



DC Water Approved FY 2025 Budget

Adopted March 7, 2024 (Fiscal year starts on October 1)

Rachna Butani Bhatt, Interim Board Chair David L Gadis, Chief Executive Officer and GM Matthew T. Brown, Chief Financial Officer



HEALTHY, SAFE AND WELL • RELIABLE • RESILIENT • SUSTAINABLE • EQUITABLE





VISION, MISSION & VALUES

VISION

We will be known for superior service, ingenuity and stewardship to advance the health and well-being of our diverse workforce and communities.

MISSION

Exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner.

VALUES

At DC Water, our values guide our actions, behaviors and decision making.

Accountability: We conduct ourselves in a manner that surpasses ordinary standards and take responsibility for our actions and their collective outcomes to our workplace, community and environment at all times.

Trust: We strive to achieve the highest standards of professionalism and ethical behavior by always seeking to be open, honest, fair and respectful.

Teamwork: We approach all we do in a collaborative way, delivering superior service and outcomes through enthusiasm, helpfulness, positivity, skills, knowledge and a collective commitment to excellence.

Customer Focus: We see every engagement with our customers as an opportunity to deliver an exceptional customer experience that improves customer satisfaction and the overall perception of DC Water among the communities we serve.

Safety: We are uncompromising in our commitment to the health and safety of our employees, customers, and community. We require individual accountability, expecting all employees to strictly adhere to our safety standards, and actively participate in and support the advancement of our safety practices.

Well-being: We recognize DC Water's number one resource is our people. We are committed to seeing that our team thrives physically, mentally and emotionally by endeavoring to create a culture that increases awareness, inspires individual responsibility, promotes healthy choices and encourages work/ life balance.

STRATEGIC PLAN – BLUEPRINT 2.0

The Blueprint guides DC Water in setting priorities, focusing energy and resources, and strengthening operations. The strategic plan adopted by the Board on October 4, 2018 ensures employees and stakeholders are working towards common goals and aiming to accomplish the vision of DC Water.

“Blueprint 2.0 will accentuate our standing in the water and wastewater industry, ensure we continue to deliver unparalleled water services to our community and position the organization to address the needs of the future.”

David L. Gadis, CEO

ORGANIZATIONAL IMPERATIVES

Blueprint 2.0 sets out five Organizational Imperatives, which are defined outcomes essential to achieving our strategic ambition over the next five years and beyond. The Imperatives have been developed through engagement with a cross section of key stakeholders and are used to frame our strategy and address our upcoming challenges.



Healthy, Safe and Well: Water is the life source of our community, and the essential services we provide at DC Water must be world-class. Our fundamental priority has to be ensuring DC Water is safe for all – for our customers, our communities, our employees and our contractors.

Reliable: A high performing network of systems and assets is critical to reliability, using real-time monitoring to inform better decision making. Our aim is to continue to deliver an excellent service for customers and ensure we minimize service disruption. This is enabled by ensuring we adopt an integrated and enterprise-wide approach in order to deliver services efficiently.

Resilient: In order to adapt to shocks and stresses to our system, we must secure assets through proactive maintenance and value-driven asset management.

Sustainable: Sustainability is about balancing the economic and social value we create with the environmental impact of doing so. Ensuring that we make efficient use of economic resources through operating efficiency and resource recovery and reuse is key.

Equitable: DC Water’s desire to be an equitable organization touches on all parts of the Authority, starting with the decisions we make around infrastructure. Carefully considered infrastructure projects have the ability to greatly empower vulnerable communities and ensure that work happens in the areas where the negative impact of not doing it may be most felt.

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ACKNOWLEDGEMENTS

The Office of the Chief Financial Officer would like to extend our appreciation to the Senior Executive Team and Senior Management Staff for their strategic guidance, leadership, and partnership.

In addition, we would like to acknowledge the following staff members from the departments of Finance, Capital Improvement Program Infrastructure Management and the Office of Marketing & Communications for their hard work and dedication geared towards the publication of this document.

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Henok Getahun	Dennis Samson
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TABLE OF CONTENTS

Section I - Executive Budget Summary	09	Consumption.....	109
Executive Budget Summary.....	10	Recent and Approved Rate and Fee Changes	111
Section II - Budget Overview	29	Approved FY 2024 Rate and Fee Changes.....	121
DC Water Key Facts & Service Area Map.....	30	Proposed FY 2025 Rate and Fee Changes	122
Budget Summary.....	34	Proposed FY 2025 & FY 2026 Rate and Fee Changes.....	124
FY 2024 - FY 2025 Comparative Expenditures.....	35	Recent and Approved Rate and Fee Changes	125
FY 2024 - FY 2025 Comparative Revenues	36	Why Rate Increases Are Needed	134
FY 2024 and FY 2025 Approved Retail Rates & Fees.....	37	Affordability of Retail Rates	142
Cash Flow Summary	40		
DC Water History and Governance.....	41		
Accounting and Budget Processes.....	43		
FY 2025 Budget Calendar.....	45		
Wastewater System Capacity.....	46		
Water System Capacity	47		
Regional Demographics and Customer Demand.....	48		
Section III - Financial Plan	53		
DC Water Board Strategic Plan	54		
FY 2024 – FY 2033 Financial Plan	56		
Key Financial Policies	59		
Major Financial Accomplishments	63		
Future Goals and Financial Assumptions	77		
Revenues	84		
FY 2025 Proposed vs FY 2024 Revised Operating Receipts	86		
FY 2026 Proposed vs FY 2025 Proposed Operating Receipts	88		
Long-Term Planning: Ten-Year Financial Plan.....	89		
Operating Expenditures.....	90		
Financial Performance	92		
Capital Financing Program.....	93		
Cash Position and Reserves.....	97		
Section IV - Rates and Revenue	98		
DC Water Revenue Receipts.....	99		
Customer Categories and Accounts	103		
		Consumption.....	109
		Recent and Approved Rate and Fee Changes	111
		Approved FY 2024 Rate and Fee Changes.....	121
		Proposed FY 2025 Rate and Fee Changes	122
		Proposed FY 2025 & FY 2026 Rate and Fee Changes.....	124
		Recent and Approved Rate and Fee Changes	125
		Why Rate Increases Are Needed	134
		Affordability of Retail Rates	142
Section V - FY 2024 - FY 2033 Capital Program	158		
		Capital Improvement Program (CIP) Overview	159
		CIP 10-Year Disbursement Plan & Lifetime Budget.....	163
		Non-Process Facilities.....	165
		Wastewater Treatment.....	171
		Combined Sewer Overflow.....	178
		Stormwater.....	182
		Sanitary Sewer	185
		Water.....	192
		Additional Capital Programs.....	199
Section VI - Capital Financing Cash and Debt.....	202		
		Ten-Year Sources of Capital Financing	203
		Sources and Uses of Funds	205
		Debt Management Terms FY 2023 - FY 2025.....	211
Section VII - Departmental Summaries.....	212		
		Introduction to Operational and Administrative Departments	213
		Operating Expenditures Budgets.....	215
		Operations and Maintenance Expenditures by Category ..	216
		Operating Expenditures by Object	217
		Operating Expenditures by Department and Cluster	218
		FY 2024 Revised Budget by Category	219
		FY 2025 Approved Budget by Category.....	220
		Filled and Vacant Positions.....	221
		Authorized Positions.....	222
		Annual Overtime Trend	223

TABLE OF CONTENTS

Overtime Budget by Department	224	Section VIII - Glossary, Acronyms & Resolutions	335
DC Water Organization Chart	225	Glossary	336
Office of the Chief Operating Officer (OCOO)	226	Acronyms	346
Wastewater Treatment - Operations	229	Resolutions	351
Wastewater Treatment - Process Engineering	236		
Maintenance Services	239		
Clean Water and Technology	242		
Resource Recovery	245		
Engineering and Technical Services	249		
CIP Infrastructure Management	252		
Wastewater Engineering	255		
Permit Operations	259		
Water Operations	262		
Pumping and Sewer Operations	268		
Clean Rivers	272		
Office of Chief Administration Officer (CAO)	276		
Customer Care	279		
Information Technology	282		
Strategy & Performance	285		
Office of Emergency Management	288		
Fleet Management	291		
Occupational Safety and Health	294		
Facilities Management	297		
Department of Security	300		
Secretary to the Board	303		
Office of the Chief Executive Officer (CEO)	306		
Internal Audit	309		
Finance	312		
Procurement	316		
Compliance and Business Development	319		
Non-Ratepayer Revenue Fund	322		
Marketing and Communications	323		
People and Talent	326		
Government and Legal Affairs	332		



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**District of Columbia Water & Sewer Authority
District of Columbia**

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morrell

Executive Director

dc Executive Budget Summary

Approved FY 2025 • Adopted March 7, 2024

(Fiscal year starting October 1)

Keith Anderson, Chair, Board of Directors

David L. Gadis, Chief Executive Officer and General Manager

Matthew T. Brown, Chief Financial Officer and Executive Vice President, Finance, Procurement, and Compliance

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY



ACCOUNTABILITY • TRUST • TEAMWORK • CUSTOMER FOCUS • SAFETY • WELLBEING



DC Water provides clean drinking water to residents of the District of Columbia, and wastewater treatment services to both residents of the District of Columbia and wholesale customers in Maryland and Virginia.

This executive budget summary is both an introduction to the FY 2025 budget and a standalone document that provides information about our budget priorities to our customers and diverse stakeholders. Additional information about our operating and capital budgets can be found in the detailed budget book and is also available online at www.dewater.com.

DC Water continues to align our budget and strategic priorities. Our strategic plan, Blueprint 2.0, was adopted by the Board of Directors in 2021 to guide DC Water over the next five years and beyond. Detailed information about the strategic plan is available online at www.dewater.com/strategic-plan.

Blueprint 2.0 Imperatives



Vision

We will be known for superior service, ingenuity and stewardship to advance the health and well-being of our diverse workforce and communities.

Mission

Exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner.

Imperatives

Healthy, Safe and Well

Is everybody we impact healthy, safe and well?

Reliable

Can we deliver our agreed service level in an efficient and effective manner?

Resilient

Are we able to cope with and recover from disruption, anticipating shocks and stressors to maintain service?

Sustainable

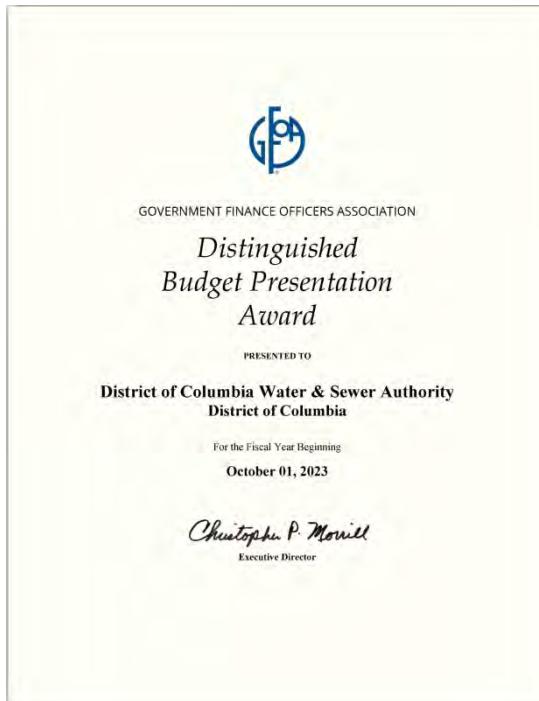
Are we able to meet the needs of the present without compromising the ability of future generations to meet their own needs?

Equitable

Are we operating in an equitable manner to enable our employees, partners, customers, and communities to prosper?

Inside

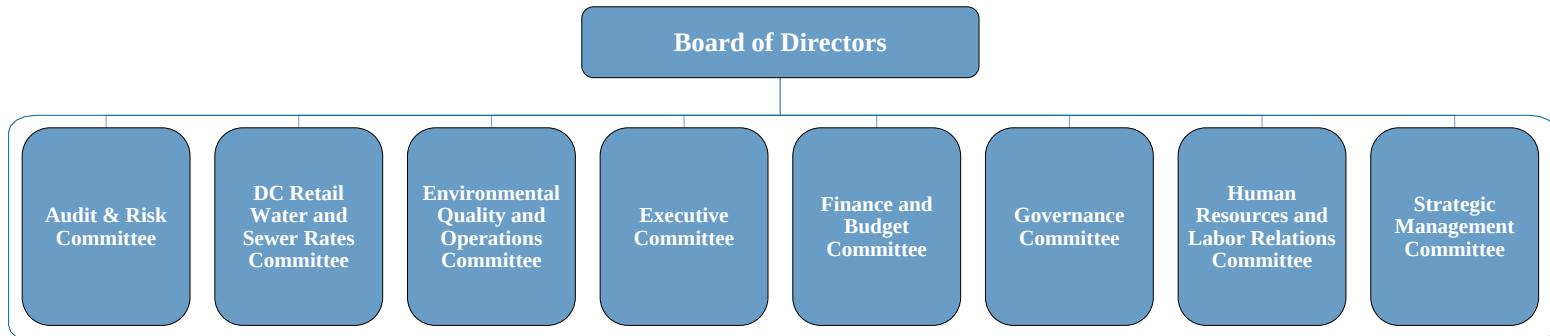
- 1 Executive Budget Summary
- 2 Organizational Governance and Structure
- 3 CEO / General Manager's Message
- 4 DC Water Budget Overview
- 5 CFO's Message
- 6 Budget at a Glance
- 7 Strategic Plan & Budget Process
- 9 Ten Year Financial Outlook / Debt Management
- 10 Sources & Uses of Funds
- 11 Operating Budget
- 13 Capital Improvement Program
- 14 Major Capital Investments
- 15 Operating Revenues, Rates, Charges and Fees
- 17 Customer Assistance and Regional Demographics



Organizational Governance and Structure

DC Water is an independent authority of the District of Columbia, established under District of Columbia and Federal law, and is governed by 11 principals and 11 alternate members of the Board of Directors. The members of the Board of Directors also serve on various Committees.

DC Water Board Committees



DC Water Organizational Leadership





Today's DC Water delivers far more than just reliable, clean drinking water and wastewater services. The Authority serves as an economic engine for the District. We create jobs, offer apprenticeships and training programs, provide contract opportunities for small, minority, and women-owned businesses, and we strive to deliver equity at every touchpoint with the community we serve.

I am pleased to share this Executive Budget Summary, which provides a concise overview of the Authority's approved FY 2025 budget and two-year rate proposals. This budget outlines the rationale for essential operational needs, continued capital investments and revenue requirements which are crucial for sustaining and growing our organization. Additionally, this budget continues to demonstrate our commitment to invest in programs that align with our Blueprint 2.0, the Authority's Strategic Plan.

Clean Rivers Project

In 2023, DC Water completed the Northeast Boundary Tunnel (NEBT), the final segment of the Anacostia River Tunnel system. The NEBT represents a major step forward for the District, as the tunnel will both mitigate chronic flooding in low-lying neighborhoods and reduce combined sewer overflows to the Anacostia by 98 percent in an average year of rainfall. The NEBT captures the overflows and directs them to the Blue Plains Advanced Wastewater Treatment Plant, where they are cleaned to a near-potable standard and returned to the Potomac River. The final tunneling project is the development of the Potomac River Tunnel (PRT) system, which will bring environmental benefits to Georgetown and other communities along the Potomac in the years ahead.

Lead Free DC

Our Lead-Free DC program continues to make considerable progress replacing lead service lines across the District, and has now replaced more than 5,000 service lines, with 70 percent of them discounted or at no cost to the customers. To date, this has created \$9.5 million in savings for our customers.

Over the last year, DC Water has gathered additional information from the field, and improved the accuracy of our water service line inventory records. We have identified a total of 42,000 lead lines, which has increased the inventory by 50 percent over our initial projections of 28,000 lead lines. While we remain on track to replace those 28,000 service lines under current funding projections, the additional 14,000 lines would not be addressed until 2037. We will continue our partnership with the District, Federal Government and various

stakeholders to leverage additional funding to achieve the goal of replacing all lead service lines in the District replaced at no additional cost to the customers.

Convergence of Challenges

DC Water, like water utilities across the nation, faces an unprecedented convergence of major infrastructure needs and increased regulatory expenses in the years ahead. As one of the oldest water systems in the country, the Authority's aging infrastructure is particularly vulnerable to the impacts of climate change; the median age of our water mains is 79 years, and half of our sewer lines are more than 84 years old. We are increasing investments in our wastewater, water and sewer infrastructure so that we can continue to maintain high quality services without disruption due to asset failure.

There is an important, nationwide mandate to remove lead service lines, however, such projects are usually unaccounted for in the budgets. In the last fiscal year, there have also been advances with the detection of per- and polyfluoroalkyl, or 'forever chemicals,' and regulatory standards have been proposed by the U.S. Environmental Protection Agency (EPA). Addressing the presence of PFAS in tap water will be tremendously costly, and should be paid for, in full, by the polluting entities. The Authority's FY 2025 budget reflects our commitment to assessing the impact and addressing all these challenges – rising costs, infrastructure, lead pipes and mandates – while still delivering equity and world-class service to our customers.

David L. Gadis
CEO and General Manager



DC Water Budget Overview

FY 2025 Operating Budget of **\$788.2 million**

\$209.6 million

Funds salaries, steps, merit increases and bonus payments for 1325 employees, pays for Summer Internship and Apprenticeship programs and overtime primarily used for emergency response

\$100.5 million



Funds core operations including critical infrastructure and facilities maintenance and repairs, software technology, legal, compliance, insurance, audit services, biosolids hauling services, legal & government affairs, and workforce development



\$23.8 million

PILOT & ROW payments to the District of Columbia

\$310 million

paygo

Other non-operational needs for debt service and Paygo for the capital program

\$1.7 million

property side leaks impacting water bills and continues initiatives to improve customer engagement and stakeholder communication



\$1.4 million

Funds the maintenance of the Green Infrastructure (GI) facilities to manage stormwater

\$141.2 million



Funds fixed and nondiscretionary costs for chemicals, critical spare parts, water purchases, and utilities

FY 2024-2033 Capital Investments of **\$7.74 billion**

\$1.17 billion

Fully funds DC Clean Rivers projects to meet Consent Decree requirements



\$347 million

Invests in process equipment, specialized vehicles, and information technology infrastructure



\$357 million

Invests in the Aqueduct's capital infrastructure



\$732M
To continue lead service line replacements

Continues investment in Water & Sewer infrastructure

\$1.62 billion

Ramps up to 1.5% replacement for small diameter water mains per year



\$1.92 billion

Ramps up to 1% rehabilitation for small/local sewer lines per year



\$197 million

Renovates Non-Process Facilities including the Historic Main Pump Station, Bryant Street Pump Station, non-process buildings at Blue Plains, laboratory upgrades, and solar installations



Improves stormwater pump stations to relieve local flooding

\$1.33 billion

Funds rehabilitation and upgrades at Blue Plains





The Authority's FY 2025 budget balances our investment in critical infrastructure and manage rate affordability for customers. This budget is the culmination of months of collaborative work by Team Blue and the Board of Directors with a focus on the impact on our customers and our commitment to efficient operations and customer service.

Funding Essential Operations

The approved FY 2025 operating budget of \$788.2 million reflects our commitment to navigating the challenges posed by rising inflation and impact on the costs of chemicals, critical spare parts, insurance premiums and various operational services to maintain our assets. The Authority has worked to identify operational efficiencies to help mitigate the impact of escalating costs. This budget demonstrates our dedication to prudent financial management and our commitment to delivering value to our customers and stakeholders.

Addressing Infrastructure Challenges

Our ten-year Capital Improvement Program (CIP) of \$7.74 billion funds two major once in a generation projects - the mandated DC Clean Rivers Program and advancement of the Lead Free DC program. Additionally, we are ramping up investments in our aging water and sewer system to enhance the reliability and resilience of our operations and ensure sustainable growth in our overall CIP. As we allocate resources towards rehabilitating and upgrading our critical infrastructure, we remain steadfast in our dedication to serving our customers and ensuring that their needs drive our investment decisions.

Making a Case for Rate Adjustments

Our two-year rate proposal includes a 4.8 percent increase in FY 2025 and 6.5 percent increase in FY 2026. This translates to roughly \$6 per month for the average residential customer in FY 2025. These proposed rate adjustments are lower than the previous forecasts of 7 percent and 6.8 percent in FY 2025 and FY 2026 respectively due to lower-than-expected borrowing costs. The reduced borrowing costs are a direct result of the Authority's strong financial performance and stewardship. With the recently reaffirmed bond ratings by all three rating agencies, we can continue to borrow at lower interest rates, and pass those savings on to our customers. The proposed rates are consistent with the results of the cost-of-service study and an independent rate review and meet the required revenue requirement to cover the cost of delivering service to our customers.

Expanding Customer Assistance Programs

We recognize that a rate increase of any kind will pose some challenges for our most financially vulnerable households. To this end, DC Water is advancing equity by expanding our already very robust Customer Assistance Programs (CAP) for those who cannot afford water. This includes a new CAP+ program for very low-income households, and a payment plan incentive program. Our DC Water Cares suite of programs provided more than \$8.7 million in subsidies to 8,555 District families in FY 2023, ensuring that families remain connected to essential water and wastewater services.

DC Water is also proposing a new program in FY 2025 which will be designed to help low-income households identify and repair leaks that could contribute to high water bills. This proposed partnership with the District would create a win-win for District residents. DC Water covers the cost of the assessment, and the District would leverage federal funds to make the repairs.

As prudent financial stewards of our customers' resources, we are committed to ensuring that our budget decisions are aligned with our commitment to delivering value to our customers. By carefully balancing these factors, we aim not only to enhance the efficiency and resilience of our operations but also to uphold the trust and satisfaction of those we serve.

A handwritten signature in black ink, appearing to read "Matthew T. Brown".

Matthew T. Brown
Chief Financial Officer and EVP



Budget at a Glance

Operating Expenditures (\$ Thousands)

Category	FY 2024 Revised	FY 2025 Approved
Authorized Headcount	1325	1325
Personnel Services	\$ 201,581	\$ 209,633
Chemicals	44,094	44,079
Supplies	10,474	11,506
Utilities	39,233	40,318
Contractual Services	93,070	102,284
Water Purchases	44,039	45,330
Small Equipment	1,437	1,364
Total Non-Personnel Services	\$ 232,347	\$ 244,881
Total Operations and Maintenance	\$ 433,928	\$ 454,513
Debt Service	221,635	249,495
PILOT & ROW	23,430	23,796
Payment in Lieu of Taxes	18,330	18,696
Right of Way	5,100	5,100
Cash Financed Capital Improvements	58,575	60,436
Total Debt Service/PILOT/ROW/ CFCI	\$ 303,639	\$ 333,728
Total Operating Expenditure	\$ 737,567	\$ 788,241
Less: Capital Labor	(31,974)	(34,087)
Total Net Operating Expenditure	\$ 705,593	\$ 754,154

Operating Revenues (\$ Thousands)

Category	FY 2024 Revised	FY 2025 Approved
Residential	\$ 141,209	\$ 146,941
Commercial	213,358	222,368
Multi-family	156,014	164,449
Federal Government	90,273	91,696
Municipal & Housing	39,709	41,389
Water System Replacement Fee	40,717	40,717
Metering Fee	24,083	24,083
Wholesale	106,519	114,248
Rate Stabilization Fund	2,000	2,000
Other Revenue	76,678	78,370
Total Operating Revenue	\$ 890,560	\$ 926,261



Lead Free DC Outreach

Capital Disbursements (\$ Thousands)

Service Areas	FY 2024 Revised	FY 2025 Approved
Non-Process Facilities	\$ 13,074	\$ 19,900
Wastewater Treatment	65,151	103,291
Clean Rivers	118,913	204,033
Combined Sewer	4,880	9,375
Stormwater	7,293	13,565
Sanitary Sewer	80,599	92,235
Water	158,736	222,494
Capital Projects	\$ 448,646	\$ 664,893
Capital Equipment	30,535	31,477
Washington Aqueduct	35,546	35,770
Additional Capital Programs	\$ 66,081	\$ 67,246
Total CIP	\$ 514,727	\$ 732,139

Capital Revenues (\$ Thousands)

Source	FY 2024 Revised	FY 2025 Approved
Wholesale Capital Payments	\$ 77,404	\$ 88,796
Federal Grants & CSO Appropriations	37,603	49,899
Interest Income on Bond Proceeds	7,946	10,592
Pay-Go Financing	208,874	188,346
Debt Proceeds	26,000	351,000
System Availability Fee	7,700	7,700
Total Capital Revenue	\$ 365,527	\$ 696,333

The Strategic Plan

DC Water's five year strategic plan, called Blueprint 2.0, demonstrates the commitment of our Board of Directors, management team, and workforce to meet our challenges head on and to exceed ratepayer expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner, while positioning DC Water for success in the coming years.

DC Water's budget is prepared through a collaborative and decentralized process, guided by its strategic plan. The Blueprint 2.0 includes five interconnected imperatives and lays out defined outcomes essential to achieving the strategic goals over the next five years and beyond. Detailed information about the strategic plan is available online at www.dcwater.com/strategic-plan.

The Blueprint 2.0 Imperatives



Healthy, Safe and Well

Is everybody we impact healthy, safe and well?

Reliable

Can we deliver our agreed service level in an efficient and effective manner?

Resilient

Are we able to cope with and recover from disruption, anticipating shocks and stressors to maintain service?

Sustainable

Are we able to meet the needs of the present without compromising the ability of future generations to meet their own needs?

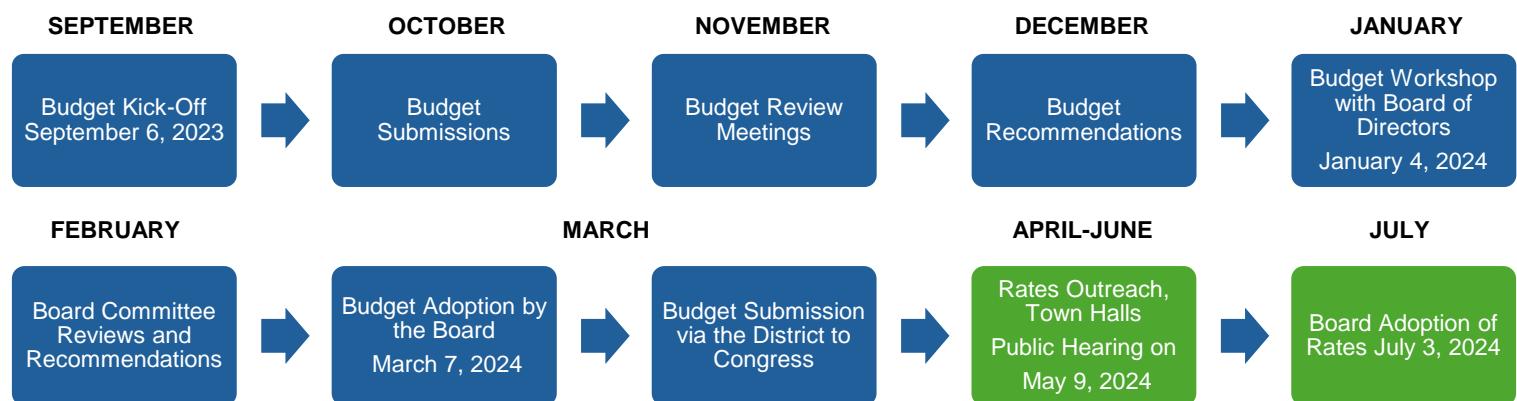
Equitable

Are we operating in an equitable manner to enable our employees, partners, customers, and communities to prosper?

The Budget and Rate Making Process

DC Water's budget is the fiscal roadmap that allocates and aligns spending plan with the imperatives and goals of the strategic plan. The rigorous budget process balances the level of infrastructure investments and operational requirements with customer rates. The budget process encourages ideas to be brought forward by all departments with detailed workplans that incorporate the imperatives, goals and workstreams of Blueprint 2.0. The strategic plan serves as the primary lens through which budget requests are evaluated against established prioritization criteria and final budget decisions are made. The budget proposals are reviewed with the various Board Committees and subsequently adopted by the full Board of Directors.

The rate making process occurs every two years. Subsequent to the Board adoption of the budget, the Authority carries out public outreach, town halls and public hearings to inform the public of rate changes. After these events, the rates go before the Board of Directors for adoption.





Strategic Plan & Budget Process (continued)

The budget submissions are reviewed and prioritized to balance what we ask from our customers with the Board-adopted multi-year retail rates. In an effort to align the budget with the imperatives and goals of the strategic plan, all budget requests for existing and new programs were evaluated and scored against established prioritization criteria. These criteria include regulatory requirements/mandates, health and safety, Board policy, process improvements and new revenue generation. Additionally, Equity Approach was incorporated into the CIP decision-making process. This provides consideration for communities through equitable projects to ensure inclusive and diverse representation, a sustainable operating and delivery model, and efficient use of economic resources.

Below are some of the major programs included in DC Water's operating and capital budgets and how they align with the various connected imperatives of Blueprint 2.0.

Blueprint 2.0 Imperatives	Program Description
	Complete the Clean Rivers Program to reduce Combined Sewer Overflows (CSO) and meet the District's water quality standard. Achieve 96 percent system-wide capture mandate for removal of trash, debris etc. from the Anacostia and Potomac Rivers and Rock Creek.
	Advance the Lead Free DC program to remove all lead lines, promote equity and leverage external funding.
	Expand training and learning opportunities for operational crews including "Hazard Awareness Training" and "Hands on Drills" etc. Continue Cohort 2 - Apprenticeship Program to provide learning and job opportunities to residents in the metro region.
	Continue proactive and predictive maintenance programs to assure equipment availability and value-driven Asset Management Operator Driven Reliability program.
	Increase collaborative efforts between operations and engineering departments to ensure process enhancements and support the delivery of capital projects.
	Safeguard the resilience of water supply, secure the assets of DC Water and prepare for and learn from emergency responses and adapt to the impacts of climate change.
	Support development of high performing teams to increase resiliency and ensure safety of the operational crews that provide water and wastewater treatment services.
	Enhance preparedness for tackling contaminants of emerging concern through research and (regulatory driven) monitoring.
	Increase sales volume and revenue for both Bloom and renewable energy credits (RECs).

Legend: Healthy, Safe and Well

Reliable

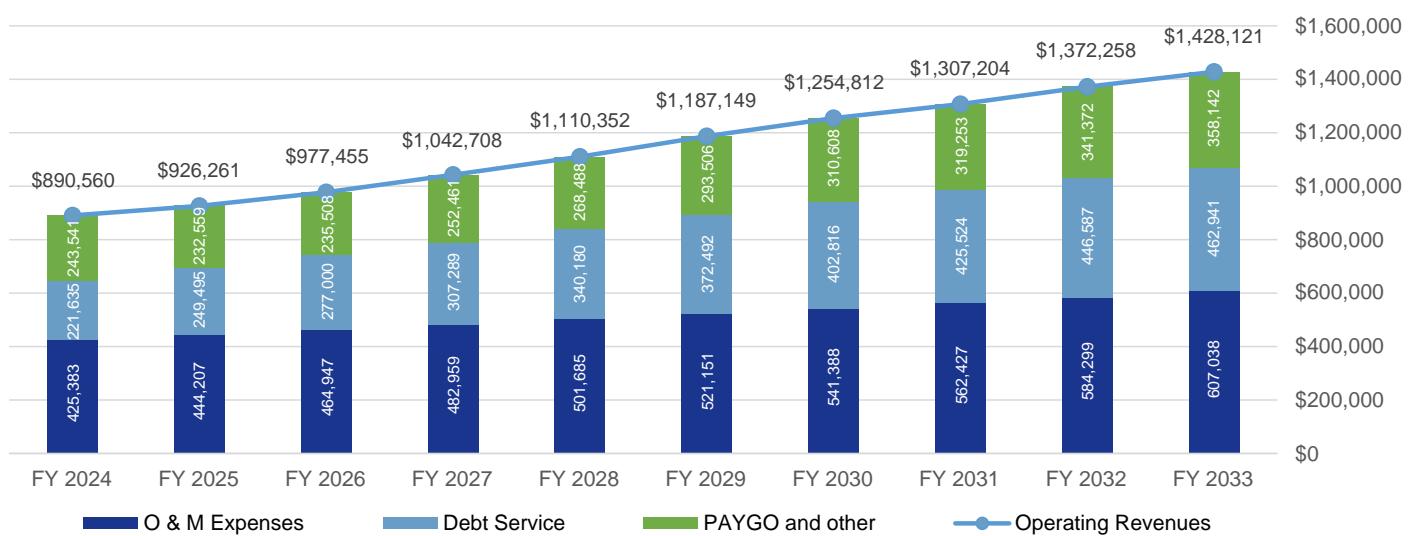
Resilient

Equitable

Sustainable

DC Water's ten-year financial plan provides a strong financial framework to support implementation of the Board strategic plan, policies, priorities, and guidance in several key financial areas. This financial plan serves as one of management's key tools to monitor progress in meeting financial goals and to proactively address future financial and operational issues. Given DC Water's substantial borrowing needs over the next ten years, adherence to these Board policies is crucial to cost-effectively access the capital markets and retain our credibility with customers and regulators. The ten-year financial plan encompasses annual projected revenue requirements, operating expenditures, debt service costs, coverage ratios for indenture requirements, and sufficient liquidity to meet all the Authority's financial obligations.

FY 2024 - FY 2033 Financial Plan (\$ Thousands)



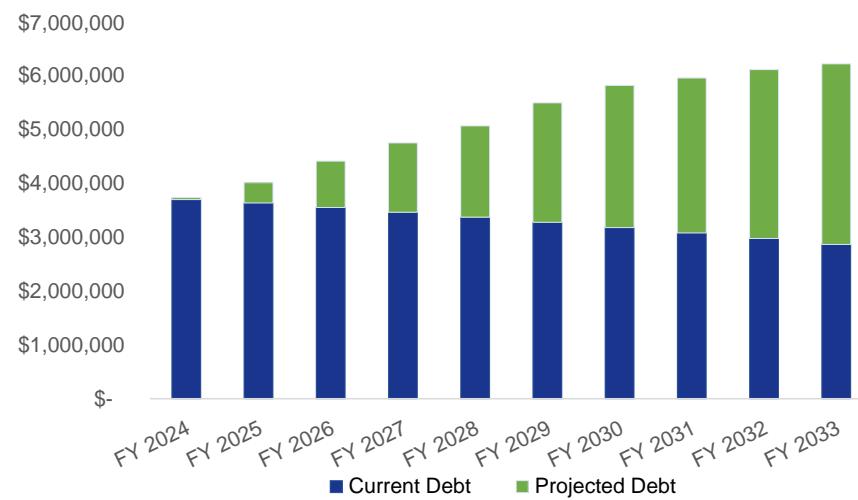
Debt Management

DC Water continues to maintain strong financial performance and bond ratings. During FY 2023, the credit ratings on our senior lien bonds were reaffirmed at AAA/Aa1/AA+ by Standard and Poor's Ratings Services, Moody's Investors Services and Fitch Ratings, respectively. High bond ratings will allow DC Water to have lower borrowing costs which in turn reduces ratepayer costs in the long run. These notable results are due to the Authority's solid financing team, outstanding financial performance, and management of our capital program. Additional information for current and future investors is available at www.dewater.com and www.dewaterbonds.com.

The Authority uses debt to finance its capital program and refund existing debt in the best interest of DC Water to obtain debt service savings. Debt management consists of managing funds borrowed through revenue bonds, commercial paper, and other short-term notes. Currently, debt financing represents approximately 43 percent of the funding in the ten-year financial plan and 30.1 percent of the FY 2024 operating budget. In FY 2023, DC Water began to draw on the 2021 Federal loan under the Water Infrastructure and Finance Innovation Act (WIFIA).

As of December 31, 2023, DC Water had an outstanding WIFIA loan amount of \$52.6 million. The Authority's total long-term debt, including current maturities was \$3.7 billion at the end of FY 2023, and is projected to increase over the next ten years primarily due to continuous investment in our aging infrastructure.

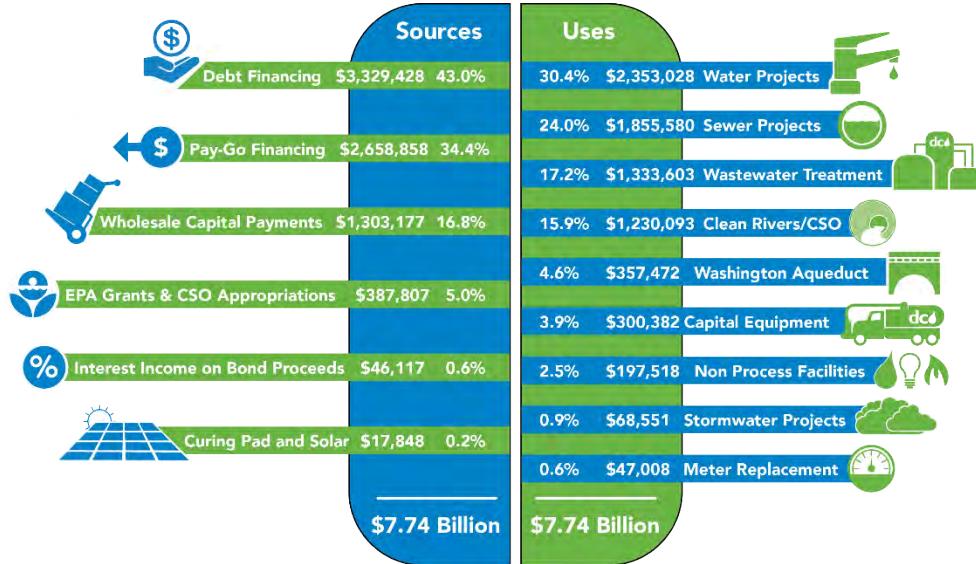
FY 2024 - FY 2033 Current and Projected Debt



DC Water is a cost-recovery organization that does not make a profit. The Authority requires a reliable and predictable revenue stream to pay for capital investments and forecasted operating expenditures as well as meet or exceed our Board policies and other financial metrics.

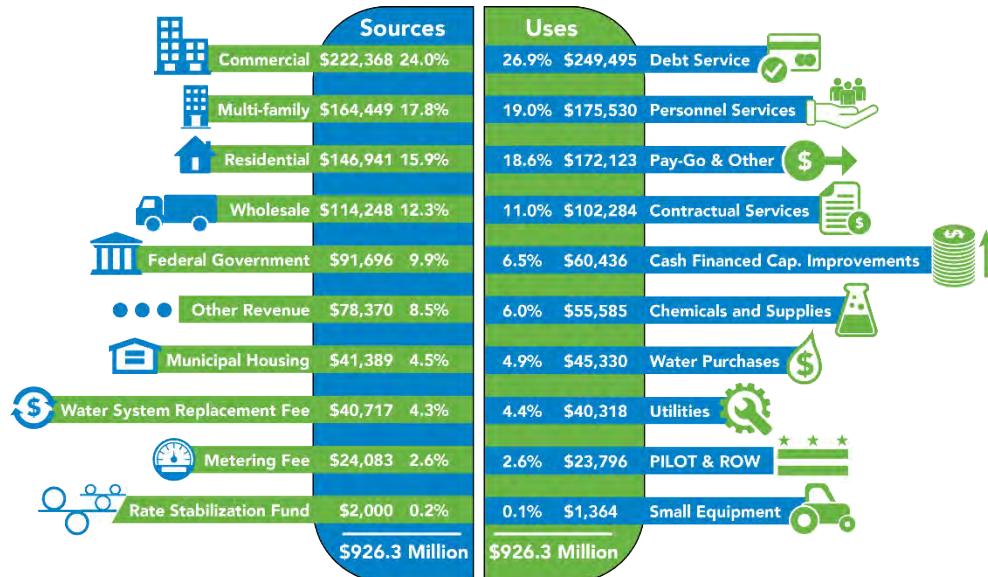
DC Water relies on several funding sources to finance its capital program and cash flow needs. Over the ten-year period, 77.4 percent is funded by debt and pay-go financing, 16.8 percent is capital payment from our Wholesale customers, 5 percent is from grant funding and federal appropriations and the remaining 0.8 percent is from interest income and other available funds.

FY 2024 – FY 2033 CIP Sources & Uses of Funds (\$ Thousands)



DC Water has a diverse customer base and thus receives cash from a variety of sources. This diversity mitigates reliance on any single customer category and provides a level of revenue stability. Our customers are classified as retail (residential, multi-family and non-residential) and wholesale customers only. DC Water uses these receipts to pay the salaries, overtime and benefits for its workforce, meet the financial obligations necessary to operate and maintain assets and facilities, purchase drinking water from the Washington Aqueduct and pay the debt service costs to support the capital program.

FY 2025 Operating Sources & Uses of Funds (\$ Thousands)





DC Water's annual operating budgets provide the resources necessary to sustain a multi-billion-dollar water distribution, sewage collection and treatment system. The Authority continues to deliver clean water, collect, and treat the sewage before returning clean water to the local waterways and repair water main and sewer breaks as needed. This budget reflects management's focus on supporting the most important asset with core values of reflecting people, pay and place while maintaining customer affordability and providing a high level of customer service.

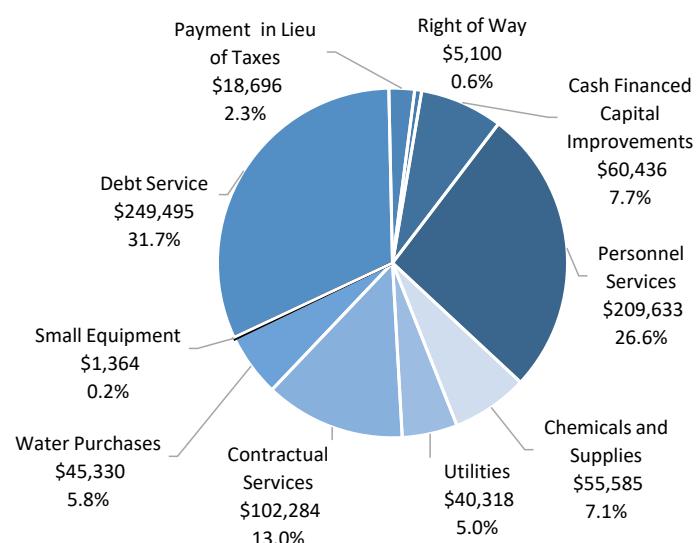
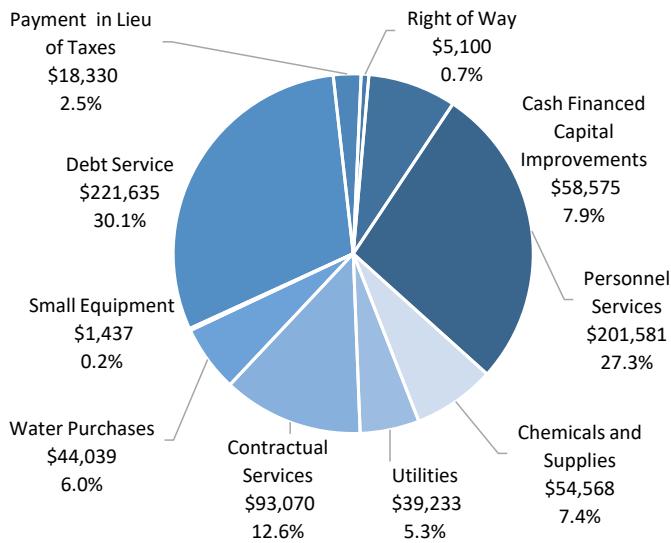
The approved FY 2025 budget totals \$788.2 million, with an increase of \$50.7 million or approximately 6.9 percent compared to the revised FY 2024 budget. The increase is mainly for the operations and maintenance (O&M) costs, and the debt service and Pay-Go financing requirements to support the Authority's Capital Improvement Program. The O&M budget includes projected increases in personnel services (with 11 vacant positions repurposed to other areas of need within the Authority) and other fixed costs such as utilities, and water purchases. This budget funds increases in various professional services including hauling and disposal, biosolids hauling, high pressure high vacuum and industrial cleaning, security guards and insurance premiums, etc. Funding for various strategic and new programs including the leak assessment program, are included in the budget.

Detailed descriptions of the FY 2024 and FY 2025 operating budgets are available online at www.dewater.com.

Comparative Operating Budgets by Category (\$ Thousands)

Revised FY 2024 \$737,567

Approved FY 2025 \$788,241





Operating Budget (continued)

DC Water's organizational structure is a key tool for ensuring that the organizational mission is achieved. The structure consists of various departments that are defined primarily along functional roles and further grouped along service lines (Operational or Administrative) or reporting clusters of authority to ensure accountability and to enhance efficiency and delivery of various services.

Authorized Headcount and Budget by Department (\$ Thousands)

Authorized Headcount	FY 2024 Revised Budget	Department	FY 2025 Approved Budget	Authorized Headcount
2	\$584	Secretary to the Board	\$875	3
4	2,954	Office of the CEO	2,712	4
0	805	Internal Audit	839	0
6	\$4,343	Independent Offices	\$4,426	7
18	\$4,793	Marketing and Communications	\$4,349	19
2	514	Office of the Chief Administration Officer	1,466	2
6	1,659	Office of Emergency Management	1,682	6
8	7,626	Fleet Management	7,191	8
18	3,589	Occupational Safety and Health	2,859	18
53	10,500	Facilities Management	10,778	52
7	9,245	Security	11,057	9
10	3,095	Strategy and Performance	2,738	8
121	21,201	Customer Care	21,117	120
225	\$57,429	Administration	\$58,887	223
37	\$11,271	Information Technology	\$11,006	37
102	\$35,589	Finance, Procurement and Compliance	\$40,490	114
34	\$9,919	People and Talent	\$9,685	29
14	\$8,345	Government and Legal Affairs	\$8,312	14
133	23,349	Engineering and Technical Services	25,395	128
30	5,549	CIP Infrastructure Management	5,965	30
21	3,746	Wastewater Engineering	3,722	20
29	5,475	Permit Operations	5,286	29
213	\$38,119	Engineering	\$40,368	207
4	1,764	Office of the Chief Operating Officer	1,692	4
264	139,117	Operations	145,380	263
214	76,317	Water Operations	80,716	213
183	42,703	Pumping and Sewer Operations	45,092	186
11	4,219	Clean Rivers	4,108	9
676	\$264,119	Operations	\$276,988	675
1325	\$433,927	Total Operations and Maintenance	\$454,513	1325
	221,635	Debt Service	249,495	
	23,430	PILOT and ROW	23,796	
	58,575	Cash Financed Capital Improvements	60,436	
	\$303,640	Total Debt Service, PILOT and ROW, CFCI	\$333,728	
1325	\$737,567	Total Operating Expenditure	\$788,241	1325
	(31,974)	Less: Capital Labor	(34,087)	
	\$705,593	TOTAL NET OPERATING EXPENDITURE	\$754,154	



Capital Improvement Program (CIP)

DC Water's ten-year Capital Improvement Program (CIP) provides the framework for the development, prioritization, implementation, and measurement of the capital projects undertaken. The Board-approved FY 2024 – FY 2033 CIP disbursement budget of \$7.74 billion increased by approximately \$792 million compared to the previous plan.

The budget fully funds the Clean Rivers Program to meet the consent decree requirements and advances the Lead-Free DC program goals. This budget also funds investments for major rehabilitation and upgrades at Blue Plains, DC Water's share of the Washington Aqueduct's infrastructure program, capital equipment purchases for vehicles, heavy-duty fleet equipment, meters, pumps, and information technology systems.

The overall ten-year CIP continues DC Water's commitment to increase investments in its aging water and sewer infrastructure. This plan ramps up the small diameter water mains replacements to 1.5 percent per year in FY 2028 and beyond. Additionally, the plan continues the ramp up to one percent rehabilitation for small sewer lines per year in FY 2024 and beyond.

The FY 2024 and FY 2025 capital budgets total \$514.7 million and \$732.1 million, respectively (cash disbursement basis). The lifetime budget is \$16.1 billion covering total commitments including labor for active projects prior to, during, and beyond the ten- year window.

Detailed descriptions of major CIP changes and program details can be found in Section V – Capital Improvement Program of the budget book and online at www.dewater.com.

FY 2024 – FY 2033 Capital Improvement Program (\$ Thousands)

FY 2024 Revised	FY 2025 Approved	Service Area	Ten-Year Disbursement Plan	Total Lifetime Budget
\$13,074	\$19,900	Non Process Facilities	\$197,518	\$362,044
65,150	103,291	Wastewater Treatment	1,333,603	3,348,779
118,913	204,033	DC Clean Rivers Program	1,169,843	3,266,222
4,880	9,375	Combined Sewer Overflow	60,249	164,527
7,293	13,565	Stormwater	68,551	157,075
80,599	92,235	Sanitary Sewer	1,855,580	2,897,505
158,736	222,494	Water	2,353,028	4,738,104
\$448,646	\$664,893	Capital Projects	\$7,038,373	\$14,934,255
30,535	31,477	Capital Equipment	347,390	347,390
35,546	35,770	Washington Aqueduct	357,472	357,472
\$66,081	\$67,246	Additional Capital Programs	\$704,863	\$704,863
\$514,727	\$732,139	Total Capital Budgets	\$7,743,235	\$16,082,284

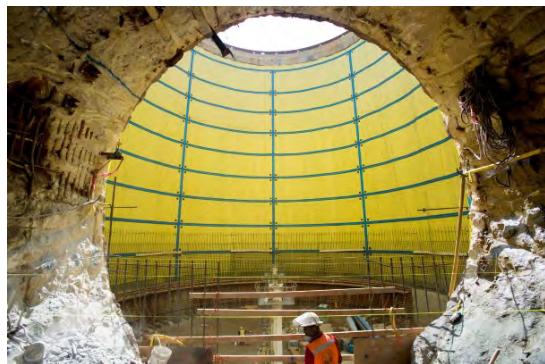
Measure of Priority (\$ Thousands)

Mandates	Health and Safety	Board Policy	Potential Failure	High Profile Good Neighbor	Good Engineering High Payback	Good Engineering Lower Payback	Total
Agreements, Regulatory Standards, Court Orders, Issues and Permits Requirements, Stipulated Agreements, Etc.	Required to address Public Safety	Undertaken as a result of the Board's commitment to outside agencies	Related to Facilities in danger of failing, or critical to meeting permit requirements	Address Public Concerns	Need to fulfill Mission and upgrade Facilities	Lower Priority Projects	
FY 2024	\$120,058	\$12,459	\$111,587	\$47,443	\$1,532	\$152,003	\$69,644
FY 2025	213,048	29,558	152,417	43,254	681	158,313	134,867
FY 2026	222,641	58,599	170,665	29,537	674	191,862	167,837
FY 2027	227,487	12,338	180,177	32,980	1,792	191,723	182,735
FY 2028	189,057	6,679	187,840	48,222	6,195	230,815	220,083
FY 2029	147,147	860	198,183	68,145	3,123	353,180	246,827
FY 2030	77,719	2,081	216,909	65,608	0	287,281	259,388
FY 2031	0	1,197	145,298	43,075	0	255,140	264,798
FY 2032	0	969	123,631	34,039	1,490	294,518	220,821
FY 2033	1,490	0	125,191	28,147	0	276,140	194,038
Total	\$1,198,649	\$124,740	\$1,611,897	\$440,449	\$15,486	\$2,390,976	\$1,961,038
% of Total	15.5%	1.6%	20.8%	5.7%	0.2%	30.9%	25.3%
							100.0%

Major Capital Investments

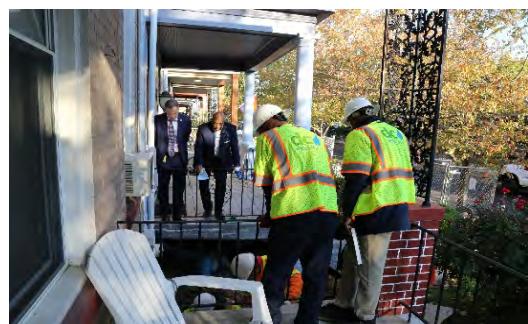
DC Clean Rivers

The Potomac River Tunnel is the next major tunnel to be constructed as part of the Clean Rivers Project. It is designed to control the CSOs along the Potomac River and the tunnel will run between Joint Base Anacostia Bolling and Georgetown University. The facilities will be constructed from 2024 to 2030. The project will reduce CSO overflow volume to the Potomac River by 93 percent in an average year of rainfall, thereby improving the water quality for the benefit of all.



Lead Free DC

This program is for the removal of all lead service lines in the District public and private right of way. The lead service line replacements are conducted throughout the water distribution system as part of the specific block-by-block projects, water main renewal projects, and emergency rehabilitation of water service lines. Customers can initiate replacements by participating in the Voluntary Full Replacement Program (VFRP) or the Lead Pipe Replacement Assistance Program (LPRAP) if the customer currently has a partial Lead Service Line.



Washington Aqueduct

The Washington Aqueduct treats and provides water to the District of Columbia, Arlington County, and the City of Falls Church in Virginia. DC Water shares in the costs of infrastructure improvements to achieve established service levels.



Sewer Replacement and Rehabilitation

DC Water is performing sewer rehabilitation projects throughout the city as part of its Capital Improvement Program. Up to one percent of small and local sewers will be replaced per year, and larger sewer lines such as the Piney Branch Sewer Rehabilitation Project and the Northeast Boundary Trunk Sewer Rehabilitation Project both will address aging and defective sewer pipes of wastewater from as far away as Dulles International Airport.



Water Main Replacement and Rehabilitation

As part of its Capital Improvement Program, DC Water is replacing small diameter water mains in various locations throughout the city, ramping up to 1.5 percent per year, along with critical larger water mains and valve replacements. These improvements will help improve water quality and system reliability, increase water pressure in some areas, and maintain adequate flows throughout the system.



Blue Plains Advanced Wastewater Treatment Plant

DC Water is performing a number of projects at the Blue Plains Advanced Wastewater Treatment Plant to maintain reliable treatment, improve efficiency, and enhance resource recovery and reuse. This includes Gravity Thickener upgrades, replacement of Filter Influent Pumps, Electrical Switchgear upgrades, Pre-dewatering Centrifuges, Filter Underdrains, and Backwash system upgrades.





Operating Revenues, Rates, Fees & Charges

Operating Revenues

To provide continuous delivery of water and wastewater services, it is vital that DC Water has a consistent revenue stream to cover operating and maintenance (O&M) costs, debt service, and other liquidity requirements. DC Water has a diverse customer base and receives revenues from a variety of sources. Retail rates are charges for water, sewer and other services to DC Water's customers. Wholesale revenues are received from suburban water and sewer authorities for their share of the O&M costs of the Blue Plains Advanced Wastewater Treatment Plant.

DC Water maintains a combination of fixed and variable fees. Fixed fees are charged regardless of water usage, and include the Metering Fee, Water System Replacement Fee and the Clean Rivers Impervious Area Charge (CRIAC). Variable fees are based on water usage and include the water and sewer fees. DC Water conducts a Cost of Service Study (COS) to help ensure that costs are appropriately allocated. For example, the cost of delivering water to our customers is reflected in the water rate, and the cost of wastewater treatment is part of the sewer rate.

Independent Review of Rate Structure and Customer Assistance Programs

In FY 2020, independent consultants conducted a review of our rate structure, FY 2021 rates and Customer Assistance Programs (CAP) and performed analysis of rates and CAP for comparable jurisdictions (e.g., benchmarking). The findings of the study concurred that DC Water's current rate structure, customer classes, monthly water lifeline threshold of four Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards. In response to recommendations in the review, DC Water expanded benefits for CAP customers.

2023 Cost of Service Study

In FY 2023, DC Water conducted a Cost of Service Study (COS) to align the cost of providing service to the customers with the multi-year rate proposals. The COS consisted of three components: i) Revenue Sufficiency Analysis – Do the proposed rates recover adequate revenue to meet expenditures? ii) Cost of Service Analysis/Rate Equity – Are proposed rates equitably recovering the costs of providing service to customers? and iii) Alternative Rate Structure Analysis – Are there alternative rate structures that may more effectively meet DC Water's highest priority pricing objectives? This study will be conducted every two years as part of the ratemaking process.

Multi-Year Rates

DC Water's Board approved its fifth multi-year rate proposal covering the periods of FY 2025 and FY 2026. The FY 2025 rates become effective October 1, 2024. The benefits of multi-year rates include greater revenue certainty, increased budget discipline and better alignment between revenues and expenditures.

Because of efforts to reduce the growth of operating costs, the overall charges for average household customer for FY 2025 is 4.8 percent as compared to 7.0 percent in the previous forecast and for FY 2026, it is 6.5 percent as compared to 6.8 percent in the previous forecast.

Operating Revenues (\$ Thousands)

Category	FY 2024 Revised	FY 2025 Approved
Residential	\$ 141,209	\$ 146,941
Commercial	213,358	222,368
Multi-family	156,014	164,449
Federal Government	90,273	91,696
Municipal & Housing	39,709	41,389
Water System Replacement Fee	40,717	40,717
Metering Fee	24,083	24,083
Wholesale	106,519	114,248
Rate Stabilization Fund	2,000	2,000
Other Revenue	76,678	78,370
Total Operating Revenue	\$ 890,560	\$ 926,261

FY 2024 - FY 2026 Retail Rates and Fees

Description of Fees	Units	FY 2024	FY 2025	FY 2026	FY 2025	FY 2026
		Approved	Proposed	Proposed	Incr. /(Decr.)	Incr. /(Decr.)
DC Water Retail Rates – Water:		\$	\$	\$	\$	%
Residential – Lifeline (0- 4 Ccf)	Ccf	\$4.38	\$5.21	\$5.78	\$0.83	18.9%
Residential – (> 4 Ccf)	Ccf	5.70	6.81	7.60	1.11	19.5
Multi-family	Ccf	5.00	5.82	6.47	0.82	16.4
Non-Residential	Ccf	5.89	7.03	7.84	1.14	19.4
DC Water Retail Rates – Sewer	Ccf	11.70	12.07	12.52	0.37	3.2
DC Water Clean Rivers IAC	ERU	21.86	21.23	24.23	-0.63	-2.9
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	0.0	0.0
DC Water System Replacement Fee	5/8"	6.30	6.30	6.30	0.0	0.0
District of Columbia PILOT Fee	Ccf	0.61	0.61	0.62	0.0	0.0
District of Columbia Right of Way Fee	Ccf	0.19	0.19	0.20	0.0	0.0
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	0.0	0.0
Groundwater Fee	Ccf	3.50	3.50	3.76	0.0	0.0
Backwash Rate	Ccf	3.30	3.32	3.54	0.02	0.6
					0.2	6.6

*Rate impact in FY2025 is 8.0% and 6.0% in FY2026 and that has bill impact of 4.8% in FY2025 and 6.5% in FY2026. The shift in the balance between water and sewer rates has been determined by the recent cost of service study.

Clean Rivers Impervious Area Charge (CRIAC)

The CRIAC is a separate sewer service fee established in FY 2009 to recover the \$3.27 billion cost of implementing the DC Clean Rivers Project (the District's CSO-Long Term Control Program). The proposed monthly CRIAC ranges from \$21.86 per Equivalent Residential Unit (ERU) in FY 2024 to \$29.41 per ERU in FY 2033. From 2011 until 2023, all funds for the Clean Rivers program were from the CRIAC, which is assessed for all customers based on the amount of impervious surface on each property. The ten-year plan assumes no external funding beyond the special Congressional appropriation. DC Water has received \$308.15 million through Federal appropriations as of the end of January 2024.

Based on an assessment, on average, 37 percent of the volume in the new tunnels is from wastewater. Therefore, 37 percent of Clean Rivers costs are in the sewer volumetric rate. In FY 2020, the CRIAC

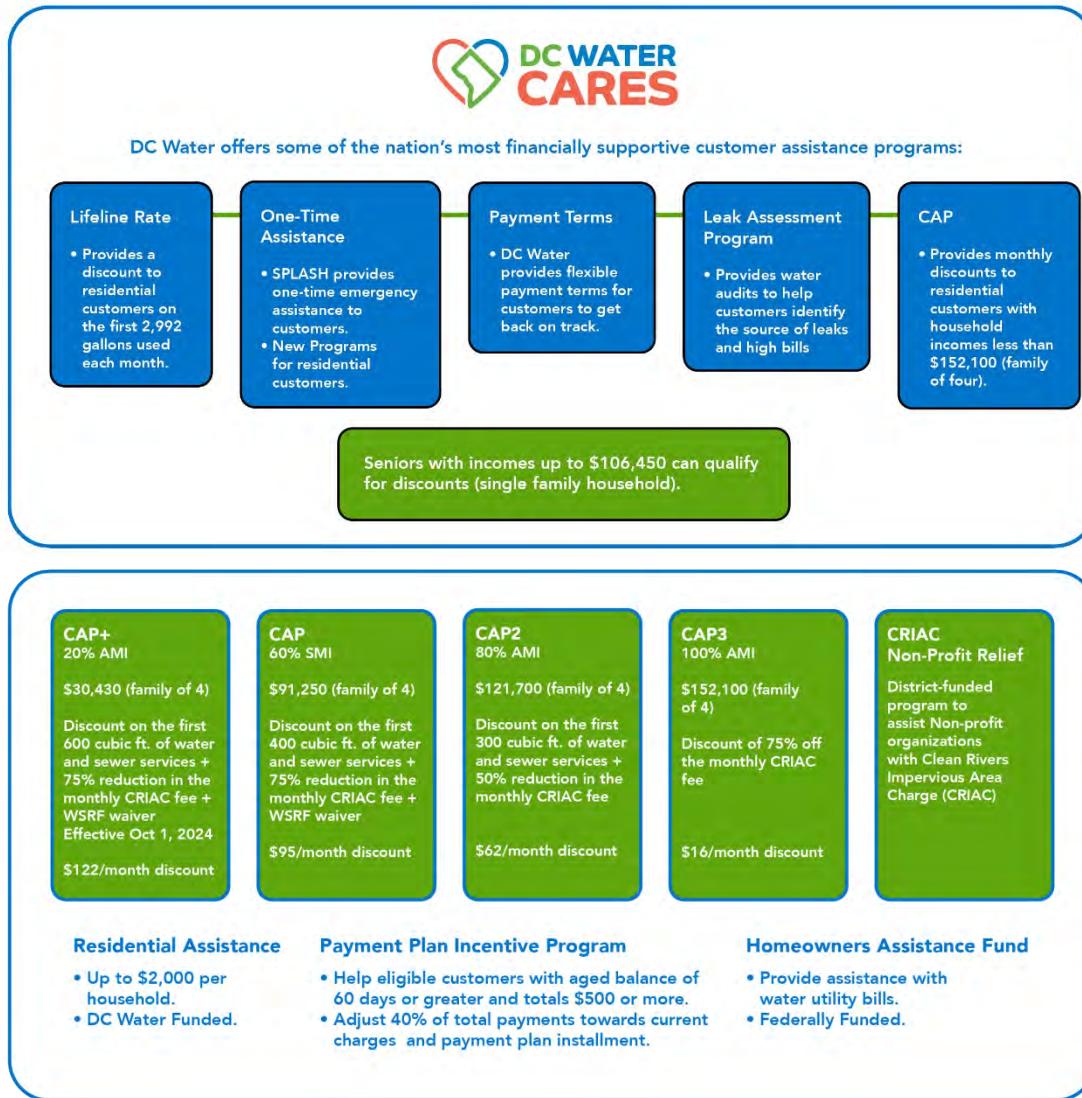
discount increased from four percent to 20 percent for customers who implement Stormwater Best Management Practices.



Customer Affordability

DC Water offers some of the most robust customer assistance programs in the nation. In the District of Columbia, one-fourth of the residents live below the poverty line, thus rate affordability is of the utmost concern in the planning process. DC Water seeks to balance its operating and financial needs with consideration to the financial impact upon its customers. EPA guidelines suggest that fees and charges should be within four percent of the median household income to be considered affordable (two percent for water and two percent for sewer). Using the last available data (2022), DC Water's rates are well under that target, and they are comparable with similar water and wastewater utilities.

DC Water, in partnership with the District, supports the following programs to assist low-income customers in paying their water bills:



Regional Economy

DC Water's service area has historically been resilient, even during fluctuations in nationwide economic conditions. Employment at the U.S. government and all of the professional and service industry firms that support the federal government have been a steady force through various economic cycles.

A major local employer, the federal government, has remained relatively stable in this employment sector for the past few years. The population of the District grew by more than 70,000 people from 2010 to 2022. Per capita incomes within the District and for the region as a whole continue to be higher than the U.S. average. Regional office vacancy rates have increased during a period of unprecedented challenges while retail vacancy rates remain relatively low. The strengths of the District are complimented by its highly rated partners: the federal government and wholesale wastewater users. Select demographic charts that follow support the overall positive outlook for the Washington Metropolitan region and its economy.

FY 2024 - FY 2026 Average Residential Customer Monthly Bill

DC WATER RATES AND FEES	Current FY 2024	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates ⁽¹⁾	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC ⁽²⁾	21.86	21.23	24.23
DC Water Customer Metering Fee	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	6.30	6.30	6.30
Subtotal DC Water Rates & Charges	\$124.94	\$131.21	\$140.05
DISTRICT OF COLUMBIA CHARGES			
District of Columbia PILOT Fee ⁽¹⁾	\$ 3.31	\$ 3.31	\$ 3.36
District of Columbia Right-of-Way Fee ⁽¹⁾	1.03	1.03	1.08
District of Columbia Stormwater Fee ⁽³⁾	2.67	2.67	2.67
Subtotal District of Columbia Charges	\$ 7.01	\$ 7.01	\$ 7.11
Total Amount Appearing on DC Water Bill	\$131.95	\$138.22	\$147.16
Percent Increase in Total Bill	5.4%	4.8%	6.5%

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

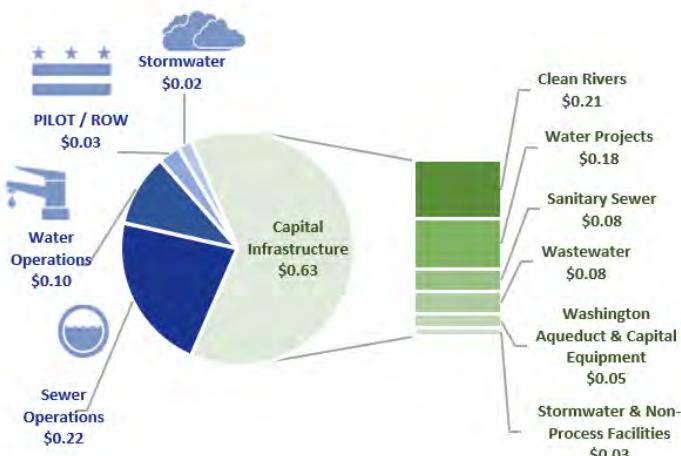
⁽²⁾ Assumes average 1 Equivalent Residential Unit (ERU)

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

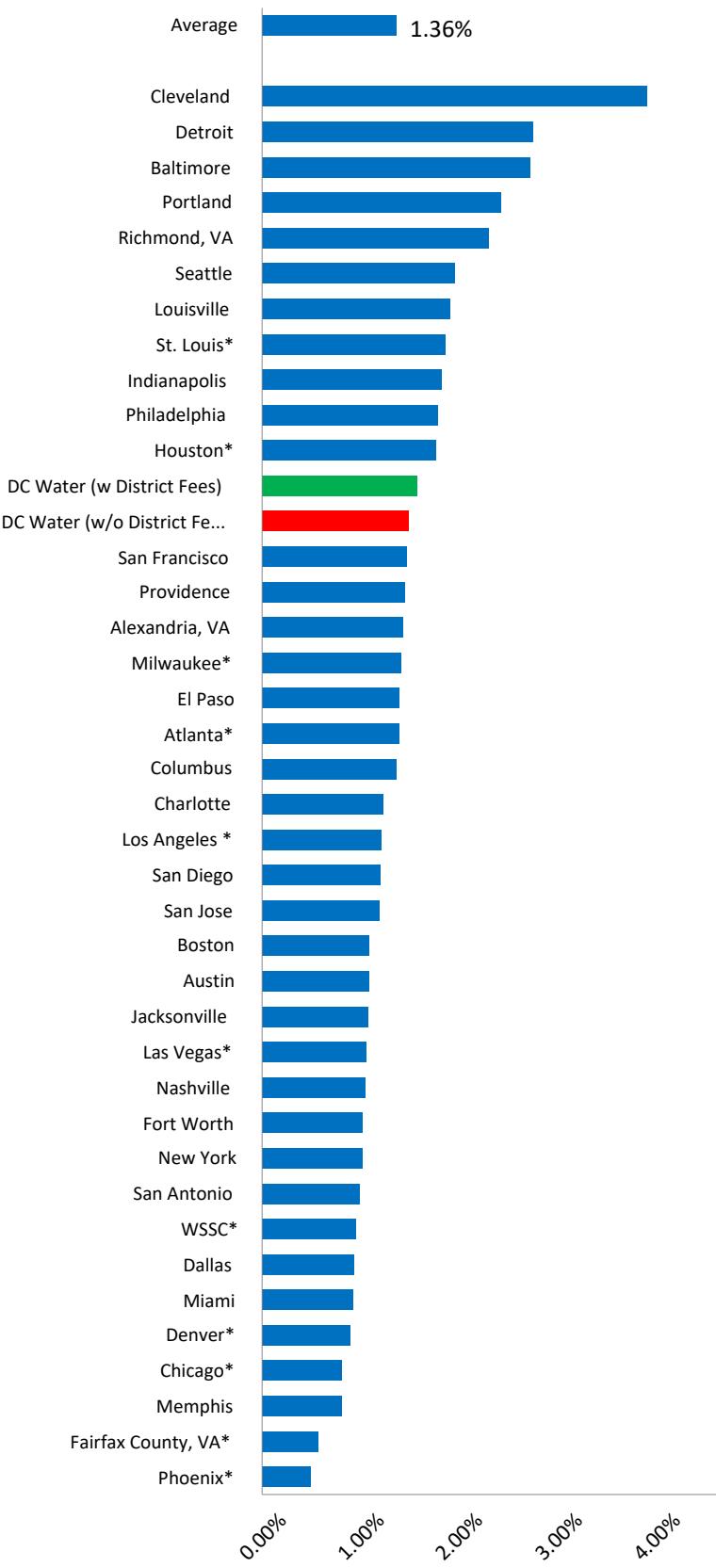
⁽⁴⁾ DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

FY 2025: Where Does Your Money Go?

How does DC Water spend each dollar received from the average residential customer?



Comparative User Charges as % of Median Household Income Large National & Regional Utilities



*Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services. In such situations, the user charge will not reflect the full cost of water, wastewater, or stormwater services.



dcwater.com



Approved FY 2025 Budgets

Section II: OVERVIEW



History: In 1996, the District of Columbia Water and Sewer Authority was created by District law, with the approval of the United States Congress, as an independent authority of the District government with a separate legal existence. In June 2010, the agency adopted a new logo and brand name, DC Water, while its official name remained District of Columbia Water and Sewer Authority. Beginning in FY 2013, for accounting purposes, DC Water was no longer reported as a component unit of the District government.

Age of Pipes: The median age of District water main pipes is over 80 years old, with approximately 9 percent of pipes installed in the 1900's and 2 percent dating back to the 1860s before the Civil War.

Service Area: Providing approximately 700,000 residents and 21.3 million annual visitors in the District of Columbia with retail water and wastewater (sewer) service, DC Water has a total service area of approximately 725 square miles. In addition, DC Water treats wastewater for approximately 1.6 million people in neighboring jurisdictions, including Montgomery and Prince George's Counties in Maryland and Fairfax and Loudoun Counties in Virginia.



Drinking Water Quality: With a strong emphasis on water quality, DC Water maintains an annual flushing program, regulatory and voluntary water quality testing, and ongoing system upgrades. In partnership with the U.S. Army Corps of Engineers' Washington Aqueduct, DC Water ensures a high-quality treatment process for delivering outstanding drinking water throughout the year. DC Water purchases water produced by the Aqueduct and distributes to its customers in the District of Columbia.

Pumped and Treated Water Storage: During Fiscal Year 2023, DC Water pumped an average of more than 94 million gallons of water per day. In addition, DC Water stores approximately 60 million gallons of treated water at its eight facilities (reservoirs and tanks). The Washington Aqueduct, which treats drinking water, stores an additional 49 million gallons.

Water Distribution System: DC Water delivers water through over 1,300 miles of interconnected pipes, four pumping stations, four reservoirs, four elevated water tanks, and about 43,860 valves and 9,510 fire hydrants.

Sewer System: DC Water operates approximately 2,000 miles of combined, separate, and stormwater sewers, 50,000 manholes, 25,000 catch basins, 16 stormwater pumping stations, and 9 offsite wastewater pumping stations.

Blue Plains Advanced Wastewater Treatment Plant (BPAWWTP): Blue Plains, located at the southernmost tip of the district, is the largest advanced wastewater treatment facility in the world, covering more than 150 acres along the Potomac River. Blue Plains currently treats an annual average flow of approximately 320 million gallons per day (MGD) and has a design capacity of 384 MGD, with a peak design capacity during wet weather/high flow events to treat approximately 800 million gallons per day.

Customer Service: DC Water communicates valuable customer-related information through bill inserts, monthly newsletters, its website, and social media, including Facebook, YouTube, Flickr, Twitter, and Instagram. Our 24-hour Emergency Command Center is the centralized communication facility for receiving and responding to emergency calls from customers and the public. Through various assistance programs, DC Water helps thousands of residents with a reduction in their monthly bills and/or a one-time payment.

Community Service: Donating its time and resources, DC Water strives to be present at events that align with its mission and allows the Authority to engage with the residents about pertinent projects and services. Employees actively support a variety of charitable projects and community services. DC Water also invests in the community, conducting science laboratory exercises in District high schools and engaging the public through tours of the Blue Plains Plant.

Community Outreach: In 2023, DC Water hosted and/or attended 170 public events across the city, providing information and meeting customers where they are, whether in person or virtually. Over the last year, the Authority extended outreach to new community events, including our first-ever appearances at the Capital Pride Block Party, Broccoli City Festival, World Rivers Day Celebration, and to other events coordinated in partnership with the Office of Mayor Muriel Bowser, Councilmembers, District government agencies, as well as faith and community-based organizations. Through educational outreach, tours, and events, DC Water seeks to deliver transparency and equity across every Ward in the District.

Employees: Approximately 1,100 people are employed by DC Water and work at various facilities across the District of Columbia to provide vital services to our customers.

Governance: DC Water's Board of Directors establishes policies and guides the strategic planning process. The Board is composed of 22 members, (11 principals and 11 alternates) representing the District, Montgomery and Prince George's Counties in Maryland and Fairfax County in Virginia. The District members set rates, charges and policies for District services. The entire Board votes and establishes policies for joint-use services. The Chief Executive Officer and General Manager reports to the Board and manages operations and performance of the enterprise. The members of the Board of Directors also serve on various Sub Committees: DC Retail Water & Sewer Rate; Environmental Quality and Operations; Finance and Budget; Governance; Human Resources and Labor Relations; Strategic Planning and Audit.

Financial Performance: DC Water continues to maintain its senior bond ratings of AAA/Aa1/AA+ from S&P/Moody's/Fitch's Ratings. This allows DC Water to have a lower borrowing cost which in turn reduces ratepayer cost in the long run. DC Water also maintained a GB1 rating for green bonds, Moody's highest possible green bond assessment. DC Water also received its 26th consecutive unqualified audit opinion of its financial statements and 23rd consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).

DC Water Finance Information (\$ Millions)

Bond Rating: AAA/Aa1/AA+	Revised FY 2024	Approved FY 2025
Revenue (Cash Receipts)	\$890.6	\$926.3
Operating Budget	\$737.6	\$788.2
Capital Disbursement Budget	\$514.7	\$732.1

The chart below highlights DC Water's operating expenditures, capital disbursements, revenues, rates and fees.

Description	Unit of Measure	FY 2024 Revised	FY 2025 Proposed	FY 2024 vs FY 2025 Increase / (Decrease)
Total Operating Expenditure	\$ in thousands	\$ 737,567	\$ 788,241	\$ 50,674
Capital Disbursements	\$ in thousands	\$ 514,727	\$ 732,139	\$ 217,412
Ten-Year CIP (Cash Disbursement)	\$ in billions	\$ 6.95	\$ 7.74	\$ 0.79
Total Operating Revenue	\$ in thousands	\$ 890,560	\$ 926,261	\$ 35,701
Wholesale Operating Revenues	\$ in thousands	\$ 106,519	\$ 114,248	\$ 7,729
Residential 0-4 Ccf (Lifeline) ²	Ccf	\$ 4.38	\$ 5.21	\$ 0.83
Residential - > 4 Ccf ²	Ccf	\$ 5.70	\$ 6.81	\$ 1.11
Multi-family / DC Housing ²	Ccf	\$ 5.00	\$ 5.82	\$ 0.82
Non-Residential	Ccf	\$ 5.89	\$ 7.03	\$ 1.14
DC Water Retail Rates – Sewer	Ccf	\$ 11.70	\$ 12.07	\$ 0.37
DC Water Clean Rivers IAC	ERU	\$ 21.86	\$ 21.23	\$ (0.63)
DC Water Customer Metering Fee	5/8"	\$ 7.75	\$ 7.75	\$ -
Water System Replacement Fee ¹	5/8"	\$ 6.30	\$ 6.30	\$ -
PILOT Fee	Ccf	\$ 0.61	\$ 0.61	\$ -
Right of Way Fee	Ccf	\$ 0.19	\$ 0.19	\$ -
Stormwater Fee	ERU	\$ 2.67	\$ 2.67	\$ -

Ccf – hundred cubic feet or 748 gallons

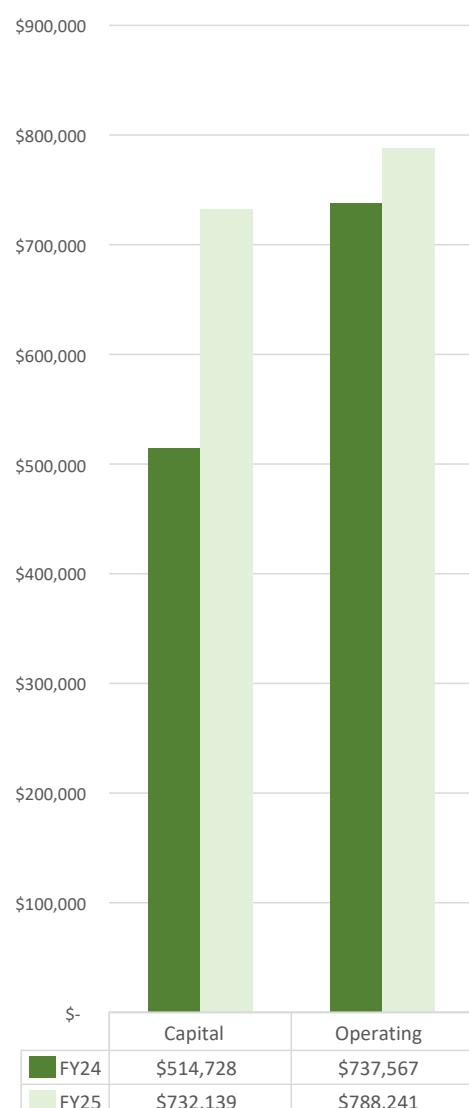
(1) DC WATER WSRF of \$6.30 effective October 1, 2015.

(2) Proposed Class-Based rates

\$ in thousands

Capital and Operating Budgets Ensure Service Needs and Strategic Objectives are Met

	REVISED FY2024	APPROVED FY2025
CAPITAL (Cash Disbursements Basis)*		
Wastewater Treatment	\$ 65,151	\$ 103,291
Sanitary Sewer	80,599	92,235
Combined Sewer Overflow	123,793	213,408
Stormwater	7,293	13,565
Water	158,736	222,494
Washington Aqueduct	35,546	35,770
Capital Equipment	30,535	31,477
Non Process Facilities	13,074	19,900
Total Capital	\$ 514,728	\$ 732,139
OPERATING		
Personnel Services	\$ 201,581	\$ 209,633
Contractual Services	93,070	102,284
Water Purchases	44,039	45,330
Chemicals and Supplies	54,568	55,585
Utilities	39,233	40,318
Small Equipment	1,437	1,364
Total O&M	433,928	454,513
Debt Service	221,635	249,495
Cash Financed Capital Improvements	58,575	60,436
Payment in Lieu of Taxes	18,330	18,696
Right of Way Fees	5,100	5,100
Subtotal Operating	737,567	788,241
Personnel Services charged to Capital Projects	(31,974)	(34,087)
Net Operating	\$ 705,593	\$ 754,154



*Reflects revision to FY 2023 capital disbursement budget during the FY 2024 cycle.

\$ in thousands

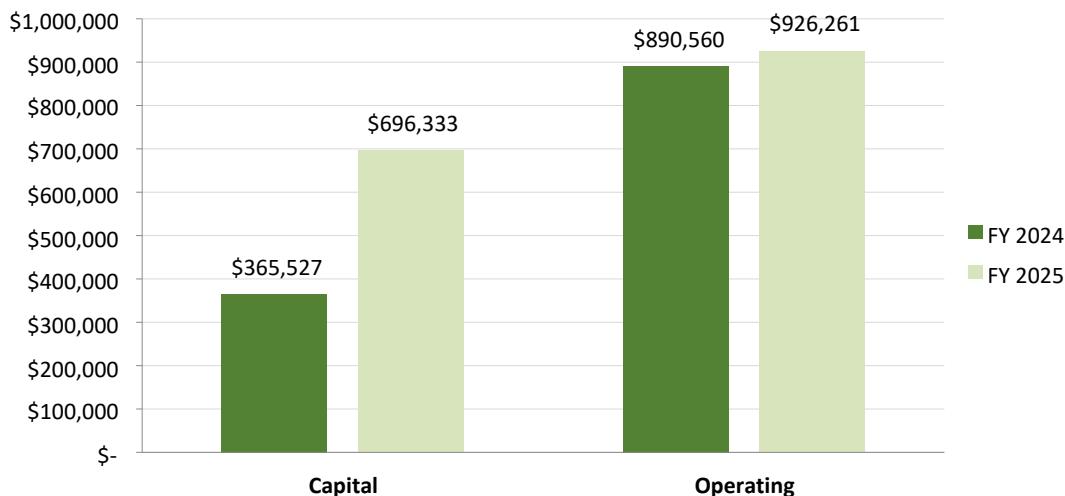
	FY 2024 Revised	FY 2025 Proposed
CAPITAL		
Wholesale Capital Payments	\$ 77,404	\$ 88,796
Federal Grants & CSO Appropriations	37,603	49,899
Interest Income on Bond Proceeds	7,946	10,592
Pay-Go-Financing	208,874	188,346
Revenue Bonds/Commercial Paper/EMCP*	26,000	351,000
System Availability Fee	7,700	7,700
Total Capital Revenue	\$ 365,527	\$ 696,333

OPERATING

Residential	141,209	146,941
Commercial	213,358	222,368
Multi-Family	156,014	164,449
Federal Government	90,273	91,696
Municipal & Housing	39,709	41,389
Water System Replacement Fee (WSRF)	40,717	40,717
Metering Fee	24,083	24,083
Wholesale	106,519	114,248
Transfer from Rate Stabilization Fund	2,000	2,000
Other Revenue	76,678	78,370
Total Operating Revenue	\$ 890,560	\$ 926,261

(*) Extendable Municipal Commercial Paper

Capital and Operating Revenue



- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.10 per Ccf to \$4.38 per Ccf, {increase of \$0.14 to \$5.86 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$0.12 per Ccf to \$5.70 per Ccf, {increase of \$0.16 to \$7.62 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.10 per Ccf to \$5.00 per Ccf, {increase of \$0.13 to \$6.68 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$0.11 per Ccf to \$5.89 per Ccf, {increase of \$0.14 to \$7.87 per 1,000 gallons}
- Sewer rate increase of \$0.44 per Ccf to \$11.70 per Ccf, {increase of \$0.59 to \$15.64 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge increase of \$3.72 to \$21.86 per ERU to recover the costs of the DC Clean Rivers Project
- Monthly Customer Metering Fee of \$7.75 for a 5/8" meter size will remain the same. The Customer Metering fee varies by size
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8" meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1% renewal and replacement program for water service lines
- PILOT fee increase of \$0.02 per Ccf to \$0.61 per Ccf {increase of \$0.03 to \$0.82 per 1,000 gallons}
- No increase in Right-of-Way (ROW) fee, which remains the same at \$0.19 per Ccf {\$0.25 per 1,000 gallons}

Ccf is equivalent to hundred cubic feet or 748 gallons

- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.83 per Ccf to \$5.21 per Ccf, {increase of \$1.11 to \$6.97 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$1.11 per Ccf to \$6.81 per Ccf, {increase of \$1.48 to \$9.10 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.82 per Ccf to \$5.82 per Ccf, {increase of \$1.10 to \$7.78 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$1.14 per Ccf to \$7.03 per Ccf, {increase of \$1.52 to \$9.40 per 1,000 gallons}
- Sewer rate increase of \$0.37 per Ccf to \$12.07 per Ccf, {increase of \$0.50 to \$16.14 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge decrease of \$0.63 from 21.86 per ERU to \$21.23 per ERU to recover the costs of the DC Clean Rivers Project
- Monthly Customer Metering Fee of \$7.75 for a 5/8" meter size will remain the same. The Customer Metering fee varies by size
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8" meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1% renewal and replacement program for water service lines
- No increase in PILOT fee, which remains the same at \$0.61 per Ccf { \$0.82 per 1,000 gallons}
- No increase in ROW fee, which remains the same at \$0.19 per Ccf {\$0.25 per 1,000 gallons}

Ccf is equivalent to hundred cubic feet or 748 gallons

- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.57 per Ccf to \$5.78 per Ccf, {increase of \$0.76 to \$7.73 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$0.79 per Ccf to \$7.60 per Ccf, {increase of \$1.06 to \$10.16 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.65 per Ccf to \$6.47 per Ccf, {increase of \$0.87 to \$8.65 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$0.81 per Ccf to \$7.84 per Ccf, {increase of \$1.08 to \$10.48 per 1,000 gallons}
- Sewer rate increase of \$0.45 per Ccf to \$12.52 per Ccf, {increase of \$0.60 to \$16.74 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge increase of 3.00 from \$21.23 per ERU to 24.23 per ERU to recover the costs of the DC Clean Rivers Project
- Monthly Customer Metering Fee of \$7.75 for a 5/8" meter size will remain the same. The Customer Metering fee varies by size
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8" meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1% renewal and replacement program for water service lines
- PILOT fee increase of \$0.01 per Ccf to \$0.62 per Ccf { increase of \$0.01 to \$0.83 per 1,000 gallons}
- Right-of-Way (ROW) increase of \$0.01 per Ccf to \$0.20 per Ccf {\$0.27 per 1,000 gallons}

Ccf is equivalent to hundred cubic feet or 748 gallons

\$ in thousands

OPERATING BUDGET	FY 2023 Actual	FY 2024 Revised	FY 2025 Proposed	FY 2026 Proposed
Operating Revenue				
Residential, Commercial & Multi-Family	\$ 422,877	\$ 431,206	\$ 458,360	\$ 482,502
Federal	65,986	69,935	70,254	72,788
Municipal	13,984	14,529	15,624	16,492
D.C. Housing Authority	14,763	14,713	15,600	16,388
Groundwater	-	5	5	5
Water System Replacement Fee (WSRF)	42,407	40,717	40,717	40,717
Metering Fee	24,104	24,083	24,083	24,083
Payment in Lieu of Taxes / Right of Way Fee	23,760	23,430	23,813	24,156
Clean Rivers IAC Revenue	94,346	110,174	106,999	122,119
Sub-total Retail	702,227	728,792	755,456	799,250
Wholesale	105,250	106,519	114,248	120,905
Interest Earnings	6,244	8,087	9,089	8,816
Transfer from Rate Stabilization Fund ⁽²⁾	-	2,000	2,000	
Other Operating Revenues ⁽¹⁾	39,476	44,716	45,064	48,084
Total Operating Revenue ⁽¹⁾	853,196	890,115	925,857	977,055
Operating Expenditures				
Personnel Services	161,261	169,607	175,530	182,551
Contractual Services	97,456	93,070	102,284	105,937
Chemicals & Supplies	61,931	54,568	55,585	60,698
Utilities & Rent	34,728	39,233	40,318	41,760
Water Purchases	32,765	44,039	45,330	48,556
Small Equipment	1,236	1,437	1,364	1,274
Subtotal - Operating Expenditures	389,376	401,954	420,411	440,777
Payment in Lieu of Taxes / Right of Way Fee	23,070	23,430	23,796	24,170
Debt Service	225,852	221,635	249,495	277,000
Cash Financed Capital Improvements/Defeasance	35,730	58,575	60,436	71,932
Total Operating Disbursements	674,029	705,593	754,138	813,879
Operating Surplus ⁽¹⁾	179,168	184,522	171,719	163,175
CAPITAL Disbursements (See Section VI for more details)				
Sources of Capital Funds	307,322	365,527	696,333	865,831
Uses of Capital Funds	435,149	514,727	732,139	841,815
Capital Disbursements Overage / (Shortage)	(127,827)	(149,200)	(35,806)	24,016
CASH RESERVES				
Beginning O&M Reserve Balance (Net of Rate Stabilization Fund)	257,374	286,889	296,600	309,600
Operating Surplus	179,168	184,522	171,719	163,175
Wholesale Customer Refunds/Payments for Prior Years	4,742	(9,000)	(7,700)	(8,100)
A/P Voided Checks /ACH Return for Previous Year	3,264			
Project Billing Refunds		(2,000)	(2,000)	
Federal Customer Refund/Payments for Prior Years	(4,188)	(6,256)	(13,813)	(7,000)
Interest Earned from Bond Reserve	137	445	404	401
Pay-As-You-Go Capital Financing	(153,607)	(158,000)	(135,609)	(133,476)

(1) Does not include interest earned from debt service reserve fund

In the early history of Washington, DC, water and sewer operated as separate entities. Early incarnations of the agency we now call DC Water included the District of Columbia Water Board (1859—1872) and the District of Columbia Board of Public Works (1872—1932).

Beginning in 1932, the Agency operated as the District of Columbia Department of Sanitary Engineering and constructed the first sewage treatment plant at Blue Plains. The Agency went through another transition to the District of Columbia Department of Environmental Services in 1971, then operated as the Water and Sewer Utility Administration (WASUA) under the Department of Public Works from 1985 to 1996.

The District of Columbia Water and Sewer Authority (DC Water) was created in April 1996 and began operating October 1, 1996 under and pursuant to an act of the Council of the District of Columbia and an act of the United States Congress. Previously, the Water and Sewer Utility Administration, a division of the District's Department of Public Works, performed DC Water's operations. In the aftermath of the District's financial crisis in the 1990s, Congress created an independent utility agency governed by a Board of Directors consisting of eleven principal and eleven alternate members who represent the District of Columbia, Montgomery and Prince George's Counties in Maryland and Fairfax County in Virginia to govern DC Water. The Mayor of the District of Columbia appoints, and the Council confirms, all District Board members, including the Chairperson. In addition, the Mayor appoints the five principal and five alternate members who represent the surrounding jurisdictions based on submissions from those jurisdictions. All members serve four-year terms. The existence of a quorum and an affirmative vote of a majority of the members present, who are permitted to participate in the matter under consideration, is required to approve any Board action; except, that 7 affirmative votes are required for approval of the Authority's budget and 8 affirmative votes are required for the selection or relieving of the CEO/General Manager. All Board members participate in decisions directly affecting the general management of joint-use facilities (such as projects at the Blue Plains Advanced Wastewater Treatment Plant), and only the District of Columbia members participate in decisions for those matters that affect only District ratepayers. Rate setting authority resides solely with the Board of Directors, and is a non-joint use matter.

At its inception, DC Water faced a cash shortage and projected multi-million dollar deficit. The newly established utility was also burdened with a barely functional fleet, poorly maintained infrastructure, an antiquated billing system, and many operating weaknesses. Through the leadership of an active Board of Directors and strong management staff, a line of credit was obtained, municipal bonds were issued and new strategic goals, business processes and technologies were developed. DC Water made tremendous strides in its prudent financial management and cutting-edge technology, customer service improvements, extensive capital investment, environmental stewardship, peer-reviewed research and establishment of an award winning fleet. Our credit rating since 1996 has gone from no credit to AAA. Today, DC Water is one of the best utilities not only in North America but in the world.

Over the years, we have developed strong partnerships with the District government, Congress, suburban jurisdictions, federal regulators and environmental advocates. We are continuing to strengthen our existing partnerships while reaching out to establish new relationships. Our success has been acknowledged through many awards as well as positive financial results and audits over the years. Since 1996, the Authority has met its mission of providing clean drinking water to residents of the District of Columbia and wastewater conveyance and treatment services to both residents of the District of Columbia and wholesale customers in Maryland and Virginia.

At DC Water, we focus all our technology initiatives on improving both the quality of services we provide to our customers and organizational effectiveness. We were one of the first utilities to automate our meter reading program (AMR) which has been heralded as a best practice in the industry. The automated meters use radio frequency and cell phone technology to send daily water usage information from the meter to DC Water. This tool analyzes daily water consumption and provides monthly and yearly averages on an account so a customer can monitor their own water use. In addition, we developed a powerful application in-house called the High Use Notification Application (HUNA). This tool alerts customers of unusually high amounts of water delivered to their meter so they can check for leaks and avoid a high bill.



Basis of Accounting

DC Water is a single enterprise fund and maintains accounting records using the modified accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). Under this basis of accounting, revenues are recorded when earned, and expenses are recorded when incurred. DC Water's expenditure budget is prepared on a comparable basis to GAAP, with the exception of debt service (including principal and interest) that is budgeted in full when due. Depreciation and interest expense are recorded as expenses for financial statement purposes. (Depreciation is not budgeted.)

Annual Budget Process

DC Water's budget is prepared through a collaborative and decentralized process, guided by its strategic plan. The Blueprint 2.0 includes five interconnected imperatives and lays out defined outcomes essential to achieving the strategic goals over the next five years and beyond. Detailed information about the strategic plan is available online at www.dcwater.com/strategic-plan.

As a first step in the budget development process, the organizational priorities are established under the guidance of the Board and Senior Executive Team and linked to the strategic plan. The budget process encourages ideas to be brought forward by all departments with detailed workplans that incorporate the imperatives, goals and workstreams of Blueprint 2.0. The strategic plan serves as the primary lens through which budget requests are evaluated against established prioritization criteria and final budget decisions are made. DC Water's ten-year financial plan is then updated to reflect any revisions to the capital improvement program and any other major revenue or operating budget issues, and potential impact of these items on rates. In addition to these items, the ten-year financial plan is also developed based on the financial and rate-setting policies adopted by the Board.

Budget Approval Process

DC Water's budget is the fiscal roadmap that allocates and aligns spending plan with the imperatives and goals of the strategic plan. The rigorous budget process balances the level of infrastructure investments and operational requirements with customer rates and total revenue expectations.

