\$ 103,458.04	67	\$ 87,333.54	54	\$ 76,650.13
Ward 8	114	\$ 90,503.23	46	\$ 73,261.88	42	\$ 68,603.90
Total	451	\$ 333,017.82	206	\$ 279,781.17	175	\$ 246,379.49

*Based on number of accounts that have been given credit in September 2021.

CAP2 Customer Arrears by Ward*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Ward 1	1	\$ 1,042.84	1	\$ 966.51	1	\$ 824.97
Ward 2	0	\$ -	0	\$ -	0	\$ -
Ward 3	0	\$ -	0	\$ -	0	\$ -
Ward 4	6	\$ 10,265.86	3	\$ 9,717.98	3	\$ 8,934.16
Ward 5	4	\$ 2,676.15	3	\$ 2,626.08	3	\$ 2,275.84
Ward 6	4	\$ 3,923.87	3	\$ 2,775.99	2	\$ 2,568.74
Ward 7	5	\$ 2,546.95	2	\$ 2,436.10	2	\$ 2,299.50
Ward 8	9	\$ 14,727.08	8	\$ 13,425.74	6	\$ 4,737.24
Total	29	\$35,182.75	20	\$ 31,948.40	17	\$ 21,640.45

*Based on number of accounts that have been given credit in September 2021.

CAP3 Customer Arrears by Ward*

	Over 30 Days		Over 60 Days		Over 90 Days	
	No. of Accts	(\$)	No. of Accts	(\$)	No. of Accts	(\$)
Ward 1	3	\$ 2,151.00	2	\$ 1,375.78	2	\$ 1,241.96
Ward 2	0	\$ -	0	\$ -	0	\$ -
Ward 3	1	\$ 68.16	0	\$ -	0	\$ -
Ward 4	7	\$ 4,925.49	6	\$ 4,009.08	5	\$ 3,291.66
Ward 5	14	\$ 9,679.06	12	\$ 8,095.10	12	\$ 6,821.96
Ward 6	4	\$ 2,749.28	4	\$ 2,402.99	3	\$ 2,055.20
Ward 7	28	\$ 17,407.49	22	\$ 14,468.82	20	\$ 11,962.07
Ward 8	17	\$ 11,003.53	11	\$ 9,529.27	11	\$ 8,816.17
Total	74	\$ 47,984.01	57	\$ 39,881.04	53	\$ 34,189.02

*Based on number of accounts that have been given credit in September 2021.

Monthly Report to DC Retail Water and Sewer Rates Committee

Developer Deposits

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

- Flat fees for taps, abandonments, sewer connections, etc.
- Reimbursable fees for inspection labor hours charged to the account
- Deposits held as security against damage and uncharged accounts.
- Miscellaneous non-commercial account items (hydrant use, groundwater dewatering, waste hauler fees, etc.)
- As of September 30, developer deposits had \$39.2 million in credit balances (liability) and \$9.6 million in debit balances (receivable).

Balances as of September 30, 2021

Credit Balances (Liability)	Debit Balances (Receivables)
\$39.2 million	\$9.6 million

Year	Credit Balances	Number of Accounts with Credit Balances	Debit Balances	Number of Accounts with Debit Balances	Net Balance
2001	\$ -	-	\$ 960,164.05	1	\$ 960,164.05
2002	\$ -	-	\$ 1,836.00	2	\$ 1,836.00
2004	\$ (2,648.33)	6	\$ 9,066.08	6	\$ 6,417.75
2005	\$ (412,645.20)	122	\$ 269,202.91	90	\$ (143,442.29)
2006	\$ (319,220.47)	48	\$ 284,522.42	78	\$ (34,698.05)
2007	\$ (180,949.67)	54	\$ 150,176.99	50	\$ (30,772.68)
2008	\$ (384,765.75)	69	\$ 192,952.22	50	\$ (191,813.53)
2009	\$ (226,657.69)	58	\$ 248,270.54	50	\$ 21,612.85
2010	\$ (424,366.76)	87	\$ 131,143.80	41	\$ (293,222.96)
2011	\$ (1,090,618.62)	195	\$ 396,062.34	56	\$ (694,556.28)
2012	\$ (2,344,137.79)	347	\$ 472,105.75	97	\$ (1,872,032.04)
2013	\$ (2,148,938.61)	284	\$ 264,133.62	82	\$ (1,884,804.99)
2014	\$ (2,095,108.29)	285	\$ 955,697.39	66	\$ (1,139,410.90)
2015	\$ (1,630,794.22)	299	\$ 248,390.40	41	\$ (1,382,403.82)
2016	\$ (3,123,542.44)	368	\$ 514,359.93	63	\$ (2,609,182.51)
2017	\$ (2,506,643.75)	454	\$ 469,592.61	118	\$ (2,037,051.14)
2018	\$ (5,704,902.06)	566	\$ 1,401,256.04	125	\$ (4,303,646.02)
2019	\$ (7,614,492.08)	500	\$ 1,643,565.14	182	\$ (5,970,926.94)
2020	\$ (5,231,501.56)	382	\$ 622,919.24	179	\$ (4,608,582.32)
2021	\$ (3,783,652.35)	269	\$ 369,747.60	216	\$ (3,413,904.75)
Total	\$(39,225,585.64)	4,393	\$ 9,605,165.07	1,593	\$(29,620,420.57)

Forfeiture Action

Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts with refund requests or activities within the last 10 years or Non- Merch Accounts	(3,041,872.49)	639

Monthly Report to DC Retail Water and Sewer Rates Committee

Developer Deposits

Customer Communication

Statements are provided to customers when there is activity on the account. To ensure that all customers are aware of balances, invoices will be mailed to all customers annually and on February 25, 2021, statements were mailed to all customers.

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

For accounts that were forfeited, zero balance statements were mailed out on Monday, August 16, 2021.

Refund Requests and Forfeiture Disputes

In response to the notification by DC Water, more than 275 customers have submitted refund requests (impacting approximately 1,100 accounts) as of October 1, 2021. Time is required to research and process the refund requests, and the Permit Operations staff are working through these requests now.

Additionally, after the forfeiture action in August, 75 accounts totaling \$335,000 have disputed their forfeitures via emails or phone calls. The Authority will process these disputes with established guidelines through the appeal procedures.



