

YOUR DC WATER BILL

WHAT'S NEW? WHAT CHANGES CAN YOU EXPECT IN THE FUTURE?

**AOBA UTILITY COMMITTEE PRESENTATION
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By:

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CURRENT AND PROPOSED DC WATER RATES

DC WATER RATES		
RATE CLASS	CURRENT RATE FY 2011	PROPOSED FY 2012 RATES (Effective 10/1/2011 if adopted by the DC Water Board of Directors)
Water Rate	\$3.10/one hundred cubic feet (Ccf)	\$3.29/ Ccf
Sewer Rate	\$3.79/ Ccf	\$4.01/Ccf
Impervious Surface Area Charge (IAC)	\$3.45/month per Equivalent Residential Unit (ERU)	\$6.87/month per ERU
Right of Way (ROW)/ Payment In Lieu of Taxes Fee (PILOT)	\$0.63/ Ccf Divided as follows: <u>ROW:</u> \$.14/ Ccf <u>PILOT:</u> \$.49/ Ccf	\$0.68/Ccf Divided as follows: <u>ROW:</u> \$.15/ Ccf <u>PILOT:</u> \$.53/ Ccf
Stormwater fee	\$2.67	No change proposed by the DC Department of the Environment (DDOE) at this time.
DC Water Customer Metering Fee	SEE NEXT PAGE	NO CHANGE

Source: DC Water March 4, 2011 Notice of Proposed Rulemaking on FY 2012 Rates

DC WATER RATES CONTINUED:

Customer Metering Fee:

Monthly fees for installing, operating, and maintaining meters.

METER SIZE (INCHES)	MONTHLY FEE PER METER
5/8"	\$3.86
3/4"	\$4.06
1	\$4.56
1x1.25	\$4.83
1.5	\$6.88
1x1.5	\$6.88
2	\$7.54
2x1/2	\$8.00
2x5/8	\$8.00
3	\$76.98
3x5/8	\$77.94
3x1	\$77.94
3x3/4	\$77.94
4	\$137.37
4x3/4	\$138.15
4x1	\$138.15
4x1.5	\$138.15
4x2	\$138.15
4x2"5/8	\$181.04
6	\$268.14
6 x 1	\$272.70
6 x 1 x 1/2	\$323.09
6x1.5	\$323.09
6x3	\$323.09
6x3x1/2	\$323.09
6x3"3/4	\$323.09
8	\$323.29
8x2	\$323.29
8x4x1	\$358.26
8x4"3/4	\$358.26
10	\$317.91
10x2	\$403.62
10x6	\$403.62
10x6x1	\$403.62
12	\$329.66
12x6	\$329.66
16	\$349.45

Source: 21 DCMR 112.9.

WHY IS THE IMPERVIOUS SURFACE AREA CHARGE (IAC) NECESSARY?

DC Water implemented the IAC charge in 2009 to recover the cost of the \$2.6 billion federally-mandated Combined Sewer Overflow Long Term Control Plan (CSO LTCP) to control overflow into the local waterways. This includes building large metro-sized tunnels to store overflow until it can be treated at the Blue Plains Wastewater Treatment Plant.

This is a much more viable solution than constructing a separate sewer system which would potentially have resulted in greater costs for customers and certainly caused significant business and tenant disruption.

Members should also note that while DC Water receives some federal funding, the bulk of its revenue, including that needed for infrastructure improvements, comes from ratepayers.

Source: <http://www.dewater.com/customer-care/iab.cfm>

IAC RATE STRUCTURE FOR CERTAIN RESIDENTIAL CUSTOMERS

In FY 2011, DC Water adopted a six-tier rate structure for assessing certain residential customers the IAC.

Previously, most residential properties paid a flat fee. With the change, all properties are now assessed the IAC based on the amount of impervious surface at the property.

Important!!

How does DC Water define residential customers?

Residential customers **ONLY** include:

- Condominium or apartment units where each unit is served by a separate line and is individually metered;
- Multifamily structures of less than four units where all units are served by a single service line that is master-metered; and
- Single-family dwellings.