Typically, in September, the Chief Executive Officer & General Manager and Chief Financial Officer kick off the budget season. DC Water's strategic and operational priorities are included in each department's work plan and performance agreements, as appropriate. In late September, departments submit their initial budget requests for management review. During the months of October and November, departments complete budget reviews with budget staff and the Senior Executive Team with the CEO & General Manager in tandem. In an effort to align the budget with the imperatives and goals of the strategic plan, all budget requests for existing and new programs are evaluated and scored against established prioritization criteria.

In January of each year, management presents the operating budget, ten-year capital improvement program and ten-year financial plan to the Board's Environmental Quality and Operations Services, DC Water Retail Water and Sewer Rates and Finance and Budget Committees for their review. The budget is proposed for the following fiscal year (e.g. beginning October 1, 2024). The Committees review the budget documents through February and submit budget recommendations to the full Board in March. Decisions are finalized and Board action on the budget is taken between March and April.

Upon budget adoption, the Budget Office publishes and distributes the approved budget book. DC Water is required to submit its annual operating and ten-year capital budgets to the Mayor and the District of Columbia Council for review and comment. However, neither has the power to change DC Water's annual budgets. The District of Columbia includes DC Water's budgets in their submission to the U.S. Congress for approval. Once approved by Congress, the budget is effective October 1 of each year.

Budgetary Control

After the U.S. Congress approves the budget, the operating and capital budgets are loaded into the DC Water's financial management system, which prevents overspending without appropriate approvals. The Finance Department prepares monthly management reports for each operating unit, management staff, the Board of Directors and its various committees. The reports are consistently reviewed each month to ensure that DC Water complies with its authorized budget levels.

Amendment Process

The CEO & General Manager has control over the budget as approved by the U.S. Congress, at the appropriation level, i.e., DC Water's overall approved operating budget and capital authority at the Authority-wide level in the capital budget. The CEO & General Manager has the authority to approve budget reprogramming between departments. Any additional budget spending above the budget appropriation level requires approval from the U.S. Congress.

Month	Activity
July	Centrally Managed and Matrix training and preparation
August	Establish Budget Prioritization and Scoring Criteria and Linkages to Strategic Plan Goals (Blueprint 2.0) Develop Budget Manual & Guidelines and Provide Training for Departments
September 6	Chief Executive Officer & General Manager's Budget Kickoff Meeting
September	Departmental FY 2025 budget submission to Budget Office
October	Chief Financial Officer Briefing on Departmental Budget Requests
October - November	Departmental FY 2025 Operating and Capital Equipment Budget Reviews with the Chief Executive Officer, Chief Financial Officer, and the Budget Office
November	Executive Team Briefing (Operating and Ten-Year Capital Improvement Program)
December	Finalize Ten-Year Financial Plan (Operating, Capital Improvement Program, Revenues, Rates & Fees) Transmittal of CEO's & GM's Final Budget Proposal to Executive Vice Presidents & Department Heads
January 4	Budget Workshop – Board Briefing of the CEO & GM's Proposed FY 2025 Budgets, Capital Improvement Program, Two-Year Rate Proposal and Financial Plan
January	Budget Briefing to Wholesale Customers, Office of People's Counsel (OPC) and other stakeholders
January - February	Board Committees Conduct In-Depth Review of Budget Proposal: <ul style="list-style-type: none"> Environmental Quality & Operations Committee Review of Capital Improvement Program Joint session with the DC Retail Water & Sewer Rates and Finance & Budget Committees on the Operating Budget, Capital Improvement Program, Two-Year Rate Proposal, and Financial Plan
February	Board Committees Forward Recommendations to Full Board for deliberation/action Budget Book Preparation & Production
March 7	Budget Adoption by Full Board Submission to the District of Columbia for onward transmission to U.S. Congress
April	Application for GFOA Distinguished Budget Presentation Award
April – June	Rate-making Process (conducted every two years) Public Outreach & Public Hearing Activities
July	Board Adoption of Rates (conducted every two years)
October 1	Fiscal Year Begins

Wastewater System Capacity Ensures Service Area Meets Needs Through 2040

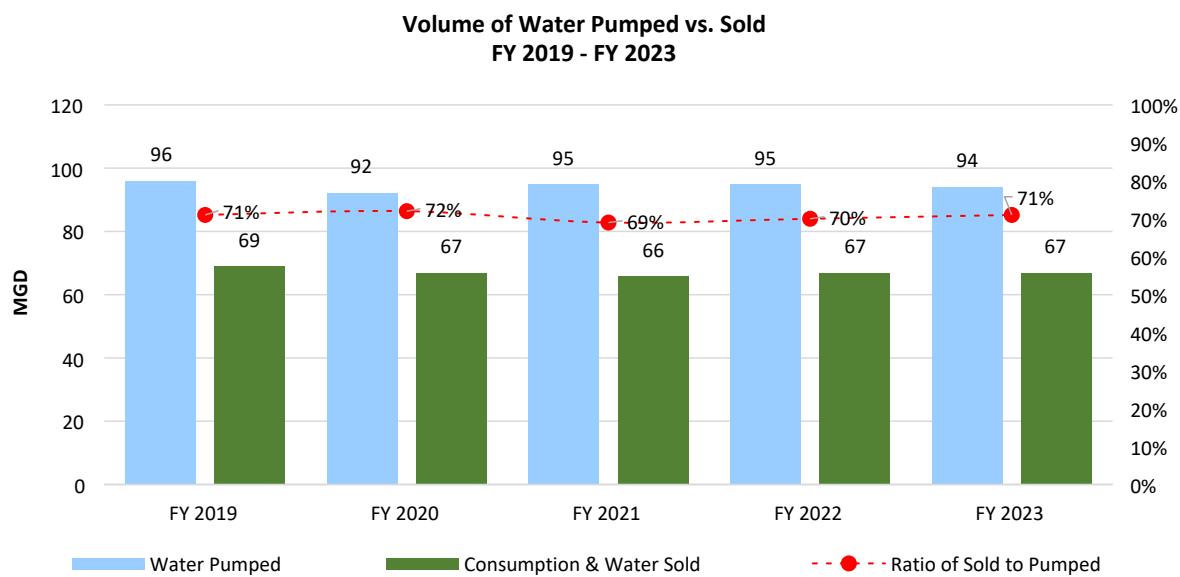
- Blue Plains is the world's largest advanced wastewater treatment plant
 - Treats an average of approximately 300 million gallons per day (MGD) annually
 - Designed for average daily flow of 384 MGD and, with a peak design capacity to treat more than 780 MGD
- System comprises 2,000 miles of sanitary, stormwater and combined sewers; 125,000 building sewer laterals; 22 flow-metering stations; 9 off-site wastewater pumping stations; and 16 stormwater pumping stations

Historical Wastewater Treatment vs. Capacity FY 2018 – FY 2023



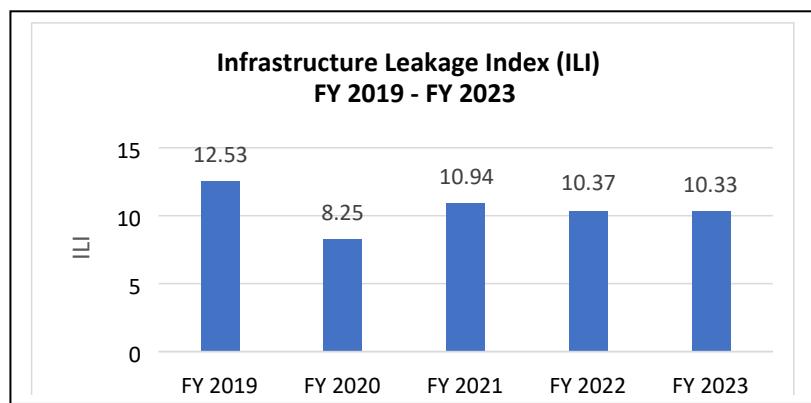
Water System Capacity Meets Service Area Needs

- Water is purchased from the Washington Aqueduct, owned and operated by the U.S. Army Corps of Engineers
- Four pumping stations provide adequate capacity to meet peak demand
 - Bryant Street, New Fort Reno, 16th and Alaska, Anacostia
- One Washington Aqueduct pumping station with capacity sufficient to take over for Bryant Street pumping station
- System comprises 1,350 miles of interconnected pipes



Infrastructure Leakage Index (ILI)

The IWA methodology introduces the Infrastructure Leakage Index (ILI) as the ratio of real losses over the Unavoidable Real Losses (UARL). This value provides an indication of the actual leakage in the system relative to the lowest level achievable with today's best technology. Decreased ILI values indicate increased water utility efficiency.



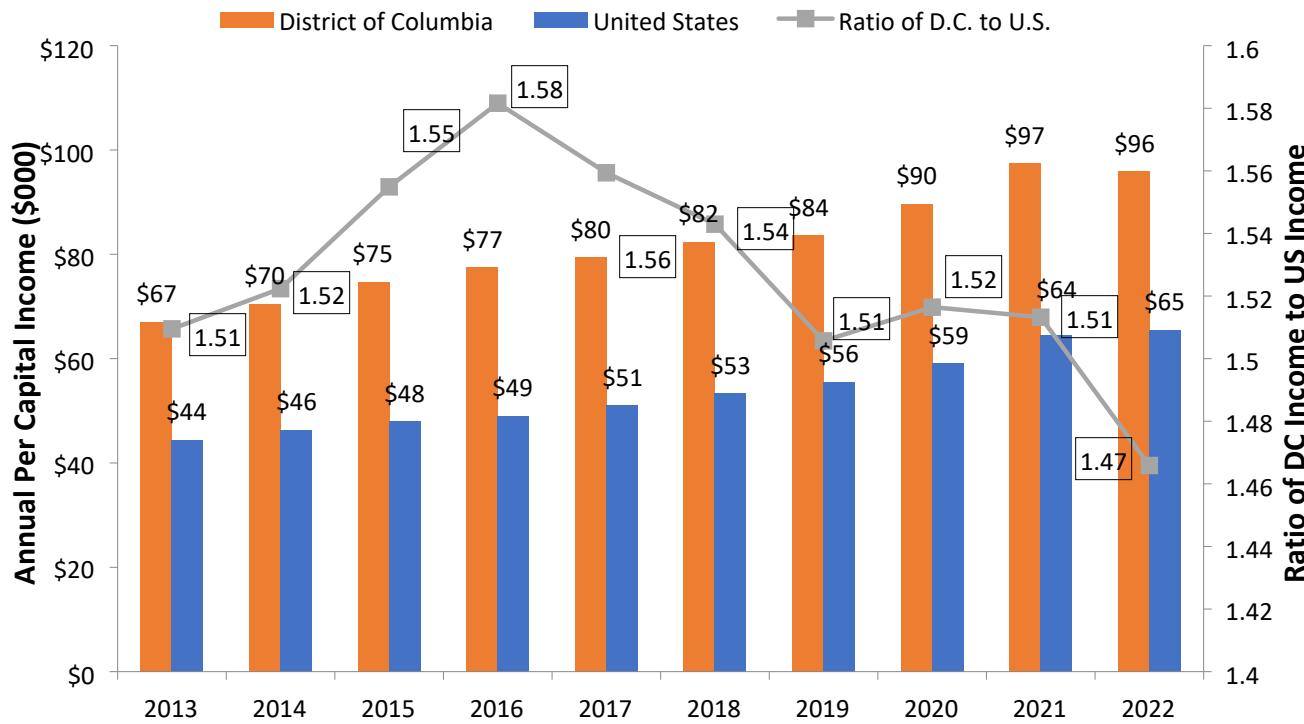
Strong financial planning requires careful monitoring and analysis of various trends and factors that may influence the market place. In this case, the market place for DC Water is the District of Columbia and its surrounding region. DC Water monitors consumption and wastewater flow trends within the customer base, weather patterns, regional income changes, population trends, federal activity in the region, housing starts, office vacancy rates and employment trends. A review of experiences from similar national systems is a useful benchmark assessment. While there are no crystal balls in the area of forecasting water demand, monitoring such data can provide insight into customer behavior and anticipated service demands.

Regional Economy

DC Water's service area has historically been resilient, even during fluctuations in nationwide economic conditions. Employment at the U.S. government and all of the professional and service industry firms that support the federal government have been a steady force through various economic cycles.

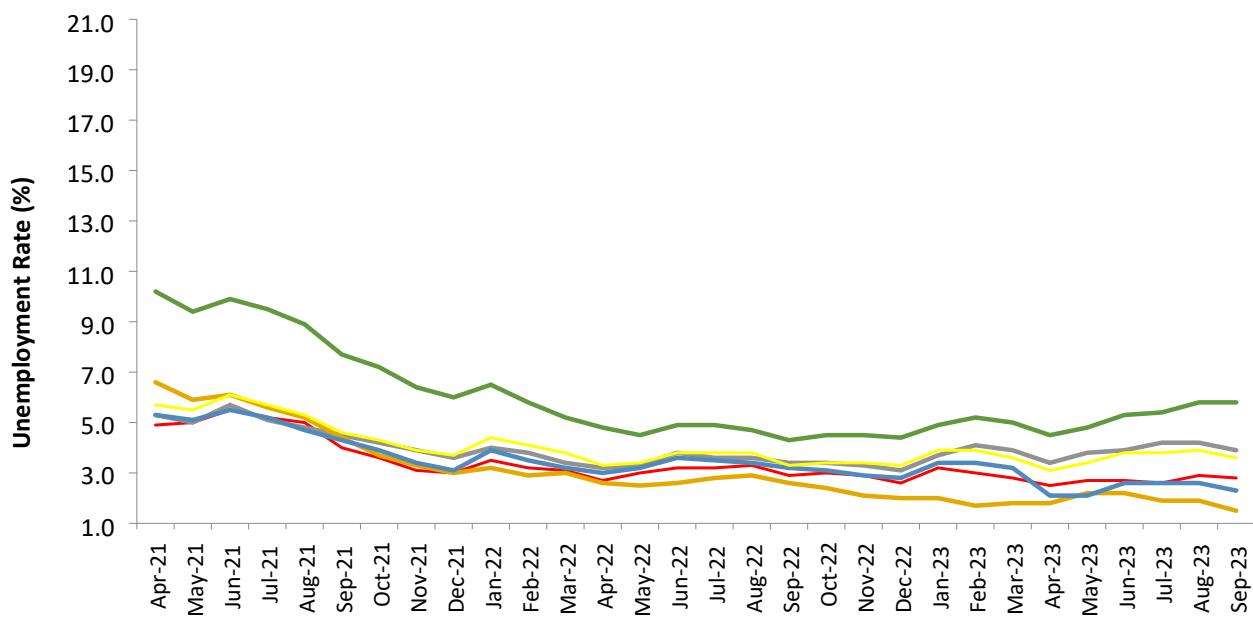
A major local employer, the federal government, remains relatively stable for this employment sector for the past few years. The population of the District grew by more than 70,000 people from 2010 to 2022. Per capita incomes within the District and for the region as a whole continue to be higher than the U.S. average. Regional office vacancy rates have increased during a period of unprecedented challenges while retail vacancy rates remain relatively low. The strengths of the District are complimented by its highly rated partners: the federal government and wholesale wastewater users. Select demographic charts that follow support the overall positive outlook for the Washington Metropolitan region and its economy.

DC Per Capita Income is Higher Than US Average



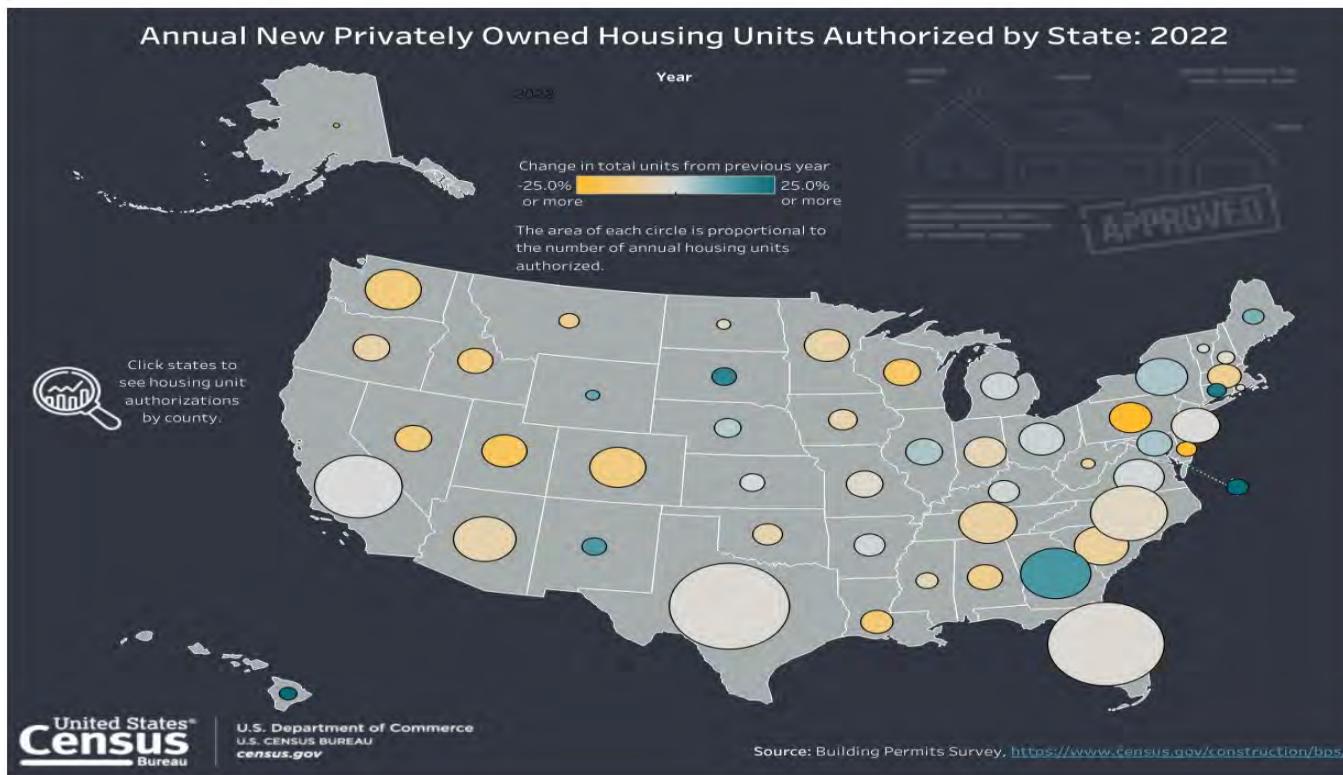
Source: Bureau of Labor Statistics

Unemployment Rate in The DC Region Remains Relatively Low



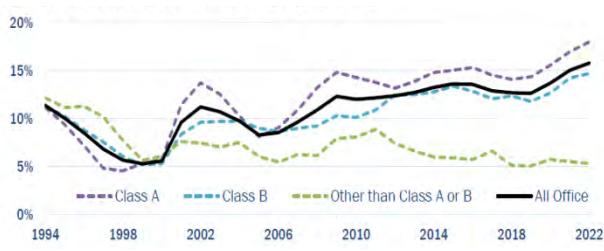
2021 – 2022

Significant Growth in New Housing Permit Issuance in DC

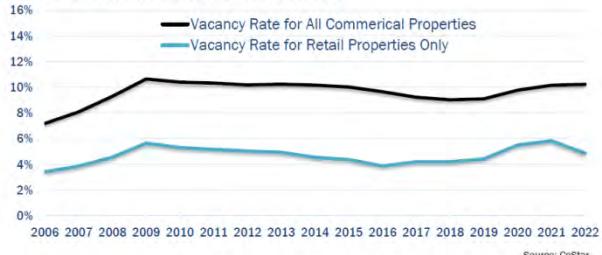


DC Metro Vacancy Rates Are Above Pre-Recession Levels Partly Due to New Spaces Added to The Market

Office Vacancy Rate in the COG Region, 1994 - 2022



Retail Vacancy Rate in the COG Region, 2006 - 2022



DC Water's performance is driven by federal government growth and associated industries, supporting regional growth and diversification.

- Source: Metropolitan Washington Council of Governments (COG)
- Note: COG region includes the District of Columbia, Northern Virginia, and Suburban Maryland

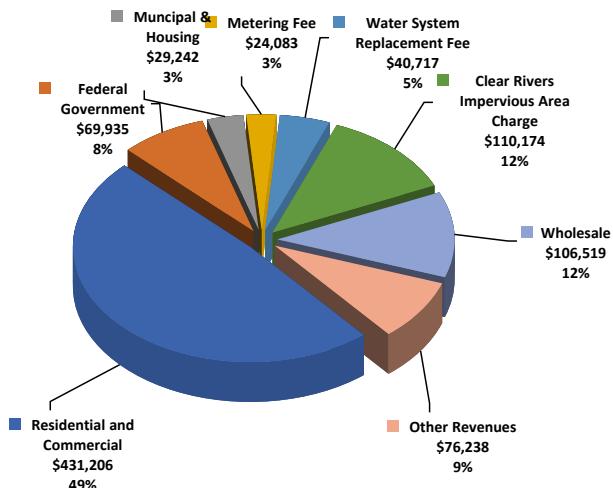
The regional indicators are positive with strong incomes and unemployment below the national level. These factors coupled with stable consumption and the financial strength of the major AAA rated customers helps to ensure the financial success of DC Water.

**The DC Water service area includes
highly-rated customers**

- About 23.0% of the projected FY 2024 revenues came from "AAA" rated entities and are received in advance of service:
- Federal Government
- Fairfax County
- Washington Suburban Sanitary Commission
- Loudoun County Sanitation Authority
- District of Columbia

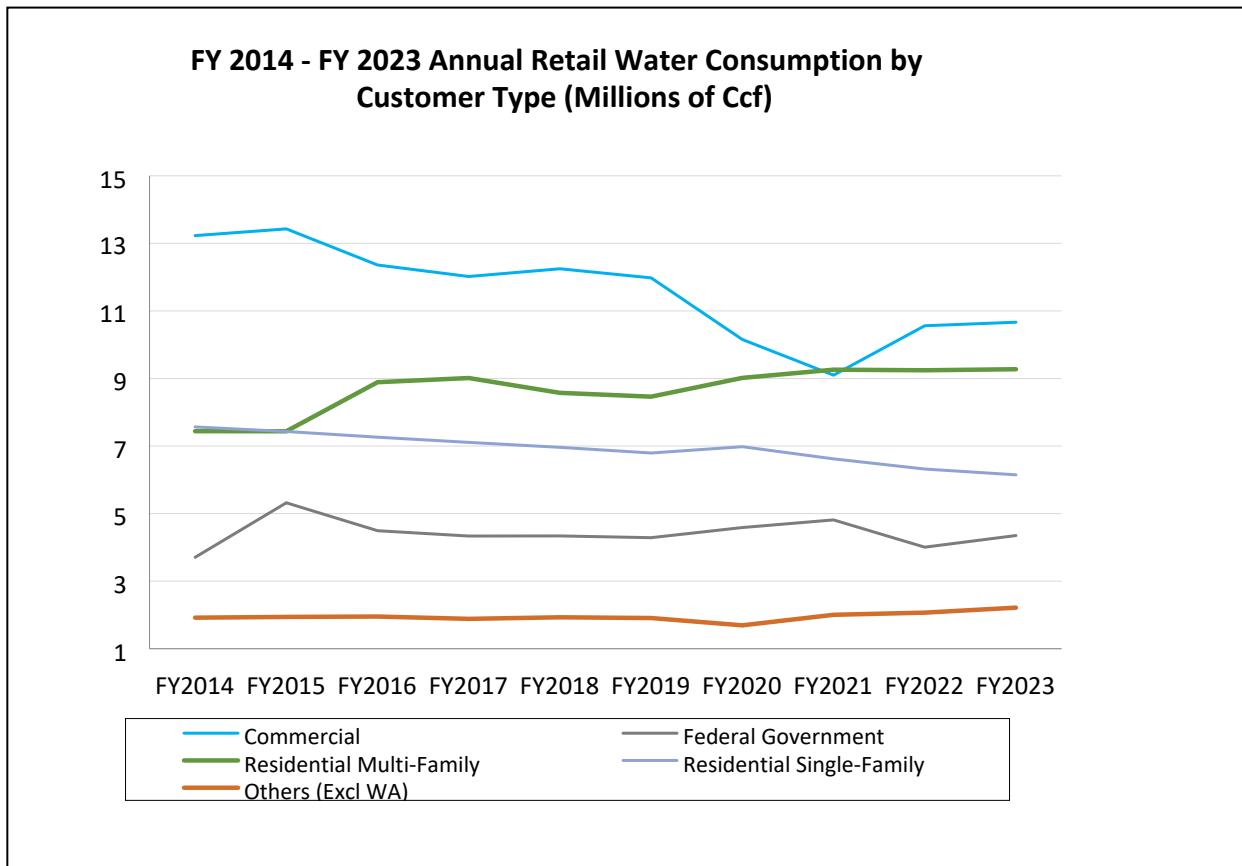
**Media reports reference the service area's
economic strength**

- "Tech companies specializing in defense contracts, AI, space, cloud computing and healthcare are thriving in the capital region."
- Market Watch, March 2023
- "Riding a 67% ridership increase over the past year, Metro grew faster than any other heavy rail public transportation in the United States during that time. DC Streetcar led all nationwide light rail systems, up 140%. And VRE led all US commuter rail systems, up 114%."
- Greater Washington, July 2023
- "As costs rise across the U.S., inflation in the D.C. metro area remains below the national average. The Bureau of Labor Statistics broke down inflation rates by Metropolitan Statistical Areas, and the annual rate of consumer inflation in the D.C. area during July was 1.8%, well below the national average."
- WTOP News, August 2023
- "The 35-square-block area of Northeast D.C.... Has led the U.S. in new apartment construction over the past five years...The neighborhood ... had a 72% increase in new apartment construction since 2017."
- WTOP News, November 2023



- Customer Demand: A reasonable degree of accuracy in forecasting water demand is important for sound financial planning and rate-setting. The FY 2014 - 2023 actual average decline in usage is 0.4% annually, excluding the Washington Aqueduct. FY 2014 – FY 2023 average annual rate of change in demand for the customer classes: Commercial -2.4%; Federal Government: 1.8%; Single Family: -2.3%; Multi-Family: 2.5%; and Other (include Exempt, DC Housing Authority, DC Municipal Government, and DC Water): 1.6%.

DC Water Consumption by Customer Type

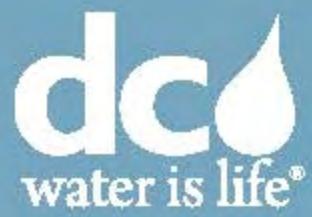


Source: DC Water

- FY 2023 consumption, excluding Washington Aqueduct, increased 1.4%.
- DC Water has typically assumed an annual reduction in water demand of 1.0% in line with historic averages. The Financial Plan assumes an annual retail water consumption decline of 1.0% in 2024 and each year thereafter. We believe that this estimate is prudent, consistent with peers such as New York and Boston and helps assure revenue sufficiency for the Authority.



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Approved FY 2025 Budgets
Section III: FINANCIAL PLAN



Clean Rivers North East Boundary Tunnel

Blueprint 2.0

The Blueprint is DC Water's Strategic Plan Framework for future decision-making and provides a structure through which annual reviews can be accomplished to assure that the goals and objectives retain their relevance over time. By laying out a course of action, this plan represents a disciplined process for making fundamental decisions and shaping DC Water's future.

The plan represents the collaboration of the Board of Directors, Executive Management, and the management team, as well as input from key external stakeholders. The plan gives us the foundation on which to build a better, more sustainable, more resilient, more reliable and more equitable organization over the next five years.

The DC Water Board of Directors approved a new strategic plan, Blueprint 2.0, in July of 2021, and the new five-year plan took effect on October 1, 2021. The plan is the successor to The Blueprint, launched in 2018, which has pushed us to operate as high-performing utility, improve employee engagement and the customer experience, better leverage technology, ensure a safe workplace, and enhance our readiness and resilience. The plan sets out five, interconnected Organizational Imperatives: Healthy, Safe and Well; Reliable; Resilient; Sustainable; and Equitable.



Blueprint 2.0
DC Water's 2022-2027
Strategic Plan

Overview

DC Water's strong financial performance and its success in achieving and maintaining strong bond ratings have been primarily due to the annual development of and adherence to a ten-year strategic financial plan. DC Water's senior lien revenue bond credit ratings were affirmed in December 2023. DC Water received stable outlooks by S&P, Moody's, and Fitch with ratings maintained at AAA, Aa1, and AA+ respectively. During FY2023, DC Water met or exceeded the goals set by Board policy and the FY 2023 – FY 2032 ten-year plan. This budget includes DC Water's twenty fourth comprehensive ten-year financial plan, covering FY 2024 – FY 2033.

The necessity of a ten-year financial plan is clear:

1. DC Water operates under a regulatory and capital project-driven environment that requires a longer- term ten-year planning horizon. In order to provide our customers with the best service possible and with gradual and predictable rate increases, DC Water must plan for all projects on a long-term and integrated basis, including both capital and operating requirements. A five-year, capital-only financial plan would insufficiently prepare DC Water to address the major regulatory, operational and capital project issues that will impact service, operations, and rates over the next five to ten years.
2. In accordance with Board policy, DC Water sets rates so that each customer is charged for the actual cost to provide each service, rate increases are implemented transparently and predictably, utilizing all available options to mitigate future customer impacts. Since proposed future rate increases are primarily driven by financing of DC Water's capital program and full utilization of the rate stabilization fund, the development of a ten-year financial plan allows DC Water to meet these key goals.
3. The Board has directed DC Water management to undertake internal improvements and investments that will significantly lower operating costs over a ten-year period. A ten-year plan is required to bridge current operations and related capital and operating budgets with these longer-term cost reduction goals.

Board policies, strategic plan, priorities, and guidance in several key financial areas drive the development of the FY 2024 - FY 2033 financial plan. Given DC Water's substantial borrowing needs over the next ten years, adherence to these Board policies is crucial to cost-effectively access the capital markets and retain our credibility with customers and regulators.

Financial Plan Objectives

The financial plan serves as the framework to support the Board's strategic plan, policies, priorities, and guidance in several key financial areas

- It is one of management's key tools to monitor progress in meeting financial goals and to proactively address future financial and operational issues
- It also ensures meeting or exceeding indenture and Board's coverage requirements and providing sufficient liquidity to meet all obligations
- The ten-year financial plan projects revenue requirements, operating and maintenance expenses, capital expenditures, debt service charges, coverage ratios, and rate increases

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+

Ten-Year Financial Plan Assumptions

- Maintain Debt Service as a percentage of revenue equal to 33.0 percent or less
- Maintain combined coverage of 160 percent
- Maintain 250 days of cash excluding Rate Stabilization Fund. On October 5, 2023, the Board approved a revised Statement of Financial Policies that set a cash target of 350 days of projected operating expenses to be achieved gradually by 2032 through the use of year end surplus.
- FY 2023 actual consumption declined by 1.4 percent. Assumed 1.4 percent decline in consumption in FY 2024 over FY 2023 actual. Assumed 1.0 percent conservation in FY 2025 and onwards. Due to the impact of COVID-19, assumed 7.0 percent decline in consumption for the Commercial category in FY 2024 as compared to FY2021 projected consumption.
- FY 2023 Debt Service was lower as compared to budget due to deferring bond issuance, and a credit released from the 1998 Debt Service Reserve Fund in excess of the requirement. The new plan assumed higher interest rates with slightly higher Debt Service projections.
- Assumed delinquencies will decrease slightly in 2024 and onwards.
- Assumed higher miscellaneous fee revenue and interest earnings.
- Assumed higher collection of receipts for Late Fees

Financial Metrics

Metrics	Indenture Requirements	Board Policy	Management Target	Financial Plan
Days of Cash on Hand (excluding RSF)	60 Days	250 Days	—	267 – 267 days
Combined Coverage Ratio	—	1.6X	—	1.81X – 2.13X
Senior Coverage	1.2X	—	—	5.79X – 8.18X
Subordinate Coverage	1.0X	—	—	2.15X – 2.52X
Debt Service as a % of Revenue	—	—	33% of Revenue or Less	25.2% - 33.0%
Rate Stabilization Fund (RSF)	—	—	—	

DC Water's board policies include:

- **DEBT SERVICE COVERAGE** – DC Water will set rates and develop operating and capital budgets that ensure **senior debt service coverage of 140 percent and combined coverage of 160 percent**.
 - This coverage level exceeds DC Water's bond indenture requirement of 120 percent senior debt service coverage
- **CASH RESERVES** – DC Water will maintain **cash reserves equivalent to 267 days of budgeted operations and maintenance expenses**. The Board established a goal of increasing the target days of cash on hand gradually to 350 days by FY 2032 through the use of year end surplus. **Rating agencies have referenced the 250 days of cash and 1.6X coverage are indicators of financial strength**.
- **PAY-GO FINANCING OF CAPITAL** – DC Water will finance a portion of its capital program on a **pay-go basis from cash balances that exceed operations requirements or restricted use**.
- **RATE-SETTING POLICIES**
 - Rates that, together with other revenue sources, **cover current costs and meet or exceed all bond and other financial requirements** as well as goals set by the Board
 - Rates that yield a **reliable and predictable** stream of revenues, considering trends in costs and in units of service
 - Rates based on **annually updated forecasts of operating and capital budgets**
 - Rate structures that are **legally defensible**, based on objective criteria, and **transparently designed**
 - Rate structures **that customers can understand**, and DC Water can **implement efficiently and efficaciously**
 - Rates increases, if required, are implemented **transparently and predictably**.
- To the extent annual revenues exceed costs, the Board's policy will continue to utilize all available options to mitigate future customer impacts and annual rate increases, including transferring some or all excess funds to the Rate Stabilization Fund.
- **RATE STABILIZATION FUND** - Once DC Water achieves its **required level of cash reserves**, a **rate stabilization fund** will be established **to avoid “rate shock.”** Based on favorable financial performance in FY 2023, the balance in the RSF was \$ 35.64 million.

Financing and Reserve Policies

In FY 2004, and again in FY 2008, the Board completed a review of its existing financing policies, reaffirming the core policies. Two modifications were made to the reserves policy: 1) Changing the timing of when DC Water is required to meet its overall operations and maintenance reserve requirement from September 1 to an average daily balance basis, resulting in a more conservative calculation; and 2) revising the indenture- required renewal and replacement reserve requirement from two percent of original Plant in Service to \$35 million, with a requirement to revisit this reserve level every five years in conjunction with the indenture- required system assessment prepared by DC Water's independent rate consultants. The assessment was performed in 2013, 2018 and 2023. The next

assessment will be performed in 2028.

In FY 2013, the Board adopted further revisions which modified the operating reserve policy and under Resolution #13-57 revised the DC Water's Statement of Financial Policies as follows:

1. DC Water will maintain financial practices and policies that result in high quality investment grade bond ratings to ensure the lowest practical cost of debt necessary to finance DC Water's long-term capital program.
2. DC Water will maintain strong levels of operating cash reserves, equivalent to 120 days of budgeted operations and maintenance costs, calculated on an average daily balance basis, with the objective of maintaining at least \$125.5 million in operating reserves. The annual reserve amount will be formally approved by the Board as part of its annual approval of the operating and capital budgets and ten-year plan. The operating reserve requirement will be evaluated every five years by DC Water's independent rate consultant in conjunction with the Indenture-required system assessment.
3. The operating reserve will, at a minimum, include any reserve requirements contained in DC Water's Master Indenture of Trust, (the "Indenture"), excluding any debt service reserve funds and the rate stabilization fund, as follows:
 - Operating Reserve – equivalent to sixty days' operating costs
 - Renewal & Replacement Reserve - \$35 million. This reserve requirement will be in conjunction with the Indenture-required system assessment.
4. DC Water will maintain senior debt service coverage of 140 percent, in excess of DC Water's indenture requirement of 120 percent. Senior debt service coverage will be calculated in accordance with DC Water's indenture.
5. In general, DC Water will utilize operating cash in excess of the Board's reserve requirement and any other significant one-time cash infusions for capital financing or for repayment of higher cost debt.
6. DC Water will whenever possibly use the least costly type of financing for capital projects, based on a careful evaluation of DC Water's capital and operating requirements and financial position for each year.
7. DC Water will attempt to match the period of debt repayment, in total, with the lives of the assets financed by any such debt.

In October 2021, the Board approved Resolution # 21-84 revising the financial policy as follows:

- DC Water will maintain strong levels of Operating Cash Reserves that exceeds the Master Indenture requirements. Strong cash reserves are important to maintaining DC Water's bond rating. In the financial plan that is proposed by the CEO and General Manager and approved by the board, 250 days of cash will be maintained in each fiscal year based on projected operating expenses.
- Debt Service Coverage is a key financial metric that impacts DC Water's credit quality and borrowing costs. In order to maintain the highest credit quality and lowest borrowing costs, it is the policy of the Board that the Financial Plan developed by the CEO and General Manager and adopted by the Board will contain a minimum combined debt service coverage of 1.60X for

the budget and all years of the Financial Plan. Debt Service Coverage will be calculated in accordance with the Master Indenture.

In October 2023, the Board approved Resolution # 23-58 revising the Statement of Financial Policies as follows:

- DC Water will maintain strong levels of Operating Cash Reserves that exceeds the Master Indenture requirements. Strong cash reserves are important to maintaining DC Water's bond rating. In the financial plan that is proposed by the CEO and General Manager and approved by the board, 250 days of cash will be the minimum maintained in each fiscal year based on projected operating expenses with a goal to achieve an operating cash reserve requirement of 350 days by 2032 by prioritizing the allocation of year-end surplus.
- Debt Service Coverage is a key financial metric that impacts DC Water's credit quality and borrowing costs. In order to maintain the highest credit quality and lowest borrowing costs, it is the policy of the Board that the Financial Plan developed by the CEO and General Manager and adopted by the Board will contain a minimum combined debt service coverage of 1.60X for the budget and all years of the Financial Plan. Debt Service Coverage will be calculated in accordance with the Master Indenture.

Pay-As-You-Go Capital Financing Policy

1. The CEO/General Manager will include in the annual ten-year financial plan, developed as part of the annual operating budget process, a separate schedule showing projected annual cash balances and planned annual pay-go financing of capital projects.
2. The planned annual pay-go financing will be formally approved by the Board of Directors as part of its annual approval of the ten-year financial plan, operating and capital budgets.
3. At any time during the fiscal year, the CEO & General Manager may use pay-go financing for capital projects, as approved by the Board of Directors.
4. During the fourth quarter of each fiscal year, the CEO & General Manager (or designee) will conduct an analysis of DC Water's financial performance.
5. The CEO & General Manager will report the results of this analysis and provide recommendations, including updated projected annual cash balances and annual pay-go financing, to the Finance and Budget Committee no later than its regularly scheduled meeting in July, for recommendation to the Board for action at its September meeting.

Cash Management and Investment Policies

The Board has adopted a "Statement of Investment Policy". This policy is designed to ensure the prudent management of Authority funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. The investment portfolio shall be managed to accomplish the following hierarchy of objectives:

1. Safety
2. Liquidity
3. Return on investment

The current Investment Policy is available on-line at www.dcwater.com.

Debt Policy and Guidelines

The purpose of DC Water's Debt Policy and Guidelines (the "Debt Policy") is to provide DC Water officials and staff a comprehensive guide to DC Water's issuance and use of debt to fund capital projects or to refund/refinance/restructure outstanding debt. The advantages of adopting and adhering to a clear, concise, and comprehensive debt policy are:

- Enhancing the quality of decisions
- Documenting the decision-making process
- Identifying objectives clearly to facilitate staff implementation
- Demonstrating a commitment to Long-Term financial planning objectives that result in a sound financial position
- Enhancing the positive assessment of credit quality by the bond Rating Agencies to maintain and improve DC Water's high credit ratings
- Integrating the Debt Policy with the operating and capital budgets, the multi-year Capital Improvement Program (CIP), multi-year Financial Plan and other financial policies

The financial policies outlined in this document, in most cases, impose higher standards than the legal requirements contained in DC Water's Master Indenture of Trust dated as of April 1, 1998, as amended, and supplemented from time to time (the "Indenture") and other legal requirements.

The current Debt Policy and Guidelines is available on-line at www.dcwater.com.

During FY 2023 DC Water met the financial goals set out by the Board and the FY 2023 – FY 2032 financial plan. DC Water successfully managed its finances through FY 2023, aligning expenditures to the revenue shortfall from the impacts of COVID. At the end of the year, revenues were above budget by \$10.9 million. Senior debt service coverage, reserve levels, and budget performance met or surpassed Board policies, as discussed in more detail below:

- DC Water Board policy requires senior debt service coverage of at least 140 percent; (a) In October 2021, the Board of Directors adopted a policy which requires to maintain a minimum combined debt service coverage of 160 percent (b) Combined debt service coverage was at 207 percent in FY 2023 and is projected at 183 percent in FY 2033 greater than the indenture requirement of 120 percent. DC Water's senior debt service coverage in FY 2023 was at 631 percent, while maintaining the Board's rate setting and financial policies. The senior debt service coverage is expected to decrease to 579 percent by FY 2033 due to an increase in capital spending and related debt issuance; the coverage is above the Board requirement of 140 percent. Subordinate debt service coverage, which includes DC Water's subordinated lien revenue bonds and Jennings Randolph Reservoir debt, was at 259 percent in FY 2023. DC Water is required to have 100 percent coverage of subordinate debt service.
- DC Water has maintained its bond rating from Standard & Poor's (AAA), Moody's (Aa1), and Fitch (AA+).
- **Commercial Paper:** These notes issued are considered subordinate debt under the Master Indenture of Trust. DC Water's commercial paper is issued in increments with maturities less than 270 days. The Board approved the commercial paper program in early FY 2002; proceeds from the sale of the notes are used for interim bond financing, short-term financing for capital equipment and certain taxable costs for the Washington Aqueduct. Each new bond issuance is evaluated to determine the most cost-effective way of reducing the amount of taxable commercial paper. Normal market conditions for commercial paper carry significantly lower interest rates than long term debt. Two series of notes have been issued under the commercial paper program: the tax-exempt Series B CP Notes in an aggregate principal amount not to exceed \$100,000, and the taxable Series C CP Notes in an aggregate principal amount not to exceed \$50,000. To provide liquidity and credit support for the Commercial Paper Notes, the Authority obtained irrevocable, direct-pay letters of credit issued by TD Bank, NA.
- **Extendable Municipal Commercial Paper (EMCP):** The addition of the EMCP program in the amount of \$100 million provides diversification of the variable rate products available for interim financing needs. EMCP does not require a supporting bank letter of credit but relies on DC Water's liquidity to address any failed re-marketing of the EMCP. The initial placement is typically for 90 - 180 days and in the event of a failed re-marketing due to poor market conditions, DC Water has 3 – 6 months to address payment with a maximum number of days from the initial issuance of 270 days.
- **DC Water did not utilize the Rate Stabilization Fund (RSF) in FY 2023.** However, no amount was contributed to RSF. The Rate Stabilization Fund's ending balance for FY 2023 was \$35.64 million.
- **DC Water continued its strong operating budget performance in FY 2023** – Actual cash receipts for FY 2023 were higher than the budget by \$10.9 million, or 1.3 percent. Actual operating expenditures were \$11.2 million or 1.6 percent lower than the total operating budget.
- DC Water experienced an underspending in O&M, mainly in professional services and lower workers' compensation claims. Additionally, there is higher spending on insurance premiums due to current market conditions.

- **The Clean Rivers Impervious Surface Area Charge (CRIAC) was implemented in May 2009** to recover the cost of the Combined Sewer Overflow Long-Term Control Plan (CSO LTCP), also known as the DC Clean Rivers Project. In FY 2011, a six-tiered rate structure was successfully implemented for all residential retail customers to better reflect the impacts of various size residential properties. The thirty-year CSO LTCP, whose terms are outlined in a consent decree executed in March 2005, exclusive of the nine-minimum controls programs are projected to cost \$3.27 billion. See “Combined Sewer Overflow Long-Term Control Plan” in Section IV, Rates and Revenues for additional details on the projected rate impact of the plan.
- **DC Water implemented a retail water and sewer rate increase of 9.5 percent in FY 2023** to recover increased retail water and sewer revenue requirements of \$40.2 million. In FY 2023, the Rate Stabilization Fund (RSF) was not utilized. The RSF helps to mitigate rate shock and reduces needed retail rate increases. In addition, there was a 2 percent increase in PILOT as per the PILOT MOU signed with the District on September 4, 2014. In FY 2023, PILOT fees increased to \$0.59 per Ccf whereas the ROW fee remains the same at \$0.19 per Ccf. The changes in PILOT and ROW fee are made to recover the full costs of these fees charged to DC Water by the District of Columbia government. The rate changes are mainly due to the increase in debt service cost to finance the capital improvement program.
- **Water System Replacement Fee (WSRF) was implemented in FY 2016**, effective October 1, 2015 (FY 2016), WSRF recovers the costs of one percent renewal and replacement program for water service lines. WSRF varies with meter size. The WSRF for 5/8" meter size is \$6.30. Low-income CAP customers get 100 percent discount for this fee.
- **Multi-Year Rates:** DC Water moved to a multi-year rate proposal in FY 2016 covering the period FY 2017 and FY 2018. This is the fifth time that DC Water has adopted a multi-year rate proposal in FY 2024 covering the period FY 2025 and FY 2026 and will become effective from October 1, 2024, and October 1, 2025, respectively.
 - The benefits of multi-year rates include:
 - Greater revenue certainty
 - Increased budget discipline
 - Better alignment between revenues and expenditures
 - Favorable credit rating agency treatment
 - Better predictability for our ratepayers
 - Potential risks / considerations:
 - Reduced financial flexibility
 - Limited ability to modify approved rate increases, if necessary
 - Conservatism in financial projections
- In FY 2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water’s rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water’s current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.

- In FY 2020, DC Water conducted a Cost-of-Service Study (COS) to align the COS with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, Cost of Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and iii) alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY 2021 and FY 2022.
- In FY 2022, a Cost-of-Service (COS) was conducted by Independent Financial Consultants to establish the multi-year rates for FY 2023 and FY 2024. The 2022 COS study includes the Groundwater and High Flow Filter Backwash Sewer rates. The results of COS study support the multi-year rates, charges and fees proposed for FY 2023 and FY 2024.
- In FY 2024, a Cost-of-Service (COS) was conducted by Independent Financial Consultants to establish the multi-year rates for FY 2025 and FY 2026. The 2024 COS study includes the Groundwater and High Flow Filter Backwash Sewer rates. The results of COS study support the multi-year rates, charges and fees proposed for FY 2025 and FY 2026.
- Independent Review of the Proposed FY 2025 and FY 2026 Rates was conducted by consultants.
 - The review concluded that the rates have been reasonably developed, reflect the anticipated revenue requirements of the System, adhere to Board policy and are comparable to other utilities.
 - The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill.
- For the twenty third consecutive year, DC Water received the Government Finance Officers' Award for Distinguished Budget Presentation for its FY 2024 budget which was submitted in 2023. DC Water received its twenty sixth unqualified audit opinion for the fiscal year ended September 30, 2023, and received the twenty sixth GFOA Certificate of Achievement for Excellence in Financial Reporting.
- In FY 2023, DC Water successfully renewed all the Authority's operations insurance policies at essentially the same terms up 6.3 percent from expiring costs than previous year. DC Water's coverage is generally comparable to expiring.
- DC Water completed its Nineteenth year (ROCIP 1 - 10/15/04 to 10/15/09) of its rolling owner-controlled insurance program (ROCIP), fourteenth year of ROCIP II (10/15/09-10/15/12), eleventh year of ROCIP III (10/15/12-10/15/15), eighth year of ROCIP IV (11/9/15-10/15/20), third year of ROCIP V (11/23/20-11/23/23). DC Water procures general liability and workers' compensation insurance coverage for most of its construction contractors. The result is substantially higher insurance coverage levels for all enrolled contractors and significant cost savings. At the end of FY 2023, 65 projects and 403 contractors were enrolled in the expired ROCIP I program, 47 projects and 771 contractors were enrolled in the now expired ROCIP II program, 46 projects and 841 contractors were enrolled in the ROCIP III program, and 55 projects and 1118 contractors are/were enrolled in the ROCIP IV program and 32 projects and 256 contractors are/were enrolled/verified in the ROCIP V program. Verified avoided costs (aka savings) are in the range of \$5.4 million for ROCIP I; approximately \$11.2 million for ROCIP II, \$9.7 million for ROCIP III, \$6.1 million for ROCIP IV and \$3.4 million for ROCIP V. ROCIP II and III were three-year insurance programs that support an estimated \$4.4 billion of planned and completed construction. So far an estimated \$35.8 million in Avoided Costs Across 5 Programs.

■ Customer Assistance Programs (CAP) –

In FY2023, in response to the affordability crisis that stemmed from the COVID pandemic, the Federal Government, the District Government, and DC Water continued offering assistance programs to help customers with past due balances maintain monthly affordability through these programs:

- The DC Homeowner Assistance Fund (HAF) Program is federally funded by the American Rescue Plan to provide grants of up to \$5,000 to District Homeowners affected by COVID-19 to help keep their home and pay their water utility bill.
- The Residential Assistance Program (RAP) offers up to \$2,000 in bill assistance towards outstanding charges for income-eligible customers. Though the program was set to end in FY23, DC Water continued the program into FY24 until funds are exhausted.
- The Multifamily Assistance Program (MAP) offered rental assistance to our indirect customers. Assistance is offered to income-eligible customers and participating owners. Rental relief is offered up to \$2,000 for each eligible housing unit, with 80 percent passed to the tenant through rental reduction and 20 percent passed to the owner for administrative costs. The Multifamily Assistance Program (MAP) ended fiscal year-end 2023.

The assistance provided to customers in FY 2023 is listed below:

Program	Assistance	Assisted Customers
CAP, CAP2, RAP and MAP		
CAP (Original)	\$2.39 million	4,744
CAP 2	\$139,714	351
RAP	\$2.93 million	2,816
MAP	\$2.13 million	3,038 Units
CRIAC Residential Relief Program		
CAP 3	\$6,342	36
CRIAC Non Profit Relief Program		
Non Profit Relief	\$875,585	182
Homeowner Assistance Fund		
HAF	\$256,835	293

SPLASH (Serving People by Lending A Supporting Hand) Program aids needy customers as well. It operates solely on contributions from Customers, the community, and DC Water employees. DC Water pays all administrative fees to the Greater Washington Urban League (GWUL), which administers the program. For FY 2023, DC Water received \$63,930 in contributions, distributed \$90,765 that assisted 277 customers as of September 2023. CAP, CAP2, and SPLASH, together in FY 2023, provided \$2,629,480 in assistance to approximately 5,372 low-income households to help make their bills more affordable.

Customer Contacts

Customer Assistance Survey – Conducted in August 2023 to increase customer awareness of our suite of assistance programs and to understand the barriers to applying for assistance. The survey showed that over 90% of our residential customers are familiar with DC Water's assistance programs but are unclear about eligible income limits and owner/renter eligibility.

Catch-Up Offer – Ran from February 1st to May 31st, 2023, and assisted all eligible customers in the residential and non-residential billing categories. It assisted customers by waiving late fees and penalties from January 2018 through December 31st, 2022, and adjusting 10 percent of the remaining balance after the late fees had been removed if the customer paid the Catch-up offer total before the program end date. Over 9,000 customers participated and received over \$2 million in assistance.

System Enhancements

In FY 2023, other system enhancements were performed to improve the customer service experience:

- Introduced Online Bill Dispute Form
- Aclara upgrade to provide enhancements to the meter reading interface.
- Maintain the predictive dialer outbound calls to remind customers to pay before balances become unmanageable.
- Coordinated with 311 for inbound call support for emergencies.
- Continued focus on larger replacements and meter issues that hinder transmission.
- Continued focus on customer outreach to increase enrollment in financial assistance plans.
- Provided continual communication and updates related to assistance programs and payment arrangements.

Other Upcoming Projects

- Continued upgrade to new Automated Call Distribution System (ACD) through the Genesys Pure Cloud Platform. Moving from server-based to cloud-based platform.
- In conjunction with the ACD upgrade, began enhancing Interactive Voice Response (IVR) system with changes that allows more self-service transaction and informational options.
- Change payment and print vendors.
- V1 enhancement with water-smart function to provide a more user-friendly application to the customers as well as additional functions that allow greater insight into customer usage and leak detection.
- Maintain the predictive dialer outbound calls to remind customers to pay before balances become unmanageable.
- Coordinate with 311 for inbound call support for emergencies.
- Continued focus on larger replacements and meter issues that hinder transmission.
- Continued focus on customer outreach to increase enrollment in financial assistance plans.
- FY24 Customer Satisfaction Survey

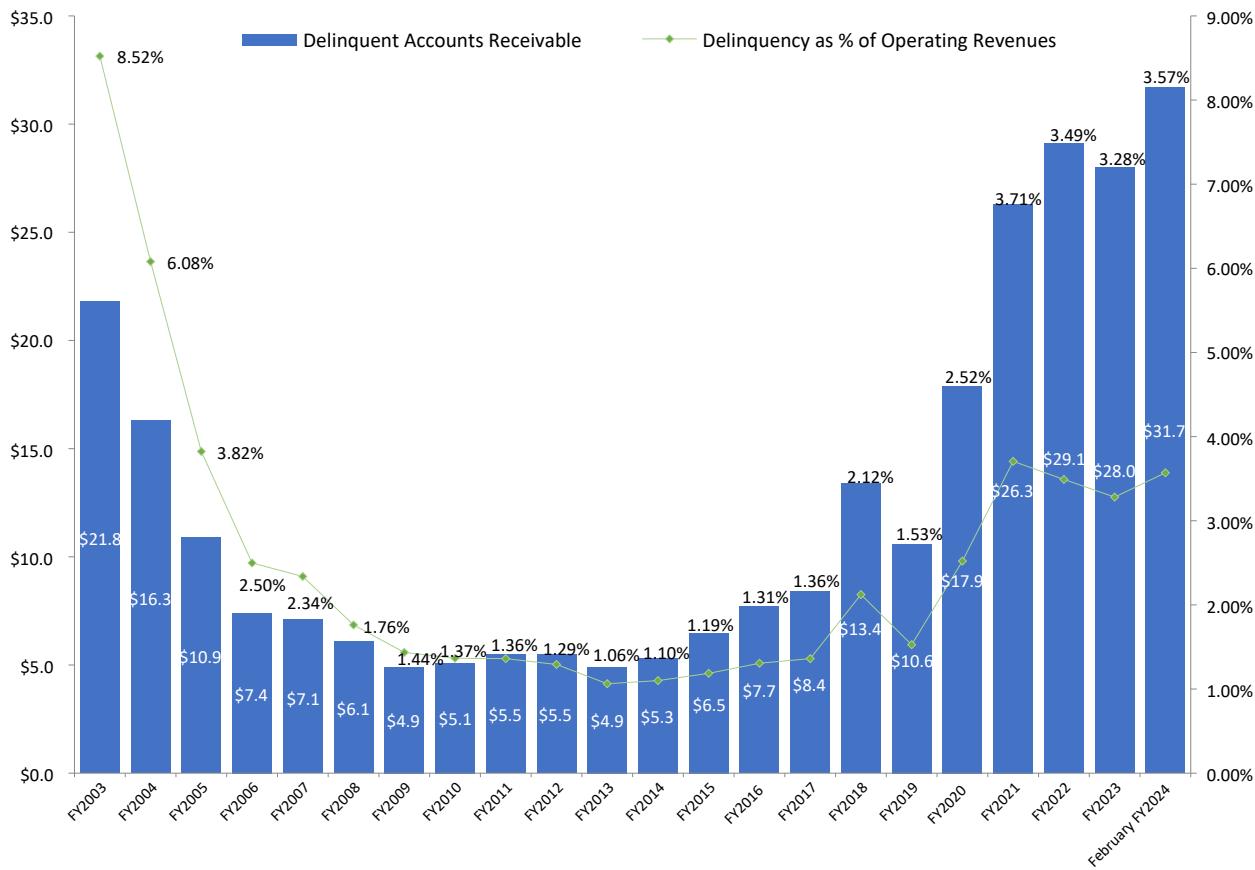
- Increase customer engagement through outreach using various media platforms.

Expansion of Customer Assistance Programs:

As part of our Proposed FY2025 Budget, DC Water has included the following new programs:

- Payment Plan Incentive Program – Will provide to customers who are sixty plus days past due and \$500 or more in arrears, a credit equivalent to 40 percent of customer payments over a three-month period when made as part of a Payment Plan
- CAP+ - A new program that will provide an additional two hundred cubic feet of water and sewer services to customers with incomes at 20 percent AMI or lower
- Leak Assessment Program – Will pay for an audit for CAP customers to help determine the source of leaks. DC Water is working to partner with the District to pay for the on-premises improvements (similar to the District's funding of weatherization programs)

Delinquent Accounts Receivable (in Millions)



- The graph above represents Delinquent Accounts Receivable as percent of Total Operating Cash Receipts (includes Retail, Wholesale and Other)
- In FY 2020, there was an increase in delinquent accounts receivable, greater than 90 days due to the impact of COVID-19 and a suspension of cut off and collection efforts. The delinquency greater than 90-days increased from 2.52 percent in 2020 to 3.49 percent in 2022. The delinquency increased to 3.58 percent in 2023. The delinquency at the end of February 2024 increased to \$31.7 million or 3.57 percent.
- Delinquent accounts receivable increased by \$16.3 million from \$12.8 million in March 2020 to \$29.1 million in September 2022 due to suspension in regular collection activity and disconnection of delinquent accounts. These actions were taken in support of on-going meter replacement projects through December of 2019 and following the on-set of the coronavirus public health emergency in March of 2020 and in anticipation of the second wave of COVID-19. However, DC Water resumed disconnection for Residential and Commercial categories effective from July 12, 2022. The resumption of charging late fees and disconnection was expected to result in a decrease in delinquencies. The delinquencies decreased by \$1.1 million from \$29.1 million in September 2022 to \$28.0 million in September 2023.

General Principles of Affordability for Low-Income Customers Policy

On September 4, 2014, The General Principles of Affordability for Low-Income customers was approved. It is the policy of the Board of Directors of DC Water in setting retail rates, to follow the General Principles of Affordability for Low-Income Customers articulated herein:

1. Consideration of rate impacts on low-income customers.
2. Exploration of affordability alternatives for low-income customers; and
3. Development of a more innovative rate structure, the goal of which is to reduce the economic burden on low-income customers at the earliest practicable date consistent with the Board's need to gather sufficient data to support any rate structure chosen.

DC Water reviews the equity and sufficiency of its rates and rate structures periodically through various cost of service (COS) studies. The COS study prioritizes the following pricing objectives:

- Revenue sufficiency – Rates should recover revenue necessary to operate and maintain the utility in perpetuity.
- Cost of Service Recovery – Rates should be supported by industry practice and ensure that customers pay their fair share.
- Simplicity – Rates and charges should be easy for our customers to understand.
- Affordability – DC Water should minimize customer bills while not sacrificing good, clean and safe service.

In FY 2015, a Cost-of-Service Study was conducted by the Independent Financial Consultants which provided several recommendations:

Additional Alternative Fees and Charges:

1. Customer Class-Based Volumetric Rates – Rate differentiation based on the peaking demands of each customer class (residential, multi-family and non-residential).
2. Lifeline Rate – A lifeline rate for first 4 Ccf of Single Family Residential (SFR) water use to reflect baseline usage by residential customers without peaking costs. The lifeline rate provides an economic benefit to low-volume Residential customers, while spreading the cost of peaking to high volume Residential customers.
3. Water System Replacement Fee (WSRF) – In Fiscal Year 2016, DC Water to modify its existing rate structure and to implement a new meter-based Water System Replacement Fee (WSRF) in order to recover the cost of the 1 percent renewal and replacement program for water service lines. It is anticipated that the new WSRF will generate \$40 million per year. DC Water's low-income CAP customers would receive a 100 percent credit for this fee.
4. System Availability Fee (SAF) – DC Water to propose a new System Availability Fee (SAF). A one-time fee assessed to a property owner of any premises, building or structure to recover the cost of system capacity put in place to serve all metered water service and sanitary sewer connections and renovation or redevelopment projects that require an upsized meter service connection to the district's potable water system. The fee is assessed based on the peak water demand, excluding fire demand, for new meter water service connection and renovation or redevelopment projects that increase the peak water demand and associated SAF meter size for the property.

5. Based on the 2015 Cost of Service Study, DC Water has adopted several changes to its existing retail rate structure starting in Fiscal Year 2016. These changes are designed to better align the Authority's revenues and expenditures by establishing customer class-based volumetric water rates based upon peaking factors, to create a more progressive rate structure for its residential customers by establishing lifeline water rates which discount core consumption, and to fund the authority's water main replacement program by establishing a monthly, fixed Water System Replacement Fee.

In FY 2018, a Cost-of-Service study was conducted by the Independent Financial Consultants which provided several recommendations:

- Every three years DC Water conducted Cost of Service Study for the Water and Sewer rates, and the Clean Rivers Impervious Area Charge (CRIAC) to update actual and projected expenditures to ensure that these charges are appropriately recovering costs
- DC Water has taken several actions over the last several years to lower CRIAC costs including Century Bonds, refinancing older debt for savings, and restructuring debt so the relief is provided to today's customers. These savings are now reflected in the projected charges.
- A reallocation of the costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the Sewer utility results in a reduction in the CRIAC and an increase in the Sewer volumetric charge.
- The revenue collected from the Water System Replacement Fee, originally designed to fund the annual costs of 1 percent of DC Water's water service line renewal and replacement program has been used in its entirety to offset the Water utility's revenue requirements, resulting in a decrease to all Water volumetric charges.
- Although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Water customers will see only minimal changes to their bills.

In FY 2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water's rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water's current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.

In FY 2020, DC Water conducted a Cost-of-Service Study (COS) to align with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, the Cost-of-Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and iii) alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY 2021 and FY 2022.

According to the COS, the proposed CRIAC shift to sewer volumetric with 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022 and beyond was recommended because it balances infrastructure investment with growth in rates. The shift was based on an assessment that on average 37 percent of volume in the tunnels is from wastewater. The gradual shift helps to avoid rate shock to customers.

As part of the COS, the study focused on the reallocation of some Customer Service operating costs associated with metering, billing, and collections activities to the Metering Fee. Historically, only automated metering capital costs were recovered in the Metering Fee. Many utilities recover capital and operating costs associated with metering and billing in a fixed, meter-based charge, which shifts costs to the Metering Fee and away from the volumetric rates. The 2020 COS study recommended re-allocate more customer service expense for metering and billing to the metering fee. The changes in Metering Fee are summarized below:

- In FY 2019, Metering Fee recovered \$11.6 million.
 - In FY 2003, established Metering Fee at @2.01 for 5/8" meter
 - In FY 2011, increased Metering Fee to \$3.86 for 5/8' meter
 - Originally fee amount set to cover the capital costs of the original Automated Meter Infrastructure (AMI) system and meter purchase and installation (debt service) plus about \$4 million of Customer Service costs.
- The 2020 Cost of Service Study recommended recovering \$24.1 million in FY2022, consistent with independent rate review recommendation.
 - Includes costs associated with metering and billing.
 - Customer assistance, shutoff/restore, and leak adjustment etc. remain in the volumetric charges
 - Proposed FY 2021 fee recovers \$15.4 million, all the debt service and coverage plus about half of the full Customer Service O&M allocation (\$4.96 for a 5/8" meter)
 - Proposed FY 2022 fee adds the additional half of Customer Service allocation for a total of about \$24.1 million (\$7.75 for a 5/8" meter)
- In FY 2022 a cost-of-service study (COS) was conducted by our Independent Rate Consultants for Water, Sewer, Clean Rivers IAC, Groundwater, and High Flow Filter Backwash Sewer Rate. The COS study results support the multi-year rate charges for FY 2023 and FY 2024. The Independent Consultants stated in their report that the DC Water's existing rate structure provides for a reasonable allocation of cost recovery to utility customers. The consultants recommended that no additional change in the rate structure be made at this time.
- In FY 2024 a cost-of-service study (COS) was conducted by our Independent Rate Consultants for Water, Sewer, Clean Rivers IAC, Groundwater, and High Flow Filter Backwash Sewer Rate. The COS study results support the multi-year rate charges for FY 2025 and FY 2026. The Independent Consultants stated in their report that DC Water's existing rate structure provides for a reasonable allocation of cost recovery to utility customers.

Water System Replacement Fee (WSRF)

Effective October 1, 2015 (FY 2016), DC Water modified its existing rate structure and implemented a new meter-based Water System Replacement Fee (WSRF) to recover the cost of the 1 percent renewal and replacement program for water service lines. It is anticipated that the new Water System Replacement Fee (WSRF) will generate approximately \$39.7 million per year from fiscal years 2019 through 2028. The fee is based upon meter size and average flow. DC Water's low-income CAP customers receive a 100 percent credit for this fee.

Effective October 1, 2017, (FY 2018), DC Water amended the Water System Replacement Fee (WSRF) regulations to add rules and procedures for a Multi-family WSRF adjustment; amend the Customer Classifications to clarify the definitions for Residential, Multi-family and Non-Residential customers to include cooperative housing associations and other clarifications; and amend the definitions set forth in Chapter 41 to define the terms Condominium, Cooperative Housing Association, and Dwelling Unit used in the Customer Classification regulations. The following terms are defined:

Condominium – real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the portions designated for separate ownership, provided the undivided interests in the common elements are vested in the unit owners.

Cooperative Housing Association – an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property, the shareholders, or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.

Dwelling Unit – any habitable room or group of rooms with kitchen and bathroom facilities forming a single unit located within a building or structure, which is wholly or partially used or intended to be used for living, sleeping and the preparation and consumption of meals by human occupants, and is under the control of and for the use of the occupant.

Fire Services Protection Fee

DC Water has assessed a fire protection fee to the District of Columbia since April 1, 2000. This fee is intended to recover costs incurred by DC Water for fire protection service provided by the Water System of DC Water. The purpose of the 2018 cost of service study was to assess the appropriate level of cost recovery required from the District government for this service.

Fire protection service differs from other services offered by water utilities because it is primarily a standby service that is required to be available when the need exists, i.e., as demanded. The development and maintenance of the supply, treatment, pumping, storage and distribution capacity for fire protection service requires capital investments in facilities that are designed larger than would otherwise be required to be able to accommodate fire demand and annual operation and maintenance ("O&M") expenses to ensure that the assets are appropriately maintained and provide service as needed.

In 2018, the Independent Financial Consultants performed a cost-of-service study (COS) to determine the costs of providing fire protection service to the District. DC Water provides Fire Protection Services to the District, including but not limited to the delivery of water for firefighting, inspection, maintenance and upgrading of public fire hydrants in the District of Columbia. The consultants compared DC Water costs with the revenues received from the district for fire protection services. The consultants reviewed and

tabulated historical fire service costs of DC Water (FY 2013 – FY 2017). Projections of DC Water costs were developed for FY 2018 – FY 2021. As per terms of the 2013 MOU and based on the results of the 2018 COS, Fire Protection Service fee was established at \$12.527 million for fiscal years FY 2019, FY 2020 and FY 2021. This fee is \$1.7 million higher than the FY 2015 fee of \$10.796 million. As per the 2018 cost of service study, the Fire Protection Service Fee projected for the years FY 2019 to FY 2022 increased from \$10.796 million to \$12.527 million per year.

In 2021, the Independent Financial Consultants performed a cost of service study (COS) to determine the costs of providing fire protection service to the District. DC Water provides Fire Protection Services to the District, including but not limited to the delivery of water for firefighting, inspection, maintenance and upgrading of public fire hydrants in the District of Columbia. The consultants compared DC Water costs with the revenues received from the District for fire protection services. The consultants reviewed and tabulated historical fire service costs of DC Water (FY 2016 - 2020). Projections of DC Water costs were developed for FY 2021 – FY 2024. As per terms of the 2013 MOU and based on the results of the 2021 COS, Fire Protection Service fee was established at \$11.535 million for fiscal years FY 2022, FY 2023 and FY 2024. This fee is \$0.992 million lower than the FY 2018 fee of \$12.527 million.

In 2024, the Independent Financial Consultants conducted a COS study and determined a Fire Protection Service Fee of \$ 17.575 million for FY 2025, FY2026 and FY2027. The cost of service was higher in 2023 compared to 2019 through 2022; the changes from year-to-year have not been uniform due, in part, to the COVID-19 pandemic. Inflation is also impacting the costs of materials, parts and labor.

System Availability Fee (SAF)

Many utilities have implemented a fee, assessed to new development (or redevelopment) to recover the investment in available system capacity. On June 17, 2016, DC Water's Board approved a new System Availability Fee (SAF) to be effective from January 1, 2018. All Residential Customers with meters 1 inch or smaller will use the same set of fees. All Residential Customers with meters larger than 1", and all Multi-Family and Non-Residential Customers will have SAF based on their meter size.

The System Availability Fee will be assessed for all new buildings, structures or properties under development and properties under redevelopment. For properties under redevelopment, DC Water will determine the net System Availability Fee by determining the property's proposed capacity requirements and applying a credit for the capacity of accounts being removed from the system. However, if the associated credit for capacity removed is equal to or greater than the future System Availability Fee, the net System Availability Fee shall be zero. Properties under redevelopment shall not receive credit for accounts that are inactive for more than 12 months.

In FY 2018, DC Water has determined that implementing the System Availability Fee (SAF) regulations on the effective date of January 1, 2018, could present significant fiscal impacts to the District's New Communities Initiative, which includes redevelopment, one for one replacement and/or augmentation, of affordable housing units. On March 1, 2018, the DC Water Board considered comments received during the SAF public comment period and agreed to; 1) Extend the System Availability Fee (SAF) effective date from January 1, 2018 to June 1, 2018 for DCRA Construction Permit Applicants and federal facilities new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the fee schedule and requirements; 2) Revised the DC Water guidance document used to determine the SAF meter size from DC Water Standard Details and Guideline Masters to DC Water's Sizing Instructions and

Worksheets; 3) Added procedures and requirements to receive credits for Affordable Housing Units (AHU) development and redevelopment; 4) Clarified the requirements for projects submitted prior to the effective date of June 1, 2018 and approved by June 1, 2019; 5) Added formulas to clarify how the SAF is calculated with the SAF credit, AHU credit and Net AHU credit; 6) Clarified requirements for Payment Plan Agreement; 7) Properties under redevelopment shall not receive a credit for accounts that are inactive for more than 24 months.

Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the district's potable water and sanitary sewer systems based on the SAF meter size in accordance with the fee schedule and requirements.

PILOT and ROW Fee

A new PILOT MOU was signed between DC Water and the District of Columbia on September 4, 2014, which reduced the annual PILOT payment. As per the agreement, the PILOT of \$15.3 million for FY 2015 would be escalated by 2 percent per year. The agreement will be effective till September 30, 2024.

On October 07, 2014, DC Water and the District reached an agreement on the Right-of Way (ROW) terms and conditions, which provides that DC Water will continue to make payments totaling \$5.1 million annually to the District for FY2015 – FY2024.

Operating Reserve/Renewal and Replacement Reserve

- DC Water periodically reassess its policies every five years regarding the operating reserve requirement. The Independent Financial Consultants conducted the study to consider the appropriate level of its Total Operating Reserves for FY2023 and subsequent years. DC Water's current board policy sets 250 days of cash, which exceeds the indenture requirement of 60 days. While DC Water's 250 day requirement is high compared to peers which typically require 60 or 90 days of operating expenses, DC Water's actual balances are low in comparison. According to a report by Moody's in 2021, DC Water's total days of cash on hand was 366 days, which is below the median level of about 400 days for an AA rated bond issuer. The Independent Financial Consultants recommended that due to DC Water's plans to borrow \$2.7 billion in the next 10 years and its efforts to maintain a very strong credit rating, DC Water should increase the minimum operating reserve requirement from 250 days to 350 to 400 days. This would bring the day's cash on hand to a level more consistent with DC Water's highly rated peers.
- The DC Water Board established a goal of increasing the target days of cash on hand gradually to 350 days by FY 2032 through the use of year-end surplus.
- DC Water Indenture of Trust requires the Authority to maintain a Renewal and Replacement (R&R) Reserve Fund. In FY 2023, the Independent Financial Consultants conducted this study to examine the reasonableness of the amount on deposit in the R&R Reserve Fund and make recommendations to the Authority for the value of the Fund for the next 5-year period of FY 2023 through FY 2027. The Independent Financial Consultants recommended that DC Water maintain its current R&R Reserve Fund policy to require a balance of \$35 million. The recommendation was presented to the DC Water Board and was approved. The next R&R Reserve Fund Study will be conducted in FY2027.

- Over the last ten years, DC Water has made contributions to the RSF and made withdrawals to help mitigate rate increases. In FY 2023, the Independent Financial Consultant performed a cost of service (COS) study to determine the appropriate level of Rate Stabilization Fund (RSF) to help mitigate rate increases.

The independent consultants summarized the Rate Stabilization Fund (RSF) findings. These include 1) the RSF is permitted but not required to have a balance by the bond indenture; 2) DC Water has historically added monies to the RSF and withdrawn funds for multiple purposes; 3) American Water Works Association's Cash Reserve Policy Guidelines indicate monies in a RSF are typically used to address potential fluctuations in revenues and to "smooth out" rate increases; 4) more than half of the surveyed utilities have no RSF requirement; and 5) in Philadelphia, the RSF and Residual Fund serve multiple purposes: operating reserve and RSF. The report provided the following options: 1) confirm or change the name of the RSF; 2) define a minimum, maximum or targeted balance requirement; and 3) update policies for the use of funds withdrawals.

The consultants recommended a target RSF balance of 5 percent of projected retail revenues. In 2023, the existing RSF balance achieves this target. The authorization to withdraw funds should include a plan to replenish funds to meet the target balance. DC Water should prioritize use of the funds for (i) emergencies or unplanned events, (ii) investment in technologies or other initiatives that could reduce operating expenses, and (iii) defeasance of higher cost debt.

All Legal Covenants, Financial Board Policies, Accomplishments and Targets are Incorporated into the Ten-Year Financial Plan.

Compliant	Description	Legal covenant	Performance Target	FY 2023 Actual	FY 2024 Revised	FY 2025 Projected
✓	Senior Debt Service Coverage	120%	140%	631%	818%	753%
✓	Operating Cash Reserves	N/A	\$275 million	\$286.9 million	\$296.6 million	\$309.6 million
✓	Short Term Investment Return Benchmark Merrill Lynch 3-Month Treasury Index	N/A	416 basis points	491 basis points	516 basis points	416 basis point
✓	Long Term Investment Return Benchmark Merrill Lynch 1-3 Year Treasury Index	N/A	378 basis points	473 basis points	445 basis points	378 basis point
✓	Water and Sewer Rates	Revenues must be sufficient to cover: operating expenses, senior and sub debt service, amounts necessary to maintain DSRF and ORF levels, and any annual PILOT payments	Each customer will be charged for the actual cost to provide each service, and rate increases will be reliable and predictable	Future rate increases are driven by financial impact of the capital program and full utilization of the RSF; the development of a 10-year financial plan allows DC Water to meet these key goals of full cost recovery and predictability	Same as Performance Target	
✓	Rate Stabilization Fund (RSF)	N/A	Help to avoid spikes in rate increases for retail customers	FY 2023 year-end RSF balance was \$35.46 million	The projected utilization of \$2.0 million RSF in FY 2024 will leave a balance of \$33.64 million	The projected utilization of \$2.0 million RSF in FY 2025 will leave a balance of \$31.64 million

*Up to FY 2021 operating reserve policy required a minimum balance of the greater of \$125.5 million or 120 days of budgeted O&M expenses. The Board revised the policy in October 2021 (FY 2022) requiring 250 days of O&M expenses. In 2023, DC Water Board established a goal of increasing the target days of cash on hand to 350 days by FY2032 through the use of year-end surplus.

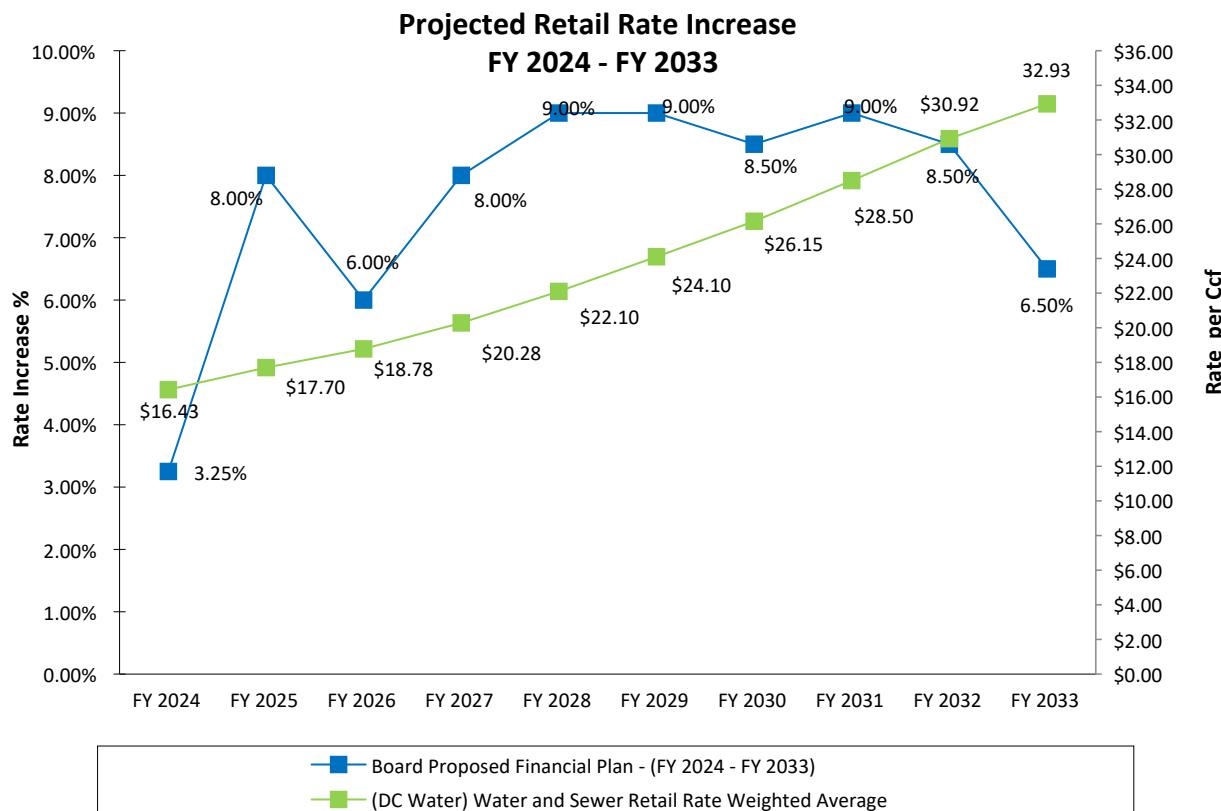
The Approved FY 2024 - FY 2033 financial plan includes the resources necessary to accomplish critical financial and operational goals over the coming years, as summarized below:

- Continue adherence to the Board's financial, investment, rate-setting and long-term planning policies
- Continue implementation of the ten-year \$7.74 billion capital improvement program
- Includes disbursements of \$1.17 billion over the ten-year planning period for Clean Rivers Project (CSO Long-Term Control Plan) exclusive of the nine-minimum controls program
- Continued exceptional financial performance, adherence to Board's customer outreach and transparency to include customer input and flexibility to meet emerging needs
- Improving Public Image: re-focus of the government relations activities to bring greater visibility to DC Water and the national need for infrastructure investment and funding; and various pilot projects to look for additional improvements to DC Water services
- Workforce
 - Continue to focus employees' efforts on DC Water's most important goals in line with the Board Strategic Plan
 - Improve recruiting process by identifying high-quality candidates using job descriptions based upon the expertise of high performing employees holding uniquely valued competencies
 - Fill critical talent management needs and address company and industry changes promptly
 - Continue to Enhance management skills through training

The ten-year financial plan reflects the following major assumptions:

- Operating and maintenance expenses (excluding the payment-in-lieu-of-taxes and right-of-way fee) are projected to grow at an average annual rate of 4.2 percent, primarily due to projected inflation
- Payment-in-lieu-of-taxes (PILOT) to the District of Columbia for FY 2025 and FY 2026 will be at \$18.70 million and \$19.07 million respectively. PILOT payment is projected to increase by 2 percent per annum in accordance with the new memorandum of understanding (MOU) signed on September 4, 2014, with the District
- According to the memorandum of understanding (MOU) dated October 4, 2014, the Right-of-Way payment to the District of Columbia stays level at \$5.1 million
- Days of cash on hand which is an important measure of short- and long-term liquidity typically exceeds 250 days of cash excluding the Rate Stabilization Fund. The Board's policy approved in October 2021 requires a minimum of 250 days of cash on hand. In 2023 DC Water Board established a goal of increasing the target days of cash on hand to 350 days by FY2032 through the use of year-end surplus
- The Board's policy is to target combined coverage at 1.6X. The combined coverage for FY 2024 to FY 2033 range from 2.13 to 1.81. DC Water Indenture requires Senior Lien coverage of 1.2X and Subordinate at 1.0X, Board Policy is 1.4X for Senior and 1.0X for Subordinate
- Debt Service:
 - Overall increase of Debt Service is to support the capital program. Debt Service as a percent of operating revenues does not exceed 33 percent in the Financial Plan. Debt Service represents 27.3 percent and 28.6 percent of the total operating revenue in FY 2025 and FY 2026, respectively.
 - Interest on Variable debt assumed to be 3.5 percent in FY 2025, and FY 2026
 - Interest on Fixed debt assumed to be 6.0 percent in FY 2025 and FY 2026
 - Utilization of the Commercial Paper program/Extendable Municipal Commercial Paper (EMCP) is assumed for interim financing for bond issuance, capital equipment and the Washington Aqueduct

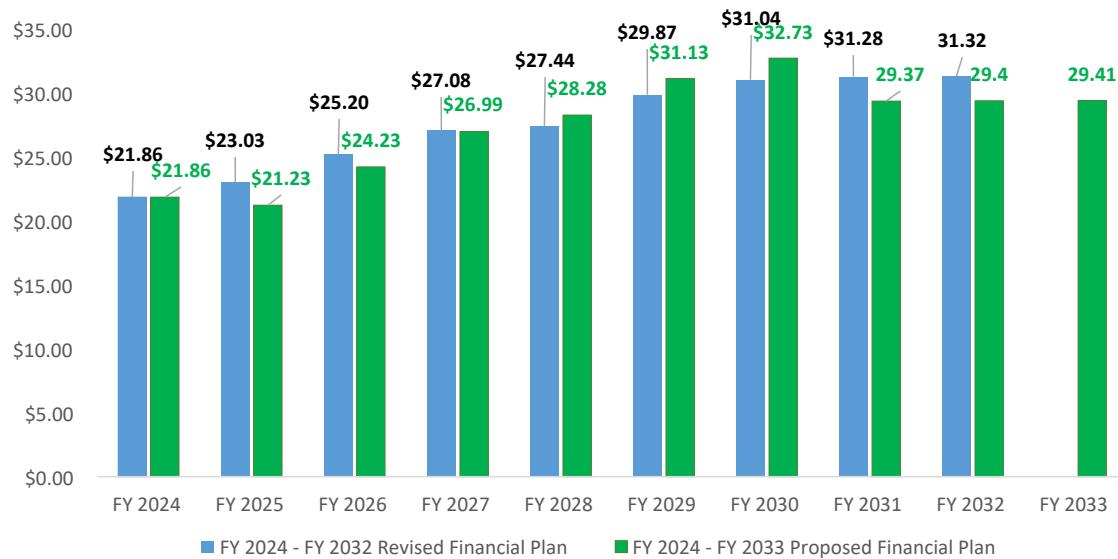
Due to these ongoing and new initiatives, from FY 2024 – FY 2033 DC Water's water and sewer volumetric retail rates are projected to increase by \$1.08 to \$2.42 per 100 cubic feet as shown in the chart below. Cumulative rate increases would total 75.8 percent over the ten-year period compared to 73.3 percent projected in last year's ten-year plan (FY 2023 – FY 2032).



Rates shown above reflect weighted water and sewer rates for Residential customers' category. The proposed retail water and sewer combined rate for FY 2025 is \$17.70 per Ccf and \$18.78 per Ccf for FY 2026. In addition, the combined Right-of-Way and PILOT Fees remain the same at \$0.80 per Ccf (\$1.07 per 1000 gallons) for FY2025, whereas for FY 2026 the Proposed increase is \$0.02 per Ccf (\$0.03 per 1000 gallons) to recover the full amount for services charged to DC Water by the District. There is no increase in Right-of-Way Fee for FY 2025, which remains same at \$0.19 per Ccf (\$0.25 per 1,000 gallons). The proposed increase for FY 2026 PILOT and Right-of-Way is \$0.01 per Ccf each, which will increase PILOT to \$0.62 per Ccf (\$0.83 per 1000 gallons) and Right-of-Way to \$0.20 per Ccf (\$0.27 per 1000 gallons). The proposed monthly Clean Rivers Project CRIAC charges for FY 2025 and FY 2026 are \$21.23 and \$24.23 respectively per ERU (Equivalent Residential Unit); decrease of \$0.63 compared to the FY 2024 charge and increase of \$3.0 compared to the FY 2025 charge respectively.

PROJECTED MONTHLY CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE (CRIAC) CHANGES

FY 2024 – FY 2033



- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the thirty-year \$3.27 billion Clean Rivers Project, which includes the federally mandated CSO-LTCP and the nine-minimum controls program
- The annual Clean Rivers Project costs for the average Tier 2 residential customer (700 – 2,000 sq. ft. of impervious area) is projected to increase from \$21.86 per month in FY 2024 to \$29.41 per month in FY 2033
- The proposed CRIAC shift to sewer volumetric with 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022 and beyond was recommended because it balances infrastructure investment with growth in rates. The shift was based on an assessment that on average 37 percent of volume in the tunnels is from wastewater. The gradual shift helps avoid rate shock to customers. With the shift the overall household charges projected increase is 5.4 percent for FY 2024, 4.8 percent for FY 2025 and 6.5 percent for FY 2026. The CRIAC is projected to decrease from \$21.86 to \$21.23 per ERU per month for FY 2025 and increase to 24.23 or per ERU per month for FY 2026.

The proposed rate and fee adjustments included in the FY 2024 – FY 2033 financial plan are driven by the following trends and initiatives:

- Assumed retail water consumption decline of 1.4 percent in FY 2024 compared to FY 2023 actual. However, due to the impact of COVID-19, FY 2024 consumption for commercial is assumed to decline by 7.0 percent as compared to FY 2021 projected consumption. In FY 2025 and onwards, a one percent decrease in consumption has been assumed due to conservation.
- Increasing debt service expenditures, driven by DC Water's \$7.74 billion capital improvement program (cash disbursements basis), which increases on average by 8.6 percent over the Financial Plan period.
- Operations and maintenance expenditure (excluding the Payment-in-Lieu-of-Taxes (PILOT) and Right-of-Way (ROW) fee) increase on average of 4.2 percent annually over a ten-year period.
 - Increasing operating expenditures, driven primarily by projected increases in personnel services, contractual services, chemicals, electricity, and water purchases
 - Enhanced service to the development community through improved permitting operations

Customer Assistance Programs (CAP): We continued our commitment to help improve the quality of life for those of our customers who are least able to pay, by providing relief through our customer assistance programs (CAP). Through CAP, we provide eligible customers with a discount of 4 Ccf per month on their water and sewer bills. Since it began in FY 2001, participation in CAP has continued to increase. In FY 2004, the Authority expanded the CAP to include tenants who meet financial eligibility requirements and whose primary residence is separately metered by the Authority. As of October 1, 2010, the Board expanded the CAP discount to include the first 4 Ccf of PILOT and ROW to qualifying low-income residential customers. The District Department of Energy and Environment (DOEE), administers this program for the Authority and several other utilities in the area.

In FY 2016, DC Water implemented a Water System Replacement Fee (WSRF). This is a fixed monthly fee set to recover the costs of the 1 percent renewal and replacement program for water service lines. The fee is based on meter size and average flow. DC Water's low-income CAP customer will receive 100 percent credit for this fee.

As of May 1, 2017, the Authority further expanded the CAP to include 50 percent discount for CRIAC. Effective October 1, 2020, the CRIAC discount for low-income CAP customers was increased from fifty percent to seventy five percent.

In FY 2019, DC Water, Mayor Muriel Bowser, and the DC Council worked together to expand the existing customer assistance program. The new benefits were earmarked for non-profits, including churches and cemeteries, along with a group of residential customers who did not previously meet the income guidelines for assistance (CAP2 and CAP3).

CAP2 provides a discount on the first 300 cubic feet (2,250 gallons) of water and sewer services used each month (apart from PILOT and ROW fees) and a fifty percent reduction in the monthly CRIAC fee.

CAP3 provides a discount of seventy-five percent off the monthly CRIAC.

For FY 2023, \$2,399,001 in discount benefits was provided to 8,172 CAP customers and 875 CAP2 customers received discount of \$139,714. The CAP and CAP2 discount programs administered by DOEE provided discounts as of September 30, 2023, to 9047 customers representing \$2,538,715. DC Water's SPLASH program customers donated an additional \$63,930. through their water bills for the benefit of those customers who needed additional help.

DC Clean Rivers Impervious Surface Area Charge Incentive Program: DC Water Board Approved a DC Clean Rivers Impervious Surface Area Charge Incentive Program (CRIAC) effective from October 1, 2013. This is a three-year pilot credit/discount program for the DC Clean Rivers Impervious Surface Area Charge. Eligibility determinations are made by the District Department of Energy and Environment. Customers who manage stormwater on their property using approved best management practices such as rain gardens, rain barrels, previous paving, green roofs, bio retention practices and stormwater will avail this discount. FY 2020 budget proposed an increase from 4 percent to 20 percent for stormwater best management practices. The DC Water Board approved the CRIAC Incentive Discount Program's incentive discount from four percent to twenty percent, which became effective from October 1, 2019.

Expansion of Customer Assistance Programs: To respond to the impact of COVID-19 on our customers, both the District and DC Water have expanded customer assistance programs:

- Emergency Residential Relief Program (ERRP) (District Funded) – For customers struggling with unpaid DC Water bills during the coronavirus (COVID-19) public health emergency and 105 days thereafter, eligible households may receive bill assistance up to \$2,000 as a one-time emergency benefit. EERP ended in September 2022.
- DC Water Cares Residential Assistance Program (RAP) – New \$3 million to continue the Emergency Residential Relief Program in FY 2021 to provide one-time assistance to customers impacted by COVID. Assistance up to \$2,000 per residential customer. RAP was extended to FY 2023 and FY 2024.
- DC Water Cares Multi-Family Assistance Program (MAP) - New \$7 million for a new program, which began in FY 2021 to provide one-time assistance to residents in multi-family buildings that have been negatively impacted by COVID; assistance amount to be provided per affordable unit with household income 80% AMI or less. MAP ended on September 30, 2023.
- FY 2022 Target Assistance - \$5 million held for FY 2022 targeted assistance for customers in need
- LIHWAP (Low Income Household Water Assistance Program) - Provides funds to assist low-income households with water and wastewater bills.
- STAY (Stronger Together Assisting You) - Is a financial 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.
- DC Water Catch-up Program – This is one-time assistance program to reduce accounts receivable and help eligible customers in residential, commercial, and multi-family rate classes bring their delinquent bills back in line with monthly costs and avoid disconnection. Eligible customers have outstanding balances for 30 days or more as of December 31, 2022, and who have not paid their outstanding balance by January 2023.

\$ in thousands

The Proposed FY 2025 operating receipts projection totals \$926.3 million, an increase of \$35.7 million as compared to the FY 2024 Revised Budget. The Proposed FY 2026 operating receipts total \$977.5 million, an increase of \$51.2 million over the FY 2025 Proposed budget receipts.

Comparative Operating Receipts FY 2024 – FY 2026

	FY 2024 Revised	FY 2025 Proposed	Increase / (Decrease)	Percent Change	FY 2026 Proposed	Increase / (Decrease)	Percent Change
Residential	\$ 141,209	\$ 146,941	\$ 5,732	4.1%	\$ 157,940	\$ 10,999	7.5%
Commercial	213,358	222,368	9,009	4.2%	237,996	15,629	7.0%
Multi-family	156,014	164,449	8,436	5.4%	174,130	9,681	5.9%
Sub-Total Residential, Commercial and Multi-family	510,581	533,758	23,177	4.5%	570,066	36,308	6.8%
Federal Government ⁽¹⁾	90,273	91,696	1,423	1.6%	95,990	4,294	4.7%
District Government	23,784	24,612	828	3.5%	26,383	1,772	7.2%
D.C. Housing Authority	15,925	16,777	852	5.4%	17,854	1,077	6.4%
Transfer from Rate Stabilization Fund ⁽³⁾	2,000	2,000	-	-	-	(2,000)	-
Water System Replacement Fee (WSRF)	40,717	40,717	-	-	40,717	-	-
Metering Fee	24,083	24,083	-	-	24,083	-	-
Total Retail	707,362	733,642	26,280	3.7%	775,094	41,451	5.7%
IMA Wastewater Charges	93,434	100,251	6,818	7.3%	106,313	6,062	6.0%
Potomac Interceptor Wastewater Charges	13,085	13,997	912	7.0%	14,592	595	4.3%
Total Wholesale	106,519	114,248	7,729	7.3%	120,905	6,657	5.8%
District Stormwater Revenue ⁽²⁾	1,107	1,107	-	-	1,107	-	-
Misc. Rev. (e.g. water tap installation, fire hydrant usage, etc.)	33,118	33,466	348	1.1%	36,486	3,020	9.0%
Washington Aqueduct Backwash - DC Water's pro rata share	2,598	2,598	-	-	2,598	-	-
Washington Aqueduct Debt Service Revenue for Falls Church & Arlington	193	193	-	-	193	-	-
Interest Income (including interest on Bond Debt Service Reserve Fund)	8,533	9,493	960	11.3%	9,217	(276)	-2.9%
System Availability Fee (SAF)	7,700	7,700	-	-	7,700	-	-
Right-of-Way (ROW) Fee	5,100	5,100	-	-	5,100	-	-
Payment-in-Lieu-of-Taxes (PILOT) Fee	18,330	18,713	384	2.1%	19,056	343	1.8%
Total Other	76,678	78,370	1,692	2.2%	81,457	3,086	3.9%
Total Operating Cash Receipts	\$890,560	\$926,261	\$35,701	4.0%	\$977,455	\$51,194	5.5%

- Projected amounts shown are billed revenues. Actual Federal receipts are a combination of current year projected revenues and prior year adjustments, which are presented as reserve items. See Section III for further explanation.
- Reflects District stormwater fee revenue that will fund DC Water's share of District stormwater permit compliance activities and will not be funded through DC Water's retail rates or other DC Water revenue sources. See Section III for further explanation.