Proposed Revised Financial Plan

Attachment B

Presentation to the Retail Rates Committee, October 26, 2021
Ivan Boykin, Director of Finance

District of Columbia Water and Sewer Authority





Purpose

- 💧 Update the Committee on new Financial Policies
- 💧 Request that the Committee recommend to the full Board a new Financial Plan that reflects a transfer from the Rate Stabilization Fund to meet the 250 Days of Cash Requirement, the rollover of unexpended capital budget from FY2021 to FY2022, and related changes



Revised Policy Proposals

Policy	Statement of Financial Policies	“Pay-As-You-Go” Capital Financing	Debt Policy & Guidelines	Rate Stabilization Fund (RSF)	Investment	Rate Setting
Last Modified Resolution #	May 2013 #13-57	February 2011 #11-22	October 2015 #15-83	July 2010 #10-76	May 2014 #14-32	January 2011 #11-10
Scope	Days of Cash, senior debt service coverage, use of one-time cash infusions	Schedule of PAYGO to be in Financial Plan, 4 th Quarter Financial Projection process	Use of debt, timing, size of transaction, investment of proceeds, etc.	Mechanics of Fund including 4 th Quarter Financial Projection	Overall administration and investment management of funds in DC Water’s portfolio	Guidance on rate and rate structures
Proposal	Revise to standard format; Update to 250 days of cash outside RSF and 1.60x overall coverage	Eliminate and incorporate in Financial Policy	Conform coverage to revised Statement of Financial Policies	Finance & Budget Committee to review and recommend; will also be discussed with the Retail Rates Committee	Revisions to be presented to the Finance and Budget Committee - December 2021	None



Major Changes to Financial Plan for FY2022

💧 The new Financial Policy approved by the Board of Directors on October 7, 2021, made changes to the Days of Cash and debt service coverage :

Metrics	Trust Indenture	Board Policy	Management Target
Days of Cash on Hand	60 Days	250 Days	250 Days
Combined Debt Service Coverage Ratio	–	1.6X	1.6X
Senior Coverage	1.2X	1.4X	1.4X
Subordinate Coverage	1.0X	–	1.0X
Debt Service as a % of Revenue	–	–	33% of Revenue or Less



FY2022 – 250 Days of Cash Request

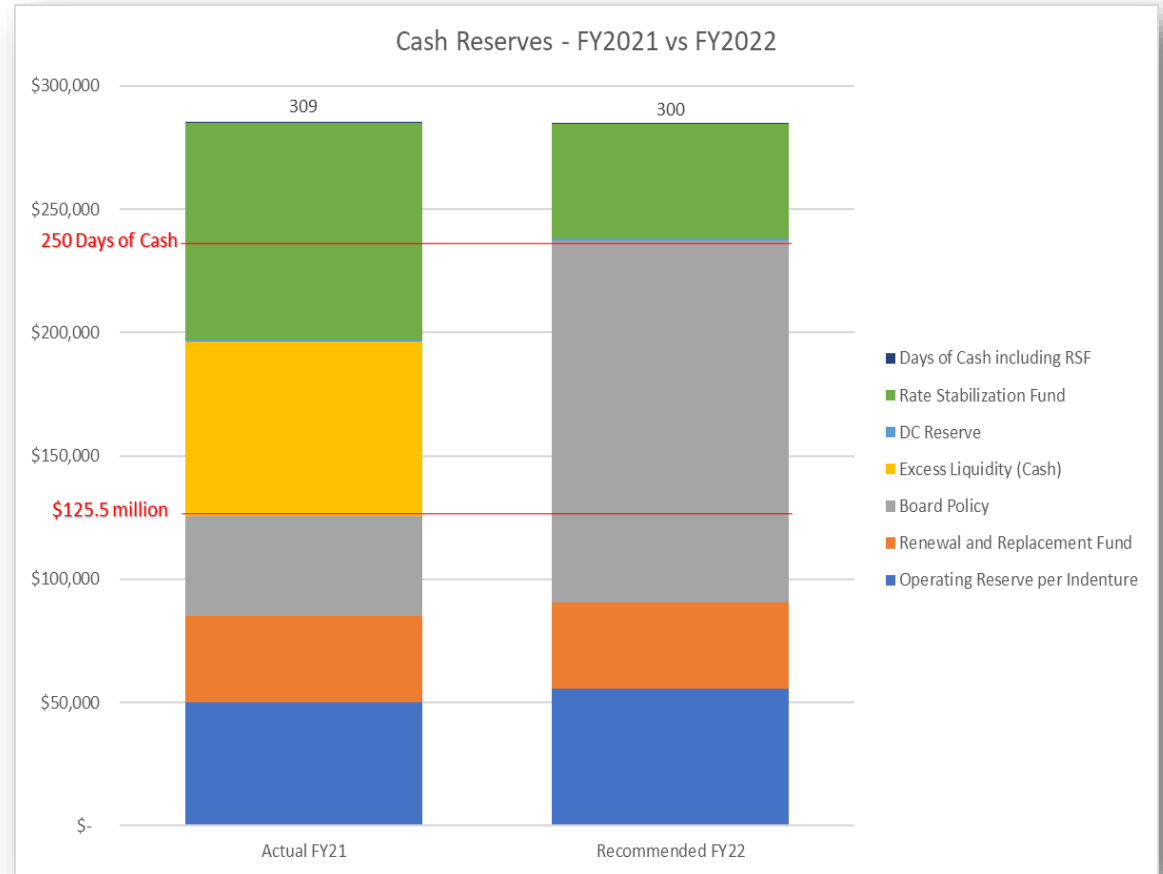
- 💧 FY2022 budgeted net Operating and Maintenance expenditures (excluding PILOT, ROW, and Stormwater) are \$341.6 million, or \$949,000 per day
- 💧 \$237.2 million is needed to maintain the new 250 days of cash requirement
 - \$194.0 million is the ending balance of the adopted Financial Plan
 - \$1.7 million was added to the cash balance by the Board (from the net cash balance)
- 💧 \$41.6 million is the FY2022 amount needed to be transferred from the RSF to the cash balance for the new Board policy of 250 Days of Cash



Cash Reserves Board Policy

💧 250 Days of Cash in “Operating Cash Reserves,” including:

- \$35 million in the Renewal and Replacement Fund
- 60 Days of operating expenditures in the “Operating Reserve Fund”
- Additional cash to meet 250-day requirement





Rollover of Unexpended FY22 Capital Budget

- 💧 The preliminary year-end forecast of \$370.1 million is \$101.1 million below the FY 2021 Budget
- 💧 Proposed revisions to the FY 2022 budget includes a \$50.8 million increase compared to the amended budget

(\$'s in thousands)