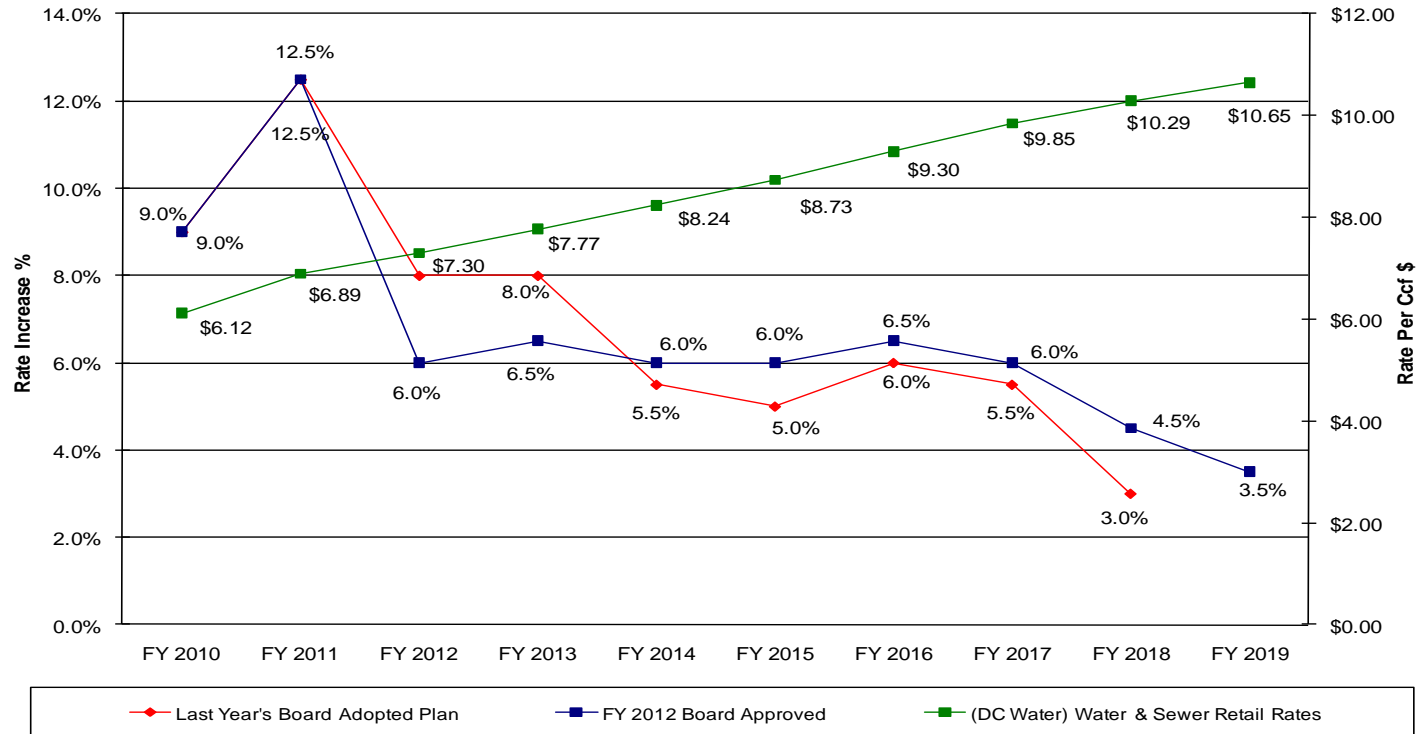
DC WATER'S NEW SIX-TIER RESIDENTIAL RATE STRUCTURE FOR THE IAC							
Tier	Size of Impervious Area (Square Feet)	Equivalent Residential Unit (ERU)	Current ERU Rate	Monthly Cost	Proposed FY 12 ERU Rate	Monthly Cost	# of properties
Tier 1	100 - 600	0.6	\$3.45	\$2.07	\$6.87	\$4.12	18,563
Tier 2	700 - 2000	1.0	\$3.45	\$3.45	\$6.87	\$6.87	77,514
Tier 3	2,100 - 3,000	2.4	\$3.45	\$8.28	\$6.87	\$16.49	5,736
Tier 4	3,100 - 7,000	3.8	\$3.45	\$13.11	\$6.87	\$26.11	2,499
Tier 5	7,100 - 11000	8.6	\$3.45	\$29.67	\$6.87	\$59.08	124
Tier 6	11,100 and more	13.5	\$3.45	\$46.58	\$6.87	\$92.75	47

Source: 21 DCMR 4101.3 and 4104.1.