Major assumptions underlying the revenue projections contained in the FY 2024 – FY 2033 financial plan include:

- For FY 2025, 1.0 percent reduction in water sales is assumed over FY 2024 projection for all customer categories, based on historical trends in consumption levels. For the Commercial category, due to impact of COVID-19, seven percent decline in consumption was assumed for FY 2024 as compared to FY 2021 projected consumption. For FY 2025 and onwards, 1.0 percent conservation is assumed for all categories.
- A 4.0 percent average revenue increase is projected between FY 2027 and FY 2033 for wholesale customers, in line with operating and maintenance expense increases for joint use facilities. However, the wholesale revenues are projected to increase by \$7.7 million or 7.3 percent for FY 2025 and \$6.7 million or 5.8 percent for FY 2026 due to revised operations and maintenance expense projections. Revenue estimates are based on the most recent flow data.
- Based on the current interest rate environment, interest projections are conservatively assumed at 2.0 percent earnings rate in FY 2025, 2.5 percent in FY 2026, and 2.75 percent in FY 2027. Interest rates for FY 2028 and onwards are assumed at 3.0 percent.
- The majority of other non-operating revenues, totaling \$48.1 million in FY 2025 are projected to increase within the ten-year plan, and include such items as:
 - Reimbursement from Arlington County and Falls Church for debt service issued for pre-1997 Washington Aqueduct capital improvements - \$0.2 million.
 - Reimbursement from the Stormwater Enterprise Fund for services provided to DOEE under their MS4 permit - \$1.1 million.
 - Recovery of indirect costs from DC Water's IMA partners - \$9.7 million - this reflects recovery of indirect costs on capital projects (e.g., costs for Finance, Government & Legal Affairs and People & Talent functions).
 - Reimbursement from the District for the Fire Protection Services fee of \$10.8 million.
 - Washington Aqueduct Backwash - DC Water's pro-rata share of \$2.6 million.
 - Other miscellaneous fees and charges, including service line replacements, developer-related fees, and the Engineering Review, waste hauler fees and System Availability Fee (SAF) - \$23.7 million.

The Proposed FY 2025 receipts projection totals \$926.26 million, approximately \$35.7 million higher than the FY 2024 Revised Budget. The increase is primarily due to:

- **Residential, Commercial and Multi-Family Receipts** - Projections for FY 2025 reflect an increase of \$23.2 million, or 4.5 percent from FY 2024 Revised due to proposed retail rate increase of 8.0 percent (water and sewer volumetric rates) and a decrease of \$0.63 monthly ERU fee for the Clean Rivers IAC. (See Section IV – Rates and Revenues for details on all rate and fee proposals).
 - One percent decrease in overall consumption in FY 2025 over FY 2024 projections has been assumed due to conservation.
- **Federal Revenues** – Proposed 2025 Federal revenues are projected to increase by \$1.4 million or 1.6 percent over FY 2024 Revised budget. Under existing Federal billing legislation, Federal billings are prepared on an estimated basis eighteen months in advance of the start of the fiscal year (e.g., the FY 2025 billing was prepared in April 2023, and are based on the current consumption estimates and projected rate increases as included in the current ten-year plan. These estimates are then reconciled with actual consumption and rate increases, and an adjustment is made in the subsequent year's billing (e.g., the reconciliation of FY 2023 estimated vs. actual consumption and rate increases will be included in the FY 2026 billing, prepared in April 2024). Federal revenues in the ten-year plan are presented on a revenue basis, net of any adjustments for prior year reconciliations which are accounted for as reserve items. Consistent with this methodology, the proposed FY 2025 federal revenues reflect the final billing sent to the federal government in April 2023 net of the adjustment for the prior-year (FY 2022) reconciliation.
- **Municipal & D.C. Housing Authority Receipts** - are projected to increase by \$1.7 million (or 4.2 percent) mainly due to proposed retail rate increases of 8.0 percent and decrease of \$0.63 monthly ERU fee for the Clean Rivers IAC.
- **Rate Stabilization Fund Utilization** – The ten-year plan and near-term revenue projections assume utilization of \$2.0 million of RSF in FY 2025. The RSF is not utilized in FY 2026. There will be a balance of \$31.64 million by the end of FY 2033. Prior years' plans assumed the use of these funds, which is necessary as DC Water reaches its peak years of spending in the CIP. Utilization of RSF monies allows DC Water to implement future rate increases in a reliable and predictable manner while still meeting Board and indenture policies on cash reserves and debt service coverage.
- **Water System Replacement Fee** – Proposed fixed monthly fee set to recover the costs of one percent renewal and replacement program for water service lines generating approximately \$40.7 million per year.
- **Customer Metering Fee** - This fee recovers the costs associated with installing, operating, maintaining, and replacing meters, and is charged to all retail customers (including federal and municipal customers). The fee varies based on meter size, with monthly fees ranging from \$7.75 for a 5/8-inch meter (typical size of a residential customer meter) to \$701.62 for 16" meters (typically used for large commercial customers). Based on the FY 2024 Cost of Service study, there is no increase in the Customer Metering fees, which is

projected to generate \$24.1 million in FY 2025 and onwards.

- **Wholesale Receipts** – DC Water's wholesale customers are responsible for a proportionate share of operating and maintenance expenses (associated only with shared facilities primarily at Blue Plains) based on their respective share of wastewater volume discharged. In addition, each user is responsible for a proportionate share of related indirect costs. In FY 2025 wholesale revenues are projected to increase by \$7.7 million or 7.3 percent to \$114.2 million mainly due to projected increase in operations and maintenance expenses.
- **Stormwater** - DC Water's FY 2024 and FY2025 receipts include \$1.1 million each year from the Department of Energy and Environment (DOEE) formerly DDOE which will be used to fund DC Water's services provided on behalf of the District's stormwater permit compliance activities including the billing and collection through DC Water invoices of fees established by DOEE. The FY 2024 – FY 2033 financial plan assumes that all incremental costs borne by DC Water for stormwater permit compliance activities will be reimbursed by the stormwater fund, and that DC Water funds will be advanced to pay for these activities.
- **Right-of-Way (ROW) and Payment-In-Lieu of Taxes (PILOT) Pass-Through Fees** – Similar to other Washington area utilities, DC Water has implemented fees that pass through the costs of the District's ROW and PILOT as separate line items on its bill. PILOT fee increases by 2 percent over prior year as per PILOT MOU signed with the District Government on September 4, 2014. In FY 2025 Proposed budget as compared to FY 2024 Revised budget, PILOT is projected to increase by \$0.4 million or 2.1 percent mainly due to slightly higher consumption. ROW fee remains same at \$5.1 million.
- **Other Revenues** – In FY 2025, Other Revenues are projected to increase by \$1.7 million or 2.2 percent mainly due to increase in the Indirect Cost Recovery from Counties on Capital Projects and Interest earnings.

The Proposed FY 2026 receipts projection totals \$977.5 million, approximately \$51.2 million, or 5.5 percent higher than the Proposed FY 2025 projections. This increase is due primarily to:

- **Residential, Commercial & Multi-Family** - FY 2026 projections reflect an increase of \$36.3 million, or 6.3 percent from FY 2025 primarily due to proposed retail rate increases of 6.0 percent (water and sewer volumetric rates) and increase of 3.0 monthly ERU fee for the Clean Rivers IAC (see Section IV- Rate and Revenues for detail on all rate and fee proposals)
 - One percent decrease in consumption over FY 2025 projections has been assumed for Residential, Commercial and Multi-family due to conservation in FY 2026.
- **Federal Revenues** - Approved FY 2026 Federal revenues are projected to increase by \$4.3 million or 4.7 percent above the FY 2025 Proposed budget to \$96.0 million.
- **Municipal & D.C. Housing Authority Receipts** - are projected to increase by \$2.8 million (or 6.9 percent), mainly due to proposed retail rate increases of 6.0 percent and an increase of \$3.0 monthly ERU fee for the Clean Rivers IAC.
- **The Rate Stabilization Fund** - The ten-year plan and near-term revenue projections assume no utilization of RSF in FY 2026. There will be a balance of \$31.64 million by the end of FY 2033.
- **Water System Replacement Fee** - Proposed fixed monthly fee set to recover the costs of 1 percent renewal and replacement program for water service lines generating approximately \$40.7 million per year.
- **Customer Metering Fee** - This fee recovers the costs associated with installing, operating, maintaining and replacing meters, and is charged to all retail customers (including federal and municipal customers). The fee varies based on meter size, with monthly fees ranging from \$7.75 for a 5/8-inch meter (typical size of a residential customer meter) to \$701.62 for 16" meters (typically used for large commercial customers). The Customer Metering fee is projected to generate \$24.1 million in FY 2026.
- **Wholesale Receipts** - In FY 2026, Wholesale revenues are projected to increase by \$6.7 million or 5.8 percent to \$120.9 million due to the projected increase in operations and maintenance expenses.
- **Stormwater** - As noted earlier, the Proposed FY 2026 receipts for this category include \$1.1 million each year from the Department of Energy and Environment (DOEE).
- **PILOT and Right-of-Way (ROW) Fee** - In FY 2026, PILOT fee increase by 2.0 percent over prior year as per the PILOT MOU signed with the District Government on September 4, 2014. The PILOT for Proposed FY 2026 is projected to increase by \$0.3 million or 1.8 percent as compared to the Proposed FY 2025 budget. Row fee remains the same at \$5.1 million.
- **Other Revenues** – In FY2026, Other Revenues are projected to increase by \$3.1 million or 3.9 percent mainly due to Indirect Cost Recovery from Counties on Capital Projects and Miscellaneous Revenue

(\$ in thousands)

DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY

FY 2024 - FY 2033 FINANCIAL PLAN

(In 000's)

OPERATING	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Retail*	\$728,792	\$755,456	\$799,250	\$854,603	\$911,660	\$980,556	\$1,043,786	\$1,090,013	\$1,154,059	\$1,204,514
Wholesale*	106,519	114,248	120,905	125,741	130,771	136,001	141,441	147,099	152,983	159,102
Other	53,249	54,557	57,301	62,364	67,922	70,592	69,584	70,092	65,216	64,505
RSF	2,000	2,000								
Operating Receipts ⁽¹⁾	\$890,560	\$926,261	\$977,455	\$1,042,708	\$1,110,352	\$1,187,149	\$1,254,812	\$1,307,204	\$1,372,258	\$1,428,121
Operating Expenses	425,383	444,207	464,947	482,959	501,685	521,151	541,388	562,427	584,299	607,038
Debt Service	221,635	249,495	277,000	307,289	340,180	372,492	402,816	425,524	446,587	462,941
Cash Financed Capital Improvement	\$58,575	\$60,436	\$71,932	\$76,914	\$82,049	\$88,250	\$93,941	\$98,101	\$103,865	\$108,406
Net Revenues After Debt Service	\$184,967	\$172,123	\$163,576	\$175,546	\$186,439	\$205,256	\$216,667	\$221,152	\$237,507	\$249,736
Operating Reserve-Beg Balance	286,889	296,600	309,600	324,600	337,600	351,600	365,600	380,600	395,600	411,600
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(15,256)	(21,513)	(15,100)							
Project Billing Refunds	(2,000)	(2,000)								
Transfers to RSF										
Pay-Go Financing	(158,000)	(135,609)	(133,476)	(162,546)	(172,439)	(191,256)	(201,667)	(206,152)	(221,507)	(233,736)
Operating Reserve - Ending Balance	\$296,600	\$309,600	\$324,600	\$337,600	\$351,600	\$365,600	\$380,600	\$395,600	\$411,600	\$427,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$33,644	\$31,644	\$31,644	\$31,644	\$31,644	\$31,644	\$31,644	\$31,644	\$31,644	\$31,644
Senior Debt Service Coverage	818%	753%	651%	607%	635%	628%	589%	616%	591%	579%
Combined Debt Service Coverage	213%	193%	188%	190%	186%	186%	183%	181%	182%	183%
Actual/Projected Water/Sewer Rate Increases	3.25%	8.00%	6.00%	8.00%	9.00%	9.00%	8.50%	9.00%	8.50%	6.50%
*Operating Receipts \$ Increase/Decrease										
Retail	26,565	26,664	43,794	55,353	57,057	68,896	63,230	46,227	64,047	50,455
Wholesale	1,269	7,729	6,657	4,836	5,030	5,231	5,440	5,658	5,884	6,119
*Operating Receipts % Increase/Decrease										
Retail	3.8%	3.7%	5.8%	6.9%	6.7%	7.6%	6.4%	4.4%	5.9%	4.4%
Wholesale	1.2%	7.3%	5.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

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

⁽²⁾ FY 2025 planned transfers of \$0.0 million to Rate Stabilization Fund and \$2.0 million utilization will bring the total fund balance to \$31.644 million

\$ in thousands

As in previous years, debt service continues to be the fastest-growing expenditure in the ten-year financial plan as a result of DC Water's \$7.74 billion capital improvement program, growing at an average annual rate of 8.6 percent. All other operating expenses are projected to grow at an average annual rate of 4.2 percent. The following chart provides a detailed comparison of the FY 2024 and FY 2025 operating budgets.

Comparative Operating Expenditure Budgets

FY 2024 – FY 2025

	FY 2024 REVISED	FY 2025 APPROVED	Increase (Decrease)	Percentage Change
Personnel Services	\$201,581	\$209,633	\$8,052	4.0%
Contractual Services	93,070	102,284	9,213	9.9%
Water Purchases	44,039	45,330	1,291	2.9%
Chemicals and Supplies	54,568	55,585	1,017	1.9%
Utilities	39,233	40,318	1,085	2.8%
Small Equipment	1,437	1,364	(73)	-5.1%
Subtotal Operations & Maintenance	\$433,928	\$454,513	\$20,586	4.7%
Debt Service	221,635	249,495	27,860	12.6%
Cash Financed Capital Improvements	58,575	60,436	1,862	3.2%
Payment in Lieu of Taxes	18,330	18,696	367	2.0%
Right of Way Fees	5,100	5,100	-	0.0%
Subtotal Debt Service, CFCI & PILOT/ROW	303,639	333,728	30,088	9.9%
Total Operating Expenditures	\$737,567	\$788,241	\$50,674	6.9%
Personnel Services charged to Capital Projects	(31,974)	(34,087)	(2,113)	6.6%
Total Net Operating Expenditures	\$705,593	\$754,154	\$48,561	6.9%

The approved FY 2025 budget total of \$788.2 million is approximately 6.9 percent higher than the revised FY 2024 budget. The net increase is primarily due to increase in Cash Financed Capital Improvements costs associated with DC Water's capital improvement program, as well as increase in the operations and maintenance budget. The FY 2024 operations and maintenance budget net increase of 6.2 percent is primarily due to increases in personnel services, contractual services, water purchases, utilities, and small equipment. Specific information regarding each department is included in Section VII. A description of the assumptions and major issues/changes in each major expenditure category follows.

Personnel Services - increase of \$8.1 million or 4.0 percent above the revised FY 2024 budget. The increase is primarily salary adjustments including steps merit increases, and bonus payments consistent with previous union agreements (expired September 2023). Provides funding for the career workforce advancement program for existing employees, apprenticeship program, and Summer Internship Program.

Contractual Services – increase of \$9.2 million or 9.9 percent above the revised FY 2024 budget mainly for critical maintenance requirements (operational facilities, critical equipment, and software systems), insurance premiums, various professional services, strategic initiatives, and new programs including the leak assessment program.

Water Purchase – increase of approximately \$1.3 million or 2.9 percent above the revised FY 2024 budget. This represents DC Water's share of the Washington Aqueduct's FY 2025 O&M budget and includes funding for the McMillan Sewer Backwash project.

Chemicals & Supplies – increase of approximately \$1.0 million or 1.9 percent above the revised FY 2024 budget million mainly for critical parts and supplies.

Utilities – increase of approximately \$1.1 million or 2.8 percent above the revised FY 2024 budget is due to water usage at the Plant due to changes made in the wastewater treatment process, and electricity. DC Water's thermal hydrolysis process and anaerobic digesters continue to generate approximately 6.5MW electricity to offset the Authority-wide energy consumption of 33 MW.

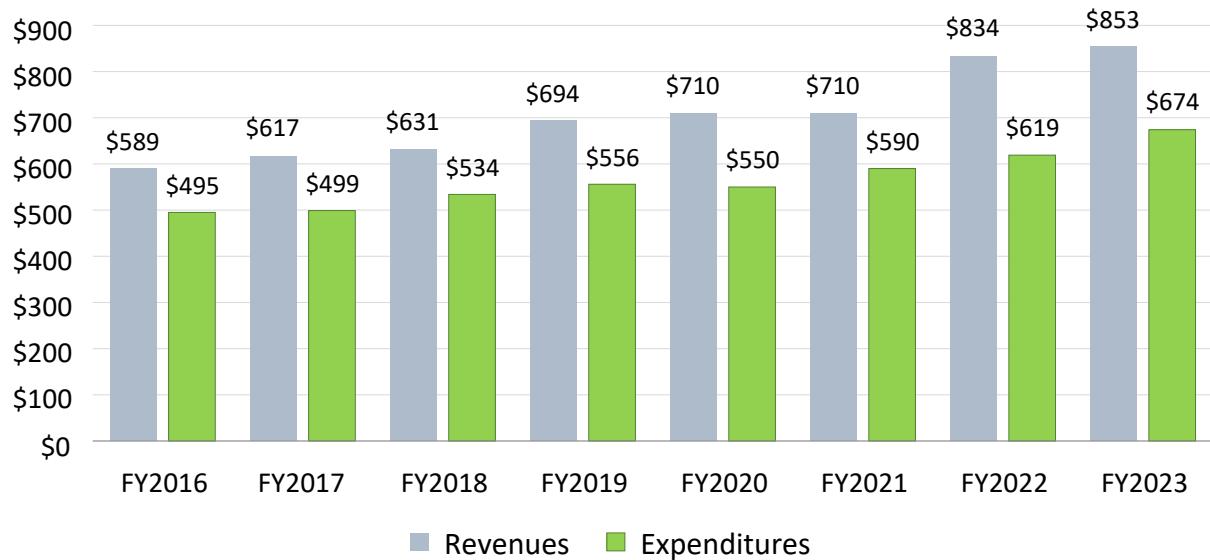
Small Equipment – is relatively flat compared to the approved FY 2024 budget.

\$ in thousands

Solid Financial Performance with Revenues Consistently Exceeding Expenses

- FY 2023 Actual Operating cash receipts increased by \$19.3 million to \$853.3 million or 2.3 percent
- FY 2023 Budget to actual results showed both revenues exceeding and expenses below budget
- Conservative budgeting and revenue forecasting has resulted in annual operating surpluses and increased net income margins

Revenue vs. Expenditures



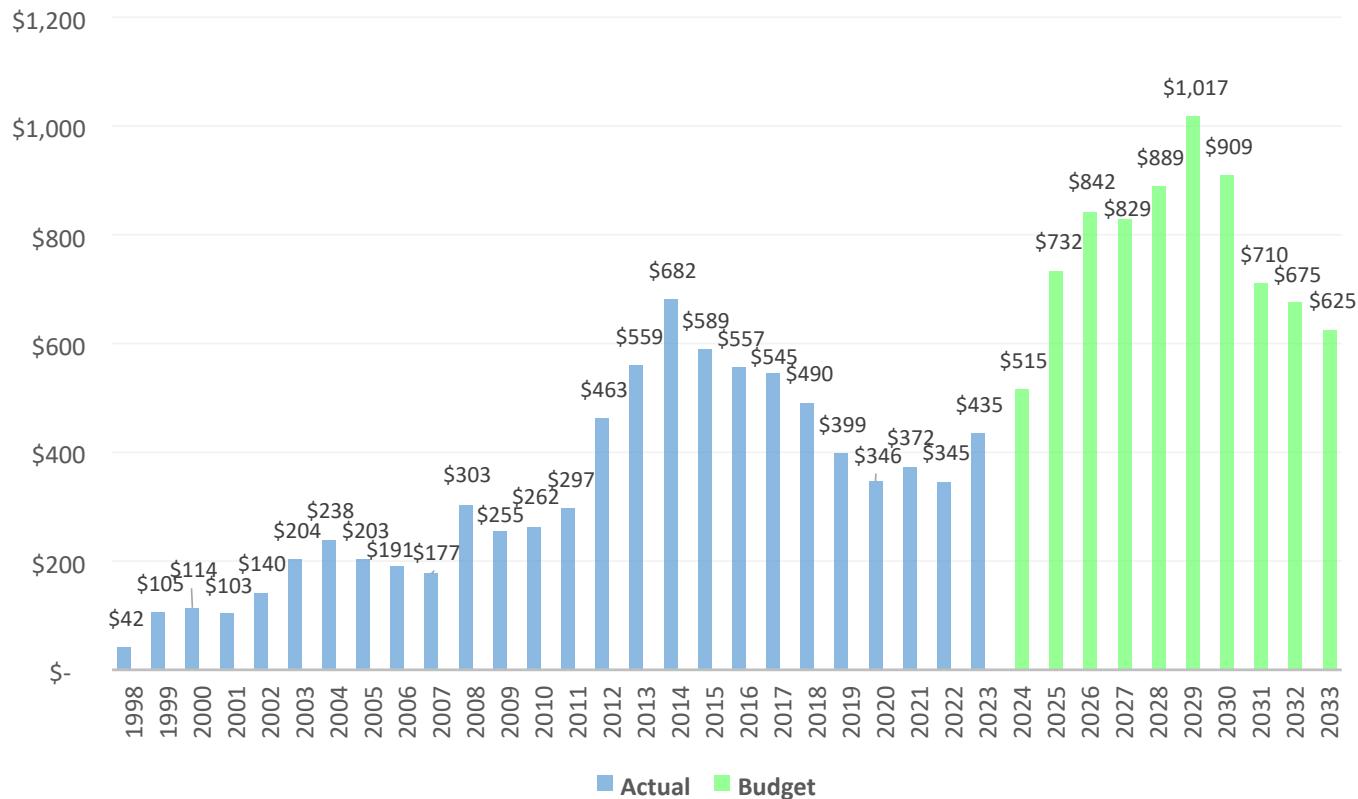
\$ in thousands

The 7.74 Billion Ten-Year CIP Protects Our Assets While Leveraging Long-Term Debt

The FY 2024 - FY 2033 financial plan anticipates capital disbursements of \$7.74 billion. Over the last 26 years, \$8.42 billion has been invested on DC Water's system averaging approximately \$323.7 million per year. Projected annual spending ranges from \$515 million to nearly \$1,017 billion as shown in the chart below (or approximately \$774 million per year from FY 2024 - FY 2033). The financing of DC Water's capital program comes from four primary sources, as more fully described in this section. The amount of EPA grant funding is defined by annual federal appropriations, while jurisdictional capital contributions are based on a fixed percentage of Blue Plains and other shared facilities. The remainder of the program is funded with DC Water's debt and Pay-Go financing from operations.

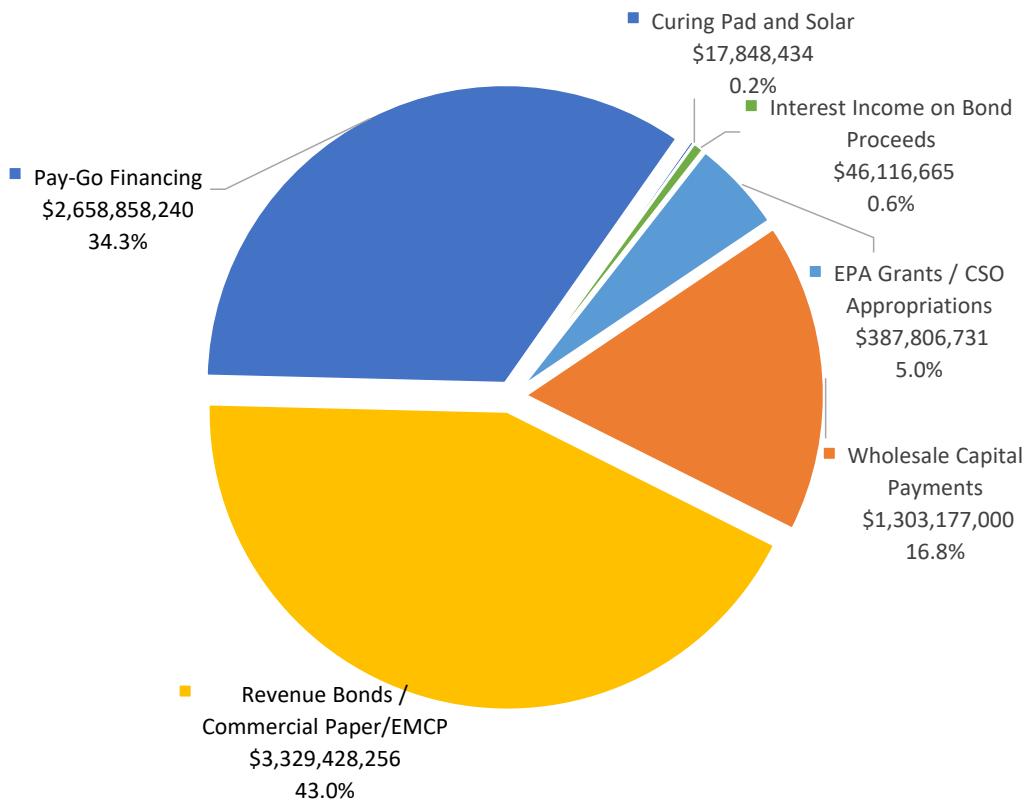
As noted earlier in this section, DC Water developed a comprehensive financing plan in FY 1999 with the dual goals of 1) securing the lowest cost of capital possible, and 2) maximizing administrative and operating flexibility. The plan includes the following components: Grants; wholesale capital payments; permanent financing; Interim financing and Pay-Go.

Historical and Projected Capital Spending FY 1998 - FY 2033



FY 2024 – FY 2033 Capital Improvement Program Sources of Funds

	FY 2024 - FY 2033 Plan Total	Percent of Total
EPA Grants / CSO Appropriations	\$ 387,806,731	5.0%
Wholesale Capital Payments	\$ 1,303,177,000	16.8%
Revenue Bonds / Commercial Paper/EMCP	\$ 3,329,428,256	43.0%
Pay-Go Financing	\$ 2,658,858,240	34.4%
Curing Pad and Solar	\$ 17,848,434	0.2%
Interest Income on Bond Proceeds	\$ 46,116,665	0.6%
TOTAL SOURCES	\$ 7,743,235,326	100.0%



- **EPA and CSO Grants** – For FY 2024 – FY 2033, EPA and CSO grants represent only 5.0 percent of the funding for 10-year capital program. DC Water currently plans to finance part of its Ten-Year CIP through EPA grant funding for certain eligible projects under the Clean Water and Safe Drinking Water Acts. In general, the District of Columbia projects carried out by DC Water are supported by approximately one percent of the available annual funding through revolving fund programs associated with the Clean Water and Safe Drinking Water Acts. In addition, DC Water has received \$293.8 million in Congressional appropriations for the Clean Rivers Project (aka CSO LTCP) as of February 28, 2023.
- **Wholesale Capital Payments** - Approximately 60 percent of the capacity of DC Water's wastewater treatment facilities are contractually committed to provide wholesale service to suburban jurisdictions under various contracts. Montgomery and Prince George's Counties (through the Washington Suburban Sanitary Commission (WSSC), Fairfax County, and the Loudoun County Sanitation Authority pay a proportionate share of capital-related costs equal to their share of contracted capacity at Blue Plains. DC Water anticipates 16.8 percent of its capital funding will come from wholesale customers.
- **Revenue Bonds/Commercial Paper/EMCP/WIFIA** - Currently debt financing represents only 43.0 percent of the funding in the ten-year capital program.
- **Pay-Go (Internal) Financing** – ‘Pay-go’ financing shall mean any cash financing of capital projects. The amount transferred from operations to the capital program each year shall be cash in excess of all operating requirements or restricted use. Approximately 34.4 percent of total funding for the FY 2024 – FY 2033 plan is projected to come from PAY-GO financing, which strikes an appropriate balance between maintaining moderate debt levels and financing provided by current ratepayers. Pay-Go funds will be used in a manner consistent with our financial policies: 1) to fund capital financing or for repayment of higher cost debt and that whenever possible, the least costly capital financing be used for capital projects, 2) to produce the lowest practical cost of debt for financing its capital projects.

FY 2024 and FY 2025 Debt Issuance Plans & Debt Service Assumptions

DC Water plans to remarket the variable rate mode Series 2019 C bonds in the third quarter of FY 2024 for approximately \$100 million. Additionally, DC Water plans to issue approximately \$325 million in new bonds in the second quarter of FY 2025, for Series 2025.

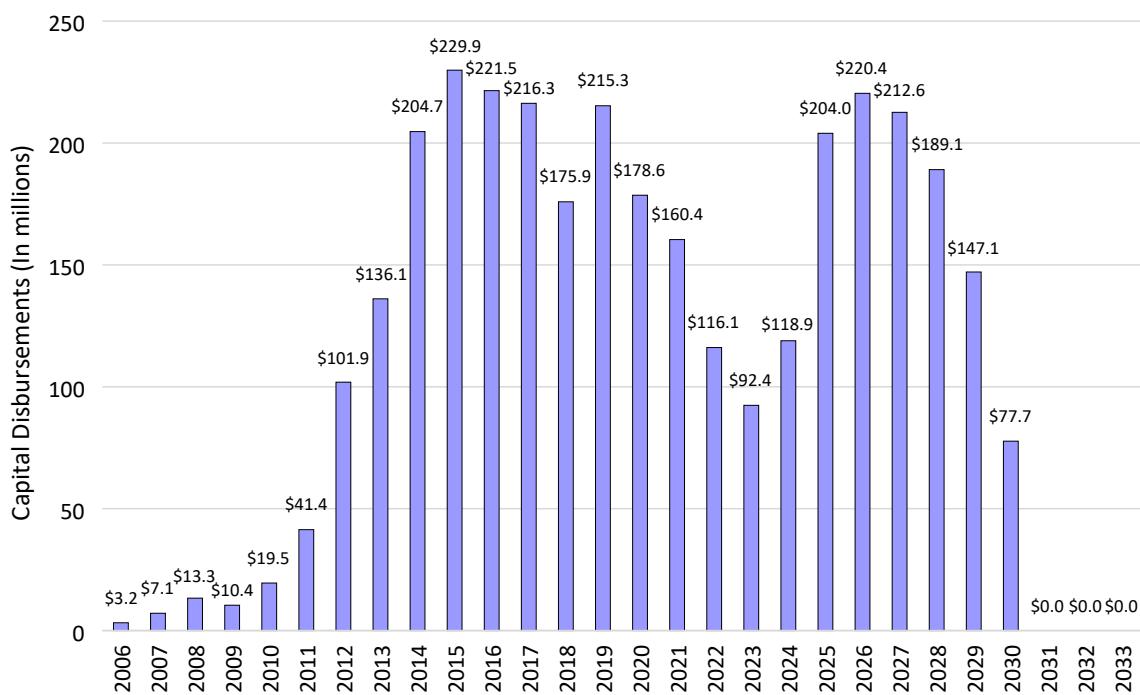
For financial planning, (1) we have assumed fixed rate, tax-exempt bonds at 5.5 percent for FY 2024. Similarly, for the remainder of the ten-year plan we have assumed issuing long-term bonds at 6.0 percent for FY 2025 to FY 2033; and 2) issue commercial paper/EMCP for interim financing. The ten-year plan assumes a variable interest rate of 5.0 percent in FY 2024 and 4.0 percent in FY 2025. To yield the best possible interest rate savings, our debt portfolio is evaluated on a regular basis.

Cash balances totaled \$287.7 million at the end of FY 2023, which excludes \$35.6 million for the Rate Stabilization Fund, as detailed below. Over the next ten years, cash balances are projected to meet Board-required reserve levels for 267 days of operating and maintenance expense budget, plus 160 percent combined coverage.

DC Clean Rivers Project

In December 2004, the Board reached agreement with the federal government on the proposed DC Clean Rivers Project LTCP and entered into a related consent decree. Lifetime capital costs for this project currently stands at approximately \$3.27 billion and this year's approved ten-year plan includes \$1.17 billion of projected disbursements. Projected spending by fiscal year for the Clean Rivers Project is shown in the next chart.

In FY 2023, DC Water received federal funding of \$8.0 million for the Combined Sewer Overflow Long Term Control Plan Service Area. However, as the project spending increases over the years, so does the projected Clean Rivers Impervious Surface Area Charge (CRIAC) fee. If additional federal assistance is provided, the Clean Rivers IAC would increase at a slower pace than this ten-year plan proposal assumes. As noted earlier, this plan assumes jurisdictional contributions, for joint use Projects, to the Clean Rivers Project under the IMA of 7.1 percent beginning in FY 2011. Please see section IV for more details on the Clean Rivers IAC.



Cash balances totaled \$324.3 million at the end of FY 2023. As detailed below, this includes \$35.64 million for rate stabilization. Over the next ten years, cash balances are projected to meet the Board required reserve level of 267 days of operating and maintenance expense budget, plus 160 percent combined coverage.

DC Water's operating reserve includes the following components:

FY 2023 Year - End Cash

(\$ in thousands)

Cash Balance per Bank	\$	287,695
Operating Reserve per Indenture (1)	\$	58,067
Renewal & Replacement Reserve (Indenture Required) (2)	\$	35,000
250 Days of Cash O&M Undesignated Reserve to meet Board Policy (3)	\$	194,628
Ending Cash Balance	\$	287,695
Rate Stabilization Fund Reserve	\$	35,644
DC Insurance Reserve	\$	1,000
Total Cash Balance and Reserve Funds	\$	324,339

(1) Excludes Debt Service Reserve Funds

(2) Board policy re-affirmed \$35 million in April 2023

(3) Board policy approved October 2021, for budgeted fiscal year end O&M costs calculated on an average daily balance, with an objective of maintaining at least 250 days of cash

- **Indenture-Required Operating Reserve** - This reserve is required by DC Water's bond indenture and is equivalent to two months' operations and maintenance expenses from the prior year, or approximately \$58.1 million in FY 2023
- **Renewal & Replacement Reserve** - In FY 2023 the Board reaffirmed the amount of \$35 million in the financing policy. In 2023, Independent Financial Consultant reviewed R&R Reserves and recommended to maintain it at \$35 million. The recommendations will be presented to the Board for review and approval. The reserve level will be reviewed every five years by DC Water's independent rate consultants in conjunction with the indenture-required assessment of the physical condition of the system. The next Cost-of-Service (COS) study to review Renewal & Replacement Reserves will be conducted by Independent Financial Consultants in FY 2028.

- **Undesignated Reserve** - After allocating portions of the operating and maintenance reserve to the reserves listed above, the amount that remains (approximately \$194.6 million for FY 2023) is DC Water's undesignated reserve and is available for other contingencies.

DC Water has other reserves that are available for very specific circumstances:

- **Rate Stabilization Fund (RSF)** - Consistent with the Board's financial policies and as envisioned in the bond indenture, this fund is to be established to mitigate large annual rate increases. This year's plan reflects continued use of the rate stabilization fund, which totaled \$35.6 million as of September 2023. The year-end RSF balance is projected at \$35.6 million for FY 2023 and FY 2024. Future deposits to the rate stabilization fund will be determined annually based on financial performance in that fiscal year and updated ten-year capital and operating forecasts. The current plan anticipates \$31.6 million available at the end of FY 2033.
- **Debt Service Reserve Funds** - The supplemental bond indenture associated with the Series 1998 senior lien bonds requires DC Water to maintain a debt service reserve fund. This reserve which is in addition to the 267 days operating and maintenance reserve, is held by DC Water's trustee and can only be used if net revenues are insufficient to meet the next debt service payment. DC Water earns interest on this reserve that is included in other operating revenue and is used to offset annual debt service payments. The amount of interest earnings that DC Water can retain on the debt service reserve fund is limited by federal arbitrage restrictions.



Approved FY 2025 Budgets

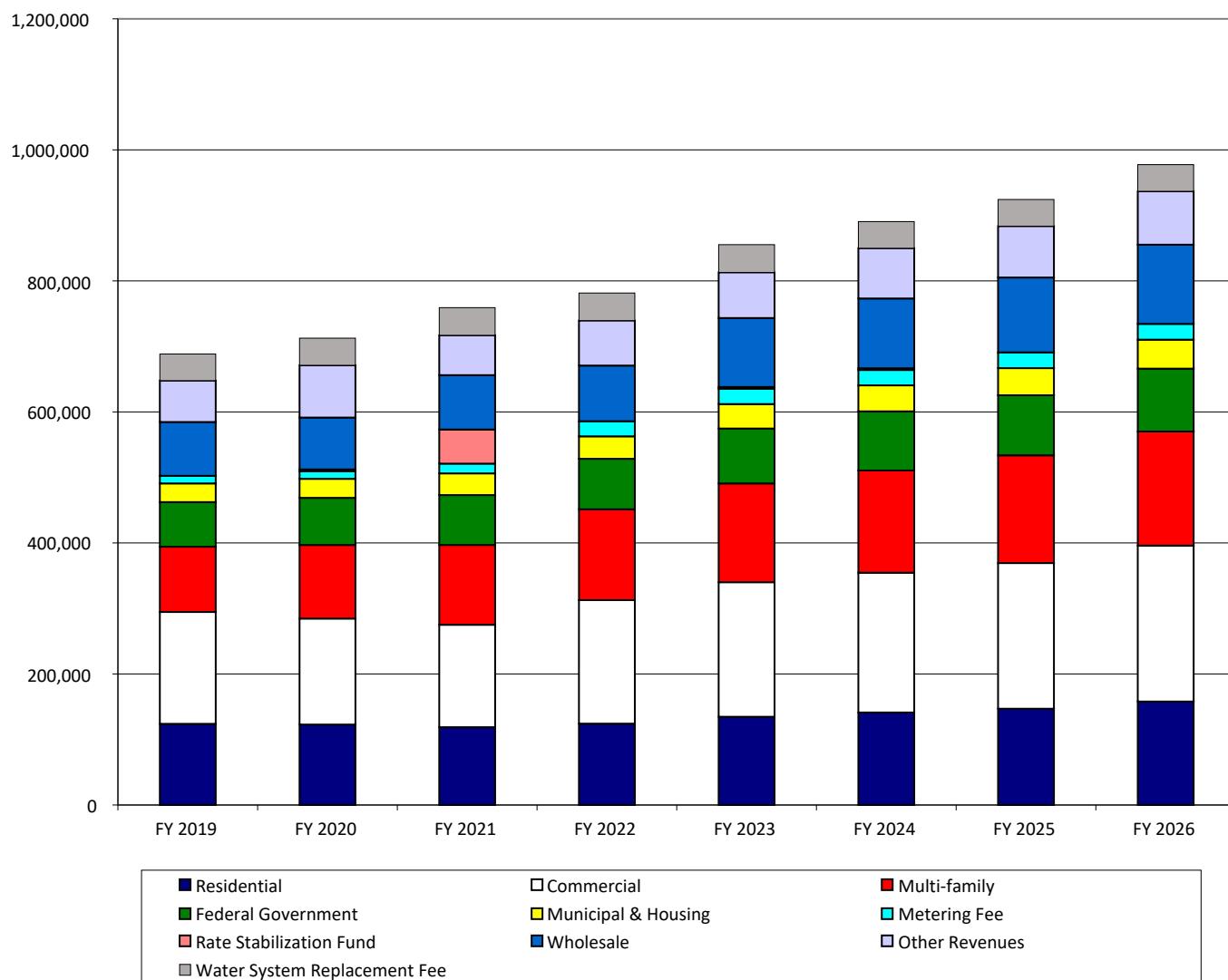
Section IV: RATES AND REVENUES



Lead Free DC door to door canvassing

In order to provide continuous delivery of water and wastewater services, DC Water must ensure a reliable and predictable revenue stream that cover operating and maintenance (O&M) costs and meet or exceed all Board and other financial requirements. DC Water has a diverse customer base and thus receives cash receipts from a variety of sources. This diversity mitigates reliance on any single customer and provides a level of revenue stability.

Historical and Projected Cash Receipts (\$000's)



Funds Summary

The COVID-19 has an impact on consumption and revenue. The proposed budget for FY 2024 assumed revenue of \$890.6 million from consumption of 32,211,000 Ccf. The revenue projections assume a 1.4 percent overall retail water consumption decline in FY 2024 over FY 2023 actual. However, for Commercial category, consumption for FY 2024 is assumed to decline by 7.0 percent as compared to projected FY 2021 consumption. For all categories of customers, one percent conservation is assumed for FY 2025 and onwards. The major assumptions are:

- Assumed delinquencies will decrease slightly in 2024 and onwards.
- Assumed normal collection of receipts for Late Fees. DC Water resumed charging late fees of 1% and 10% from September 1, 2021.
- Resumed placing liens effective from June 13, 2022.
- DC Water resumed disconnections/cut-offs for residential and commercial categories effective from July 12, 2022. For only Residential customers, suspended disconnections for winter moratorium from December 15, 2023 to January 2, 2024.
- Partnered with the District for the Emergency Relief to District customers
- Assumed slightly higher miscellaneous fee revenue and interest earnings
- For FY 2024 and beyond, projected that the Commercial consumption decline would continue

DC Water Revenue Receipts


[summary](#) [overview](#) [financial plan](#)
[rates&rev](#)
[capital](#)
[financing](#)
[departmental](#)
[glossary](#)

Funds Summary

Historical and Projected Operating Cash Receipts

(\$000's)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Revised	Proposed	Proposed
Residential	118,770	124,159	134,665	141,209	146,941	157,940
Commercial	156,345	188,598	205,401	213,358	222,368	237,996
Multi-family	121,777	138,579	150,756	156,014	164,449	174,130
Sub-Total Residential, Commercial and Multi-family	396,892	451,336	490,822	510,581	533,758	570,066
Federal Government (1)	76,206	77,112	83,839	90,273	91,696	95,990
District Government	20,933	21,055	21,495	23,784	24,612	26,383
D.C. Housing Authority	12,173	13,210	15,801	15,925	16,777	17,854
Transfer from Rate Stabilization Fund	2,500	52,100	-	2,000	2,000	
Water System Replacement Fee (WSRF)	42,212	42,079	42,407	40,717	40,717	40,717
Metering Fee	14,862	23,134	24,104	24,083	24,083	24,083
Total Retail	565,777	680,026	678,468	707,362	733,643	775,093
IMA Wastewater Charges	71,797	73,798	91,713	93,434	100,251	106,313
Potomac Interceptor Wastewater Charges	11,189	11,101	13,537	13,085	13,997	14,592
Total Wholesale	82,987	84,899	105,250	106,519	114,248	120,905
District Stormwater Revenue (2)	1,148	1,107	1,038	1,107	1,107	1,107
Misc. Rev. (e.g. water tap installation, fire hydrant usage, etc.)	28,822	34,463	32,981	33,118	33,466	36,486
Washington Aqueduct Backwash - DC Water's prorata share	-	-	177	2,598	2,598	2,598
Washington Aqueduct Debt Service Revenue for Falls Church & Arlington	193	193	193	193	193	193
Interest Income (including interest on Bond Debt Service Reserve Fund)	3,627	1,084	6,381	8,533	9,493	9,217
System Availability Fee (SAF)	5,403	9,194	5,087	7,700	7,700	7,700
Right-of-Way Fee	5,100	5,345	5,253	5,100	5,100	5,100
PILOT Fee	16,512	17,284	18,506	18,330	18,713	19,056
Total Other	60,805	68,670	69,616	76,678	78,370	81,457
Total Operating Cash Receipts	709,569	833,595	853,333	890,560	926,261	977,455

(1) Historical actuals are presented on revenue basis. Projected amounts shown are billed revenues. Actual Federal receipts are a combination of current year projected revenues and prior year adjustments, which are presented as reserve items. See Section III for further explanation.

(2) Reflects District stormwater fee revenue that will fund DC Water's share of District stormwater permit compliance activities and will not be funded through DC Water's retail rates or other DC Water revenue sources. See Section III for further explanation.

Customer Categories and Accounts

As of September 30, 2023, DC Water had 127,026 active, metered water and wastewater accounts. In addition, there are 5,790 separate accounts that are billed only for impervious surface. DC Water's customers are classified as retail (residential, multi-family and non-residential) and wholesale customers only. However, within the retail customer class, DC Water tracks receipts and associated consumption at a more detailed level in order to analyze trends and service characteristics. Retail customers' characteristics can be viewed in six groups: residential, multi-family, commercial, federal, DC Municipal and Housing Authority.

FY 2023 revenue receipts are actual as of September 30, 2023.

In FY 2011, a study of the demand characteristics of DC Water customers was undertaken to determine if additional customer classes should be defined for the purpose of cost allocation. Review of 12 months of data (May 2010 to April 2011) revealed, (among other things) that there is a difference in peaking characteristics between many of the customer groups. Generally, the federal customers have the highest peaking factor, with commercial customers having the next highest peaking factor and municipal, residential, multi-family and Housing Authority customers having the lowest peaking factor. Segmentation of water customers is typically done by class-based peak use characteristics with the higher peaking customers allocated more of the system costs (primarily driven by electricity and system capacity costs).

This information helped to inform an analysis of alternative rate structures within the FY 2012 Cost of Service Study (COS). Among the alternatives reviewed, the study reviewed different volumetric rates by customer class/category based on the different demands they place on the system. Differentiation could be based on water peaking characteristics or discharge strength contributions (wastewater). While it was recommended that additional analysis be undertaken in for any further consideration of discharge strength differentiation, management recommended that a new customer class, "Multi-Family", be created to acknowledge the similarity of peaking characteristics with other residential customers, yet provide transparency between single family and multi-family residential units. (Multi-Family residential facilities will continue to be defined as those facilities with 4 or more residential units.) The new Multi-family class has been effective from October 1, 2013. The three customer classes are defined as follows:

Residential – a customer whose premises is a single-family dwelling unit used for domestic purposes, whether as a row, detached or semi-detached structure, or as a single dwelling unit within an apartment building, or as a single dwelling unit within a condominium, or as a single dwelling unit within a cooperative housing association, where each unit is served by a separate service line and is individually metered and used for domestic purposes; or a multi-family structure or development of less than four (4) single-family, apartment, condominium, or cooperative housing association dwelling units where all the units are used for domestic purposes and served by a single service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.

Multi-Family – a customer whose premises is a multi-family structure or development (such as an apartment, condominium, or cooperative housing association) used for domestic purposes, with four or more single-family, apartment, condominium, or cooperative housing association residential dwelling units served by the same service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.

Non-residential – all customers not within either the residential or multifamily class including customers whose premises is comprised of one or more units that is not used for domestic purposes and all units are served by the same service line that is master metered.

In FY 2015, a COS was conducted by Independent Financial Consultants. These recommendations were incorporated in the FY 2016 rate proposal, and were approved by the Board. These are summarized below:

- New class-based rate structure including Lifeline rate
- Based on similar peaking ratios, District of Columbia Housing Authority (DCHA) category moved to Multi-family class

In FY 2018, a COS was conducted by Independent Financial Consultants, which provided several recommendations that were incorporated in the FY 2019 rate proposal, and were approved by the Board.

- A reallocation of the costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the sewer utility results in a reduction in the CRIAC and an increase in the sewer volumetric charge.
- The revenue collected from the Water System Replacement Fee (WSRF), originally designed to fund the annual costs of 1 percent of DC Water's water service line renewal and replacement program, has been used in its entirety to offset the water utility's revenue requirements, resulting in a decrease to all water volumetric charges.
- Although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Water customers will see only minimal changes to their bills

In FY 2020, DC Water conducted a Cost of Service Study (COS) to align the COS with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, Cost of Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY 2021 and FY 2022.

In FY 2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water's rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water's current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.

In FY 2022, a COS Study was conducted by Independent Financial Consultants to establish the multi-year rates for FY 2023 and FY 2024. The 2022 COS Study included the groundwater and high flow filter backwash sewer rates. The results of the COS support the multi-year rate, charges and fee proposal for FY 2023 and FY2024.

In 2024, a cost of study was conducted by Independent Financial Consultants to establish the rates for FY 2025 and FY 2026. It also included the Groundwater and high flow filter backwash sewer rates. The results of COS study support the multiyear rate, charges and fee proposed for FY 2025 and FY 2026.

Independent Review of the proposed FY 2025 and FY 2026 Rates was conducted by the consultants.

- The review concluded that the rates have been reasonably developed, reflect the anticipated revenue requirements of the system, adhere to Board Policy and are comparable to other utilities
- The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill.

Residential, commercial and multi-family receipts are projected to increase in FY 2024 by approximately \$19.8 million, or 4.0 percent, over the FY 2023 level due to:

- Board-approved volumetric retail rate (water and sewer) increase of 3.25 percent, effective October 1, 2023
- Board-approved Clean Rivers Project CRIAC rate increased from \$18.14 in FY 2023 to \$21.86 per ERU in FY 2024
- Due to the impact of COVID-19, assumed a 7 percent decline in consumption for Commercial category in FY2024 and beyond.
- In FY 2023, DC Water's collections on its retail receivables was impacted due to COVID-19, with accounts receivable over 90 days at \$28.0 million as of September 30, 2023, which is \$1.7 million higher than FY 2021. DC Water will continue its collection efforts
- The customer assistance program reduces projected revenues by approximately \$3.0 million

Residential, commercial and multi-family customers:

- In FY 2024, residential customers include 107,231 accounts that comprise of 15.9 percent of the total operating revenues. Given the large number of individual account holders who are in residential, it is unlikely that any one customer will have a major impact on the DC Water cash receipts.
- Multi-family customers house 4 or more units within one building with a master meter. In FY 2024, there are 8,688 accounts that comprise of 17.5 percent of the total operating revenues.

The commercial group of customers includes a number of nationally recognized universities and regional hospitals, national associations, lobbying firms, major law firms and hotels. This group has 9,051 accounts and will comprise of 24.0 percent of the projected FY 2024 operating revenues. In FY 2025 also, they will comprise of 24.0 percent of the fiscal year operating revenue.

FY 2025 projections for Residential, Multi-Family and Commercial customers reflect an increase of \$23.2 million, or 4.5 percent from FY 2024 due primarily to proposed retail rate increase of 8.0 percent (combined water and sewer volumetric rates) and a decrease of \$0.63 monthly ERU fee for the Clean Rivers IAC. For FY 2026, the revenue increase is projected at \$36.3 million or 6.8 percent over FY 2025 due to the projected rate increase of 6.0 percent and an increase of \$3.00 monthly ERU for CRIAC. The revenue projections assume a 1.4 percent retail water consumption decline in FY 2024 over FY 2023 actual. However, for Commercial category, consumption in FY 2024 is assumed to decline by 7 percent as compared to FY 2021 projected consumption. In FY 2024 and onwards, one percent decrease in consumption has been assumed due to conservation. However, it is projected that the commercial consumption decline of 7.0 percent will continue beyond FY 2024.

The Federal customers' revised FY 2024 receipts are projected to total \$90.3 million; an increase of \$6.4 million, or 7.7 percent over FY 2023. In FY 2025, Federal revenues are projected to be \$91.7 million or 9.9 percent of the total operating revenues. The projected federal revenues will be higher by \$1.4 million or 1.6 percent in FY 2025 due to estimated rate and consumption assumptions provided under the federal billing policies. It may be noted that in order to reduce costs, the federal government issued an executive order to federal agencies to reduce water and electricity consumption, coupled with the federal telework and commuting act to reduce footprint in the District, transfer of federal properties and large metering issues at restricted federal properties. In FY 2026, Federal receipts are projected to increase by \$4.3 million or 4.7 percent.

Under existing federal billing legislation, federal billings are prepared on an estimated basis eighteen months in advance of the start of the fiscal year (e.g., the FY 2024 billing was prepared in April 2022), and are based on the current consumption estimates and projected rate increases as included in the current ten-year plan. These estimates are then reconciled with actual consumption and rate increases, and an adjustment is made in the subsequent year's billing (e.g., the reconciliation of FY 2024 estimated vs. actual consumption and rate increases will be included in the FY 2027 billing, to be prepared in April 2025). Federal revenues in the ten-year plan are presented on a revenue basis, net of any adjustments for prior year reconciliations which are accounted for as reserve items. Consistent with this methodology, revised FY 2024 federal revenues reflect the final billing sent to the federal government in April 2022 net of the adjustment for the prior year (FY 2021) reconciliation. The Authority serves many facilities of the federal government as well as the District of Columbia. The largest federal accounts include General Services Administration, U.S. Congress, the Smithsonian Institution, Department of the Navy, National Park Service and the Department of Defense in both DC and VA.

Municipal & D.C. Housing Authority – FY 2024 receipts from the District of Columbia government and the District of Columbia Housing Authority are projected at \$39.7 million, an increase of \$2.4 million or 6.5 percent over FY 2023. In 2025, receipts from these organizations are projected to total \$41.4 million, an increase of \$1.7 million, or 4.2 percent, mainly due to increases in retail volumetric rates. In FY 2026, the projected increase is \$2.8 million or 6.9 percent over FY 2025.

- The Municipal customer group includes 514 accounts under the authority of the District of Columbia government. This includes offices and facilities for various government agencies and activities such as education, regulatory affairs and general government operations. This group will comprise of 2.7 percent of the FY 2024 revised budget, and 2.7 percent each of the proposed FY 2025 and FY 2026 budgets.
- The D.C. Housing Authority has 1,059 accounts that include public housing at various facilities throughout the District of Columbia. Their annual billings make up only 1.8 percent of the FY 2024 cash receipts and 1.8 percent each of the proposed FY 2025 and FY 2026 cash receipts.

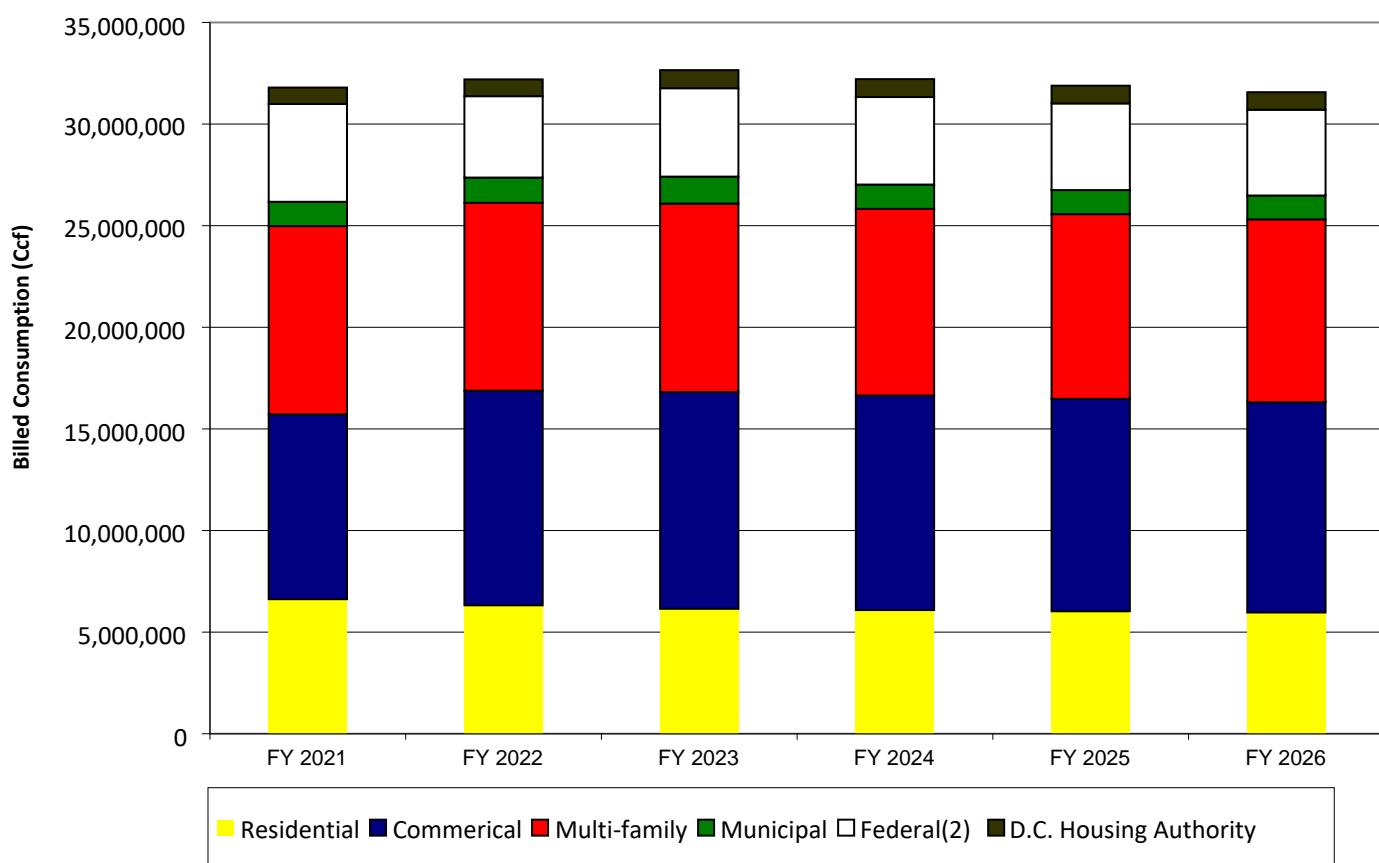
Wholesale customer revenue - FY 2024 revenues are projected at \$106.5 million, an increase of \$1.3 million or 1.2 percent over FY 2023. In FY 2025, the Wholesale revenues are projected to increase by \$1.7 million or 4.2 percent to \$114.2 million. In FY 2026, the wholesale revenues are projected to increase by \$6.7 million or 5.8 percent to \$120.9 million. DC Water provides wholesale wastewater treatment services to User Jurisdictions at the Blue Plains Plant. The Wholesale customers' share of operating costs at Blue Plains and other multi-jurisdictional use facilities (MJUFs) are recovered in accordance with the Blue Plains Intermunicipal Agreement of 2012, effective April 3, 2013, (which replaces Blue Plains Intermunicipal Agreement of 1985), the Potomac Interceptor Agreements and the Loudoun County Sanitation Authority Agreement (as discussed in more detail in "THE SYSTEM – The Wastewater System"), and are based on actual costs of operating and maintaining the plant and the collection facilities, prorated to each User Jurisdiction based on its respective actual share of wastewater flows. The User Jurisdiction's share of capital costs is based on each User Jurisdiction's share of capacity allocations in the Plant. Both operating and capital payments are made on a quarterly basis. Capital-related charges are billed quarterly with payments due on the 15th day of the second month following the end of the quarter. The operating and maintenance related charges are billed annually by mid-October and payments are due on November, February, May and August. Receipts are projected to be 12.0 percent, 12.3 percent, and 12.4 percent of total receipts in FY 2024, FY 2025 and FY 2026 respectively.

In FY 2017, DC Water began billing our wholesale customers for the operating and maintenance costs of MJUFs, which include twelve interceptors and four pumping stations that carry suburban wastewater to the Blue Plains Plant. Following each fiscal year, the Authority prepares a reconciliation that determines the actual costs and each wholesale customer's appropriate share of such costs. Adjustments are then billed or credited to the wholesale customers in the first quarter of the subsequent fiscal year. The wholesale customers include: Washington Suburban Sanitary Commission (WSSC), Loudoun County, VA, Fairfax County, VA and a group of small customers of the Potomac Interceptor (PI). The PI customers are comprised of Dulles International Airport (MWAA), National Park Service, Department of Navy and the Town of Vienna.

Consumption

While wholesale customers pay for their proportional share of wastewater services, retail customers are billed based upon metered consumption. Therefore, variations in consumption have a direct impact upon DC Water retail rates. The consumption for DC retail customers declined by 1.4 percent in FY 2023. Given the uncertainty of the current economy as well as the federal government's goal to close some neighboring federal facilities and implement several conservation best practices over the next few years, the revenue projections assumed a 1.4 percent decline in FY 2024 over FY 2023 Actual. However, due to the impact of Covid-19, FY 2024 consumption for commercial is assumed to decline by 7.0 as compared to FY 2021 projected consumption. Assumed 1.0 percent decline in FY 2025 and beyond for all categories of customers.

Historical and Projected Billed Consumption (Ccf)



Historical and Projected Billed Consumption (Ccf)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Actual	Actual	Actual	Projected	Projected	Projected
Residential	6,620,451	6,319,378	6,148,086	6,087,000	6,026,000	5,966,000
Commercial	9,098,077	10,561,267	10,665,543	10,559,000	10,453,000	10,348,000
Multi-family	9,260,560	9,243,028	9,274,129	9,181,000	9,089,000	8,998,000
Municipal ⁽¹⁾	1,195,762	1,243,211	1,326,087	1,196,000	1,184,000	1,172,000
Federal ⁽²⁾	4,813,337	4,006,115	4,350,621	4,307,000	4,264,000	4,221,000
D.C. Housing Authority	<u>808,267</u>	<u>824,862</u>	<u>889,780</u>	<u>881,000</u>	<u>872,000</u>	<u>863,000</u>
Total Retail	31,796,454	32,197,861	32,654,246	32,211,000	31,888,000	31,568,000

(1) Reflects consumption at District of Columbia Government facilities and DC Water facilities

(2) Reflects consumption at Federal facilities and selected facilities at Soldiers' Home for FY 2020 and onwards

(3) Ccf = hundred cubic feet or 748 gallons

COST OF SERVICE STUDIES:

In FY 2010, DC Water's Independent Financial Consultants performed a Cost of Service (COS) Study to include objectives from senior staff on prioritizing DC Water's pricing objectives. One of the objectives noted was the Class-Based Volumetric Differentiation.

In FY 2011, a Customer Segmentation Study was performed to identify classes of customers for the purpose of rate-setting, planning, supply management and cost analysis among others. Typically, this classification is based on: A) general service characteristics, and B) demand patterns. Each class is assumed to have somewhat different needs and progressively higher demands than the previous class. Most water utilities typically have three principal classes of customers: A) Residential, B) Commercial, and C) Industrial. DC Water has two customer classes: A) Residential and B) Non-Residential.

Furthermore, the FY 2012 Cost of Service Study identified several customer categories that demonstrated a reasonable level of differentiation in terms of peak usage. The customer classes identified included A. Residential, B. Multi-family and C. Non-residential. DC Water added a new class of customer, Multi-family effective October 1, 2014.

In FY 2015, DC Water successfully completed its Cost of Service Study (COS). This study is undertaken every three years to review and certify DC Water's water and wastewater volumetric rates, Clean Rivers Impervious Surface Area Charge (CRIAC) and other DC Water fees and charges to ensure that revenues are sufficient to recover projected revenue requirements, that Board rate setting policies are followed, and that rates are allocated equitably.

DC Water expanded the COS to include alternative rate structure analysis that would more effectively meet DC Water's highest priority pricing objectives:

- Lifeline Rates
- Class-based Volumetric Rates
- Water System Replacement Fee (WSRF)
- System Availability Fee (SAF)

In FY 2018, a Cost of Service Study (COS) was conducted by Independent Financial Consultants, which provided several recommendations that were incorporated in the FY 2019 rate proposal, and were approved by the Board.

- A reallocation of the costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the sewer utility results in a reduction in the CRIAC and an increase in the sewer volumetric charge.
- The revenue collected from the Water System Replacement Fee (WSRF), originally designed to fund the annual costs of 1 percent of DC Water's water service line renewal and replacement program, has been used in its entirety to offset the water utility's revenue requirements, resulting in a decrease to all water volumetric charges.

- Although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Water customers will see only minimal changes to their bills.

In FY 2020, DC Water conducted a Cost of Service Study (COS) to align the COS with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, Cost of Service study was conducted every three years. The COS consist of three components: i) revenue sufficiency analysis – to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity – to ensure that the rates are equitably recovering the costs of service provided to customers; and iii) alternative rate structure analysis – to ensure that DC Water meets its priority pricing objectives. The results of the COS support the multi-year rate, charges and fee proposals for FY 2021 and FY 2022.

In FY 2020, an Independent Review of Rate Structure and Customer Assistance Programs was conducted to review and benchmark DC Water's rates, rate structure and Customer Assistance Programs (CAP) to peer utilities. The findings of the study concurred that DC Water's current customer class structure, monthly water lifeline threshold of 4 Ccf, ERU basis for recovering the CRIAC charge, CAP bill discount and temporary assistance programs are consistent with industry standards for ratemaking.

In FY 2022, a COS Study was conducted by Independent Financial Consultants to establish the multi-year rates for FY 2023 and FY 2024. The 2022 COS Study includes the Groundwater and High Flow Filter Backwash Sewer rates. The results of the COS study support the multi-year rate, charges and fee proposal for FY 2023 and FY 2024. In FY 2024, a COS study was conducted to establish multi-year rate for FY 2025 and FY 2026 and the study supported the rates, charges, and fee proposal.

Lifeline Rate

The lifeline rate allows for the first 4 Ccf of Single Family Residential (SFR) water use to reflect baseline usage by residential customers without peaking costs. The lifeline water rate provides an economic benefit to low-volume Residential customers, while spreading the cost of peaking to high-volume Residential customers.

Class-based Rate Structure

The Independent Financial Consultants analyzed rate differentiation based on the peaking demands of each customer class. They also analyzed consumption patterns to better understand how customers use water and how their use of water may inform selection of an optimized rate structure. Based upon the analysis of the peak demand of different customer classes as well as affordability considerations, the Board approved establishing class-based water volumetric rates for Residential, Multi-family and Non-residential customers effective from October 1, 2015 (FY 2016). The class-based water volumetric rates for FY 2024 to FY 2026 are listed below:

Water Volumetric	Class-Based (w/lifeline)		
	FY 2024	FY 2025	FY 2026
Residential - 0-4 Ccf	\$4.38	\$5.21	\$5.78
Residential - >4 Ccf	\$5.70	\$6.81	\$7.60
Multi-Family / DC Housing	\$5.00	\$5.82	\$6.47
Non-Residential	\$5.89	\$7.03	\$7.84

Water System Replacement Fee (WSRF)

Effective October 1, 2015 (FY 2016), DC Water modified its existing rate structure and implemented a new meter-based Water System Replacement Fee (WSRF) in order to recover the cost of the 1 percent renewal and replacement program for water service lines. It is anticipated that the Water System Replacement Fee (WSRF) will generate approximately \$40.7 million per year from fiscal years 2024 through 2033. The fee is based upon meter size and average flow. DC Water's low income CAP customers receive a 100 percent credit for this fee.

Effective October 1, 2017 (FY 2018), DC Water amended the Water System Replacement Fee (WSRF) regulations to add rules and procedures for a Multi-family WSRF adjustment; amend the Customer Classifications to clarify the definitions for Residential, Multi-family and Non-Residential customers to include cooperative housing associations and other clarifications; and amend the definitions set forth in Chapter 41 to define the terms Condominium, Cooperative Housing Association, and Dwelling Unit used in the Customer Classification regulations.

Meter Size (inches)	Meter Register Type	Monthly Water System Replacement Fee
5/8"	Single Register	\$ 6.30
3/4"	Single Register	\$ 7.39
1"	Single Register	\$ 9.67
1"x1.25"	Single and Multiple Register	\$ 15.40
1.5"	Single Register	\$ 41.35
2"	Single and Multiple Register	\$ 83.75
3"	Single and Multiple Register	\$ 232.13
4"	Single and Multiple Register	\$ 561.02
6"	Single and Multiple Register	\$ 1,292.14
8"	Single Register	\$ 5,785.51
8"x2"	Multiple Register	\$ 1,899.60
8"x4"x1"	Multiple Register	\$ 2,438.35
10"	Single and Multiple Register	\$ 6,679.65
12"	Single and Multiple Register	\$ 6,679.65
16"	Single Register	\$ 6,679.65

The following terms are defined:

Condominium – means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the portions designated for separate ownership, provided the undivided interests in the common elements are vested in the unit owners.

Cooperative Housing Association – means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property, the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.

Dwelling Unit – any habitable room or group of rooms with kitchen and bathroom facilities forming a single unit located within a building or structure, which is wholly or partially used or intended to be used for living, sleeping and the preparation and consumption of meals by human occupants, and is under the control of and for the use of the occupant.

Multi-Year Rates

DC Water moved to a multi-year rate proposal in FY 2016 covering the period FY 2017 and FY 2018. The third time that DC Water had adopted a multi-year rate proposal was in FY 2020 covering the period FY 2021 and FY 2022. The FY 2022 rates became effective from October 1, 2021. On March 3, 2022, DC Water's Board adopted a multi-year rate proposal for a fourth time covering the period FY 2023 and FY 2024.

The benefits of multi-year rates include:

- Greater revenue certainty
- Increased budget discipline
- Better alignment between revenues and expenditures
- Favorable credit rating agency treatment
- Better predictability for our ratepayers

Potential risks / considerations:

- Reduced financial flexibility
- Limited ability to modify approved rate increases, if necessary
- Conservatism in financial projections

System Availability Fee (SAF)

Many utilities have implemented a fee, assessed to new development (or redevelopment) to recover the investment in available system capacity. On June 17, 2016, DC Water's Board approved a new System Availability Fee (SAF) to be effective from January 1, 2018. All Residential Customers with meters 1 inch or smaller will use the same set of fees. All Residential Customers with meters larger than 1", and all Multi-Family and Non-Residential Customers will have SAF based on their meter size.

The System Availability Fee is assessed for all new buildings, structures or properties under development and properties under redevelopment. For properties under redevelopment, DC Water will determine the net System Availability Fee by determining the property's proposed capacity requirements and applying a credit for the capacity of accounts being removed from the system. However, if the associated credit for capacity removed is equal to or greater than the future System Availability Fee, the net System Availability Fee shall be zero. Properties under redevelopment shall not receive a credit for accounts that are inactive for more than 12 months.

DC Water has determined that implementing the System Availability Fee (SAF) regulations on the effective date of January 1, 2018 could present significant fiscal impacts to the District's New Communities Initiative, which includes redevelopment, one for one replacement and/or augmentation, of affordable housing units. On March 1, 2018, the DC Water Board considered comments received during the SAF public comment period and agreed to; 1) Extend the System Availability Fee (SAF) effective date from January 1, 2018 to June 1, 2018 for DCRA Construction Permit Applicants and federal facilities new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements; 2) Revised the DC Water guidance document used to determine the SAF meter size from DC Water Standard Details and Guideline Masters to DC Water's Sizing Instructions and Worksheets; 3) Added procedures and requirements to receive credits for Affordable Housing Units (AHU) development and redevelopment; 4) Clarified the requirements for projects submitted prior to the effective date of June 1, 2018 and approved by June 1, 2019; 5) Added formulas to clarify how the SAF is calculated with the SAF credit, AHU credit and Net AHU credit; 6) Clarified requirements for Payment Plan Agreement; 7) Properties under redevelopment shall not receive a credit for accounts that are inactive for more than 24 months.

Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the District's potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements.

(a) Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$ 1,135	\$ 2,809	\$ 3,944
3/4"	\$ 1,135	\$ 2,809	\$ 3,944
1"	\$ 1,135	\$ 2,809	\$ 3,944
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661

(b) Multi-Family and all Non-Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
1" or smaller	\$ 1,282	\$ 3,173	\$ 4,455
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942
4"	\$ 83,388	\$ 206,394	\$ 289,782
6"	\$ 229,246	\$ 567,408	\$ 796,654
8"	\$ 229,246	\$ 567,408	\$ 796,654
8"x2"	\$ 229,246	\$ 567,408	\$ 796,654
8"x4"x1"	\$ 229,246	\$ 567,408	\$ 796,654
10"	\$ 229,246	\$ 567,408	\$ 796,654
12"	\$ 229,246	\$ 567,408	\$ 796,654
16"	\$ 229,246	\$ 567,408	\$ 796,654

The following terms are defined:

Development – the construction of a premises, building or structure that establishes a new water and/or sewer connection.

Redevelopment – the renovation or alteration of a premises, building or structure or reconstruction of a property that increases or decreases the water supply demand or drainage, waste, and vent (DWV) system load. Redevelopment shall not include the up-sizing of a water service or sewer lateral to comply with the D.C. Construction Codes Supplement, provided the water supply demand and DMV system load remain the same.

System Availability Fee – A one-time fee assessed to a property owner of any premises, building or structure to recover the cost of system capacity servicing all metered water service and sanitary sewer connections and renovation or redevelopment projects that require an upsized meter service connection to the District's potable water system. The fee is assessed based on the peak water demand, excluding fire demand, for new meter water service connection and renovation or redevelopment projects that increase the peak water demand and associated SAF meter size for the property.

Affordable Housing Unit (AHU) – A housing unit that is offered for rent or sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by the federal or District program or agency or the Council for the District of Columbia.

Force Majeure Event – an event arising from causes beyond the control of DC Water or the control of any entity controlled by DC Water, which results in the closure of DC Water facilities.

Customer Metering Fee

The Metering Fee was established in 2003 to recover automated metering infrastructure capital costs. In 2012 the Metering Fee was reviewed and adjusted as part of the Cost of Service Study to include capital costs and a small increment of direct Customer Service cost associated with meter maintenance. Many utilities recover operating costs associated with both metering and billing in a fixed meter-based charge. The 2020 cost of service study adopted this more common industry approach by allocating some additional water costs to a Customer Service/Meters classification. The new cost recovery pool is divided by equivalent system meters to determine the cost for residential meter (5/8" or 3/4") then scale that up to reflect charges as meter size increases. As a result, cost recovery is shifted to the Metering Fee and away from the volumetric rate. DC Water chose to mitigate impacts by phasing in this methodology change over 2 years ending with FY2022 rates. The changes in Metering Fee are summarized below.

- In FY 2019, the Metering Fee recovered \$11.6 million
 - In FY 2003, established Metering Fee at \$2.01 for 5/8" meter
 - In FY 2011, increased Metering Fee to \$3.86 for 5/8" meter
 - Originally fee amount set to cover the capital costs of the original Automated Meter Infrastructure(AMI) system and meter purchase and installation (debt service) plus about \$4 million of CustomerService costs

- The 2020 Cost of Service Study recommended recovering \$24.1 million in FY 2022, consistent with independent rate review recommendation
 - Includes costs associated with metering and billing
 - Customer assistance, shutoff/restore, and leak adjustment, etc. remain in the volumetric charges
 - Proposes FY2021 recovers \$15.4 million, all the debt service and coverage plus about half of the full Customer Service O&M allocation (\$4.96 for a 5/8" meter)
 - Proposed FY2022 fee adds the additional half of Customer Service allocation for a total of about \$24.1 million (\$7.75 for a 5/8" meter)

Customer Metering Fees

Meter Size	FY 2020	FY 2021	FY 2022
5/8"	\$ 3.86	\$ 4.96	\$ 7.75
3/4"	\$ 4.06	\$ 5.22	\$ 8.16
1"	\$ 4.56	\$ 5.86	\$ 9.16
1x1.25"	\$ 4.83	\$ 6.21	\$ 9.70
1.5"	\$ 6.88	\$ 8.85	\$ 13.82
2"	\$ 7.54	\$ 9.69	\$ 15.14
2x1/2"	\$ 8.00	\$ 10.28	\$ 16.07
2x5/8"	\$ 8.00	\$ 10.28	\$ 16.07
3"	\$ 76.98	\$ 98.92	\$ 154.56
3x5/8"	\$ 77.94	\$ 100.16	\$ 156.49
3x3/4"	\$ 77.94	\$ 100.16	\$ 156.49
4"	\$ 137.37	\$ 176.52	\$ 275.81
4x3/4"	\$ 138.15	\$ 177.52	\$ 277.38
4x1"	\$ 138.15	\$ 177.52	\$ 277.38
4x2"	\$ 138.15	\$ 177.52	\$ 277.38
4x2x5/8"	\$ 181.04	\$ 232.64	\$ 363.49
6"	\$ 268.14	\$ 344.56	\$ 538.37
6x1"	\$ 272.70	\$ 350.42	\$ 547.52
6x1x1/2"	\$ 272.70	\$ 350.42	\$ 547.52
6x1/2"	\$ 323.09	\$ 415.17	\$ 648.70
6x3x3/4"	\$ 323.09	\$ 415.17	\$ 648.70
6x3"	\$ 323.09	\$ 415.17	\$ 648.70
8"	\$ 323.29	\$ 415.42	\$ 649.10
8x2"	\$ 323.29	\$ 415.42	\$ 649.10
8x4x1"	\$ 358.26	\$ 460.36	\$ 719.31
10"	\$ 317.91	\$ 408.51	\$ 638.30
10x2"	\$ 403.62	\$ 518.65	\$ 810.38
10x6x1"	\$ 403.62	\$ 518.65	\$ 810.38
10x6"	\$ 403.62	\$ 518.65	\$ 810.38
12"	\$ 329.66	\$ 423.61	\$ 661.89
12x6"	\$ 329.66	\$ 423.61	\$ 661.89
16"	\$ 349.45	\$ 449.04	\$ 701.62

Clean Rivers IAC Credit:

In FY 2016, DC Water's Board asked management to evaluate and propose recommendations for expansion of the Customer Assistance Program (CAP) to include fees assessed for the Clean Rivers Impervious Surface Area Charge (CRIAC). The staff evaluated the three options for CRIAC credit: (i) Dollar credit, (ii) ERU credit, and (iii) percent of CRIAC credit (25%, 50%, 75%). Based on the detailed analysis, the management made recommendation to the Board to expand Customer Assistance Program (CAP) to low-income customers to include CRIAC credit in their monthly bills. On March 2, 2017, the Board approved the expansion of the Customer Assistance Program for eligible single-family residential accounts and individually metered accounts to include a fifty percent (50%) credit off of the monthly billed Clean Rivers Impervious Area Charge. The CRIAC became effective May 1, 2017. On March 5, 2020, DC Water's Board adopted a proposal to increase the maximum CRIAC from 50% to 75%, effective October 1, 2020.

Clean Rivers Impervious Area Charge (CRIAC)

In September 2018, DC Water formed the 19-member Stakeholder Alliance (DCWSA) to provide independent advice and a diversity of viewpoints to DC Water Management on a variety of programs and policies; increase customer education by providing DC Water with new opportunities for outreach; and propose to DC Water ways to continue effective and efficient long-term public involvement with improved communication tools.

DC Water conducted several meetings to discuss the Clean Rivers Impervious Area Charge (CRIAC) and options to mitigate the rapidly increasing CRIAC. Some of the possible criteria included: 1) equitableness; 2) administrative feasibility; 3) revenue neutrality; 4) legal challenges and defensibility, 5) executable; and 6) adheres to industry practice.

The DC Water's Department of Engineering and Technical Services (DETS) proposed two methodologies for shifting cost from the CRIAC to sewer volumetric rate. The two methodologies that were calculated: 1) 18 percent Shift – calculated based on an average of pollutants concentrations in sanitary wastewater, stormwater runoff and Combined Sewer Overflow (CSO); and 2) 37 percent Shift – calculated based on volume of sanitary wastewater, stormwater runoff and CSO. The 18 percent shift calculation and methodology has a lot more variation in the pollutant concentrations depending on the data used and the time of year. Management determined that the 37 percent Shift volumetric methodology has a greater justification, more easily defended and could be phased-in .

However, based on meetings with the DC Water and discussions with the customer groups, an 18 percent CRIAC shift to sewer volumetric rate was proposed for FY 2020 in order for the rates and charges to be fair and equitable for all customers.

After considering all possible criteria and customer impacts, the Board agreed to a proposal shifting 37 percent cost from the CRIAC to sewer volumetric rate to be phased-in; 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022, effective October 1, 2019.

Clean Rivers Impervious Area Charge Incentive Program Discount

On October 1, 2013, DC Water's Board established the Clean Rivers Area Incentive Program Discount for stormwater best management practices, which provided a 4 percent maximum incentive discount off the chargeable CRIAC for customers that installed certain eligible stormwater best management practices that reduce the amount of stormwater runoff generated from a property.

The general public and DC Water voiced concerns that the Clean Rivers Area Program Discount 4 percent maximum incentive for stormwater was too low and did not incentivize customers to install best management practices.

DC Water's management analyzed and evaluated the Clean Rivers Area Program Discount historical data and determined that it was feasible to increase the CRIAC incentive discount for customers that installed certain eligible stormwater best management practices.

On April 4, 2019, DC Water's Board adopted a proposal to increase the maximum CRIAC incentive discount from 4 percent to 20 percent, effective October 1, 2019.

Approved FY 2024 Rate & Fee Changes



summary overview financial plan

rates&rev

capital financing departmental glossary

The Board has approved the following changes in the rates and fees for rate making to be effective from October 1, 2023:

- Water volumetric rates:
 - Residential customers: "Consumption of 0 – 4 Ccf" - water rate increase of \$0.10 per Ccf, {\$0.14 per 1,000 gallons} from \$4.28 per Ccf to \$4.38 per Ccf, {\$5.86 per 1,000 gallons}
 - Residential customers: "Consumption greater than 4 Ccf" - water rate increase of \$0.12 per Ccf, {\$0.16 per 1,000 gallons} from \$5.58 per Ccf to \$5.70 per Ccf, {\$7.62 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.10 per Ccf, {\$0.13 per 1,000 gallons} from \$4.90 per Ccf to \$5.00 per Ccf, {\$6.68 per 1,000 gallons}
 - Non-Residential customers: water rate increase of \$0.11 per Ccf, {\$0.14 per 1,000 gallons} from \$5.78 per Ccf to \$5.89 per Ccf, {\$7.87 per 1,000 gallons}
- Sewer rate increase of \$0.44 per Ccf, {\$0.59 per 1,000 gallons} for all classes of customers from \$11.26 per Ccf to \$11.70 per Ccf, {\$15.64 per 1,000 gallons}
- Monthly Customer Metering Fee remains the same at \$7.75 for a 5/8" meter size. The Customer Metering fee varies by size
- Monthly Clean Rivers Impervious Area Charge (CRIAC) increase of \$3.72 from \$18.14 per ERU to \$21.86 per ERU
- Clean Rivers Impervious Area Charge (CRIAC) six-tier residential rate structure is shown in the table below:

Tiers	Residential Impervious Area Range	ERU
Tier 1	100 – 600 sq ft	0.6 ERU
Tier 2	700 – 2,000 sq ft	1.0 ERU
Tier 3	2,100 – 3,000 sq ft	2.4 ERU
Tier 4	3,100 – 7,000 sq ft	3.8 ERU
Tier 5	7,100 – 11,000 sq ft	8.6 ERU
Tier 6	11,100 sq ft and more	13.5 ERU

- The Water System Replacement Fee (WSRF) recovers the cost of 1 percent renewal and replacement program for water service lines. There will be no increase in WSRF. The WSRF varies with meter size. WSRF for 5/8" meter size is \$6.30
- PILOT and Right-of-Way fee – These fees are proposed to increase to recover the full cost of the PILOT and Right-of-Way fees charged to DC Water by the District of Columbia
 - Increase of \$0.02 in the PILOT fee, {\$0.03 per 1,000 gallons} to \$0.61 per Ccf, {\$0.82 per 1,000 gallons}
 - There is no increase in the Right-of-Way (ROW) fee, which remains same at \$0.19 per Ccf, {\$0.25 per 1,000 gallons}
- These changes increased the typical residential customer's total monthly bill by \$6.79 or 5.4 percent

The Board has approved the following changes in the rates and fees for rate making to be effective from October 1, 2024:

- Water volumetric rates:
 - Residential customers: “Consumption of 0 – 4 Ccf” - water rate increase of \$0.83 per Ccf, {\$1.11 per 1,000 gallons} from \$4.38 per Ccf to \$5.21 per Ccf, {\$6.97 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” - water rate increase of \$1.11 per Ccf, {\$1.48 per 1,000 gallons} from \$5.70 per Ccf to \$6.81 per Ccf, {\$9.10 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.82 per Ccf, {\$1.10 per 1,000 gallons} from \$5.00 per Ccf to \$5.82 per Ccf, {\$7.78 per 1,000 gallons}
 - Non-Residential customers: water rate increase of \$1.14 per Ccf, {\$1.52 per 1,000 gallons} from \$5.89 per Ccf to \$7.03 per Ccf, {\$9.40 per 1,000 gallons}
- Sewer rate increase of \$0.37 per Ccf, {\$0.50 per 1,000 gallons} for all classes of customers from \$11.70 per Ccf to \$12.07 per Ccf, {\$16.14 per 1,000 gallons}
- Monthly Customer Metering Fee remains the same at \$7.75 for a 5/8" meter size. The Customer Metering fee varies by size
- Monthly Clean Rivers Impervious Area Charge (CRIAC) decrease of \$0.63 from \$21.86 per ERU to \$21.23 per ERU
- The Water System Replacement Fee (WSRF) recovers the cost of 1 percent renewal and replacement program for water service lines. There will be no increase in WSRF. The WSRF varies with meter size. WSRF for 5/8" meter size is \$6.30
- PILOT and Right-of-Way fee – These fees are proposed to increase to recover the full cost of the PILOT and Right-of-Way fees charged to DC Water by the District of Columbia
 - There is no increase in the PILOT fee, which remains same at \$0.61 per Ccf, {\$0.82 per 1000 gallons}
 - There is no increase in the Right-of-Way (ROW) fee, which remains same at \$0.19 per Ccf, {\$0.25 per 1,000 gallons}
- These changes increased the typical residential customer’s total monthly bill by \$6.27 or 4.8 percent

The Board has approved the following changes in the rates and fees for rate making to be effective from October 1, 2025:

- Water volumetric rates:
 - Residential customers: “Consumption of 0 – 4 Ccf” - water rate increase of \$0.57 per Ccf, {\$0.76 per 1,000 gallons} from \$5.21 per Ccf to \$5.78 per Ccf, {\$7.73 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” - water rate increase of \$0.79 per Ccf, {\$1.06 per 1,000 gallons} from \$6.81 per Ccf to \$7.60 per Ccf, {\$10.16 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.65 per Ccf, {\$0.87 per 1,000 gallons} from \$5.82 per Ccf to \$6.47 per Ccf, {\$8.65 per 1,000 gallons}
 - Non-Residential customers: water rate increase of \$0.81 per Ccf, {\$1.08 per 1,000 gallons} from \$7.03 per Ccf to \$7.84 per Ccf, {\$10.48 per 1,000 gallons}
- Sewer rate increase of \$0.45 per Ccf, {\$0.60 per 1,000 gallons} for all classes of customers from \$12.07 per Ccf to \$12.52 per Ccf, {\$16.74 per 1,000 gallons}
- Monthly Customer Metering Fee remains the same at \$7.75 for a 5/8" meter size. The Customer Metering fee varies by size
- Monthly Clean Rivers Impervious Area Charge (CRIAC) increase of \$3.00 from \$21.23 per ERU to \$24.23 per ERU
- The Water System Replacement Fee (WSRF) recovers the cost of 1 percent renewal and replacement program for water service lines. There will be no increase in WSRF. The WSRF varies with meter size. WSRF for 5/8" meter size is \$6.30
- PILOT and Right-of-Way fee – These fees are proposed to increase to recover the full cost of the PILOT and Right-of-Way fees charged to DC Water by the District of Columbia
 - Increase of \$0.01 the PILOT fee, {\$0.01 per 1000 gallons} to \$0.62 per Ccf, {\$0.83 per 1000 gallons}
 - Increase of \$0.01 in the Right-of-Way (ROW) fee to \$0.20 per Ccf, {\$0.27 per 1,000 gallons}
- These changes increased the typical residential customer’s total monthly bill by \$8.94 or 6.5 percent

The ten-year projected water and sewer rate increases under this year's plan (FY 2024 – FY 2033) totaling 75.8 percent are driven primarily by capital spending for DC Water's \$7.74 billion capital improvement program.

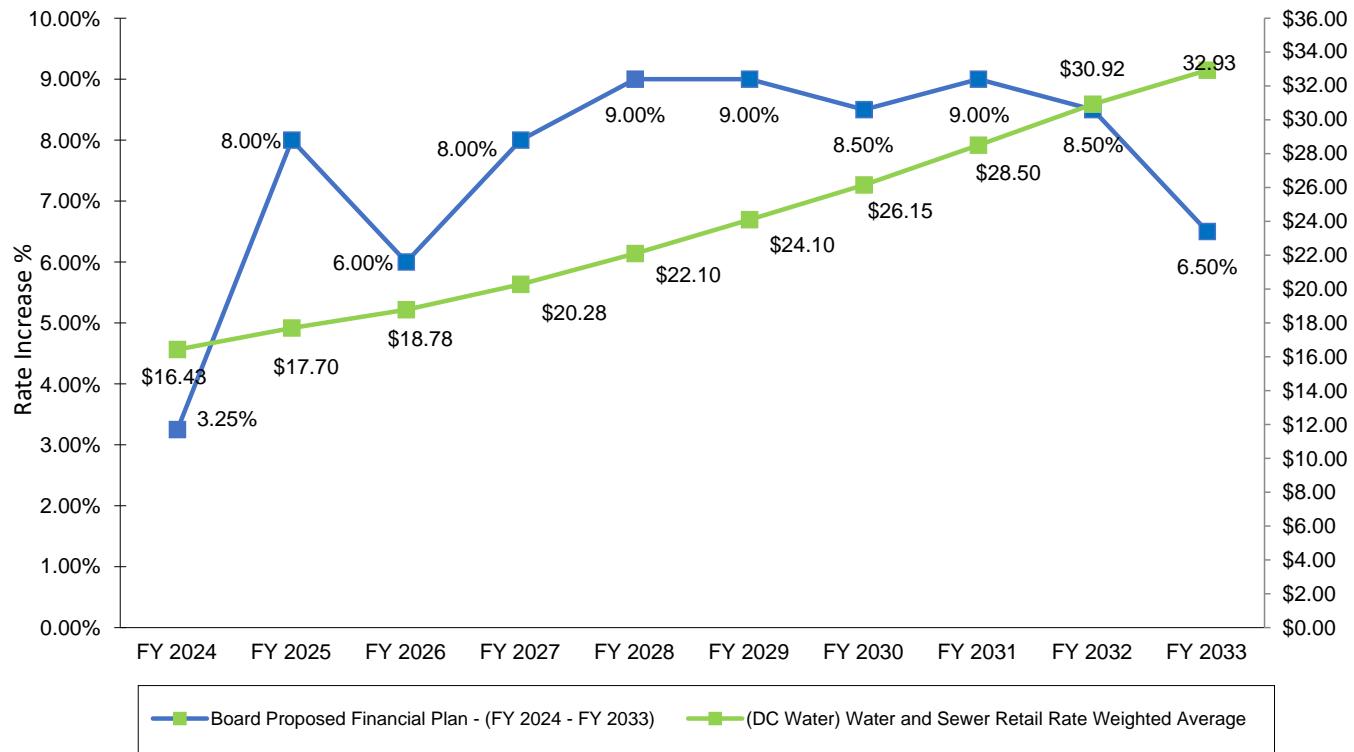
Primary spending in the ten-year capital plan include: the construction of the Potomac River Tunnel in the DC Clean Rivers program to meet the consent decree requirements by 2030, continued investment in the water and sewer infrastructure, and Lead Free DC program, major rehabilitation and upgrades at Blue Plains, DC Water's share of the Washington Aqueduct's critical infrastructure, and various capital equipment projects.

Based on feedback from the new Stakeholder Alliance and discussions with customers about the Clean Rivers Impervious Area Charge (CRIAC) that funds the Clean Rivers Program, the proposal was implemented for FY 2020 to shift 18 percent of the costs for the Clean Rivers program from the CRIAC to the sewer volumetric rate. This was increased to 28 percent in FY 2021 and 37 percent in FY 2022. This was based on an assessment that, on average, 37 percent of the volume in the new tunnels is from wastewater. The proposal to shift CRIAC to volumetric was adopted by the Board.

The public outreach and comment process for the rate proposal for FY 2025 and FY 2026 will occur between March and May 2024. With the approval of the rates by DC Water Board, these changes would increase the typical residential customer's monthly bill by \$6.27 or 4.8 percent in FY 2025 and \$8.94 or 6.5 percent in FY 2026 as shown on 125.