Service Area	FY 2021 Budget	FY 2021 Actuals*	FY 2021 Variance (Inc)/Dec	FY 2022 Amended	FY 2022 Proposed Revision	FY 2022 Variance (Inc)/Dec
Non-Process Facilities	\$38,004	\$21,508	\$16,496	\$12,725	\$31,439	(\$18,714)
Wastewater Treatment	78,992	72,007	6,985	63,922	85,979	(22,057)
DC Clean Rivers	165,434	160,359	5,076	160,582	147,347	13,235
Combined Sewer Overflow	5,407	1,158	4,249	4,694	4,919	(225)
Stormwater	5,931	1,831	4,100	9,228	7,029	2,199
Sanitary Sewer	50,547	28,204	22,343	75,437	68,086	7,351
Water	75,362	55,880	19,482	136,239	165,313	(29,074)
Total Capital Projects	\$419,678	\$340,946	\$78,732	\$462,827	\$510,112	(\$47,285)
Additional Capital Programs	51,589	29,174	22,415	53,843	57,394	(3,551)
Total CIP	\$471,267	\$370,120	\$101,148	\$516,670	\$567,506	(\$50,836)

*YTD Spending through September 2021



10 Year Financial Plan Changes

💧 Financial Plan Changes:

- Reflects the transfer of \$41.6 million from the Rate Stabilization Fund to the cash balances
 - Updated to include FY2021 actuals
 - Adds the requested rollover of \$50.8 million of unexpended capital budget from FY2021 to FY2022
 - \$2.1 million for FY 2018 and FY 2019 O&M and MJUF audits was moved from FY 2021 to FY 2022 County refunds
 - Shifts bond issuance from FY2021 to FY2022 and projects the \$400 million estimated proceeds and updates projected debt service requirements
- 💧 A new financial plan will be proposed to the Board in January with the CEO's budget



10 Year Financial Plan Recommendation

(\$ in thousands)

DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY
 FY 2021 - FY 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*	\$ 584,889	\$ 620,781	\$ 648,304	\$ 700,728	\$ 727,823	\$ 766,019	\$ 805,865	\$ 850,203	\$ 896,819	\$ 924,823
Wholesale*	82,986	84,669	87,209	89,825	92,520	95,295	98,154	101,099	104,132	107,256
Other	39,194	40,435	41,425	44,822	47,753	52,608	55,002	57,530	60,001	60,661
RSF	2,500	52,100	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 709,569	\$ 797,985	\$ 776,937	\$ 835,375	\$ 868,096	\$ 913,922	\$ 959,021	\$ 1,008,832	\$ 1,060,952	\$ 1,092,740
Operating Expenses	(355,203)	(364,345)	(375,219)	(386,427)	(397,980)	(409,886)	(422,159)	(434,809)	(447,847)	(461,287)
Debt Service	(204,878)	(225,865)	(239,103)	(247,861)	(270,467)	(284,863)	(302,459)	(320,798)	(338,182)	(350,477)
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	\$ 119,132	\$ 169,945	\$ 117,234	\$ 152,036	\$ 141,423	\$ 150,231	\$ 161,875	\$ 176,707	\$ 194,208	\$ 197,742
Operating Reserve-Beg Balance	186,827	196,286	235,600	242,600	251,600	261,600	266,600	276,600	284,600	293,600
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	4,546	(4,912)	(3,761)	(6,742)	-	-	-	-	-	-
Project Billing Refunds	-	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(114,221)	(125,719)	(106,473)	(136,294)	(131,423)	(145,231)	(151,875)	(168,707)	(185,208)	(190,742)
Operating Reserve - Ending Balance	\$ 196,286	\$ 235,600	\$ 242,600	\$ 251,600	\$ 261,600	\$ 266,600	\$ 276,600	\$ 284,600	\$ 293,600	\$ 300,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (87,744)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)
Senior Debt Service Coverage	508%	587%	511%	646%	679%	646%	618%	635%	695%	694%
Combined Debt Service Coverage	186%	200%	176%	188%	183%	185%	186%	187%	189%	188%
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	12,154	35,893	27,523	52,425	27,094	38,196	39,846	44,337	46,617	28,004
Wholesale	3,830	1,682	2,540	2,616	2,695	2,776	2,859	2,945	3,033	3,124
*Operating Receipts % Increase/Decrease										
Retail	2.1%	6.1%	4.4%	8.1%	3.9%	5.2%	5.2%	5.5%	5.5%	3.1%
Wholesale	4.8%	2.0%	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 \$52.1 million utilization will bring the total fund balance to \$35.6 million



Recommendation

- That the Retail Rates Committee recommend to the Board the revised Financial Plan



Appendix





Financial Metrics of Select Peer Group

- DC Water's financial metrics compare favorably with select peers
- DC Water maintains 250 days of cash; in this comparison of peers, only Dallas and St. Louis maintain fewer days of cash

Selected Peer	Type	Moody's Rating (Senior)	S&P Rating (Senior)	Fitch Rating (Senior)	Total Operating Revenues (\$000s)	Total Annual Debt Service (\$000s)	Debt Ratio	Long Term Debt (\$000s)	Total Debt Service Coverage	DS as a % of Total Operating Revenues	Days Cash on Hand	Average Bill as % of Median Effective Buying Income
Atlanta, GA	Water & Sewer	Aa2	AA-	AA-	488,089	206,344	44.7%	3,158,564	2.6x	42.3%	1,357	3.6%
Charlotte, NC	Water & Sewer	Aaa	AAA	AAA	424,327	148,053	36.6%	1,471,334	1.9x	34.9%	960	1.6%
Dallas, TX	Water & Sewer	Aa2	AAA	AA+	617,510	212,157	45.2%	2,673,660	1.6x	34.4%	274	1.8% ¹
DC Water	Water & Sewer	Aa1	AAA	AA+	710,097	199,056	42.9%	3,531,049	1.9x	28.0%	335	1.6%
Louisville MSD, KY	Sewer	Aa3	AA	AA-	294,368	154,986	58.3%	1,959,198	1.4x	52.7%	283	1.3% ¹
Metro St. Louis Sewer District, MO	Sewer	Aa1	AAA	AA+	401,109	84,025	41.0%	1,510,664	2.9x	20.9%	516	1.2%
NE Ohio Regional Sewer District	Sewer	Aa1	AA+	NR	340,213	90,278	50.3%	1,717,167	2.6x	26.5%	966	2.3% ¹
NYC Water	Water & Sewer	Aa1	AAA	AA+	3,819,799	694,100	92.0%	30,045,906	3.6x	18.2%	305	2.0%
San Antonio, TX	Water & Sewer	Aa1	AA+	AA+	733,179	192,701	42.1%	2,824,280	2.2x	26.3%	505	2.0%



