



FACT SHEET: DC Water Board-Approved Budget 2012

Major Cost Drivers of Operating Budget

The Fiscal Year 2012 operating budget is \$422.4 million—an increase of \$19.0 million, or 4.7 percent, over the revised FY 2011 budget. The primary driver, or over half of this increase, is debt service to support the Capital Improvement Program (CIP). Other drivers include increases in personnel, utilities and chemical costs.

Major Cost Drivers of Capital Budget

Regulatory required projects with environmental impacts account for 44 percent of the capital budget while infrastructure nearing imminent failure represent 13 percent of the budget. The Capital Improvement Program incorporates costs on a 10-year spending plan. The total cost for the next 10 years is \$3.8 billion and it includes:

1. **New Digestion Facilities-** \$400+ million “green” project to provide Class A biosolids, reducing the need for hauling away waste and generating 10 MW of electricity in the process.
2. **Enhanced Nitrogen Removal Facilities-** \$700 million (FY10-19 CIP) to reduce the levels of nitrogen in effluent. Project to be completed in 2014 at a lifetime cost of nearly \$1.0 billion.
3. **Clean Rivers Project (Combined Sewer Overflow Long Term Control Plan)-** At a lifetime cost of \$2.6 billion, this program will primarily reduce Combined Sewer Overflows (CSOs) to the Anacostia and Potomac Rivers and Rock Creek by 96 percent. The CIP anticipates disbursements of \$1.0 billion for this program over the 10-year period.
4. **Water and sewer infrastructure** needs as identified by system assessments- The current 10-year CIP includes \$1.1 billion for these projects.

New Rates Proposed for FY 2012

If the proposed rate increase is adopted later this year, the combined water and sewer rate increases from \$6.89 to \$7.30 per Ccf (the equivalent of 748 gallons). In addition, the Payment in Lieu of Taxes (PILOT) fee increases from \$0.49 to \$0.53 per Ccf and the Right-of-Way fee will increase from \$0.14 to \$0.15 per Ccf.

Proposed Average Monthly Residential Water and Sewer Bill for 2012

	<u>FY 2011</u>	<u>Proposed FY 2012</u>
DC Water Retail Rates*	\$46.09	\$48.84
DC Water Impervious Area Charge	\$3.45	\$6.87
DC Water Metering Fee	\$3.86	\$3.86
Subtotal DC Water Rates & Charges	\$53.40	\$59.57
Increase Over Prior Year	\$8.25	\$6.17
District of Columbia PILOT Fee*	\$3.28	\$3.55
District of Columbia Right of Way Fee*	\$0.94	\$1.00
District of Columbia Stormwater Fee*	\$2.67	\$2.67
Subtotal District of Columbia Charges	\$6.89	\$7.22
Total Amount Appearing on Bill	\$60.29	\$66.79
Increase Over Prior Year	\$8.76	\$6.50

*Assumes average monthly consumption of 6.69 Ccf or 5,004 gallons.