PROJECTED RETAIL WATER & SEWER RATE CHANGES

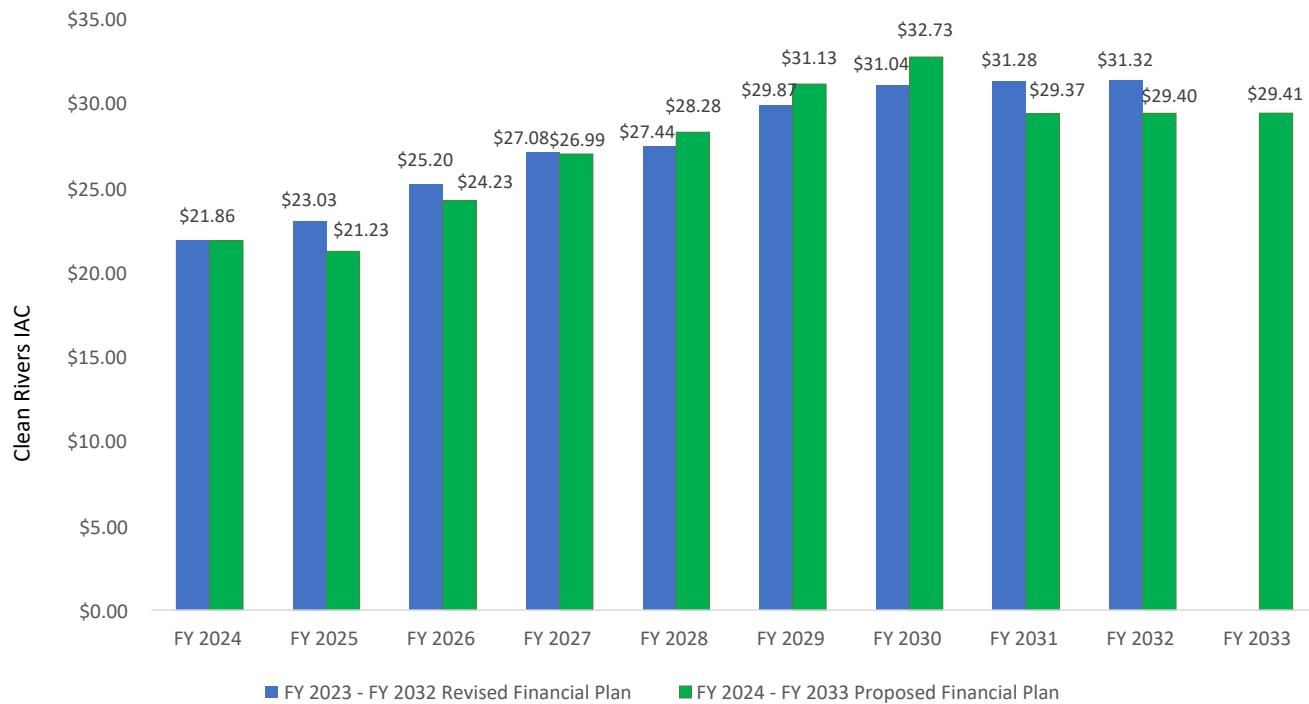
FY 2024– FY 2033



- 1) Rates shown above reflect weighted water and sewer rates for Residential customer category
- 2) In FY 2025 proposed water and sewer rate increase of \$1.47 per Ccf, (\$1.97 per 1,000 gallons)
 - Combined water and sewer rate increases from \$16.43 to \$17.90 per Ccf
- 3) In FY 2026 approved water and sewer rate increase of \$1.35 per Ccf, (\$1.80 per 1,000 gallons)
 - Combined water and sewer rate increases from \$17.90 to \$19.25 per Ccf
- 4) Rate increase of 8.0 percent for FY 2025 and 6.00 percent for FY 2026

PROJECTED MONTHLY CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE (CRIAC) CHANGES

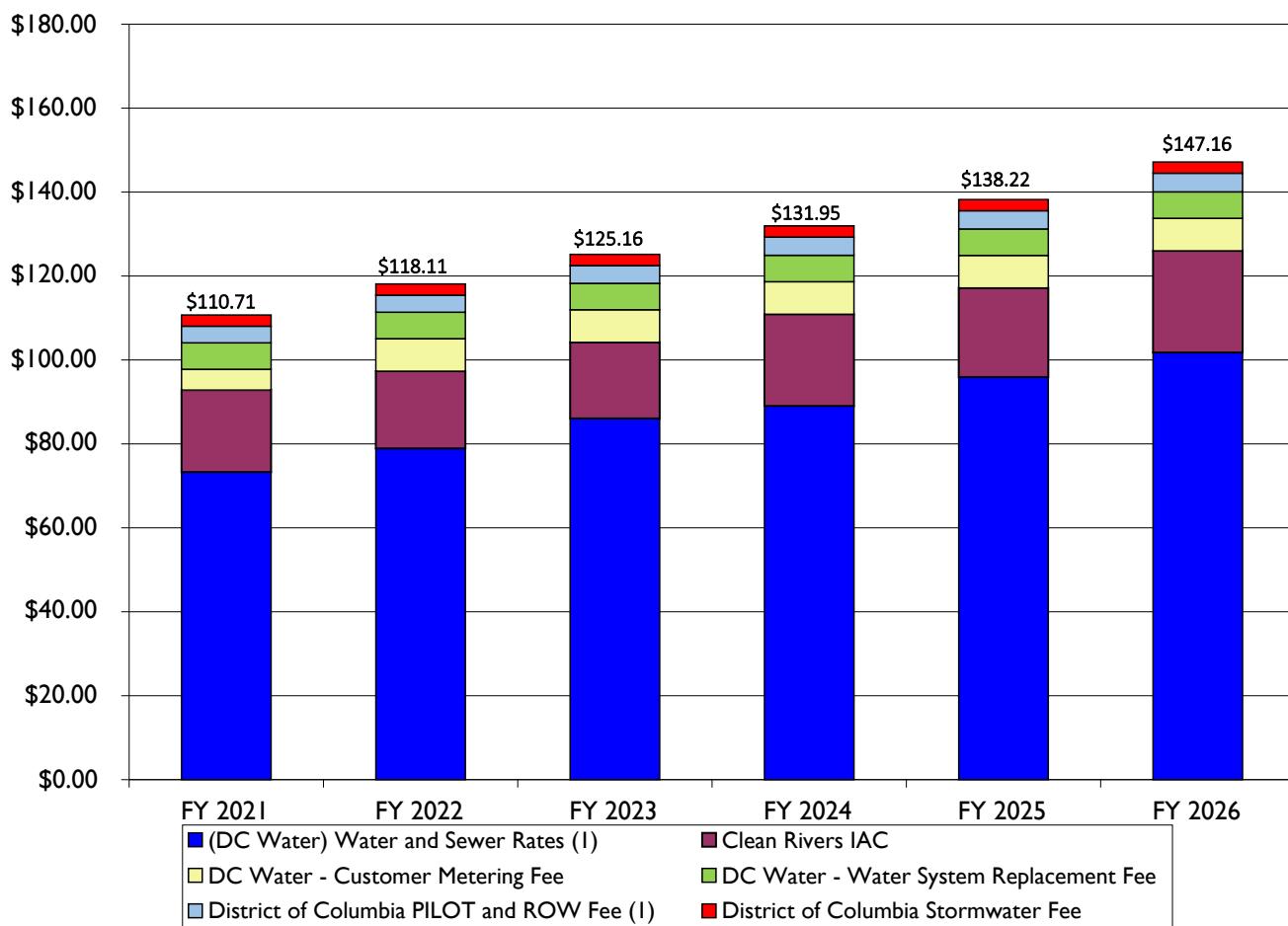
FY 2024 – FY 2033



- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the thirty-year \$3.27 billion Clean Rivers Project, which includes the federally mandated CSO-LTCP and the Nine-Minimum Controls Program
- The annual Clean Rivers Project costs for the average Tier 2 residential customer (700 – 2,000 sq. ft. of impervious area) is projected to increase from \$254.76 in FY 2025 to \$352.92 in FY 2033
- The CRIAC shift to sewer volumetric with 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022 and beyond was recommended because it balances infrastructure investment with growth in rates. The shift was based on an assessment that on average 37 percent of volume in the tunnels is from wastewater. The gradual shift helps to avoid rate shock to customers. With the shift the overall household charges increase by 4.8 percent in FY 2025 and 6.5 percent in FY 2026. The CRIAC is projected to decrease from \$21.86 to \$21.23 per ERU per month for FY 2025 and increase to \$24.23 per ERU per month for FY 2026.

AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL

FY 2021 – FY 2026



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

- FY 2025 cost per gallon is a little over \$0.02 (water and sewer rates only)

AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL

FY 2021 – FY 2026

	Units	FY 2021	FY 2022	FY 2023	Current FY 2024	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC ⁽²⁾	ERU	19.52	18.40	18.14	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	4.96	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
Subtotal DC Water Rates & Charges		\$ 104.08	\$ 111.37	\$ 118.26	\$ 124.94	\$ 131.21	\$ 140.05
Increase / Decrease		\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84
Percent Increase in DC Water Portion of Bill		6.9%	7.0%	6.2%	5.6%	5.0%	6.7%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31	\$ 3.31	\$ 3.36
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.03	1.03	1.08
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11
Total Amount Appearing on DC Water Bill		\$ 110.71	\$ 118.11	\$ 125.16	\$ 131.95	\$ 138.22	\$ 147.16
Increase / Decrease Over Prior Year		\$ 6.90	\$ 7.40	\$ 7.05	\$ 6.79	\$ 6.27	\$ 8.94
Percent Increase in Total Bill		6.6%	6.7%	6.0%	5.4%	4.8%	6.5%

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

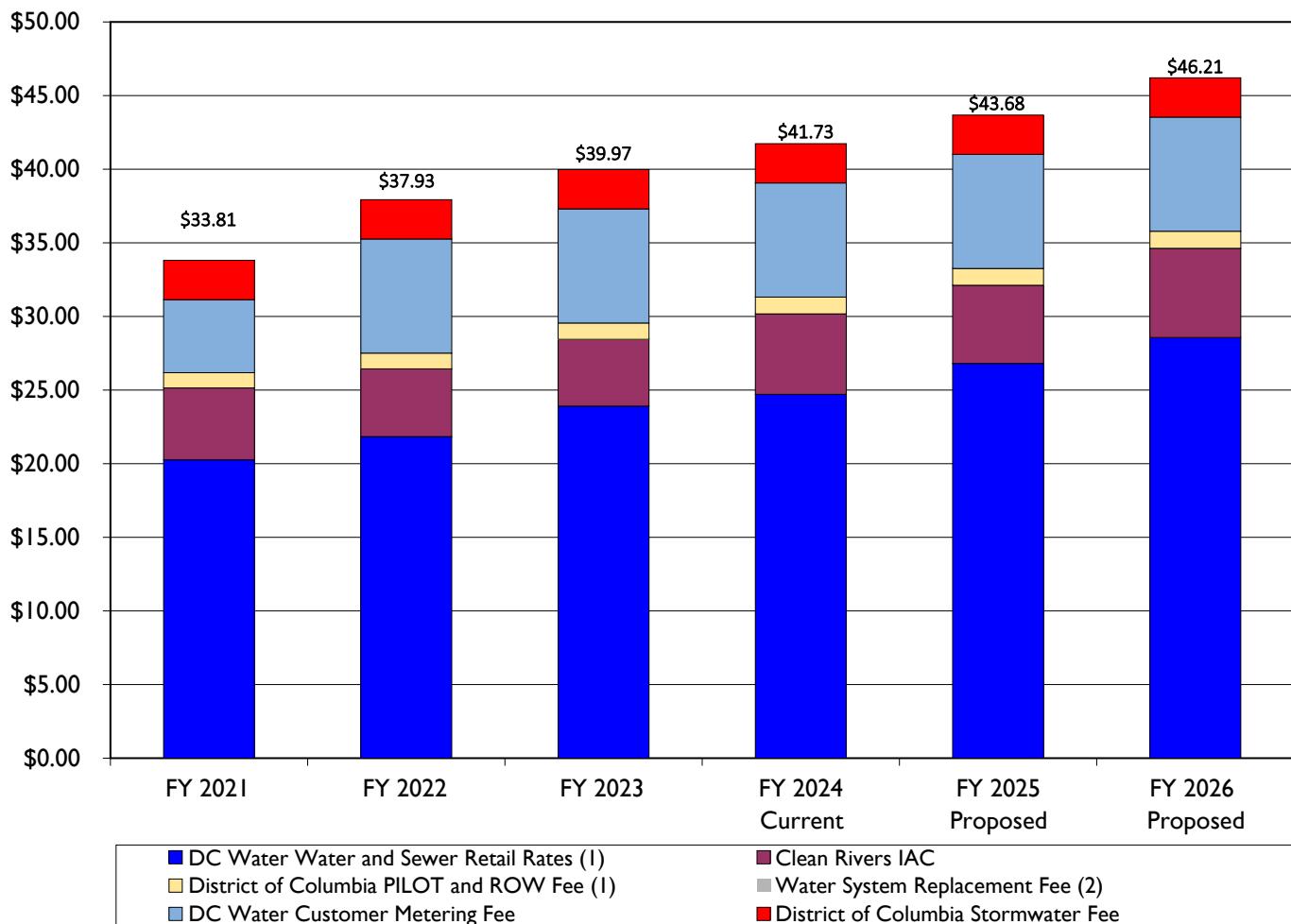
(2) Assumes average 1 Equivalent Residential Unit (ERU)

(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

FY 2021 – FY 2026



- 1) Assumes average monthly consumption of 5.42 Ccf, or 4,054 gallons
 - FY 2025 & FY 2026 cost per gallon is a little over \$0.02 (water and sewer rates only)
- 2) Assumes 100 percent discount for Water System Replacement Fee (WSRF) to CAP customers, therefore, WSRF is not shown in the above graph
- 3) Assumes 50 percent credit up to FY 2020 and 75 percent credit for FY 2021 to FY 2026 for the Clean Rivers Impervious Area Charge (CRIAC).

AVERAGE CAP CUSTOMER MONTHLY BILL

FY 2021 – FY 2026

	Units	FY 2021	FY 2022	FY 2023	Current FY 2024	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC	ERU	19.52	18.40	18.14	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	4.96	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 104.08	\$111.37	\$118.26	\$124.94	\$131.21	\$140.05
Increase / Decrease		\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84
Percent Increase in DC Water Portion of Bill		6.9%	7.0%	6.2%	5.6%	5.0%	6.7%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31	\$ 3.31	\$ 3.36
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.03	1.03	1.08
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11
Total Amount		\$ 110.71	\$118.11	\$125.16	\$131.95	\$138.22	\$147.16
Less: CAP Discount (4 Ccf per month) ^{(1), (2)}		(55.96)	(60.08)	(65.28)	\$ (67.52)	\$ (72.32)	\$ (76.48)
Water System Replacement Fee (WSRF) ⁽³⁾		(6.30)	(6.30)	(6.30)	(6.30)	(6.30)	(6.30)
Clean Rivers IAC ⁽⁵⁾		(14.64)	(13.80)	(13.61)	(16.40)	(15.92)	(18.17)
Total Amount Appearing on DC Water Bill		\$ 33.81	\$ 37.93	\$ 39.97	\$ 41.73	\$ 43.68	\$ 46.21
Increase / Decrease Over Prior Year		\$ (2.63)	\$ 4.12	\$ 2.04	\$ 1.76	\$ 1.95	\$ 2.53
CAP Customer Discount as a Percent of Total Bill		-69.5%	-67.9%	-68.1%	-68.4%	-68.4%	-68.6%

(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 up to FY 2020 and 75 percent discount for FY 2021 to FY 2026 for the Clean Rivers IAC

AVERAGE CAP2 CUSTOMER MONTHLY BILL

FY 2021 – FY 2026

	Units	FY 2021	FY 2022	FY 2023	Current FY 2024	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC	ERU	19.52	18.40	18.14	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	4.96	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 104.08	\$ 111.37	\$ 118.26	\$ 124.94	\$ 131.21	\$ 140.05
Increase / Decrease		\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84
District of Columbia PILOT Fee	Ccf	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31	3.31	3.36
District of Columbia Right-of-Way Fee	Ccf	1.03	1.03	1.03	1.03	1.03	1.08
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11
Total Amount		110.71	118.11	125.16	131.95	138.22	147.16
Less: CAP2 Discount (3 Ccf per month) ⁽²⁾		(39.78)	(42.81)	(46.62)	(48.24)	(51.84)	(54.90)
Clean Rivers IAC ⁽³⁾		(9.76)	(9.20)	(9.07)	(10.93)	(10.62)	(12.12)
Total Amount Appearing on DC Water Bill		61.17	66.10	69.47	72.78	75.76	80.14
Increase / Decrease Over Prior Year		\$ 3.68	\$ 4.93	\$ 3.37	\$ 3.31	\$ 2.98	\$ 4.38
CAP Customer Discount as a Percent of Total Bill		-44.7%	-44.0%	-44.5%	-44.8%	-45.2%	-45.5%

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

(2) Expansion of CAP2 program in FY 2019 and onwards assumes discount to first 3 Ccf of Water and Sewer

(3) Expansion of CAP2 program in FY 2019 and onwards assumes 50 percent discount for the Clean Rivers IAC

AVERAGE CAP3 CUSTOMER MONTHLY BILL

FY 2021 – FY 2026

	Units	FY 2021	FY 2022	FY 2023	Current FY 2024	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 73.30	\$ 78.92	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC	ERU	19.52	18.40	18.14	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	4.96	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$104.08	\$111.37	\$118.26	\$124.94	\$131.21	\$140.05
Increase / Decrease		\$ 6.73	\$ 7.29	\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84
District of Columbia PILOT Fee	Ccf	\$ 2.93	\$ 3.04	\$ 3.20	\$ 3.31	3.31	3.36
District of Columbia Right-of-Way Fee	Ccf	1.03	1.03	1.03	1.03	1.03	1.08
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.63	\$ 6.74	\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11
Total Amount		110.71	118.11	125.16	131.95	138.22	147.16
Less: CAP3 Discount Clean Rivers IAC ⁽²⁾		(14.64)	(13.80)	(13.61)	(16.40)	(15.92)	(18.17)
Total Amount Appearing on DC Water Bill		96.07	104.31	111.55	115.55	122.30	128.99
Increase / Decrease Over Prior Year		\$ 7.97	\$ 8.24	\$ 7.24	\$ 4.00	\$ 6.75	\$ 6.69
CAP Customer Discount as a Percent of Total Bill		-13.2%	-11.7%	-10.9%	-12.4%	-11.5%	-12.3%

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

(2) Expansion of CAP3 program in FY 2019 assumes 75 percent discount for the Clean Rivers IAC

AVERAGE CAP+ CUSTOMER MONTHLY BILL

FY 2025 – FY 2026

	Units	Proposed FY 2025	Proposed FY 2026
DC Water Water and Sewer Retail Rates (1)	Ccf	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC	ERU	21.23	24.23
DC Water Customer Metering Fee	5/8"	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 131.21	\$ 140.05
Increase / Decrease		\$ -	\$ 8.84
District of Columbia PILOT Fee	Ccf	3.31	3.36
District of Columbia Right-of-Way Fee	Ccf	1.03	1.08
District of Columbia Stormwater Fee	ERU	2.67	2.67
Subtotal District of Columbia Charges		\$ 7.01	\$ 7.11
Total Amount		138.22	147.16
Less: CAP Discount (5.42 Ccf per month) (1), (2)		(100.27)	(106.21)
Water System Replacement Fee (WSRF) (3)		(6.30)	(6.30)
Clean Rivers IAC (4)		(15.92)	(18.17)
Total Amount Appearing on DC Water Bill		15.73	16.48
Increase / Decrease Over Prior Year		\$ 0.75	
CAP Customer Discount as a Percent of Total Bill		-88.6%	-88.8%

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

(2) Expansion of CAP+ program in FY 2025 assumes CAP discount plus additional 2 Ccf discount on Water and Sewer, PILOT and ROW

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

(4) Assumes 75% discount for the Clean Rivers IAC effective October 1, 2020.

FY 2024 – FY 2033 FINANCIAL PLAN

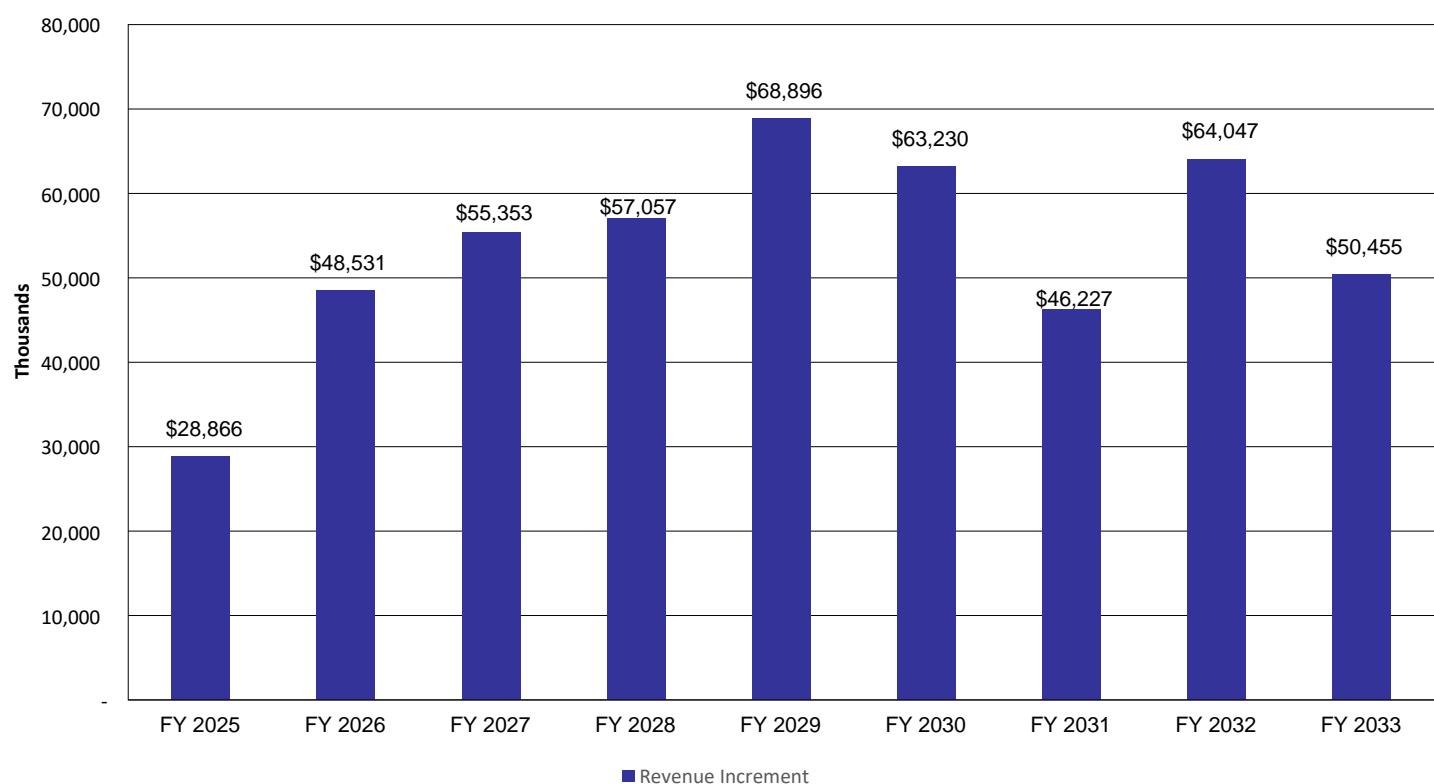
As shown in the chart below, incremental increases in retail revenues are projected to range from \$28.9 million to \$50.5 million in FY 2025 – FY 2033, due to:

- Average annual debt service increase of 8.6 percent
- Average annual O&M increase of 4.2 percent
- Annual projected Payment-in-Lieu of Taxes (PILOT) and Right-of-Way (ROW) increases due to DC Government increasing costs of providing services to the District
- This year's ten-year plan reflects increases in operating and maintenance and increases in debt service cost associated with DC Water's Capital Improvement Program (CIP).

INCREMENTAL INCREASE IN REVENUE

FY 2025 – FY 2033

(\$000's)



These costs would be recovered through:

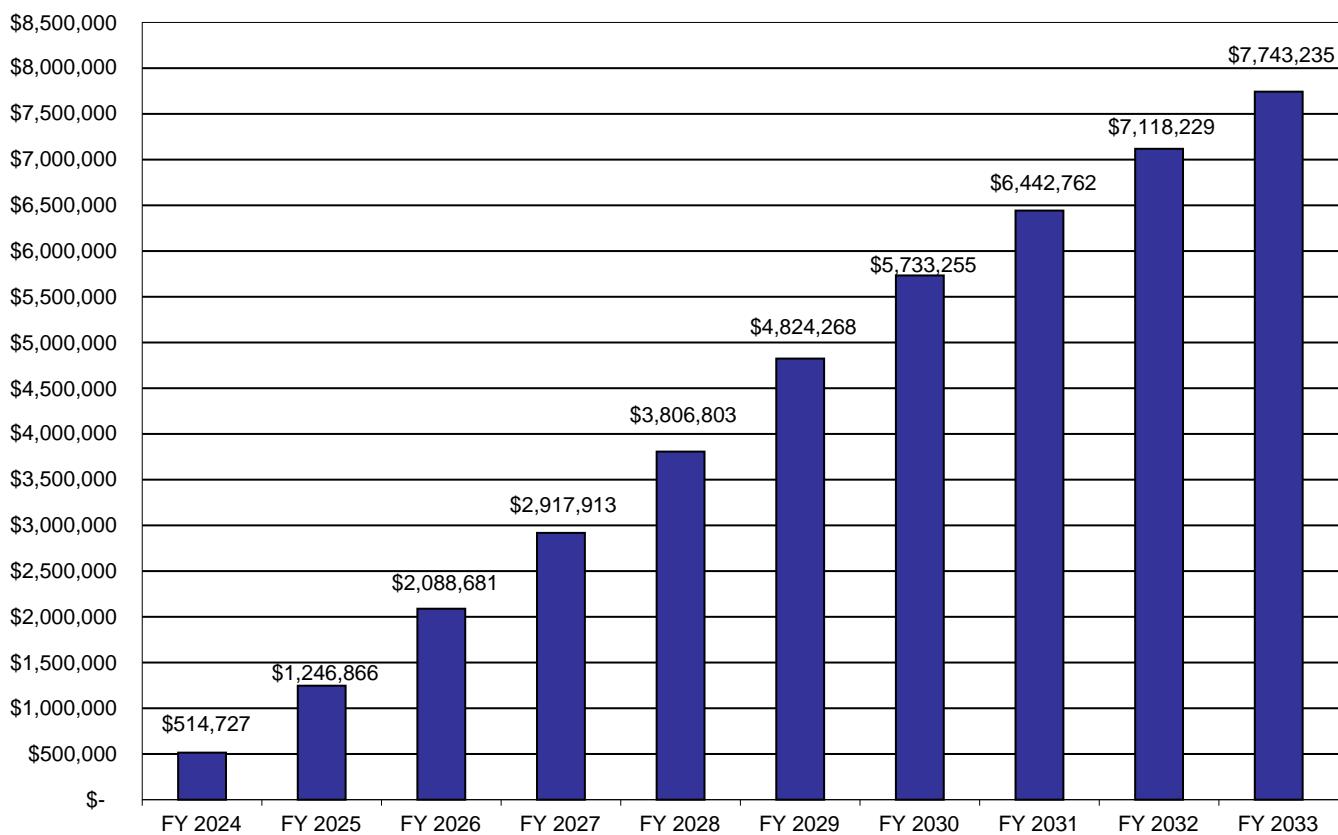
- Proposed water and sewer rate increases of 8.0 percent in FY 2024 and 6.0 percent to 9.0 percent from FY 2025 to FY 2033.
- Proposed Clean Rivers Impervious Surface Area Charge (CRIAC) revenues ranging from \$21.23 to \$32.73 per ERU per month
- Proposed DC PILOT fee increases of 2 percent in accordance with the current MOU dated September 4, 2014, to recover the amount of PILOT payment obligation to the District of Columbia
- The ROW fee will remain the same at \$5.1 million per annum in accordance with the current MOU signed on October 2, 2014 to recover the amount of ROW payment obligation to the District of Columbia
- \$2.0 million Rate Stabilization Fund (RSF) is projected to be utilized in FY2025. No Rate Stabilization Fund will be utilized for FY 2026 to FY 2033 to offset retail rate increases.

DC Water's proposed rate increases are primarily required to fund increasing debt service costs from increased capital spending.

CUMULATIVE CAPITAL SPENDING

FY 2024 – FY 2033

(\$000's)

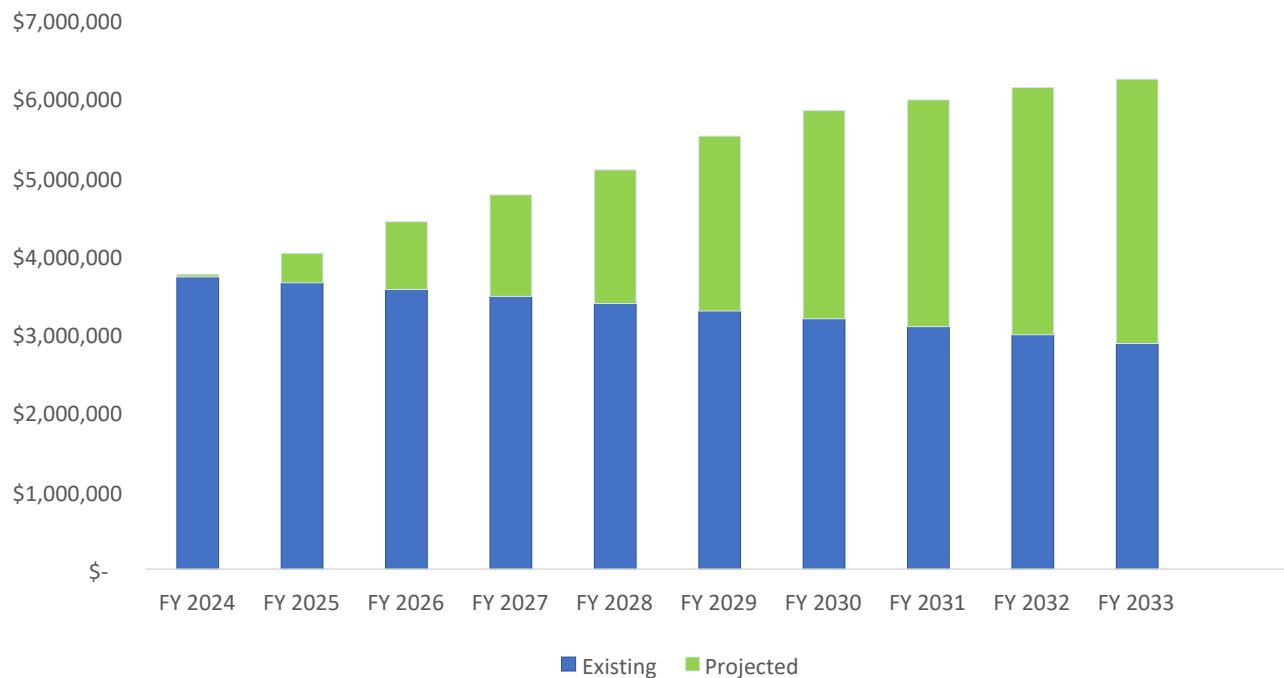


- DC Water's ten-year capital improvement program totals \$7.74 billion, with annual spending ranging from \$514.73 million to \$1,017.47 million
- Once completed, the ten-year capital improvement project will double the book value of DC Water's infrastructure
- The ten-year plan includes disbursements of the Clean Rivers Project (CSO LTCP), totaling nearly \$1.17 billion exclusive of nine minimum controls
- Water and sewer infrastructure and the Lead Free DC program continue to drive the ten-year Capital Improvement Plan from FY2024 through FY 2033

NEW & EXISTING DEBT OUTSTANDING

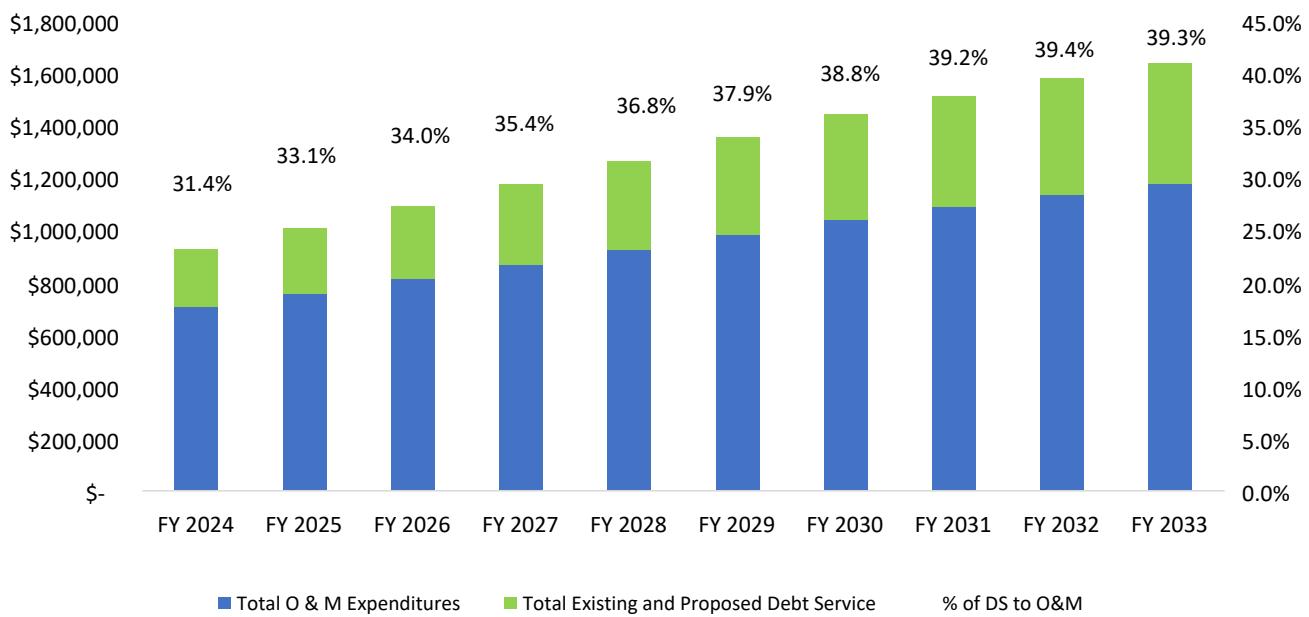
FY 2024– FY 2033

(\$000's)



- The largest source of funding for DC Water's capital program is debt
- Over the next ten years, DC Water will issue approximately \$3.4 billion in new debt (which includes the funding of reserves and costs of issuance), increasing total debt outstanding to \$6.2 billion at the end of FY 2033.

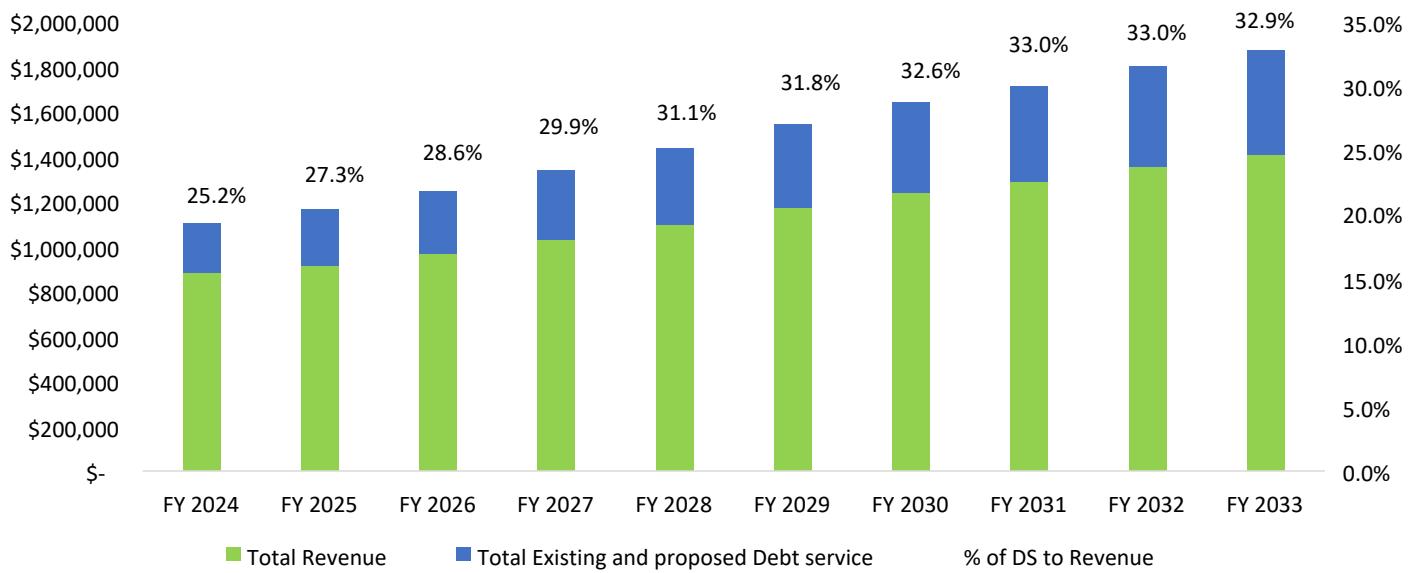
DEBT SERVICE AS PERCENT OF TOTAL OPERATING & MAINTENANCE EXPENDITURES
FY 2024 – FY 2033
($\$000$'s)



DEBT SERVICE AS PERCENT OF TOTAL OPERATING REVENUES

FY 2024 – FY 2033

(\$000's)



OPERATING & DEBT SERVICE EXPENDITURES FY 2024 – FY 2033

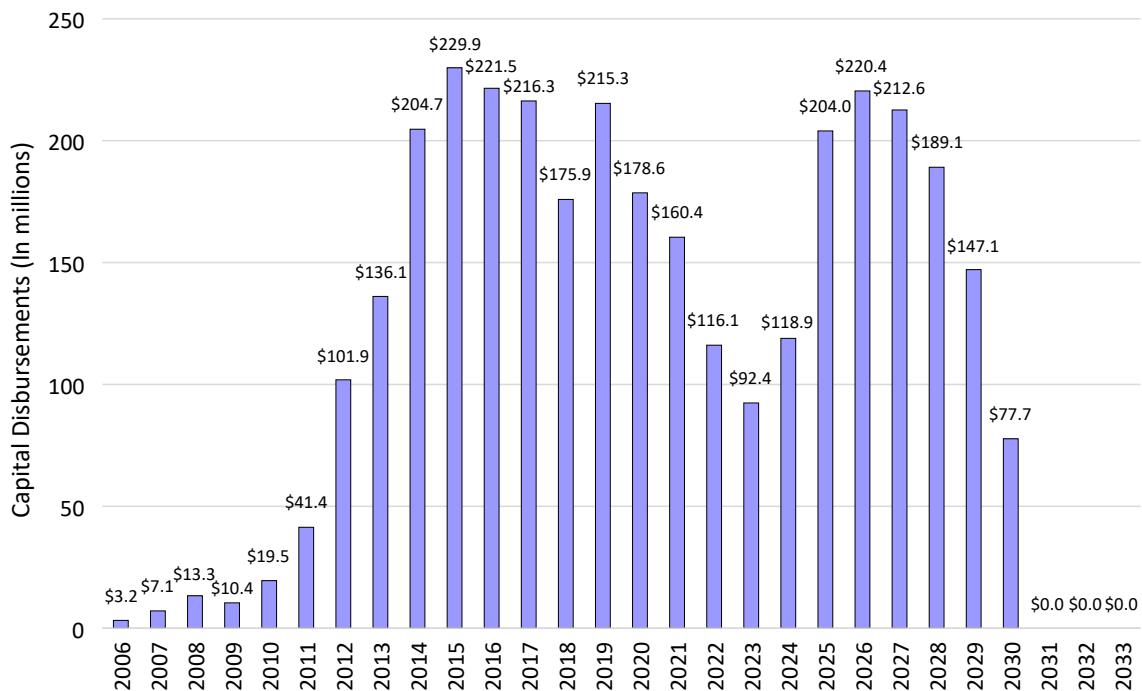
Over the ten-year period, total expenditures increase on average by 5.9 percent annually

DC Water's proposed rate increases are primarily required to fund increasing debt service costs

- Operations and maintenance expenditures (excluding the payment-in-lieu of taxes and right-of-way fee) increase on average by 4.2 percent annually
- Debt service expenditures grow at an annual average rate of 8.6 percent
- This year's ten-year plan reflects increases in operating and maintenance and increases in debt service costs associated with DC Water's Capital Improvement Program (CIP)

POTENTIAL IMPACT OF CSO LONG-TERM CONTROL PLAN ON RATES

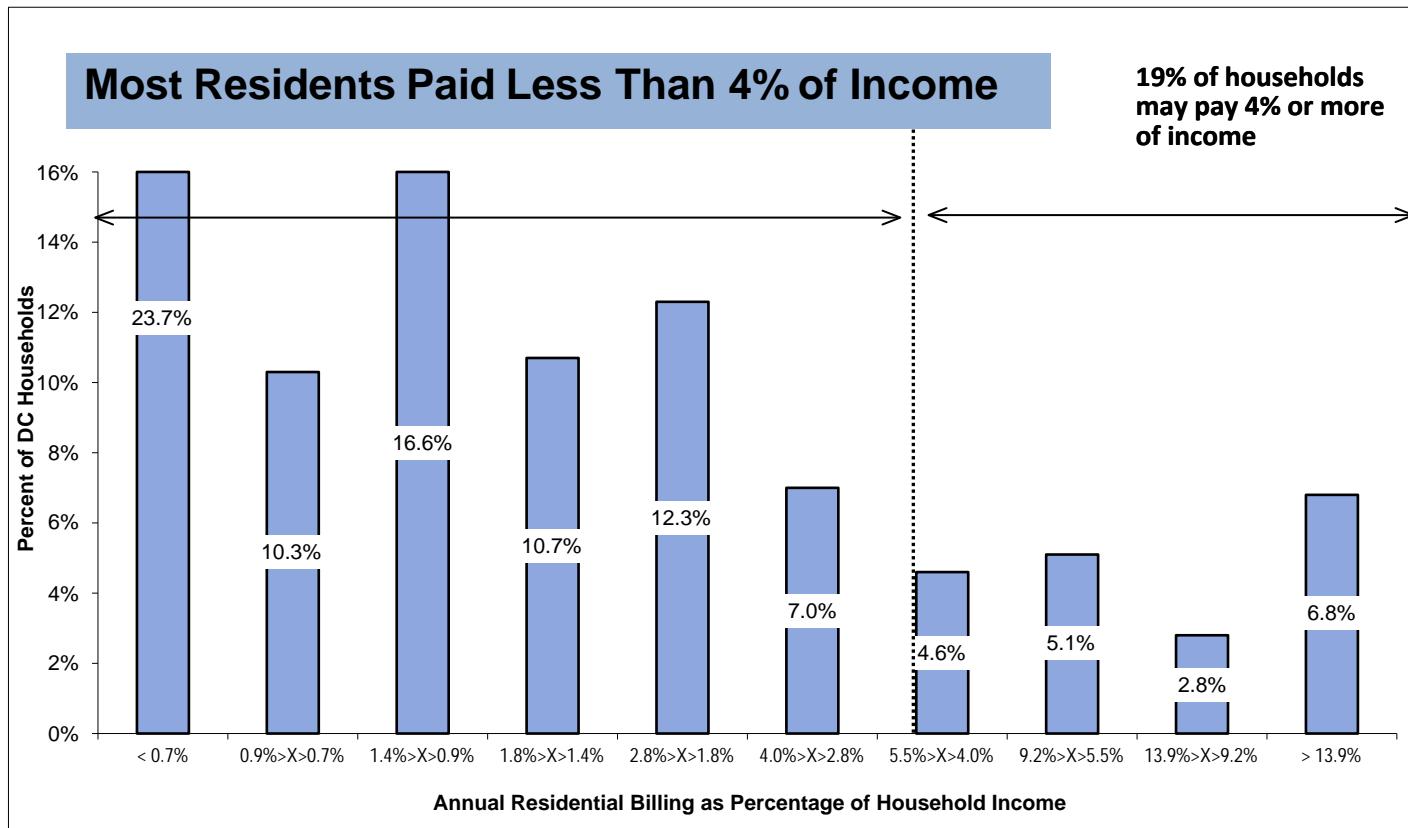
Clean Rivers CSO LTCP Disbursements by Fiscal Year

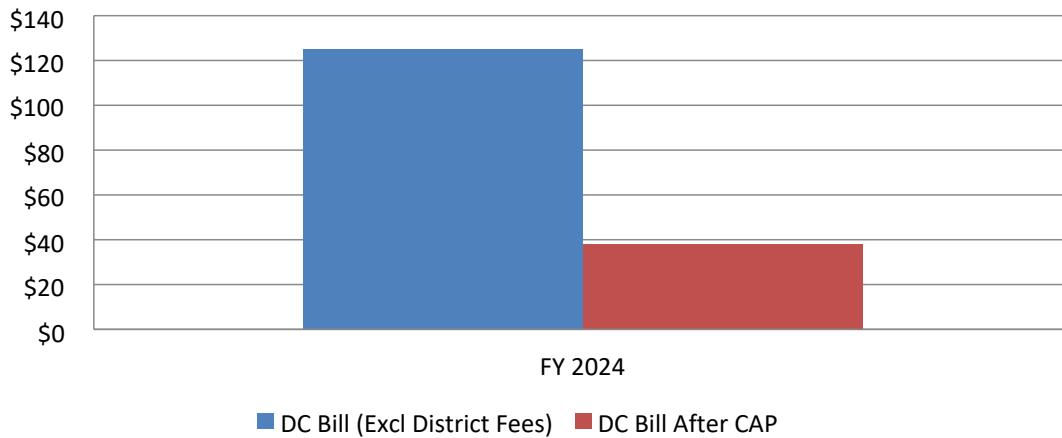


In December 2004, the Board reached an agreement with the federal government on the Clean Rivers Project (CSO-LTCP) and entered into a related consent decree. Actual and projected disbursements by fiscal year for the Clean Rivers Project are shown in the chart above and are the drivers for changes in the Clean Rivers Impervious Area Charge over the ten-year plan. Wholesale customers contribute 7.1 percent to the Clean Rivers Project. To mitigate impacts, DC Water continues to look for federal support for this program. As of September 30, 2023, \$292.8 million has been received through federal appropriations. Lifetime capital costs for the plan (exclusive of the nine–minimum controls program) total approximately \$3.27 billion, and this year's proposed ten-year plan includes \$1.17 billion of projected Clean Rivers Project disbursements.

DC WATER CHARGES ARE STILL AFFORDABLE AND COMPETITIVE WITH OTHER MAJOR CITIES

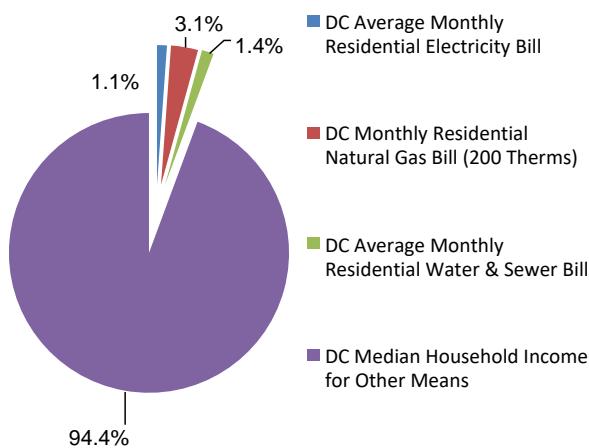
- **Median household income:** The average DC Water charges are less than 4.0% of income for 81.0% of the households in the District of Columbia. US EPA guidelines suggest that charges greater than 4% of household income are typically viewed as a strain on household budgets (2% water + 2% sewer)
- **Customer Assistance Programs** are in place to help eligible low income customers with their water/sewer bills



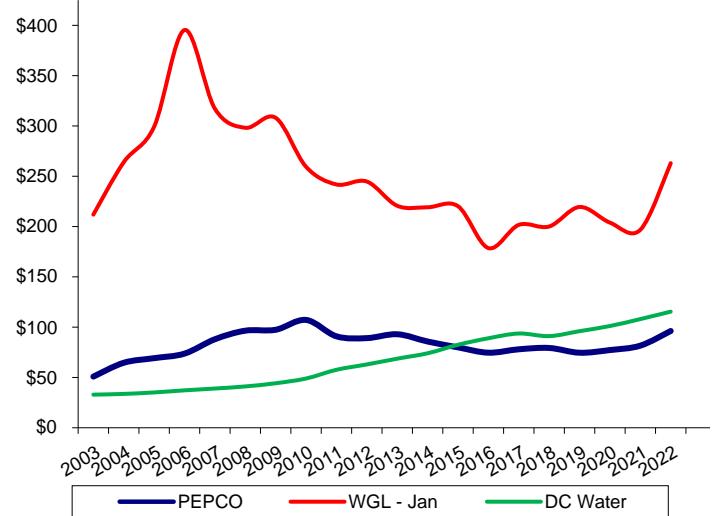
FY 2024 Single Family Residential Average Monthly Bill With and Without CAP Credits

- After CAP credits, a family of 4 at the 2023 Federal Poverty level spends 1.5% of income on DC Water bills.

2022 Monthly DC Median Household Income



Monthly Residential Utility Bills



Observation:

- DC Water's average monthly residential water & sewer bill is about 1.4% of the total monthly household income for the median income family, lower than the winter monthly natural gas bill and somewhat higher than the electricity bill.

Observation:

- The average winter monthly natural gas bill is higher than water & sewer bills

Assumption:

- DC Water customer is assumed to use 5.42 Ccf of water starting in 2019 and onward, WGL customer is assumed to use 200 Therms of natural gas for January. Average residential electricity usage was 614 kWh of electricity per month for PEPCO customers in 2022

Source

Electricity and Gas: District of Columbia Public Service Commission

Water and Sewer: DC Water Assuming 5.42 Ccf, or 4,054 gallons consumption

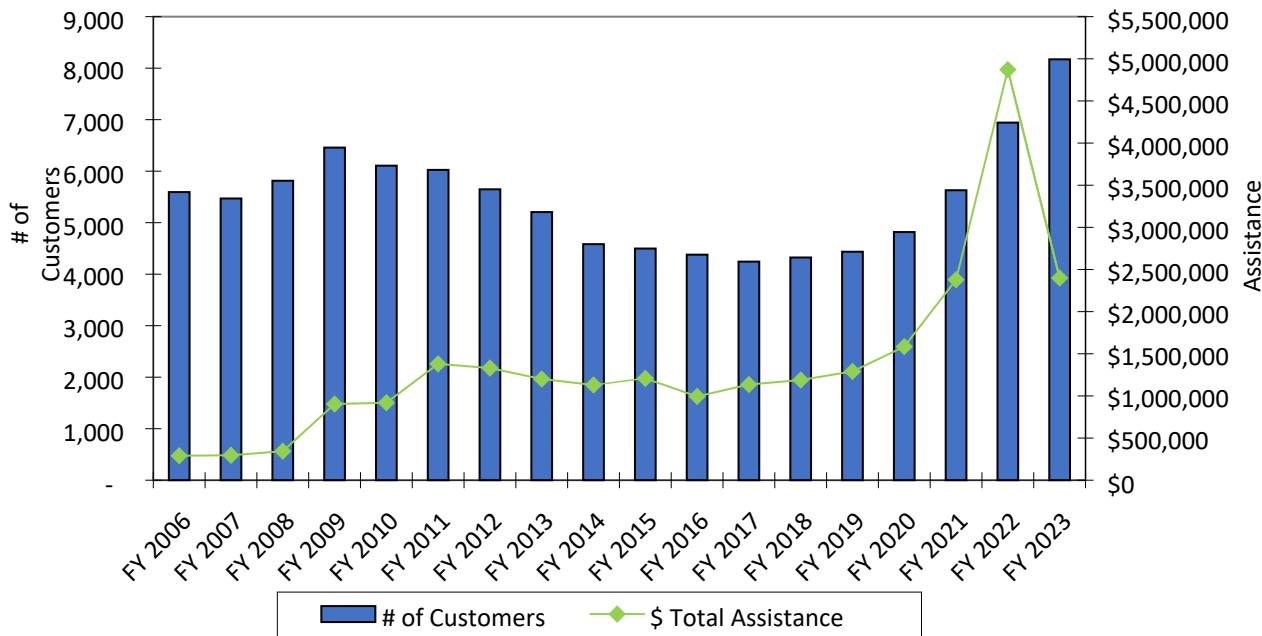
Median HH Income: US Census Bureau, American Community Survey 2022 1-Year Estimates

DC Water sponsors two programs to assist low-income customers in paying their water bills:

- **Customer Assistance Program (CAP):** The Authority implemented the CAP in 2001 providing a discount of 4 Ccf per months of water service for single family residential homeowners that meet income eligibility guidelines. In FY 2004, the Authority expanded the CAP to include tenants who meet the financial eligibility requirements and whose primary residence is separately metered by the Authority. In January 2009, the Authority further expanded the CAP to provide a discount of 4 Ccf per month of sewer services to eligible customers. In FY 2011, the discount was expanded to the first 4 Ccf associated with the PILOT/ROW fee in addition to the current discount provided on water and sewer services. In FY 2016, the CAP discount was expanded to include a 100 percent credit/discount for the Water System Replacement Fee (WSRF). In FY 2017, the Authority further expanded the CAP to include 50 percent discount for CRIAC. In FY 2018, the District of Columbia's Budget Support Act authorized the Mayor to establish a financial assistance program to assist residential customers with incomes "not exceeding 100 percent of the area median income" with payment of CRIAC and to supplement the financial assistance programs implemented by DC Water. In FY 2020, the Board approved the increase in CRIAC discount for CAP customers from 50 percent to 75 percent effective from FY 2021. In FY 2022, CAP assisted over 6,943 customers and provided \$4,871,357 in discounts to low-income customers.

The assisted dollar amounts were high in FY 2021 and FY 2022 because the number of registered customers increased. Additionally, in FY 2022, the Board approved to waive recertification requirements for FY 2021 CAP customers for FY 2022, which resulted in an increase in CAP customers and discounts. In FY 2023, CAP assisted 8,172 customers and provided \$2,399,001 in discounts to low-income customers.

Customer Assistance Program



The following terms are defined:

- **Customer Assistance Program (CAP)** – Existing program that uses LIHEAP (Low Income Home Energy Assistance Program) criteria to provide DC Water-funded discounts to low-income residential customers with incomes up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS)). Eligible customers receive the first 4 Ccf of water and sewer services, PILOT and ROW, 100 percent discount for the Water System Replacement Fee (WSRF) and 75 percent discount for the CRIAC.

- **Customer Assistance Program II (CAP2)** – In FY 2019, DC Water expanded the CAP program for low-income residential customers who do not qualify for CAP with household income up to 80 percent Area Median Income (AMI). Eligible customers receive a discount of up to 3 Ccf per month for water and sewer services and a 50 percent discount for CRIAC. On March 5, 2020, DC Water's Board adopted a proposal to amend regulations to make the CAP2 program permanent.

In FY 2023, CAP2 assisted 875 customers and provided \$139,714 in discounts to low-income customers.

- **Customer Assistance Program III (CAP3)** – New District-funded program to provide benefits to DC Water customers with household income greater than 80 percent and up to 100 percent Area Median Income (AMI) who do not qualify for CAP or CAP2. Eligible customers receive a 75 percent discount for CRIAC.

In FY 2023, CAP3 assisted 36 customers and provided \$6,342 in discounts.

- **CRIAC (Clean Rivers Impervious Area Charge) Non-profit Relief Program** – New District-funded program to provide CRIAC credits to non-profit organizations as determined by the District Department of the Environment (DOEE). Eligible customers receive up to 90 percent discount for CRIAC.

In FY 2023, Nonprofit Relief Program assisted 182 non-profit organizations and provided \$875,585 in discounts.

- **Emergency Residential Relief Program (ERRP)** – District funded program where eligible households may receive bill assistance up to \$2,000 as a one-time emergency benefit.

In FY 2022, EERP assisted 28 customers and provided \$27,493. The program ended in September 2022.

New Customer Assistance Programs to Mitigate the Impact of COVID-19:

The COVID-19 pandemic impacted DC Water with declines in commercial, federal, and municipal consumption and increases in delinquencies which impacted revenue. In response, DC Water took several strategic and cost reduction initiatives. This included delaying non-critical purchases and activities and pausing some hiring as well as modifying operations to protect staff by arranging work from home for most employees. DC Water also assessed its critical infrastructure needs and balanced it to its revenue challenges and continued to invest in critical capital programs based on priority. Additionally, DC Water also took initiatives to help our customers during the pandemic by reconnecting customers previously disconnected for non-payment, waiving late fees, pausing placing liens, arranging payment plans, and partnering with the District for emergency assistance for those impacted by COVID-19.

On September 3, 2020, DC Water's Board of Director's adopted Resolution #20-65, where the Board approved directing \$15.0 million from the Authority's projected net cash surplus for FY 2020 to the Customer Assistance Program low-income customers:

- (1) \$3.0 million to continue the Emergency Residential Relief Program (ERRP) in FY 2021 to provide one-time assistance to customers impacted by COVID; Assistance up to \$2,000 per residential customer;
- (2) \$7.0 million for a new program to provide one-time assistance to 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 matching basis;
- (3) The \$5.0 million held for FY 2022 targeted assistance for customer in need

The \$5.0 million held for FY 2022 targeted assistance was allocated to the CAP, RAP and MAP programs to assist customers in FY 2022.

DC Water Cares, Residential Assistance Program (RAP) - In FY 2020 DC Water established a \$3.0 million program to continue the EERP in FY 2021 to provide one-time assistance of up to \$2,000 to residential customers. RAP was extended to FY 2022, FY 2023 and FY 2024. In FY 2022, RAP assisted 1,690 customers and provided \$1,318,242. In FY 2023, RAP assisted 2,816 customers and provided \$2,930,302.

DC Water Cares, Multi-family Assistance Program (MAP) - A \$7.0 million program to provide one-time assistance to multifamily buildings where occupants have been negatively impacted by COVID-19. Payment plans are established and adhered to; assistance amounts are determined and provided per affordable unit and will be on matching basis. MAP was extended to FY 2022 and FY 2023. In FY 2022, MAP assisted 131 customers (4,313 units) and provided \$1,880,830. In FY 2023, MAP assisted 133 customers (3,038 Units) and provided \$2,137,750. The MAP program ended in September 2023.

LIHWAP (Low Income Household Water Assistance Program) - Provides funds to assist low-income households with water and wastewater bills. In FY 2022, LIHWAP assisted 3,393 customers and provided \$2,380,005.

CAP+ - A new program to begin in FY 2025, which provides greater assistance to customers with 20% MHI. They will receive CAP benefits plus an additional 2 CCF of usage credit which equates to an additional \$39 in monthly credit in FY 2025.

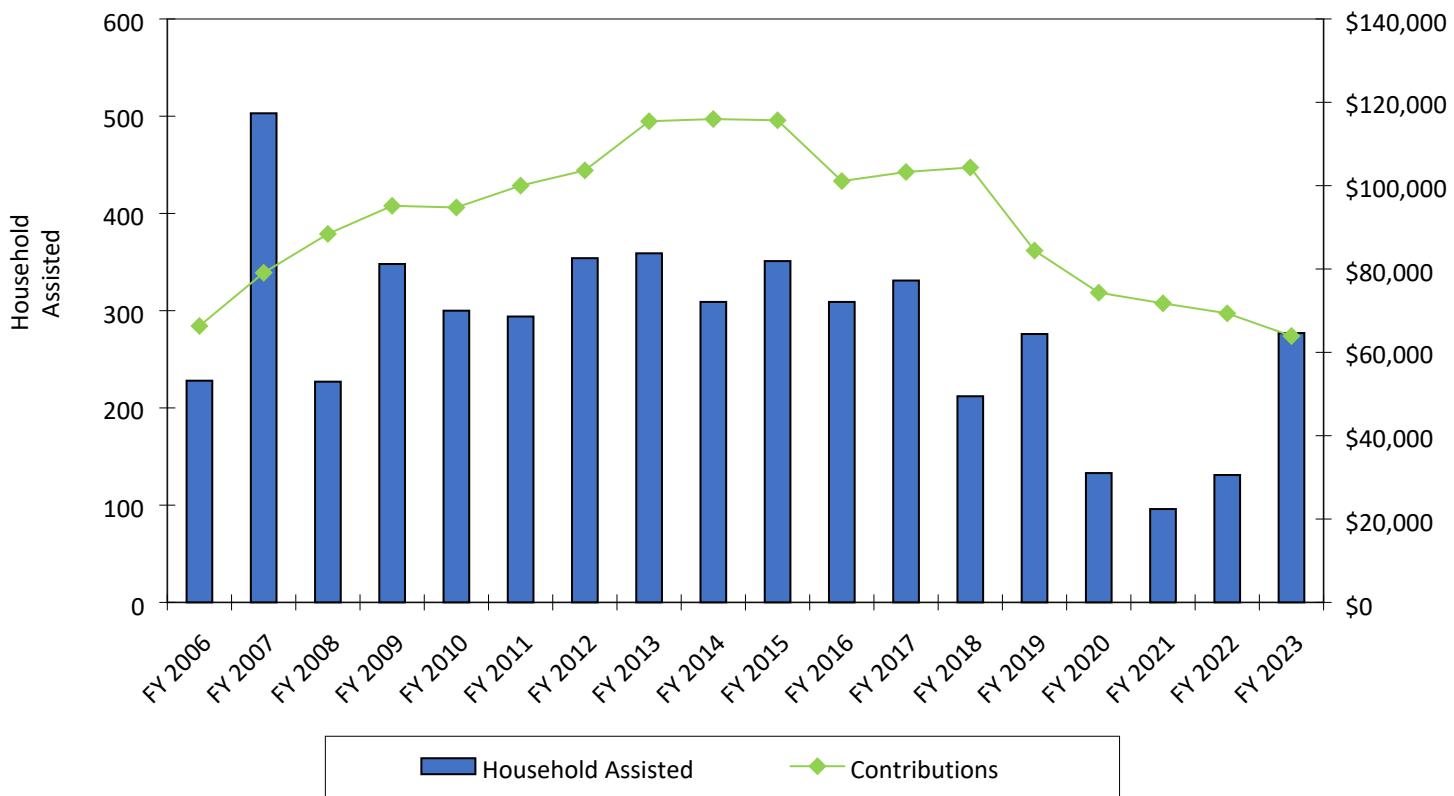
Leak Assessment Program - Offer resources to CAP+, CAP and CAP2 customers that will provide private side leak assessment to help them identify the source of leaks and high usage.

Payment Plan Incentive Program - Help residential customers who are 60+ days past due and \$500 or more in arrears to bridge the affordability gap through a partnered payment plan incentive. DC Water applies a 40% adjustment of the total payments toward the payment plan balance until the program's end date. (Adjustment processed every 4th month after three consecutive months of payments.) It is Funded by Rate Stabilization Fund for \$2M in each year (FY24 & FY25) The program duration is from 6/1/24 to 9/30/25.

STAY (Stronger Together Assisting You) - Is a financial 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. In FY 2022, STAY DC program assisted 1,100 customers and provided \$1,106,974.

Serving People by Lending a Supporting Hand (S.P.L.A.S.H.): The SPLASH program was implemented in FY 2001. Through the SPLASH program, DC Water offers assistance to families in need so that they can maintain critical water and sewer services until they get back on their feet. The program is administered by the Greater Washington Urban League. Every dollar received by DC Water is distributed to eligible customers. In FY 2023, SPLASH assisted 277 households and provided \$63,930 in contributions to low-income customers.

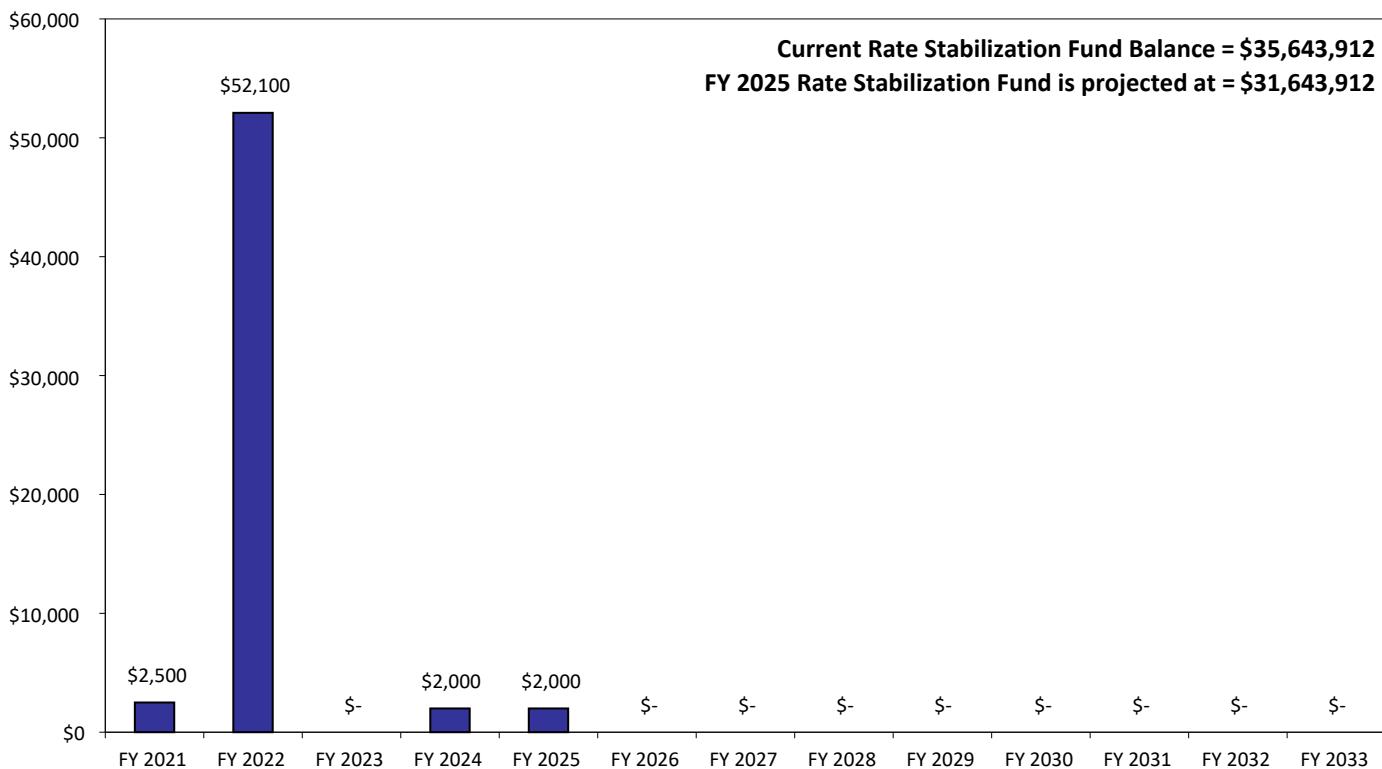
S.P.L.A.S.H Program



RATE STABILIZATION FUND USAGE

FY 2024 - FY 2033

(\$000's)



- At the end of FY 2021, DC Water's Rate Stabilization Fund (RSF) balance was \$87.74 million. As approved by the Board, \$10.5 RSF was utilized in FY 2022 to mitigate rate increase. Additional \$41.6 million of RSF was used to transfer the money to Ending Cash Balance in order to make Days of Cash equal to 250 days without including RSF Balance in the calculation. At the end of FY 2022 and FY 2023, DC Water's rate stabilization fund (RSF) balance was \$35.6 million. For funding the Payment Plan Incentive Program, \$2 million per year RSF utilization is projected for FY 2024 and FY 2025, which will result in reducing the RSF balance to \$31.64 million at the end of FY 2025. No RSF is proposed to be utilized from FY 2026 to FY 2033. RSF will have a balance of \$31.64 million at the end of FY 2033.

One method of assessing the affordability of residential rates is to calculate the portion of the Median Household Income that would be spent on typical water, wastewater, and stormwater bills and compare the results with the same calculation for other utilities. While no utilities are exactly alike, in the most recent rate survey conducted for DC Water in November 2023, DC Water's charges for a single family residential customer as a percentage of median income, excluding District fees, were comparable to the average of other large and regional water and wastewater utilities.

The following charts provide DC Water combined water, sewer and stormwater charges for single family residential customers compared to: large CSO communities, other similar large jurisdictions and other regional jurisdictions. There are distinct differences between DC Water and other large and regional utilities. Some differences include:

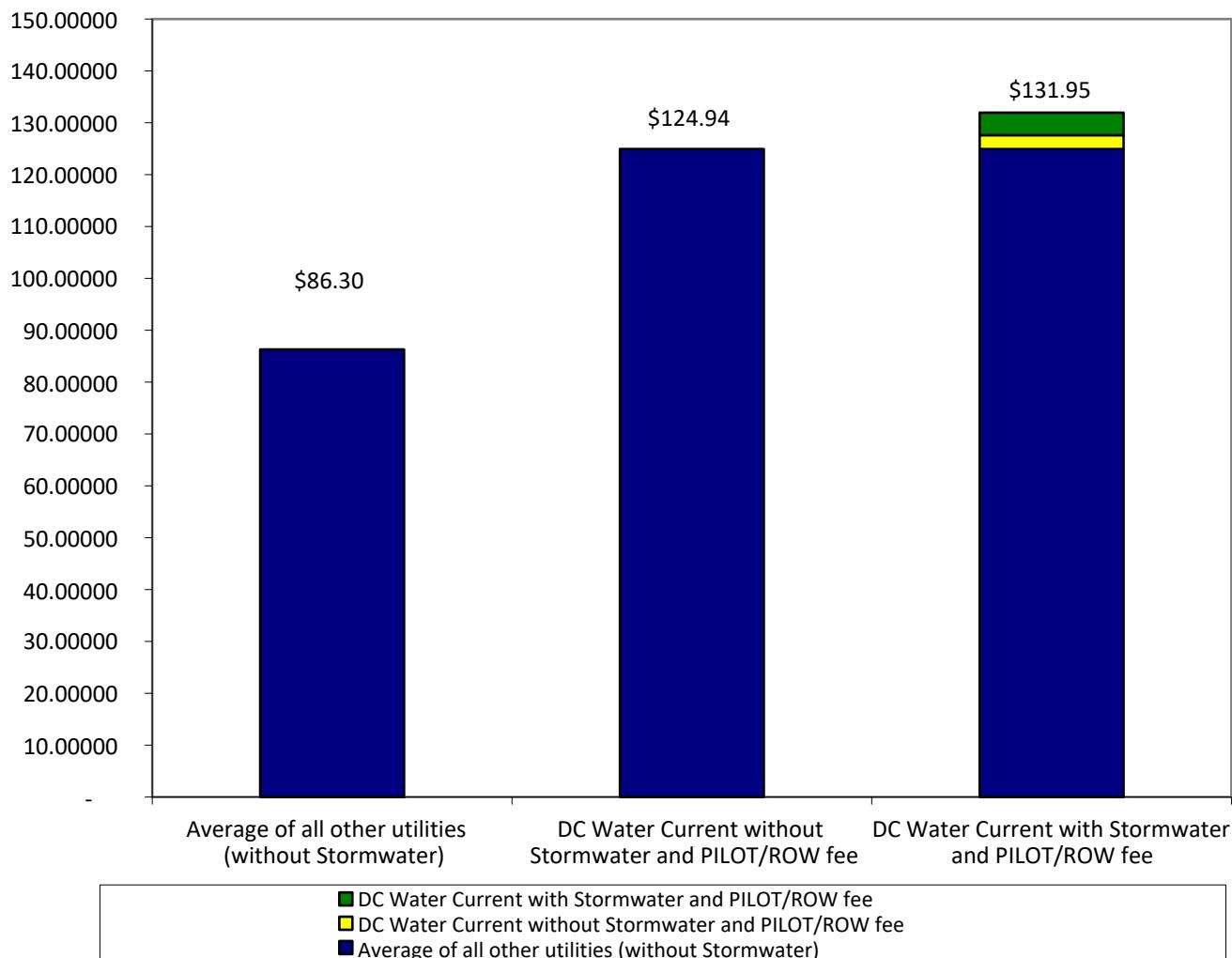
- Different patterns of water use (e.g., suburban jurisdictions can have different demands from urban centers)
- Revenues from taxes that reduce the revenues to be raised from water, sewer and stormwater rates (e.g., Arlington, Milwaukee, St. Louis, Atlanta, Chicago, etc.)
- Available undeveloped areas supporting high developer contributions for growth that can again reduce the revenues to be raised from water, sewer and stormwater rates (e.g., Fairfax County)
- Separate sewer systems in certain large jurisdictions and regional jurisdictions (e.g., Dallas)
- Differences in climate that may affect water supply or conservation needs (e.g., Seattle)
- Varying stages of completion of facilities to meet federal mandates (e.g., Atlanta and Boston have completed most of their major investments - the DC Clean Rivers Project is in progress at this time)

DC WATER'S RETAIL RATES ARE COMPARABLE TO OTHER UTILITIES

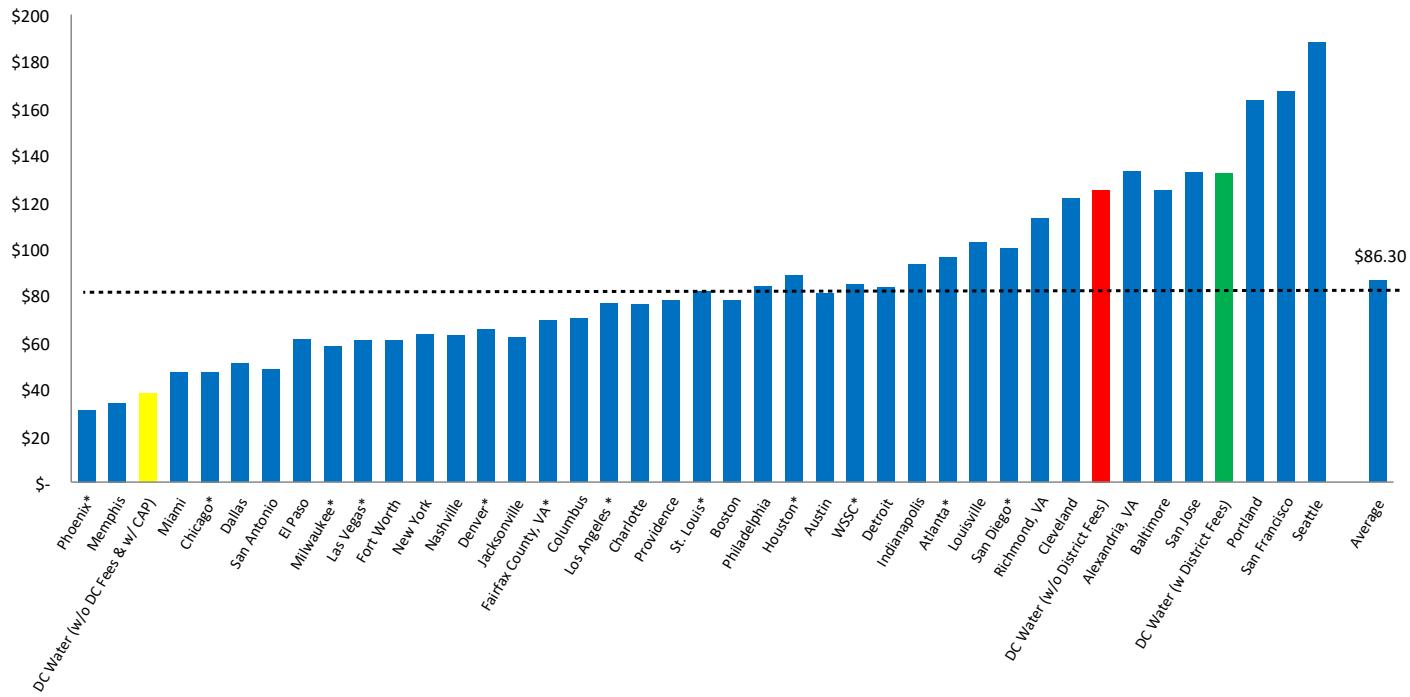
DC Water's Current FY 2024 Monthly Residential Bill

vs.

Average Monthly Bill of Other Utilities in Effect Fall 2023



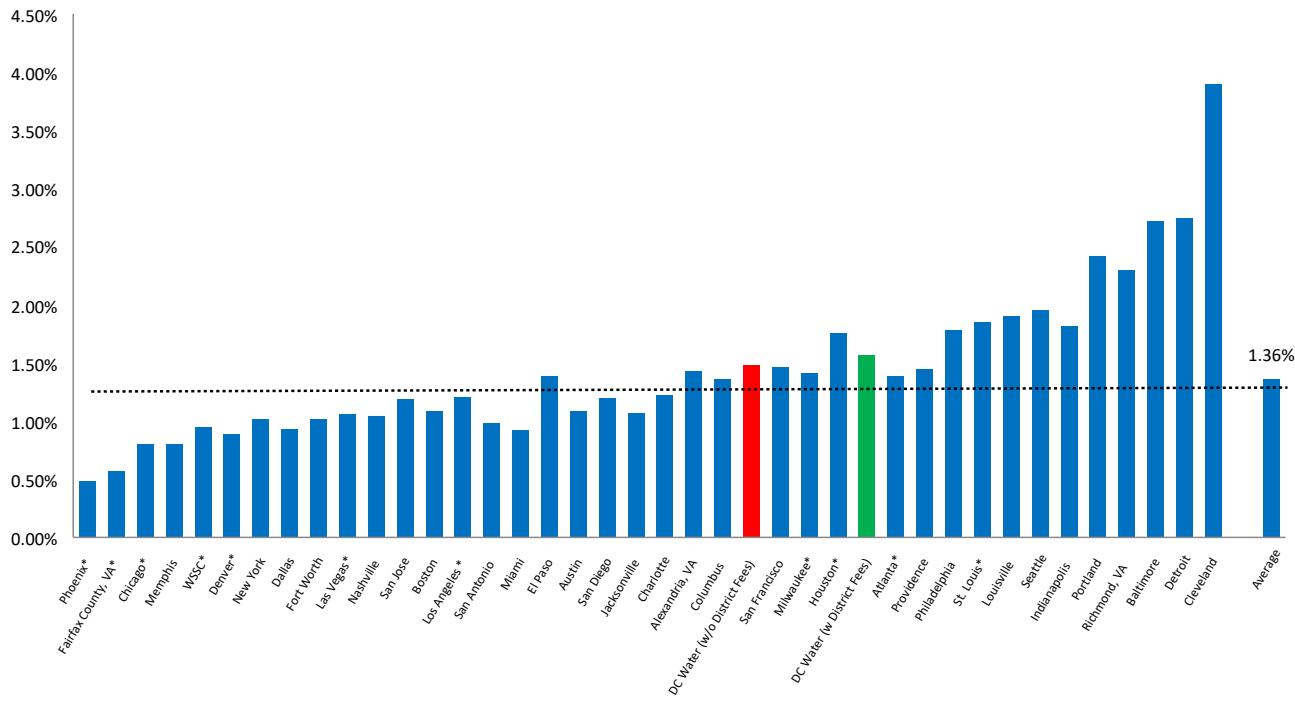
DC Water Retail Rates Compared to Other Large Utilities (Based on Rates in effect Fall 2023)



- (1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
- (2) Reflects rates and fees in place as of November 1, 2023. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.80 per Ccf (effective October 1, 2023) and the DOEE residential stormwater rate of \$2.67 per ERU per month.
- (3) Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.

In the chart below, DC Water current charges rank at the median for bill comparison purposes for water and wastewater services compared to a select group of large, regional and CSO utilities, but well within US EPA guidance of 4 percent.

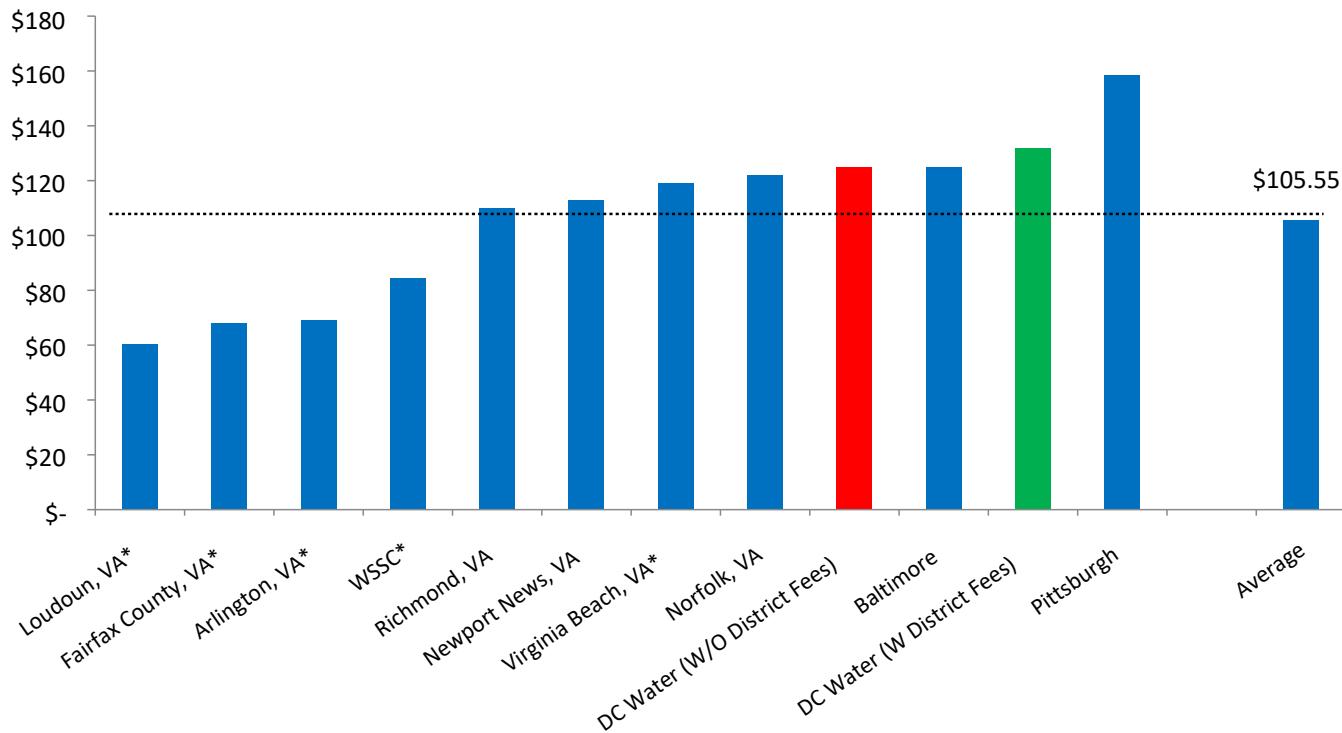
**Single Family Residential (SFR) Monthly Bill as %
of Median Household Income - Large National Utilities
(Based on Rates in effect Fall 2023)**



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

2) Reflects rates and fees in place as of November 1, 2023. The Authority's rate includes the PILOT/ROW fee totaling \$0.80 per Ccf (effective October 1, 2023) and the DOEE residential stormwater rate of \$2.67 per ERU per month. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.

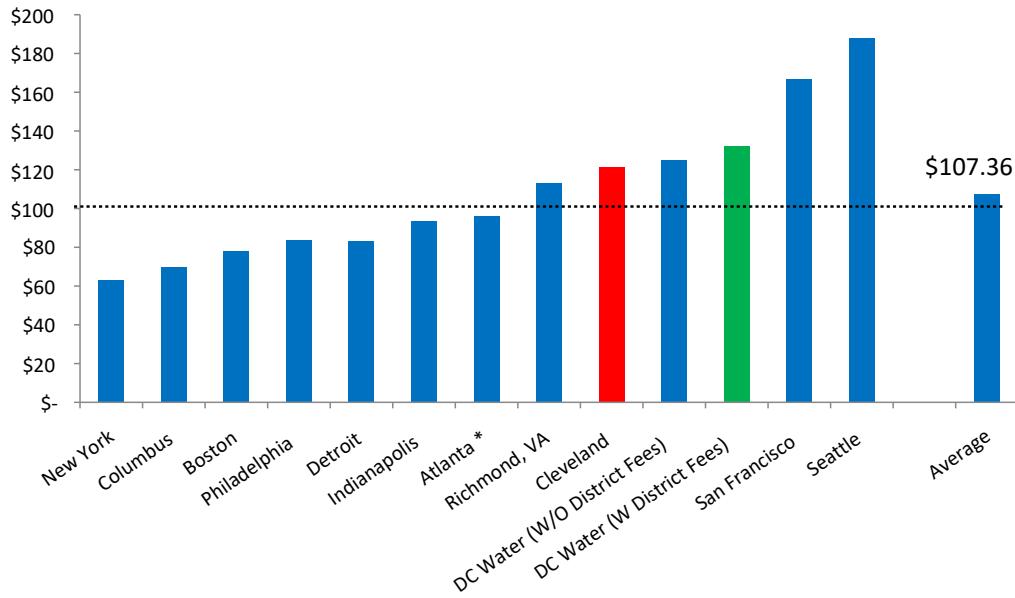
DC Water Retail Rates Compared to Regional Utilities (Based on Rates in effect Fall 2023)



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

2) Reflects rates and fees in place as of November 1, 2023. Some cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services, as indicated by * in the graph above. In such situations, the user charge will not reflect the full cost of water, wastewater or stormwater services.

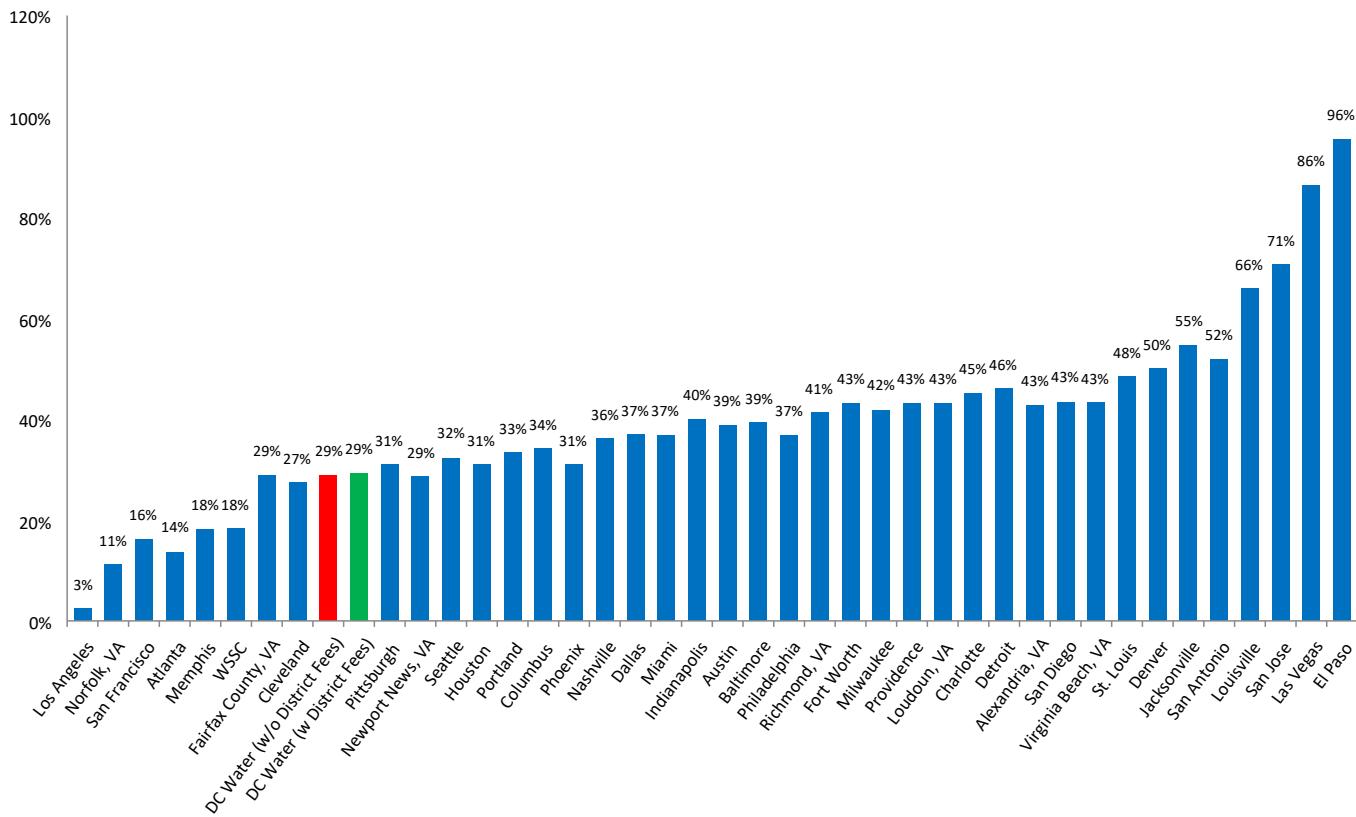
DC Water Compared to CSO Communities (Based on Rates in effect Fall 2023)



- 1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
- 2) Reflects rates and fees in place as of November 1, 2023. The Authority's rate includes the PILOT/ROW fee totaling \$0.80 per Ccf (effective October 1, 2023) and the DOEE residential stormwater rate of \$2.67 per ERU per month.
- 3) Most CSO communities have implemented double digit rate increases to recover CSO-LTCP costs
- 4) Increases do not reflect other available dedicated taxes or state funding potentially available to some agencies
- 5) Chart reflects SFR monthly bill utilities with CSO programs without offsets to user charges

Fixed charges are a small component of the DC Water monthly bill and is less than median for large utilities. This provides the customer more opportunities to impact monthly bills through water conservation.

Fixed Charge as % of Total Single-Family Residential Bills in Large Cities (Based on Rates in effect Fall 2023)



- 1) User Charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. Some cities bill for sewer use on the basis of winter consumption which could affect sewer billings if a customer's use was not uniform throughout the year. Sewer charges include stormwater charges in those cities where separate stormwater fees are assessed. Some cities use property tax revenue or other revenues to pay for the part of the cost of water, wastewater, or stormwater services. In such situations, the user charges will not reflect the full cost of water, wastewater or stormwater services.
- 2) DC Water rate schedule was effective October 1, 2023. Whereas, charges for all cities reflect rate schedules in effect November 1, 2023
- 3) DC Water PILOT and ROW fees are split between variable water charges and variable sewer charges
- 4) DC Water charges include the stormwater charges of the District
- 5) CSO/Stormwater charges may cover the cost of CSO abatement facilities in those cities with combined sewers; such charges can also cover the cost of stormwater-related facilities and services



Approved FY 2025 Budgets
Section V: CAPITAL PROGRAMS



Blue Plains gravity thickener

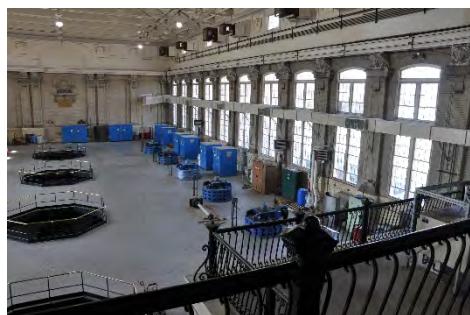
(\$ in thousands)

Below are the annual total disbursements for the various projects within this service area.

FY 2023 Actual	FY 2024 - FY 2033 CIP Disbursement Plan											Lifetime Budget
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-yr Total	
\$435,149	\$514,727	\$732,139	\$841,815	\$829,232	\$888,890	\$1,017,465	\$908,987	\$709,507	\$675,467	\$625,006	\$7,743,235	\$16,082,284



East Side Pumping Station, Green Roof



Bryant Street Pump Station



Blue Plains

Overview

DC Water's Capital Improvement Program (CIP) supports the continuation of major capital asset investment in programs and projects that will upgrade the water distribution and sewer system as well as maintain compliance with federal mandates and improve the efficiency of operations. The CIP includes all mandated projects, rehabilitation of assets required to meet permit and other regulatory requirements, and projects to meet the immediate needs necessary to maintain existing service levels.

The CIP is presented on two different basis: the ten-year disbursement plan and lifetime budget.

- **Ten-Year Disbursement Plan** – This category represents the actual cash disbursements “cash out of the door” for each project, excluding contingencies. It provides a more realistic approach and basis for forecasting the anticipated level of rate increases, as well as, timing for pursuing capital financing. In addition, the ten-year disbursement plan includes projected completion dates, program management, and in-house labor costs.
- **Lifetime Budget** – The “lifetime” budget, reflects historical spending prior to, during, and beyond the current ten-year period, including in-house labor. Lifetime budgets represent projects active during the ten-year period and are the primary area of focus in budget development and day-to-day monitoring. In addition to “active” projects, the lifetime budget includes projects for which all activities have been completed during the previous fiscal year and are listed as “closed” in the CIP. Closed projects are dropped from the CIP in the next fiscal year, and new projects are continuously added, as needed, each fiscal year.

Detailed information on the individual projects can be found online at www.dewater.com

CIP Development and Approval Process

DC Water's capital budget review process begins each year in the spring and spans over several months. The Department of CIP Infrastructure Management, working with the Engineering Cluster, conducts a review of major accomplishments, priorities, status of major projects, and emerging regulatory and related issues impacting the capital program. The review process is a collaborative effort and involves departments with responsibility for managing the operations of DC Water services and capital projects; staff from the department of Finance; and members of the Senior Executive Team. The CIP is integrated into DC Water's ten-year financial plan; and is the primary driver of DC Water's projected rate increases over the ten-year planning period.

The formulation of the capital project budgets takes into consideration the imperatives of the Blueprint 2.0. All CIP project budget requests are prioritized to include regulatory requirements, mandates, health and safety, Board policy, potential failure, and good engineering practices. These criterions align with the five imperatives of the Blueprint 2.0 - to invest in high performing network of systems and assets to minimize service disruptions (**Reliable**), mitigate future impacts of climate change and flood hazards (**Resilient**), ensure inclusive and diverse representation (**Equitable**), embed a sustainably driven operating and delivery model (**Sustainable**) and improve water quality and ensure efficient use of economic resources (**Healthy, Safe and Well**). Starting with the FY 2024 budget process, DC Water incorporated the equity approach which entailed the use of risk and equity scores in prioritizing projects mainly for linear infrastructure such as the Lead Service Line Replacements, Small diameter Water Mains and Local Sewers. This approach would be considered for other CIP projects in the future as applicable.

DC Water's operating and capital budget proposals are delivered to the Board of Directors at the Budget Workshop in January. Management conducts two months of Committee review meetings with the Environmental Quality and Operations; Finance and Budget; and DC Retail Water and Sewer Rates Committees in January and February. The operating budgets, capital improvement program, and ten-year financial plan were adopted by the full Board on March 7, 2024.

After adoption by the Board of Directors, DC Water is required to submit its annual operating and ten-year capital budgets to the Mayor and the District of Columbia Council for review and comment. However, neither has the power to change DC Water's annual budgets. The District of Columbia includes DC Water's budgets in their submission to Congress.

Capital Authority Request

Capital authority represents the amount of Congressionally-authorized funding that DC Water can use to administer its capital program. Sufficient authority is required to be in place prior to contracts being executed. Actual commitments within the service areas may vary up or down for a particular year. However, they are "not to exceed the total" FY 2025 – FY 2033 capital authority request in the amount of \$7.2 billion.

It should be noted that the execution of contracts requires the approval of the CEO and General Manager, as Contracting Officer, or his delegate. Major projects and contracts valued at \$1 million or more require DC Water Board approval.

Capitalization Policy

DC Water's capitalization policy determines how expenditures will be recognized and accounted. DC Water matches the financing of an asset to its projected useful life and the policy determines how projects will be financed.

DEFINITION:

- Capital Project – an average life of 30 years and is financed with long-term debt
- Capital Equipment – has a life of at least three years, is financed with short-term debt or cash, and an individual component cost of \$5,000 or more. The cost of capital equipment purchases that are part of a clearly identified capital program can be aggregated. In which case, all costs relating to the capital program are capitalized at the project level regardless of the individual component amount.

The following guidelines are used to categorize items as either capital equipment or an operating expense.