DC Water Cares Program Progress Update

Presentation to DC Retail Water and Sewer Rates Committee, October 26, 2021

Meisha Lorick, Acting Director Customer Care

District of Columbia Water and Sewer Authority



Purpose

- **To update the Committee on DC Water Cares Progress**
 - Customer Assistance Program FY21 Budget to Actual
 - FY22 Program Funding
 - FY21 Emergency Assistance Update
 - Low Income Water Household Water Assistance Program (LIHWAP)
 - Customer Outreach Initiative
 - Recommendation to the Finance and Budget Committee

DC Water Cares Programs

- DC Water offers several assistance programs:

Program	Funding Source	Description
Customer Assistance Program (CAP)	DCW	Provides a monthly discount on usage, usage related fees and CRIAC charges.
Customer Assistance Program 2 (CAP2)	DCW	
Customer Assistance Program 3 (CAP3)	District Government	
Non-Residential CRIAC Relief	District Government	Provides a monthly discounts on CRIAC charges.
DC Water Cares Residential Assistance Program (RAP)	DCW	Provides on-going emergency assistance to cover past due, low-income residential balances, up to \$2,000 per household.
DC Water Cares Multifamily Assistance Program (MAP)	DCW	Provides one-time emergency assistance to low-income multifamily units, up to \$2,000 per household.
Emergency Residential Relief Program ERRP	District Government	Provides one-time emergency assistance to cover past due, low-income residential balances, up to \$2,000 per household.
Stronger Together Assisting You (STAY DC)	Federal	Financial assistance program for D.C. renters and housing providers who are looking for support to cover housing and utility expenses and offset the loss of income.
Low Income Household Water Assistance Program (LIHWAP)*	Federal	Provides funds to assist low-income households with water and wastewater bills.

* LIHWAP to begin November 2021

DC Water Cares Programs

- Participation and amounts provided to customers have increased over the years
- There is \$5.3 million unexpended in the RAP and MAP programs

	Actual			Budget FY 2021	Actual FY 2021	Rollover to FY 2022	Budget FY 2022
	FY 2018	FY 2019	FY 2020				
DC Water Programs							
CAP	\$1.19	\$1.29	\$1.58	\$2.20	\$2.38	\$ -	\$2.20
CAP2	-	0.05	0.17	0.20	0.25	-	0.20
Total CAP & CAP2	1.19	1.34	1.76	2.40	2.62	-	2.40
DCW Cares Residential (RAP)	-	-	-	3.00	1.89	1.11	3.00
DCW Cares Multi-family (MAP)	-	-	-	6.28	2.51	3.77	6.22
MAP Admin Expense	-	-	-	0.72	0.27	0.45	-
RAP, MAP and CAP Admin Expense	-	-	-	-	-	-	0.25
Total DC Water	1.19	1.34	1.76	12.40	7.29	5.33	11.87
District Programs							
CAP3	-	0.01	0.03	0.20	0.04	-	0.10
Non-Profit	-	1.36	1.03	2.75	0.96	-	0.35
CRIAC-ERRP (CAP3 Program for FY 2022)	-	-	0.88	1.07	1.07	-	0.03
STAY DC	-	-	-	-	0.35	-	N/A
Total District	-	1.37	1.94	4.02	2.42	-	0.48
Grand Total	\$1.19	\$2.71	\$3.70	\$16.42	\$9.71	\$5.33	\$12.35

- In FY 2021, SPLASH provided \$71,765.41 in contributions to low-income customers.
- In FY 2022, LIHWAP is projected to provide assistance of approximately \$2.0 million.

DC Water Cares Programs

Number of Accounts (FY 2018 to FY 2021)

<i>Fiscal Year</i>	Number of Accounts - Processed									
	DC Water Programs						District Programs			
	<i>CAP</i>	<i>CAP2</i>	<i>DCW Cares Residential</i>	<i>DCW Cares Multi-family</i>			<i>CAP3</i>	<i>Non-Profit</i>	<i>CRIAC-ERRP</i>	<i>STAY DC</i>
				<i>Accounts</i>	<i>Units</i>	<i>Avg Unit Assistance (\$)</i>				
FY 2018	4,324	-	-	-	-	-	-	-	-	-
FY 2019	4,436	191	-	-	-	-	48	175	-	-
FY 2020	4,818	681	-	-	-	-	133	189	2,098	-
FY 2021	5,630	835	2,842	239	5,978	\$419.45	191	189	1,820	304

<i>Fiscal Year</i>	Number of Accounts - Enrolled									
	DC Water Programs						District Programs			
	<i>CAP</i>	<i>CAP2</i>	<i>DCW Cares Residential</i>	<i>DCW Cares Multi-family</i>		<i>CAP3</i>	<i>Non-Profit</i>	<i>CRIAC-ERRP</i>	<i>STAY DC</i>	
				<i>Accounts</i>	<i>Units</i>					
FY 2018	3,519	-	-	-	-	-	-	-	-	-
FY 2019	3,249	260	-	-	-	-	48	175	-	-
FY 2020	3,818	624	-	-	-	-	133	171	2,098	-
FY 2021	4,453	538	2,842	239	5,978	191	189	1,820	304	

FY 2021 Emergency Residential Assistance

- Of the 4,990 customers enrolled in CAP and CAP2, 64% of these accounts also received emergency assistance (RAP, CRIAC-ERRP* or STAY DC**) to cover outstanding balances. 24% received relief benefits in FY 2021 exceeding \$1,000.

	RAP + ERRP + STAY DC # of Accounts	% of CAP/ CAP2	RAP # of Accounts	% of CAP/ CAP2
Total CAP/CAP2 Customers	4,990	100%	4,990	100%
\$4,000 +	50	1%	0	0%
\$2,000 - \$3,999	404	8%	265	5%
\$1,000 - \$1,999	719	14%	468	9%
\$500 - \$999	740	15%	575	12%
\$250 - \$499	458	9%	510	10%
< \$250	808	16%	996	20%
Total Assisted Customers	3,179	64%	2,814	56%
No Assistance	1,811	36%	2,176	44%

*CAP3 customers were eligible for CRIAC-ERRP but excluded from numbers above as not eligible for RAP or STAY DC.