PLANNING FOR THE FUTURE:

PROJECTED INCREASES TO WATER & SEWER RATES

FY 2010 – FY 2019

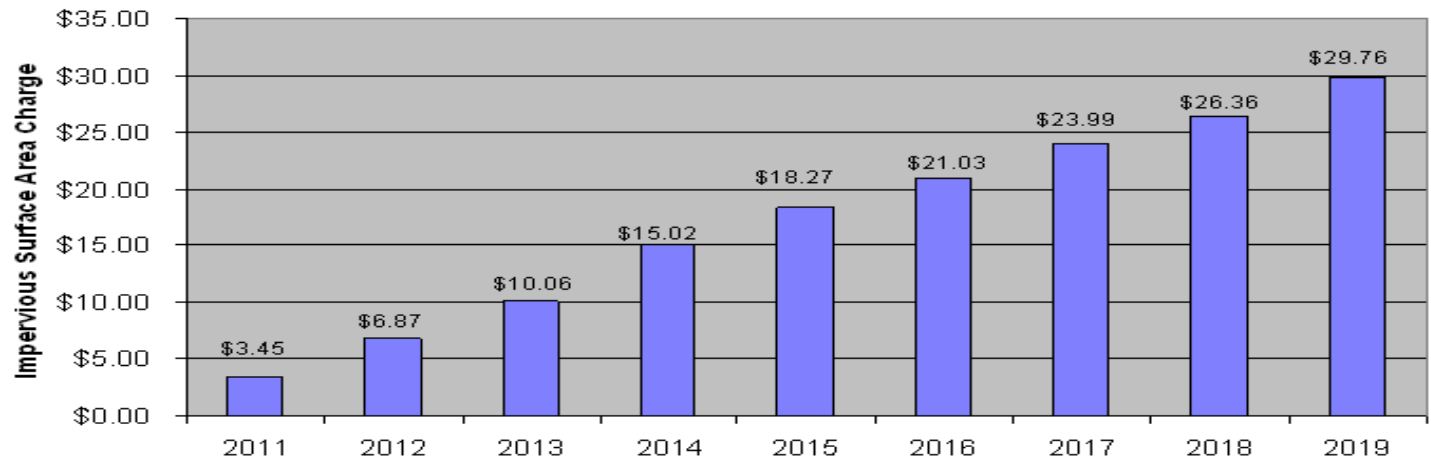


Source: DC Water April 15, 2011 Presentation; DC Water Operating Budget (DC Water Budget) – Revised FY 2011 Approved FY 2012, Section III Financial Plan, p. III-23.

RECENT & PROPOSED RATE & FEE CHANGES TO THE IAC

PROJECTED MONTHLY IAC CHANGES

FY 2010 – FY 2019



•The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the twenty-year \$2.6 billion, federally mandated Combined Sewer Overflow Long-Term Control Plan and the nine-minimum control program.

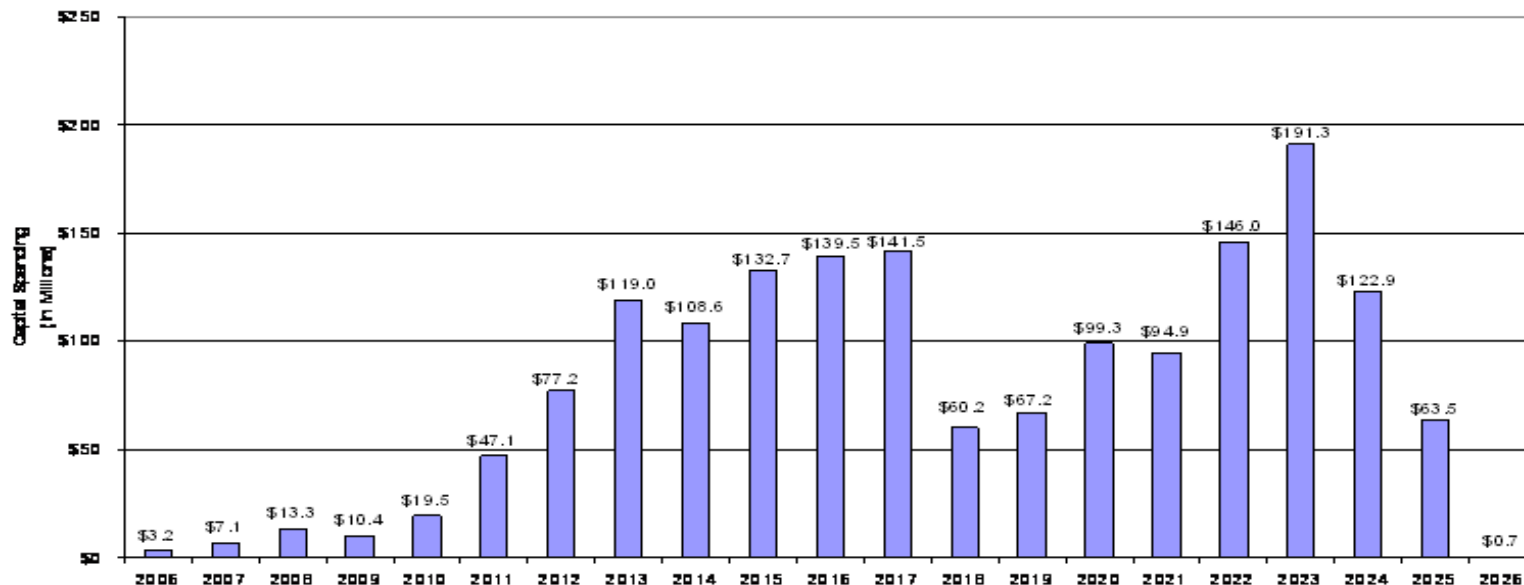
•Includes six-tier residential IAC rate structure.