Expenditure Type	Financial Treatment	Definition
Rehabilitation		
Enhancement	Capitalize	Addition/replacement of a sub-component of an asset, to improve the "attributes" of the asset. This will include all such work as valve replacement or replacement of a section of a pipe.
Refurbishment	Capitalize	Expenditure on an asset that creates a material extension to the Estimated Operating Life (EOL) of the asset. This is distinct from maintenance work, which is carried out to ensure that an asset is able to perform its designated function for its normal EOL. An example of refurbishment would be pipe lining and pipe grouting.
Rebuild	Capitalize	Expenditures to reconstruct, renovate, remodel, remake or reassemble an asset or infrastructure after it has been damaged or destroyed. An example of a rebuild is a valve rehabilitation, reconstruction of the valve elements
Replacement		
Replacement	Capitalize	Expenditure to replace substantially all of an asset. An example is replacement and installation of a new pipe including the ensuing disinfection applications and all associated activities relating to the replacement
Repair		
Repair	Expense	Expenditure on an asset that maintains or restores the design functionality or attributes of an asset, enabling the asset to perform its intended function during its EOL. Examples of these will include service line repairs such as clamp application on service pipes, bolt application/replacement/adjustment, small scale chemical applications such as use of dechlorinating tablets, meter shut off valve, curb stop, small service line repairs that does not involve replacement nor meter housing, high pressure jet vacuum or any other obstruction removal methodology
Maintenance		
Maintenance	Expense	Scheduled and recurring costs for the continued performance of an asset

(\$ in thousands)

	FY 2023 Actual	FY 2024 - FY 2033 Disbursement Plan										Lifetime Budget
		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	
NON PROCESS FACILITIES												
Facility Land Use	\$10,272	\$13,074	\$19,900	\$25,190	\$27,461	\$17,775	\$35,413	\$23,100	\$13,283	\$14,977	\$7,345	\$197,518
	\$10,272	\$13,074	\$19,900	\$25,190	\$27,461	\$17,775	\$35,413	\$23,100	\$13,283	\$14,977	\$7,345	\$197,518
WASTEWATER TREATMENT												
Liquid Processing	\$27,726	\$31,049	\$37,484	\$62,215	\$82,863	\$90,298	\$109,684	\$99,567	\$106,731	\$64,332	\$59,904	\$744,128
Plantwide	\$6,551	\$21,440	\$35,957	\$43,147	\$49,891	\$43,837	\$45,111	\$27,192	\$18,602	\$3,489	\$3,153	\$291,817
Solids Processing	\$14,297	\$11,166	\$28,652	\$27,041	\$10,790	\$29,142	\$31,598	\$34,275	\$38,154	\$23,317	\$11,609	\$245,744
Enhanced Nitrogen Removal Facilities	\$1,786	\$1,495	\$1,198	\$1,084	\$2,599	\$1,324	\$8,244	\$24,198	\$11,320	\$450	\$0	\$51,914
	\$50,359	\$65,150	\$103,291	\$133,487	\$146,143	\$164,601	\$194,637	\$185,233	\$174,807	\$91,587	\$74,666	\$1,333,603
COMBINED SEWER OVERFLOW												
DC Clean Rivers Program	\$92,366	\$118,913	\$204,033	\$220,390	\$212,583	\$189,057	\$147,147	\$77,719	\$0	\$0	\$0	\$1,169,843
Combined Sewer Overflow Program	\$1,392	\$4,880	\$9,375	\$10,933	\$4,032	\$4,693	\$7,653	\$14,644	\$4,041	\$0	\$0	\$60,249
	\$93,758	\$123,793	\$213,408	\$231,323	\$216,615	\$193,750	\$154,800	\$92,363	\$4,041	\$0	\$0	\$1,230,093
STORMWATER												
Storm Local Drainage Program	\$194	\$491	\$3,461	\$2,886	\$431	\$424	\$226	\$265	\$303	\$324	\$303	\$9,114
Storm On-Going Program	\$821	\$225	\$575	\$643	\$846	\$1,084	\$1,287	\$935	\$500	\$500	\$500	\$7,094
Storm Pumping Facilities	\$2,341	\$4,847	\$8,069	\$2,693	\$1,050	\$3,024	\$1,755	\$5,497	\$8,491	\$5,507	\$3,747	\$44,680
Stormwater Program Management	\$0	\$1,288	\$851	\$338	\$0	\$0	\$0	\$0	\$138	\$440	\$681	\$3,736
Stormwater Trunk/Force Sewers	\$168	\$442	\$609	\$1,399	\$1,477	\$0	\$0	\$0	\$0	\$0	\$0	\$3,926
	\$3,523	\$7,293	\$13,565	\$7,958	\$3,804	\$4,532	\$3,268	\$6,697	\$9,432	\$6,772	\$5,231	\$68,551
SANITARY SEWER												
Sanitary Collection System	\$4,661	\$6,087	\$26,323	\$36,510	\$26,783	\$35,728	\$108,247	\$82,942	\$61,529	\$113,099	\$95,612	\$592,860
Sanitary On-Going Projects	\$13,562	\$13,398	\$14,489	\$13,643	\$13,384	\$16,037	\$29,818	\$26,474	\$26,466	\$26,964	\$26,177	\$206,851
Sanitary Pumping Facilities	\$2,619	\$3,639	\$7,259	\$9,040	\$5,375	\$9,016	\$18,035	\$20,117	\$20,951	\$32,231	\$27,351	\$153,015
Sanitary Program Management	\$8,351	\$7,495	\$3,382	\$5,194	\$7,890	\$10,130	\$9,192	\$6,269	\$749	\$0	\$0	\$50,302
Interceptor/Trunk Force Sewers	\$28,502	\$49,980	\$40,780	\$59,467	\$65,207	\$98,125	\$122,523	\$113,669	\$118,076	\$97,019	\$87,706	\$852,553
	\$57,696	\$80,599	\$92,235	\$123,854	\$118,639	\$169,037	\$287,816	\$249,471	\$227,771	\$269,312	\$236,846	\$1,855,580
WATER												
Water Distribution Systems	\$52,980	\$59,596	\$99,260	\$117,420	\$96,830	\$106,485	\$113,946	\$130,215	\$133,781	\$141,444	\$152,827	\$1,151,805
Lead Free DC Program	\$42,094	\$62,339	\$83,333	\$93,925	\$98,921	\$99,443	\$101,674	\$104,867	\$42,753	\$22,166	\$22,166	\$731,587
Water On-Going Projects	\$11,131	\$14,107	\$15,339	\$15,041	\$16,158	\$15,132	\$20,691	\$21,601	\$20,879	\$22,623	\$20,404	\$181,974
Water Pumping Facilities	\$4,078	\$6,277	\$8,131	\$8,562	\$6,143	\$7,452	\$5,689	\$3,625	\$1,786	\$0	\$0	\$47,664
Water Storage Facilities	\$2,784	\$7,462	\$5,813	\$7,837	\$21,093	\$31,911	\$26,562	\$18,876	\$8,037	\$33,648	\$32,582	\$193,821
Water Service Program Management	\$5,314	\$8,956	\$10,619	\$9,609	\$11,133	\$5,833	\$29	\$0	\$0	\$0	\$0	\$46,178
	\$118,381	\$158,736	\$222,494	\$252,395	\$250,278	\$266,256	\$268,591	\$279,184	\$207,235	\$219,880	\$227,979	\$2,353,028
CAPITAL PROJECTS	\$333,990	\$448,646	\$664,893	\$774,206	\$762,940	\$815,951	\$944,526	\$836,048	\$636,568	\$602,528	\$552,067	\$7,038,373
CAPITAL EQUIPMENT	\$26,431	\$30,535	\$31,477	\$31,839	\$30,523	\$37,169	\$37,169	\$37,169	\$37,169	\$37,169	\$37,169	\$347,390
WASHINGTON AQUEDUCT	\$74,728	\$35,546	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$357,472
ADDITIONAL CAPITAL PROJECTS	\$101,159	\$66,081	\$67,246	\$67,609	\$66,293	\$72,939	\$72,939	\$72,939	\$72,939	\$72,939	\$72,939	\$704,863
LABOR												\$443,166
TOTAL CAPITAL BUDGETS	\$435,149	\$514,727	\$732,139	\$841,815	\$829,232	\$888,890	\$1,017,465	\$908,987	\$709,507	\$675,467	\$625,006	\$7,743,235
												\$16,082,284

(\$ in thousands)

Prioritization Schedule

The Authority evaluates and prioritizes capital projects based on a specific criteria. These criteria are fundamental in developing a CIP based on demonstrated needs and are set forth in the following table and described below.

Approximately 16 percent of the current CIP ten-year disbursements are for large regulatory mandates which includes the Clean Rivers Project. As we progress closer to the completion of the mandated projects, DC Water is able to increase investments in upgrading its aging water and sewer infrastructure.

MEASURE OF PRIORITY

1A		2A	2B	2C	2D	3A		3B		
Mandates		Health & Safety	Board Policy	Potential Failure	High Profile Good Neighbor	Good Engineering High Payback		Good Engineering Lower Payback		
Agreements, Regulatory standards, Court orders, Issues and Permits requirements, Stipulated Agreements, Etc.		Required to address Public Safety	Undertaken as a result of the Board's commitment to outside agencies	Related to Facilities in danger of failing, or critical to meeting permit requirements	Address Public concerns	Need to fulfill Mission and upgrade Facilities		Lower priority Projects		
FY 2024	\$120,058	23%	\$12,459	\$111,587	\$47,443	\$1,532	\$152,003	30%	\$69,644	\$514,727
FY 2025	\$213,048	29%	\$29,558	\$152,417	\$43,254	\$681	\$158,313	22%	\$134,867	\$732,139
FY 2026	\$222,641	26%	\$58,599	\$170,665	\$29,537	\$674	\$191,862	23%	\$167,837	\$841,815
FY 2027	\$227,487	27%	\$12,338	\$180,177	\$32,980	\$1,792	\$191,723	23%	\$182,735	\$829,232
FY 2028	\$189,057	21%	\$6,679	\$187,840	\$48,222	\$6,195	\$230,815	26%	\$220,083	\$888,890
FY 2029	\$147,147	14%	\$860	\$198,183	\$68,145	\$3,123	\$353,180	35%	\$246,827	\$1,017,465
FY 2030	\$77,719	9%	\$2,081	\$216,909	\$65,608	\$0	\$287,281	32%	\$259,388	\$908,987
FY 2031	\$0	0%	\$1,197	\$145,298	\$43,075	\$0	\$255,140	36%	\$264,798	\$709,507
FY 2032	\$0	0%	\$969	\$123,631	\$34,039	\$1,490	\$294,518	44%	\$220,821	\$675,467
FY 2033	\$1,490	0%	\$0	\$125,191	\$28,147	\$0	\$276,140	44%	\$194,038	\$625,006
Total	\$1,198,649		\$124,740	\$1,611,897	\$440,449	\$15,486	\$2,390,976		\$1,961,038	\$7,743,235
% of Total	15.5%		1.6%	20.8%	5.7%	0.2%	30.9%		25.3%	

(\$ in thousands)

Below are the annual total disbursements for the various projects within this service area.

FY 2023 Actual	FY 2024 - FY 2033 CIP Disbursement Plan										Lifetime Budget	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033		
\$10,272	\$13,074	\$19,900	\$25,190	\$27,461	\$17,775	\$35,413	\$23,100	\$13,283	\$14,977	\$7,345	\$197,518	\$362,044



Fleet Maintenance Facility



Fort Reno Renovation



Blue Plains SB-1 Warehouse Renovation

Overview

The Non Process Facilities Service Area accommodates projects approved under the Non Process Facilities Master Plan (NPFMP) and related improvements necessary to support DC Water activities and critical operations. The goals of this service area are the same as those in the NPFMP, which are designed to:

- Optimize equity and wellness for the DC Water non-process facilities working environment.
- Maximize efficient use of existing DC Water land and facilities.
- Introduce state-of-the-art material management technologies that will enhance inventory security, storage, distribution, and transportation.
- Implement green strategies, and sustainable design within DC Water infrastructure and facility planning.
- Maximize flexibility throughout DC Water facilities to support management of future treatment needs, distribution system operations, and innovative opportunities

PROGRAM AREAS

Facility Land Use – The primary objective of this service area is to implement the Non-Process Facilities Master Plan (NPFMP) and to ensure that we are meeting the wellness and equity needs of our workforce while efficiently maintaining facilities to support our operations. The facility land use budget provides improvement projects to DC Water’s regularly occupied facilities. These projects directly contribute to the sustainability of DC Water facilities assets as well as the health and well-being of our employees and visitors in DC Water’s office and shop environments. Some of the projects included in this program are:

- ***Renovations to Bryant Street Campus*** – This project will renovate and upgrade the building envelopes of the Bryant Street Pump Station, Meter Shop building and Distribution Shop building as well as provide upgrades to various interior spaces to support the efficient operation and wellness of the Water Operations, Department of Pumping and Sewer Operations, Meter Operations and Materials Management teams. The project will also perform selective demolition and reconstruction of the 200 Bryant Street Warehouse building that will modernize and improve material management operations at the Bryant Street campus. The parking areas around the Bryant Street campus will be updated to maximize parking availability given the growing needs but limited space.
- ***Fort Reno Pump Station-Field Ops Facility*** – Concept design began in FY 2023 to renovate the historic envelope of the non-process facilities at the Fort Reno campus to include the office/water lab facility, upgrades to the historic watchman’s tower and original pump station building. The project will also include needed improvements to interior spaces, the grounds and security fencing to provide a suitable working environment for DC Water employees and visitors as well as being a good neighbor in recognizing and maintaining the historic character of the campus buildings.
- ***Main & O Redevelopment Efforts*** – This project relocated Sewer and Fleet Operations from the Main & O Campus in order to accommodate the redevelopment plans for the District of Columbia in and around the Navy Yard. The new Sewer Facility at Ames Place achieved occupancy in FY 2022, and the new Fleet Facility achieved occupancy in FY 2023. Remaining projects include the fencing and access point definition and hardscape improvements around the redefined campus beginning in FY 2024.
- ***Renovations to Blue Plains Central Operations Facility*** – The 2013 NPFMP called for utilizing the Central Operations Facility as the operations center for Blue Plains as originally intended, consolidating all Engineering staff except Clean Rivers. In addition to efficiently organizing the space vacated by administrative personnel now located at the Headquarters Office, this project consists of identifying a range of potential tasks, such as structural/building envelope analysis, energy efficiency and resiliency upgrades, and improved space planning and document storage that will modernize and improve operations at the facility. The concept design for this project was completed in FY 2024. Procurement for the design is planned for FY 2024 with construction anticipated to start in FY 2026.
- ***CMF Renovations and Consolidation*** – This project will provide for renovation of the existing Blue Plains Supply Building One (SB-1) to allow for consolidation of the Facilities Department in the SB-1 space. This will provide space for consolidation of Wastewater Operations within the Central Maintenance Facility. Design for the SB-1 renovation was completed in FY 2023. Abatement of hazardous materials and permits acquisition and procurement of construction for SB-1 renovation are planned for FY 2024 and FY 2025.

- **Floatable Debris Dock Replacement** – The existing docks are more than 25 years old and need to be replaced. The replacement slips (at least five) and associated new piles will allow flexibility and maneuverability of the boats, overcome the existing draft challenges of the river bottom, and most importantly, create safe conditions for the staff and their operations. Improvements include replacement of the docks, replacement of the onsite office facility, addition of solar to the site, updated fencing and lighting to further improve the working environment and efficiency of skimmer boat operations. Design Build procurement for the docks will begin in FY 2024 with design and permitting from FY 2024 through FY 2025 and the build activities are scheduled for FY 2026.
- **Non-Process Heating, Ventilation, and Air Conditioning (HVAC) and Roofing Projects** – This project is meant to holistically address some of the HVAC and roofing/building envelope challenges that exist throughout DC Water facilities. This will include undertaking proper analysis of our needs given the characterization of the space (occupied versus non-occupied for example) and then developing remediation and renovation plans as identified by the assessment. Assessments started in FY 2022 and continue through FY 2024. As phases of assessments are completed, scoping for project design and construction will begin. The phasing of assessments by the Non-Process Program team prioritizes HVAC and roofing projects with immediate needs and beyond will implement an informed, proactive plan that considers the proper lifecycle costs of these assets to ensure that our facilities meet the needs of our operations and workforce.
- **Anacostia Pump Station Field Ops Facility** – This project provides for planning, design and construction to renovate and repurpose the existing, historic Old Anacostia Pump Station. The existing Old Anacostia Pump Station was abandoned when the new Anacostia Pump Station was built on the same campus. Concept design was completed in FY 2023, design started in FY 2024, and construction is anticipated to start in FY 2026. The project will provide a suitable field operations location for DC Water Operations as well as doing our part as a good neighbor to surrounding Ward 8 neighborhood.
- **Main & O Seawall Restoration** – This project provides for planning, design, and construction to rebuild the existing seawall to the south of the new headquarters building. Planning and evaluation of the condition of the existing seawall is planned for FY 2029 with design to start in FY 2030 and construction is anticipated to start in FY 2031. The project will provide continued protection by the seawall as well as doing our part as a good neighbor to support improvements to the Anacostia River waterfront area.
- **Main Pump Station Building Modifications** – This project is in place to ensure the historic Main Pump Station will continue to last and humbly represent DC Water's lasting contributions to Washington DC's growth and success. This funding will support restoration to the building's exterior envelope and interior spaces to planning, design and for many years to come. The restoration requires planning, design and construction by historic building specialty companies. In addition to permitting with Department of Buildings (DOB) there will be extensive need for outreach and coordination with the State Historic Preservation Office (SHPO) and the U.S. Commission of Fine Arts (CFA). A Condition Assessment Report of the building was completed in FY 2024. Design services for this project will begin in FY 2025.
- **Solar Projects** – This project provides planning, design, and construction for solar installations at multiple DC Water campuses. Planning includes solar projects at Bryant Street, Floatable Debris Dock, Fort Reno, Anacostia Pump Station, and Potomac Pump Station in FY 2024 through FY 2027. These projects will enhance the sustainability profile for DC Water and are intended to help support improvement of rates.

- **Electric Vehicle Infrastructure** – This project provides planning, design, and construction for Electric Vehicle (EV) charging stations at multiple DC Water campuses. The project aligns with DC Water's status as an environmental steward and with the District's Clean Energy DC's electric vehicle readiness and adoption approach. Planning for this project will start in FY 2024 with design projected to start in FY 2025 and construction to start in FY 2026.
- **Sewer Services Office and Garage Expansion** – This is a fast-track project to expand the existing Sewer Services Facility at Ames Place by adding additional office and support spaces, as well as a garage enclosure for 25 fleet vehicles. Concept design with bridging documents is projected to begin in FY 2024 with construction planned to start in FY 2025. The project will provide a suitable field operations location for the Sewer Operations team.
- **Operation Training Facility** – This project provides DC Water with a centrally located training facility for hands-on classroom training. This facility would cover the needs of operations and safety teams. It would also provide a space for DC Water's operations challenge teams to practice. Planning for this project will start in FY 2024, with design projected to start in FY 2025, and construction to start in FY 2026.
- **Combined Water Quality & Wastewater Lab** – This project will provide DC Water with a world-class, state-of-the-art, National Environmental Laboratory Accreditation Program (NELAP) certified facility, equipped with highly conditioned/filtered air, an area for walk-through tours where guests and school students can see lab workers and instrumentation through glass. Planning for this project will start in FY 2024 with design projected to start in FY 2025 and construction starting in FY 2026.

ACCOMPLISHMENTS

- The new Non-Process Facilities Program Management (NPFPM) contract was executed in late FY 2021 by a woman-owned professional design and construction firm. There have been three supplemental agreements executed and a fourth one being processed.
- The new Fleet facility at Walker Mill has achieved occupancy and substantial completion in FY 2023. The Fleet Department vacated the old Fleet Building and moved into the new Fleet Facility in FY 2023. The new Fleet location is a professional office space that provides state-of-the-art shop space necessary to support the Fleet Departments mission.
- Forty-Seven (47) assessments have been completed under the roofing assessment project. The roofs are prioritized for replacement based on the condition rating with an initial list of three (3) roofs selected for replacement in FY 2024.
- A design Basic Ordering Agreement (BOA) was executed in FY 2024 to provide Engineering Design Services to support DC Water's portfolio of non-process facilities and assets including, but not limited to buildings, mechanical systems, electrical systems, solar systems, interior office spaces, seawall shoring systems, ground shoring systems, as well as hardscape and landscape. Having the design BOA in the program will reduce the average project duration since designs can be issued as task orders in lieu of going through the procurement process to solicit designers for various projects.

- DC Water is working with an approved vendor that is updating and developing the 10-year Land Use Master Plan to provide recommendations for new facilities as well as renovations and modifications of existing facilities to meet the ever-changing needs of our operations. This effort includes updating the goals of the Land Use Master Plan to align with Blueprint 2.0 and other initiatives and compliance requirements that have been developed in the past decade. The project is underway and slated to continue through FY 2025.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Non-Process Facilities Program Management (NPFP) – This program impacts all DC Water workers and visitors by providing a safe, healthy, well and equitable environment for all DC Water support services and operational team home-base locations. The successful execution of the program supports a comfortable and engaged workforce. The comfortable and engaged workforce will be able to carry out the DC Water mission of providing safe, healthy drinking water to the DC area and properly treated wastewater for the District, and surrounding counties in a sustainable working environment. Through this working environment, the Program supports reliable operations and resiliency as emergencies occur.

(\$ in thousands)

summary overview financial plan rates&rev capital financing departmental glossary

FACILITY LAND USE	Start	Status	FY 2023 Actual	FY 2024										10-Yr Total	Lifetime Budget	Completion		
				FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033					
DS New Headquarters Building	2008	Ongoing	\$161	\$1,306	\$6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,312	\$76,884	2025		
HE Bryant Street Pump Station Building Mod.	2018	Ongoing	\$32	\$942	\$2,998	\$4,398	\$1,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,111	\$14,370	2027	
HF Fort Reno Pump Station	2020	Ongoing	\$197	\$254	\$2,699	\$1,047	\$580	\$108	\$0	\$0	\$0	\$0	\$0	\$0	\$4,687	\$6,297	2028	
HH Main & O Redevelopment Efforts	2015	Ongoing	\$6,993	\$2,103	\$114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,218	\$56,130	2025	
HJ Central Operations Facility Renovation	2019	Ongoing	\$11	\$380	\$496	\$933	\$813	\$153	\$0	\$0	\$0	\$0	\$0	\$0	\$2,775	\$7,214	2028	
HK CMF Renovations And Consolidation	2020	Ongoing	\$31	\$222	\$1,197	\$3,401	\$2,428	\$810	\$480	\$314	\$0	\$0	\$0	\$0	\$8,853	\$11,261	2030	
NZ Floatable Debris Dock Replacement	2020	Ongoing	\$417	\$201	\$2,142	\$979	\$2,095	\$2,516	\$2,272	\$560	\$0	\$0	\$0	\$0	\$10,765	\$12,603	2030	
RV Non-Process Area - HVAC And Roofing Projects	2020	Ongoing	\$826	\$2,372	\$2,177	\$1,909	\$2,677	\$2,581	\$2,101	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$21,816	\$26,290	2033	
SA Anacostia Pump Station - Field Ops East	2022	Ongoing	\$44	\$421	\$280	\$546	\$2,187	\$507	\$0	\$0	\$0	\$0	\$0	\$0	\$3,942	\$4,500	2028	
SB Bryant Street Parking Modifications	2022	Ongoing	\$104	\$268	\$383	\$210	\$1,812	\$818	\$0	\$0	\$0	\$0	\$0	\$0	\$3,490	\$4,000	2028	
SC Main & O Seawall Restoration (Phase 2 HQO)	2022	Ongoing	\$482	\$27	\$0	\$0	\$0	\$0	\$500	\$1,179	\$8,393	\$12,977	\$12,977	\$5,345	\$28,422	\$28,930	2033	
SD Main PS Building Modifications - Historic Restoration	2022	Ongoing	\$364	\$491	\$128	\$621	\$314	\$4,819	\$6,773	\$1,054	\$0	\$0	\$0	\$0	\$14,199	\$15,005	2030	
SE Non-Process Facilities Program Management	2022	Ongoing	\$546	\$2,406	\$712	\$462	\$264	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,844	\$5,334	2027	
SF Solar Projects	2023	Ongoing	\$64	\$877	\$4,871	\$3,378	\$3,228	\$676	\$2,807	\$0	\$0	\$0	\$0	\$0	\$15,839	\$23,942	2029	
SG Sewer Services Office and Garage Expansion	2024	New	\$0	\$48	\$270	\$3,195	\$1,802	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,314	\$6,800	2027	
SH Operations Training Facility	2024	New	\$0	\$201	\$155	\$869	\$6,028	\$1,747	\$0	\$0	\$0	\$0	\$0	\$0	\$9,001	\$9,500	2028	
SJ Electric Vehicle Infrastructure	2024	New	\$0	\$59	\$100	\$784	\$448	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,390	\$1,784	2027	
SK Annex Building 8 at McMillan Reservoir Rehab	2024	New	\$0	\$54	\$166	\$630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$850	\$1,200	2026
SL Water Quality Lab	2024	New	\$0	\$441	\$1,006	\$1,829	\$1,014	\$3,039	\$20,480	\$17,993	\$2,889	\$0	\$0	\$0	\$48,692	\$50,000	2031	
TOTAL FACILITY LAND USE BUDGETS			\$10,272	\$13,074	\$19,900	\$25,190	\$27,461	\$17,775	\$35,413	\$23,100	\$13,283	\$14,977	\$7,345	\$197,518	\$362,044			
TOTAL NON PROCESS FACILITIES BUDGETS			\$10,272	\$13,074	\$19,900	\$25,190	\$27,461	\$17,775	\$35,413	\$23,100	\$13,283	\$14,977	\$7,345	\$197,518	\$362,044			

Below are the annual total disbursements for the various projects within this service area.

FY 2023 Actual	FY 2024 - FY 2033 CIP Disbursement Plan										Lifetime Budget	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033		
\$50,359	\$65,150	\$103,291	\$133,487	\$146,143	\$164,601	\$194,637	\$185,233	\$174,807	\$91,587	\$74,666	\$1,333,603	\$3,348,779



Blue Plains Gravity Thickener Phase 2

Reclaimed Effluent Pump Station Upgrade

Blue Plains Clarification at Wet Weather Treatment Facility

Overview

Capital projects in the Wastewater Treatment Service Area are required to rehabilitate, upgrade, or provide new facilities at Blue Plains to ensure that it can reliably meet its National Pollutant Discharge Elimination System (NPDES) permit requirements and produce a consistent, high-quality dewatered biosolids product. DC Water's current NPDES permit requires wastewater treatment to a level that meets one of the most stringent NPDES discharge permits in the United States.

Blue Plains Advanced Wastewater Treatment Plant treats an annual average flow of 320 million gallons per day (MGD) and has a design capacity of 384 MGD, with a peak wet weather design capacity to treat more than one billion gallons per day. Wastewater flows in from the District of Columbia, Montgomery and Prince George's Counties in Maryland, and Fairfax and Loudoun counties in Virginia.

PROGRAM AREAS

Liquids Processing – Projects in this program area encompass upgrading and rehabilitating facilities involved in handling flows from the sanitary and combined sewer systems. These flows progress sequentially through the Plant processes and ultimately discharge the treated effluents into the Potomac River.

Plantwide – This program provides for upgrading, rehabilitating, or installing support systems and facilities that are required for both the liquid processing and solids processing programs.

Solids Processing – Biosolids processing involves reductions in volume along with treatment to meet applicable federal, state, and local requirements for beneficial reuse of biosolids. Treatment is provided by a system of processing facilities that include gravity thickening of primary sludge, floatation thickening of the biological waste sludge produced by the secondary and nitrogen removal processes, pre-dewatering of blended thickened solids by centrifuge, pretreatment of solids by thermal hydrolysis, anaerobic digestion, and final dewatering of Class A biosolids by belt filter press.

Enhanced Nitrogen Removal Facilities – Provides facilities and upgrades to existing facilities needed at Blue Plains to meet the total nitrogen discharge limit assigned to DC Water. In addition to expansion of existing nitrification and denitrification processes, this program includes a new wet weather treatment facility that simultaneously treats combined stored sewage and reduces the peak flow through the biological treatment system. The necessary facilities to meet the current NPDES permit are in operation. An expansion will be required in the future to treat future increased influent loads to the Plant.

ACCOMPLISHMENTS

- Closeout of Raw Wastewater Pumping Station 2 (RWWPS2) – The pump station delivers wastewater from the wastewater collection system to the east preliminary treatment processes at Blue Plains. This project updated aging electrical equipment, both replacing equipment that is beyond its useful life and relocating sensitive electronic equipment to a less corrosive environment to reduce the rate of deterioration of the equipment. All nine (9) pumps in this station have been rehabilitated and placed into service.
- Substantial Completion for Gravity Thickener Upgrades – This project upgraded and placed into service ten (10) gravity thickeners as well as the primary sludge de-gritting systems and associated electrical and instrumentation and control systems. The primary sludge screening and de-gritting building is currently under operational demonstration.
- Substantial Completion for replacement of Filter Influent Pumps 1-10 – These pumps deliver nitrified and denitrified effluent to the filtration process at Blue Plains, which removes solids and phosphorus to meet permit limits. All ten (10) pumps have been upgraded.
- Ongoing construction for the Reclaimed Final Effluent Pump Station Upgrade – The Reclaimed Final Effluent (RFE) pump system is the source of water for the Process Service Water system (PSW) at Blue Plains. The project upgrades equipment for reliability as well as increasing capacity to meet the demand of facilities that have been added to the wastewater treatment plant in recent years.
- Ongoing construction under the Miscellaneous Facilities Upgrades Phase 7 project – This project commenced critical rehabilitation to the filtration filter basins, concrete replacements throughout Blue Plains facility, and process pipeline replacement serving Operational facilities.
- Construction procurement and award for the Miscellaneous Facilities Upgrades Phase 8 project – This project includes critical rehabilitation to the filtration filter basins, concrete rehabilitation, pipeline replacements throughout Blue Plains facility, pump station upgrades, addition of pre-dewatering centrifuges, and other critical rehabilitation throughout Blue Plains facility.
- Construction procurement and completion of final design for Headworks Influent and Effluent Structural Rehabilitation – This project includes rehabilitation of the East Influent Sewer feeding Raw Wastewater Pump Station-1 is needed downstream due to the recent improvements done under the Blue Plains Influent Sewers Rehabilitation (BPISR) Contract. Rehabilitation within Blue Plains is needed for the East and West Outfall Relief Sewers feeding the East Process Screens Facility (EPSF) and Raw Wastewater Pump Station-2 (RWWPS-2) within Blue Plains.

ACCOMPLISHMENTS CONTINUED

- Completion of final design for Central Office Facilities/Information Technology Electrical Switchgear Upgrades – This project upgraded the electrical distribution systems and miscellaneous improvements in the Central Operations Facility and Information Technology facility as required. This project replaced the unit substation installed in 1976, equipment in Central Operations Facility and changed the AC power feeder point for the Information Technology (IT) building.
- Ongoing design for Headworks Electrical Upgrades – The final design for this project is underway. The pre-final submittal has been completed. It includes HVAC improvements, miscellaneous concrete restorations, unit substations 2 and 4 relocation and replacement, lightning protection improvements, Process Control System (PCS) improvements, relocation of disconnect switches and actuator replacements, grit bridge rehabilitation and upgrades, replacement of electrical control panels, combustible gas monitoring and plantwide alarm additions, camera replacements, and PLC upgrades.
- Completion of final design for Pre-dewatering Centrifuges – The equipment pre-selection for the centrifuges has been completed. This project restores to the biosolids program the last 2 of 12 planned pre-dewatering centrifuges (3 centrifuges each of the 4 Cambi trains) and connections to associated feed pumps, polymer pumps, solids chutes and odor control connections at the Main Process Train (MPT) pre-dewatering building.
- Completion of final design for Biosolids Curing Pad – This project includes the design and construction of a Concrete Curing Facility located to the north of the biosolids blending facility for DC Water's exceptional quality Class A biosolids branded as Bloom™.
- Ongoing design for Filter underdrain and Backwash System upgrades – The final design for this project is underway. The value engineering study, concept finalization report and intermediate design submittals have been completed. This project includes the following:
 - Concrete restoration for the filter and gullet walls and the flume channels and conduits
 - Filter underdrain system, which includes the underdrain, support gravel (if required), media, and air scour system, all of which are contained in the filter box.
 - Wash water system, including pumps, flow rate control meter and valves, and pressure reducing valves.
 - Air scour system, including blowers, discharge valves, and G&H valves which are shut-off valves for the north and south half of each filter, respectively.
 - Electrical system upgrades needed for the new mechanical equipment and to update the existing power distribution system, including the time synchronization system for all existing protective relays and Power Monitoring Transmitters (PMTs)
 - I&C system upgrades needed for the new mechanical equipment.
 - Demo and removal of obsolete, miscellaneous electrical and instrumentation.

- Ongoing design for the PdNA Pilot Demonstration – This project entails a large-scale demonstration of an ammonia-nitrogen removal process (Partial denitrification Anammox or PdNA) in one of the nitrification tanks of the full-scale system at Blue Plains AWTP. The PdNA process has potential to achieve significant savings in power and chemical usage compared to the present nitrification/denitrification processes used to meet current and future total nitrogen limits. The existing process requires the addition of methanol as a carbon source in the denitrification process, but the PdNA process would greatly reduce the methanol demand and therefore offer potentially significant operational cost savings.
- Ongoing planning for Blue Plains Floodwall Segments A, B, D – The design-build Request for Quote (RFQ) and Request for Proposal (RFP) for this project are being finalized. Awaiting award of \$20M FEMA grant to partially fund this project. The project includes construction of walls to prevent flooding of the DC Water Blue Plains Advanced Wastewater Treatment Plant (AWTP) from the Potomac River. The floodwalls will be constructed to protect the AWTP from being inundated in a flood event up to a 500-year flood elevation with 3 feet of freeboard. This is the last of a series of flood mitigation projects for Blue Plains that includes the final three segments of walls and enhancements to existing flood protection features.
- Design procurement for Upgrades to the Primary Treatment Facility – The planning for the 20-year replacement project was completed and design procurement is underway. It includes rehabilitation and upgrade of primary treatment facilities, specifically collector mechanisms and general facility upgrades.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Liquid Processing Program – Projects in this program enable DC Water to continue to produce excellent quality effluent into the Potomac River and meet NPDES permit requirements. Completion of RWWPS2 Upgrade improved system reliability and increased redundancy and has extended the useful life of assets in the station.

Plantwide Projects Program – Significant projects in this program upgrade the power distribution system at Blue Plains. These include investments in power monitoring and controls with a goal to establish a microgrid. This new equipment will be used to optimize the distributed energy system, which includes an on-site solar generation and a combined heat and power plant. The Microgrid Roadmap project was completed in June 2024.



Wastewater Treatment

summary overview financial plan rates&rev capital financing departmental glossary

(\$ in thousands)

LIQUID PROCESSING			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
A2	Liquid Processing Program Management	2001	Ongoing	\$4,787	\$3,628	\$3,223	\$6,767	\$9,147	\$9,358	\$11,648	\$6,266	\$4,332	\$387	\$325	\$55,080	\$84,027	2033	
B6	Primary Sedimentation Tank Covers	2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$646	\$1,017	\$147	\$2,989	\$2,718	\$7,516	\$43,598	2035	
B7	Primary Sedimentation Tank Odor Scrubbers	2031	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,433	\$906	\$3,189	\$5,528	\$45,870	2037	
BC	Headworks Influent Structures	2017	Ongoing	\$384	\$749	\$4,831	\$7,654	\$3,451	\$0	\$0	\$0	\$0	\$0	\$0	\$16,685	\$24,533	2027	
BQ	Grit and Screenings and Primary	2018	Ongoing	\$1,542	\$2,118	\$1,782	\$7,972	\$17,603	\$14,467	\$9,958	\$78	\$0	\$0	\$0	\$53,977	\$74,598	2030	
BR	Nitrification/Denitrification Facility	2006	Ongoing	\$0	\$520	\$851	\$209	\$92	\$0	\$0	\$0	\$0	\$0	\$0	\$1,673	\$54,803	2027	
BT	Filtration/Disinfection Facility Phase II	2008	Ongoing	\$0	\$11	\$0	\$1	\$794	\$1,175	\$107	\$0	\$0	\$0	\$0	\$2,088	\$24,018	2029	
BV	Raw Wastewater Pump Station No. 2 Upgrades	2013	Ongoing	\$59	\$263	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$263	\$46,898	2024	
I4	Grit Removal Facilities - 20 Year Rebuild	2031	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300	\$9,326	\$16,390	\$28,017	\$52,500	2033	
I5	Raw Water Pump Stations I & 2 - 20 Year Rebuild	2026	New	\$0	\$0	\$0	\$186	\$836	\$941	\$10,659	\$10,530	\$72	\$0	\$0	\$23,224	\$29,000	2031	
I7	Primary Treatment - 20 Year Rebuild	2023	Ongoing	\$0	\$430	\$1,650	\$1,501	\$2,219	\$27,723	\$39,969	\$33,447	\$20,000	\$0	\$0	\$126,939	\$139,850	2031	
IY	Effluent Filter Upgrade	2017	Ongoing	\$10,581	\$11,651	\$9,397	\$15,260	\$30,071	\$26,952	\$18,986	\$4,547	\$0	\$0	\$0	\$116,864	\$169,842	2030	
IZ	Replace/Upgrade Influent Screens	2016	Ongoing	\$2,316	\$1,227	\$0	\$0	\$208	\$2,178	\$2,264	\$5,015	\$19,804	\$21,961	\$8,816	\$61,474	\$81,490	2033	
J2	Replace/Upgrade Primary Treatment Mechanisms	2018	Ongoing	\$1,761	\$5,897	\$3,456	\$2,922	\$953	\$252	\$0	\$0	\$0	\$0	\$0	\$13,480	\$29,190	2028	
J6	Deammonification Project	2013	Ongoing	\$0	\$1,283	\$3,108	\$206	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,597	\$5,948	2026	
JC	Secondary East and West - 20 Year Rebuild	2028	New	\$0	\$0	\$0	\$0	\$0	\$354	\$2,960	\$26,151	\$22,236	\$11,415	\$14,098	\$77,215	\$96,000	2034	
LF	Nitrification Reactor/Sedimentation - 20 year rebuild	2024	Ongoing	\$962	\$495	\$1,732	\$6,819	\$8,175	\$32	\$0	\$0	\$3,256	\$8,272	\$14,368	\$43,150	\$139,980	2039	
OZ	Grit Chambers 1 & 2 Upgrades	2017	Ongoing	\$25	\$0	\$1	\$376	\$474	\$3,337	\$4,766	\$30	\$0	\$0	\$0	\$8,985	\$15,130	2030	
PD	Secondary East & West Upgrades	2016	Ongoing	\$0	\$0	\$0	\$190	\$481	\$2,036	\$4,569	\$179	\$0	\$0	\$0	\$7,454	\$9,685	2030	
PE	Nitrification Reactor/Sedimentation Upgrades	2017	Ongoing	\$1,394	\$1,804	\$5,238	\$2,228	\$19	\$0	\$0	\$0	\$0	\$0	\$0	\$9,288	\$15,398	2027	
RN	Liquids Processing Rehabilitation	2020	Ongoing	\$0	\$104	\$1,909	\$8,472	\$6,536	\$441	\$0	\$0	\$0	\$0	\$0	\$17,462	\$23,321	2028	
RW	Long-term Concrete Rehabilitation Projects	2028	New	\$0	\$0	\$0	\$0	\$0	\$1,052	\$3,153	\$12,307	\$33,151	\$9,074	\$0	\$58,737	\$62,820	2032	
UC	Filtration/Disinfection Facility	2000	Ongoing	\$3,913	\$868	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$868	\$96,756	2024	
UF	Dual Purpose Sed Area Facilities 20yr Upgrade	2034	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,165	2034	
UJ	FIP Wall Pipe Replacement	2024	New	\$0	\$1	\$308	\$1,452	\$1,804	\$0	\$0	\$0	\$0	\$0	\$0	\$3,565	\$4,884	2027	
TOTAL LIQUID PROCESSING BUDGETS					\$27,726	\$31,049	\$37,484	\$62,215	\$82,863	\$90,298	\$109,684	\$99,567	\$106,731	\$64,332	\$59,904	\$744,128	\$1,383,302	

(\$ in thousands)

PLANTWIDE			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion	
AL	Plantwide Project Program Management		2001	Ongoing	\$77	\$6,328	\$4,149	\$2,736	\$1,879	\$1,884	\$2,912	\$2,830	\$2,399	\$0	\$0	\$25,116	\$66,473	2031	
BY	Additional Chemical Systems Phase III		2025	New	\$0	\$0	\$17	\$170	\$223	\$1,572	\$959	\$0	\$0	\$0	\$0	\$2,940	\$3,822	2029	
CV	Laboratory Upgrades		2006	Ongoing	\$84	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,291	2023	
CW	Security at Blue Plains		2005	Ongoing	\$232	\$302	\$277	\$347	\$49	\$0	\$0	\$0	\$0	\$0	\$0	\$975	\$6,617	2027	
EI	Plantwide Painting of Steel Pipes		2012	Ongoing	\$0	\$0	\$758	\$1,355	\$1,857	\$452	\$0	\$0	\$0	\$0	\$0	\$4,423	\$5,570	2028	
GP	Instrumentation & Control & Electric Program Management		2009	Ongoing	\$429	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2	\$6,373	2024	
GW	Control Systems Replacement		2022	Ongoing	\$0	\$372	\$201	\$852	\$964	\$3,534	\$11,398	\$9,940	\$5,367	\$169	\$0	\$32,796	\$37,000	2032	
HL	DWT - Process and Operations Jobs		2011	Ongoing	\$353	\$432	\$495	\$464	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$1,397	\$9,213	2027	
IC	Electrical Monitoring Systems		2015	Ongoing	\$314	\$607	\$530	\$2,005	\$11,089	\$4,798	\$0	\$0	\$0	\$0	\$0	\$19,029	\$26,130	2028	
IT	Hauled Waste Receiving Facility		2020	Ongoing	\$0	\$7	\$212	\$994	\$1,924	\$0	\$0	\$0	\$0	\$0	\$0	\$3,137	\$5,000	2027	
IU	Solar Photovoltaic System		2020	Ongoing	\$24	\$22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22	\$960	2024	
IV	Blue Plains IT Backbone Fibre-Optic Cables Tubes		2016	Ongoing	\$847	\$238	\$668	\$771	\$9	\$0	\$0	\$0	\$0	\$0	\$0	\$1,687	\$5,899	2027	
JF	Construction of Flood Seawall		2019	Ongoing	\$0	\$590	\$9,809	\$9,888	\$6,015	\$0	\$0	\$0	\$0	\$0	\$0	\$26,302	\$40,564	2027	
LS	Miscellaneous Facility Projects FY 2013		2013	Ongoing	\$555	\$641	\$538	\$516	\$516	\$518	\$566	\$170	\$0	\$0	\$0	\$3,466	\$17,582	2030	
LX	Process Control System Upgrade		2021	Ongoing	\$258	\$2,302	\$129	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,430	\$4,000	2025	
OD	Plantwide Paving		2015	Ongoing	\$0	\$0	\$172	\$715	\$354	\$2,494	\$1,783	\$0	\$0	\$0	\$0	\$0	\$5,518	\$8,240	2029
OE	Plantwide Drainage & Runoff		2016	Ongoing	\$516	\$2,696	\$2,822	\$1,175	\$2,356	\$555	\$0	\$0	\$0	\$0	\$0	\$9,604	\$19,112	2028	
OG	City Water & Sewer Upgrades at Wastewater Treatment Plant		2022	Ongoing	\$0	\$21	\$295	\$565	\$74	\$0	\$0	\$0	\$0	\$0	\$0	\$955	\$1,403	2027	
OH	Plantwide Demolition		2025	New	\$0	\$0	\$23	\$1,721	\$2,887	\$1,370	\$0	\$1,773	\$1,668	\$159	\$0	\$9,601	\$11,100	2032	
OQ	Plantwide Roofing Upgrades		2022	Ongoing	\$154	\$549	\$328	\$3,368	\$3,565	\$0	\$0	\$0	\$0	\$0	\$0	\$7,810	\$10,000	2027	
OS	Plantwide Lighting Upgrades		2017	Ongoing	\$0	\$439	\$497	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$936	\$3,723	2025	
PF	Chemical System/Building Upgrades		2015	Ongoing	\$51	\$752	\$1,560	\$2,487	\$4,526	\$3,851	\$303	\$0	\$0	\$0	\$0	\$0	\$13,479	\$26,660	2029
TZ	Electric Power System - Power Gear		2001	Ongoing	\$2,434	\$1,987	\$6,523	\$8,387	\$2,291	\$12,299	\$17,312	\$4,120	\$0	\$0	\$0	\$52,920	\$82,761	2030	
U2	Wastewater Thermal Energy		2020	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$441	\$999	\$2,468	\$3,161	\$3,153	\$10,222	\$18,430	2033	
US	Main Substation Hardening		2025	New	\$0	\$0	\$391	\$232	\$2,332	\$3,319	\$485	\$0	\$0	\$0	\$0	\$6,759	\$9,279	2029	
VI	MFU8 - Rehabilitation and Emergency Response VIII		2023	Ongoing	\$0	\$2,911	\$3,493	\$1,286	\$277	\$165	\$0	\$0	\$0	\$0	\$0	\$8,133	\$10,280	2028	
V2	MFU9 - Rehabilitation and Emergency Response IX		2023	Ongoing	\$0	\$8	\$1,888	\$1,954	\$1,950	\$1,943	\$417	\$0	\$0	\$0	\$0	\$8,160	\$10,280	2029	
V3	MFU10 - Rehabilitation and Emergency Response - Plantwide X		2026	New	\$0	\$0	\$0	\$906	\$979	\$980	\$1,213	\$206	\$0	\$0	\$0	\$4,284	\$5,120	2030	
WS	Truck Scales Upgrade		2027	New	\$0	\$0	\$0	\$0	\$3,310	\$690	\$0	\$0	\$0	\$0	\$0	\$4,000	\$5,000	2028	
XP	Solar Project - Phase 2		2028	New	\$0	\$0	\$0	\$0	\$0	\$2,800	\$6,850	\$6,850	\$6,700	\$0	\$0	\$23,200	\$25,000	2031	
YD	Miscellaneous Projects		1999	Ongoing	\$223	\$234	\$182	\$252	\$458	\$612	\$471	\$304	\$0	\$0	\$0	\$2,515	\$51,630	2030	
TOTAL PLANTWIDE BUDGETS					\$6,551	\$21,440	\$35,957	\$43,147	\$49,891	\$43,837	\$45,111	\$27,192	\$18,602	\$3,489	\$3,153	\$291,817	\$542,512		

(\$ in thousands)

SOLIDS PROCESSING			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
AM Solids Processing Program Management	2001	Ongoing	\$0	\$470	\$1,234	\$1,547	\$1,493	\$1,355	\$1,888	\$2,451	\$1,853	\$345	\$328	\$12,965	\$26,630	2035		
BX Gravity Thickener Upgrades Phase II	2010	Ongoing	\$12,966	\$3,090	\$1,624	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,713	\$85,593	2025	
I3 Biosolids Blending Development Center	2015	Ongoing	\$619	\$537	\$6,172	\$2,344	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,053	\$14,093	2026	
LD Pre-Dewatering Additional Centrifuges	2020	Ongoing	\$319	\$107	\$2,201	\$3,915	\$770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,993	\$10,051	2027	
LE High Strength Waste Receiving Facility (Includes Fats, Oils & Grease)	2026	New	\$0	\$0	\$0	\$99	\$283	\$1,435	\$3,009	\$0	\$0	\$0	\$0	\$0	\$4,826	\$6,008	2029	
RM Biosolids Rehabilitation	2021	Ongoing	\$0	\$286	\$986	\$1,149	\$1,474	\$4,282	\$3,149	\$21,010	\$25,912	\$12,583	\$571	\$71,403	\$79,996	2033		
SN GT Fermenter Conversion	2027	New	\$0	\$0	\$0	\$383	\$8,194	\$4,872	\$0	\$0	\$0	\$0	\$0	\$0	\$13,448	\$15,593	2029	
TH THP/Digestion Facilities 20 yr Upgrade	2033	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$292	\$34,084	2036	
TL RNG - Greener Bus Project	2024	New	\$0	\$5,948	\$15,017	\$14,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,364	\$44,000	2026	
V4 MFU8 - Rehabilitation and Emergency Response - Biosolids X	2026	New	\$0	\$0	\$0	\$906	\$979	\$980	\$1,213	\$206	\$0	\$0	\$0	\$0	\$4,284	\$5,120	2030	
XA New Digestion Facilities	1999	Ongoing	\$12	\$61	\$289	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$433	\$552,905	2026	
XD Rehabilitation of Dewatered Sludge Loading Facility	2025	New	\$0	\$0	\$1,013	\$1,133	\$2,996	\$11,587	\$9,320	\$220	\$0	\$0	\$0	\$0	\$26,270	\$31,700	2030	
XY Process Control & Computer Sys	2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$7,799	\$10,389	\$10,389	\$10,389	\$10,389	\$10,417	\$49,382	\$54,000	2034	
XZ Solids Processing Building / Dewatered Sludge Loading Facility	1999	Ongoing	\$381	\$669	\$117	\$1,464	\$2,412	\$1,309	\$348	\$0	\$0	\$0	\$0	\$0	\$6,319	\$25,357	2029	
TOTAL SOLIDS PROCESSING BUDGETS			\$14,297	\$11,166	\$28,652	\$27,041	\$10,790	\$29,142	\$31,598	\$34,275	\$38,154	\$23,317	\$11,609	\$245,744	\$985,128			
ENHANCED NITROGEN REMOVAL			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
BI Enhanced Nitrogen Removal (ENR) North	2008	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,086	2022	
E8 Enhanced Clarification Facilities	2009	Ongoing	\$834	\$874	\$1,198	\$1,084	\$658	\$67	\$0	\$0	\$0	\$0	\$0	\$0	\$3,882	\$180,327	2028	
EE Filtrate Treatment Facilities	2009	Ongoing	\$389	\$284	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$284	\$108,294	2024	
FG Secondary Treatment Upgrades for Total Nitrogen	2013	Ongoing	\$204	\$106	\$0	\$0	\$1,941	\$1,257	\$8,244	\$24,198	\$11,320	\$450	\$0	\$0	\$47,517	\$57,168	2032	
FR Blue Plains Tunnel Dewatering Pumping Station	2010	Ongoing	\$0	\$176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176	\$35,657	2024	
FS Bolling Overflow & Diversion	2010	Ongoing	\$359	\$55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55	\$56,391	2024	
TOTAL ENHANCED NITROGEN REMOVAL BUDGETS			\$1,786	\$1,495	\$1,198	\$1,084	\$2,599	\$1,324	\$8,244	\$24,198	\$11,320	\$450	\$0	\$51,914	\$437,838			
TOTAL WASTEWATER TREATMENT BUDGETS			\$50,359	\$65,150	\$103,291	\$133,487	\$146,143	\$164,601	\$194,637	\$185,233	\$174,807	\$91,587	\$74,666	\$1,333,603	\$3,348,779			

(\$ in thousands)

Below are the annual total disbursements for the various projects within this service area.

FY 2023	FY 2024 - FY 2033 CIP Disbursement Plan												Lifetime Budget
	Actual	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	10-yr Total	
\$ 93,758	\$123,793	\$213,408	\$231,323	\$216,615	\$193,750	\$154,800	\$ 92,363	\$ 4,041	\$ -	\$ -	\$ -	\$ 1,230,093	\$ 3,430,748



Rock Creek GI Facility



Tiber Creek Sewer



NEBT Mt Olivet Rd. Restoration

Overview

Similar to more than 700 older communities primarily in the Mid-Atlantic, Northeast, and Midwest portions of the country, a portion of the District of Columbia is served by a combined sewer system. Combined sewers convey both stormwater runoff and sanitary sewage from homes and businesses in a single pipe. In dry weather, the system delivers raw sewage to the Blue Plains Advanced Wastewater Treatment Plant. In wet weather, stormwater runoff also enters the system and, if the conveyance capacity of the system is exceeded, the excess flow spills into the waterways of the District of Columbia to prevent surface flooding and basement backups. This discharge is called Combined Sewer Overflow (CSO). Approximately one-third of the system is combined, mostly in the downtown and older parts of the city. There are 48 potentially active combined sewer overflows in the District.

DC Water has made substantial progress in the implementation of its CSO Long Term Control Plan (LTCP), called the DC Clean Rivers Project, to reduce CSOs that discharge to the Anacostia and Potomac Rivers, as well as Rock Creek. The first phase of the Anacostia River tunnel system was completed and all structures south of Robert F. Kennedy (RFK) stadium placed into operation as of March 20, 2018. The Northeast Boundary Tunnel which runs from RFK Stadium to 6th and R Streets, NW was commissioned on September 15, 2023, more than 1.5 years ahead of schedule, completing the Anacostia River Tunnel System. From March 20, 2018, through January 2024, the system has performed exceptionally well, capturing over 16.7 billion gallons of combined sewer and removing more than 10,137 tons of trash and debris, preventing it from being discharged to the Anacostia River.

DC Water continues to implement the Potomac River project (currently under construction) and Rock Creek projects (currently in design and planning). When fully implemented, combined sewer overflows will be reduced by a projected 96 percent city-wide during an average year (98 percent on the Anacostia River), resulting in improved water quality and significantly reducing debris in our nation's capital waterways.

PROGRAM AREAS

DC Clean Rivers – The plan includes a variety of improvements throughout portions of the District served by combined sewers, including a series of massive tunnels and diversion facilities to control CSOs and mitigate surface flooding at known chronic flooding areas along the Rhode Island Avenue corridor and Mount Olivet Road/West Virginia NE, and a tunnel dewatering pumping station and wet weather treatment facility at Blue Plains. The commissioning of the NEBT on September 15, 2023, completed all the controls for the Anacostia River, ahead of the 2025 Consent Decree deadline. The Potomac River and Rock Creek controls are scheduled to be complete in 2030. The Potomac River controls include the CSO 025/026 sewer separation which was completed in March 2023 and Potomac Tunnel, whose Notice to Proceed (NTP) was issued in November 2023. The Rock Creek controls include a hybrid mix of green infrastructure (GI) and a storage tunnel optimizing the benefits provided by each technology. The hybrid approach comprises constructing GI to manage 92 impervious acres and a 4.2-million-gallon storage tunnel to control CSO 049 overflows in Piney Branch.

Combined Sewer – Projects within the Combined Sewer Program Area include rehabilitation and/or relocation of combined sewers and upgrades to pump stations. Most projects in this program area include planned upgrades to facilities based on our facilities plan.

ACCOMPLISHMENTS

- Commissioned the Northeast Boundary Tunnel (NEBT) on September 15, 2023. Continued working on the restoration, pavement, and demolition of temporary facilities.
- Issued the Notice to Proceed for the Potomac River Tunnel Contract B—Tunnel System Construction Project on November 9, 2023. The tunnel will be placed in operation by the Consent Decree deadline of February 8, 2030.
- Completed the Advance Utility Construction contract to provide electrical services and relocate utilities in advance of the Potomac River Tunnel construction on May 26, 2023.
- Completed the CSO 025/026 sewer separation project on March 17, 2023.
- Completed the second GI Rock Creek project (RC-B) on October 21, 2023.
- Continued the deployment of Clean Rivers' assets into DC Water's enterprise asset management system.
- Continued the coordination of preventive maintenance of Clean Rivers assets.
- Continued maintenance of the Green Infrastructure facilities.
- Working on National Environmental Policy Act (NEPA) Studies for Piney Branch Tunnel.
- Complied with regulatory requirements to implement project per specified schedule.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

DC Clean Rivers – This project aims to control combined sewer overflows to the Anacostia and Potomac Rivers and Rock Creek to meet the District's water quality standards, while improving the health of the Chesapeake Bay and addressing flooding in Northeast Boundary. This ongoing project includes green infrastructure initiatives that will divert stormwater runoff prior to entering the sewer system. All structures of the Anacostia River Tunnel System have been completed and are operational as of September 15, 2023. As of January 31, 2024, the Anacostia River Tunnel System had captured approximately 16.7 billion gallons of combined sewer overflows and 10,137 tons of trash, debris, and other solids. The system is achieving nearly 92% combined sewer capture rate, exceeding the projected 80% capture rate at this stage of implementation. The tunnel system will improve operational flexibility by providing alternate means of transferring flow to Blue Plains, by allowing temporary diversion of flows to the tunnel to facilitate operation, maintenance, and rehabilitation throughout the combined sewer system.



Combined Sewer System

summary overview financial plan rates&rev capital financing departmental glossary

(\$ in thousands)

DC CLEAN RIVERS			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
CY Anacostia Long Term Control Plan Projects	2005	Ongoing	\$59,648	\$26,176	\$4,372	\$758	\$706	\$704	\$434	\$442	\$0	\$0	\$0	\$0	\$33,592	\$1,927,896	2030	
CZ Potomac Long Term Control Plan Projects	2010	Ongoing	\$19,013	\$82,922	\$184,345	\$201,529	\$200,440	\$165,093	\$94,214	\$62,538	\$0	\$0	\$0	\$0	\$991,080	\$1,134,591	2030	
DZ Rock Creek CSS LTCP Project	2010	Ongoing	\$13,705	\$9,815	\$15,317	\$18,104	\$11,437	\$23,259	\$52,499	\$14,740	\$0	\$0	\$0	\$0	\$145,171	\$203,734	2030	
TOTAL DC CLEAN RIVERS BUDGETS			\$92,366	\$118,913	\$204,033	\$220,390	\$212,583	\$189,057	\$147,147	\$77,719	\$0	\$0	\$0	\$0	\$1,169,843	\$3,266,222		
COMBINED SEWER			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
BA DC Water Low Impact Development Projects	2002	Ongoing	\$0	\$168	\$72	\$16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$256	\$2,870	2026
EJ Potomac Pumping Station - Phase III Rehabilitation	2010	Ongoing	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,098	2023
EK Long Term Rehabilitation - Main & O Pump Station	2021	Ongoing	\$0	\$588	\$5,859	\$10,401	\$3,699	\$4,649	\$7,653	\$14,644	\$4,041	\$0	\$0	\$0	\$51,533	\$78,725	2031	
EQ Potomac Pumping Station-Phase IV Rehabilitation	2020	Ongoing	\$0	\$79	\$168	\$355	\$333	\$44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$980	\$2,616	2028
FQ Main & O Street PS Intermediate Upgrade	2010	Ongoing	\$947	\$3,127	\$3,274	\$161	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,562	\$37,419	2026
FX Rehabilitation Northeast Boundary Sewer - Phase I	2015	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,628	2023
FZ Tiber Creek Sewer Lining - Phase I	2016	Ongoing	\$0	\$605	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$605	\$1,000	2024
G7 Combined Sewers Under Buildings	2009	Ongoing	\$422	\$163	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$165	\$921	2025
OB FY 2024 - Inflatable Dams Replacement	2022	Ongoing	\$18	\$148	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148	\$250	2024
TOTAL COMBINED SEWER BUDGETS			\$1,392	\$4,880	\$9,375	\$10,933	\$4,032	\$4,693	\$7,653	\$14,644	\$4,041	\$0	\$0	\$0	\$0	\$60,249	\$164,527	
TOTAL COMBINED SEWER OVERFLOW BUDGETS			\$93,758	\$123,793	\$213,408	\$231,323	\$216,615	\$193,750	\$154,800	\$92,363	\$4,041	\$0	\$0	\$0	\$0	\$1,230,093	\$3,430,748	

(*\$ in thousands*)

Below are the annual total disbursements for the various projects within this service area.

FY 2023 Actual	FY 2024 - FY 2033 CIP Disbursement Plan											Lifetime Budget
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	10-yr Total	
\$ 3,523	\$ 7,293	\$ 13,565	\$ 7,958	\$ 3,804	\$ 4,532	\$ 3,268	\$ 6,697	\$ 9,432	\$ 6,772	\$ 5,231	\$ 68,551	\$ 157,075



Pump Installation at Portland St Pump Station



New Electrical & Control Panels at 14th St. Bridge Pump Station



CSO Outfall

Overview

Stormwater runoff occurs when precipitation travels as surface water rather than evaporating back into the atmosphere or absorbing into the ground. The District is required to meet certain regulatory requirements in managing its separate stormwater system under the District's Municipal Separate Storm Sewer System (MS4) permit issued by the federal government.

The stormwater system has approximately 580 miles of storm sewer pipes, catch basins, inlets, special structures, and related facilities. Some components of the existing storm sewer system are over 100 years old. DC Water is responsible for the maintenance and replacement of the publicly owned collection and conveyance facilities that transport stormwater runoff to the Anacostia and Potomac Rivers, Rock Creek, and other receiving streams within the District of Columbia. DC Water owns, maintains, and operates 16 stormwater pump stations that serve underpasses through the District.

PROGRAM AREAS

Local Drainage – This category includes several projects for investigation, design, and rehabilitation of local sewers to relieve local flooding and to address short term needs for improvements to storm sewers located in the separate and combined sewer areas.

On-Going – These include storm sewer rehabilitation projects carried out by DC Water's Department of Pumping and Sewer Operations. These annual projects also provide funding to assist in immediate storm sewer construction to alleviate flooding.

Pumping Facilities – DC Water’s 16 stormwater pump stations serve critical areas of the District and are integral to maintaining the road network where roadway stormwater runoff that does not drain without the assistance of mechanical means. DC Water has projects to upgrade these stormwater pump stations by replacing aging equipment and improving reliability and safety and addressing code compliance issues. The SCADA upgrades have been completed on 12 stormwater pump stations.

Program Management – Provides engineering program management services for the stormwater service area capital projects and required technical assessments and hydraulic studies required to assess problems in the stormwater system. It also provides engineering services for condition assessment of the storm sewer system.

Interceptor Trunk/Force Sewers – Provides design and construction services for stormwater interceptors, trunk sewers and force mains that require upgrades. Sewers rehabilitated by this project are defined by the major planning and condition assessment program underway for the stormwater sewer system. As the assessment of the storm sewer system progresses and specific rehabilitation needs are identified, jobs will be created under this program area to remediate system problems.

ACCOMPLISHMENTS

- Construction contracts have started for several stormwater pump stations, including 1st and D Stormwater Pump Station, Kenilworth Stormwater Pump Station, 12th and Maine Street SW Stormwater Pump Station, and Portland Street Stormwater Pump Station.
- Inspected (117) MS4 outfalls.
- Completed inspections of 6.14 miles of small and large sewers (> 12-inches & < 60-inches in diameter) and 172 manholes under the Local Sewers Program.
- Completed inspections of 3.24 miles of very large storm sewers (>/= 60-inches in diameter) and 48 manholes.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Stormwater Pump Stations Rehabilitation – This project implements the highest priority of rehabilitation or upgrades, addresses issues related to health and safety, station reliability, and will reduce maintenance needs.

Stormwater



summary overview financial plan rates&rev capital financing departmental glossary

(\$ in thousands)

LOCAL DRAINAGE			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion	
GY	Storm Sewer Rehabilitation at Various Location		2013	Ongoing	\$0	\$199	\$2,381	\$365	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,945	\$6,133	2026	
IE	Storm Sewer Rehabilitation 3		2020	Ongoing	\$35	\$101	\$522	\$1,465	\$166	\$129	\$0	\$0	\$0	\$0	\$0	\$2,383	\$6,271	2028	
RR	Local Storm Sewer Assessment 2		2025	Ongoing	\$159	\$191	\$559	\$1,057	\$264	\$265	\$176	\$176	\$176	\$176	\$176	\$3,217	\$17,645	2033	
ZJ	Local Storm Sewer Assessment 1		2028	New	\$0	\$0	\$0	\$0	\$0	\$30	\$50	\$88	\$127	\$148	\$127	\$570	\$8,591	2033	
TOTAL LOCAL DRAINAGE BUDGETS					\$194	\$491	\$3,461	\$2,886	\$431	\$424	\$226	\$265	\$303	\$324	\$303	\$9,114	\$38,640		
ON-GOING			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion	
JH	FY2020 - DSS Stormwater Projects		2020	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$820	2022	
LO	FY2021 - DSS Stormwater Projects		2021	Ongoing	\$27	\$33	\$16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49	\$923	2025	
M8	FY2022 - DSS Stormwater Projects		2022	Ongoing	\$346	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$820	2023	
MG	FY2023 - DSS Stormwater Projects		2023	Ongoing	\$447	\$74	\$21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$95	\$845	2025	
NV	FY2024 - FY 2026 DSS Stormwater Projects		2024	New	\$0	\$118	\$538	\$643	\$574	\$0	\$0	\$0	\$0	\$0	\$0	\$1,872	\$2,689	2027	
T7	FY2028 - DSS Stormwater Projects		2028	New	\$0	\$0	\$0	\$0	\$0	\$501	\$380	\$0	\$0	\$0	\$0	\$881	\$979	2029	
T9	FY2027 - DSS Stormwater Projects		2027	New	\$0	\$0	\$0	\$0	\$272	\$583	\$0	\$0	\$0	\$0	\$0	\$855	\$950	2028	
U6	FY2029 - DSS Stormwater Projects		2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$907	\$0	\$0	\$0	\$0	\$907	\$1,008	2029	
U8	FY2030 - DSS Stormwater Projects		2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$935	\$500	\$500	\$500	\$2,435	\$2,520	2033	
TOTAL ON-GOING BUDGETS					\$821	\$225	\$575	\$643	\$846	\$1,084	\$1,287	\$935	\$500	\$500	\$500	\$7,094	\$11,553		
PUMPING FACILITIES			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion	
NG	Stormwater Pumping Station Rehabilitation		2017	Ongoing	\$2,341	\$4,847	\$8,069	\$2,693	\$1,050	\$3,024	\$1,755	\$5,497	\$8,491	\$5,507	\$3,747	\$44,680	\$64,227	2034	
TOTAL PUMPING FACILITIES BUDGETS					\$2,341	\$4,847	\$8,069	\$2,693	\$1,050	\$3,024	\$1,755	\$5,497	\$8,491	\$5,507	\$3,747	\$44,680	\$64,227		
PROGRAM MANAGEMENT			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion	
AT	Stormwater Program Management		2001	Ongoing	\$0	\$1,288	\$851	\$338	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,477	\$11,678	2026
ZT	Stormwater PM FY30		2031	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138	\$440	\$681	\$1,259	\$2,000	2035		
PROGRAM MANAGEMENT BUDGETS					\$0	\$1,288	\$851	\$338	\$0	\$0	\$0	\$0	\$138	\$440	\$681	\$3,736	\$13,678		
TRUNK/FORCE SEWERS			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion	
BO	Future Stormwater Projects		2005	Ongoing	\$13	\$13	\$87	\$86	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$186	\$15,760	2026	
WV	MS4 Outfall Sewer Rehab I		2025	New	\$0	\$0	\$76	\$469	\$528	\$0	\$0	\$0	\$0	\$0	\$0	\$1,073	\$3,217	2027	
XS	Inspection of Stormwater Trunk Sewers		2023	Ongoing	\$154	\$429	\$446	\$843	\$949	\$0	\$0	\$0	\$0	\$0	\$0	\$2,667	\$10,000	2027	
TOTAL TRUNK/FORCE SEWERS BUDGETS					\$168	\$442	\$609	\$1,399	\$1,477	\$0	\$0	\$0	\$0	\$0	\$0	\$3,926	\$28,977		
TOTAL STORMWATER BUDGETS					\$3,523	\$7,293	\$13,565	\$7,958	\$3,804	\$4,532	\$3,268	\$6,697	\$9,432	\$6,772	\$5,231	\$68,551	\$157,075		

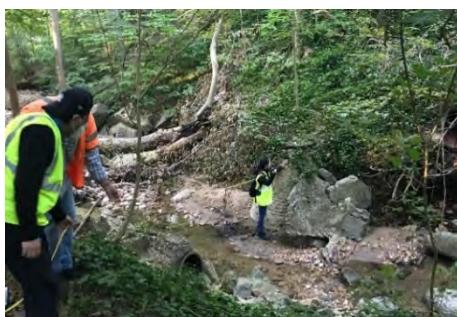
(\$ in thousands)

Below are the annual total disbursements for the various projects within this service area.

FY 2023 Actual	FY 2024 - FY 2033 CIP Disbursement Plan											Lifetime Budget
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	10-yr Total	
\$ 57,696	\$ 80,599	\$ 92,235	\$ 123,854	\$ 118,639	\$ 169,037	\$ 287,816	\$ 249,471	\$ 227,771	\$ 269,312	\$ 236,846	\$ 1,855,580	\$ 2,897,505



7th St. & Constitution Ave. 20" Ductile Iron Pipe Install



Rock Creek Stem Sewers (Condition Assessment)



Creek Bed Sewer Inspection

Overview

DC Water is responsible for wastewater collection in the District of Columbia, including operation and maintenance of the sanitary sewer system. The sewer system includes approximately 1,320 miles of small, large and very large gravity collection sewers and force mains. The total inventory of the collection and conveyance system includes approximately 1,900 miles of combined, separate and stormwater sewers, 50,000 manholes, 25,000 catch basins, 16 stormwater pump stations, and 9 wastewater pump stations. In addition, DC Water is responsible for the 50-mile-long Potomac Interceptor System, which provides conveyance of wastewater from Dulles International Airport and areas in Virginia and Maryland, to the Blue Plains Advanced Wastewater Treatment Plant.

PROGRAM AREAS

Sanitary Collection System – Projects to rehabilitate and clean sanitary sewer pipes based on the findings of inspection and assessment conducted on these assets.

On-Going – Urgent projects managed by the Department of Pumping and Sewer Operations including the replacement of sewer laterals, sewer mains, inspection and cleaning of sewer laterals and mains.

Pumping Facilities – Projects required for the upgrade of existing wastewater pump stations, as well as projects for the engineering and construction of new wastewater pumping facilities to enhance the reliability and integrity of DC Water's sanitary sewer system.

Program Management – Engineering program management services for the sewer system capital improvement program, including assessing system needs, developing facilities plans, producing concept design reports, preparing cost estimates, operations support, and reviewing design documents.

Interceptor/Trunk Mains/Force Sewers – The rehabilitation of large diameter sewers that have reached the end of their useful life or in need of major rebuild or refurbishment.

ACCOMPLISHMENTS

- Progressive design-build contract for the rehabilitation of Potomac Interceptor between Manhole 31 and Manhole 30. Phase 2 construction is ongoing 70% complete.
- Construction for Soapstone Sewer rehabilitation project is ongoing, 85% complete.
- Construction for Piney Branch Sewer Rehabilitation project is ongoing.
- Construction for Northeast Boundary Trunk Sewer Rehabilitation project is ongoing.
- Construction for Service Life Restoration Program Phase 2 scheduled to begin.
- Major Potomac Interceptor projects currently in design:
 - Phase 1 Rehabilitation at Clara Barton Parkway
 - Phase 2 Rehabilitation at Potomac River Crossing
 - Phase 4 Rehabilitation at Fairfax and Loudoun Counties
 - Phase 6 Rehabilitation at Clara Barton Parkway and I-495
 - Cabin John Rehabilitation
 - Manhole Rehabilitation
- September 10, 2020 Flooding Response
 - Reviewed 48 applications for backwater valve rebates
 - Processed and reimbursed over 32 rebates
- Other major sewer projects currently in design include:
 - Fenwick Branch Sewer Rehabilitation
 - Normanstone Sewer Rehabilitation
 - Spring Place Sewer Rehabilitation
 - Glover Archbold Park Sewer Rehabilitation
 - Rock Creek Main Interceptor and Beach Drive Sewers Rehabilitation
 - Oxon Run Sewer Rehabilitation
 - Upper East Side Interceptor Rehabilitation Phase 1
 - Creekbed Sewer Rehabilitation Oregon Ave at St. Johns
 - Creekbed Sewer Rehabilitation Rock Creek Sherill Drive & Beach Drive
 - Mill Creek Sewer Rehabilitation
- Local sewer projects currently in design:
 - Service Life Restoration Program Phase 4 and 5
 - Local Sewer Rehab 5-2
 - Local Sewer Rehab 5-3
 - Local Sewer Rehab 5-4
- Completed the following large and very large sewer condition assessment projects:
 - Upper Potomac Interceptor Relief Sewer – in progress
 - Upper Potomac Interceptor – completed
 - Little Falls Trunk Sewer – in progress
 - Sewers Under Buildings – in progress
 - Anacostia Main Interceptor – completed 4.9 miles
 - Easby Point Trunk Sewer – completed 1.8 miles

ACCOMPLISHMENTS CONTINUED

- o Northwest Boundary Trunk Sewer – completed 1.7 miles
- o Potomac Interceptor (MH28 to MH29) – completed 0.6 miles
- o East & West Outfall Sewers – completed 6.3 miles
- o East & West Outfall Relief Sewers – completed 3.9 miles
- o North & South Interconnecting Branch Sewers – completed 1.9 miles
- o Southwest Interceptor – completed 0.5 miles
- o Anacostia Force Main – in progress
- Completed inspection of 46.1 miles of local sewers (>12-inch and <60-inch diameter) and 1,825 manholes under the Local Sewer Inspection Program.
- Completed visual inspection of about 32 miles of pipe crossings under the Creek Bed Inspections. The Annual Creek Bed Inspection included 730 sewer pipes and 587 manholes, and the Post-Rainfall Creek Bed Inspection included 89 sewer pipes 3.3 miles and 60 manholes.
- Heavy cleaning projects currently in progress:
 - o Anacostia Main Interceptor (including siphons) ~4.9 miles
 - o Local Sewers (>12-inch and <60-inch diameter) ~4 miles
 - o North & South Interconnecting Branch Sewers ~0.7 miles
 - o West Outfall Sewer ~0.25 miles
 - o West Outfall Relief Sewer ~0.2 miles
- Extensive coordination with District of Department of Transportation (DDOT) Benning Road Reconstruction and Streetcar project:
 - o Review of DDOT design drawings to identify possible conflicts with existing sewer assets
 - o Coordination with DDOT to ensure that DC Water facilities are adequately monitored and protected both during and after construction
- Extensive coordination with DDOT South Capitol Street Circulator Facility project:
 - o Review of DDOT design drawings to identify possible conflicts with existing sewer assets and technical information for proposed sliplining of West Outfall Sewer
- Reviewed eighty-seven (87) design reviews for DDOT Public Space projects varying in size, complexity, and design phase to identify and establish agreements to rehabilitate sewer mains through participation in a DDOT project.
- Completed the following:
 - o Linear Sewer Facilities Plan (first draft)
 - o Current Business Process Maps for Buried Sewer Infrastructure Capital Selection and Prioritization
 - o Potomac Interceptor: Access Road Erosion Impact Assessment - Phase 2
 - o DDOT Memo Proposing Abandonment of Existing 12" Sanitary Sewer in Benning Road
 - o Potomac Interceptor Renewal Report 2023 Update
 - o InfoAsset Planner™ Model Results for the Sewer System

ACCOMPLISHMENTS CONTINUED

- o Multi-Jurisdictional Use Facilities (MJUF) Conveyance System: Operation and Maintenance (O&M) Cost Allocation User Guidelines
- o Potomac Interceptor Reinforced Concrete Pipe Condition Assessment Evaluation and Prioritization Opinion
- o Proposed Waste Transfer Station at the Swirl Facility (Draft)
- o Multi-Jurisdictional Use Facilities (MJUF) Conveyance System: Operation and Maintenance (O&M) Cost Allocation Report
- o Recommendations for Rehabilitation of Sewers in Benning Road Impacted by Streetcar Tracks
- o Recommendations for Method of Trenchless Replacement of Sewers in Benning Road
- o FY23 Annual Creek Bed & MS4 Outfall Program
- o Condition Assessment Report – Little Falls Trunk Sewer
- o Condition Assessment Report – Anacostia Main Interceptor
- o Condition Assessment Report – Sewers Under Buildings
- o Condition Assessment Report – Upper Potomac Interceptor Relief Sewer
- o Buried Sewer Infrastructure Capital Rehabilitation Project Selection and Prioritization
- o Department of Sewer Services (DSS) Hotlist: Root Cause Analysis
- o Multi-Jurisdictional Use Facilities (MJUF) Data Reporting Procedure: Alternative Evaluation
- o Sewer System Hydraulic Assessment
- o Buried Sewer Infrastructure Inspection Project Selection and Prioritization
- o Force Main Risk Framework Development
- o Equity Integration in Linear Sewer and Water Facilities Planning

■ Provided operations support for East and West Outfall Relief Sewer emergency rehabilitation efforts.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Pump Stations – Continued improvements and other upgrades will ensure proper operations of the pump stations to improve reliability and maintain compliance with regulatory requirements and customer expectations.

Ongoing and Local Sewer Rehabilitation – Renewal of small diameter sewer infrastructure will reduce emergency rehabilitations and maintenance demands for these neighborhood sewers.

Major Sewer Rehabilitation – Renewal of major sewers will reduce emergency rehabilitation and maintenance demands for these sewers.

(\$ in thousands)

SANITARY COLLECTION SYSTEM			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
GI Small Local Sewer Rehabilitation I	2010	Ongoing				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2022
J3 Sewer Upgrade - City Wide	2000	Ongoing			\$82	\$157	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$157	\$305	2024
JX Sanitary Sewer Rehabilitation 10	2016	Ongoing			\$58	\$342	\$3,674	\$3,479	\$377	\$0	\$0	\$0	\$0	\$0	\$0	\$7,872	\$13,607	2027
QS Local Sewer Rehabilitation 5	2020	Ongoing			\$124	\$2,422	\$9,721	\$8,018	\$809	\$417	\$7,999	\$2,438	\$0	\$0	\$0	\$31,824	\$45,954	2030
QT Local Sewer Rehabilitation 6	2024	New			\$0	\$29	\$8,370	\$14,472	\$15,477	\$19,173	\$0	\$0	\$0	\$0	\$0	\$57,521	\$82,346	2028
QU Local Sewer Rehabilitation 7	2025	New			\$0	\$0	\$852	\$4,261	\$3,672	\$6,182	\$14,800	\$12,292	\$12,563	\$12,824	\$2,954	\$70,400	\$82,355	2034
QW Local Sewer Rehabilitation 8	2024	New			\$0	\$591	\$989	\$1,294	\$2,536	\$3,216	\$67,998	\$45,945	\$36,616	\$39,527	\$65,419	\$264,130	\$355,705	2037
QX Local Sewer Assessment - Engineering and Tech Serv	2020	Ongoing			\$3,231	\$1,644	\$1,834	\$1,383	\$523	\$91	\$0	\$0	\$0	\$0	\$0	\$5,474	\$12,212	2028
QY Local Sewer Assessment - Linear Asset Mgmt Branch	2023	Ongoing			\$1,166	\$902	\$883	\$213	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,999	\$4,000	2026
QZ Local Sewer Assessment 3	2026	New			\$0	\$0	\$0	\$3,390	\$3,390	\$3,399	\$5,216	\$5,216	\$5,211	\$3,383	\$3,374	\$32,579	\$40,616	2034
T4 District Energy Buzzard Point	2028	New			\$0	\$0	\$0	\$0	\$0	\$3,250	\$11,500	\$13,500	\$0	\$0	\$0	\$28,250	\$30,000	2034
UR Local Sewer Rehab 11	2029	New			\$0	\$0	\$0	\$0	\$0	\$0	\$735	\$3,551	\$2,677	\$49,136	\$16,568	\$72,666	\$76,918	2035
VQ Local Sewer Assessment 4	2031	New			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,462	\$8,229	\$7,297	\$19,989	\$30,078	2035
TOTAL SANITARY COLLECTION SYSTEM BUDGETS					\$4,661	\$6,087	\$26,323	\$36,510	\$26,783	\$35,728	\$108,247	\$82,942	\$61,529	\$113,099	\$95,612	\$592,860	\$774,096	

ON-GOING			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
JI FY2020 - DSS Sanitary Sewer Projects	2020	Ongoing			\$672	\$472	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$472	\$12,568	2024
LN FY2021 - DSS Sanitary Sewer Projects	2021	Ongoing			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,945	2022
M9 FY2022 - DSS Sanitary Sewer Projects	2021	Ongoing			\$5,476	\$2,471	\$249	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,719	\$13,335	2025
MF FY2023 - DSS Sanitary Sewer Projects	2023	Ongoing			\$7,414	\$5,064	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,064	\$14,247	2024
NW FY2024 - DSS Sanitary Sewer Projects	2024	New			\$0	\$5,391	\$14,241	\$13,634	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,266	\$43,965	2026
T8 FY2027 - DSS Sanitary Sewer Projects	2026	New			\$0	\$0	\$0	\$9	\$13,384	\$16,037	\$18,633	\$0	\$0	\$0	\$0	\$48,063	\$48,071	2029
U9 FY2030 - DSS Stormwater Projects	2029	New			\$0	\$0	\$0	\$0	\$0	\$0	\$8	\$15,289	\$0	\$0	\$0	\$15,297	\$16,997	2030
UH FY2031 - DSS Sewer Sanitary Projects	2030	New			\$0	\$0	\$0	\$0	\$0	\$0	\$8	\$15,289	\$0	\$0	\$0	\$15,297	\$16,997	2031
V5 FY2032 DSS Sewer Sanitary Projects	2032	New			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,756	\$30,756	2033
Y2 Cleanout Installation	2029	New			\$0	\$0	\$0	\$0	\$0	\$0	\$11,177	\$11,177	\$11,177	\$11,208	\$11,177	\$55,915	\$82,215	2035
TOTAL ON-GOING BUDGETS					\$13,562	\$13,398	\$14,489	\$13,643	\$13,384	\$16,037	\$29,818	\$26,474	\$26,466	\$26,964	\$26,177	\$206,851	\$292,096	



Sanitary Sewer

[summary](#) [overview](#) [financial plan](#) [rates&rev](#)
[capital](#)
[financing](#) [departmental](#) [glossary](#)

(\$ in thousands)

PUMPING FACILITIES			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
CX Sewer Facilities Security Upgrades	2010	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,429	2022
GZ Sewer Instrumentation & Control	2012	Ongoing	\$779	\$627	\$573	\$470	\$705	\$746	\$237	\$0	\$0	\$0	\$0	\$0	\$0	\$3,357	\$12,518	2029
LY Sewer Facilities Security Upgrades	2020	Ongoing	\$201	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	2023
MB 3rd Street & Constitution Ave NW - Pumping Station	2014	Ongoing	\$0	\$0	\$53	\$742	\$478	\$44	\$540	\$1,153	\$770	\$388	\$0	\$0	\$0	\$4,168	\$7,501	2032
MC Additional Sewer SCADA System Sites	2015	Ongoing	\$633	\$490	\$453	\$785	\$319	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,047	\$8,120	2027
PM East Side Pumping Station	2019	Ongoing	\$0	\$227	\$680	\$1,600	\$518	\$155	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,179	\$5,986	2028
PT Existing Sewer Facilities Building Optimization	2020	Ongoing	\$0	\$22	\$408	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$431	\$705	2025
RH Sewer Pump Stations Upgrades	2020	Ongoing	\$1,007	\$1,175	\$2,303	\$322	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,800	\$8,100	2026
RS Sewer Pump Station Upgrades 2	2025	New	\$0	\$0	\$191	\$476	\$1,144	\$5,923	\$11,784	\$9,954	\$11,946	\$23,389	\$20,282	\$0	\$0	\$85,089	\$120,265	2036
RT Sewer Pump Station Upgrades 3	2025	New	\$0	\$0	\$93	\$396	\$1,145	\$1,823	\$5,308	\$8,238	\$4,577	\$252	\$0	\$0	\$0	\$21,831	\$25,111	2032
RU Sewer Pump Station Upgrades - Pumps & VFDs	2022	Ongoing	\$0	\$1,098	\$2,506	\$4,249	\$1,066	\$57	\$87	\$444	\$2,417	\$5,092	\$5,078	\$0	\$0	\$22,093	\$35,950	2034
SS Sewer SCADA Replacement	2028	New	\$0	\$0	\$0	\$0	\$0	\$270	\$79	\$328	\$1,241	\$3,110	\$1,990	\$0	\$0	\$7,019	\$8,380	2034
TOTAL PUMPING FACILITIES BUDGETS			\$2,619	\$3,639	\$7,259	\$9,040	\$5,375	\$9,016	\$18,035	\$20,117	\$20,951	\$32,231	\$27,351	\$153,015	\$236,064			
PROGRAM MANAGEMENT			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
AU Sanitary Sewer Program Management	2001	Ongoing	\$6,035	\$3,114	\$1,688	\$1,022	\$740	\$1,134	\$1,317	\$855	\$66	\$0	\$0	\$0	\$0	\$9,936	\$65,441	2031
AV Combined Sewer Overflow Program Management	2001	Ongoing	\$105	\$1,792	\$1,695	\$1,162	\$2,546	\$3,382	\$3,420	\$2,192	\$162	\$0	\$0	\$0	\$0	\$16,351	\$57,756	2031
DN Sewer Inspection Program	2010	Ongoing	\$2,211	\$2,589	\$0	\$432	\$887	\$889	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,797	\$27,903	2028
QH Sanitary Sewer Program Management FY26-30	2026	New	\$0	\$0	\$0	\$2,578	\$3,717	\$4,725	\$4,455	\$3,222	\$521	\$0	\$0	\$0	\$0	\$19,218	\$20,800	2031
TOTAL PROGRAM MANAGEMENT BUDGETS			\$8,351	\$7,495	\$3,382	\$5,194	\$7,890	\$10,130	\$9,192	\$6,269	\$749	\$0	\$0	\$0	\$0	\$50,302	\$171,900	



Sanitary Sewer

[summary](#) [overview](#) [financial plan](#) [rates&rev](#)

capital

[financing](#) [departmental](#) [glossary](#)

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INTERCEPTOR/TRUNK FORCE			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
A4 Future Sewer System Upgrades	2004	Ongoing	\$1,121	\$1,832	\$1,268	\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,104	\$8,730	2026
DR Low Area Trunk Sewer Rehabilitation	2007	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,609	2024
FW Rehab Piney Branch Trunk Sewer	2011	Ongoing	\$300	\$4,735	\$8,011	\$2,499	\$24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,269	\$30,596	2027
G2 Sewer Structure Rehabilitation I	2010	Ongoing	\$73	\$446	\$189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$635	\$8,825	2025
G5 Sewer Rehab Near Creek Beds	2010	Ongoing	\$3,350	\$2,733	\$2,974	\$6,220	\$11,759	\$6,679	\$860	\$2,081	\$601	\$0	\$0	\$0	\$0	\$33,906	\$75,065	2031
GH Large Sewer Rehabilitation 3	2012	Ongoing	\$143	\$96	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$96	\$720	2024
HS Rehabilitation of Influent Sewers	2022	Ongoing	\$915	\$1,051	\$0	\$0	\$0	\$259	\$2,041	\$3,298	\$4,831	\$10,337	\$9,535	\$0	\$0	\$31,352	\$41,698	2034
HT Rehabilitation of Anacostia Force Main	2012	Ongoing	\$15	\$711	\$0	\$156	\$7,302	\$9,620	\$14,317	\$27,448	\$29,932	\$8,842	\$152	\$0	\$0	\$98,481	\$120,278	2033
IK Potomac Force Main Rehabilitation	2012	Ongoing	\$3	\$0	\$0	\$0	\$16	\$25	\$138	\$321	\$44	\$0	\$0	\$0	\$0	\$544	\$5,879	2031
IL Creekbed Sewer Rehabilitation 2	2013	Ongoing	\$2,495	\$417	\$187	\$229	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$833	\$26,721	2026
IM Creekbed Sewer Rehabilitation 3	2013	Ongoing	\$9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2031
IN Upper East Side Trunk Sewer Rehabilitation	2012	Ongoing	\$648	\$0	\$0	\$430	\$527	\$954	\$7,590	\$3,932	\$0	\$0	\$0	\$0	\$0	\$13,434	\$19,044	2030
JO B Street New Jersey Avenue Trunk Sewer Rehab	2004	Ongoing	\$0	\$493	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$493	\$18,074	2024
LZ Potomac Interceptor Projects - Rehab. Phase 2	2015	Ongoing	\$16,452	\$11,728	\$7,315	\$20,086	\$21,354	\$44,327	\$39,037	\$7,393	\$4,284	\$0	\$0	\$0	\$0	\$155,523	\$276,497	2031
PJ Re-Activation of Anacostia Force Main/Gravity Main as Relief to Anacostia Force Main	2018	Ongoing	\$368	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2023
RA Major Sewer Assessment and Heavy Cleaning 1	2021	Ongoing	\$1,426	\$1,725	\$2,238	\$1,450	\$1,108	\$716	\$657	\$453	\$0	\$0	\$0	\$0	\$0	\$8,347	\$15,800	2030
RB Major Sewer Assessment and Heavy Cleaning 2	2024	New	\$0	\$1,221	\$1,462	\$1,644	\$1,149	\$2,618	\$138	\$0	\$0	\$0	\$0	\$0	\$0	\$8,232	\$14,100	2029
RC Major Sewer Rehabilitation 1	2020	Ongoing	\$251	\$1,246	\$3,036	\$3,186	\$2,012	\$2,293	\$22,394	\$12,851	\$0	\$0	\$0	\$0	\$0	\$47,020	\$78,048	2030
RD Major Sewer Rehabilitation 2	2021	Ongoing	\$603	\$595	\$630	\$3,105	\$8,184	\$15,396	\$7,041	\$11,989	\$12,400	\$4,931	\$970	\$0	\$0	\$65,242	\$87,422	2033
RE Major Sewer Rehabilitation 3	2024	Ongoing	\$330	\$20,950	\$13,447	\$18,537	\$6,453	\$7,003	\$8,852	\$6,783	\$963	\$192	\$0	\$0	\$0	\$83,179	\$106,825	2032
RL Potomac Interceptor Projects - Rehab Phase 3	2025	New	\$0	\$0	\$24	\$221	\$1,081	\$2,611	\$5,824	\$7,358	\$18,639	\$25,847	\$26,093	\$0	\$0	\$87,698	\$129,916	2035
W1 Major Sewer Rehab 4	2026	New	\$0	\$0	\$0	\$30	\$627	\$544	\$2,337	\$9,430	\$20,474	\$15,290	\$14,073	\$0	\$0	\$62,805	\$126,700	2035
WP Major Sewer Assessment and Heavy Cleaning 3	2026	New	\$0	\$0	\$0	\$883	\$1,612	\$1,617	\$1,984	\$2,480	\$2,480	\$2,487	\$2,480	\$0	\$0	\$16,024	\$21,736	2034
WQ Major Sewer Assessment	2026	New	\$0	\$0	\$0	\$788	\$1,999	\$3,464	\$6,044	\$7,555	\$5,318	\$3,087	\$4,198	\$0	\$0	\$32,453	\$41,063	2034
X2 Major Sewers 5	2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,267	\$10,297	\$18,111	\$26,007	\$30,204	\$0	\$87,885	\$168,000	2037
TOTAL INTERCEPTOR/TRUNK FORCE SEWER BUDGETS			\$28,502	\$49,980	\$40,780	\$59,467	\$65,207	\$98,125	\$122,523	\$113,669	\$118,076	\$97,019	\$87,706	\$852,553	\$1,423,347			
TOTAL SANITARY SEWER BUDGETS			\$57,696	\$80,599	\$92,235	\$123,854	\$118,639	\$169,037	\$287,816	\$249,471	\$227,771	\$269,312	\$236,846	\$1,855,580	\$2,897,505			

(\$ in thousands)

Below are the annual total disbursements for the various projects within this service area.

FY 2023 Actual	FY 2024 - FY 2033 CIP Disbursement Plan										Lifetime Budget	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032		
\$118,381	\$158,736	\$222,494	\$252,395	\$250,278	\$266,256	\$268,591	\$279,184	\$207,235	\$219,880	\$227,979	\$2,353,028	\$ 4,738,104



Small Diameter Water Main Rehab



Small Diameter Water Main Rehab



Water Quality Testing Lab

Overview

Delivery of safe, clean, high-quality drinking water is one of DC Water's highest priorities. Drinking water in the District of Columbia comes from the Potomac River. The U.S. Army Corps of Engineers, Washington Aqueduct (Aqueduct), is a federally owned agency responsible for treating the drinking water. DC Water purchases water from the Aqueduct and is responsible for maintaining the distribution system that delivers drinking water to customers. DC Water distributes drinking water through roughly 1,300 miles of interconnected pipes to more than 700,000 residents and businesses in the District of Columbia.

The DC Water distribution system begins at the water treatment plant and ends at private service lines. Customer service lines connect to the mains in the streets and deliver water to residents and commercial buildings, eventually reaching taps. Water is continuously moving through our distribution system, typically at a flow rate that keeps the water fresh. However, once the water leaves the main and enters a customer's service line, the flow of water is dependent on individual water usage.

DC Water is committed to providing customers with the highest quality drinking water and continuously works to deliver water that goes beyond federal standards. We accomplish this goal by aiming to meet target levels that are stricter than water quality standards required by the EPA. We have a dedicated Drinking Water division that collects and analyzes water samples throughout the District of Columbia. These monitoring programs include sampling and analyses that are required by EPA and additional sampling programs conducted voluntarily by DC Water.

DC Water conducts compliance monitoring on a daily basis to ensure that water quality meets EPA standards. Water quality technicians collect and analyze samples for lead and copper, total coliform (bacteria) and disinfection byproduct levels. Compliance monitoring ensures that drinking water treatment effectively prevents pipe corrosion, removes bacteria and other contaminants, and minimizes potentially harmful treatment byproducts.

DC Water operates voluntary sampling programs to support our commitment to providing high-quality drinking water to our customers. Water quality technicians collect and analyze hundreds of water samples throughout the District of Columbia. The Drinking Water division responds quickly to customer complaints and conducts water quality monitoring among the District's most vulnerable populations. DC Water operates two mobile laboratories that allow technicians to conduct on-site water quality tests and respond to emergencies. The Drinking Water division also distributes hundreds of lead test kits each year to residents and assists residents with identifying lead sources.

PROGRAM AREAS

Distribution Systems – Provides for the rehabilitation, replacement or extension of the water distribution system through several projects. The distribution system program area is the largest program for the water service area and includes three primary elements: small diameter water main renewal, large diameter water main rehabilitation, valve replacement and DDOT project relocation needs.

Lead Free DC Program – This program is for the removal of all lead service lines in public and private right of way in the District. The lead service line replacements are conducted throughout the water distribution system as part of the LSL specific block-by-block projects, water main renewal projects, emergency rehabilitation of water service lines, or through the customer-initiated programs Voluntary Full Replacement Program (VFRP) or the Lead Pipe Replacement Assistance Program (LPRAP) if the customer currently has a partial LSL.

On-Going – Includes small projects for urgent rehabilitation of water main breaks, valves and fire hydrants, water service connections, and other minor water main rehabilitation work.

Pumping Facilities – Rehabilitate or upgrade water-pumping stations in the system. All four water pump stations have completed major upgrades within the last fifteen years, and relatively minor projects including electrical, mechanical & instrumentation upgrades are anticipated for the near future.

Storage Facilities – Rehabilitation or upgrade of elevated tanks and reservoirs. Studies to the system have identified the need for upgrades and/or new storage facilities to support changing development patterns, for regulatory compliance, to provide additional water pressure to certain areas of the District, and to provide redundant service during unplanned outages. Many reservoirs have exceeded useful life (50-years). Therefore, planned projects are for regular inspections and needed upgrades.

Program Management – Provides engineering program management services for the drinking water system capital improvements program, including asset management, developing facilities plans, advancement of the smart infrastructure program, conceptual designs, technical support for planned inspection and condition assessment programs, cost estimates, design document review, and subject matter expertise in hydraulic modeling.