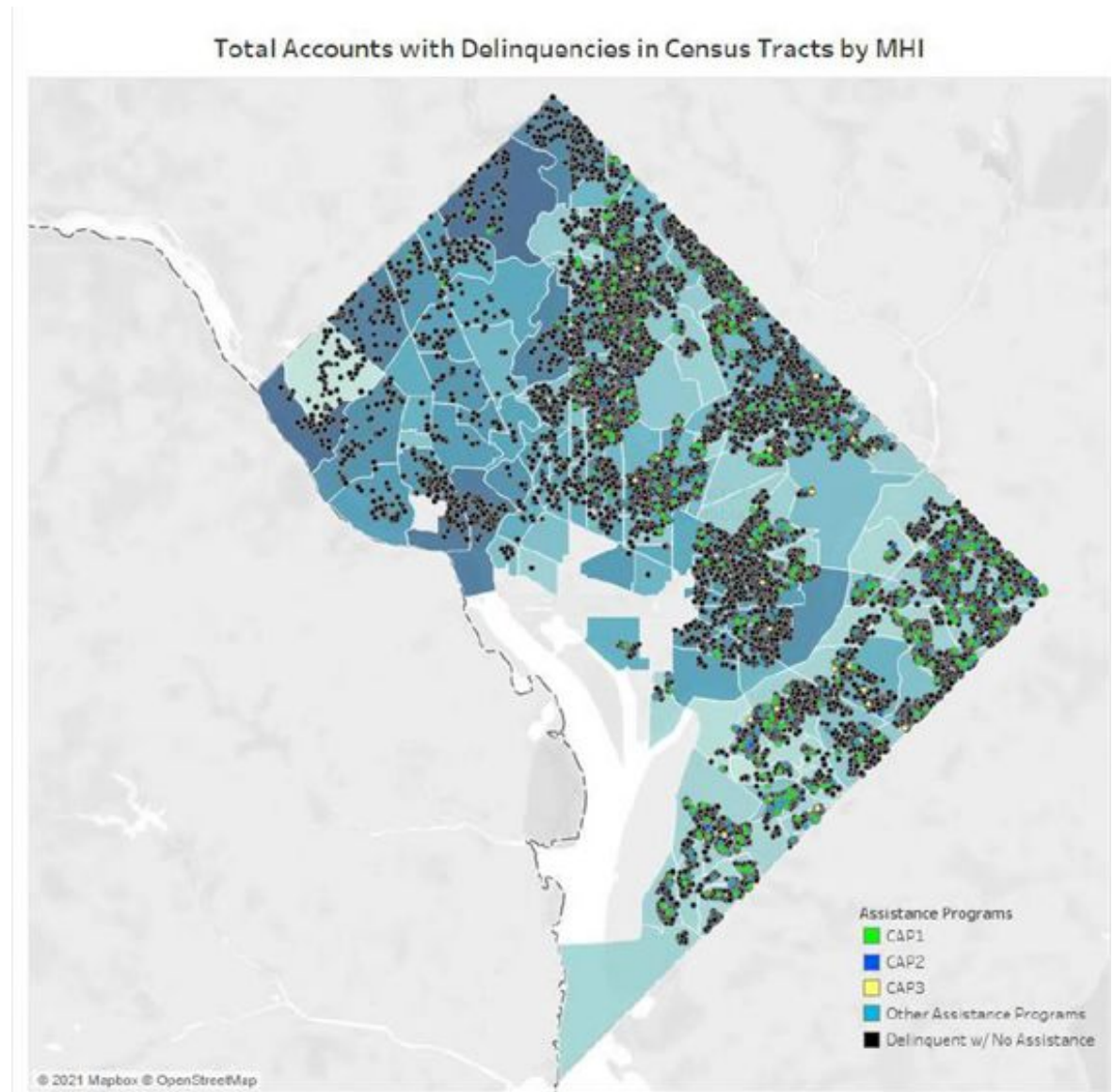
**Of the 304 STAY DC recipients in FY 2021, 174 were not yet enrolled in CAP or CAP2 by year end and are excluded from the numbers above.

- Low Income Household Water Assistance Program (LIHWAP) was carved out of the Consolidated Appropriations Act, 2021 and the American Rescue Plan Act (ARP) of 2021.
- DOEE will administer the program allocation, totaling \$2.4 million; Currently assuming \$2.0 million will be available for assistance as \$400,000 will be needed to cover administrative costs
- Program will provide one-time emergency assistance for the following priority groups
 - Households with disconnected water services,
 - Households with pending disconnections of water services, and
 - Households seeking help with current water bills
- Eligibility
 - 60% state median income (aligns with CAP income requirements)

- LIHWAP benefit Calculation
 - Residential Customers – Greater of the following, but not to exceed \$5,000 per account per fiscal year:
 - Past due balance
 - 25% of annual bills (CAP discounts cover 68% of the average residential bill)
 - \$250
 - Multifamily Customers – Original proposal was to provide benefit to only residential properties. Exploring opportunities to include multifamily households in the assistance allocation
- Next Steps
 - DOEE submitted the proposed LIHWAP State Plan to U.S. Department of Health and Human Services on August 9. DOEE is awaiting final comments and feedback
 - Proposed program start date of November 1, 2021

