

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Dupont Circle Advisory Neighborhood Commission 2B

June 17, 2019

Mr. Tommy Wells Chairman, Board of Directors DC Water 1385 Canal Street SE Washington, DC 20003 lmanley@dcwater.com

RE: DC Water's Proposed Rulemaking to Amend the Retail Rate for Sewer Services and the Clean Rivers Impervious Area Charge (CRIAC)

Dear Chairman Wells:

At its regular meeting on June 12, 2019, the Dupont Circle Advisory Neighborhood Commission ("ANC 2B" or "Commission") considered the above-referenced matter. With 9 of 9 Commissioners in attendance, a quorum at a duly-noticed public meeting, the Commission approved the following resolution by a vote of (9-0-0):

WHEREAS, DC Water levies the Clean Rivers Impervious Area Charge (CRIAC) to distribute the cost of maintaining storm sewers and protecting area waterways based on a property's contribution of rainwater to the District's sewer system,

WHEREAS, the CRIAC was implemented to cover the costs of the federally-mandated Clean Rivers Project to reduce sewer outflows into the Anacostia River and Potomac River.

WHEREAS, DC Water charges residential, multi-family, and non-residential customers a CRIAC based on an Equivalent Residential Unit (ERU), which is based on the median impervious surface area of a District single-family residential property,

WHEREAS, impervious areas include areas such as non-green roofs, parking lots, tennis courts, swimming pools, and concrete or asphalt walkways and driveways,

WHEREAS, DC Water offers an incentive to convert impervious areas to green infrastructure including the use of rain gardens, rain barrels, pervious pavings, green roofs, bioretention practices, and stormwater reuse methods,

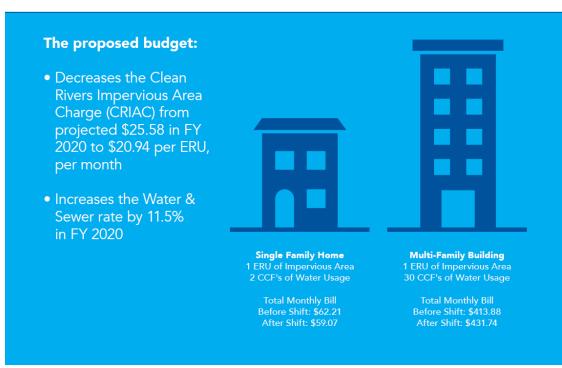
WHEREAS, DC Water proposes to change the CRIAC fee so that 63% of the fee is based on impervious area and 37% of the fee is based on the Sewer Volumetric Rate,

WHEREAS, DC Water is increasing the average household rate by 5.7% as previously approved,

WHEREAS, rather than increasing each fee by 5.7%, DC Water proposes to phase in this shift over time from FY 2020 through FY 2022 with 18% of the CRIAC being based on the Sewer Volumetric Rate in FY 2020,

WHEREAS, the example given by DC Water for FY 2020 shows that the estimated total monthly impact of this shift for a single-family home with 1 ERU of impervious area and 2 CCFs of a water usage bill will be a reduction from \$62.21 to \$59.07 while a multifamily building with the same amount of ERU but 30 CCFs of water usage will have a monthly bill increase from \$413.88 to \$431.77,

CriaC overview of rates and revenue



Source: DC Water Presentation

WHEREAS, on a per household basis, the example household residing in single-family structures would receive a 5.7% decrease in monthly water fees which households residing in multi-family structures would have an increase of 4.3% ¹,

WHEREAS, extrapolating the impact of the proposed policy in 2022, households in single-family structures would receive at least a 10% decrease in rates while households in multi-family structures would receive at least an 8% increase in monthly rates,

⁽¹⁾ Assuming the example multifamily building has 15 units, which is 30 CCF's divided by 2 CCF's in the single-family home

WHEREAS, within the District of Columbia, households in single-family structures are predominately homeowners and less housing cost-burdened than households in multifamily structures:

- while just 41.7% of District households are homeowners, 76.6% of single-family homes are owner-occupied ²,
- although 45.1% of renters in the District are housing cost-burdened, paying more than 30% of their income in housing expenses including utilities, just 23.6% of owner-occupied households are housing cost-burdened ³,

WHEREAS, ANC 2B believes that the proposed change to the CRIAC fee will lower costs for homeowners while increasing costs for typically less affluent renters, counter to the District's equity goals,

WHEREAS, ANC 2B understands that while, in aggregate, single-family households are likelier to be less housing cost-burdened than multi-family households, there are significant numbers of housing cost-burdened homeowners within the District,

WHEREAS, to address these equity concerns, ANC 2B appreciates the proposed expansion of DC Water's Customer Assistance Programs which provides discounts to income-eligible households at 60% (CAP), 80% (CAP2), and 100% (CAP3) of area median income,

WHEREAS, in addition to making the District less equitable, ANC 2B believes that the proposed change is counter to the District's goals for resiliency and climate adaptation,

WHEREAS, ANC 2B understands that the Resilient DC plan sets the vision for the District to be climate resilient and carbon neutral by 2050,

WHEREAS, ANC 2B understands that impervious areas are significant contributors to both stormwater management issues and heat islands,

WHEREAS, Objective 2.3.1 of the Resilient DC plan is to "launch a data-driven campaign to significantly reduce the urban heat island" which includes prioritizing, accelerating, and evaluating District investments to eliminate urban heat islands through interventions such as trees, plantings, green and cool roofs, and paving materials,

WHEREAS, Objective 2.1.4 of the Resilient DC plan is to "design climate-ready neighborhoods and development" which ANC 2B believes includes pervious materials such as pavers, rain gardens, and green roofs rather than concrete and asphalt,

WHEREAS, ANC 2B believes that reducing the monthly CRIAC fee for impervious areas will reduce the incentive for property owners to invest in green infrastructure, and

⁽²⁾ American Community Survey 2017 5-Year Sample, Tenure By Units In Structure

⁽³⁾ American Community Survey 2017 5-Year Sample, Tenure By Housing Costs As A Percentage of Housing Income in the Past 12 Months

WHEREAS, ANC 2B believes that all District agencies, including DC Water, should work towards the District's resiliency and equity goals, and that the proposed change to CRIAC fees is actively against both goals.

THEREFORE, BE IT RESOLVED that ANC 2B opposes the proposed changes to the CRIAC fee breakdown.

BE IT FURTHER RESOLVED that in order to not make the District less equitable and less resilient, ANC 2B urges DC Water to continue to charge the full CRIAC fee based on ERU rather than a combination of ERU and sewer flow.

BE IT FURTHER RESOLVED that ANC 2B urges DC Water to continue with the proposed increase in Customer Assistance Programs, which further equity, and the proposed expansion of the CRIAC Incentive Program, which encourages green infrastructure.

Commissioners Daniel Warwick (<u>2B02@anc.dc.gov</u>) and Kari Cunningham (<u>2B07@anc.dc.gov</u>) are the Commission's representatives in this matter.

ON BEHALF OF THE COMMISSION. Sincerely,

James Warnick

Daniel Warwick

Chair