ACCOMPLISHMENTS

- Continued installation of small diameter water mains to meet the DC Water Board goal of renewing one percent of the system annually. This renewal includes a combination of replacement with new water mains to reduce water quality degradation from tuberculation, reduce the likelihood of water main breaks and increase the service life of the water distribution system.
- Replaced approximately eleven 11 miles of small diameter water mains.
- Ongoing construction for the rehabilitation of the N Street 66/72-inch Prestressed Concrete Cylinder Pipe (PCCP).
- The following major projects are in design:
 - Critical Valve Replacement, Year 2, Batch 1
 - Critical Valve Replacement, Year 2, Batch 2
 - 16-inch Rock Creek Park Transmission Main
 - 16-inch Reservoir Road Transmission Main
 - Two WSSC Interconnections Projects
 - West Venturi Meter- Bryant St Pumping Station
 - East Venturi Meter- Bryant St Pumping Station
- The DDOT's South Capitol Street Bridge project was completed in FY 2023. Water mains and sewers were replaced, and existing assets inspected at post-construction. DDOT is submitting as-built drawings which DC Water is reviewing as they are being received.
- Conducted eighty-four (84) design reviews for forty-seven DDOT Public Space projects varying in size, complexity, and design phase to identify and establish agreements to replace water mains through participation in DDOT projects. The total amount of water main to be rehabilitated is approximately 4,785 linear feet.
- Published the 2023 Lead Free DC Plan, which details the construction plan to replace 42,000 lead service lines. The increase of 28,000 lines is due to a detailed review of service line records.
- LFDC completed 1,534 lead line replacements in FY 2023 and saved customers \$7 million by providing free and discounted replacement.
- Continued to focus on replacing lead service lines in vulnerable and historically underserved communities with our prioritization model that aligns with Biden-Harris Administration's Justice40 Initiative.
- Began Construction on 6 LSR Block-By-Block Projects: Construction Packages 5/6 (2 projects), 7, 8, 9, & 10, and continued work on construction packages 1-4 (2 projects)

- Completed the following studies:
 - 16-inch Rock Creek Park Transmission Main Planning Report
 - 16-inch Reservoir Road Transmission Main Planning Report
 - Critical Valve Replacement Evaluation and Selection
 - Short Term Water Supply Resiliency Study
 - 4HR Booster Pumping – Draft Siting Study & Initial Engineering Design Report
 - Fort Reno Pump Station Planning Report
 - Anacostia Pump Station Assessment Report
 - Ft Stanton Reservoir No. 1 Inspection
 - Water Linear Facilities Plan
 - Low Pressure Analysis by Pressure Zone
 - Bryant Street Pump Station Venturi Meter Replacements Planning Study
 - Anacostia 3rd High Pressure Zone Improvements Study
- Continue the restorations at Anacostia Storage Tank No. 02 under the Miscellaneous Facilities Upgrades Phase 7 Project.
- Construction for the Rehabilitation of the N Street 66/72-inch Prestressed Concrete Cylinder Pipe (PCCP) has begun

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Water Mains – The capital improvement program for linear assets will help to:

- Reduce customer impacts due to pipe breaks.
- Decrease reactive maintenance due to breaks and other unscheduled rehabilitations thereby lowering maintenance costs over time.
- Improve water quality in the distribution system.
- Reduce lead service pipes inventory thereby reducing lead exposure.

Water Pumping and Storage – The Bryant Street Spill Header Improvement project is under construction and will provide major operational improvements for the pump station. The Fort Reno Pump Station is in the design phase and will improve the reliability of the major processing equipment at the station. Anacostia Storage Tank No. 1 is under construction and will be completed by Miscellaneous Facilities Upgrades Phase 7 Project. This project is the last project to be constructed under FA00, which was created to address EPA concerns identified at the storage facilities in 2008. Minor pump station and storage facilities upgrades and improvements are ongoing which will reduce maintenance costs and keep the facilities functioning optimally until the major upgrade projects are completed in the future.



Water

[summary](#) [overview](#) [financial plan](#) [rates&rev](#)

capital

[financing](#) [departmental](#) [glossary](#)

(\$ in thousands)

DISTRIBUTION SYSTEMS			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
C9 Large Diameter Water Mains I	2014	Ongoing	\$1,666	\$1,200	\$735	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,935	\$20,532	2025
CJ FY2012 - DDOT Water Projects	2012	Ongoing	\$3	\$12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12	\$6,474	2024
CM FY2013 - DDOT Water Projects	2013	Ongoing	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,549	2023
DE Small Diameter Water Main Rehabilitation 12	2014	Ongoing	\$6,134	\$449	\$394	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$843	\$45,993	2025
FI Small Diameter Water Main Rehabilitation 13	2014	Ongoing	\$2,849	\$1,913	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,913	\$40,835	2024
F2 Small Diameter Water Main Rehabilitation 14	2017	Ongoing	\$14,792	\$7,268	\$2,948	\$714	\$668	\$403	\$228	\$0	\$0	\$0	\$0	\$0	\$0	\$12,229	\$59,466	2029
F6 Steel Water Main Rehabilitation - Rehabilitation I	2009	Ongoing	\$253	\$360	\$2,882	\$565	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,808	\$12,139	2026
FT Water Mains Rehabilitation Phase II	2014	Ongoing	\$549	\$2,097	\$767	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,865	\$6,773	2025
GQ Fire Hydrant Replacement Program - Phase II	2010	Ongoing	\$1,565	\$582	\$54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$636	\$29,120	2025
GR Small Diameter Water Main Rehabilitation 15	2018	Ongoing	\$20,392	\$18,489	\$10,987	\$907	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,383	\$61,300	2026
HX Small Diameter Water Main Rehabilitation 16	2018	Ongoing	\$2,331	\$9,179	\$20,153	\$12,695	\$1,558	\$223	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,807	\$80,577	2028
I8 Large Valve Replacement (Contract 11-13)	2012	Ongoing	\$0	\$203	\$14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218	\$19,701	2025
JZ Large Diameter Water Main Replacement 3 - 4 & 5	2021	Ongoing	\$174	\$10,650	\$13,053	\$10,394	\$9,707	\$3,726	\$1,995	\$389	\$0	\$0	\$0	\$0	\$0	\$49,912	\$81,445	2030
K7 Large Diameter Water Main Replacement 6 - 7 & 8	2024	New	\$0	\$74	\$785	\$891	\$2,709	\$12,123	\$9,441	\$11,964	\$20,763	\$8,763	\$2,049	\$0	\$69,562	\$89,140	2035	
K8 Large Diameter Water Main Replacement 9 - 10 & 11	2028	New	\$0	\$0	\$0	\$0	\$0	\$49	\$989	\$1,813	\$6,870	\$17,040	\$20,249	\$0	\$47,009	\$76,400	2035	
K9 Large Diameter Water Main Replacement 12 - 13 & 14	2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$544	\$2,183	\$9,829	\$20,394	\$0	\$32,950	\$83,480	2036	
KD Large Valve Replacement Contracts 29 - 30 & 31	2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87	\$475	\$3,399	\$6,518	\$0	\$10,478	\$22,970	2035	
KE Small Diameter Water Main Rehabilitation 18	2020	Ongoing	\$820	\$2,580	\$8,228	\$16,368	\$8,550	\$2,948	\$15	\$0	\$0	\$0	\$0	\$0	\$0	\$38,689	\$68,675	2029
KF Small Diameter Water Main Rehabilitation 19	2022	Ongoing	\$892	\$1,334	\$16,468	\$34,631	\$14,444	\$13,275	\$9,018	\$0	\$0	\$0	\$0	\$0	\$0	\$89,170	\$108,940	2029
KG Small Diameter Water Main Rehabilitation 20	2022	Ongoing	\$132	\$260	\$1,236	\$2,433	\$2,644	\$4,930	\$12,792	\$15,971	\$11,732	\$7,496	\$374	\$0	\$59,867	\$68,050	2033	
KH Small Diameter Water Main Rehabilitation 21	2022	Ongoing	\$109	\$1,928	\$4,043	\$9,781	\$15,461	\$17,605	\$8,179	\$0	\$0	\$0	\$0	\$0	\$0	\$56,997	\$81,423	2029
KI Small Diameter Water Main Rehabilitation 22	2023	Ongoing	\$3	\$0	\$0	\$433	\$2,460	\$5,598	\$21,915	\$33,324	\$23,262	\$0	\$0	\$0	\$0	\$86,992	\$94,788	2031
KJ Small Diameter Water Main Rehabilitation 23	2024	New	\$0	\$153	\$1,000	\$2,512	\$3,663	\$13,039	\$30,502	\$34,675	\$6,723	\$0	\$0	\$0	\$0	\$92,266	\$104,270	2031
KL Small Diameter Water Main Rehab 25	2027	New	\$0	\$0	\$0	\$0	\$818	\$2,939	\$5,444	\$15,576	\$32,223	\$33,803	\$19,525	\$0	\$110,328	\$117,475	2034	
KM Small Diameter Water Main Rehab 26	2027	New	\$0	\$0	\$0	\$0	\$639	\$3,081	\$6,303	\$7,887	\$17,027	\$32,208	\$26,757	\$0	\$93,902	\$119,312	2034	
KN Small Diameter Water Main Rehab 27	2028	New	\$0	\$0	\$0	\$0	\$0	\$356	\$1,943	\$3,240	\$6,216	\$15,765	\$31,421	\$0	\$58,941	\$121,667	2036	
KP Small Diameter Water Main Rehab 28	2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$170	\$890	\$3,516	\$8,605	\$18,779	\$0	\$31,959	\$120,435	2036	
MV Small Diameter Water Main Rehabilitation 3	2006	Ongoing	\$66	\$34	\$11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45	\$200	2025
ND Small Diameter Water Main Rehab 30	2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$479	\$1,845	\$3,588	\$6,168	\$0	\$12,080	\$146,444	2037	
O2 Small Diameter Water Main Rehabilitation 10	2013	Ongoing	\$171	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,877	2023
O3 Small Diameter Water Main Rehabilitation 11	2014	Ongoing	\$1	\$85	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85	\$42,399	2024
QF District Metering	2023	Ongoing	\$1	\$0	\$191	\$233	\$324	\$1,046	\$4,069	\$2,432	\$0	\$0	\$0	\$0	\$0	\$8,295	\$9,930	2030
S3 Large Valve Replacement (Contract 3-7)	1999	Ongoing	\$12	\$113	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113	\$23,207	2024
SU Small Diameter Water Main Repl A-H	2025	New	\$0	\$0	\$14,692	\$21,762	\$30,353	\$24,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,807	\$130,323	2028
U5 WSSC Interconnection Project	2022	Ongoing	\$66	\$632	\$619	\$3,101	\$2,834	\$1,144	\$945	\$945	\$945	\$948	\$593	\$12,706	\$18,541	2033		
TOTAL DISTRIBUTION SYSTEMS BUDGETS			\$52,980	\$59,596	\$99,260	\$117,420	\$96,830	\$106,485	\$113,946	\$130,215	\$133,781	\$141,444	\$152,827	\$1,151,805	\$2,152,849			



Water

[summary](#) [overview](#) [financial plan](#) [rates&rev](#)

capital

[financing](#) [departmental](#) [glossary](#)

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LEAD PROGRAM			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
BW Lead Free DC Program			2003	Ongoing	\$10,004	\$7,194	\$5,348	\$5,725	\$5,651	\$12,023	\$13,803	\$7,099	\$2,458	\$1,627	\$0	\$60,930	\$302,940	2035
ST Lead Free DC Project			2022	Ongoing	\$32,091	\$55,145	\$77,984	\$88,201	\$93,269	\$87,420	\$87,871	\$97,767	\$40,295	\$20,539	\$22,166	\$670,658	\$1,524,192	2035
TOTAL LEAD PROGRAM BUDGETS					\$42,094	\$62,339	\$83,333	\$93,925	\$98,921	\$99,443	\$101,674	\$104,867	\$42,753	\$22,166	\$22,166	\$731,587	\$1,827,132	
ON-GOING			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
D5	FY 2014 - DWS Water Projects		2014	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,248	2023
HY	FY 2019 - DWS Water Projects		2019	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,631	2023
JA	FY 2020 - DWS Water Projects		2020	Ongoing	\$52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,070	2023
KW	FY 2021 - DWS Water Projects		2021	Ongoing	\$139	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,830	2023
KX	FY 2022 - DWS Water Projects		2022	Ongoing	\$4,479	\$938	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$938	\$15,930	2025
KY	FY 2023 - DWS Water Projects		2023	Ongoing	\$6,303	\$6,218	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,218	\$13,150	2024
KZ	FY 2024 - DWS Water Projects		2024	New	\$0	\$5,685	\$12,907	\$12,358	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,950	\$45,122	2026
L2	FY 2026 - DWS Water Projects		2023	Ongoing	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2023
L6	FY 2027 - DWS Water Projects		2027	New	\$0	\$0	\$0	\$0	\$14,600	\$0	\$0	\$0	\$0	\$0	\$0	\$14,600	\$18,250	2027
L7	FY 2028 - DWS Water Projects		2028	New	\$0	\$0	\$0	\$0	\$0	\$14,254	\$0	\$0	\$0	\$0	\$0	\$14,254	\$19,575	2028
L8	FY 2029 - DWS Water Projects		2029	New	\$0	\$0	\$0	\$0	\$0	\$0	\$19,500	\$0	\$0	\$0	\$0	\$19,500	\$21,000	2029
L9	FY 2030 - DWS Water Projects		2030	New	\$0	\$0	\$0	\$0	\$0	\$0	\$20,500	\$0	\$0	\$0	\$0	\$20,500	\$22,000	2030
LA	FY 2031 - DWS Water Projects		2031	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,781	\$2,219	\$0	\$0	\$22,000	\$23,500	2032
LW	FY 2032 - DWS Water Project		2032	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,404	\$20,404	\$0	\$40,807	\$40,807	2033
QJ	DPO Water Pumping and Storage, Capital Projects		2020	Ongoing	\$157	\$1,266	\$2,431	\$2,683	\$1,558	\$878	\$1,191	\$1,101	\$1,098	\$0	\$0	\$12,207	\$14,701	2031
TOTAL ON-GOING BUDGETS					\$11,131	\$14,107	\$15,339	\$15,041	\$16,158	\$15,132	\$20,691	\$21,601	\$20,879	\$22,623	\$20,404	\$181,974	\$280,813	
PUMPING FACILITIES			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
AY	Upgrades to Fort Reno Pumping Station		2002	Ongoing	\$84	\$126	\$66	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$192	\$14,473	2025
HI	Bryant Street Pump Station Phase III		2025	New	\$0	\$0	\$15	\$161	\$553	\$1,241	\$2,566	\$3,625	\$1,786	\$0	\$0	\$9,947	\$11,228	2031
HR	Anacostia Pump Station Improvements Phase II		2025	Ongoing	\$0	\$140	\$578	\$588	\$1,792	\$6,195	\$3,123	\$0	\$0	\$0	\$0	\$12,416	\$14,953	2029
HV	Bryant Street Pump Station - Spill Header Flow Control		2013	Ongoing	\$2,970	\$4,115	\$3,809	\$59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,983	\$11,658	2026
JB	Bryant Street PS Improvements - Phase II		2012	Ongoing	\$73	\$289	\$1,790	\$3,502	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,581	\$12,185	2026
LT	Water System SCADA		2014	Ongoing	\$159	\$1,359	\$958	\$1,241	\$841	\$16	\$0	\$0	\$0	\$0	\$0	\$4,415	\$8,406	2028
LU	Water Facilities Security System Upgrades 2		2016	Ongoing	\$509	\$21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21	\$2,000	2024
OR	Fort Reno Pump Station Improvements Phase II		2023	Ongoing	\$150	\$143	\$244	\$2,252	\$1,895	\$0	\$0	\$0	\$0	\$0	\$0	\$4,533	\$6,430	2027
OW	Water System Sensor Program (WaSSP)		2022	Ongoing	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2023
PS	Existing Water Facilities Building Optimization		2023	Ongoing	\$0	\$24	\$501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$525	\$695	2025
S6	West Venturi Meter - Bryant Street Pumping Station		2023	Ongoing	\$9	\$61	\$169	\$760	\$1,062	\$0	\$0	\$0	\$0	\$0	\$0	\$2,051	\$2,404	2027
TOTAL PUMPING FACILITIES BUDGETS					\$4,078	\$6,277	\$8,131	\$8,562	\$6,143	\$7,452	\$5,689	\$3,625	\$1,786	\$0	\$0	\$47,664	\$84,432	



Water

[summary](#) [overview](#) [financial plan](#) [rates&rev](#)
[capital](#)
[financing](#) [departmental](#) [glossary](#)

(\$ in thousands)

STORAGE FACILITIES			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
FA Water Storage Facility Upgrades	2009	Ongoing	\$763	\$2,667	\$478	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,145	\$37,933	2025
HW Rehabilitation of Elevated Water Tanks	2023	Ongoing	\$1,283	\$829	\$228	\$616	\$1,331	\$792	\$273	\$0	\$0	\$0	\$0	\$0	\$0	\$4,068	\$7,320	2029
MA Saint Elizabeth Water Tank	2002	Ongoing	\$25	\$1,338	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,341	\$47,517	2025
MQ 2MG 4th High Storage Tank	2004	Ongoing	\$166	\$1,117	\$1,597	\$1,018	\$411	\$631	\$3,809	\$3,543	\$696	\$0	\$0	\$0	\$0	\$12,821	\$22,679	2031
QG Anacostia First and Second High Storage	2019	Ongoing	\$546	\$1,379	\$2,031	\$4,975	\$10,800	\$11,700	\$15,000	\$15,005	\$6,100	\$30,537	\$30,592	\$0	\$0	\$128,119	\$139,917	2036
SW Water SCADA Replacement	2028	New	\$0	\$0	\$0	\$0	\$0	\$270	\$79	\$328	\$1,241	\$3,110	\$1,990	\$0	\$0	\$7,019	\$8,380	2034
ZI Anacostia Third High Pressure Zone Improvements	2024	New	\$0	\$131	\$1,477	\$1,228	\$8,552	\$18,518	\$7,402	\$0	\$0	\$0	\$0	\$0	\$0	\$37,309	\$42,987	2029
TOTAL STORAGE FACILITIES BUDGETS			\$2,784	\$7,462	\$5,813	\$7,837	\$21,093	\$31,911	\$26,562	\$18,876	\$8,037	\$33,648	\$32,582	\$0	\$193,821	\$306,734		
PROGRAM MANAGEMENT			Start	Status	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total	Lifetime Budget	Completion
KV Water Program Management Services 2F	2020	Ongoing	\$5,085	\$8,361	\$6,067	\$426	\$411	\$296	\$29	\$0	\$0	\$0	\$0	\$0	\$0	\$15,589	\$31,060	2029
LB Water Program Management Services 2G	2025	New	\$0	\$0	\$4,552	\$9,183	\$10,722	\$5,537	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,994	\$35,230	2028
ME Water System Program Management Services	1999	Ongoing	\$229	\$595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$595	\$19,854	2024
TOTAL PROGRAM MANAGEMENT BUDGETS			\$5,314	\$8,956	\$10,619	\$9,609	\$11,133	\$5,833	\$29	\$0	\$0	\$0	\$0	\$0	\$0	\$46,178	\$86,144	
TOTAL WATER BUDGETS			\$118,381	\$158,736	\$222,494	\$252,395	\$250,278	\$266,256	\$268,591	\$279,184	\$207,235	\$219,880	\$227,979	\$0	\$2,353,028	\$4,738,104		

(\$ in thousands)

Below are the annual total disbursements for the various projects within this service area.

	FY 2023 Actual	FY 2024 - FY 2033 CIP Disbursement Plan										Lifetime Budget
		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	
CAPITAL EQUIPMENT	\$ 26,431	\$ 30,535	\$ 31,477	\$ 31,839	\$ 30,523	\$ 37,169	\$ 37,169	\$ 37,169	\$ 37,169	\$ 37,169	\$ 37,169	\$ 347,390
WASHINGTON AQUEDUCT	\$ 74,728	\$ 35,546	\$ 35,770	\$ 35,770	\$ 35,770	\$ 35,770	\$ 35,770	\$ 35,770	\$ 35,770	\$ 35,770	\$ 35,770	\$ 357,472
ADDITIONAL CAPITAL PROJECTS	\$101,159	\$ 66,081	\$ 67,246	\$ 67,609	\$ 66,293	\$ 72,939	\$ 704,863					



Fleet Management Building



Fleet Water Truck



Employees at the WAD Facility

Overview

Additional Capital Programs is a subset of DC Water's Capital Improvement Program (CIP) and is comprised of Capital Equipment and the Washington Aqueduct.

Capital Equipment – This category accounts for approximately 49% of the Additional Capital Programs budget and includes capital equipment purchases, refurbishment, replacement and enhancement of operational facilities, vehicle equipment, office renovations, mechanical equipment, and Information Technology (IT) software/hardware needs. The current capital equipment disbursement budget includes the following cluster groups:

- **Wastewater Operations** – This cluster is comprised of Wastewater Operations, Wastewater Process Engineering, and Maintenance Services. The capital equipment activities/purchases support work attributable to rehabilitation, replacement, and continuous improvements or enhancements for pumps, screens, large motors, centrifuges, process control systems, and actuators.
- **Water Operations** – The capital equipment activities/purchases for this department include water service replacements, backflow preventers, hydrant locks, and valve replacements.
- **Pumping and Sewer Operations** – these purchases support Supervisory Control and Data Acquisition (SCADA) hardware, flow meters, major build rebuilds, and sewer equipment.
- **Engineering** – purchases for this department support engineering and technical services miscellaneous equipment needs.
- **Finance and Procurement** – This cluster includes the departments of Finance, and Procurement & Compliance. The activities/purchases are primarily for reserve funds to support additional capital equipment needs for new facilities, unplanned emergencies, and capital equipment requiring long-lead times. This also funds the purchases of payroll time clocks and miscellaneous finance related equipment.

- **Customer Care** – these activities/purchases support the enhancements, replacements, and upgrades of residential and commercial water meters.
- **Information Technology** – This department is comprised of the following clusters: IT Infrastructure and IT Project Management. The IT activities are for equipment purchases for infrastructure and projects, which include laptops, cabling, radios, servers, telephones, and software applications.
- **Shared Services** – Capital equipment within this cluster is primarily for the departments of Office of Emergency Management, Facilities Management, Fleet Management, Security, and Safety. The activities/purchases include, plumbing, elevators, photocopiers, appliances, furniture, vehicles, loaders, dump trucks, vacuum trucks, boats, backhoes, cranes, trailers, forklifts, fire suppression system equipment, renovations, cameras, utility carts, and sensors.

Washington Aqueduct – The Washington Aqueduct, managed by the U.S. Army Corps of Engineers (USACE), provides wholesale water treatment services to DC Water and wholesale customers in Northern Virginia, (Arlington County and Fairfax County Water Authority). DC Water purchases approximately 74.6 percent of the water produced by the Aqueduct's two treatment facilities, the Dalecarlia and McMillan Treatment Plants, and thus is responsible for approximately 74.6 percent of the Aqueduct's operating and capital costs. Under federal legislation and a memorandum of understanding enacted in 1997 and updated in 2013, when Fairfax Water replaced the City of Falls Church, DC Water and the Aqueduct's wholesale customers in Northern Virginia inherited a much greater role in oversight of the Aqueduct's operations and its Capital Improvement Program, than prior to 1997.

The USACE, in accordance with Federal procurement regulations, requires DC Water to remit cash in an amount equal to the total project cost in advance of advertising contracts, and these funds are transferred immediately to a USACE/U.S. Treasury account to be drawn down during the execution of the project, through completion, with no interest going to DC Water. Over the years, extensive discussions with the U.S. Office of Management and Budget (OMB) and the USACE resulted in a proposal in the President's FY 2006 and FY 2007 budgets that would allow Aqueduct customers to deposit funds for any projects required by their National Pollutant Discharge Elimination System (NPDES) permit (including the residuals project) to a separate escrow account, allowing the Aqueduct customers to retain interest on these funds. The proposal was submitted in May 2006 to the Senate and House. During FY 2006, the USACE briefed the Senate Environment and Public Works Committee staff and in conjunction with DC Water, briefed the Senate Homeland Security and Government Affairs committee staff. Additionally, DC Water and Washington Aqueduct staff provided DC Delegate Norton's office with the Administration's proposal. Neither committee acted on the proposal.

The Washington Aqueduct continues to pursue other options that would be more favorable to DC Water, including transferring dollars on a phased basis, utilizing taxable bonds, or taxable commercial paper. In the past, some of these options have not been viewed favorably by the U.S. Treasury, but we will continue our outreach efforts to Congressional staff, federal agencies, and the USACE on this critical issue.

DC Water's share of Washington Aqueduct's infrastructure improvements to achieve established service levels for FY 2024 – FY 2033 is \$357.5 million. The increased investments funds Washington Aqueduct's risk-based asset management CIP, except the following projects: Federally Owned Water Mains, Travilah Quarry Acquisition Outfitting, and Advanced Treatment.

Additional Capital Programs

(\$ in thousands)

summary overview financial plan rates&rev capital financing departmental glossary

	FY 2023 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-Yr Total
WASTEWATER OPERATIONS												
810600 Clean Water Quality & Technology	\$27	\$50	\$80	\$80	\$60	-	-	-	-	-	-	\$270
810006 Wastewater Operations	\$0	-	20	20	20	-	-	-	-	-	-	\$60
812003 Wastewater Process Engineering	\$1,216	\$625	\$625	\$625	\$625	-	-	-	-	-	-	\$2,500
811003 Maintenance Services	\$1,224	\$4,000	\$4,200	\$4,200	\$4,200	-	-	-	-	-	-	\$16,600
Subtotal	\$2,468	\$4,675	\$4,925	\$4,925	\$4,905	-	-	-	-	-	-	\$19,430
WATER OPERATIONS												
813003 Water Operations	\$45	\$1,195	\$1,000	\$1,000	\$1,000	-	-	-	-	-	-	\$4,195
Subtotal	\$45	\$1,195	\$1,000	\$1,000	\$1,000	-	-	-	-	-	-	\$4,195
PUMPING AND SEWER OPERATIONS												
815000 Pumping Services	\$1,433	\$1,550	\$1,765	\$1,765	\$1,765	-	-	-	-	-	-	\$6,845
814000 Sewer Operations	\$307	\$280	\$522	\$522	\$522	-	-	-	-	-	-	\$1,846
Subtotal	\$1,740	\$1,830	\$2,287	\$2,287	\$2,287	-	-	-	-	-	-	\$8,691
ENGINEERING												
801000 Engineering & Technical Services	\$176	\$25	\$25	\$25	\$25	-	-	-	-	-	-	\$100
Subtotal	\$176	\$25	\$25	\$25	\$25	-	-	-	-	-	-	\$100
FINANCE & PROCUREMENT												
300003 Finance, Accounting & Budget	\$0	\$0	10	10	10	-	-	-	-	-	-	\$30
300003 Reserve Fund	\$0	\$5,550	\$4,700	\$4,700	\$4,700	\$29,102	\$29,102	\$29,102	\$29,102	\$29,102	\$29,102	\$194,263
Subtotal	\$0	\$5,550	\$4,710	\$4,710	\$4,710	\$29,102	\$29,102	\$29,102	\$29,102	\$29,102	\$29,102	\$194,293
CUSTOMER CARE												
600018 On-Going Replacement	\$489	\$2,900	\$2,900	\$2,804	\$3,033	\$3,867	\$3,867	\$3,867	\$3,867	\$3,867	\$3,867	\$34,841
600018 SDWVM Meter Program	\$0	\$698	\$4,044	\$4,025	\$2,200	\$200	\$200	\$200	\$200	\$200	\$200	\$12,167
Subtotal	\$489	\$3,598	\$6,944	\$6,829	\$5,233	\$4,067	\$4,067	\$4,067	\$4,067	\$4,067	\$4,067	\$47,008
INFORMATION TECHNOLOGY												
601003 IT Infrastructure	\$3,266	\$2,142	\$1,962	\$2,440	\$2,740	-	-	-	-	-	-	\$9,284
601012 IT Project Management	\$6,062	\$3,145	\$3,145	\$3,145	\$3,145	-	-	-	-	-	-	\$12,580
Subtotal	\$9,328	\$5,287	\$5,107	\$5,585	\$5,885	-	-	-	-	-	-	\$21,864
SHARED SERVICES												
204000 Facilities Management	\$1,718	\$1,775	\$1,878	\$1,878	\$1,878	-	-	-	-	-	-	\$7,409
205003 Security	\$946	\$600	\$600	\$600	\$600	-	-	-	-	-	-	\$2,400
202006 Fleet Management	\$9,430	\$6,000	\$4,000	\$4,000	\$4,000	4,000	4,000	4,000	4,000	4,000	4,000	\$42,000
203000 Occupational Safety	\$91	-	-	-	-	-	-	-	-	-	-	\$0
201006 Office of Emergency Management	\$0	-	-	-	-	-	-	-	-	-	-	\$0
Subtotal	\$12,185	\$8,375	\$6,478	\$6,478	\$6,478	4,000	4,000	4,000	4,000	4,000	4,000	\$51,809
TOTAL CAPITAL EQUIPMENT	\$26,431	\$30,535	\$31,477	\$31,839	\$30,523	37,169	37,169	37,169	37,169	37,169	37,169	\$347,390
WASHINGTON AQUEDUCT	\$74,728	\$35,546	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$35,770	\$357,472
TOTAL ADDITIONAL CAPITAL PROGRAMS	\$101,159	\$66,081	\$67,246	\$67,609	\$66,293	\$72,939	\$72,939	\$72,939	\$72,939	\$72,939	\$72,939	\$704,863



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Approved FY 2025 Budgets

Section VI: CAPITAL FINANCING, CASH AND DEBT



\$ in thousands

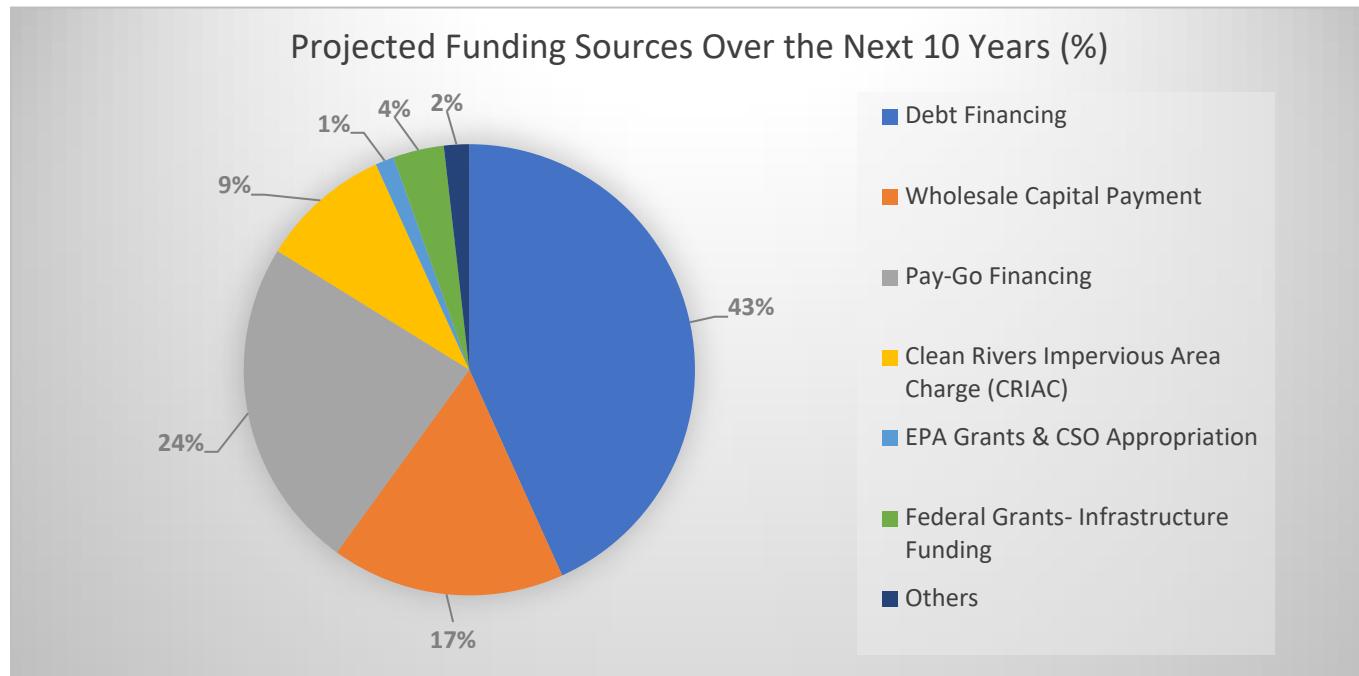
DC Water relies on several funding sources to finance its capital projects and cash flow needs. The process of identifying, obtaining, and managing these funds is a combined effort throughout the Authority. This includes future revenues, collections, grant applications, planning, and debt service management.

Approximately 67% of DC Water's capital program is funded by debt and pay-go, 17% of the funds are contributed by wholesale capital payments, and the remaining estimated 16% of funds come from other available funds.

Below is the list of various funding sources and the percentage contribution to DC Water's overall CIP needs.

Ten-Year Sources of Funds	Amount
Debt Financing	\$3,367,761
Wholesale Capital Payment	1,303,177
Pay-Go Financing	1,852,207
Clean Rivers Impervious Area Charge (CRIAC)	729,651
EPA Grants & CSO Appropriation	104,067
System Availability Fee (SAF)	77,000
Federal Grants- Infrastructure Funding	283,740
Interest Income	46,117
Curing Pad and Solar	17,848
Total	\$7,781,568

- Debt Financing refers to the borrowing of funds through long term revenue bonds, commercial paper and other short- term notes.
- Pay-Go financing is any funds available after meeting the reserves and rate stabilization fund deposits.
- Other financing comprises EPA Grants & CSO Appropriation, System Availability Fee (SAF), Federal Grants- Infrastructure Funding, Interest Income on Bond Proceeds and Curing Pad and Solar.



\$ in thousands

Sources and Uses of Funds

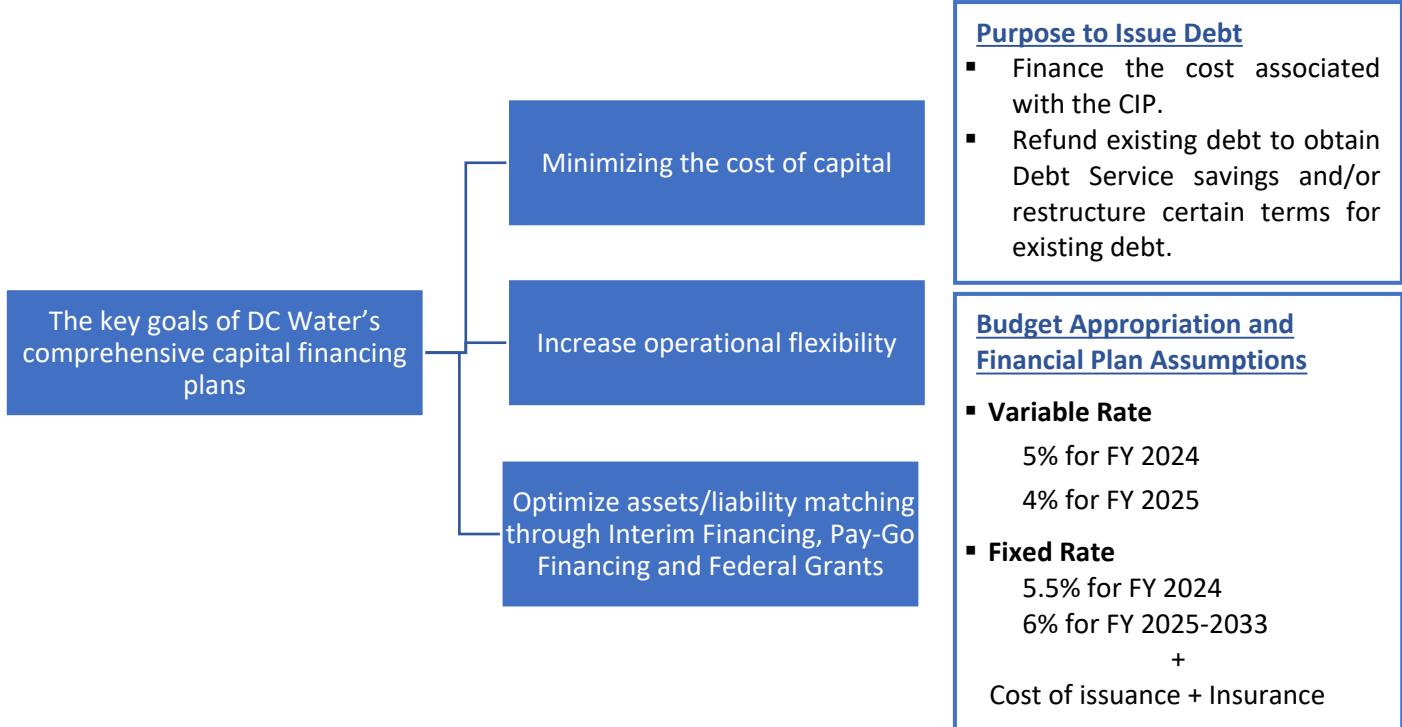
Particulars	FY 2023	FY 2024	FY 2024	FY 2025
	Actual	Approved	Revised	Approved
Sources				
Beginning Balance	\$ 494,562	\$ 304,193	\$ 366,735	\$ 184,103
New Debt Proceeds / Commercial Paper / EMCP ⁽¹⁾	32,066	180,488	26,000	351,000
Curing Pad and Solar	-	3,009	-	-
System Availability Fee (SAF)	5,087	7,700	7,700	7,700
Clean Rivers Impervious Area Charge (CRIAC)	52,514	63,348	63,348	60,977
Pay-Go Financing	131,737	130,873	145,526	127,369
Federal Grants - Infrastructure Funding	-	44,000	24,598	29,755
EPA Grants	26,503	26,651	13,005	20,144
CSO Appropriation	8,000	-	-	-
Wholesale Customer Capital Contributions	41,865	84,142	77,404	88,796
Interest Income	9,550	10,621	7,946	10,592
Total Sources	\$ 307,322	\$ 550,832	\$ 365,527	\$ 696,333
Uses				
Water Projects	118,381	188,371	158,736	222,494
Wastewater Treatment	50,359	84,442	65,150	103,291
Sanitary Sewer Treatment	57,696	118,457	80,599	92,235
Combined Sewer & LTCP Projects	93,758	110,256	123,793	213,408
Stormwater Projects	3,523	12,839	7,293	13,565
Non-Process Facilities	10,272	24,614	13,074	19,900
Washington Aqueduct	74,728	35,155	35,546	35,770
Capital Equipment	24,680	26,937	26,937	24,532
Meter Replacement / AMR/ CIS	1,750	3,598	3,598	6,944
Total Uses	\$ 435,149	\$ 604,671	\$ 514,727	\$ 732,139
Capital Contingency Reserve for LTCP	-	33,432	33,432	30,000
Ending Balance	\$ 366,735	\$ 216,923	\$ 184,103	\$ 118,297

⁽¹⁾ Commercial Paper and Extendable Municipal Commercial Paper are used for interim financing and capital equipment

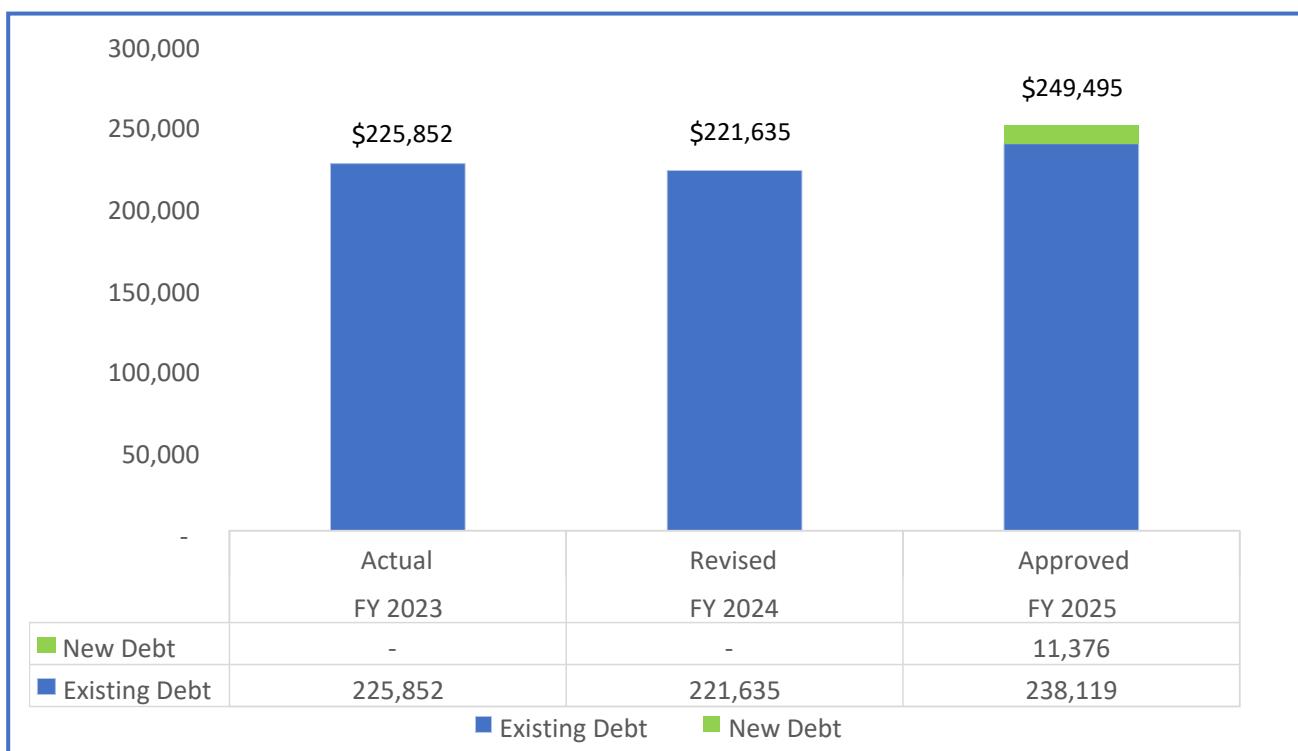
Cash Reserve Summary

Particulars	FY 2023	FY 2024	FY 2024	FY 2025
	Actual	Approved	Revised	Approved
Beg. O&M Reserve Balance (Net of Rate Stabilization Fund)	\$ 257,374	\$ 274,600	\$ 286,889	\$ 296,600
Operating Surplus	179,168	172,571	185,544	173,502
Wholesale Customer Refunds/Payments for Prior Years	4,742	(5,000)	(9,000)	(7,700)
Federal Customer Refund/Payments for Prior Years	(4,188)	(6,256)	(6,256)	(13,813)
Transfer to Rate Stabilization Fund	-	351	-	-
AP Voided Checks/ACH Return for Previous Years	3,264	-	-	-
Interest Earned from Bond Reserve	137	-	445	404
Pay-As-You-Go Capital Financing	(153,607)	(153,665)	(159,022)	(137,393)
Project Billing Refunds	-	-	(2,000)	(2,000)
Ending O&M Reserve Balance (Net of Rate Stabilization Fund)	\$ 286,889	\$ 282,600	\$ 296,600	\$ 309,600
Rate Stabilization Fund	\$ 35,644	\$ 35,644	\$ 33,644	\$ 31,644

Capital Financial Plan



Debt Service FY 2023 – FY 2025



\$ in thousands

The chart below shows debt service payment of principal and interest for a three-year outlook.

Bond Series	FY 2023 Actual	FY 2024 Revised	FY 2025 Approved
Senior Lien			
Series 1998	\$ 21,019	\$ 2,381	\$ 8,114
Series 2014A	16,742	16,849	16,849
Series 2017A&B	17,733	17,849	17,848
Series 2018A&B	18,229	18,326	18,324
WIFIA Loan	391	2,244	2,924
Total Senior Lien	\$ 74,114	\$ 57,649	\$ 64,059
Subordinate Lien			
Series 2010A	17,774	15,276	15,372
Series 2012A,B-1, B-2&C	-	-	-
Series 2014B	3,074	4,004	3,996
Series 2014C	25,503	16,046	28,644
Series 2015A&B	20,350	20,548	20,550
Series 2016	16,940	17,039	17,039
Series 2019A&B	7,583	7,625	11,045
Series 2019C	1,732	1,741	3,980
Series 2019D	12,241	12,305	12,308
Series 2022A	16,204	36,943	28,668
Series 2022B	3,893	3,979	3,979
Series 2022C-1	8,921	8,921	8,921
Series 2022C-2	177	177	177
Series 2022D	10,599	10,649	10,647
Series 2022E	2,892	2,891	2,891
Extendable Municipal Commercial Paper	1,637	2,890	2,889
Commercial Paper	1,414	2,148	2,149
Jennings Randolph Bond	805	805	805
Total Subordinate Lien	\$ 151,739	\$ 163,986	\$ 174,060
Proposed Debt Service	-	-	\$ 11,376
Total Debt Service	\$ 225,852	\$ 221,635	\$ 249,495

SENIOR BOND RATINGS (DEC 2023)

Standard and
Poor's Corporation
AAA

Moody's Investor
Service
Aa1

Fitch's Rating
AA+

Asset Value and Outstanding Debt

Net Assets
\$8.2B

Outstanding Debt
\$3.7B

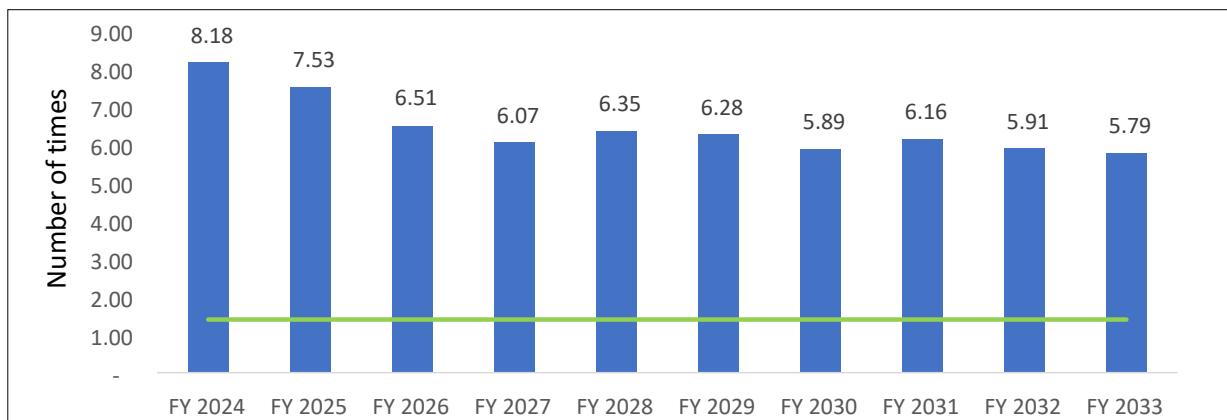
Debt Service Coverage (FY 2024-FY 2033)

DC Water is authorized to issue additional debt only to the extent that it can satisfy the Debt Service Coverage (annual net revenues as a percent of annual debt service) requirements established in the Indenture and certain Board policies.

Debt Level	Master Indenture	Board Resolution	Management Practice
Senior	120X	140X	140X
Subordinate	100X	100X	100X
Combined	NA	160X	160X

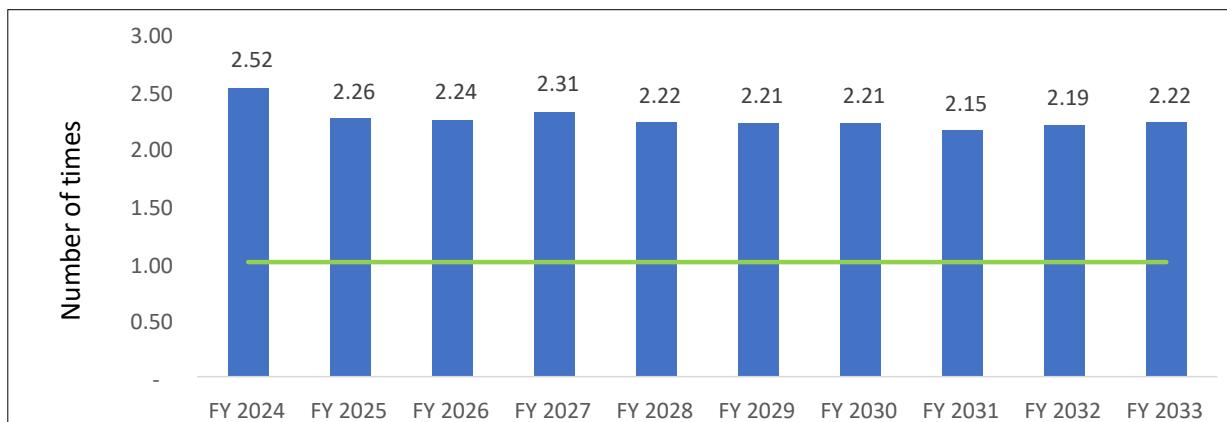
Senior Debt Service Coverage

Senior Debt Service Coverage (Management target = 140x)



Subordinate Debt Service Coverage

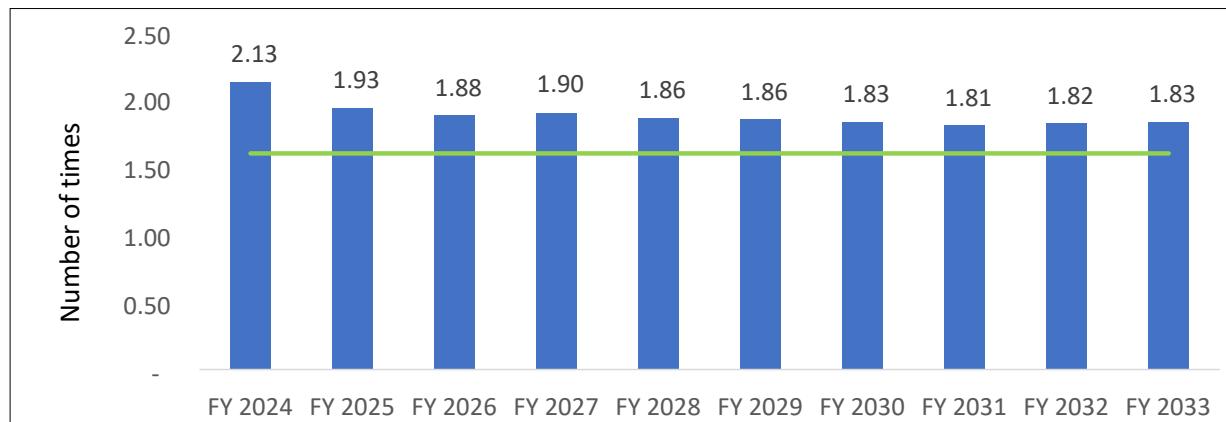
Subordinate Debt Service (Board/Management target = 100x)



\$ in thousands

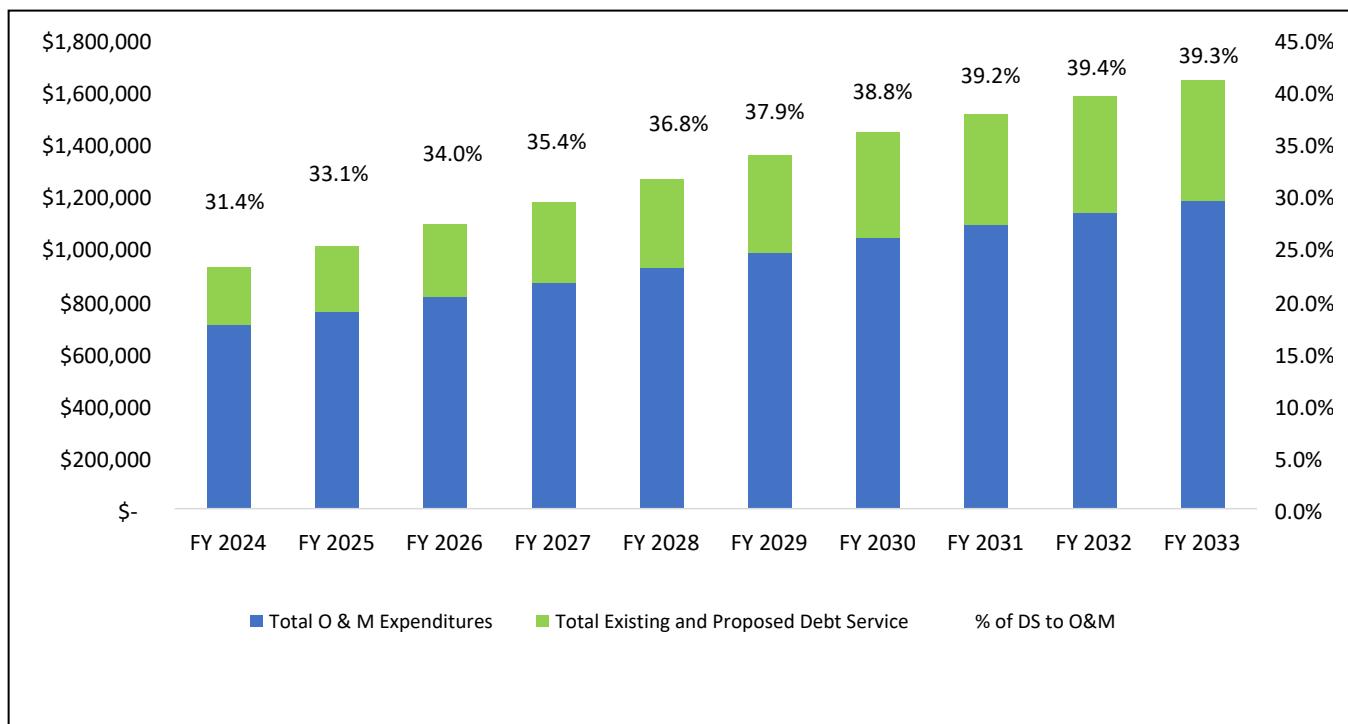
Combined Debt Service Coverage

Combined Debt Service (Board/Management target = 160x)



DC Water's debt service cost covers 31 percent of the total operating and maintenance expenses for FY 2024 with a cost of \$705 million. By FY 2033, debt service costs are expected to be approximately 39 percent and projected to increase over the next 10 years to finance capital projects.

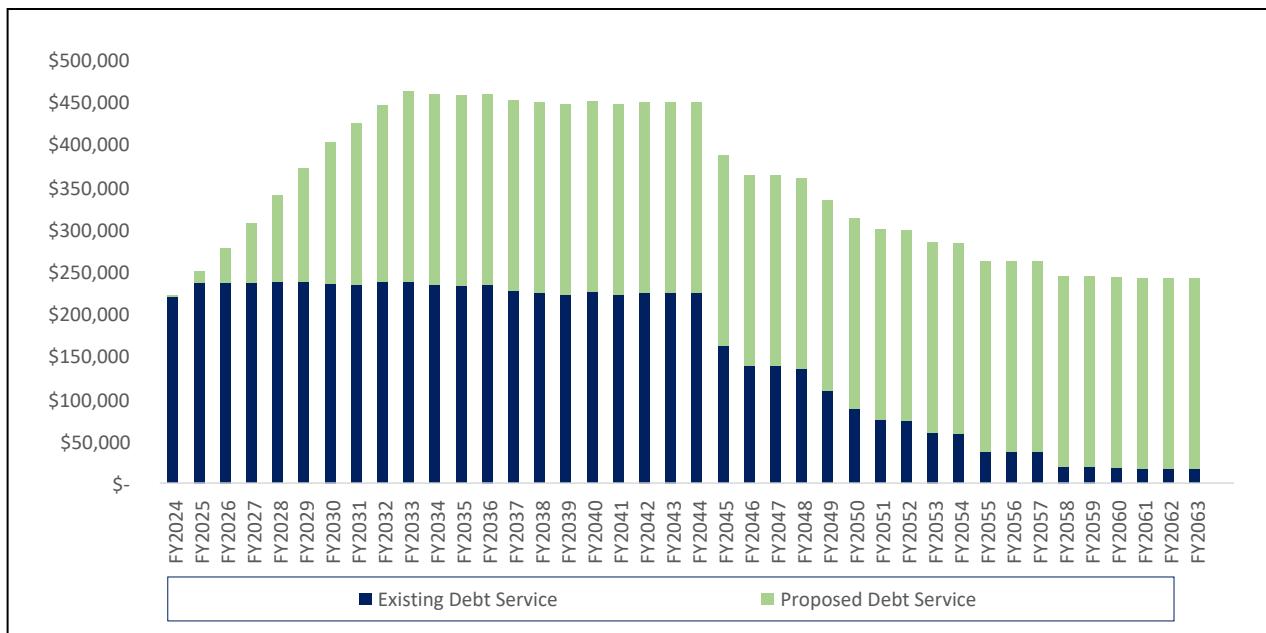
Debt Service as Percentage of O&M Expenditures



\$ in thousands

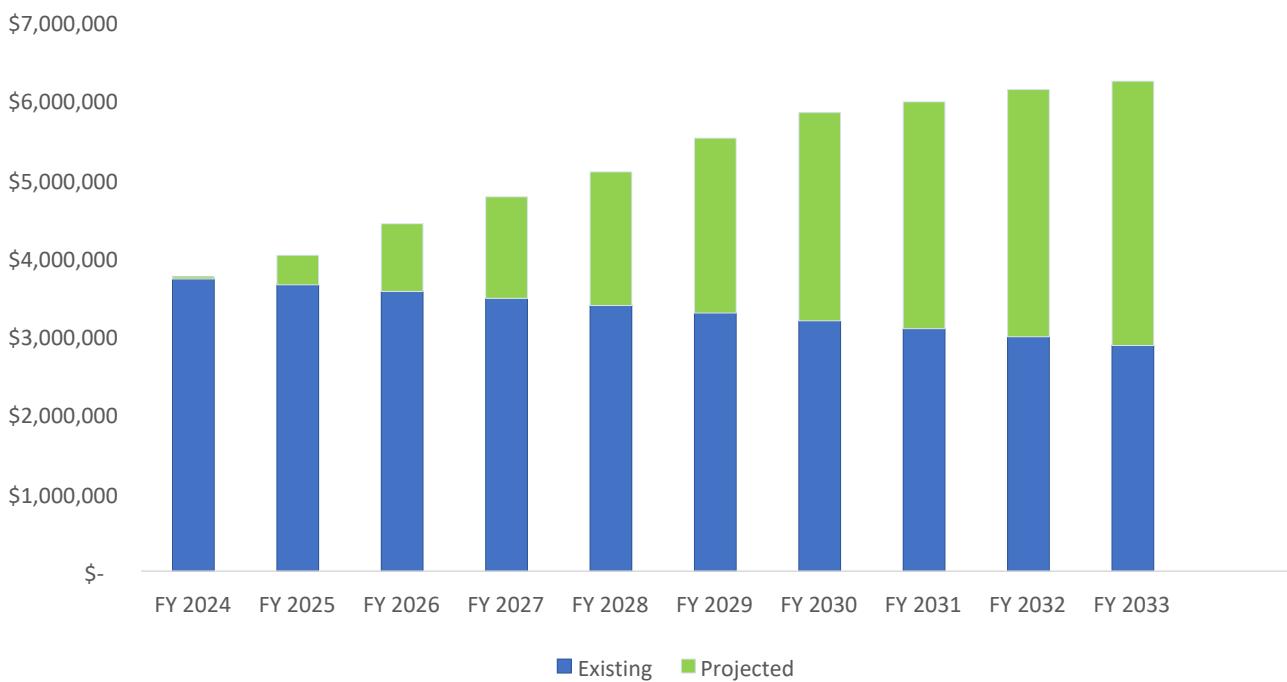
The largest source of funding for DC Water's capital program is debt. DC Water will issue approximately \$3.3 billion in new debt over the next ten years. DC Water has \$3.7 billion in outstanding debt as of FY 2024 with an estimated \$6.2 billion by FY 2033. DC Water's annual debt service cost is \$221 million in FY 2024 and estimated to be \$463 million by FY 2033.

Total Outstanding & Proposed Debt Service



Note: 40-year debt service schedule above assumes no new debt issuances after FY 2033

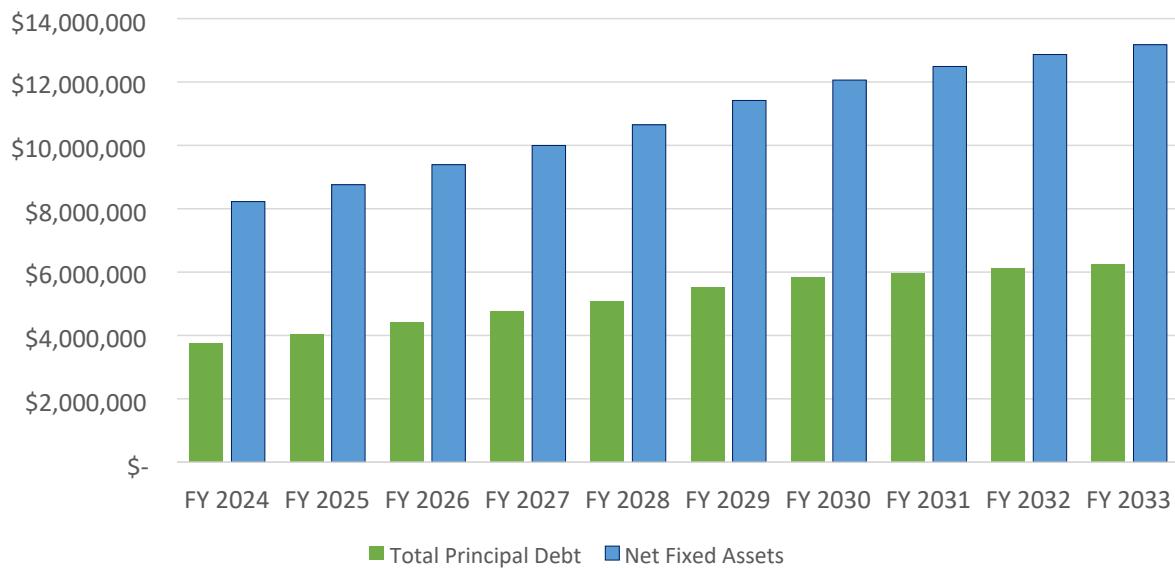
Outstanding Debt



\$ in thousands

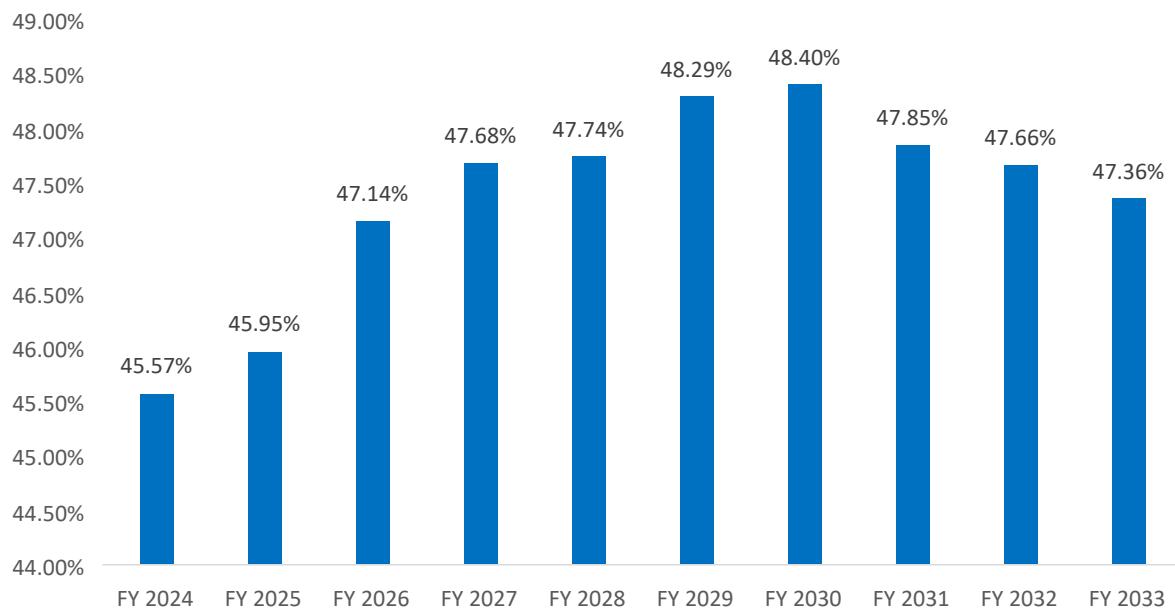
Over the 10 years, DC Water's projected disbursement plan for its capital program will be \$7.74 billion. DC Water's net fixed assets are \$8.2 billion as of FY 2024 and estimated to be \$13.2 billion by FY 2033.

Principal vs Net Fixed Assets



Note: Outstanding debt in above graph illustrates principal vs the net fixed asset amount over 10 years

Debt to Net Fixed Assets Ratio



Note: The above graph illustrates the debt to net fixed asset ratio over 10 years

DEBT LIMIT: DC Water is not subject to any legal debt limitations. However, prior to any new debt issuance, DC Water must meet an additional bonds test and certify revenue sufficiency.

PUBLIC UTILITY SENIOR LIEN REVENUE BONDS: 1) Series 1998 (March 1998); 2) Series 2014A (July 2014); 3) Series 2017A (January 2017); 4) Series 2017B (January 2017); 5) Series 2018A (April 2018); 6) Series 2018B (April 2018); 7) WIFIA Loan (March 2021).

PUBLIC UTILITY SUBORDINATE LIEN REVENUE BONDS: 1) Series 2012A (March 2012); 2) Series 2013A (July 2013); 3) Series 2014B (July 2014); 4) Series 2013A (July 2013); 5) Series 2014B (July 2014); 6) Series 2015A (October 2015); 7) Series 2015B (October 2015); 8) Series 2016B Environmental Impact Bond (September 2016); 9) Series 2019A (October 2019); 10) Series 2019B (October 2019); 11) Series 2019C (October 2019); 12) Series 2022B (February 2022); 13) Series 2022C (February 2022); 14) Series 2022D (February 2022); and 15) Series 2022E (March 2022).

PUBLIC UTILITY SUBORDINATE LIEN REVENUE BONDS (FEDERALLY TAXABLE ISSUER SUBSIDY BUILD AMERICA BONDS): 1) Series 2010A (October 2010).

PUBLIC UTILITY SUBORDINATE LIEN REVENUE REFUNDING BONDS: 1) Series 2008A: (refunded Series 2004, Assured Guaranty insured, April 2008; 2) Series C taxable commercial paper: (refunded Series 2007B, April 2008); and 3) Series 2012C: (advance refunded Series 2003, March 2012); 4) Series 2014C: (advanced refunded all or a portion of Series 2007A, 2008A, 2009A, and 2012B, October 2014); 5) Series 2016A: (advanced refunded all or a portion of Series 2007A, 2008A, and 2009A, January 2016); 6) Series 2019D: (advanced refunded all of Series 2013A); 7) Series 2022C: (refunded portion of Series 2014C, 2015A and 2015B, February 2022); 8) Series 2022D: (refunded portion of Series 2014C, February 2022); and 9) Series 2022A: (forward direct purchase agreement to refund all Series 2012A and 2012C, July 2022).

NOTES FOR JENNINGS RANDOLPH RESERVOIR: The note payable to the Federal government for improvements to the Jennings Randolph Reservoir is considered subordinate debt under the Master Indenture of Trust. The notes were issued to provide a backup water supply facility for the Authority. DC Water's share of operating and capital cost is 30 percent.

NOTES FOR LITTLE SENECA RESERVOIR: The note payable to Washington Suburban Sanitary Commission (WSSC) is considered subordinate debt under the Master Indenture of Trust. The notes were issued by WSSC for construction of the Little Seneca Dam and Lake for backup and peak-day water supply for the Authority. DC Water's share of operating and capital costs is 40 percent. DC Water prepaid the note in full in August 2013.

COMMERCIAL PAPER: These notes issued are considered subordinate debt under the Master Indenture of Trust. DC Water's commercial paper program is issued in increments with maturities less than 270 days. As described in Section III, the Board approved the commercial paper program in early FY 2002; proceeds from the sale of the notes are used for interim bond financing, short-term financing for capital equipment and certain taxable costs for the Washington Aqueduct. Each new bond issuance is evaluated to determine the most cost-effective way of reducing the amount of taxable commercial paper. Normal market conditions for commercial paper carries significantly lower interest rates than long-term debt. In May 2020, DC Water authorized the Letter of Credit facility to TD Bank, NA. Additionally, DC Water successfully extended JP Morgan Chase Bank as the authorized dealer and US Bank as the Issuing Paying Agent. The \$150 million commercial paper program includes: (1) Series B (tax-exempt) aggregate principal amount not to exceed \$100 million; and (2) Series C (taxable) aggregate principal amount not to exceed \$50 million.

EXTENDABLE MUNICIPAL COMMERCIAL PAPER: This program will provide interim financing for a portion of the Authority's Capital Improvement Program. Under this program the notes are issued backed by the liquidity and credit rating of the Authority. Each Series A EMCP Note will mature on its respective "Original Maturity Date", which may range from one to 90 days from the date of issuance, unless its maturity is extended on the "Original Maturity Date" to the "Extended Maturity Date", which will be the date that is 270 days after the date of issuance of the Series A EMCP Note. The notes are payable from and secured by a subordinate lien on the Authority's net revenues, as further described in the Authority's master trust indenture as supplemented. In November 2015, DC Water authorized the dealer for the EMCP program as Goldman, Sachs & Co. The \$100 million extendable municipal commercial paper program includes: (1) Series A (tax-exempt) aggregate principal amount not to exceed \$100 million.



Approved FY 2025 Budgets

Section VII: DEPARTMENTAL SUMMARIES



Blue Plains

Introduction to DC Water's Operational and Administrative (Support) Departments

DC Water's organizational structure is a key tool for ensuring that the organizational mission is achieved. The structure consists of thirty departments that are defined primarily along functional roles and further grouped along service lines (Operational or Administrative) or reporting clusters of authority.

Service Lines: Operational departments include: Water Operations, Pumping and Sewer Operations, and Wastewater Treatment services (including maintenance of these facilities). These departments are responsible for the day-to-day operations of DC Water's extensive infrastructure and facilities that provide direct services to our customers. Similarly, the Customer Care Department is classified as an operational department due to the integrated nature of their work to operations (i.e., customer care, metering and billing). Provision of first-line customer care to our customers includes 24-hour emergency service. The departments of Engineering and Technical Services, Wastewater Engineering, Clean Rivers, Permit Operations, and Capital Improvement Program (CIP) Infrastructure Management are responsible for ongoing reinvestment in the system infrastructure, compliance with various mandates, and providing services to the development community throughout the District of Columbia.

All other departments provide critical administrative and technical support to ensure the safe and reliable continuity of our vital services through short and long-term planning, asset management, leadership and all financial and human capital support requirements.

Reporting Lines: Departments are grouped within clusters to ensure accountability and to enhance efficiency and delivery of various services. A member of the Senior Executive Team (SET) heads each cluster group and is accountable for service delivery and performance metrics of the departments within their cluster.

DC Water continues to make organizational changes and improvements to enhance efficiencies, improve processes and efficiently utilize all assets with the goal of better serving the public and protecting the environment. To this end, during FY 2023, DC Water's Senior Executive Team implemented a series of structural changes aimed at leveraging organizational strengths to produce maximum results, promote high-performing team culture across all business units, enhance functional alignment and cross-cluster connection, and provide the best employee experience. These structural changes include the shifting of Information Technology, Customer Care, Shared Services, and Strategy & Performance to a newly formed Administration Cluster.

DC Water's new organizational chart can be found on page 222 and reflects structural changes for the following departments and cluster groups.

- Independent Offices – This cluster comprises the Office of the Chief Executive Officer, Board Secretary, and Internal Audit.
- Office of the Chief Operating Officer – Oversees the operations and engineering clusters.
- Operations and Engineering – All operational and engineering functions are consolidated into a single cluster. This includes Department of Engineering & Technical Services (DETS), Wastewater Engineering, Permit Operations, Clean Rivers, and CIP Infrastructure Management. The operations departments include Water Operations (which includes Water Quality and Technology), Pumping & Sewer Operations, Wastewater Treatment Operations, Process Engineering, Maintenance Services, Resource Recovery and Clean Water & Technology.

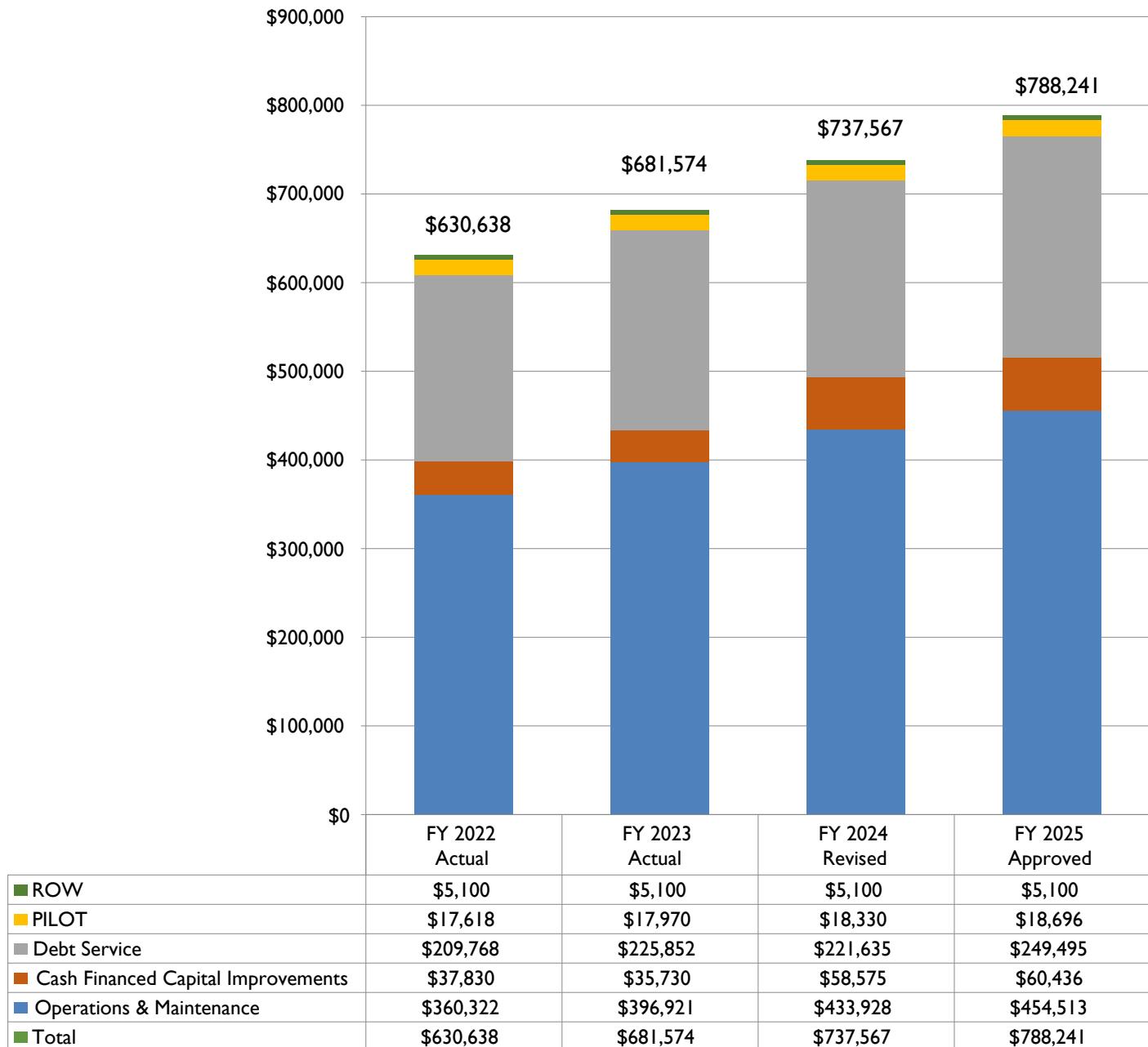
- **Shared Services** (now under Administration Cluster) – This section includes Security, Occupational Safety and Health, Office of Emergency Management, Fleet Management, and Facilities Management departments.
- **Customer Care** – This department, which was previously part of the Operations Cluster, is now part of the new Administration Cluster.
- **Information Technology** - This department is also part of the new Administration Cluster and is comprised of Enterprise Solutions and IT Infrastructure functions.
- **Finance, Procurement, and Compliance** – This cluster comprises Finance, Procurement, and Compliance departments. All goods, services, and engineering procurement administration activities are consolidated under the Procurement department. This cluster is also responsible for the oversight of the Non-Ratepayer Revenue Fund.
- **People and Talent** – Human Capital Management is now the People and Talent department and includes Employee Experience, Total Rewards, Labor Relations, and Compliance Programs under this cluster.
- **Strategy & Performance** – This department oversees the Innovation, Enterprise Program Management Office, Strategic Management, and Business Performance Management functions, and is now under the Administration Cluster.
- **Legal Affairs** – General Counsel is now the Office of Government and Legal Affairs.
- **Marketing and Communications** – External Affairs is now Marketing and Communications.

Senior Executive Team

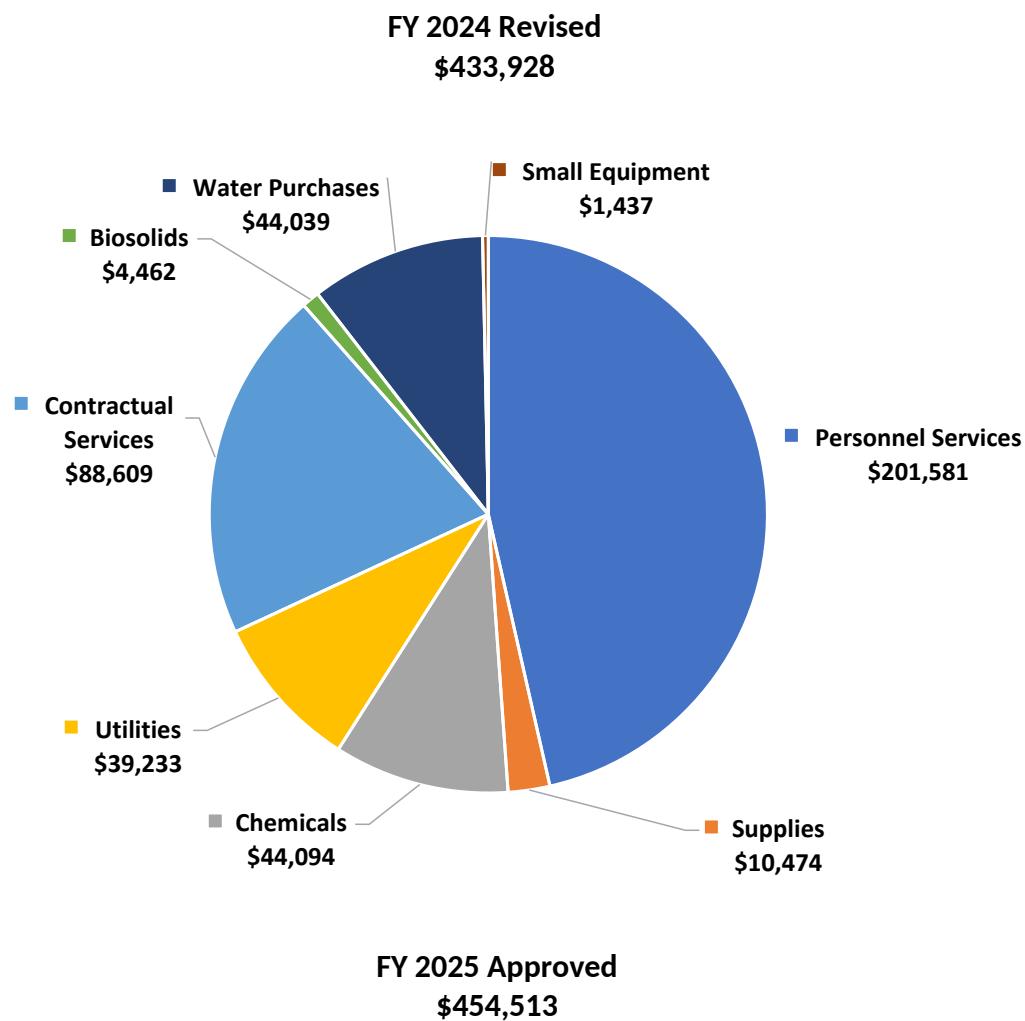
RESPONSIBILITY	CLUSTER
Chief Executive Officer & General Manager	DC Water
Chief of Staff & Executive Vice President	Independent Offices
Chief Operating Officer & Executive Vice President	Operations & Engineering
Chief Administration Officer & Executive Vice President	Strategy & Performance, Internal Audit, Shared Services, Information Technology, Customer Care
Chief Financial Officer & Executive Vice President	Finance, Procurement, and Compliance
Chief Communications Officer & Stakeholders Engagement Officer & Executive Vice President	Marketing & Communications
Chief People & Inclusion Officer & Executive Vice President	People & Talent
Chief Legal Officer & Executive Vice President	Government & Legal Affairs

\$ in thousands

FY 2022 - FY 2025



The above chart shows operations and maintenance (O&M) costs needed to maintain appropriate service levels. The overall operating budget is constrained by the increasing debt service costs required to support DC Water's Capital Improvement Program.



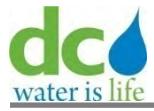
\$ in thousands

Object	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 REVISED	FY 2025 APPROVED
Personnel Services	\$ 173,229	\$ 183,316	\$ 201,581	\$ 209,633
Contractual Services	75,878	88,309	93,070	102,284
Water Purchases	33,345	33,609	44,039	45,330
Chemicals and Supplies	39,189	53,082	54,568	55,585
Utilities	37,820	37,361	39,233	40,318
Small Equipment	862	1,244	1,437	1,364
Subtotal Operations & Maintenance Expenditures	\$ 360,322	\$ 396,921	\$ 433,928	\$ 454,513
Debt Service	209,768	225,852	221,635	249,495
Cash Financed Capital Improvements	37,830	35,730	58,575	60,436
Payment in Lieu of Taxes	17,618	17,970	18,330	18,696
Right of Way Fees	5,100	5,100	5,100	5,100
Total Operating Expenditures	\$ 630,638	\$ 681,574	\$ 737,567	\$ 788,241
Personnel Services charged to Capital Projects	(24,413)	(27,813)	(31,974)	(34,087)
Total Net Operating Expenditures	\$ 606,225	\$ 653,761	\$ 705,593	\$ 754,154

- **Personnel Services** – Covers the salaries, benefits, overtime, on-call and other employee compensation for full time employees, temporary part-time employees, apprentices and the DC Water's internship program.
- **Contractual Services** – Includes the maintenance and repairs for the Authority's water, sewer and wastewater infrastructure, automotive and various operational facilities. It also covers the legal, insurance and compliance requirements, customer support and community outreach programs, employee training, safety programs, software maintenance, information technology services, pay for success based on performance of the Green Infrastructure project, etc.
- **Water Purchases** – This covers water purchased from the U.S. Army Corps of Engineers (Washington Aqueduct), the entity that sources, treats and produces the tap water distributed by DC Water in the District.
- **Chemicals and Supplies** – Includes the various chemicals used in the treatment processes, office supplies, parts sourced from the warehouse, uniforms for operational and technical employees, etc.
- **Utilities** – Covers the costs for telecommunications (radios, cell and phone lines), electricity, natural gas, water usage, building rentals, etc.
- **Small Equipment** – Include items such as adding machines, cameras, small appliances, etc.
- **Debt Service** – Is for repayment of principal and interest on debt issued for the capital program.
- **Cash Financed Capital Improvements (CFCI)** – The purpose of this fund is two-fold: to serve as an Operations and Maintenance budget contingency and to provide sufficient debt service coverage.
- **Payment in Lieu of Taxes and Right of Way** – These are payments to the District for water and sewer conduits that it occupies within the District of Columbia, consistent with memorandum of understanding (MOU).

\$ in thousand

Departments & Clusters	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 REVISED	FY 2025 APPROVED
OPERATIONS	\$ 219,990	\$ 240,603	\$ 259,901	\$ 272,880
Office of the Chief Operating Officer	1,176	2,113	1,764	1,692
Wastewater Treatment Operations	83,179	91,639	96,277	99,254
Process Engineering	6,453	7,862	8,065	8,534
Maintenance Services	20,363	21,627	23,147	24,763
Clean Water and Technology	2,431	3,686	5,090	5,055
Resource Recovery	5,762	6,670	6,538	7,775
Water Operations	63,576	66,140	76,317	80,716
Pumping and Sewer Operations	37,049	40,866	42,703	45,092
ENGINEERING	\$ 33,863	\$ 37,993	\$ 42,339	\$ 44,476
Engineering & Technical Services	19,801	23,280	23,350	25,395
CIP Infrastructure Management	4,289	4,731	5,549	5,965
Wastewater Engineering	2,531	2,226	3,746	3,722
Permit Operations	3,877	4,637	5,475	5,286
Clean Rivers	3,364	3,120	4,219	4,108
ADMINISTRATION	\$ 59,075	\$ 62,965	\$ 68,700	\$ 69,894
Office of the Chief Administration Officer	-	-	-	1,466
Customer Care	16,951	19,177	21,201	21,117
Information Technology	10,873	10,960	11,271	11,006
Strategy and Performance	2,804	2,991	3,609	2,738
Office of Emergency Management	1,277	1,605	1,659	1,682
Fleet Management	7,014	6,596	7,626	7,191
Occupational Safety & Health	2,323	2,259	3,589	2,859
Facilities Management	9,231	9,691	10,500	10,778
Security	8,600	9,686	9,245	11,057
INDEPENDENT OFFICES	\$ 4,311	\$ 4,342	\$ 4,343	\$ 4,426
Secretary to the Board	469	385	584	875
Office of the Chief Executive Officer	3,092	3,177	2,954	2,712
Internal Audit (outsourced)	750	780	805	839
FINANCE & PROCUREMENT	\$ 26,379	\$ 30,796	\$ 35,589	\$ 40,490
Finance	18,978	22,991	26,951	30,062
Procurement	6,626	6,664	6,713	7,611
Compliance and Business Development	775	1,141	1,425	2,318
Non-Ratepayer Revenue Fund	0	-	500	500
MARKETING AND COMMUNICATION	\$ 3,209	\$ 3,102	\$ 4,793	\$ 4,349
Marketing and Communication	3,209	3,102	4,793	4,349
PEOPLE AND TALENT	\$ 6,527	\$ 8,169	\$ 9,919	\$ 9,685
People and Talent	6,527	8,169	9,919	9,685
GOVERNMENT AND LEGAL AFFAIRS	\$ 6,968	\$ 8,951	\$ 8,345	\$ 8,312
Government and Legal Affairs	6,968	8,951	8,345	8,312
Subtotal O & M Expenditures	\$ 360,322	\$ 396,921	\$ 433,928	\$ 454,513
Debt Service	209,768	225,852	221,635	249,495
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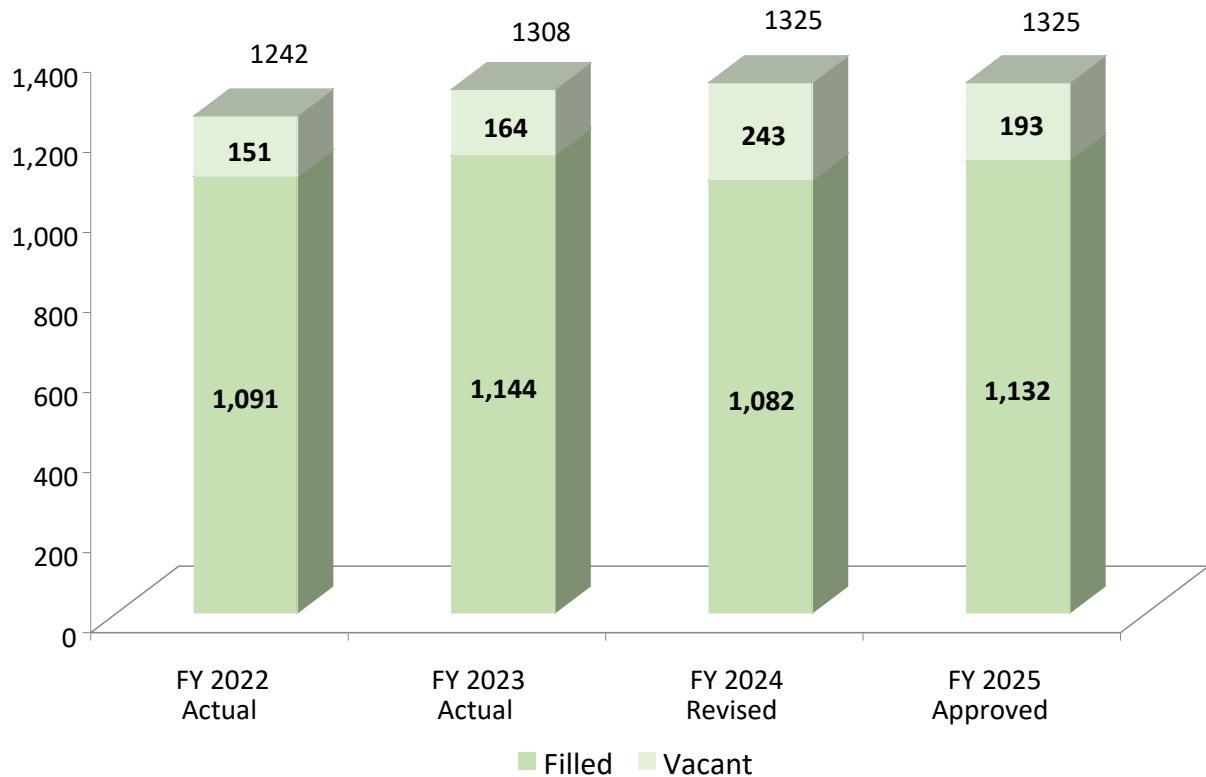
FY 2024 Revised Budget by Department by Category

(\$ in thousands)

	summary	overview	financial plan	rates&rev	capital	financing	departmental	glossary						
	Auth Pos	Pay	Fringe	Overtime	Personnel Services	Supplies	Chemicals	Utilities	Contracts	Biosolids	Water Purchases	Equipment	Total Non-Personnel Services	Total Operating
810ZZZ-Wastewater Treatment Operations	100	9,799	3,234	1,763	14,795	231	43,978	27,544	9,335	-	-	393	81,482	96,277
812ZZZ-Process Engineering	36	4,352	1,556	50	5,957	67	-	31	1,874	-	-	136	2,108	8,065
811ZZZ-Maintenance Services	103	10,470	3,571	600	14,640	4,332	-	134	3,561	-	-	480	8,507	23,147
813ZZZ-Water Operations	214	19,738	6,659	1,897	28,294	1,104	36	367	2,430	-	44,039	47	48,022	76,317
600ZZZ-Customer Care	121	11,066	3,976	405	15,447	72	-	384	5,291	-	-	8	5,754	21,201
801ZZZ-Engineering and Technical Services	133	15,634	3,530	938	20,102	123	-	289	2,835	-	-	-	3,247	23,349
802ZZZ-CIP Infrastructure Management	30	3,982	1,160	10	5,153	-	-	-	397	-	-	-	397	5,549
803ZZZ-Wastewater Engineering	21	2,271	684	9	2,963	5	-	-	778	-	-	-	783	3,746
800ZZZ-Clean Rivers	11	1,906	417	-	2,324	12	-	74	1,809	-	-	-	1,895	4,219
804ZZZ-Permit Operations	29	3,329	1,101	45	4,475	36	-	438	526	-	-	-	1,000	5,475
814ZZZ-Pumping and Sewer Operations	183	18,721	6,427	2,068	27,216	1,677	80	8,043	5,547	-	-	140	15,486	42,703
810YY-Resource Recovery	10	1,172	387	41	1,599	-	-	-	477	4,462	-	-	4,938	6,538
810XXX- Clean Water and Technology	15	1,877	621	158	2,656	537	-	-	1,897	-	-	-	2,434	5,090
Subtotal Operations	1,006	\$104,317	\$33,323	\$7,982	\$145,622	\$8,197	\$44,094	\$37,303	\$36,756	\$4,462	\$44,039	\$1,203	\$176,053	\$321,675
100ZZZ-Secretary to the Board	2	318	66	-	384	8	-	3	189	-	-	-	200	584
101ZZZ-Office of Chief Executive Officer	6	1,358	329	0	1,688	8	-	25	1,233	-	-	-	1,266	2,954
102ZZZ-Internal Audit	-	-	-	-	-	-	-	-	805	-	-	-	805	805
103ZZZ-Marketing and Communication	18	2,833	810	-	3,643	11	-	18	1,109	-	-	12	1,150	4,793
104ZZZ-Office of Chief Operating Officer	4	894	198	-	1,092	2	-	4	666	-	-	-	672	1,764
105ZZZ-Office of Chief Administration Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
201ZZZ-Office of Emergency Management	6	799	230	5	1,034	4	-	13	592	-	-	15	625	1,659
202ZZZ-Fleet Management	8	1,161	335	6	1,502	1,424	-	1,006	3,576	-	-	117	6,124	7,626
203ZZZ-Occupational Safety	18	2,353	722	-	3,076	5	-	37	472	-	-	-	513	3,589
204ZZZ-Facilities Management	53	4,864	1,552	366	6,782	727	-	157	2,823	-	-	11	3,718	10,500
205ZZZ-Security	7	885	202	-	1,087	41	-	332	7,755	-	-	30	8,158	9,245
300ZZZ-Finance	60	8,232	2,464	52	10,748	6	-	60	16,137	-	-	-	16,203	26,951
301ZZZ-Procurement	36	4,500	1,447	80	6,028	24	-	43	616	-	-	3	686	6,713
302ZZZ-Non-Ratepayer Revenue Fund	-	-	-	-	-	-	-	-	500	-	-	-	500	500
303ZZZ-Compliance & Business Development	6	776	250	-	1,026	-	-	5	394	-	-	-	399	1,425
400ZZZ-Strategy and Performance	10	1,871	503	-	2,374	6	-	-	1,229	-	-	-	1,235	3,609
500ZZZ-People and Talent	34	4,511	1,209	5	5,724	3	-	27	4,165	-	-	-	4,194	9,919
601ZZZ-Information Technology	37	5,154	1,559	10	6,723	5	-	175	4,323	-	-	46	4,548	11,271
700ZZZ-Government and Legal Affairs	14	2,375	669	3	3,047	3	0	25	5,269	0	0	0	5,297	8,345
Subtotal Administration	319	\$42,885	\$12,546	\$527	\$55,959	\$2,277	\$0	\$1,930	\$51,853	\$0	\$0	\$234	\$56,294	\$112,252
Subtotal O & M Expenditures	1,325	\$ 147,203	\$ 45,869	\$ 8,509	\$ 201,581	\$ 10,474	\$ 44,094	\$ 39,233	\$ 88,609	\$ 4,462	\$ 44,039	\$ 1,437	\$ 232,347	\$ 433,928
Debt Service														221,635
Cash Financed Capital Improvements														58,575
Payment in Lieu of Taxes														18,330
Right of Way														5,100
Total OPERATING EXPENDITURES														737,567
Personnel Services charged to Capital Projects														(31,974)
TOTAL NET OPERATING EXPENDITURES														\$705,593

	Auth Pos	Pay	Fringe	Overtime	Personnel Services	Supplies	Chemicals	Utilities	Contracts	Biosolids	Water Purchases	Equipment	Total Non- Personnel Services	Total Operating
810ZZZ-Wastewater Treatment Operations	104	11,114	3,491	1,530	16,134	341	43,878	27,967	10,814	-	-	118	83,119	99,254
812ZZZ-Process Engineering	35	4,521	1,407	32	5,960	780	-	44	1,522	-	-	228	2,574	8,534
811ZZZ-Maintenance Services	102	10,832	3,458	700	14,990	5,129	-	130	4,013	-	-	500	9,773	24,763
813ZZZ-Water Operations	213	20,924	6,788	2,542	30,253	1,218	39	421	3,254	-	45,330	201	50,463	80,716
600ZZZ-Customer Care	120	11,343	3,616	304	15,264	105	-	314	5,431	-	-	3	5,853	21,117
801ZZZ-Engineering and Technical Services	128	15,825	5,228	938	21,992	151	-	277	2,975	-	-	-	3,403	25,395
802ZZZ-CIP Infrastructure Management	30	4,651	1,205	5	5,861	-	-	-	104	-	-	-	104	5,965
803ZZZ-Wastewater Engineering	20	2,176	613	10	2,799	10	-	-	914	-	-	-	924	3,722
800ZZZ-Clean Rivers	9	1,727	445	-	2,172	10	-	68	1,858	-	-	-	1,936	4,108
804ZZZ-Permit Operations	29	3,506	1,024	55	4,585	30	-	27	644	-	-	-	701	5,286
810XXX- Clean Water and Technology	13	1,625	398	250	2,273	554	-	26	2,203	-	-	-	2,782	5,055
810YYY-Resource Recovery	9	1,067	356	90	1,513	1	-	18	966	5,278	-	-	6,262	7,775
814ZZZ-Pumping and Sewer Operations	186	19,819	6,457	2,134	28,409	1,620	162	8,889	5,869	-	-	143	16,683	45,092
Subtotal Operations	998	\$109,129	\$34,486	\$8,590	\$152,205	\$9,949	\$44,079	\$38,181	\$40,568	\$5,278	\$45,330	\$1,193	\$184,577	\$336,781
100ZZZ-Secretary to the Board	3	450	82	-	532	8	-	2	333	-	-	-	343	875
101ZZZ-Office of Chief Executive Officer	4	1,073	243	-	1,316	9	-	17	1,369	-	-	-	1,395	2,712
102ZZZ-Internal Audit	-	-	-	-	-	-	-	-	839	-	-	-	839	839
103ZZZ-Marketing and Communication	19	2,608	664	-	3,271	8	-	17	1,044	-	-	9	1,078	4,349
104ZZZ-Office of Chief Operating Officer	4	876	175	-	1,051	2	-	1	638	-	-	-	641	1,692
105ZZZ-Office of Chief Administration Officer	2	464	102	-	566	-	-	-	900	-	-	-	900	1,466
201ZZZ-Office of Emergency Management	6	901	246	0	1,146	6	-	12	517	-	-	-	536	1,682
202ZZZ-Fleet Management	8	938	269	6	1,213	1,317	-	1,283	3,303	-	-	75	5,978	7,191
203ZZZ-Occupational Safety	18	1,864	495	-	2,359	4	-	29	465	-	-	1	500	2,859
204ZZZ-Facilities Management	52	4,946	1,489	325	6,759	106	-	77	3,785	-	-	50	4,018	10,778
205ZZZ-Security	9	1,153	248	0	1,401	32	-	393	9,211	-	-	20	9,656	11,057
300ZZZ-Finance	64	9,410	2,519	83	12,012	10	-	56	17,984	-	-	-	18,050	30,062
301ZZZ-Procurement	39	5,283	1,530	90	6,903	24	-	40	642	-	-	3	708	7,611
302ZZZ-Non-Ratepayer Revenue Fund	-	-	-	-	-	-	-	-	500	-	-	-	500	500
303ZZZ-Compliance & Business Development	11	1,476	431	-	1,907	9	-	5	397	-	-	-	411	2,318
400ZZZ-Strategy and Performance	8	1,403	343	-	1,745	6	-	3	983	-	-	-	992	2,738
500ZZZ-People and Talent	29	4,286	1,016	0	5,302	4	-	24	4,354	-	-	-	4,383	9,685
601ZZZ-Information Technology	37	5,242	1,430	6	6,679	5	-	154	4,156	-	-	13	4,328	11,006
700ZZZ-Government and Legal Affairs	14	2,604	658	3	3,264	7	-	24	5,017	-	-	-	5,048	8,312
Subtotal Administration	327	\$44,976	\$11,939	\$513	\$57,428	\$1,558	-	\$2,137	\$56,438	-	-	\$171	\$60,304	\$117,732
Subtotal O & M Expenditures	1,325	\$ 154,105	\$ 46,425	\$ 9,103	\$ 209,633	\$ 11,506	\$ 44,079	\$ 40,318	\$ 97,006	\$ 5,278	\$ 45,330	\$ 1,364	\$ 244,881	\$ 454,513
Debt Service														249,495
Cash Financed Capital Improvements														60,436
Payment in Lieu of Taxes														18,696
Right of Way														5,100
Total OPERATING EXPENDITURES														788,241
Personnel Services charged to Capital Projects														(34,087)
TOTAL NET OPERATING EXPENDITURES														\$754,154

FY 2022 - FY 2025



DC Water is committed to a strategic goal to achieve a lower vacancy rate. The approach entails a closer look and assessment of staffing requirements needed to maintain service levels, coupled with increased hiring efforts in areas of need and criticality throughout the Authority. In previous years, aged and hard to fill vacant positions were deactivated and several new positions added to better align with the needs of the Authority. The new positions added were for in-house support of various operational requirements for water quality compliance, automotive parts, permits, and other strategic programs.