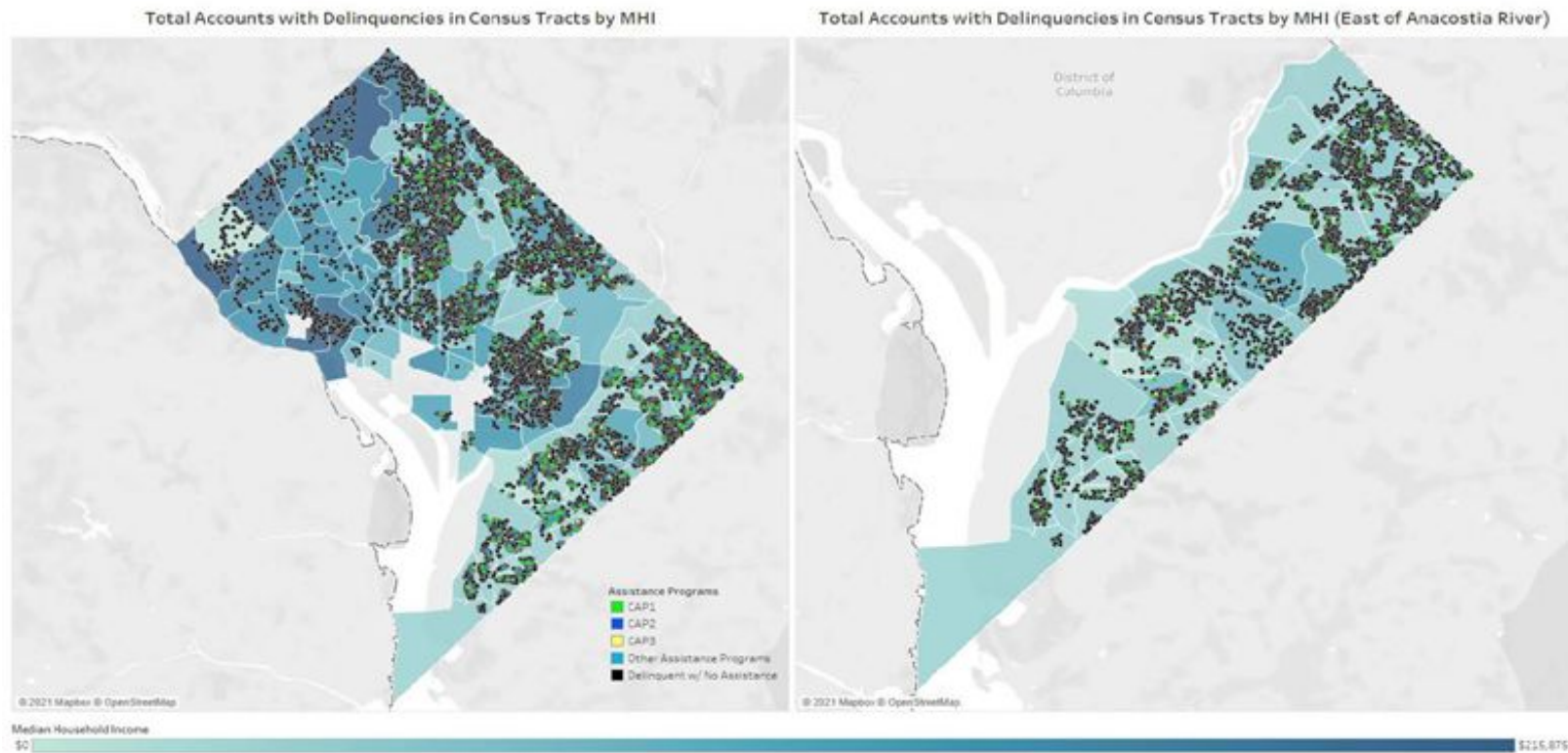
Customer Outreach

- DCW is working to reach customers that may be eligible for assistance but have not taken the opportunity to apply
- Raftelis compared our residential population including those already on assistance to Census tract data to determine additional opportunities of outreach
- DC Water is strategizing how to reach out to these customers different than we have done in the past



Customer Outreach

- The spatial analysis by census tract for residential customer will aid in prioritizing a listing of accounts with arrears.
- As of September 2021, there were 5,183 accounts in 67 census tracts with median income below \$70,600; representing \$5,064,234 in arrears or about half of the Residential total.
- The Current CAP recipients align with those same census tracts, so it is probable that these customer may qualify for assistance.



Recommendation - CAP, CAP2, MAP & RAP Budget vs Actual

- An estimated \$858,364 is needed to fully fund actual CAP and CAP2 benefits in FY2021, and estimated benefits in FY2022
- An unexpended balance of \$5.3 million is recommended to be carried over to FY2022

FY 2021	Budget	Actual	Over/(Under)
CAP	\$ 2,200,000	\$ 2,378,326	\$ 178,326
CAP2	\$ 200,000	\$ 245,637	\$ 45,637
Total	\$ 2,400,000	\$ 2,623,963	\$ 223,963

FY 2022	Budget	Projected	Over/(Under)
CAP	\$ 2,200,000	\$ 2,737,865	\$ 537,865
CAP2	\$ 200,000	\$ 296,536	\$ 96,536
Total	\$ 2,400,000	\$ 3,034,401	\$ 634,401

FY 2021	Budget	Actual	Balance
RAP	\$ 3,000,000	\$ 1,892,843	\$ (1,107,157)
MAP	\$ 6,280,000	\$ 2,507,484	\$ (3,772,516)
MAP Admin Expenses	\$ 720,000	\$ 267,472	\$ (452,528)
MAP Total	\$ 7,000,000	\$ 2,774,956	\$ (4,225,044)
Total: RAP and MAP	\$ 10,000,000	\$ 4,667,799	\$ (5,332,201)

Recommendation

This is the recommendation that will be offered to the Finance and Budget Committee to present to the full Board.

- Allocate \$858,364 from the FY 2022 \$5.0 million Targeted Assistance Fund to Cover FY 2021 CAP and CAP2 overage and the projected FY 2022 CAP and CAP2 Programs Excess Discounts

FY 2021

FY 2022

- CAP \$178,326
- CAP2 \$45,637

- CAP \$537,865
- CAP2 \$96,536

- Rollover of the FY 2021 balance from RAP and MAP (\$5.3M) to FY 2022
 - RAP \$1,107,157
 - MAP \$4,225,044
- Allocate \$250,000 in administrative costs to the RAP, MAP and CAP programs
- Transfer \$4,141,636 from FY 2022 \$5.0 million Targeted Assistance Fund for customers in need to the budget for the FY 2022 RAP and MAP Programs
 - RAP \$1,892,843
 - MAP \$2,248,793

Attachment D

DC Retail Water and Sewer Rates Committee

Action Item

1. Recommendation for Board Approval of 10-year Financial Plan for FY2021-FY2030 that reflects FY2021 actuals, the proposed Rate Stabilization Fund transfer and rollover of unexpended capital budget from FY2021 to FY2022 (Action Item 1)

ACTION ITEM 1

**Recommendation for Board Approval of 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:

- Financial Plan Changes:
 1. Updated to include FY2021 actuals
 2. Reflects the transfer of \$41.6 million from the Rate Stabilization Fund to the Cash Balance Account
 3. Adds the requested rollover of \$50.8 million of unexpended capital budget from FY2021 to FY2022. \$39.6 million of this expenditure will be funded through contingencies budget
 4. \$2.1 million for FY 2018 and FY 2019 O&M and MJUF audits was moved from FY 2021 to FY 2022 County refunds
 5. The \$50.3 million balance of unexpended capital budget in FY 2021 will be funded through contingencies in FY 2022
 6. Shifts bond issuance from FY2021 to FY2022 and projects the \$400 million estimated proceeds and updates projected debt service requirements