• **What's driving the steep increases to the IAC?** The steep increases are largely attributable to the rising costs of implementing the Long-Term Control Plan.

Source: DC Water April 15, 2011 Presentation; DC Water Budget, p. III – 24.

POTENTIAL IMPACT OF CSO LONG-TERM CONTROL PLAN ON RATES

CSO LTCP Spending by Year



In December 2004, the DC Water Board reached an agreement with the federal government on the CSO LTCP and entered into a related consent decree in March 2005.

Projected disbursements by fiscal year for the LTCP portion are shown in the chart above and are the drivers for changes in the IAC over the ten-year plan.

Life time capital costs for the plan total approximately \$2.6 billion, and this year's proposed ten-year plan includes \$1.1 billion of projected CSO LTCP disbursements. As the total project spending increases, so does the projected impervious area rate.

Source: DC Water Budget p. III-36 to III-37; DC Water April 15, 2011 Presentation.

ADDITIONAL INFORMATION

DC WATER RATES

General Overview of Rates: www.dewater.com/rates#currentrates

Calculating the IAC for a Commercial Property:

1. Amount of impervious area at a property/1000 Square feet (I ERU) = X
2. Multiply X by \$6.87 = IAC
3. **Example** - using 50,000 square feet of impervious surface area
 $50,000/1000 = 50 \times \$6.87 = \$343.50/\text{month impervious surface area charge}$

IAC Information: www.dewater.com/customer-care/iab.cfm

DC Water Contact – Impervious Surface Area Charge

<u>Name</u>	<u>Email</u>	<u>Phone</u>
Customer Service	imperviousbilling@dewater.com	(202) 354-3600

DISTRICT OF COLUMBIA DEPARTMENT OF THE ENVIRONMENT STORM WATER FEE

DC STORMWATER FEE NOW IN EFFECT

As of November 1, 2010, the stormwater fee is \$2.67/ERU.

WHY IS THE STORMWATER FEE NECESSARY?

The District Department of the Environment (DDOE) is responsible for ensuring the District's compliance with the District's separate storm sewer system (MS-4) permit, which accounts for roughly two-thirds of the city's storm water control infrastructure. An increase in the stormwater fee is needed to generate \$13 million to meet increased federal requirements for controlling stormwater pollution.

Source: 21 DCMR 556.5.

STORMWATER RATE STRUCTURE FOR CERTAIN RESIDENTIAL CUSTOMERS

DDOE has also adopted a six-tier rate structure for assessing residential customers the stormwater fee. Previously, most residential properties paid a flat fee. With the change, all properties are now assessed the stormwater fee based on the amount of impervious surface at the property.

HOW DOES DDOE DEFINE RESIDENTIAL CUSTOMERS?

556.2 A residential customer means a single-family dwelling used for domestic purposes, a condominium or apartment unit where each unit is served by a separate service line and is individually metered and the unit is used for domestic purposes, or a multifamily structure of less than four apartment units where all the units are served by a single service line that is master metered.