For the FY 2024 budget cycle, 17 new positions were added in the areas of greatest need to the Authority such as Safety, People and Talent, Maintenance, Pumping and Sewer Operations, and Biosolids Management. The authorized headcount reflects management's commitment to drive efficiency, fill critical positions, and achieve a single-digit vacancy rate in the future.

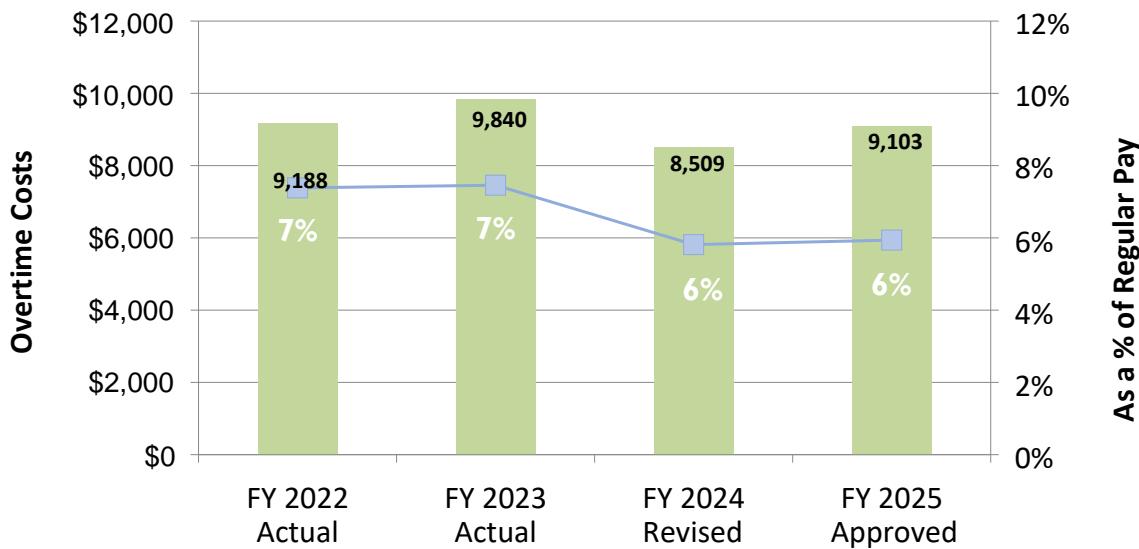
In FY 2025, 11 existing vacant positions without active recruitment were reallocated/repurposed to other areas of need within the Authority.

		FY 2022		FY 2023		FY 2024		FY 2025
		Authorized	Year -End Filled	Authorized	Year -End Filled	Authorized	Authorized	Authorized
O	Wastewater Treatment Operations	107	97	106	101	100		104
p	Process Engineering	37	33	36	30	36		35
e	Maintenance Services	98	90	98	94	103		102
r	Water Operations	200	179	213	192	214		213
a	Customer Care	122	102	120	104	121		120
t	Pumping and Sewer Operations	175	167	183	167	183		186
i	Engineering and Technical Services	114	100	133	119	133		128
o	Wastewater Engineering	14	9	22	7	21		20
n	CIP Infrastructure Management	27	24	31	28	30		30
s	Clean Rivers	10	8	10	7	11		9
	Permit Operations	21	20	29	25	29		29
	Resource Recovery	5	5	8	7	10		9
	Clean Water and Technology	12	9	12	11	15		13
Subtotal		942	843	1,001	892	1,006		998
A	Office of the Chief Executive Officer	5	4	4	3	6		4
d	Office of the Chief Administration Officer	0	0	0	0	0		2
m	Office of the Chief Operating Officer	5	4	3	2	4		4
i	Strategy and Performance	10	8	9	7	10		8
n	Office of the Secretary	2	2	3	2	2		3
i	Internal Audit (outsourced)	0	0	0	0	0		0
s	Government and Legal Affairs	14	14	14	13	14		14
t	Marketing and Communication	14	10	14	10	18		19
r	People and Talent	31	25	34	25	34		29
a	Information Technology	31	27	37	32	37		37
t	Procurement	36	32	35	32	36		39
i	Compliance and Business Development	6	6	7	7	6		11
o	Finance	59	46	60	47	60		64
n	Office of Emergency Management	5	5	6	4	6		6
	Facilities Management	51	41	50	43	53		52
	Security	7	6	7	7	7		9
	Occupational Safety and Health	15	10	16	11	18		18
	Fleet Management	9	8	8	7	8		8
Subtotal		300	248	307	252	319		327
Total Positions		1,242	1,091	1,308	1,144	1,325		1,325

Year-round interns, short-term temps, summer temps and apprentices are not included in the filled count.

\$ in thousands

FY 2022—FY 2025

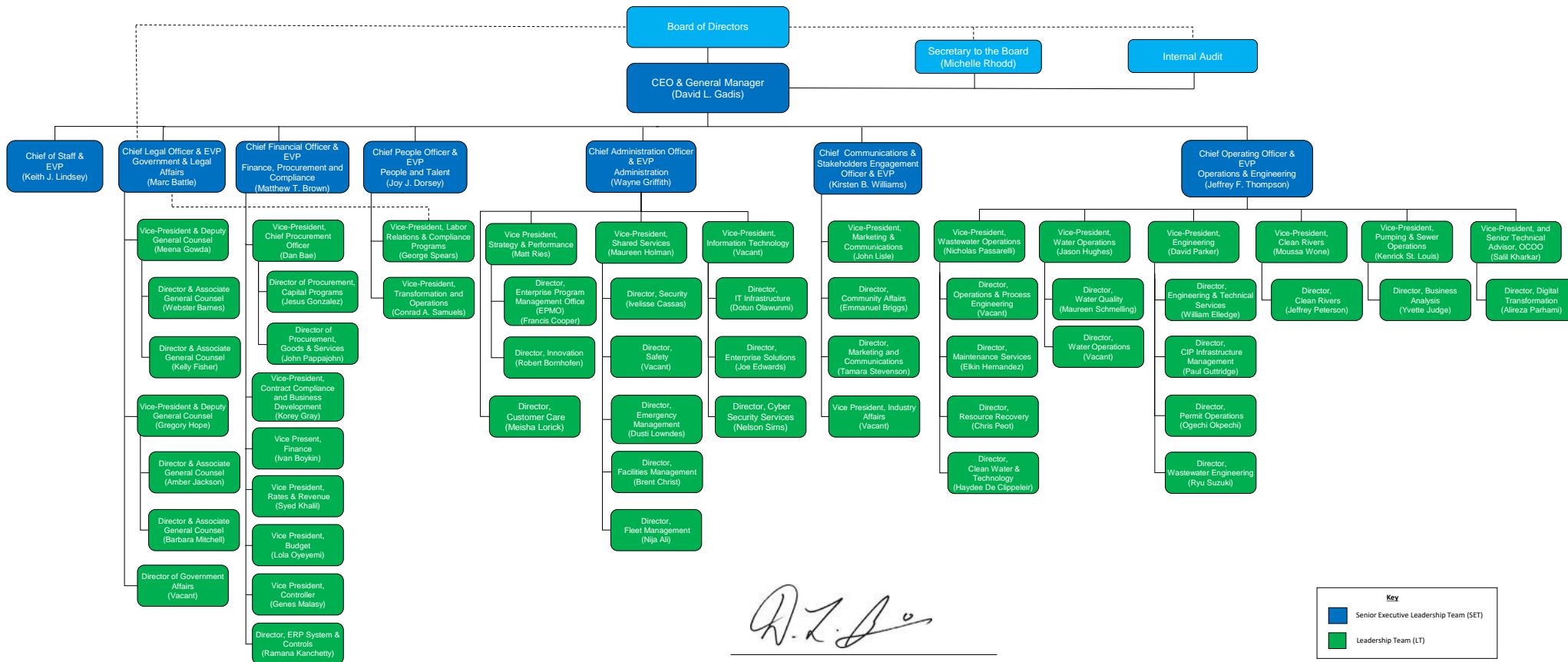


The Authority's overtime target is 6 percent of regular pay. Overtime costs in FY 2022 were to cover responses to emergencies during the winter season and maintenance work due to aging water and sewer infrastructure. The increases in FY 2023 were to cover the relocation of staff and equipment to the new Fleet and Sewer Services buildings; crews working to maintain the Vaness reservoir that was out of service; and water main breaks and responses to emergencies during the winter season. The revised FY 2024 and approved FY 2025 overtime budgets both aligned with projected spending needs.

\$ in thousands

Department	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised	FY 2025 Approved
Wastewater Treatment Operations	\$ 1,900	\$ 1,603	\$ 1,763	\$ 1,530
Resource Recovery	-	143	41	90
Clean Water and Technology	-	253	158	250
Process Engineering	46	37	50	32
Maintenance Services	680	739	600	700
Engineering and Technical Services	955	792	938	938
CIP Infrastructure Management	0	1	10	5
Wastewater Engineering	4	0	9	10
Permit Operations	50	61	45	55
Water Operations	2,334	2,537	1,897	2,542
Pumping and Sewer Operations	2,348	2,738	2,068	2,134
Clean Rivers	-	-	-	-
Customer Care	328	360	405	304
Information Technology	29	6	10	6
Office of Emergency Management	-	-	5	-
Fleet Management	9	10	6	6
Occupational Safety and Health	0	0	-	-
Facilities Management	322	365	366	325
Security	0	2	-	0
Secretary for the Board	-	-	-	-
Office of the Chief Executive Officer	-	-	-	-
Office of Chief Administration Officer	-	-	-	-
Office of Chief Operating Officer	-	-	-	-
Internal Audit	-	-	-	-
Finance	98	89	52	83
Procurement	76	96	80	90
Compliance and Business Development	-	-	-	-
Marketing and Communication	2	2	-	-
People and Talent	6	5	5	-
Government and Legal Affairs	1	1	3	3
Total	\$ 9,188	\$ 9,840	\$ 8,509	\$ 9,103

DC Water Organizational Leadership



David L. Gadis, CEO & General Manager

Note: The Organizational Leadership structure has since been updated after the budget adoption on March 7, 2024

CLUSTER: OPERATIONS

DEPARTMENT: Office of the Chief Operating Officer (COO)

PURPOSE: To support and provide oversight, guidance and strategic direction for the Departments of the Sewer and Pumping Operations, Wastewater Operations, Water Operations, and Engineering to ensure alignment with the vision and strategic direction by the CEO and Board of Directors

MISSION: Effectively, efficiently, and reliably manage the core operations and supporting administrative services of the Authority to provide critical services to internal and external customers; oversight and direction for the authority's capital improvement program planning and implementation; and working to achieve resilience and mitigate risks to day to day operations and critical infrastructure

Authorized Positions: 4

FY 2025 Budget = \$1.7 million

FUNCTIONS

Chief of Operations for the Authority serves as the representative of the Authority, CEO and Senior Executive Team on matters related to the operations of the Authority including engaging in boards, associations and other stakeholder groups on policy and operational matters

Planning, development and implementation of key programs, projects and initiatives

Establish/monitor key performance indicators

Advisement to CEO and other members of the Senior Executive Team (SET)

Participation in internal and external policy development and decisions

Oversight, planning and implementation of DC Water's Capital Improvement Program

Provide support, oversight and guidance to the Operations and Engineering clusters

Support for strategic planning and implementation, acting as the Imperative Accountable Owner for the Reliable organizational imperative

Provide oversight, review and guidance for all compliance requirements related to local and federal regulations

DEPARTMENT: Office of the Chief Operating Officer (COO)

BUDGET

The FY 2025 budget is relatively flat compared to the FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
	Description	Actual	Actual	Revised	Approved	Variance
Headcount: Authorized	5	3	4	4	0	0%
Headcount: Filled	4	2	4	3	1	25%
Personnel Services	\$ 756	\$ 967	\$ 1,092	\$ 1,051	\$ 41	4%
Supplies	0	-	2	2	0	5%
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	4	1	2	60%
Contractual	420	1,105	666	638	29	4%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	41	-	-	-	-
Non Personnel Services	420	1,146	672	641	31	5%
Department Total	\$ 1,176	\$ 2,113	\$ 1,764	\$ 1,692	\$ 73	4%

DEPARTMENT: Office of the Chief Operating Officer (COO)

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Execution of Projects identified in the Advanced Energy Group (Clean Energy & Equity Portfolio) 
- Continue to participate in workshops at National Conferences 
- Completion of the DC Flood Task Force 
- Begin the renegotiation of the Washington Agreement Cost Sharing Agreement 
- Completion of the Phase Two Organizational Assessment 
- Completion of the Water Equity Network Roadmap 
- Continue execution of the Lead Free DC Program 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Advancement of projects identified within the Clean Energy & Equity Portfolio 
- Continuation of programs identified from the DC Flood Task Force 
- Continue the renegotiation of the Washington Aqueduct Cost Sharing Agreement 
- Negotiation of the National Pollutant Discharge Elimination System (NPDES) Permit for Blue Plains Advanced Wastewater Treatment Plant 
- Continue execution of the Lead Free DC Program 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- None

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**

 **Reliable**

 **Resilient**

 **Equitable**

 **Sustainable**

CLUSTER: WASTEWATER OPERATIONS

DEPARTMENT: Wastewater Treatment Operations

PURPOSE: Operate the Advanced Wastewater Treatment Plant at Blue Plains to produce treated effluent that meets stringent Federal Clean Water Act and local water quality requirements

MISSION: To treat wastewater delivered to Blue Plains from the collection system of the District of Columbia and surrounding jurisdictions in Maryland and Virginia, and ensure that effluent is in compliance with the Clean Water Act

Authorized Positions: 104
FY 2025 Budget = \$99.3 million

Plant Operations
104 Positions

FUNCTIONS

Plant Operations

Treat influent wastewater to remove pollutants and meet National Pollutant Discharge Elimination System (NPDES) Permit requirements

Condition, thicken, dewater, and stabilize biosolids for beneficial use

Manage 4 shift crews – round the clock and manage the use of resources – chemicals, energy, and contracts, including the Combined Heat and Power (CHP) facility

Implement Asset Management goals and administer effective use of DC Water's Work Order system

DEPARTMENT: Wastewater Treatment Operations

BUDGET

The \$3.0 million increase in FY 2025 compared to FY 2024 revised budget is mainly for personnel cost adjustments, critical spare parts, energy, and increases in various professional contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	107	106	100	104	(4)	(4)%
Headcount: Filled	97	101	93	95	(2)	(2)%
Personnel Services	\$ 16,564	\$ 15,261	\$ 14,795	\$ 16,134	\$ (1,339)	(9)%
Supplies	298	622	231	341	(110)	(48)%
Chemicals	29,858	41,876	43,978	43,878	101	0%
Utilities and Rent	27,693	24,222	27,544	27,967	(423)	(2)%
Contractual	8,757	9,655	9,335	10,814	(1,479)	(16)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	10	3	393	118	275	70%
Non Personnel Services	66,615	76,378	81,482	83,119	(1,637)	(2)%
Department Total	\$ 83,179	\$ 91,639	\$ 96,277	\$ 99,254	\$ (2,976)	(3)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Achieve NACWA Award Status	Platinum	Platinum	Platinum	Platinum	Resilient
Discharge monitoring report quality assurance samples: 90% acceptable results	greater than 90%	greater than 90%	greater than 90%	greater than 90%	Healthy, Safe, and Well

Note: EPA 503 (i.e. Title 40 of the Code of Federal Regulations, Part 503) regulates the use or disposal of sewage sludge or biosolids. EPA DMR QA (i.e. Discharge Monitoring Report Quality Assurance) is conducted on wastewater samples used for permit compliance reports. Achieving acceptable results for at least 90% of samples will minimize the potential for EPA to audit the laboratory.

DEPARTMENT: Wastewater Treatment Operations

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Support Asset Management and Asset Reliability Programs to ensure availability of critical process equipment 
- Continue implementation of Career Advancement Framework 
- Strengthen and refine operation of new capital projects, including but not limited to Gravity Thickener (GT) and Primary Scum Screening Degritting Building (PSSDB) Upgrades, Filter Influent Pump (FIP) and Reclaimed Final Effluent Pumping Replacements 
- Implement workforce development to enhance skills and create a learning environment for staff 
- Support implementation of CIP projects in progress, Long Term Control Plan (LTCP), Filter Influent Pump (FIP) Replacement, Reclaimed Final Effluent Pumping Upgrades, Multimedia Filter Upgrades and Headworks Electrical Upgrades 
- Continue implementation of Safety and Operator Cross-Training 
- Continue to improve the use of Maximo and support the utilization of mobile tablets for completion of work orders 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of an Asset Management Program in tandem with the Asset Reliability Program 
- Continue Operator Driven Reliability (ODR) and mobile device utilization 
- Continue optimization of all CIP projects 
- Continue Career Advancement Framework 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Increased use of city water as a result of improved influent screening
- Due to continued implementation of the Long Term Control Plan, the operation of the Tunnel Dewatering and Enhanced Clarification Facilities will increase electricity usage, chemicals, and other associated operation and maintenance costs with increased volumes due to additional tunnel sections

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ 11th consecutive receipt of Platinum National Association of Clean Water Agencies Award ▪ Successful implementation of staff training augmentation 	<ul style="list-style-type: none"> ▪ Achieve Platinum National Association of Clean Water Agencies ▪ Continuously implement the staff training program and augment the hours dedicated to staff training sessions. 	<ul style="list-style-type: none"> ▪ Fluctuating costs of chemicals and utilities due to volatility in markets

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

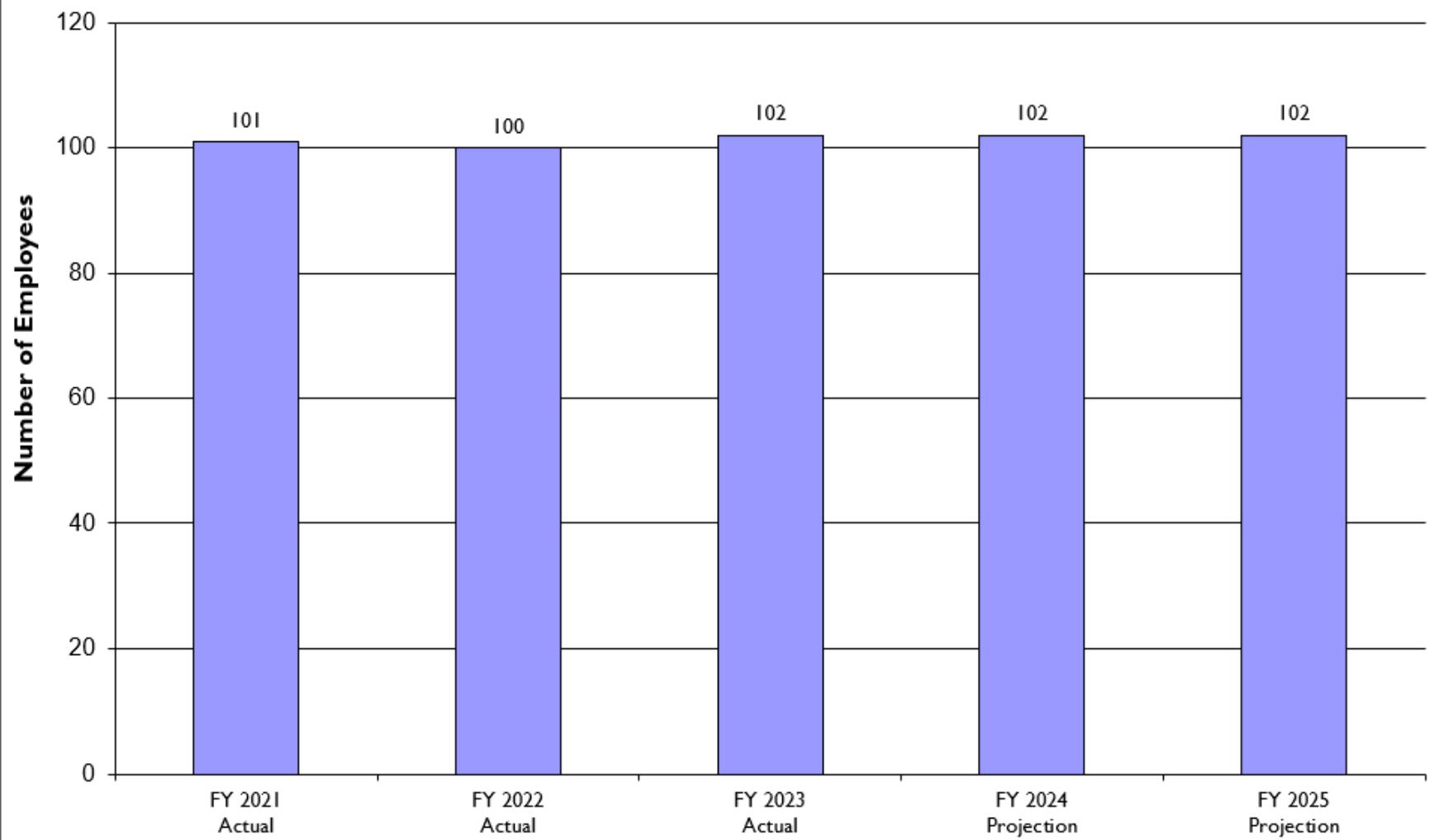
 Resilient

 Equitable

 Sustainable

Wastewater Treatment Certified Operators*

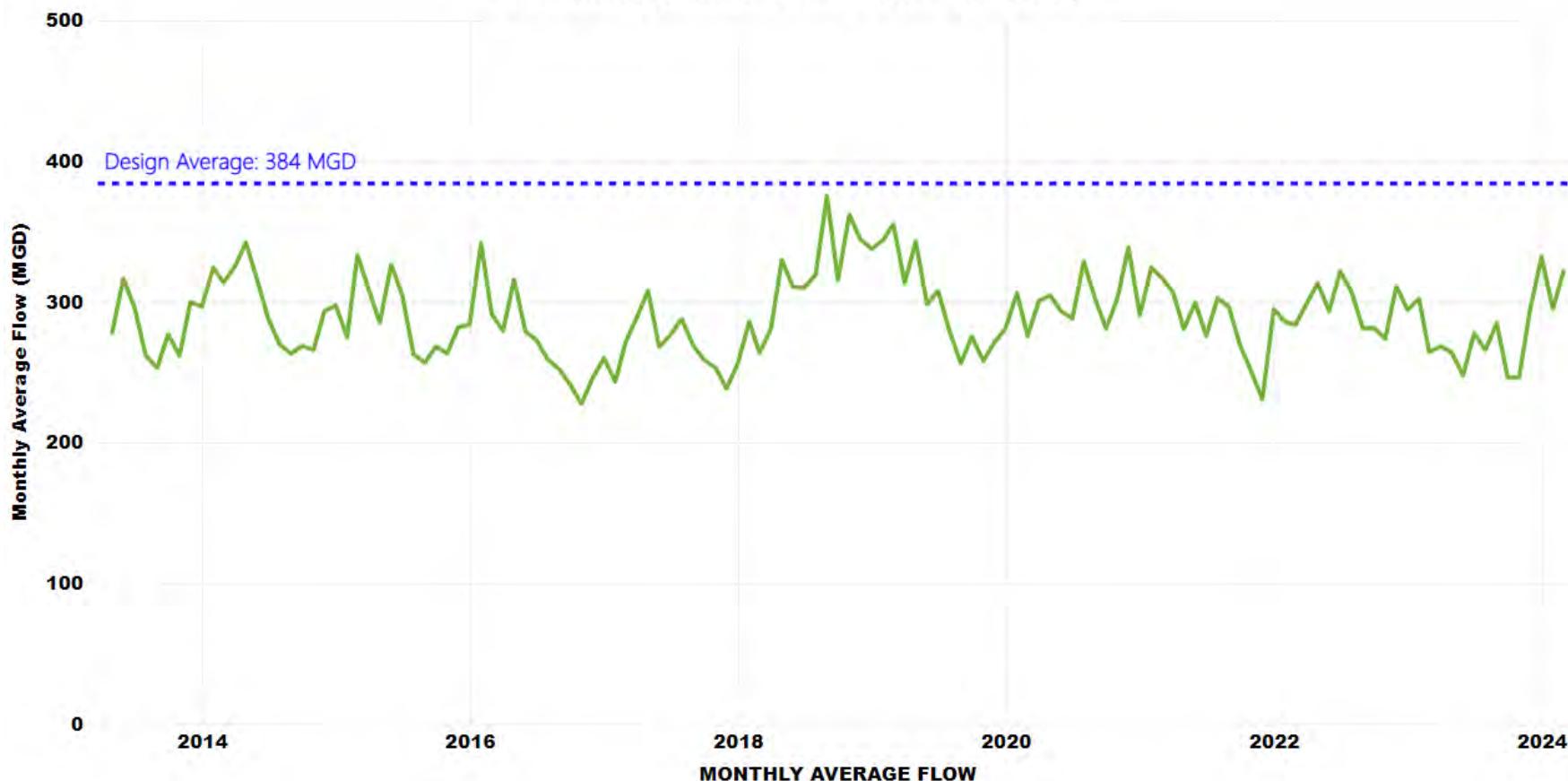
FY 2021 - FY 2025



* Includes all positions with Certified Wastewater Plant Operator License

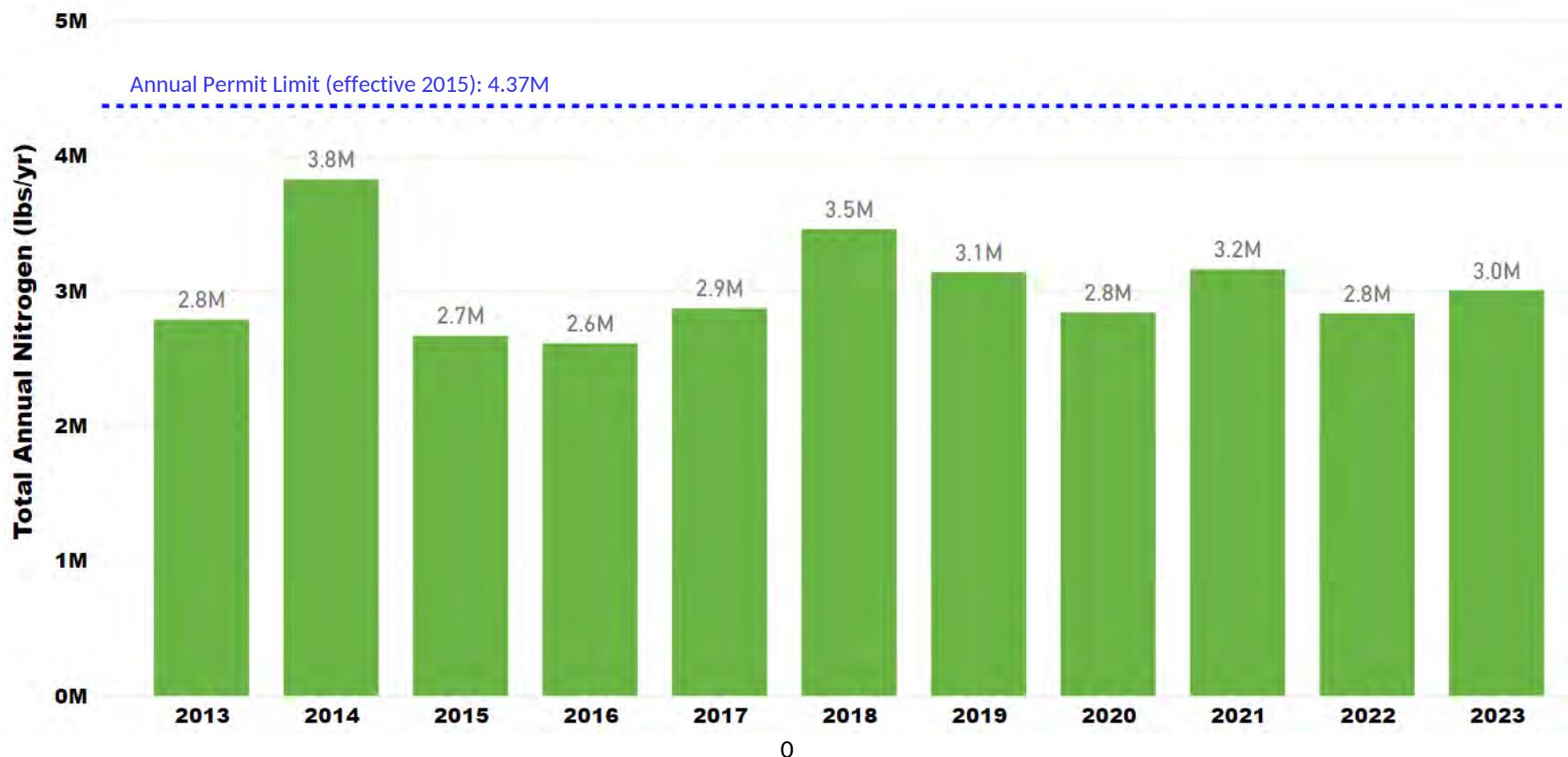
BLUE PLAINS WASTEWATER TREATMENT PLANT EFFLUENT FLOW January 2014 – January 2024

Complete Treatment Flow - Outfall 002 (MGD)



BLUE PLAINS WASTEWATER TREATMENT PLANT ANNUAL TOTAL NITROGEN LOAD 2013 - 2023

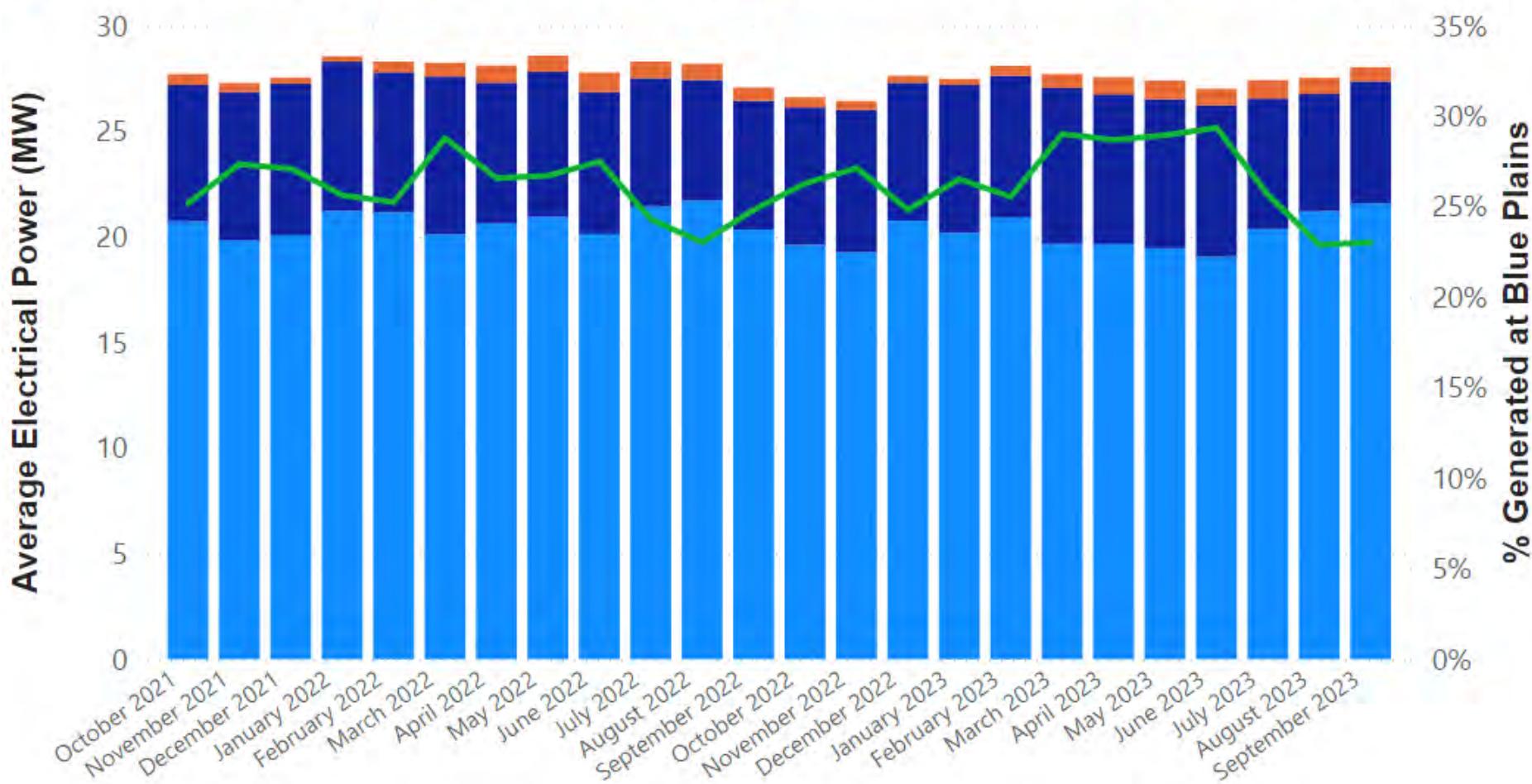
Annual Total Nitrogen (Million LBS/YR)



BLUE PLAINS ELECTRICITY REPORT

October 2021 – September 2023

● Purchased from Power Grid ● CHP Onsite Generation ● Solar Onsite Generation ● % Generated at Blue Plains

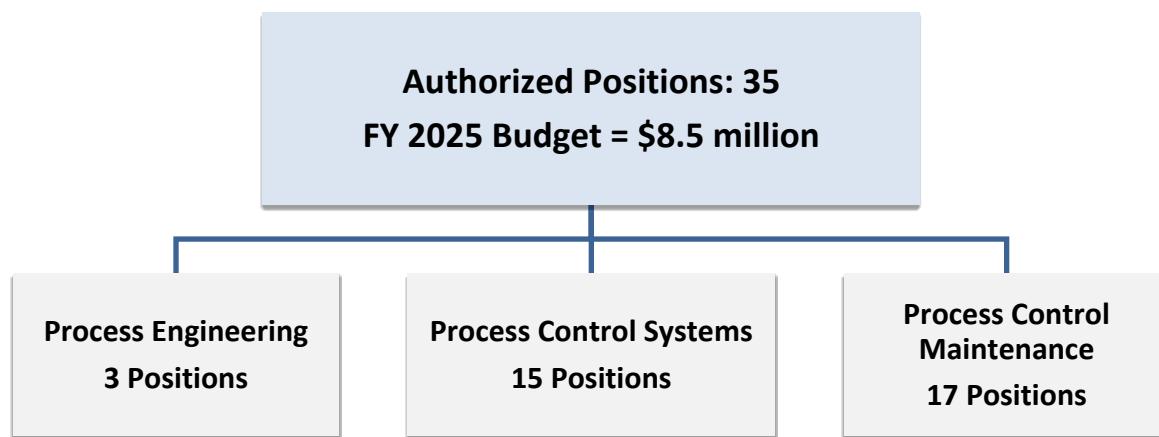


CLUSTER: WASTEWATER OPERATIONS

DEPARTMENT: Process Engineering

PURPOSE: To assist in the operation of the Advanced Wastewater Treatment Plant at Blue Plains, and produce treated effluent and Class A Biosolids that meet stringent Federal Clean Water Act and local water quality requirements

MISSION: To economically maintain DC Water's process equipment and facilities at the Blue Plains Advanced Wastewater Treatment Plant, and ensure that the operational and customer service objectives of the Authority are achieved



FUNCTIONS

Process Engineering	Process Control Systems	Process Control Maintenance
Establish Process Control operating targets for Blue Plains	Maintain Process Control System (PCS) for Blue Plains Advanced Wastewater Treatment Plant	Plan and coordinate all activities for corrective, preventive, and predictive maintenance
Optimize process, chemical, and power use at the Plant	Provide Design and Construction interface to PCS	Maintain electronic process control systems, I&C (Instrumentation and Control) Systems flow measurement, metering, and recording equipment for the Plant
Provide design comments and support during construction of capital projects	Manage PCS hardware, software, maintenance, and support services	

DEPARTMENT: Process Engineering

BUDGET

The \$0.4 million increase in FY 2025 compared to the FY 2024 budget is mainly due to the cost increase in critical spare parts

\$000's Description	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised	FY 2025 Approved	Change from FY 2024 Variance	Change from FY 2024 %
Headcount: Authorized	37	36	36	35	1	3%
Headcount: Filled	33	30	29	30	(1)	(3)%
Personnel Services	\$ 4,822	\$ 5,318	\$ 5,957	\$ 5,960	\$ (2)	0%
Supplies	470	889	67	780	(713)	(1,064)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	25	37	31	44	(13)	(41)%
Contractual	1,114	1,583	1,874	1,522	352	19%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	22	35	136	228	(92)	(68)%
Non Personnel Services	1,631	2,544	2,108	2,574	(466)	(22)%
Department Total	\$ 6,453	\$ 7,862	\$ 8,065	\$ 8,534	\$ (469)	(6)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Critical Equipment Availability 97%	greater than 97%	greater than 97%	greater than 97%	greater than 97%	Reliable

DEPARTMENT: Process Engineering

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Maintain full compliance with the National Pollutant Discharge Elimination Systems (NPDES) permit 
- Continue and complete ongoing Process Control System upgrades 
- Continue to train staff on new and existing plant processes and expand learning opportunities and resources 
- Expand comprehensive training program to support reduction in contracted workforce 
- Continue to support the implementation of CIP projects in progress, including Long Term Control Plan (LTCP), Filter Influent Pump (FIP) Replacement, Reclaimed Final Effluent Pumping Upgrades, Multimedia Filter Upgrades and Headworks Electrical Upgrades 
- Complete process design reviews for capital projects and actively participate in design workshops 
- Support Asset Management and Asset Reliability Programs to ensure availability of critical process equipment 
- Continue to improve the use of Maximo and support the utilization of mobile tablets for completion of work orders 
- Continued optimization of the Plant Processes for improved permit compliance reliability and treatment performance, including Class A Biosolids Facilities 
- Monitor and refine key performance indicators in Process Engineering, Control Systems, and Control Maintenance groups 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of an Asset Management Program in tandem with an Asset Reliability Program 
- Continue improvements to cyber security and recovery procedures that directly impact the Process Control System (PCS) 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Increased preventive maintenance costs due to aging equipment and facilities due to delayed project upgrade starts
- Increased effort for training and commissioning of new facilities

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: WASTEWATER OPERATIONS

DEPARTMENT: Maintenance Services

PURPOSE: Maintain all mechanical and electrical equipment at the Blue Plains Advanced Wastewater Treatment Plant

MISSION: To economically maintain DC Water's process equipment and facilities at the Blue Plains Advanced Wastewater Treatment Plant, ensuring that the operational and customer service objectives of the Authority are achieved

Authorized Positions: 102
FY 2025 Budget = \$24.8 million



FUNCTIONS

Electrical Maintenance	Mechanical Maintenance	Mechanical Management
Maintain electrical process control systems, equipment, and components for the Plant	Maintain all mechanical process systems and equipment for the Plant	Plan and coordinate all activities for corrective, preventive, and predictive maintenance
Operate and maintain electrical power distribution system from 5kv to 69kv, electrical control systems for all process equipment, and all DC Water facilities	Plan, schedule, and perform condition monitoring for all process equipment at the Plant	Plan and operational support systems to manage maintenance by planning, estimating, inspecting, and scheduling maintenance activities
Maintain electrical systems for all non-process facilities (including offices) at the Blue Plains campus	Inspect and maintain cranes at Blue Plains Advanced Wastewater Treatment Plant	Coordinate work through operations and engineering and provide administrative support

DEPARTMENT: Maintenance Services

BUDGET

The \$1.6 million increase in FY 2025 compared to FY 2024 budget is for personnel cost adjustment, warehouse supplies, contractual services, and small equipment

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	98	98	103	102	1	1%
Headcount: Filled	90	94	90	94	(4)	(4)%
Personnel Services	\$ 12,147	\$ 12,306	\$ 14,640	\$ 14,990	\$ (350)	(2)%
Supplies	3,605	4,668	4,332	5,129	(797)	(18)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	100	126	134	130	4	3%
Contractual	4,023	4,007	3,561	4,013	(453)	(13)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	489	522	480	500	(20)	(4)%
Non Personnel Services	8,217	9,321	8,507	9,773	(1,266)	(15)%
Department Total	\$ 20,363	\$ 21,627	\$ 23,147	\$ 24,763	\$ (1,615)	(7)%

DCW Key Performance Indicators (KPI)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Critical Equipment Availability 97%	97%	97%	95%	greater than 95%	Reliable

DEPARTMENT: Maintenance Services

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Maintenance Optimization activities – Develop improved approach to perform major Nitrification Reactor and Cambi outages, influent screens Inspections, etc.  
- Continue initiatives to provide new or improved skills to support best maintenance practices.   
- Validate ongoing online vibration monitoring program for expansion 
- Continue Rehabilitation of Major process Equipment – Nitrification Blowers and Washwater Pumps 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to identify, plan, and execute Maintenance Optimization activities e.g. Belt press roller upgrades 
- Identify, plan, and execute new training initiatives aimed at equipping individuals with skills aligned with optimal maintenance practices- eg advanced laser alignment, sheaves, belts, etc.   
- Identify, plan, and execute new opportunities for emerging technologies and data driven applications  

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Increase maintenance activities for Tunnel Dewatering Pump Station (TDPS), Enhanced Clarification Facility (ECF), and aging of the biosolids facilities (Cambi, Digesters, Belt Filter Presses)

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> The critical equipment availability target was met every month during FY 2023, with an annual monthly average of 97% Over 10 different maintenance-specific training initiatives directed toward frontline employees 	<ul style="list-style-type: none"> Sustain Critical Equipment availability of more than 95% (monthly average) Maintain an ongoing commitment to provide training aimed at cultivating and perpetuating skills essential for the adoption and implementation of optimal maintenance practices. Continue initiatives and programs aimed at improving the effectiveness and efficiency of Preventive and Predictive Maintenance Optimization 	<ul style="list-style-type: none"> Increasing costs of equipment, parts, tools, and maintenance services Equipment aging: Biosolids facilities (Cambi, Digesters, Belt Filter Presses)

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

 Resilient

 Equitable

 Sustainable

CLUSTER: WASTEWATER OPERATIONS**DEPARTMENT: Clean Water Quality & Technology**

PURPOSE: To assist in sampling, operation, and optimization of the Advanced Wastewater Treatment Plant at Blue Plains to produce treated effluent and class A biosolids that meet stringent Federal Clean Water Act and local water quality requirements, and to provide process technology solutions for future challenges that the Authority will face through collaborative research while opening opportunity for commercialization of such solutions

MISSION: To reliably sample and monitor industrial sources, wastewater, and biosolids to meet compliance with the Clean Water Act and to ensure operational and customer objectives of the Authority are achieved. To provide novel and cost-effective solutions for upcoming process and treatment needs for Blue Plains through collaborative research and testing

Authorized Positions: 13

FY 2025 Budget = \$5.1 million

**Clean Water Quality
& Technology
13 Positions**

FUNCTIONS**Clean Water Quality & Technology**

Laboratory: Physical, chemical, and biological analysis of wastewater and biosolids used for process control and permit reporting

Pretreatment group: Industrial pretreatment discharge monitoring

Research group: Treatment process innovation through collaborative research

DEPARTMENT: Clean Water Quality & Technology

BUDGET

Relatively flat in FY 2025 compared to FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	12	12	15	13	2	13%
Headcount: Filled	9	11	11	12	(1)	(9)%
Personnel Services	\$ 1,119	\$ 2,088	\$ 2,656	\$ 2,273	\$ 383	14%
Supplies	415	658	537	554	(16)	(3)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	26	(26)	-
Contractual	895	941	1,897	2,203	(306)	(16)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	2	-	-	-	-	-
Non Personnel Services	1,312	1,599	2,434	2,782	(348)	(14)%
Department Total	\$ 2,431	\$ 3,686	\$ 5,090	\$ 5,055	\$ 35	1%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Inspection and Sampling of Pretreatment Permittees 100%	100%	100%	100%	100%	Reliable

* Note: EPA 503 (i.e. Title 40 of the Code of Federal Regulations, Part 503) regulates the use or disposal of sewage sludge or biosolids. EPA DMR QA (i.e. Discharge Monitoring Report Quality Assurance) is conducted on wastewater samples used for permit compliance reports. Achieving acceptable results for at least 90% of samples will minimize the potential for EPA to audit the laboratory.

DEPARTMENT: Clean Water Quality & Technology

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Implementation of Career Advancement Framework  
- Continue training initiatives to provide skills that support best practices and, improved effectiveness and efficiency 
- Continue to expand culture of learning and cross training between groups through knowledge transfer workshops and collaborative projects to develop high performing teams  
- Continue to advance viable research concepts into value for Blue Plains by providing piloting or demonstrations within existing infrastructure 
- Continue to identify future research needs for Blue Plains within CIP planning, coming from operational needs, or from regulatory driven drivers, and develop research programs for those identified needs   
- Continue to work on identifying upcoming regulatory changes and develop needed sampling efforts and/or treatment needs 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to work towards certification of our laboratory 
- Continue training initiatives to improve skills and provide cross training opportunities  
- Continue to enhance preparedness for tackling contaminants of emerging concern through research and (regulatory driven) monitoring  
- Continue to advance viable research concepts into value for Blue Plains by providing piloting or demonstrations within existing infrastructure 
- Continue to identify upcoming regulatory-driven research needs (i.e. PFAS related) that impact pretreatment needs, process needs, and wastewater or biosolids compliance  

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Improve the reliability and quality of laboratory measurements through maintaining state-of-the-art lab equipment 
- Increase in-house capability for monitoring and testing through investments in pilot systems and equipment  

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ The overall rating of the Pretreatment Program Annual Report for the reporting year of 2022 was calculated to be 100%, which is category 1 ▪ Successful development of a Partial Denitrification-Anammox (PdNA) concept (novel nutrient removal technology) ready for full-scale piloting 	<ul style="list-style-type: none"> ▪ Maintain 100% rating from EPA for pretreatment program ▪ Develop and operate a National Environmental Laboratory Accreditation Program (NELAP) certified laboratory ▪ Continue developing solutions for current and future challenges at Blue Plains through collaborative research 	<ul style="list-style-type: none"> ▪ Changing regulations and potential needs for advanced laboratory methods and/or treatment needs

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: WASTEWATER OPERATIONS

DEPARTMENT: Resource Recovery

PURPOSE: Maximize the available resources generated and assets owned by DC Water. Recycle the generated biosolids in a manner which generates savings and revenue. Capture energy from biosolids, wastewater, and open space and monetize the renewable energy credits (RECs). Maintain the DC Water carbon footprint model

MISSION: Maximize the wastewater assets generated and owned by DC Water to generate revenue and savings and reduce our carbon footprint

Authorized Positions: 9

FY 2025 Budget = \$7.8 million

Resource Recovery
9 Positions

FUNCTIONS

Resource Recovery

Biosolids storage, loading, hauling, and utilization/beneficial use

Certification and marketing of Class A Biosolids

Outreach and partnership with surrounding jurisdictions on regulatory requests for biosolids applications

Generate and monetize renewable energy credits (RECs)

Maintain the DC Water carbon footprint model

Identify, prioritize, study, and implement energy generation and optimization options

DEPARTMENT: Resource Recovery

BUDGET

The \$1.2 million increase in FY 2025 compared to FY 2024 budget is primarily from increased biosolids hauling cost

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	5	8	10	9	1	10%
Headcount: Filled	5	7	7	8	(1)	(14)%
Personnel Services	\$ 467	\$ 1,125	\$ 1,599	\$ 1,513	\$ 86	5%
Supplies	30	0	-	1	(1)	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	18	(18)	-
Contractual	5,264	5,545	4,938	6,243	(1,305)	(26)%
Water Purchases	-	-	-	-	-	-
Biosolids	202	252	3,127	3,250	(123)	(4)%
Small Equipment	-	-	-	-	-	-
Non Personnel Services	5,294	5,545	4,938	6,262	(1,324)	(27)%
Department Total	\$ 5,762	\$ 6,670	\$ 6,538	\$ 7,775	\$ (1,238)	(19)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Compliance with disposal of biosolids regulations 100%	100%	100%	100%	100%	Sustainable

Note: EPA 503 (i.e. Title 40 of the Code of Federal Regulations, Part 503) regulates the use or disposal of sewage sludge or biosolids. EPA DMR QA (i.e. Discharge Monitoring Report Quality Assurance) is conducted on wastewater samples used for permit compliance reports. Achieving acceptable results for at least 90% of samples will minimize the potential for EPA to audit the laboratory.

DEPARTMENT: Resource Recovery

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Begin construction on the curing pad with solar panels 
- Continue implementation of safety measures at the Dewatered Sludge Loading Facility (DSLF) crane loading area 
- Continue to work with surrounding jurisdictions (Maryland and Virginia) on regulatory requirements for biosolids and land applications 
- Continue to increase the use of biosolids products (Bloom), in the service area, for restoration projects, tree planting, and land applications 
- Implement the marketing plan for Class A exceptional quality Bloom - sell 65,000 tons of Bloom 
- Continue to take a lead in conducting cutting-edge research in wastewater treatment and biosolids management 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of DC Water solar projects 
- Continue optimization of all energy projects 
- Work on evaluating of new initiatives such as food codigestion, sewer heat recovery, etc. 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Work on the curing pad will allow for production of a higher value product for greater revenue and savings 

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ Exceeded sales records for Bloom in FY23, exceeding goals by 12% and the prior year's total by 20% ▪ Archived 4 consecutive months of inventory sell-out in the spring ▪ Exceeded revenue record for REC sales. Exceeded goal by 22%, and last year's revenue total by 58% 	<ul style="list-style-type: none"> ▪ Bloom Sales Target: 65,000 tons ▪ Bloom Savings Target: \$2.5M ▪ REC sales Target: \$4.8M 	<ul style="list-style-type: none"> ▪ Delays in the construction of the Curing Pad. This delay may impact project timelines and deliverables, posing obstacles to achieving desired outcomes within the originally planned timeframe

Strategic Plan - Blueprint 2.0 Imperatives Legend:

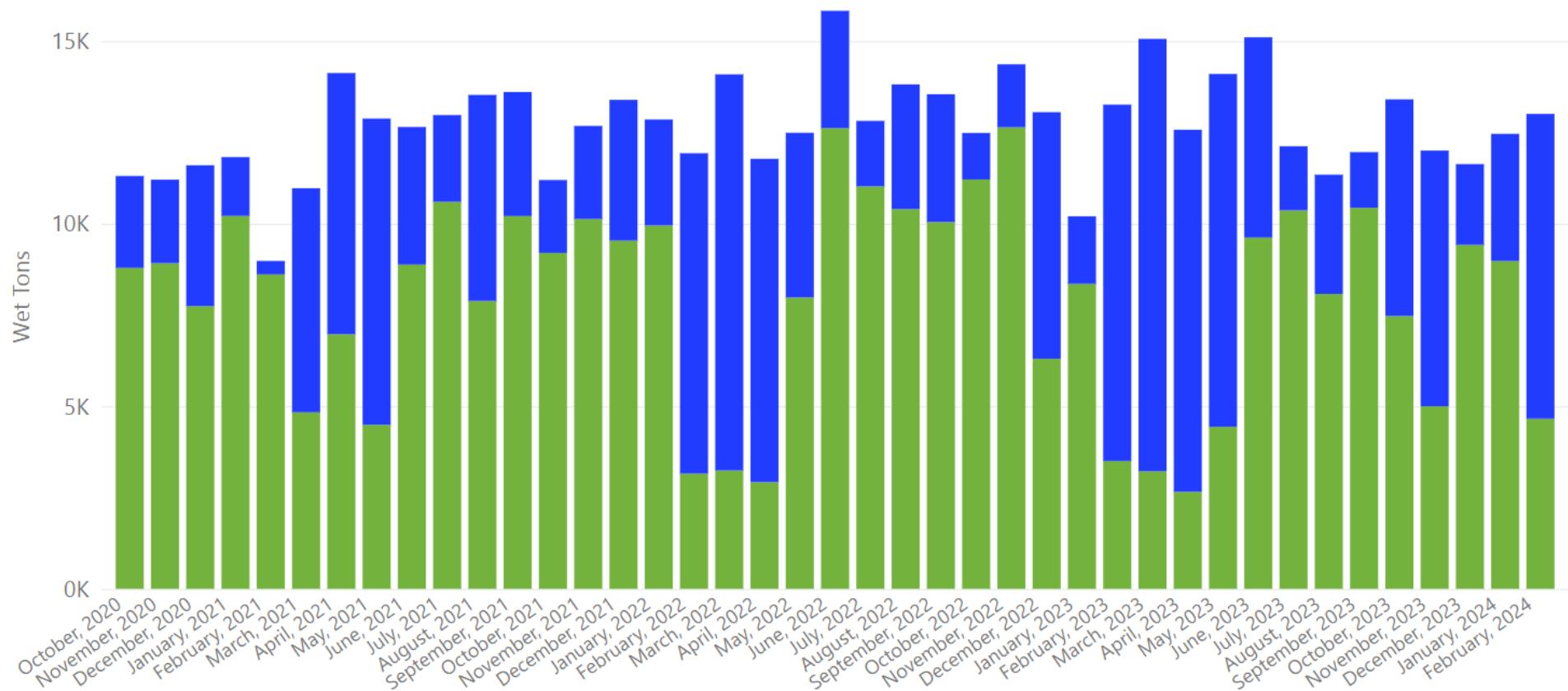


BLUE PLAINS WASTEWATER TREATMENT PLANT BIOSOLIDS PRODUCTION

October 2020 – February 2024

TOTAL PRODUCTION OF CLASS A BIOSOLIDS AND BENEFICIAL REUSE

- Land Application ● Marketing as Bloom

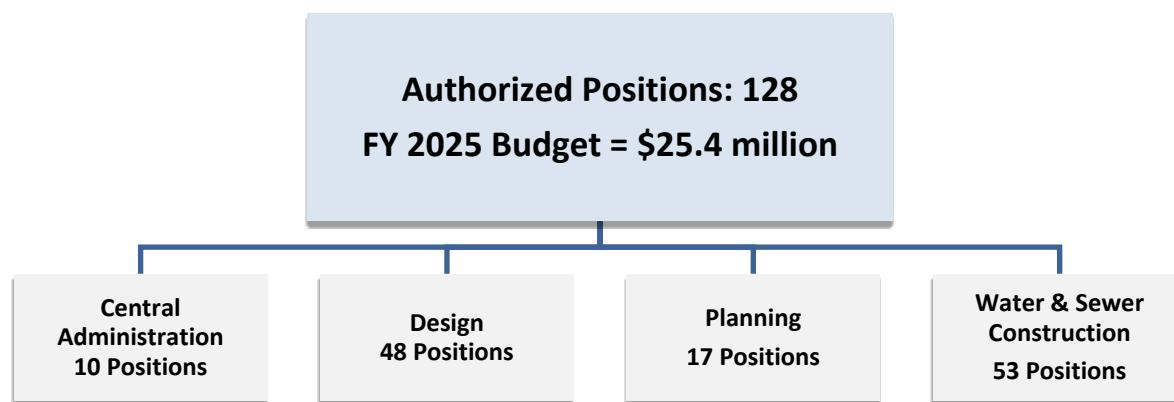


CLUSTER: ENGINEERING

DEPARTMENT: Engineering and Technical Services

PURPOSE: To perform engineering planning, design, and construction management necessary to execute DC Water's Capital Improvement Program (CIP)

MISSION: To provide assistance and advice to operating departments and management on engineering aspects of the Authority's operation and facilities. To develop and maintain engineering documentation of the Authority's facilities and systems, and to assist the Authority with environmental policy



FUNCTIONS

Design	Planning	Water & Sewer Construction
Design linear capital projects (water and sewer) and support construction efforts	Develop and maintain the water and sewer hydraulic models	Manage and inspect new construction, major repair, and modifications to water & sewer systems and facilities
Provide design support to Operations	Prioritize linear assets for assessment and rehabilitation	Monitor and inspect third party construction impacting DC Water infrastructure
	Develop the 10-year CIP for all water and sewer system infrastructure improvements	Conduct Quality Assurance/Quality Control (QA/QC) inspection of precast structures used on DC Water projects
	Prepare concept design reports for capital projects	
	Perform studies and analyses to evaluate asset condition and performance	
	Oversee interagency coordination and permitting support for capital projects	
	Manage large-diameter condition assessment program for the water & sewer systems and inspection of local sewers	

DEPARTMENT: Engineering and Technical Services

BUDGET

The \$2 million increase in FY 2025 compared to FY 2024 budget is mostly driven by personnel cost adjustment, and slight increase in contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	114	133	133	128	5	4%
Headcount: Filled	100	119	99	115	(16)	(16)%
Personnel Services	\$ 15,998	\$ 19,470	\$ 20,102	\$ 21,992	\$ (1,889)	(9)%
Supplies	78	167	123	151	(27)	(22)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	446	327	289	277	12	4%
Contractual	3,279	3,296	2,835	2,975	(140)	(5)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	1	19	-	-	-	-
Non Personnel Services	3,803	3,809	3,247	3,403	(156)	(5)%
Department Total	\$ 19,801	\$ 23,280	\$ 23,349	\$ 25,395	\$ (2,045)	(9)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Percentage of KPI's Completed	80%	80%	80%	80%	Reliable
Use 100% of Clean Water Act grant funds	100%	100%	100%	100%	Sustainable
Use 100% of Safe Drinking Water Act grant funds	100%	100%	100%	100%	Healthy, Safe, and Well

DEPARTMENT: Engineering and Technical Services

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue with assessment of at least 12 miles of very large sewers a year 
- Update Linear Sewer Facilities Plans and Water Storage Reservoirs and Pump Stations Facilities Plans. Inspection of local sewers (~40 miles/year) 
- Identify rehabilitation needs for water and sewer linear assets 
- Advertise projects with at least 11 miles of small diameter watermains. Continue to meet small diameter water main renewal goal of 1% (or 11 mi) per year 
- Continue with the planning, design, and construction of capital projects 
- Obtain IMA (Inter-Municipal Agreement) approval for upcoming joint-use project cost shares 
- Complete digitizing of DC Water's document archive of over 11 million records 
- Validate and prioritize CIP projects using the Enterprise Asset Management Framework 
- Monitor and inspect third party projects impacting DC Water assets 
- Continue advancement of the Lead-Free DC (LFDC) program to replace all lead service lines in the District 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue with the timely and on-budget delivery of all approved water and sewer CIP projects 
- Continue to validate and prioritize CIP projects using the Enterprise Asset Management Framework and Info Asset Planner 
- Implement Water and Sewer Facility Plans and corresponding Asset Management Plans 
- Improve program management, project development, and implementation across the service areas 
- Provide engineering support to other departments within DC Water 
- Acquire permits and approvals needed to execute various CIP projects 
- Continue condition assessments of large diameter water mains 
- Inspect and assess the condition of major and critical trunk sewers and interceptors 
- Inspection of local sewers (~40 miles/year) 
- Assessment of very large sewers (12 miles/year) 
- Monitor and inspect third-party projects impacting DC Water assets 
- Continue advancement of the Lead-Free DC (LFDC) program to replace all lead service lines 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Increase in operating costs due to ramping up of CIP projects. Examples include support for isolating water mains for condition assessment
- Increase in Capital Projects will require additional staff and/or consultant support

Strategic Plan - Blueprint 2.0 Imperatives Legend:



Healthy, Safe and Well



Reliable



Resilient



Equitable



Sustainable

CLUSTER: ENGINEERING

DEPARTMENT: CIP Infrastructure Management

PURPOSE: To improve Capital Improvement Program (CIP) project delivery efficiency and outcomes; centralize key support functions to improve service by aligning current staff and functions and provide enhanced project execution tools and standards to drive CIP execution performance improvements

MISSION: To provide the CIP management tools, analysis, oversight, and leadership to ensure DC Water Capital and Operating Program goals and objectives are consistently met while ensuring compliance with the required fiscal boundaries through a transparent and collaborative process

Authorized Positions: 30
FY 2025 Budget = \$6 million

CIP Infrastructure Management
30 Positions

FUNCTIONS

Project Controls and Estimating	Risk and Change Management	Program Services	Business Operations
Provide CIP scheduling, tracking tools, standards, and expertise	Develop and maintain risk and change management standards, procedures, and tools	Develop and Maintain engineering specifications, standards, and project design manual Manage CIP pay application process and ensure compliance	Manage all business operations for the Engineering cluster including management of the operating budget, new employee onboarding, and distribution of Personal Protective Equipment (PPE) and uniforms
10- year CIP forecasting and tracking	Oversee approach to risk and change management	Facilitate contract instrument processing, including developing and administering the automated approval processes	Manage IT needs for Engineering cluster
CIP Project Management Information System implementation and administration	Develop and maintain stage gating process	Coordination with risk management for the Rolling Owner-Controlled Insurance Program (ROCIP) program Oversee biochemical oxygen demand	
Develop and track metrics and KPIs for improved CIP Execution	Oversee U.S. Environmental Protection Agency (EPA) and Water Infrastructure Finance and Innovation Act (WIFIA), oversee the approach and external funding compliance, and pursue new sources of funding	Management of DC Water's physical and electronic historical document archive Retrieve records from document archive for CIP planning and execution Provide quality control and assurance for design and construction	

DEPARTMENT: CIP Infrastructure Management

BUDGET

The \$0.4 million increase in FY 2025 compared to FY 2024 budget is for personnel cost adjustments offset by a decrease in contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	27	31	30	30	0	0%
Headcount: Filled	24	28	23	27	(4)	(17)%
Personnel Services	\$ 4,268	\$ 4,651	\$ 5,153	\$ 5,861	\$ (708)	(14)%
Supplies	4	13	-	-	-	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	-	-	-
Contractual	18	65	397	104	292	74%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	0	2	-	-	-	-
Non Personnel Services	21	80	397	104	292	74%
Department Total	\$ 4,289	\$ 4,731	\$ 5,549	\$ 5,965	\$ (416)	(7)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Percentage of KPI's Completed	80%	80%	80%	80%	Equitable
Use 100% of Clean Water Act grant funds	100%	100%	100%	100%	Equitable
Use 100% of Safe Drinking Water Act grant funds	100%	100%	100%	100%	Resilient

DEPARTMENT: CIP Infrastructure Management

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue administration of Environmental Protection Agency (EPA) grants and Water Infrastructure and Finance and Innovation Act (WIFIA) loan including compliance and reporting 
- Complete digitizing of DC Water's document archive of over 11 million records 
- Continue enhancement of Oracle Primavera Unifier Project Management tool (CM14 replacement) 
- Maximize infrastructure external funding by pursuing the Bipartisan Infrastructure Law and other opportunities 
- Development of a CIPIM SharePoint site for all DC Water users to find tools and processes for the CIP execution 
- Establish standards and procedures to consistently control and mitigate risk 
- Track and control CIP Project Execution through established metrics and Key Performance Indicators (KPI) 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Establishment of cost estimating center of excellence 
- Continue providing services to the CIP execution departments to improve CIP execution performance 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Continue to build and strengthen the department to align required resources with core functions. Areas of focus are Project Management Information Systems, Cost Estimating, Contract Management Services, Document Management, Quality, and administrative functions.

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: ENGINEERING

DEPARTMENT: Wastewater Engineering

PURPOSE: Oversee the construction and rehabilitation of wastewater treatment, water, and sewer pumping facilities to meet all required National Pollutant Discharge Elimination System (NPDES) and consent decree requirements, and continued performance for critical functionality of assets

MISSION: Plan and execute a Capital Improvement Program (CIP) that supports DC Water in effectively and efficiently meeting the NPDES standards

Authorized Positions: 20

FY 2025 Budget = \$3.7 million

Wastewater Engineering

20 Positions

FUNCTIONS

Technical Support	Planning and Design	Construction
Provides subject matter experts in the field of electrical, Instrumentation and Controls (I&C), mechanical and structural engineering in solving complex technical problems	Develop and maintain long-term facility planning Provide staff support for environmental policy affecting DC Water	Perform construction management of new construction, major repairs and modifications to process and non-process facilities
Manage the engineering responsibilities for all PCS and SCADA related projects from planning, design, construction, commissioning and operational support	Provide engineering data for development and maintenance of the Capital Improvement Plan	Administer contracts for construction management, new construction, major upgrades, modifications, and start-up to the Blue Plains Advanced Wastewater Treatment Plant, pump stations, and facilities that serve the water distribution and wastewater collection systems
Coordinate with all DC Water user and customer groups/ departments on all SCADA, PCS, and I&C matters	Generate bid documents for construction and rehabilitation projects	Perform design reviews and coordinate construction work with other departments at Blue Plains

DEPARTMENT: Wastewater Engineering

BUDGET

The FY 2025 budget is relatively flat compared to the FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	14	22	21	20	1	5%
Headcount: Filled	9	7	9	7	2	22%
Personnel Services	\$ 1,844	\$ 1,509	\$ 2,963	\$ 2,799	\$ 164	6%
Supplies	-	-	5	10	(5)	(100)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	-	-	-
Contractual	687	717	778	914	(136)	(17)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	687	717	783	924	(141)	(18)%
Department Total	\$ 2,531	\$ 2,226	\$ 3,746	\$ 3,722	\$ 24	1%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022 Results	FY 2023 Results	FY 2024 Targets	FY 2025 Targets	Blueprint 2.0 (Strategic Plan) Imperatives
Design Lock-In and Stag-gating with comment closure	2	2	2	2	Sustainable
Construction Contracts Awarded	3	3	2	3	Resilient
Construction Contracts Closed	2	2	2	2	Resilient

DEPARTMENT: Wastewater Engineering

FY 2024 MAJOR ACCOMPLISHMENTS

- Continue planning, design, construction and commissioning of Upgrades to Stormwater Pump Stations and Sewage Pump Stations through Basic Ordering Agreement contracts 
- Continue construction of ongoing projects at the Advanced Wastewater Treatment Plant at Blue Plains, including the Gravity Thickener Upgrades, Reclaimed Final Effluent Pump Station, and Filter Influent Pump Station projects 
- Execution of the Miscellaneous Facility Upgrades 8 construction contracts, enabling high priority and urgent rehabilitation, repair, and upgrade projects 
- Complete design and begin emergency repair of filter underdrains with new nozzle type and Biosolids Curing Pad at Blue Plains, including solar arrays on the roof of the structure. 
- Start engineering services for a Microgrid and Power Monitoring and Control System at Blue Plains 
- Main PS Flood Hardening Landscape project 
- Procurement / submittal review on 1st & D, Portland St, Kenilworth stations began. 
- Completed SCADA upgrades at 9th & D, Scott Circle, 26th & K, 23rd & VA and Eastern Ave Stormwater pump stations 
- NTP issued for a new 5-year PCS Upgrades and Maintenance contract
- Started design for VFD and HVAC improvements at Potomac pump station

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Recruit, hire and integrate into the department, key staff to incorporate construction management and program management functions in-house for cost savings and better knowledge retention 
- Continue with design for Filter Underdrain and Backwash System Upgrades 
- Complete emergency repair of eight filter cells with nozzle type underdrain and begin full scale testing of monomedia as well as concept planning for Microgrid/Power Monitoring and Control System at Blue Plains, including feasibility studies for microgrid and energy storage 
- Begin construction of Headworks Electrical Upgrades, Headworks Influent Structures Rehabilitation and Central Operations Facility Electrical Upgrades 
- Execute first Progressive Design Build Floodwall completion for mitigation of 500-year flood at the Advanced Wastewater Treatment Plant at Blue Plains 
- Complete SCADA upgrades for Stormwater Pump Station 
- Start construction on Portland PS on Kenilworth PS, 1st & D PS, and 12th & Maine PS
- Continue construction on inflatable dams project (14, 15, 15A 16 34, 52) 
- Anacostia Water Tower Station Project completion 
- Soldiers Home Repairs to start  
- Start and complete Seal Water Tank Repair Potomac PS as well as Eastside PS Disconnects 
- Bryant PS Check Valve replacement (This is in the works and should be released 2024)  
- Multi station Ladder install to make access to locations safe for Maintenance teams 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Installation of Solar Arrays has decreased power purchase costs at Blue Plains
- Construction of Biosolids Curing Pad will increase revenue for Biosolids production and further reduce power purchase costs with solar arrays on the roof structure
- Completion of other rehabilitation and replacement projects such as the Filter Underdrains and Backwash Systems Upgrades project will reduce O&M costs on aging equipment and increase reliability for continued operation and regulatory compliance

Strategic Plan - Blueprint 2.0 Imperatives Legend:



CLUSTER: ENGINEERING

DEPARTMENT: Permit Operations

PURPOSE: To ensure the protection and sustainability of DC Water's infrastructure while supporting the growth of the District of Columbia by providing excellent customer service, establishing strong stakeholder partnerships, responsiveness, and timely reviews.

MISSION: To provide an interface between DC Water, the development community, public, utilities, and internal stakeholders to ensure the protection and sustainability of DC Water's infrastructure. This is accomplished by providing accurate, consistent, and timely reviews and approvals of plans for compliance with DC Water's standards and guidelines, coordination of inspections, development of easement/covenants, provision of utility information, and providing excellent customer service.

Authorized Positions: 29

FY 2025 Budget = \$5.3 million

Permit Operations
29 Positions

FUNCTIONS

Permit Operations

Review and approve permit applications, issue work orders for the inspection of proposed work

Ensure development community compliance with DC Water design standards, criteria, and specifications

Assess and collect fees for permit review, fixed fee services, inspection services, System Availability Fees, and manage the fee collection process

Create accounts for collected fees and manage return of unused reimbursable fees

Evaluate impact of proposed development on water and sewer infrastructure for capacity and hydraulic grade

Ensure compliance with combined sewer system/DC Clean Rivers program initiatives; current CIP, and proposed improvements

Coordinate with various DC agencies (DCRA, DDOT, and DDOE) in support of the District's permit procedures

Update and/or create customer service records (Premises) and the GIS database

DEPARTMENT: Permit Operations

BUDGET

There is a slight decrease in budget from \$5.5 million in FY 2024 to \$5.3 million in FY 2025 due mostly from ending of rental lease agreement.

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	21	29	29	29	0	0%
Headcount: Filled	20	25	20	23	(3)	(15)%
Personnel Services	\$ 3,237	\$ 3,286	\$ 4,475	\$ 4,585	\$ (110)	(2)%
Supplies	1	1	36	30	6	18%
Chemicals	-	-	-	-	-	-
Utilities and Rent	70	373	438	27	411	94%
Contractual	569	977	526	644	(119)	(23)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	640	1,351	1,000	701	299	30%
Department Total	\$ 3,877	\$ 4,637	\$ 5,475	\$ 5,286	\$ 189	3%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Process permit applications within service level agreement timeframe of 85%	92%	92%	90%	90%	Reliable

DEPARTMENT: Permit Operations

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Complete the processing of backlog of refunds and develop a process that is sustainable 
- Implement Permit Information Management System (PIMS) - Go-Live date of Q4 2024 
- Development of business processes, Standard Operating Procedures (SOPs), trainings, and communication plan for Permit Information Management System (PIMS) 
- Assess and forecast permit fees and fee structure for the new rates in fiscal year 2026 
- Improve developer relationships by outreach and better communication 
- Developer Construction Support Service – Start the development of the function of the group with processes 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Detailed administrative guidance for plan reviews (review times, expectations, policies) 
- Finalize PIMS Implementation, training material, and development of PIMS SOPs 
- Fully functioning Construction Support Service – Develop processes and KPIs 
- Finalize fee structure with fixed fees for construction inspections 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- None

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**

 **Reliable**

 **Resilient**

 **Equitable**

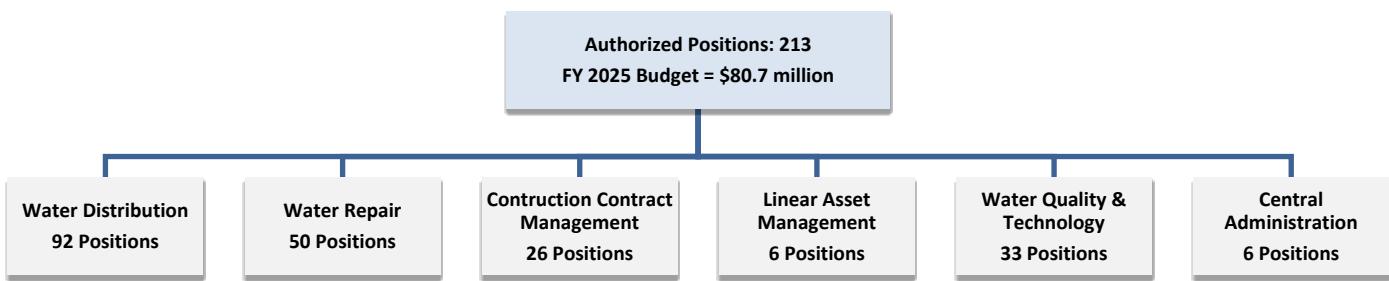
 **Sustainable**

CLUSTER: OPERATIONS

DEPARTMENT: Water Operations

PURPOSE: The Department of Water Operations (DWO) is charged with operating and maintaining the water distribution system, delivering potable water throughout the District of Columbia. DWO ensures compliance with the applicable regulations, including the Safe Drinking Water Act and Titles 20 and 21 of the Water Quality Regulations of the DC Department of Energy and Environment

MISSION: To support the Authority's mission as defined by the strategic plan and exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner



FUNCTIONS

Water Distribution	Water Repair	Construction Contract Management	Linear Asset Management	Water Quality & Technology	Central Administration
Preventative maintenance on the 43,000 system valves	Repair and replace water mains, service lines, valves, hydrants, and other linear assets. Coordinate emergency response for distribution system repairs	Manage ongoing multifaceted contracts to support water and sewer infrastructure rehabilitation and replacement programs	Manage ongoing multifaceted contracts to support water and sewer infrastructure rehabilitation and replacement programs	Environmental Protection Agency (EPA) drinking water compliance, monitoring, and reporting	Provide oversight and ensure operational compliance with various MOUs
Inspect, maintain, and replace 9,500 fire hydrants, in accordance with the Memorandum of Understanding (MOU)	Perform all water services tap, and abandonments 2" and smaller, in the District of Columbia	Administer Public Space Restoration Program	Optimize and prioritize capital program projects using condition assessment and analysis of Computerized Management Maintenance Software (CMMS) Provide technical support to design and construction of CIP	Ensure water quality within the distribution system. Collaborate with District agencies to mitigate adverse health effects from drinking water contaminants fees	Manage departments operating and capital budgets and perform budget monitoring functions
First responders to investigate water system leaks emergencies	Plan and execute small capital improvement projects using in-house resources to support Water Quality, Lead Free DC (LFDC), and operational initiatives	Manage the acquisition of District Department of Transportation (DDOT) permits to facilitate emergency repairs and scheduled projects	Support Voluntary Lead Service Program. Manage service line data in Maximo and Geographic Information Systems GIS databases and provide data analytics	Assess online water quality data and models and enforce fire hydrant usage policies and regulations	

DEPARTMENT: Water Operations

BUDGET

The \$4.4 million increase in FY 2025 compared to FY 2024 budget is mainly for personnel service adjustments, increased supplies and small equipment and water purchases

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	200	213	214	213	1	0%
Headcount: Filled	179	192	170	190	(20)	(12)%
Personnel Services	\$ 26,203	\$ 27,916	\$ 28,294	\$ 30,253	\$ (1,959)	(7)%
Supplies	1,016	1,070	1,104	1,218	(114)	(10)%
Chemicals	41	65	36	39	(2)	(7)%
Utilities and Rent	379	391	367	421	(54)	(15)%
Contractual	2,546	2,908	2,430	3,254	(824)	(34)%
Water Purchases	33,345	33,609	44,039	45,330	(1,291)	(3)%
Biosolids	-	-	-	-	-	-
Small Equipment	45	181	47	201	(154)	(328)%
Non Personnel Services	37,373	38,224	48,022	50,463	(2,440)	(5)%
Department Total	\$ 63,576	\$ 66,140	\$ 76,317	\$ 80,716	\$ (4,399)	(6)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Maintain Safe Drinking Water Act standards. Coliform results less than 5%	2%	2%	2%	2%	Healthy, Safe, and Well
Maintain a 99% fire hydrant operational rate	99%	99%	99%	99%	Reliable
Respond to 95% of all emergency service orders in less than 45 minutes	97%	99%	97%	97%	Reliable
Number of water main breaks per 100 miles of pipe	36	26	31	31	Resilient

DEPARTMENT: Water Operations

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of mobile computing solutions for operational activities  
- Develop and implement the Acqua application modules for Compliance Services replacing the Third-Party Portal  
- Continue to ensure industry best practices for safety, technology implementation, and equipment 
- Continue to coordinate with Department of Engineering & Technical Services to transition /consolidate the Voluntary Lead Service Replacement contract and related activities under the overarching Lead-Free DC Program  
- Expand cathodic protection testing, inspection, and maintenance program 
- Develop Pipeline and Soil Testing and Analysis Pilot Program 
- Implement the newly developed strategies and actions for compliance with the Lead and Copper Rule revisions 
- Expand operational dashboard to visualize data and provide meaningful insight 
- Streamline asset commissioning and coordination program 
- Move the Fire Hydrant Use Permit & Equipment Program to Blue Plains 
- Publish changes to the food service establishment and cross-connection control regulations   
- Develop Fats, Rags, Oil and Grease public awareness campaign 
- Expand pressure monitoring program throughout the distribution system 
- Expand Leak detection program pilot 
- Expand valve exercising program  
- Expand water main on bridges condition assessment 
- Develop digital platform to optimize water system operations and maintenance activities 

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementation of mobile computing solutions for operational activities 
- Continue to improve Customer Compliance Applications based on customer feedback 
- Continue to ensure industry best practices for safety, technology implementation, and equipment 
- Continue to coordinate with Department of Engineering & Technical Services to transition /consolidate the Voluntary Lead Service Replacement contract and related activities under the overarching Lead-Free DC Program 
- Continue to expand cathodic protection testing, inspection, and maintenance program 
- Continue to expand mobile computing solution in support of all operational activities 
- Develop Pipeline and Soil Testing and Analysis Pilot Program 
- Continue to implement the newly developed strategies and actions for compliance with the Lead and Copper Rule revisions 
- Continue to expand operational dashboard to visualize data and provide meaningful insight 
- Streamline asset commissioning and coordination program 
- Implement Fats, Rags, Oil and Grease public awareness campaign 
- Continue to leverage pressure monitoring program throughout the distribution system 
- Continue to leverage Leak detection technology for known and unknown leak investigations 
- Continue to ramp up the valve exercising program 
- Continue to provide condition assessment water infrastructure corrosion protection systems 

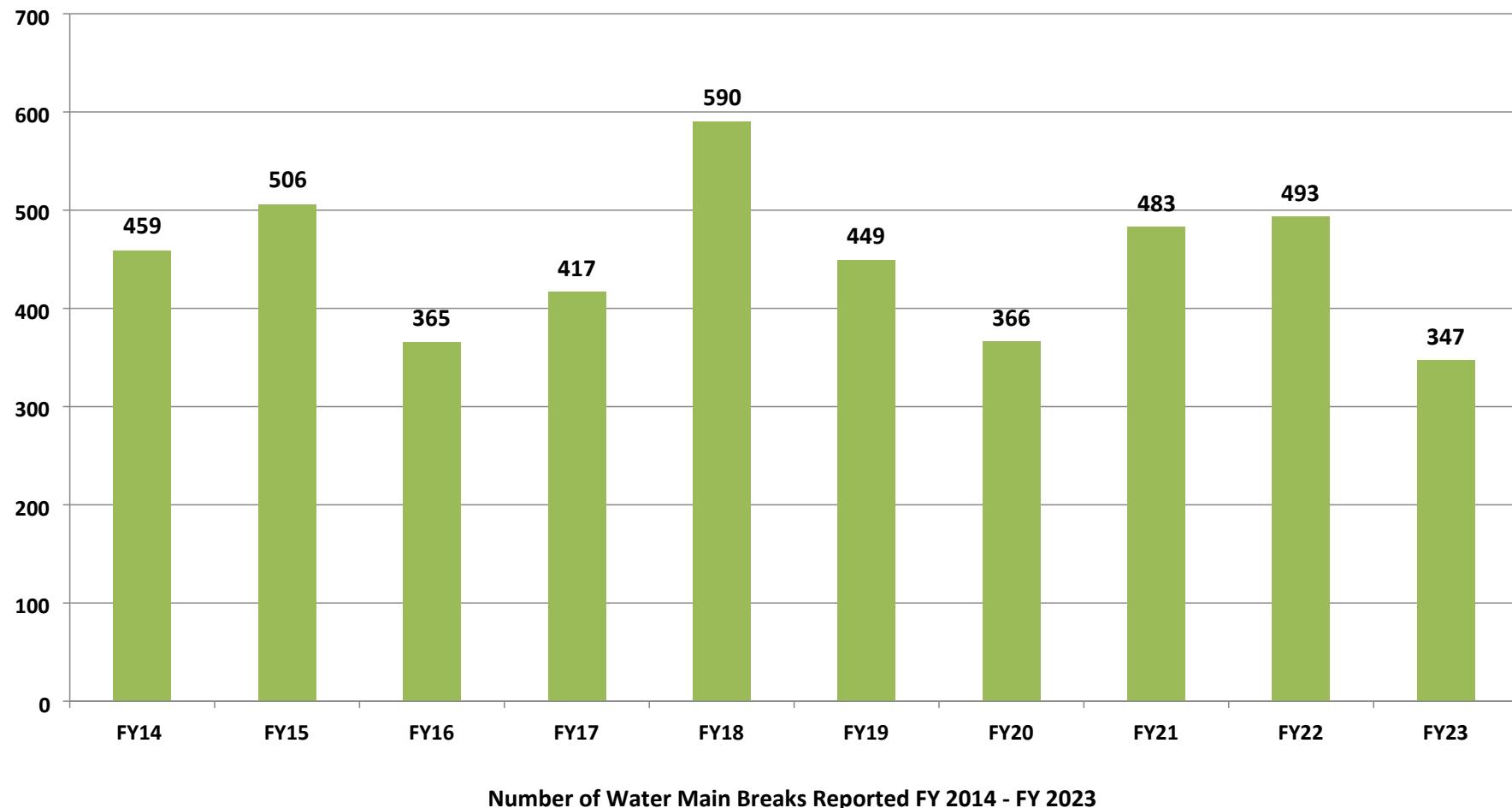
IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Software and hardware needs will expand as part of mobile computing solutions for operational activities 
- Potential for additional overtime if capital projects ramp up in FY 2024 from FY 2023 levels 
- Additional requirements may come because of addressing potential system issues due to deferred replacements having direct impact on operational spending in the form of overtime and capital equipment requests 
- Additional labor, materials, and miscellaneous operating expenses may be associated with the completion of capital improvement projects in support of Water Quality issue resolution and the Lead-Free DC program 
- Renovation costs to move Fire Hydrant Use Permit & Equipment Program to Blue Plains 
- Additional labor, materials, software enhancements, and miscellaneous operating expenses will be associated with improving customer compliance with FROG, Cross-Connection Control/Backflow Preventer, and Fire Hydrant Use regulations and codes 
- Additional funds will be used for expenses associated with Fats, Rags, Oils and Grease public awareness campaign

Strategic Plan - Blueprint 2.0 Imperatives Legend:

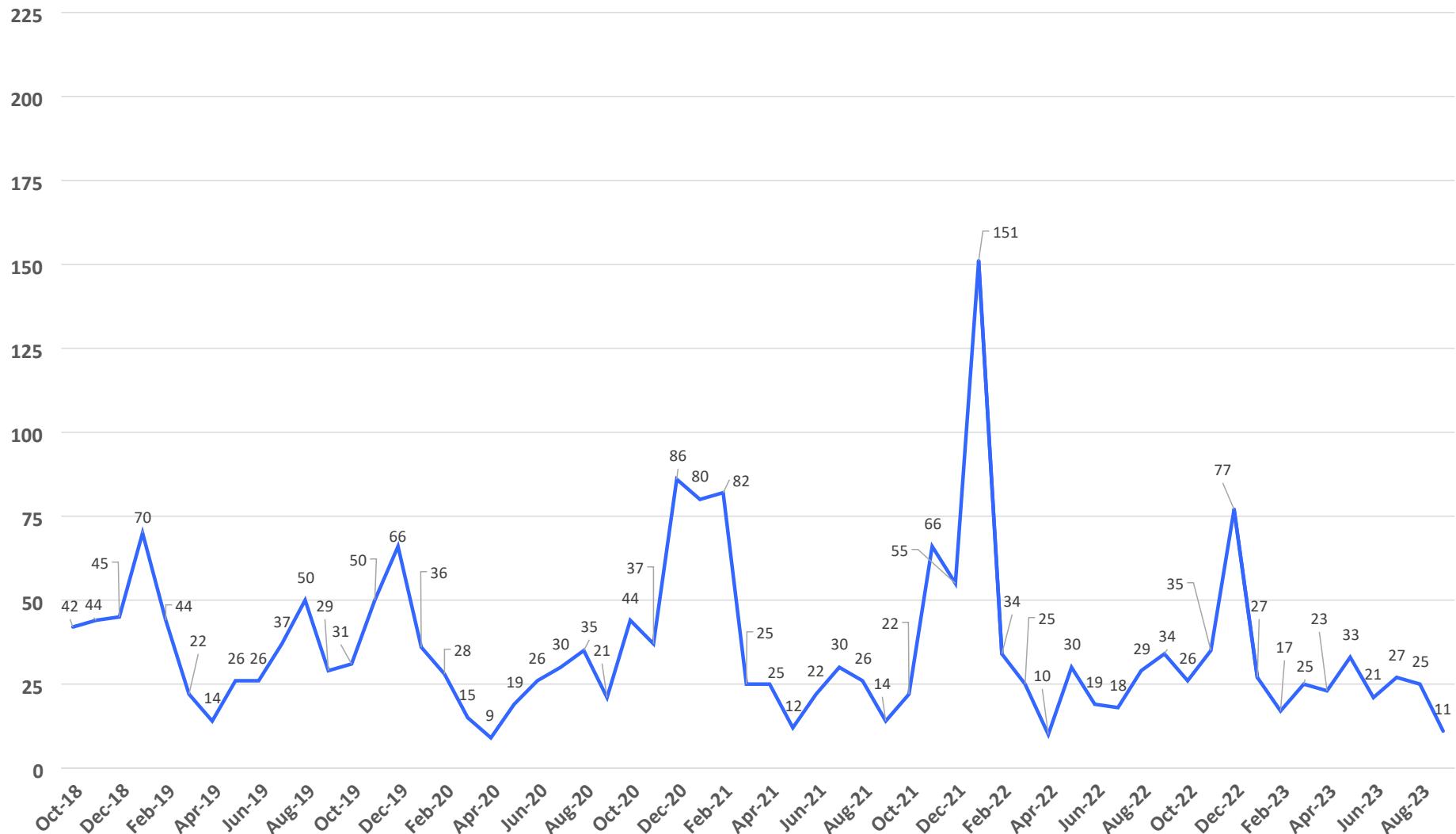
 **Healthy, Safe and Well**
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 **Sustainable**

Historical Water Main Breaks FY 2014 thru FY 2023



HISTORICAL MONTHLY MAIN BREAKS

FY 2018 thru FY 2023

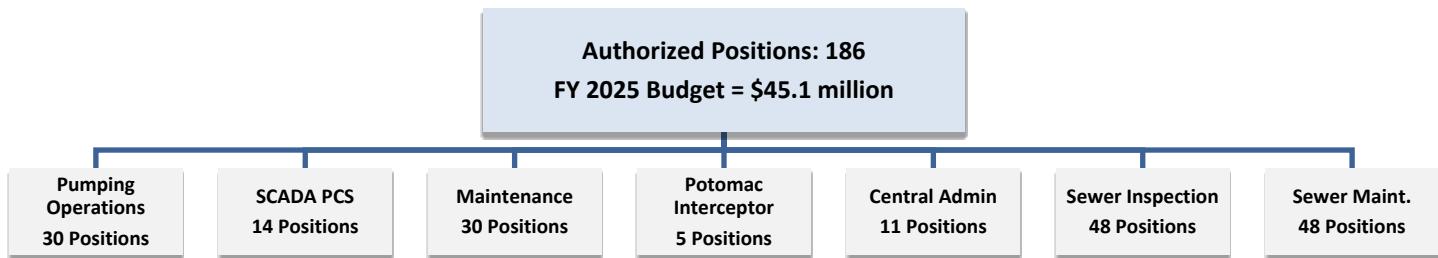


CLUSTER: OPERATIONS

DEPARTMENT: Pumping and Sewer Operations

PURPOSE: Delivery of safe, reliable, and efficient operations

MISSION: To provide resilient delivery of water and sewer system services every minute of the day



FUNCTIONS

Pumping Operations	SCADA PCS	Maintenance	Potomac Interceptor	Central Administration	Sewer Inspection	Sewer Maintenance
Operate Water, Sewer, and Stormwater Pumping Stations, Water Storage Facilities and Water Towers	Operate and maintain Supervisory Control and Data Acquisition (SCADA) computer system, Applications, Hardware, and Network Support	Plan and coordinate corrective, emergency, preventive, and predictive maintenance for pump stations	Manage risk, and Operation and maintenance of Potomac Interceptor (PI) Sewer, and the Clean River Tunnel Ventilation Control Vault (VCV)	Directs Department of Pumping and Sewer Operations	Inspect public sewers and sewers laterals. Respond to customer complaints Clean sewers and inlet outlet structures	Install and repair sewer mains and sewer laterals. Install and repair catch basins
Remove screenings and debris from pump stations and prepare work order for equipment in need of repair	Operate and maintain all process instrumentation and controls, including completion of all related preventative and corrective maintenance	Maintain, trouble-shoot, and repair mechanical and electrical process systems and equipment	Operate and maintain PI Flow Meters and odor control facilities and manholes	Plans and manages the capital equipment and operating funds	Operate and maintain sanitary, storm, and combined sewers, manholes, and siphon structures. Removal of floatable debris from Anacostia River	Responsible for the cleaning and maintenance operations of regular catch basins, stormceptors, and grate ponds
Perform Stormwater Pollution Prevention Plan inspections and reports Inspect inflatable dams to maintain proper function during rain events	Ensure integrity of SCADA, disaster Recovery Planning, Implementation and Testing Administer and manage service contracts and special projects for department	Plan, schedule, and perform condition monitoring for process equipment, including vibration, infra-red, and oil analysis	Manage Miss Utility service in Virginia and Montgomery County in Maryland; Monitor Right-of-Way to maintain integrity and prevent encroachment	Manage Maximo operations and perform reviews to evaluate effectiveness of methods in relation to asset management, uptime, Mean Time to Repair (MTTR), and Mean Time Between Failures (MTBF) metrics	Enforcement of Fats, Rags, Oils and Grease (FROG) removal program Operate and maintain Combined Sewer Outfalls, Regulator Structures, and Tidegates in accordance with NPDES Permit	Oversees maintenance program for storm water structures, filter bio-retention and water quality catch basins cleaning

DEPARTMENT: Pumping and Sewer Operations

BUDGET

The FY 2025 budget increased by \$2.4 million compared to the FY 2024 budget mainly due to personnel service cost adjustments and increases in contractual services, chemicals and utilities

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	175	183	183	186	(3)	(2)%
Headcount: Filled	167	167	172	168	4	2%
Personnel Services	\$ 25,189	\$ 25,568	\$ 27,216	\$ 28,409	\$ (1,193)	(4)%
Supplies	1,428	1,668	1,677	1,620	57	3%
Chemicals	33	1	80	162	(83)	(104)%
Utilities and Rent	6,905	9,273	8,043	8,889	(846)	(11)%
Contractual	3,461	4,153	5,547	5,869	(322)	(6)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	33	204	140	143	(3)	(2)%
Non Personnel Services	11,860	15,298	15,486	16,683	(1,197)	(8)%
Department Total	\$ 37,049	\$ 40,866	\$ 42,703	\$ 45,092	\$ (2,390)	(6)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Availability % of our critical assets	98%	99%	98%	95%	Reliable
Odor Complaints Sewer Overflows for the entire District of Columbia	180	174	0	0	Reliable
Odor Complaints Sewer Overflows for Potomac Interceptor Area	0	0	0	0	Reliable

DEPARTMENT: Pumping and Sewer Operations

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

PUMPING

- Install emergency connection for portable pumps at Fort Reno Pump Station 
- Prepare and submit Multi-Jurisdictional Use Facility FY 2023 Bill 
- Implementation of Long-Term Corrosion Prevention Program 
- Update MJUF Operation and Maintenance (O&M) Cost Share Procedure 
- Repair Potomac Interceptor Access Road 
- Maintain and repair Potomac Interceptor linear and vertical assets 
- Upgrade pumps at Anacostia Pumping Station 

SEWER

- Continue Small Local Sewer Inspection Program (Red Zone Robotics) 
- Deploy update to catch basin app 
- Deploy Local and Small Sewer Inspection and Maintenance Program 
- Update the Sewer Emergency Operations Response Documents – Major Assets (Sewer) 
- Implement Root cause analysis training 
- Work with DETS on the design phase of rehabilitation to Oxon Run Sewers 
- Coordinate with DETS in Creek Bed Sewer Rehab Projects 
- Continue coordination with DETS on condition assessment for Outfall Sewer Rehab 
- Coordinate with DETS to complete design phase for Spring Place Sewer Rehabilitation 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

PUMPING

- If CIP projects are deferred, there is potential for more failures and emergencies, i.e., at Main Pump Station, Stormwater Pump Stations, Inflatable Dams, etc. This impacts overtime and material costs, public confidence, environmental risks, etc. 
- Upcoming major CIP projects would have impact on Potomac Interceptor workload in addition to all the new Ventilation Control Vaults (VCV's) responsibility 
- Maintenance of old/obsolete equipment 

SEWER

- If CIP projects are deferred, there is potential for more failures and emergencies, i.e. in the sewer system, outfalls, and catch basins, SSO's and dry weather overflows, etc. This will impact overtime and material costs, public confidence, environmental risks, etc. 