The FY 2021 – FY 2030 Financial Plan is projected to meet the Board's Revised Statement of Financial Policies requirements in Resolution #21-84, dated October 7, 2021 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*	\$ 584,889	\$ 620,781	\$ 648,304	\$ 700,728	\$ 727,823	\$ 766,019	\$ 805,865	\$ 850,203	\$ 896,819	\$ 924,823
Wholesale*	82,986	84,669	87,209	89,825	92,520	95,295	98,154	101,099	104,132	107,256
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RSF	2,500	52,100	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 709,569	\$ 797,985	\$ 776,937	\$ 835,375	\$ 868,096	\$ 913,922	\$ 959,021	\$ 1,008,832	\$ 1,060,952	\$ 1,092,740
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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	\$ 119,132	\$ 169,945	\$ 117,234	\$ 152,036	\$ 141,423	\$ 150,231	\$ 161,875	\$ 176,707	\$ 194,208	\$ 197,742
Operating Reserve-Beg Balance	186,827	196,286	235,600	242,600	251,600	261,600	266,600	276,600	284,600	293,600
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Wholesale/Federal True Up	4,546	(4,912)	(3,761)	(6,742)	-	-	-	-	-	-
Project Billing Refunds	-	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(114,221)	(125,719)	(106,473)	(136,294)	(131,423)	(145,231)	(151,875)	(168,707)	(185,208)	(190,742)
Operating Reserve - Ending Balance	\$ 196,286	\$ 235,600	\$ 242,600	\$ 251,600	\$ 261,600	\$ 266,600	\$ 276,600	\$ 284,600	\$ 293,600	\$ 300,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (87,744)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)
Senior Debt Service Coverage	508%	587%	511%	646%	679%	646%	618%	635%	695%	694%
Combined Debt Service Coverage	186%	200%	176%	188%	183%	185%	186%	187%	189%	188%
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	12,154	35,893	27,523	52,425	27,094	38,196	39,846	44,337	46,617	28,004
Wholesale	3,830	1,682	2,540	2,616	2,695	2,776	2,859	2,945	3,033	3,124
*Operating Receipts % Increase/Decrease										
Retail	2.1%	6.1%	4.4%	8.1%	3.9%	5.2%	5.2%	5.5%	5.5%	3.1%
Wholesale	4.8%	2.0%	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 \$52.1 million utilization will bring the total fund balance to \$35.6 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

Attachment E

FY 2022 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department

1. Adjust Retail Rates for FY 2023 & FY 2024			
<i>a. Present FY 23 & FY 24 Budget to Board</i>	January 6, 2022		EVP F&P
<i>b. Present Proposed FY 23 & FY 24 Rates, Charges & Fees to RRC</i>	January 25, 2022		Rates and Revenue
<i>c. RRC recommendation on Proposed FY 23 & FY 24 Rates, etc.</i>	February 22, 2022		Rates and Revenue
<i>d. Board approves Notice of Proposed Rulemaking (NOPR) for Proposed FY 23 & FY 24 Rates, etc.</i>	March 3, 2022		Board of Directors
<i>e. Publish NOPR in D.C. Register for Proposed FY 23 & FY 24 Rates, etc.</i>	March 18, 2022		DGLA
<i>f. Outreach and Public Comment Period</i>	March 18 - May 16, 2022		OMAC & Board Secretary
<i>g. Submit Independent Review of Proposed Rates and 2022 Cost of Service study to Mayor and Council and post both on DC Water's website</i>	March 25, 2022		Rates and Revenue
<i>h. Public Hearing</i>	May 11, 2022		Board of Directors
<i>i. Public Hearing Record Closes</i>	May 16, 2022		Board Secretary
<i>j. Submit Response Public Comments report to Board and post on DC Water website</i>	May 31, 2022		Rates and Revenue
<i>k. Present final FY 23 & FY 24 Rates, etc. to RRC for recommendation to Board</i>	June 28, 2022		Rates and Revenue
<i>l. Board approves Notice of Final Rulemaking (NOFR) for FY 23 & FY 24 Rates, Charges & Fees</i>	July 7, 2022		Board of Directors
<i>m. Publish NOFR in D.C. Register for Amended Rates, etc.</i>	July 22, 2022		DGLA
<i>n. Amended Rates, etc. Go-Live</i>	October 1, 2022 (FY 2023) October 1, 2023 (FY 2024)		Rates and Revenue

2. 2022 Cost of Service Study (COS) for Water, Sewer and CRIAC			
<i>a. Present COS to RRC</i>	January 25, 2022		Rates & Revenue
<i>b. Post Final COS on DC Water's website</i>	January 31, 2022		

3. 2022 Potomac Interceptor Cost of Service Study (FY 2023 – FY 2025)			
<i>a. Present 2022 Potomac Interceptor Cost of Service Study for FY 2023 – FY 2025 rates to RRC</i>	April 26, 2022		Rates & Revenue

Attachment E

FY 2022 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
4. New High Flow Filter Backwash Sewer Service Rate			
a. <i>Presentation to RRC amend Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	July 27, 2021	√	Clean Water Quality and Technology
b. <i>RRC recommend approval of proposal to amend the Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	July 27, 2021	√	RRC
c. <i>Board approval to publish Notice of Proposed Rulemaking (NOPR) to amend the Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	September 2, 2021	√	Board of Directors
d. <i>Post COS on website</i>	September 14, 2021	√	Rates & Revenue
e. <i>Publish NOPR and Notice of Public Hearing in D.C. Register</i>	September 17, 2021	√	DGLA
f. <i>Outreach and Public Comment Period</i>	Sept. 17 – Nov. 15, 2021		Marketing & Comm.
g. <i>Submit Cost of Service study to Mayor and Council and post on DC website</i>	September 20, 2021	√	Rates and Revenue
h. <i>Submit Independent Review of Proposed Rates to Mayor and Council and post on website</i>	October 6, 2021	√	Rates and Revenue
i. <i>Public Hearing</i>	November 10, 2021		Board of Directors
j. <i>Public Comment Period Closes</i>	November 15, 2021		Board Secretary
k. <i>Present Response to Comments Report to RRC and post on DC Water website</i>	November 16, 2021		Rates and Revenue/Pretreatment
l. <i>RRC approves final proposal to amend Retail Sewer Rates Regulations to Establish new Filter Backwash Sewer Rate</i>	November 16, 2021		RRC
m. <i>Board approval to publish Notice of Final Rulemaking (NOFR)</i>	December 2, 2021		Board of Directors
n. <i>Publish NOFR in D.C. Register</i>	December 17, 2021		DGLA
o. <i>Implementation of the new High Flow Filter Backwash Sewer Rate</i>	December 17, 2021		CWQT