Residential customers shall be assessed ERUs for the square feet of impervious surface on the property, as follows:

- (a) 0.6 ERUs for 100 to 600 square feet of impervious surface;
- (b) 1.0 ERU for 700 to 2,000 square feet of impervious surface;
- (c) 2.4 ERUs for 2,100 to 3,000 square feet of impervious surface;
- (d) 3.8 ERUs for 3,100 to 7,000 square feet of impervious surface;
- (e) 8.6 ERUs for 7,100 to 11,000 square feet of impervious surface; and
- (f) 13.5 ERUs for 11,100 square feet or more of impervious surface.

Source: 21 DCMR 556.2.

DC STORMWATER FEE: PROJECTED INCREASES TO THE RATE

MS-4 Permit Negotiations:

DDOE negotiations with EPA regarding the District's stormwater management obligations under the EPA issued MS-4 permit are ongoing. Based on the provisions in the final document, DDOE may seek another adjustment to the stormwater fee to comply with requirements of the District's next MS-4 permit.

ADDITIONAL INFORMATION

DDOE STORMWATER FEE

General Overview of Stormwater Fee: For additional information please visit the following link: www.ddoe.dc.gov/ddoe/cwp/view,a,1209,q,498382.asp

Calculating the stormwater fee for a commercial property:

1. Amount of impervious area at a property/1000 Square feet (1 ERU) = X
2. Multiply X by \$2.67 = Stormwater fee
3. **Examples:** Buildings with 10,000 and 50,300 square feet of impervious surface area.

Building A: $10,000/1000 = 10 \times \$2.67 = \$26.70/\text{month stormwater fee}$
Building B: $50,300/1000 = 50.3 \times \$2.67 = \$134.30/\text{month stormwater fee}$

DDOE Contacts: DDOE has assigned two individuals to answer stormwater-fee related questions.

Name	E-mail	Phone
Jonathan Champion	Jonathan.Champion@dc.gov	(202) 535-1722
Jeffrey Seltzer	jeffrey.seltzer@dc.gov	(202) 535-1603

IAC AND STORMWATER DISCOUNT PROGRAM

District law directs DDOE and DC Water to develop a discount program for those property owners that implement measures to manage stormwater runoff from their properties.

DDOE is currently working on the draft regulations for the discount program which we expect the agency to release soon.

The discount program, once in place, will be retroactive to May 1, 2009.

In order to qualify for a discount, the stormwater management measures at a property must be fully operational.

DC Official Code § 8-152.03

Stormwater User Fee Discount Program

- (a) Within one year of the enactment of an impervious area stormwater user fee by DC WASA, the Mayor shall establish a Stormwater User Fee Discount Program to be coordinated between DC WASA and the Administration.
- (b) The program shall allow property owners who implement measures to manage stormwater runoff from their properties to receive a discount on the stormwater user fee assessed to them under § 34-2202.16.
- (c) Stormwater user fee discounts approved by the Mayor shall be retroactive to no earlier than the date of the implementation of the impervious area stormwater fee. A property owner may not qualify for a stormwater user fee discount until the stormwater management measures for which they seek a discount are demonstrated to be fully functional.
- (d) Any discount earned under this section will be revocable upon a finding by the Mayor of non-performance. Upon a finding of non-performance, the Mayor may require reimbursement of any portion of fees discounted to date.
- (e) Findings of non-performance by the Mayor may be appealed by an applicant pursuant to rules established by the Mayor.
- (f) Failure to reimburse may result in a lien being placed upon the property without further notice to the owner. The Mayor may enforce the lien in the same manner as in § 34-2407.02.

DC WATER IAC DISCOUNT PROGRAM

DC Official Code § 34-2202.16a Low-impact design incentive program and fee discounts.

- (a) Within one year of March 25, 2009, the Authority shall establish, together with the District Department of the Environment ("DDOE"), a low-impact design incentive program within the DDOE, to reduce the surface area that either prevents or retards the entry of water into the ground as occurring under natural conditions, or that causes water to run off the surface in greater quantities or at an increased rate of flow, relative to the flow present under natural conditions.
- (b) The Authority and the DDOE will continue to collect and document the effects of the low-impact design techniques throughout the District on reducing stormwater runoff and the possible implications of how proven, long-term reductions in stormwater runoff may be used to renegotiate the consent decree and reduce the cost and size of the Long-Term Control Plan.
- (c) Impervious surface fee discounts approved by the Authority shall be retroactive to no earlier than the date of the implementation of the impervious surface fee. A property owner may not qualify for an impervious surface fee discount until the stormwater management measures for which the property owner seeks a discount are demonstrated to be fully functional.

For more information please contact:

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