Attachment E

FY 2022 Proposed RRC Committee Workplan			
Objective/Activities/Task	Date of Activity	Completed	Responsible Department
5. Proposal to Amend CAP Regulations to Extend DC Water Cares Residential and Multi-family Programs for FY 2022 and Waive FY 2021 CAP2 Customer Recertification Requirement for FY 2022			
a. <i>Update to RRC on DC Water Cares Residential and Multi-family Assistance Programs (RAP and MAP Programs for FY 2022)</i>	June 22, 2021	√	Customer Service
b. <i>Presentation of Proposal to RRC to Amend CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022 and publication of NOEPR</i>	July 27, 2021	√	Customer Service
c. <i>RRC Recommends Approval of Proposal to Board to Amend the CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022</i>	July 27, 2021	√	RRC
d. <i>Update RRC to recommend CAP amendments to waive FY 2021 CAP2 Customer's Recertification requirements for FY 2022</i>	August 31, 2021	√	Customer Service/ DGLA
e. <i>RRC recommends Approval of Proposal to Board to Amend te CAP Regulations to waive FY 2021 CAP2 Customer's Recertification Requirement for FY 2022 with other CAP amendments</i>	August 31, 2021	√	Customer Service/ DGLA
f. <i>Board Approval to Publish Notice of Emergency and Proposed Rulemaking (NOEPR) to Amend CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022 and Waive FY 2021 CAP2 Customer's Recertification Requirement for FY 2022</i>	September 2, 2021	√	Board of Directors
g. <i>Publish NOEPR and Notice of Public Hearing in D.C. Register</i>	September 17, 2021	√	DGLA
h. <i>Public Comment Period Begins</i>	Sept. 17 – Nov. 15, 2021		Marketing & Comm.
i. <i>Implement extended DC Water Cares RAP and MAP Programs for FY 2022 and Waiver of FY 2021 CAP2 Customer's Recertification Requirement for FY 2022</i>	October 1, 2021	√	Customer Servic
j. <i>Public Hearing</i>	November 10, 2021		RRC
k. <i>Public Comment Period Closes</i>	November 15, 2021		Board Secretary
l. <i>Present response to comments & final proposal to RRC and post on website</i>	November 16, 2021		OMAC

Attachment E

FY 2022 Proposed RRC Committee Workplan			
Objective/Activities/Task			

5. Proposal to Amend CAP Regulations to Extend DC Water Cares Residential and Multi-family Programs for FY 2022 and Waive FY 2021 CAP2 Customer Recertification Requirement for FY 2022 (Continued)			
<i>m. RRC Recommends Approval for Final Proposal to Amend CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022, Waive FY 2021 CAP2 Customer’s Recertification Requirement for FY 2022 and publication of NOFR</i>	November 16, 2021		RRC
<i>n. Board Approval to Publish Notice of Final Rulemaking (NOFR) to Amend CAP Regulations to Extend DC Water Cares RAP and MAP Programs for FY 2022 and Waive FY 2021 CAP2 Customer’s Recertification Requirement for FY 2022</i>	December 2, 2021		Board of Directors
<i>o. Publish NOFR in the D.C. Register</i>	December 17, 2021		DGLA
<i>p. Continue Implementing DC Water Cares RAP and MAP Programs and Waiver of FY 2021 CAP2 Customer’s Recertification Requirement for FY 2022</i>	December 17, 2021		Customer Service

* Date subject to change

6. Amend 21 DCMR Chapter 4			
<i>a. Present Proposed Revisions to Regulations for Customers Challenging their Bills to RRC</i>	July 27, 2021	√	Customer Service
<i>b. RRC recommendations for Board approval for of proposal proposed to amendments to 21 DCMR Chapter 4 regulations</i>	July 27, 2021	√	RRC
<i>c. Board Approval to Publish Notice of Proposed Rulemaking (NOPR) to Amend 21 DCMR Chapter 4 regulations</i>	September 2, 2021	√	Board of Directors
<i>d. Publish NOPR in DC Register</i>	September 17, 2021	√	Legal Affairs

Attachment E

FY 2022 Proposed RRC Committee Workplan

Objective/*Activities*/Task

6. Amend 21 DCMR Chapter 4 (Continued)			
e. <i>Outreach and Public Comment Period</i>	Sept. 17 – Oct. 18, 2021	√	OMAC & Board Secretary RRC
f. <i>RRC recommendation for Board approval and adoption of final amendments to 21 DCMR Chapter 4 regulations</i>	November 16, 2021		
g. <i>Board Approval and Adoption of Notice of Final Rulemaking (NOFR) to Amend 21 DCMR Chapter 4 regulations</i>	December 2, 2021		Board of Directors
h. <i>Publish NOFR in the DC Register</i>	December 17, 2021		DGLA
i. <i>Chapter 4 Rules and Billing System – Go Live</i>	December 17, 2021		Customer Service

* Date subject to change

7. 2022 Cost of Service Miscellaneous Fees and Charges			
a. <i>RRC COS Update and Recommendation on Proposed Amendments to Miscellaneous Fees & Charges</i>	February 22, 2022		Rates & Revenue
b. <i>Board Approval of Notice of Proposed Rulemaking (NOPR) for Miscellaneous Fees & Charges</i>	March 3, 2022		Board of Directors
c. <i>Publish NOPR in DC Register</i>	March 18, 2022		DGLA
d. <i>Public Comment period</i>	March 18 – April 18, 2022		Board Secretary
e. <i>RRC Final Recommendation to Approve Amendments for Miscellaneous Fees & Charges</i>	April 26, 2022		Rates & Revenue
f. <i>Board Approval of Notice of Final Rulemaking (NOFR)</i>	May 5, 2022		Board of Directors
g. <i>Publish NOFR in DC Register</i>	May 20, 2022		DGLA
h. <i>Miscellaneous Fees & Charges Go-Live</i>	May 20, 2022		Rates & Revenue/ Permitting/Customer Care/

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

9. Rate Stabilization Fund			
a. <i>Rate Stabilization Fund</i>	Monthly, as needed		Rates & Revenue



Attachment F

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

**Tuesday, November 16, 2021; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for December 14, 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