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

DEPARTMENT: Pumping and Sewer Operations

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

PUMPING

- Prepare and submit Multi-Jurisdictional Use Facility FY 2024 Bill 
- Maintenance measures of Long-Term Corrosion Prevention Program 
- Routine MJUF Operation and Maintenance (O&M) Cost Share Billing 
- Routine Potomac Interceptor Access Road Repair 
- Maintain and Repair Potomac Interceptor linear and vertical assets 
- Install Battery at Odor Control Site # 31 
- Continue upgrades Pumps at Anacostia Pumping Station 
- Install and implement Pump Optimization at Main & O pump stations 
- Rebuilding pumps at the Rock Creek pump station 

SEWER

- Continue Small Local Sewer Inspection Program (Red Zone Robotics) 
- Continue use of catch basin app 
- Continue Local and Small Sewer Inspection and Maintenance Program 
- Continue update of the Sewer Emergency Containment Plans – Major Assets (Sewer) 
- Work with DETS on the design phase of rehabilitation to Critical Sewers 
- Coordinate with DETS in Creek Bed Sewer Rehab Projects 
- Continue coordination with DETS on condition assessment and repair of Outfalls 
- Continue maintenance and repair of skimmer and support boats
- Coordinate with Facilities on Ames Place build-out construction
- Continue Pilot innovative trash capture technology at catch basins

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

PUMPING

- If CIP projects are deferred, there is potential for more failures and emergencies, i.e., at Main Pump Station, Stormwater Pump Stations, Inflatable Dams, etc. This impacts overtime and material costs, public confidence, environmental risks, etc. 
- Upcoming major CIP projects would have impact on Potomac Interceptor workload in addition to all the new Ventilation Control Vaults (VCV's) responsibility 
- Maintenance of old/obsolete equipment 

SEWER

- If CIP projects are deferred, there is potential for more failures and emergencies, i.e. in the sewer system, outfalls, and catch basins, SSO's and dry weather overflows, etc. This will impact overtime and material costs, public confidence, environmental risks, etc. 

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

 Resilient

 Equitable

 Sustainable

CLUSTER: CLEAN RIVERS

DEPARTMENT: Clean Rivers

PURPOSE: To oversee the Authority's DC Clean Rivers Project, a twenty-five-year Consent Decree and Long-Term Control Plan, to reduce combined sewer overflows and bring them into compliance with District water quality standards, while also providing flood mitigation to neighborhoods in the Northeast Boundary section of the City. The project is a combination of tunnel systems and green infrastructure

MISSION: To develop, design, construct and implement the Authority's 25-year DC Clean Rivers Program (aka Combined Sewer Overflow Long-Term Control Plan) that includes federally enforceable consent decree driven milestones

Authorized Positions: 9
FY 2025 Budget = \$4.1 million

DCCR
9 Positions

FUNCTIONS

DCCR Planning and Design	DCCR Construction	DCCR Green Infrastructure (GI)
Manage and oversee the planning and design phase of the \$2.99 billion, 25-year Clean Rivers Program	Manage and oversee the construction phase of the 25-year Clean Rivers Program	Manage and oversee the completion of the Green Infrastructure (GI) Program, planning, design, construction, and maintenance for GI projects
Oversee the program consultant's management of design contracts; and guide value engineering efforts to improve quality and design cost-effectiveness	Ensure adherence to all construction related Consent Decree requirements and guide constructability review efforts	Manage collaboration with external stakeholders including memorandum of understanding development and negotiation with District
Develop risk mitigation strategies for all Clean Rivers projects and ensure adherence to all design performance related consent decree milestones	Develop risk mitigation strategies for all Clean Rivers projects, inspect tunnel construction and other CSO abatement facilities	Develop risk mitigation strategies related to GI implementation, maintenance, and permit compliance
Provide assistance in creating an accurate DC Clean Rivers' engineering asset inventory and lead integration of Clean Rivers assets into DC Water's asset management system. At completion and commissioning of assets facilitate transition of assets to DC Water Operations	Identify and mitigate potential project delay and scope growth	Ensure adherence to all GI consent decree milestones

DEPARTMENT: Clean Rivers

BUDGET

The FY 2025 budget decreased by \$0.1 million compared to FY 2024 budget due to personnel cost adjustments offset by an increase in contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	10	10	11	9	2	18%
Headcount: Filled	8	7	8	7	1	13%
Personnel Services	\$ 1,866	\$ 1,868	\$ 2,324	\$ 2,172	\$ 152	7%
Supplies	0	10	12	10	2	17%
Chemicals	-	-	-	-	-	-
Utilities and Rent	96	96	74	68	6	8%
Contractual	1,402	1,146	1,809	1,858	(49)	(3)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	1,499	1,252	1,895	1,936	(41)	(2)%
Department Total	\$ 3,364	\$ 3,120	\$ 4,219	\$ 4,108	\$ 111	3%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Meet all CSO LTCP consent decree milestones	-	100%	100%	100%	Reliable

DEPARTMENT: Clean Rivers

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Complete the restoration of the Northeast Boundary Tunnel (NEBT) satellite sites   
- Issue Notice to Proceed(NTP) and begin construction of Potomac River Tunnel (PRT), Contract B – Tunnel System Construction (TSC)  
- Complete the construction for Potomac River Tunnel (PRT), Contract A - Advanced Utility Construction (AUC) 
- Continue implementation of the Green Infrastructure Memorandum of Agreement (MOA) with the District for green infrastructure projects 
- Complete construction of Rock Creek Project B Green Infrastructure (GI)   
- Continue deployment of Clean Rivers' assets into DC Water's enterprise asset management system 
- Begin the design and the procurement of the Rock Creek grey control facilities   
- Continue the coordination of preventive maintenance of Clean Rivers assets 
- Continue the maintenance of GI facilities  
- Complete National Environmental Policy Act (NEPA) Studies for Rock Creek control facilities   
- Meet all Consent Decree obligations   

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue construction of PRT, Contract B -TSC   
- Continue deployment of Clean Rivers assets into DC Water's enterprise asset management system 
- Continue the coordination of preventive maintenance of Clean Rivers assets 
- Continue the maintenance of GI facilities  
- Meet all Consent Decree Obligations   
- Advance Procurements for Piney Branch Storage and Rock Creek Project C contracts

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Operations and Maintenance costs of Green Infrastructure in Rock Creek sewershed will increase as additional facilities are brought online

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

 Resilient

 Equitable

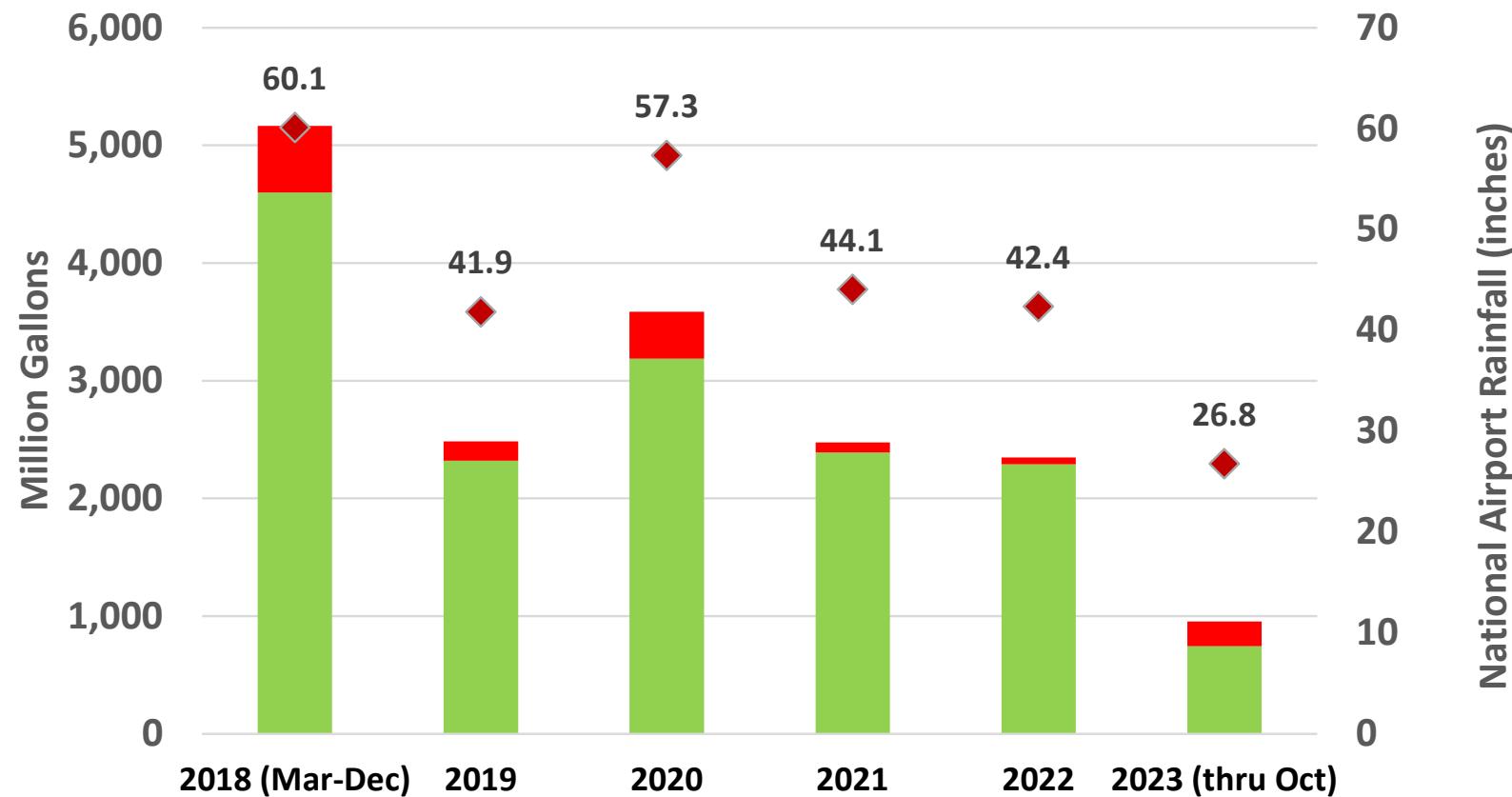
 Sustainable

CLEAN RIVERS TUNNEL PERFORMANCE

Tunnel Capture Volume (MG)

Anacostia Tunnel System Performance

■ Captured ■ Overflowed ◆ DCA Rain (in)



CLUSTER: ADMINISTRATION

Department: Office of the Chief Administration Officer

PURPOSE: The Administration Cluster is focused on partnering with DC Water stakeholders to advance enterprise-wide initiatives, programs & projects as well as performance standards in alignment with Blueprint 2.0 to meet community needs

MISSION: To enable the Senior Executive Team to effectively deliver services in support of the core business in the functional areas of Information Technology, Shared Services, Strategy and Performance, and Customer Care

Authorized Positions: 2
FY 2025 Budget = \$1.5 million

FUNCTIONS

Strategy and Performance	Shared Services	Customer Care
Data and Performance Management which includes data management and performance management to inform and guide the Authority's delivery of its Strategic Plan	Identify Authority-wide shared trends and challenges before they become operational risks in the areas of Safety, Security, Emergency Management, Facilities and Fleet	Continue Customer Centricity which includes external customer engagement
Enterprise-wide strategic alignment on program such as asset management, risk management, watershed management and energy management	Consolidation of support functions to enhance overall service quality, reduce repetitiveness and support the organization's core objectives	Commit and deliver exceptional customer service
Drive the innovation program to promote and identify opportunities to improve service and reduce cost	Improved consolidation of support functions, internal communication pathways and cross-functional collaboration	

Department: Office of the Chief Administration Officer

BUDGET

This is a newly established department. The approved FY 2025 budget is for personnel services and strategic programs under contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	-	-	-	2	(2)	-
Headcount: Filled	-	-	-	2	(2)	-
Personnel Services	-	-	-	\$ 566	\$ (566)	-
Supplies	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	-	-	-
Contractual	-	-	-	900	(900)	-
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	-	-	-	900	(900)	-
Department Total	-	-	-	\$ 1,466	\$ (1,466)	-

Department: Office of the Chief Administration Officer

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Improve AMI transmission rates leveraging best technology and process improvements 
- Improve strategic management maturity aligned with the delivery of Blueprint 2.0. 
- Operationalize the OCAO performance dashboard that was initially framed with the creation of the Office of Chief Administration office 
- Consider further realignments of functions and service delivery within the CAO cluster to improve service delivery in support of the core operations and maintenance business 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- No major activities

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No major items identified

Strategic Plan - Blueprint 2.0 Imperatives Legend:

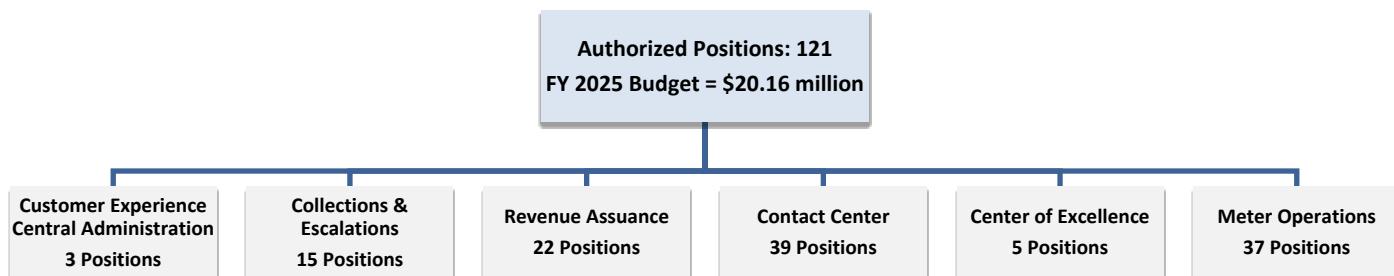
 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: CUSTOMER CARE

DEPARTMENT: Customer Care

PURPOSE: To ensure that DC Water delivers a satisfying experience for customers by providing timely and accurate billing, appropriate meter replacement and maintenance, as well as responding to customer inquiries through multiple channels in compliance with District of Columbia laws and regulations

MISSION: To provide excellent service to our customers through equitable and responsive customer interactions with the diverse community we serve



FUNCTIONS

Central Administration	Collections & Escalations	Revenue Assurance	Contact Center	Center of Excellence	Meter Operation
Leads customer service operations, initiatives, and programs	Manages delinquent accounts including liens, receivership, and tax sale	Manages customer accounts and billing processes including bill exceptions, adjustments, and cancellations	Provides timely responses to customer inquiries across multiple channels	Provides business oversight for Customer Service systems (CIS, work order management, Advanced Metering Infrastructure (AMI) Interactive Voice Response IVR, and web self-service)	Maintains, installs, tests, repairs, and replaces meters
Provides strategic oversight of the customer experience	Handles disputes, hearings, and external escalated request tax sale	Maintains impervious area GIS database, assuring accurate billing of impervious surfaces in DC	Provides 24/7 Emergency customer call response and dispatch	Conducts analysis of existing or new business processes and proposes/implements solutions	Obtains manual meter reads
	Administers the DC Water Customer Assistance Programs (CAP) and Serving People by Lending a Supporting Hand (SPLASH) programs	Handles new account creation and customer move-ins/move-outs			Performs meter disconnections & turn-ons

DEPARTMENT: Customer Care

BUDGET

The FY 2025 budget is relatively flat compared to the FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	122	120	121	120	1	1%
Headcount: Filled	102	104	101	105	(4)	(4)%
Personnel Services	\$ 12,357	\$ 13,542	\$ 15,447	\$ 15,264	\$ 183	1%
Supplies	48	126	72	105	(33)	(46)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	291	489	384	314	70	18%
Contractual	4,253	5,020	5,291	5,431	(140)	(3)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	1	1	8	3	5	60%
Non Personnel Services	4,594	5,635	5,754	5,853	(99)	(2)%
Department Total	\$ 16,951	\$ 19,177	\$ 21,201	\$ 21,117	\$ 84	0%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
% of Bills issued on time (w/in 5 days)	98%	97%	98%	97%	Reliable
Estimated bills as a percent of meters read	4%	4.2%	3.5%	4%	Reliable
Unbilled at the end of the month	1%	1.5%	1%	1.5%	Reliable

DEPARTMENT: Customer Care

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Upgrade to VxEngage Customer Portal (a fully hosted, manage, scalable and secure web) 
- Implement payment vendor and print and mailing vendor upgrade 
- Conduct FY 2024 Customer Satisfaction Survey 
- Impervious area (a hard area that prevents water from seeping into the ground) data refresh 
- Plan and Pilot Field Testing Program 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Create and activate a Revenue Recovery team to analyze consumption anomalies, meter set readiness, and perform necessary field corrections for accurate billing and reduced water loss. 
- Bill Redesign will replace the Kubra system with CSG 
- Leak Assessment Program will assist customers with bill payment and workshops will be done to educate the customers
- Vertex One (V1) upgrade, including Customer Advantage Upgrade and Kona Replacement 
- Implement Customer Survey process improvements from survey results 
- Upgrade Field Management System 
- Implement Field Testing Program 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Annual maintenance and support fees for new/upgraded software systems 
- Meter management and distribution for Ongoing Meter replacement, LFDC, and SDWM replacement projects 

CHALLENGES

- AMI Transmissions either not coming in due to new construction obstructing the line of sight for Meter Transmitting Unit (MTU) to the Data Collection Unit (DCU), or meter change reconciliation after various DC Water field projects (FDC and SDWM)

Strategic Plan - Blueprint 2.0 Imperatives Legend:



Healthy, Safe and Well



Reliable



Resilient



Equitable



Sustainable

CLUSTER: INFORMATION TECHNOLOGY

DEPARTMENT: Information Technology

PURPOSE: To identify, define, develop, and support an integrated set of solutions that leverages people, process, and technology to improve reliability, increase efficiency, reduce cost, drive innovation, and improve the employee and customer experience

MISSION: To provide a safe and reliable state-of-the-art information technology platform capable of adapting to the changing needs of our internal and external customers. To ensure that the Authority's mission is supported by state-of-the-art technology with an infrastructure capable of accommodating all traffic and connectivity demands, and a computing environment that encourages the development of efficient business

Authorized Positions: 37
FY 2025 Budget = \$11.0 million



FUNCTIONS

Infrastructure & Operation	Enterprise Solutions	Project Management	Office of the CIO & Other
Provide technical support for applications and manage the IT infrastructure; Develop and provide standards for System Architecture Integration	Support DC Water's Authority-wide and business unit goals, objectives, and business functions	Design and maintain DC Water's website to allow customer e-business access Develop and support DC Water's intranet and manage project prioritization process	Manage Information Technology initiatives, functions, and assets of the enterprise
Maintain DC Water's technology standards. Implement and support radio systems/phone	Support the IT Governance process and maintain information needed to make sound business decisions for Local and Executive IT Steering Committees (ESC and LSCs)	Integrate and provide product support for the financial, payroll, maintenance, and customer information and billing, Automated Meter Reader (AMR), Interactive Voice Response (IVR), Asset Management (AM) systems	Manage project implementations, database administration, and related budgets
Maintenance of the Enterprise Continuity of Operations (COOP) capabilities	Create, plan, assist, and implement enterprise solutions utilizing technology to meet the Authority's needs	Manage the project portfolio and provide program and project management services for the Authority	Design and implement Cyber security strategy for the enterprise. Test and validate Cyber protections
Manage the Solution Center (Help Desk)	Maintain, service, and enhance DC Water's enterprise applications	Support project planning, management, and implementation	Support Disaster Recovery for the Authority

DEPARTMENT: Information Technology

BUDGET

The \$0.2 million decrease in FY 2025 compared to the FY 2024 budget is mainly from adjustments in contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	31	37	37	37	0	0%
Headcount: Filled	27	32	26	32	(6)	(23%)
Personnel Services	\$ 5,466	\$ 6,399	\$ 6,723	\$ 6,679	\$ 45	1%
Supplies	1	5	5	5	0	(4)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	227	188	175	154	21	12%
Contractual	5,172	4,333	4,323	4,156	167	4%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	8	36	46	13	33	72%
Non Personnel Services	5,408	4,562	4,548	4,328	220	5%
Department Total	\$ 10,873	\$ 10,960	\$ 11,271	\$ 11,006	\$ 265	2%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
98% Network uptime round the clock	-	99%	99%	99%	Reliable
96% of high priority tickets completed within 4 hours	-	98%	98%	98%	Equitable
60% Tickets closed by Tier 1 support	-	97%	97%	65%	Reliable
50% of Projects Completed on-time	-	90%	90%	90%	Equitable
98% Network uptime during peak hours	-	99%	99%	99%	Reliable

DEPARTMENT: Information Technology

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Electronic Permits Applications (3PP) Enhancements and Emergency Permits SP, Oracle PSCR for Permits Applications 
- Updates/Large, DCU Firmware, Integration 
- MTU Upgrade 
- Enhancements : VertexOne, Mobile Apps 
- HQO Building Automation System 
- Kubra Replacement 
- DC Water.com Pipeline Interactive design upgrade 
- Project Zeus – HCM DataMart Project 
- AlertUs – Emergency Communications Phase 2 
- Other planned activities are Sterling Center, SCADA Upgrades, CIPIM SharePoint site, Open Text to SharePoint Migration, Managed SQL Server Instance 2019 Upgrade, FIDO Prototype, and Collection Response Program 
- Underground Wi-Fi 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Vertex One ongoing enhancement, Vertex One AI 
- Replacements: Customer Advantage & Kona replacement 
- Enhancements: Impervious Area System Enhancements (CRIAC), enhancements, Mobile App enhancements, Maximo Enhancements, 3PP SaaS Implementation 
- Upgrades: Oracle ERP functional upgrades, Cloud Call Center upgrade Phases 3 & 4, iPass/Interface upgrades with GIS, Maximo, Unifier, and Mobile apps 
- Developments: Clean River asset class and SharePoint forms development 
- Other planned activities are Qualtrics Implementation, Internet of Things (IoT) Apps, Power Apps, and Lead Service Replacement/Water Quality updates 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Migration of Oracle databases to MS SQL in Azure Cloud or to Oracle Cloud will result in significant savings in our Hardware and Software maintenance costs.
- OpenText to SharePoint migration will result in savings in our software operational costs.
- Optimizing telecom circuits to reduce costs
- Genesys Upgrade to Cloud will result in savings with IT customer service-related operational costs.
- The addition of the mobile apps, EMS and the new 3PP app, as well as the increased usage in Microsoft technology has significantly increased costs for FY25

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

 Resilient

 Equitable

 Sustainable

CLUSTER: ADMINISTRATION

DEPARTMENT: Strategy and Performance

PURPOSE:	Provide the framework for the development and execution of the Blueprint 2.0 which includes Strategic Management, Enterprise Program Management, Sustainability, Innovation, and Enterprise Risk Management
MISSION:	To enable the Senior Leadership Team to effectively develop, manage, monitor, and execute the Authority's strategy, Blueprint 2.0

Authorized Positions: 8

FY 2025 Budget = \$2.7 million

FUNCTIONS

Strategic Management	Enterprise Program Management Office	Sustainability and Innovation
<p>Develop, publish, and socialize the Authority's strategy, Blueprint 2.0.</p> <p>Continuously monitor the strategy and facilitate quarterly internal status updates and biannual Board updates.</p> <p>Provide an annual report on strategic progress</p>	<p>Oversee the program management of the Enterprise Performance Management Office (EPMO) and Enterprise Risk program.</p> <p>Create an operational environment whereby programs and projects are managed in a consistent manner to obtain predictable results and delivers strategic programs established by the Blueprint 2.0.</p> <p>Apply management policies, procedures and industry best practices to all activities associated with the Blueprint 2.0; monitoring, reviewing, and analyzing risk alignment</p>	<p>Oversee Sustainability and Innovation program activities, policies, procedures, and administration.</p> <p>Leverage a multi-programmatic approach to ensure the long-term provisions of DC Water's services to achieve the vision of the Blueprint 2.0, to include an enterprise-wide innovation program to provide:</p> <ul style="list-style-type: none"> • A mechanism to promote, collect, evaluate and test innovation ideas • Break-down organizational silos and engage the enterprise, broadly in innovative approaches <p>Provide transparent reporting on the enterprise environment, social, and governance (ESG) goals and progress in an annual ESG report</p>

DEPARTMENT: Strategy and Performance

BUDGET

The approved FY 2025 budget is lower than the approved FY 2024 budget by \$0.9 million primarily due to reallocation of headcount and personnel costs to the newly established OCAO department and reduced contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	10	9	10	8	2	20%
Headcount: Filled	8	7	9	6	3	33%
Personnel Services	\$ 1,781	\$ 1,978	\$ 2,374	\$ 1,745	\$ 628	26%
Supplies	6	6	6	6	0	(1)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	3	(3)	-
Contractual	1,016	1,007	1,229	983	246	20%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	2	-	-	-	-	-
Non Personnel Services	1,023	1,013	1,235	992	243	20%
Department Total	\$ 2,804	\$ 2,991	\$ 3,609	\$ 2,738	\$ 871	24%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Develop and implement Strategic Management (maturity scale 1-5)	2.4	2.6	3.0	3.5	Reliable
Publication of DC Water's Environmental, Social, Governance Report	1	1	1	1	Sustainable
Extent of Enterprise Risk Management implement and maturity (scale 1-5)	1	3	2	3	Reliable

DEPARTMENT: Strategy and Performance

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

Strategic Management

- Provide biannual updates on the Blueprint 2.0 progress to the Board of Directors 
- Monitor the Blueprint 2.0 and convene quarterly status updates of imperative progress 
- Refine Blueprint 2.0 goals and workstreams as required 

Enterprise Program Management Office

- Continue to advance the function of the Enterprise Program Management Office to ensure the delivery of mission critical, enterprise programs in a consistent and cost-effective manner 
- Continue to promote the Program Management Office Center of Excellence 
- Continue monitor the function associated with the enterprise executive dashboard 
- Provide leadership and execution of the enterprise compliance function 
- Direct and manage the internal audit function 

Sustainability and Innovation

- Refine the indices leveraged to monitor innovation and sustainability 
- Advance Generative Artificial Intelligence (AI) Community of Practice 
- Leverage established ESG Governance structure and publish FY 2023 ESG Report 
- Baseline organizational Task Force on Climate Related Financial Disclosure (TCFD) framework assessment 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

Strategic Management

- Continue to monitor the Blueprint 2.0 and convene quarterly status updates of imperative progress 
- Continue to provide biannual updates on the Blueprint 2.0 progress to the Board of Directors 

Enterprise Program Management Office

- Continue to promote the Program Management Office Center of Excellence 
- Continue to monitor the function associated with the enterprise executive dashboard 
- Effectively execute the innovation program policy and strategy model. 
- Monitor innovation program performance 
- Perform high-risk Deep Dives in support of Enterprise Risk Management function 

Sustainability and Innovation

- Advance innovative programs to support Blueprint 2.0 goals 
- Continue ESG Governance and publish FY 2024 ESG Report 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No major items identified

Strategic Plan - Blueprint 2.0 Imperatives Legend:



CLUSTER: ADMINISTRATION - SHARED SERVICES

DEPARTMENT: Office of Emergency Management

PURPOSE: To provide planning and operational support to the entire Authority in preparing for and during emergencies while ensuring DC Water's resilience and compliance with the American Water Infrastructure Act and Emergency Management Accreditation

MISSION: To facilitate the development and implementation of emergency preparedness and response, to include all-hazard risk reduction and management for disaster resilient water and wastewater utility

Authorized Positions: 6
FY 2025 Budget = \$1.7 million

Risk Resilience
2 Positions

Emergency Planning
2 Positions

Central Administration
2 Positions

FUNCTIONS

Emergency Planning	Training and Exercises	Risk Resilience	Hazard Mitigation and Grants
Manage and implement mitigation, planning, response, and recovery emergency procedures and plans in compliance and aligned with America's Water Infrastructure Act (AWIA), National Incident Management System (NIMS), Emergency Management Accreditation (EMAP)	Provide tailored trainings and exercises through a multi-year training and exercise plan and calendar which utilizes federal funding through EPA and collaboration with regional partnerships	Facilitate Risk and Resilience Assessments for compliance to AWIA and continuous improvement efforts such as integration into hazard mitigation plan and capital improvement projects	Identify, secure, and facilitate hazard mitigation funding sources for Authority's hazard mitigation efforts which lower financial obligations
Facilitate local, regional, and federal partnerships to support DC Water's emergency management efforts and submit resource requests to DC HSEMA and NCR Water/Wastewater Agency Response Network	Manage DC Water's Incident Management Team (IMT) and Emergency Liaison Officers (ELOs)	Provide support to the DC Fusion Center, assessment of data, sharing of information, and development of threat briefings.	Manage DC Water's Hazard Mitigation Plan and Task Force
Assist in providing after action reviews and reports for multiple operational period emergencies that utilized an activated IMT and provide improvement planning tracking measures	Partner with regional partner agencies on training and exercise efforts to sustain readiness and resilience	Identifies, proposes, and accesses federally available funding, including the development and submission of Urban Areas Security Initiative (UASI) grant proposals	Coordinate and manage grant submittals, awards, correspondence, compliance reports, and to maintain confidential files

DEPARTMENT: Office of Emergency Management

BUDGET

The FY 2025 budget is relatively flat compared to the FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024
Description	Actual	Actual	Revised	Approved	Variance
Headcount: Authorized	5	6	6	6	0 0%
Headcount: Filled	5	4	5	5	0 0%
Personnel Services	\$ 950	\$ 985	\$ 1,034	\$ 1,146	\$ (112) (11)%
Supplies	3	6	4	6	(2) (46)%
Chemicals	-	-	-	-	- -
Utilities and Rent	9	12	13	12	2 13%
Contractual	314	578	592	517	74 13%
Water Purchases	-	-	-	-	- -
Biosolids	-	-	-	-	- -
Small Equipment	-	23	15	-	15 100%
Non Personnel Services	327	619	625	536	89 14%
Department Total	\$ 1,277	\$ 1,605	\$ 1,659	\$ 1,682	\$ (23) (1)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Maintain compliance in American's Water Infrastructure act every 5 yrs 100%	100%	100%	100%	100%	Resilient
Maintain Emergency Management Accreditation. Provide yearly measures report	100%	100%	100%	100%	Resilient

DEPARTMENT: Office of Emergency Management

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Perform authority wide full revision efforts of the Continuity of Operations Plan and the Hazard Mitigation Plan to align with the District's Hazard Mitigation plan, DC Water's Blueprint 2.0, and incorporate findings and recommendations from the FY 2023 Risk and Resilience Assessment 
- Facilitate the self-assessment, onsite evaluation, and reaccreditation efforts for the Emergency Management Re-Accreditation Program (EMAP) 
- Onboard and implement new hazard mitigation grant program manager within department and address on-going staffing recruitment needs 
- Design and facilitate a hazardous materials functional exercise for Blue Plains operations 
- Implement the established Incident Management Team (IMT) management and documentation software solutions for emergency notifications, task assignments, documentation tracking, and plan references 
- Establish and facilitate grant management for up to eleven hazard mitigation grants 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Provide oversight of the Incident Management Team (IMT) for quicker emergency notifications, tasks, documentation creation, and IMT outreach events 
- Establish new Incident Command Post and Incident Management Team training area with OEM offices within facilities remodel of COF 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

DEPARTMENT: Office of Emergency Management

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ Developed new Cyber Incident Response Playbook with IT and Operations ▪ Deployed DC Water Alerts and assisted with Everbridge platform efforts - quarterly tests, EMPO efforts for management changes, 4 internal user trainings, and further quality assurance within database of platform 	<ul style="list-style-type: none"> ▪ Establish comprehensive measures to track and address identified risks and capability gaps 	<ul style="list-style-type: none"> ▪ Planning for and implementing staffing changes including recruitment and onboarding

Strategic Plan - Blueprint 2.0 Imperatives Legend:

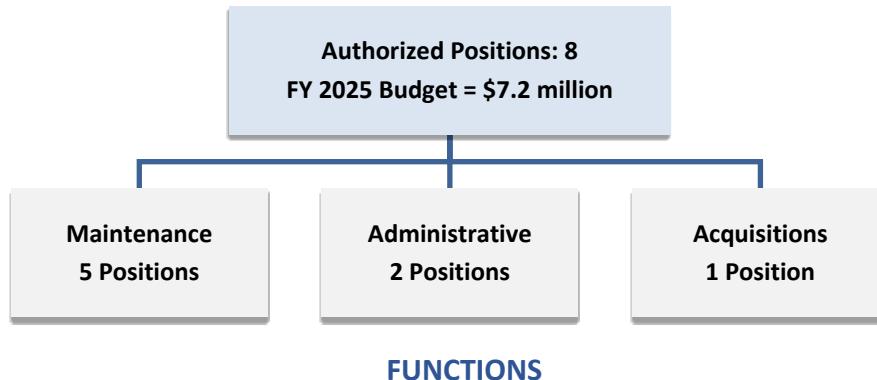


CLUSTER: ADMINISTRATION - SHARED SERVICES

DEPARTMENT: Fleet Management

PURPOSE: Ensure DC Water's fleet and equipment are safe and functioning to meet the operational needs of the Authority

MISSION: To provide safe, reliable, and cost-effective vehicles and equipment to DC Water for use by all departments in performance of their missions



FUNCTIONS

Maintenance	Administrative	Acquisitions
Oversight for preventive repair and maintenance and stakeholder engagement	Manage fleet maintenance contract	Acquisition/Disposal of vehicles/equipment
Performance measurements - percent of uptime/availability	Manage and support the Fleet Wave System	Development of specifications and standards for heavy equipment
Integration and retrofitting of vehicles and mobile technology support	Management of DC Water loaner pool and rideshare programs	
Apprentice-trainees (vehicle/equipment maintenance; quality assurance)	Commercial Driver's License (CDL) Safe Drivers Program and related vehicle specific trainings	
	Ensure compliance with fueling requirements and coordination with vendors. Grants submissions and monitoring	

DEPARTMENT: Fleet Management

BUDGET

The FY 2025 budget decreased by \$0.4 million and due to new performance-based maintenance contract, compared to the FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	%
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	9	8	8	8	0	0%
Headcount: Filled	8	7	8	7	1	13%
Personnel Services	\$ 1,284	\$ 1,273	\$ 1,502	\$ 1,213	\$ 289	19%
Supplies	1,107	300	1,424	1,317	107	8%
Chemicals	-	-	-	-	-	-
Utilities and Rent	1,030	1,140	1,006	1,283	(277)	(27)%
Contractual	3,450	3,773	3,576	3,303	273	8%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	144	111	117	75	42	36%
Non Personnel Services	5,731	5,323	6,124	5,978	146	2%
Department Total	\$ 7,014	\$ 6,596	\$ 7,626	\$ 7,191	\$ 435	6%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Preventative Maintenance Completed on Schedule	29%	86%	96%	96%	Reliable
Priority #1 Vehicles available for use	78%	80%	96%	96%	Reliable

DEPARTMENT: Fleet Management

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Transition and final occupancy in the new Fleet Facility   
- Implementation of performance-based metrics for the maintenance and repair contract 
- Continue implementation and upgrade of Field Services Mobile Support Programs 
- Continue utilization of grants and enterprise collaborations for the purchase of alternative fuel vehicles like biodiesel and electric vehicles 
- Employee training and certification of Fleet personnel 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Management and continuous improvement of metrics through the performance-based maintenance and repair contract 
- Continue efforts to optimize fleet utilization as well as reduce the carbon footprint and the re-issuance of underutilized units  
- Continue the reassessment of the Priority Equipment and major changeouts according to Departmental Programs and Critical Service Levels 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Relocation to new Fleet facility will enhance our operations and serviceability of our vehicles in a climate-controlled environment   
- Our ability to perform certain tasks will be greatly enhanced and our vehicle downtimes will decrease under the services of a performance-based maintenance contract 

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ Moved to a new Fleet Headquarter facility ▪ Engaged in comprehensive repair & maintenance contract for vehicles and equipment ▪ Added an additional 78 light duty vehicles to the Fleet 	<ul style="list-style-type: none"> ▪ Leverage performance-based metrics and associated penalties in repair and maintenance contracts to improve Fleet operations ▪ Streamline decommissioning and disposal of units and equipment to benefit from auctions and scrapping 	<ul style="list-style-type: none"> ▪ Ensure adequate Staffing and resources to accomplish the operational effectiveness

Strategic Plan - Blueprint 2.0 Imperatives Legend:

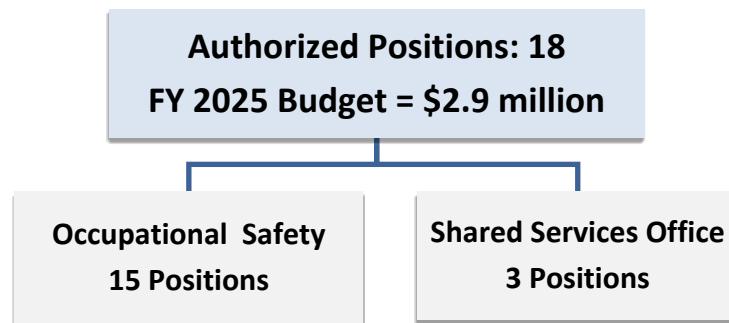
 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: ADMINISTRATION - SHARED SERVICES

DEPARTMENT: Occupational Safety and Health

PURPOSE: Oversight of the Authority's Comprehensive Health and Safety Program, to accomplish a safe and healthy work environment, as well as compliance with environmental health and safety regulations

MISSION: To support DC Water's Blueprint Strategic Plan by effectively managing Department resources to accomplish a healthy work environment for all DC Water employees



FUNCTIONS

Operations Safety	Shared Services Office
Compliance with environmental health and safety management system	To oversee and direct the administrative functions that support the achievement of DC Water's goals
Implement comprehensive safety program, including facility and crew safety inspections, and accident and incident investigations	Ensure continuity of operations and a safe, secure, and healthy working environment by providing a foundation of resources and support to DC Water employees through the management of facility, security, safety, emergency management, and fleet services
Support DC Water's Emergency Response activities. Coordinate and support the Office of Risk Management, Emergency Management, Emergency Preparedness of Contractors, and the Department of Engineering and Technical Services, including the Rolling Owner Controlled Insurance Program (ROCIP), Safety Program, and Non-ROCIP contracts	Provide a healthy, safe, and secure environment for DC Water to operate, through high-quality and cost-effective services and trainings, delivering an exceptional customer experience for our workforce and community
Oversight of hazardous waste program and storage tank compliance. Identify, develop, schedule, and deliver required safety training	Implement initiatives to prevent and reduce accidents, occupational illnesses, and exposure to health and physical hazards

DEPARTMENT: Occupational Safety and Health

BUDGET

The \$0.7 million decrease in the approved FY 2025 budget is mainly for personnel service cost adjustments

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	15	16	18	18	0	0%
Headcount: Filled	10	11	10	8	2	20%
Personnel Services	\$ 1,951	\$ 1,817	\$ 3,076	\$ 2,359	\$ 717	23%
Supplies	8	33	5	4	0	8%
Chemicals	-	-	-	-	-	-
Utilities and Rent	25	29	37	29	7	20%
Contractual	338	377	472	465	7	1%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	2	4	-	1	(1)	-
Non Personnel Services	372	442	513	500	14	3%
Department Total	\$ 2,323	\$ 2,259	\$ 3,589	\$ 2,859	\$ 730	20%

TARGETED PERFORMANCE MEASURES	FY 2022 Results	FY 2023 Results	FY 2024 Targets	FY 2025 Targets	Blueprint 2.0 (Strategic Plan) Imperatives
DC Water Employee Recordable Incident Rate (RIR) (CY)	2.45	2.7	< 4.9	<4.9	Healthy, Safe, and Well
DC Water Employee Lost Time Incident (LTI) (CY)	1.67	1.9	< 1.7	<1.7	Healthy, Safe, and Well
Contractor/ROCIP Recordable Incident Rate (RIR) (CY)	2.3	2.4	< 2.5	<2.5	Healthy, Safe, and Well
Contractor/ROCIP Lost Time Incident (LTI) (CY)	0.19	0.3	< 1.1	<1.1	Healthy, Safe, and Well

DCW Key Performance Indicators

DEPARTMENT: Occupational Safety and Health

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to develop safety goals and initiatives in support of the Healthy Safe and Well Imperative of Blueprint 2.0 
- Continue to provide support to the Office of Risk Management for the Rolling Owner Controlled Insurance Program (ROCIP) and DC Water's Workers Compensation Program 
- Continue to review and update Health and Safety Policies 
- Upgrade Safety Risk System – Origami  
- Hazardous Waste Program Enhancements 
- Fire and Life Safety Program Enhancements 
- Upgrade Personal Gas Monitoring Instrumentation Program & System 
- Continue Recruitment and Onboarding of Key Staff Positions   
- Continue the DC Water Occupational Health and Safety System in alignment with ISO-45001 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Support Blueprint 2.0 and the Healthy Safe and Well Imperative 
- Continue to support ROCIP and DC Water's Workers' Compensation Program 
- Implement approved health and safety policies 
- Continue Recruitment and Onboarding of Key Staff Positions   
- Continue Fire and Life Safety Program Enhancements 
- Develop Safety & Health Training Program Enhancements 
- Focus on implementing the DC Water Occupational Health and Safety system  
- Collaborate with the Office of Marketing and Communications (OMAC) to enhance safety communications 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- None

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Recruiting success, onboarding fire/life safety, hazardous waste, construction specialists, internal promotions AED upgrade, safety policy review, safety training Completed DC Water Safety Fair, evacuation planning, mental wellness, excavation safety, material handling, and coordinating department-specific training 	<ul style="list-style-type: none"> Continue Recruitment and Onboarding of Key Staff Positions Increase Employee and Department Engagement by Enhancing Safety & Health Program Initiatives for Hazardous Waste, Fire and Life Safety, and Occupational Hygiene Management 	<ul style="list-style-type: none"> Resource Allocation to Support Objectives

Strategic Plan - Blueprint 2.0 Imperatives Legend:

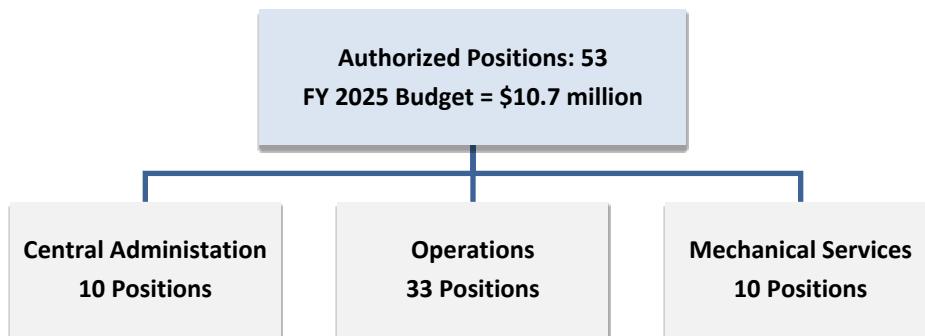


CLUSTER: ADMINISTRATION - SHARED SERVICES

DEPARTMENT: Facilities Management

PURPOSE: Administers programs for operation, maintenance, construction and continuous improvement of the Authority's physical infrastructure and building services

MISSION: To support the operation of the Authority through routine maintenance, custodial services, repair and improvement of its facilities, buildings, grounds, and roadways for DC Water's operations



FUNCTIONS

Central Administration	Operations	Mechanical Services
Mail, courier and freight services	Building operations maintenance, procure and assign furniture, repair fences and rollup doors	Predictive/preventive maintenance
Motor pool services	Coordinate workspace assignments and moves	Adequate indoor air quality
Manage DC Water's recycling program (paper, cans, bottles)	Janitorial service, landscaping, trash removal, and pest control	Engage in project management of major construction and renovation projects
Coordinate work order requests and surveys for facilities	Adequate ground direction and building signage	Elevator and Heating, Ventilation, and Air conditioning (HVAC0 systems maintenance
Manage DC Water's copy services	Manage cafeteria operations	Plumbing

DEPARTMENT: Facilities Management

BUDGET

The \$0.2 million increase in FY 2025 compared to the FY 2024 budget primarily in contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	51	50	53	52	1	2%
Headcount: Filled	41	43	42	43	(1)	(2)%
Personnel Services	\$ 5,676	\$ 5,816	\$ 6,782	\$ 6,759	\$ 23	0%
Supplies	589	794	727	106	621	85%
Chemicals	-	-	-	-	-	-
Utilities and Rent	83	85	157	77	81	51%
Contractual	2,807	2,940	2,823	3,785	(963)	(34)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	77	57	11	50	(39)	(352)%
Non Personnel Services	3,556	3,876	3,718	4,018	(300)	(8)%
Department Total	\$ 9,231	\$ 9,691	\$ 10,500	\$ 10,778	\$ (278)	(3)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
% of Facilities Service requests completed within 30 days	57%	54%	90%	90%	Reliable
Preventative Maintenance Completed on Schedule	63%	51%	90%	90%	Reliable

DEPARTMENT: Facilities Management

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue the implementation of the Building Automation Program (HVAC systems) 
- Manage the Non-Process Facilities Program Management CIP budgeting, design and construction Projects 
- Identify roof and HVAC replacement needs for DC Water facilities and estimate the associated costs 
- Continue to develop and manage the proactive maintenance program throughout DC Water facilities 
- Continue to provide grounds keeping, carpentry, painting, HVAC and plumbing services throughout DC Water campuses 
- Provide stakeholder support/coordination for Central Office Facilities (COF) Building and Bryant Street Campus renovation by Non-Process Facilities Program 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue implementing outsourced HQO Building Maintenance program including Building Automation Program for HVAC systems, integrating sensor data, optimizing energy efficiency 
- Continue to develop and manage the proactive maintenance program throughout DC Water facilities 
- Support Matrix contributors with office work area updates 
- Continue to provide grounds keeping, carpentry, painting, HVAC and plumbing services throughout DC Water campuses 
- Continue to implement new industry innovations to support efficiency and sustainability 
- Provide stakeholder support/coordination for Building renovation by Non-Process Facilities Program  

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Continued improvement of DC Water non-process facilities and mechanical systems will reduce the overall maintenance efforts and ultimately expenditures 

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ Achieved sustainability efforts include LEED recertification, door replacements, and compliance with environmental regulations ▪ Ensured facility reliability with roof repairs, HVAC replacements, and chiller upgrades 	<ul style="list-style-type: none"> ▪ Implement eco-friendly practices, while operational efficiency is pursued through streamlined processes and the adoption of modern technologies ▪ Prioritizing infrastructure resilience 	<ul style="list-style-type: none"> ▪ Optimizing resource allocation, integrating new technologies ▪ Addressing the impacts of climate change

Strategic Plan - Blueprint 2.0 Imperatives Legend:

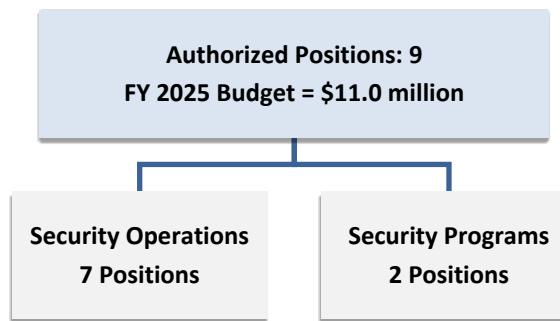
 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: ADMINISTRATION - SHARED SERVICES

DEPARTMENT: Security

PURPOSE: To deliver best-in-practice security services that safeguard and protect DC Water's mission-critical resources and employees in meeting the enterprise commitment to our communities and the environment

MISSION: To protect DC Water's people, assets, and brand; to provide for public safety and maintain order during normal and emergency operations; to inform and assist DC Water staff and visitors; and to serve as ambassadors for the organization



FUNCTIONS

Security Operations	Security Protection
Locksmith, Key Control	Electronic security asset testing and maintenance
Guard force and traffic management identification and badge control	Management of security related Capital Improvement Plan projects
Emergency Management & First Response and community awareness training Security Command Center 24/7	Loss prevention, asset protection, vulnerability assessments, and hazardous threat training awareness
Investigations, local and federal liaison, and Security work order requests	Information security, site surveys, and Key management

DEPARTMENT: Security

BUDGET

The approved FY 2025 budget increased by \$1.8 million compared to the FY 2024 budget due to adjustments in personnel services and contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	7	7	7	9	(2)	(29)%
Headcount: Filled	6	7	6	7	(1)	(17)%
Personnel Services	\$ 891	\$ 986	\$ 1,087	\$ 1,401	\$ (314)	(29)%
Supplies	42	45	41	32	9	22%
Chemicals	-	-	-	-	-	-
Utilities and Rent	251	324	332	393	(61)	(18)%
Contractual	7,406	8,323	7,755	9,211	(1,456)	(19)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	10	7	30	20	10	33%
Non Personnel Services	7,710	8,699	8,158	9,656	(1,498)	(18)%
Department Total	\$ 8,600	\$ 9,686	\$ 9,245	\$ 11,057	\$ (1,812)	(20)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Percent of security investigations completed within 21 days	99%	100%	95%	95%	Healthy, Safe, and Well
Security Camera operational uptime (cannot go below 90%)	97%	96%	90%	90%	Resilient
Smart card readers operational uptime (cannot go below 90%)	99%	97%	90%	90%	Resilient

DEPARTMENT: Security

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Focus on making the necessary improvements recommended in the Physical Security Assessment/Hazard Mitigation Plan and Cybersecurity & Infrastructure Security Agency (CISA) Survey – Security & Resilience Report 
- Continue Security Enhancements at various DCW locations 
- Continue to upgrade Blue Plains Operations cameras 
- Develop and institute the training curriculum for Safety, Security & Emergency Management 
- Continue integration of operations cameras at 'non-Blue Plains' locations 
- Continue to analyze throughout the Authority areas in need of additional and/or electronic security improvements 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to focus on making the necessary improvements recommended in the Physical Security Assessment/Hazard Mitigation Plan/CISA Infrastructure Survey – Security & Resilience Report 
- Integrate additional departments into the asset protection program for enhancing protective protocols throughout the Authority 
- Continue to analyze throughout the Authority areas in need of additional and/or electronic security improvements 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Continuous improvement of security systems will reduce overall maintenance, improve response time, and decrease threat levels 
- Mega-projects require significant security upgrades and enhancements which will require increased manning to provide full support 

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ Established two new positions, Security Investigator and Security Specialist Operations, to support our objectives and goals ▪ Successfully launched the security incident report in Origami for internal use 	<ul style="list-style-type: none"> ▪ Completed the Physical Security Assessment, Hazard Mitigation Plan, and CISA Infrastructure Survey ▪ Conducted penetration tests to identify and address security vulnerabilities, mitigating potential threats effectively 	<ul style="list-style-type: none"> ▪ Provide security for DCW events including Blue Drop coordinated events for DCW/Hall of Fame

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: INDEPENDENT OFFICES

DEPARTMENT: Secretary to the Board

PURPOSE: Serves as the Authority's executive level business entity that manages the day-to-day activities of the Board of Directors

MISSION: To support DC Water's Blueprint/Strategic Plan by effectively managing assigned resources to accomplish the duties of the Office of the Secretary (Board)

Authorized Positions: 2
FY 2025 Budget = \$0.6 million

FUNCTIONS

Manage logistics for the Board of Directors and Committee meetings, Public Hearings, Workshops, the Strategic Planning Process, and all other business activities of the Board

Manage and oversee the day-to-day operations of the Board of Directors and execute custodial oversight of all books, records, and official documents of the Board

Administer the subpoena process and provide Notary Service for the Authority

DEPARTMENT: Office of the Secretary to the Board

BUDGET

The FY 2025 budget is slightly increased by \$0.3 million compared to the FY 2024 budget with the increases are in personnel and contractual services.

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	2	3	2	3	(1)	(50)%
Headcount: Filled	2	2	2	1	1	50%
Personnel Services	\$ 367	\$ 212	\$ 384	\$ 532	\$ (148)	(39)%
Supplies	3	1	8	8	0	0%
Chemicals	-	-	-	-	-	-
Utilities and Rent	4	5	3	2	1	32%
Contractual	95	167	189	333	(144)	(76)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	102	173	200	343	(143)	(72)%
Department Total	\$ 469	\$ 385	\$ 584	\$ 875	\$ (291)	(50)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Provide timely and accurate Board and Committee agendas, reports and minutes	100%	100%	100%	100%	Reliable
Follow-up and complete Board actions	100%	100%	100%	100%	Reliable

DEPARTMENT: Office of the Secretary to the Board

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to draft and submit notices and agendas for all Board and Committee meetings and Public Hearings for publication in the District of Columbia Register as required by the Open Meetings Act of 2010 
- Continue to publish all Board and Committee agendas, meeting materials and meeting minutes on DC Water's website as required by the Open Meetings Act of 2010 
- Continue to coordinate logistics for the Board's Strategic Planning Session (retreat) 
- Continue to coordinate the process to fill the expired and/or vacant Board appointments 
- Continue to effectively monitor follow-up requests from the Board and Committees to ensure timely responses 
- Continue to enhance data dissemination process for the Board, DC Water employees, and stakeholders by use of state-of-the-art technology that supports the Board's Strategic Plan 
- Continue to manage recordkeeping process by ensuring accuracy, comprehensiveness and effective maintenance of all Board related documents and materials 
- Continue to work with Information Technology to secure, install and utilize state-of-the-art technology to ensure efficient and effective recording of proceedings for all Board and Committee meetings 
- Continue accomplishing all duties as required and further enhance processes, as needed 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- No major changes anticipated

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

 Resilient

 Equitable

 Sustainable

CLUSTER: INDEPENDENT OFFICES

DEPARTMENT: Office of the Chief Executive Officer (CEO)

PURPOSE: The CEO/ General Manager's Office administers, plans, organizes, and directs the operations of DC Water

MISSION: To provide DC Water customers with access to affordable, safe and reliable utility infrastructure and services

Authorized Positions: 4

FY 2025 Budget = \$2.7 million

FUNCTIONS

Strategic Planning	Operations
<p>Provide overall operational and policy direction in support of the Board of Director's Strategic Plan</p> <p>Facilitate development of cross-functional Enterprise Performance Plans</p>	<p>Organize, plan, and direct all operations of the Authority</p> <p>Ensure development and implementation of improvement processes to increase operational efficiencies</p>

DEPARTMENT: Office of the Chief Executive Officer (CEO)

BUDGET

The Approved FY 2025 budget decreased from FY 2024 due to the transfer of 2 FTE's and offset by an increase in contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	5	4	6	4	2	33%
Headcount: Filled	4	3	4	3	1	25%
Personnel Services	\$ 1,845	\$ 1,370	\$ 1,688	\$ 1,316	\$ 372	22%
Supplies	8	8	8	9	(1)	(7)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	28	30	25	17	8	31%
Contractual	1,211	1,769	1,233	1,369	(136)	(11)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	1,246	1,807	1,266	1,395	(129)	(10)%
Department Total	\$ 3,092	\$ 3,177	\$ 2,954	\$ 2,712	\$ 242	8%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Implement all policies and directives of the Board of Directors	100%	100%	100%	100%	Reliable

DEPARTMENT: Office of the Chief Executive Officer (CEO)

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Development and execution of an efficient and effective OCEO administrative system for information flow that strategically guides day-to-day operations and supports data-driven, executive decision-making across the Authority 
- Continue improving our labor management partnership 
- Continue to expand the strategic direction of the Chief Executive by designing new support roles for execution 
- Support the Board of Directors and Senior Executive Team (SET) relationships through ongoing joint engagement efforts 
- Continue watershed-based stakeholder engagement, including continued support of the Anacostia freshwater mussel project to improve water quality and protect our investment in cleaning the Anacostia River 
- Continue to support the planning and delivery of an annual national Women of Water event in the DC Region to showcase and recognize women leaders in the water sector 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue active engagement, leadership, and partnership with global industry leaders in the utility sector 
- Continue development and execution of an efficient and effective OCEO administrative system for information flow that strategically guides day-to-day operations and supports data-driven, executive decision-making across the Authority 
- Continue improving our labor management partnership 
- Continue to expand the strategic direction of the Chief Executive by designing new support roles for execution 
- Continue development and expansion of executive leadership to continue building a high performing leadership team and culture 
- Support the Board of Directors and Senior Executive Team (SET) relationships through ongoing joint engagement efforts 
- Continue watershed-based stakeholder engagement, including continued support of the Anacostia freshwater mussel project to improve water quality and protect our investment in cleaning the Anacostia River 
- Continue to support the planning and delivery of an annual national Women of Water event in the DC Region to showcase and recognize women leaders in the water sector 
- Build CEO forum which addresses the unique needs of the African American CEO experience 
- Expand the branding of the CEO and DC Water through an external marketing partner 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**

 **Reliable**

 **Resilient**

 **Equitable**

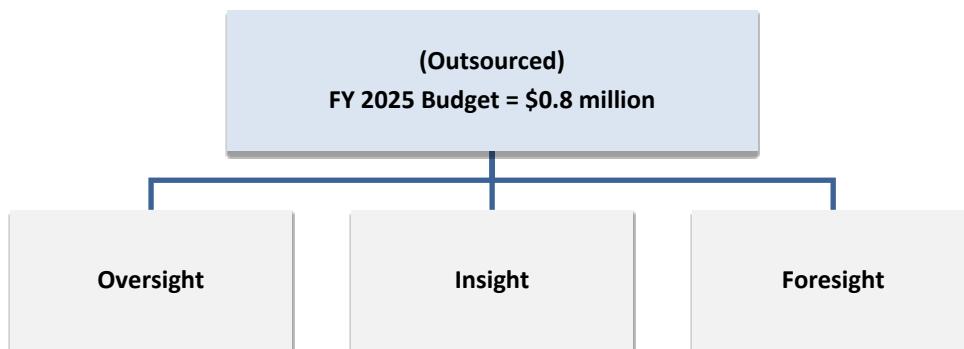
 **Sustainable**

CLUSTER: INDEPENDENT OFFICES

DEPARTMENT: Internal Audit

PURPOSE: Assists the Authority in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes

MISSION: To provide independent, objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of DC Water



FUNCTIONS

Oversight	Insight	Foresight
Conduct periodic audits	Assess programs and policies	Identify trends and challenges before they become crises
Conduct audits requested by the Board of Directors and the Chief Executive Officer & General Manager	Share best practices and benchmarking information	Identify risks and opportunities
Review of corporate governance	Provide ongoing feedback for re-engineering management practices and policies	Risk-based auditing

DEPARTMENT: Internal Audit

BUDGET

The FY 2025 Budget increased slightly to cover increased audit fees compared to the FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	0	0	-	-	-	-
Headcount: Filled	0	0	-	-	-	-
Personnel Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	-	-	-	-	-	-
Contractual	750	780	805	839	(34)	(4)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	750	780	805	839	(34)	(4)%
Department Total	\$ 750	\$ 780	\$ 805	\$ 839	\$ (34)	(4)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Internal Audit Work Planned	13	11	14	11	Reliable

DEPARTMENT: Internal Audit

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Conduct an updated risk assessment and internal audit plan for the Authority 
- Implement Committee and Board approved audit plans 
- Continue to manage DC Water's hotline and implement the hotline protocol 
- Continue to report to the Board of Directors via the Audit and Risk Committee on the status of prior internal audit findings and management action plans 
- Continue to conduct follow-up procedures on newly presented audit findings and determine status of management action plans 
- For management assessments conducted, identify strategic improvement opportunities for management 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Conduct annual risk assessment considering current DC Water environment, strategic initiatives, and industry trends 
- Develop audit plan based on top priority risks for the year based on risk assessment 
- Execute audit plan to include performing audits and management assessments 
- Report findings, management action plans, and status of prior internal audit findings to the Audit and Risk Committee on a quarterly basis 
- Conduct follow-up procedures on newly presented audit findings 
- Continue to manage DC Water's hotline and implement the hotline protocols 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

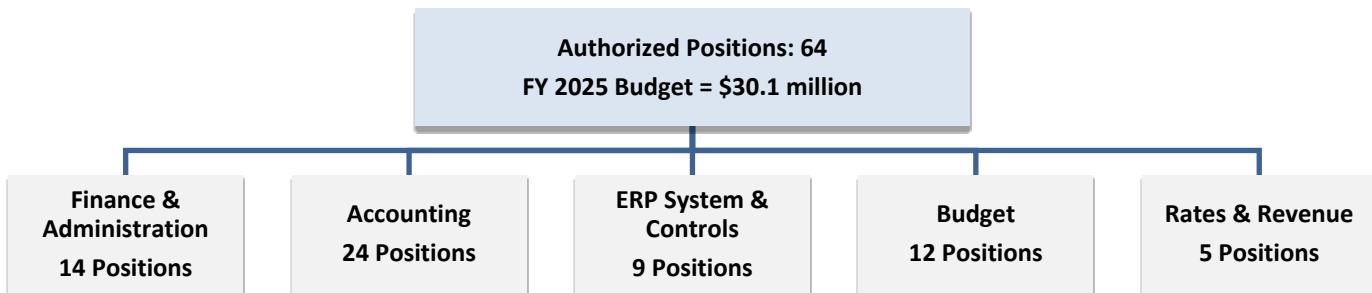
 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

DEPARTMENT: Finance

PURPOSE: Responsible for the financial integrity of the Authority's assets and liabilities, funds acquisition, budget execution, and management and planning of expenditures for all programs and initiatives

MISSION: Stewardship of DC Water's financial activities to ensure financial integrity and ensure performance that meets the expectations of the Board of Directors, Stakeholders, and the broader financial community



FUNCTIONS

Finance & Administration	Accounting	ERP System & Controls	Budget	Rates & Revenue
<p>Oversight and management of the department by analyzing the company's financial strengths and weaknesses and proposing strategic directions</p> <p>Define the future of the company to enhance business performance and shareholder value</p> <p>Establish a structure of enterprise accountability for results, and drive enterprise execution</p>	<p>Manage accounting and financial reporting functions of the organization</p> <p>Prepare Annual Comprehensive Financial Report (ACFR), and financial transactions</p> <p>Establish accounting and reporting policies, maintain financial records and effective internal control structure</p>	<p>Manage & Support organization-wide Enterprise Resource Planning (ERP), Enterprise Performance Management (EPM), and Human Capital Management (HCM) Systems and related applications</p> <p>Ensure accountability and safeguarding of the Authority's assets while managing the systems and user access</p>	<p>Develop, monitor, and report the annual operating and 10 Year Capital Improvement Program (CIP) budgets</p> <p>Oversee the Board Committees' reporting process and financial relationship with the Washington Aqueduct</p> <p>Submit Board-adopted Budgets through the District for Congressional Appropriation</p>	<p>Manage short and long-range financial planning, revenue forecasting, and monitoring and establishing rates</p> <p>Manage cost of service studies for water & sewer, Clean Rivers Impervious Area Charge (CRIAC), fire protection service fee, operating reserves, renewal & replacement reserves, rate stabilization fund, engineering study, ongoing responsibility for Federally Owned Water Main (FOWM), develop cost recovery methodology & charges for stormwater services, review costs, cost recovery and impacts for water supply reliability & resilience</p>
<p>Debt and investment portfolios, operations of cashiering and banking services</p> <p>Administer all insurance and risk management activities, manage all general liability and tort claims for DC Water's Operations</p> <p>Manage construction insurance and claims programs (ROCIP)</p>	<p>Oversee payroll operations, vendor payment operation, and asset management and accountability</p> <p>Manage the billing activities of the organization, including grants and county billing operations</p>	<p>Management of ERP and related systems, including upgrades and enhancements</p> <p>ERP/EPM/HCM System user support, access control, and training.</p> <p>Support of Business Intelligence and Reporting</p>	<p>Prepare quarterly reports and monthly Financial Reports</p> <p>Perform ongoing financial management of critical programs and maintain department's web page</p>	<p>Monitor consumption, revenue, collections, accounts receivable, and delinquencies greater than 90 days</p> <p>Manage independent review of rates and budget for public hearing</p>

DEPARTMENT: Finance

BUDGET

The \$3.1 million increase in FY 2025 compared to the FY 2024 budget is for personnel services cost adjustments, including 4 positions transferred from People & Talent to centralize ERP System functions and contractual services mainly for insurance premiums and strategic programs

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	%
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	59	60	60	64	(4)	(7)%
Headcount: Filled	46	47	48	51	(3)	(6)%
Personnel Services	\$ 9,553	\$ 9,785	\$ 10,748	\$ 12,012	\$ (1,264)	(12)%
Supplies	7	9	6	10	(4)	(68)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	48	71	60	56	3	6%
Contractual	9,370	13,126	16,137	17,984	(1,846)	(11)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	9,424	13,206	16,203	18,050	(1,847)	(11)%
Department Total	\$ 18,978	\$ 22,991	\$ 26,951	\$ 30,062	\$ (3,111)	(12)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Ensure revenue projections and O&M expenditures are within budget	104%/97%	101/98%	99%/95%	99%/95%	Sustainable
Comply with the Board's investment policy and strategy	100%	100%	100%	100%	Sustainable
Short-Term Funds - ML 3 months US T-Bill Index and Core Funds - ML 1 - 3 year	110/211	309/431	367/324	426/398	Sustainable
Manage financial operations to ensure 160% combined debt service coverage	229%	217%	201%	195%	Sustainable
Meet or exceed 250 days operating & maintenance expenses per fiscal year	\$258M	\$288M	\$283M	\$293M	Sustainable
Issue Annual Comprehensive Financial Report in accordance with GAAP	February	February	February	February	Sustainable
Pay 97% of all undisputed invoices within 30 days	96%	97%	97%	97%	Reliable
Publish Annual Budgets within 90 days of start of fiscal year	90 days	90 days	90 days	90 days	Sustainable

DEPARTMENT: Finance

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

Finance:

- Continue to monitor Board approved policy of 250 days of cash operating reserve level requirements for liquidity needs per fiscal year 
- Issue Request for Proposal (RFP) for Underwriting Services, Investment Advisory Services, Financial Advisory Services, and Banking Services  
- Implement new Payment Gateway services for retail customers adding a merchant card fee assessment model to reduce costs to the Authority 
- Implement new Payment Gateway services for new Oracle Permitting Information Management System (PIMS) 
- Implementation of digital disbursements software to upgrade current refund process allowing refunds via ACH to retail customers, also reducing time frame for customers to receive refunds 
- Administer post compliance reporting for all outstanding debt and monitor bond market for Green Bond issuance and performance 
- Continue to manage the insurance cost needs for the Authority's Rolling Owner-Controlled Insurance Program (ROCIP) 
- Continue to monitor operating and financial metrics via Sustainability Standards Accounting Board (SASB) standards for Environment, Social, and Governance (ESG) reporting per fiscal year 

Rates and Revenue:

- Complete FY 2023 Cost of Service Study for Operating Reserves, Renewal & Replacement Reserves and Rate Stabilization Fund (RSF) 
- Complete FY 2025 – FY 2026 Cost of Service Study for Water, Sewer, Clean Rivers Impervious Area Charge (CRIAC), Groundwater and WAD Backwash Rate 
- Implementation of multi-year Rates for FY 2025 and FY 2026 
- Continue to monitor economic conditions and customer support 
- Coordinate with consultants for Independent Review of Rates and Budget for public hearing 

ERP System & Controls:

- Continue to manage and support Cloud based Enterprise Resource Planning (ERP), Enterprise Performance Management (EPM), and Human Capital Management (HCM) systems 
- Continue to advance initiatives to improve system functionality and further automation of business processes; develop new reports to support business needs 

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

DEPARTMENT: Finance

Accounting:

- Coordinate and support Internal Auditors 
- Provide Prepare by Client list to external auditors and clarify any issues/questions on Financials 
- Obtain unmodified external audit opinion 
- Complete A-133 audit 
- Issue Annual Comprehensive Financial Report (ACFR) 
- Issue Green Bond Report 
- Minimize/eliminate paper check payments to vendors 

Budget:

- Develop, monitor and report the annual operating and 10-year CIP budgets 
- Ongoing financial management of critical programs 
- Continue to streamline and implement enhancements to the budget planning process 
- Continue support and improvement of the Enterprise Planning and Budgeting Cloud Service (EPBCS) system 
- Continue support and improvement of the EPRCS system for authoring and publication of the annual budget documents and other management reports 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to explore alternative revenue generating initiatives 
- Conduct FY 2025 Potomac Interceptor Cost of Service Study 
- Conduct FY 2025 Miscellaneous Fee Cost of Service Study 
- RFP for Bond and Disclosure Counsel Services, and Debt and Investment Software Services, (Sustainable) 
- Continue to seek opportunities to leverage the EPBCS to streamline future budget development process 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

 Resilient

 Equitable

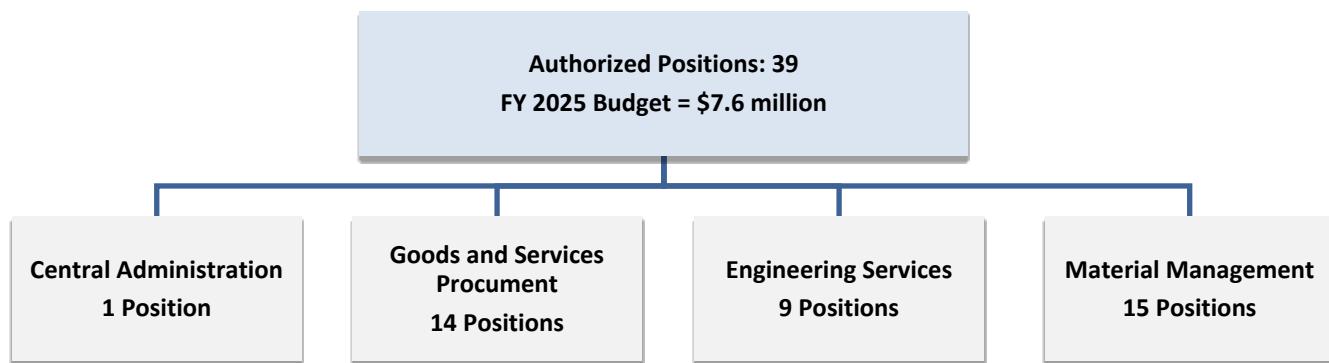
 Sustainable

CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

DEPARTMENT: Procurement

PURPOSE: The department is responsible for the acquisition of goods and services in support of the Authority's business activities in accordance with approved procurement policies and guidelines

MISSION: To procure the best value products and services, with the highest degree of procurement integrity, utilizing efficient and cost-effective procurement methods



FUNCTIONS

Central Administration	Goods and Service Procurement	Engineering Services	Material Management
Manage compliance to the Procurement Regulations and Manual	Manage procurement process for products and services	Manage procurement process for engineering services and capital projects	Manage the operational materials planning and warehousing
Provide the executive direction on the procurement and contracting	Develop category and sourcing strategies	Develop category and sourcing strategies	Administer the material control system and optimize inventory management
Manage department employees and resources	Manage vendor relationships	Manage vendor relationships	Provide direction and guidance on inventory policies and procedures

DEPARTMENT: Procurement

BUDGET

The \$0.9 million increase in FY 2025 compared to the FY 2024 budget is primarily due to personnel services cost adjustments, including new positions for capital procurement and material management functions

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	%
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	36	35	36	39	(3)	(8)%
Headcount: Filled	32	32	32	32	0	0%
Personnel Services	\$ 6,201	\$ 6,063	\$ 6,028	\$ 6,903	\$ (875)	(15)%
Supplies	78	18	24	24	0	(1)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	38	52	43	40	3	8%
Contractual	309	531	616	642	(26)	(4)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	3	3	0	0%
Non Personnel Services	426	601	686	708	(22)	(3)%
Department Total	\$ 6,626	\$ 6,664	\$ 6,713	\$ 7,611	\$ (897)	(13)%

Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022 Results	FY 2023 Results	FY 2024 Targets	FY 2025 Targets	Blueprint 2.0 (Strategic Plan) Imperatives
Timely processing of small purchases within 7 working days	100%	100%	95%	95%	Reliable
Issue Invitation for Bid and award contracts within 90 calendar days	95%	95%	95%	95%	Reliable
Issue Requests for Proposal and award contracts within 120 calendar days	95%	95%	95%	95%	Reliable
Issue Procurement request for inventory restock in one business day of approval	95%	95%	95%	95%	Reliable
System & physical issue of stock request within same day of authorized request	95%	95%	95%	95%	Reliable

DEPARTMENT: Procurement

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to update and implement advanced procurement methods such as integrated supply chain management into capital projects and materials management to prevent supply shortages and long lead times 
- Continue to conduct annual review of Procurement Regulations and Manual 
- Continue to generate cost savings and avoidance through competitive procurement and negotiation processes, and inventory optimization to avoid the waste 
- Provide continuous training of Procurement staff to improve vendor relationships and performance 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to enhance efficiency and productivity of procurement process through improved utilization and automation using Oracle ERP 
- Annually strive to enhance Procurement Regulations and Manual to improve procurement process, results, participation, integrity, compliance, fair competition, and transparency 
- Increase the capital procurement resources and enhance the capital procurement process 
- Continue to seek opportunities to generate cost savings and avoidance through competitive procurement and negotiation processes, and inventory optimization to avoid the waste 
- Continue to provide continuous training of procurement staff to improve vendor relationships and performance 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

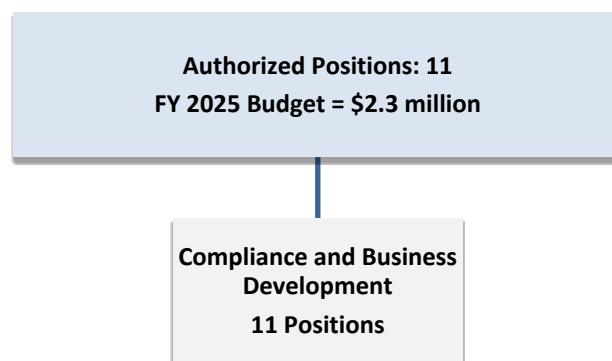
 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

DEPARTMENT: Compliance and Business Development

PURPOSE: Consistent with DC Water’s “Blueprint 2.0”, the Business Development Plan, the DC Water Works Plan, and applicable federal regulations, DC Water, through its Contract and Employment Compliance Department (the Department) remains committed to ensuring local residents and certified businesses have meaningful participation (jobs and contracts) on its goods, services, and construction projects

MISSION: Actively pursue diverse businesses for contracting opportunities, monitor DC Water’s and project contractors’ “Good Faith Efforts”, ensure contractor’s prevailing wage and anti-discrimination compliance, and implement various educational and community engagement and workforce development activities with a continuing focus on procuring the best value products and services, with the highest degree of procurement integrity, utilizing efficient and cost-effective procurement



FUNCTIONS

Certified Business Utilization	DC Water Works (Local Hiring Initiative):	Contractor and Community Engagement:
Expand a comprehensive outreach and engagement plan to communicate supplier diversity initiatives internally and externally to external suppliers at all levels	Provide the framework for the design and implementation of programs and activities that will enhance participation of local residents	Manage the Outreach and Engagement Plan that encompasses the strategy, schedule and outline that will be utilized to promote the Supplier Diversity program internally and externally
Create educational tools and business development resources to assist businesses in preparing to add value with their service offerings to DC Water	Creation of a local, readily available labor pool, with skills needed by DC Water’s contractors that enhances DC Water’s ability to provide efficient and economical services	Engage suppliers on DC Water’s commitment to use diverse suppliers and communicate that we are looking for the best value, quality, and service that will benefit DC Water as a whole
Monitor and track program performance to providing insight on the areas of focus		Retool DC Water’s Supplier Diversity and Inclusion webpage, collateral materials, and the social media platform. Media buys (broadcast, print, and television) to engage the diverse business community and communicate the vision and mission of the program

Department: Compliance and Business Development

BUDGET

The \$0.9 million increase in FY 2025 compared to the FY 2024 budget is primarily due to personnel services costs adjustments, including four new positions for Compliance & Business Development and DC Water Works functions

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	6	7	6	11	(5)	(83)%
Headcount: Filled	6	7	6	7	(1)	(17)%
Personnel Services	\$ 525	\$ 878	\$ 1,026	\$ 1,907	\$ (881)	(86)%
Supplies	-	18	-	9	(9)	-
Chemicals	-	-	-	-	-	-
Utilities and Rent	5	-	5	5	0	(3)%
Contractual	244	245	394	397	(3)	(1)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	250	263	399	411	(12)	(3)%
Department Total	\$ 775	\$ 1,141	\$ 1,425	\$ 2,318	\$ (893)	(63)%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022 Results	FY 2023 Results	FY 2024 Targets	FY 2025 Targets	Blueprint 2.0 (Strategic Plan) Imperatives
Increase Proportion of certified firm participation	44% (Combined LSBE, CBE, DBE, WBE)	38% (Combined LSBE, CBE, DBE, WBE)	23% (Combined LSBE, CBE, DBE, WBE)	23% (Combined LSBE, CBE, DBE, WBE)	Equitable
Increase proportion of new jobs filled by local residents on DC Water projects	83%	85%	75%	80%	Equitable
Increase number of certified firm referrals that become successful contractors	3 Firms	2 Firms	6 Firms	6 Firms	Equitable
Increase percentage of trainees who successfully complete program to employment	77%	80%	83%	85%	Equitable

Department: Compliance and Business Development

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Design and implement new capacity building initiatives commensurate with the expansion/changes to the CIP 
- Expand the Certified Firms listing to include relevant information on capability and performance, thus serving as a showcase for capacity 
- Organize a roundtable of Community Development Financial Institutions (CDFIs) and Small Business Assistance organizations to develop a Certified Firm assistance program 
- Work with local banks to establish a line of credit for contractors and/or provide a loan-loss reserve to leverage capital for a contract finance or working capital program for Certified Firms 
- Establish a public outreach program to receive continuous feedback from Certified Firms on goals, attainment, and enforcement 
- Institutionalize a process to notify Compliance as soon as new project timelines are known and ensure they identify ready, willing, and able Certified Firms 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Further enhance efficiency and productivity of procurement process through improved utilization and automation using eComply (Online Compliance Database) 
- Improve business diversity and inclusion through the updating the new business development program 
- Development and Launch of Lunch & Learn Supplier Diversity Series 
- Establish Contractor Award & Recognition Program 
- Implement a rewards program, inclusive of a process to reduce the retainage percentages, for primes based on Certified Firms goal attainment 
- Provide continuous training of DC Water staff and external stakeholders to improve vendor relationships and performance 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 Healthy, Safe and Well

 Reliable

 Resilient

 Equitable

 Sustainable

CLUSTER: Finance, Procurement and Compliance

FUND: Non-Ratepayer Revenue Fund

PURPOSE: The Non-Ratepayer Revenue Fund (NRRF) was established as part of the Authority's total operating budget which started within the FY 2021 budget cycle. This fund is used to budget for additional operating funds in the Authority's appropriation that are not specifically budgeted or allocated to individual departments. This provides the flexibility for departments to undertake projects using new revenues to be generated from non-ratepayer sources. This includes rental of DC Water facilities, fleet equipment maintenance for non-DC Water agencies, etc.

MISSION: NRRF is budgeted under contractual services and captured in a designated cost center under the Finance and Procurement Cluster. Funding from this account is reprogrammed to offset costs in other user departments once the specific requirements are met. The associated revenues must be realistic and obtainable from new non-ratepayer sources and are not factored into the development of the retail water and sewer rates

BUDGET

There is a no change in the FY 2025 budget compared to the FY 2024 budget

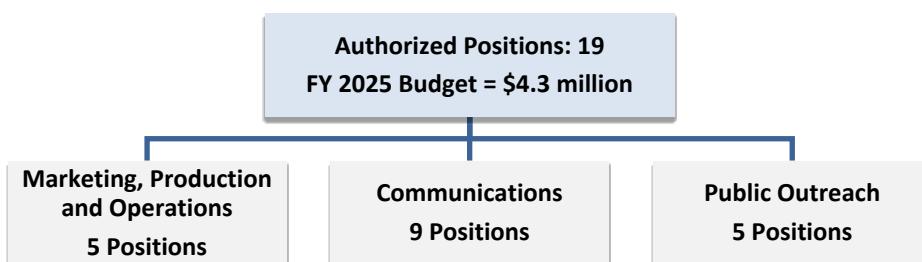
\$000's	Description	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
		Actual	Actual	Revised	Approved	Variance	%
	Headcount: Authorized	0	0	-	-	-	-
	Headcount: Filled	0	0	-	-	-	-
	Personnel Services	-	-	-	-	-	-
	Supplies	-	-	-	-	-	-
	Chemicals	-	-	-	-	-	-
	Utilities and Rent	0	-	-	-	-	-
	Contractual	-	-	500	500	0	0%
	Water Purchases	-	-	-	-	-	-
	Biosolids	-	-	-	-	-	-
	Small Equipment	-	-	-	-	-	-
	Non Personnel Services	0	-	500	500	0	0%
	Department Total	\$ 0	-	\$ 500	\$ 500	\$ 0	0%

CLUSTER: MARKETING AND COMMUNICATIONS

DEPARTMENT: Marketing and Communications

PURPOSE: To promote and enhance the value of our services by listening to and engaging with our customers

MISSION: To inform and educate the public about DC Water's services, programs, and initiatives, as well as to promote our commitment to sustainability, customer service, and community engagement. The office also works to build relationships with stakeholders to foster trust and collaboration in support of DC Water's mission



FUNCTIONS

Production and Operations	Communications	Public Outreach
<p>Produce graphics, collateral, and videos that support a wide range of training and programs across the Authority.</p> <p>Compose script for the Authority's Stars of Water Event</p>	<p>Prepare speeches, testimony, editorials, special reports, and stakeholder presentations. Produce content for and manage Authority's social media accounts. Respond to customer and stakeholder inquiries</p>	<p>Maximize partnerships with local agencies, organizations, and other critical community stakeholders; Manage the Authority's participation in a host of community outreach activities and initiatives; coordinate annual town hall meetings and special media events; Manage Speakers Bureau</p>
<p>Manage the production of the Annual Report, Water Quality Report, newsletters, Leadership Updates, exhibits, marketing materials, and the content of specific segment of the DC Water website</p>	<p>Produce reports, newsletters, brochures, DC Water exhibits, and materials. Provide editing support for other departmental communication projects and produce special high-profile project communications materials</p>	<p>Manage outreach program to engage community stakeholders such as Mayor's Office of Community Relations and Services (MOCRS), DC Council, Advisory Neighborhood Commissioners (ANCs), civic associations, residents, and businesses about upcoming and ongoing construction projects, increase their understanding of the condition of our aged Infrastructure, and better understand their needs and concerns relating to projects affecting quality of life</p>
<p>Produce Public Service Announcements, commercials, videos as well as produce live and archived webcasts of Board meetings and manage stakeholder presentations. Manage Plant tours and develop departmental budget</p>	<p>Respond to local and national media inquiries, manage website content; track and strategically influence relevant policy proposals.</p>	<p>Coordinate stakeholder presentations and community events; conduct Sewer Science and other public school programs</p>

DEPARTMENT: Marketing and Communications

BUDGET

The \$0.4 million decrease in FY 2025 compared to the FY 2024 budget is primarily for cost adjustments in personnel and contractual services

\$000's Description	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised	FY 2025 Approved	Change from FY 2024 Variance	Change from FY 2024 %
Headcount: Authorized	14	14	18	19	(1)	(6)%
Headcount: Filled	10	10	10	11	(1)	(10)%
Personnel Services	\$ 2,305	\$ 2,397	\$ 3,643	\$ 3,271	\$ 371	10%
Supplies	8	6	11	8	3	27%
Chemicals	-	-	-	-	-	-
Utilities and Rent	19	32	18	17	2	9%
Contractual	861	668	1,109	1,044	65	6%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	16	-	12	9	3	25%
Non Personnel Services	904	705	1,150	1,078	72	6%
Department Total	\$ 3,209	\$ 3,102	\$ 4,793	\$ 4,349	\$ 444	9%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Publication of DC Water's Annual Report	1	1	1	1	Reliable
Publication of Customer Newsletter	4	4	4	4	Equitable
Publication of Clean Rivers' Update	2	2	2	2	Equitable
Publication of Employee Newsletter	11	11	6	6	Healthy, Safe, and Well
Publication of Water Quality Report	1	1	1	1	Reliable
Community meetings outreach re: lead, rates, CSO CIP projects, etc.	114	114	100	100	Equitable

DEPARTMENT: Marketing and Communications

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to implement a Strategic Communications Plan to support Blueprint 2.0, DC Water's strategic plan 
- Continue to expand our customer engagement and crisis communications capabilities, utilizing the additional support of an outside public relations firm 
- Continue campaign efforts to demonstrate the value of DC Water's services and build support for needed investments in infrastructure 
- Work with the DC Clean Rivers Project team to engage with residents, businesses and commuters impacted by construction on the Northeast Boundary Tunnel Project 
- Expand DC Water's internal (employee) engagement, working closely with People and Talent, the Office of the CEO and other departments 
- Create unified planning calendar for all marketing and communications activities 
- Collaborate with local organizations and community groups to promote sustainability and encourage community involvement in sustainable water management practices 
- Publicize Lead Free DC Program to remove all lead service lines in the District. Encourage eligible customers to participate in programs prioritizing underserved communities 
- Engage in public education campaigns to increase awareness of the importance of water conservation, efficient water use and sustainable water management practices 
- Engage in emergency preparedness campaigns and public education campaigns to increase awareness of emergency preparedness measures, including those related to water service disruptions and natural disasters 
- Produce and distribute educational materials to the public concerning PFAS implications and federal regulation regarding PFAS 
- Educate customers regarding rates utilizing social media, public meetings to discuss rate changes and collect customer feedback, and billing inserts explaining rate structure and changes 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- No major changes anticipated

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

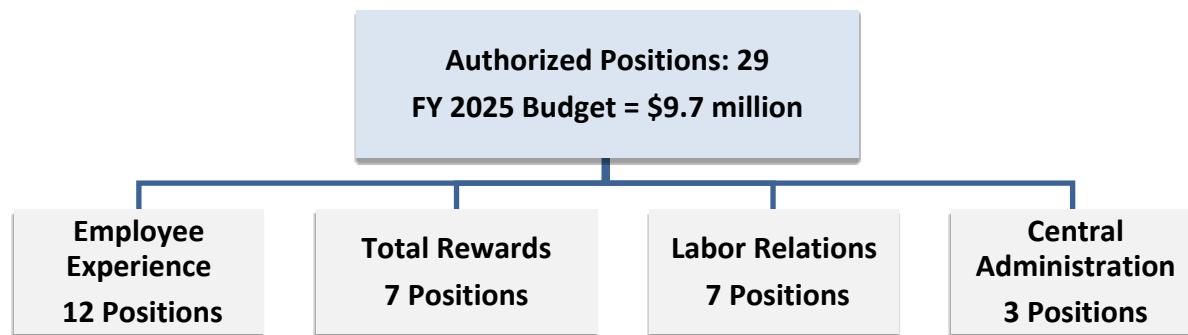
 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

CLUSTER: PEOPLE AND TALENT

DEPARTMENT: People and Talent

PURPOSE: Support the Authority and Executive Team by creating organizational alignment and line of sight; work collaboratively with all Departments to improve the employee experience; recruit talent who will embrace DC Water, and focus on employee strengths

MISSION: To deliver high quality, innovative, valued and timely labor resources that are responsive to the needs of DC Water employees and departments, in order to help facilitate employees to achieve their individual and organizational goals



FUNCTIONS

Employee Experience	Operations	Labor Relations	Executive Vice President's Office
Recruitment, onboarding, training and development, management coaching and consulting	Market analysis, Performance pay, job evaluation and position control	Oversee labor relations, arbitration, and grievance resolution	Strategic initiatives
Performance management, succession planning and employee engagement	Administration of Benefits, Wellness, American with Disabilities Act, Drug and Alcohol testing, Workers Compensation, and Employee Assistance Programs	Manage employee relations	Change management
Education assistance, internship, rewards and recognition		Oversee Equal Employment Opportunity and Workplace Violence	Management of resources and operations

DEPARTMENT: People and Talent

BUDGET

The approved FY 2025 budget is decreased compared to the FY 2024 budget due to transfer of 3 positions to the Finance Department and an increase in contractual services

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	31	34	34	29	5	15%
Headcount: Filled	25	25	25	20	5	20%
Personnel Services	\$ 5,153	\$ 5,252	\$ 5,724	\$ 5,302	\$ 422	7%
Supplies	2	2	3	4	(1)	(33)%
Chemicals	-	-	-	-	-	-
Utilities and Rent	24	30	27	24	2	8%
Contractual	1,348	2,885	4,165	4,354	(190)	(5)%
Water Purchases	-	-	-	-	-	-
Biosolids	-	-	-	-	-	-
Small Equipment	-	-	-	-	-	-
Non Personnel Services	1,374	2,917	4,194	4,383	(189)	(4)%
Department Total	\$ 6,527	\$ 8,169	\$ 9,919	\$ 9,685	\$ 234	2%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
An average of 60 days from job posting to offer acceptance	N/A	58	60	60	Reliable
Under the CBA we have 45 days to initiate disciplinary action	95%	97%	95%	95%	Equitable
Number of FTE employees contributing to 457(b) retirement plan	N/A	926	951	976	Reliable
Number of employees contributing 5% or more to 457(b) retirement plan	N/A	738	763	788	Reliable
Average mandatory training hours per Non-union FTE	N/A	N/A	4	5	Sustainable
Average mandatory training hours per Union FTE	N/A	N/A	1.5	1.5	Sustainable
Average DC Water Non-Union Employee Compensation vs Mid-Point Range	100%	104%	100%	100%	Equitable

DEPARTMENT: People and Talent

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Ongoing Enterprise HCM Strategy Implementation of Performance Management System 
- Expand DC Water's Career Ladder Program 
- Streamline DC Water's position reclassification process 
- Expand Non-Union Merit-Bonus program to also include Salary Equity Review 
- Develop DC Water's Market Pricing Initiative  
- Enhance Wellness Programs focused on Healthy, Safe, and Well imperative 
- Organize open season benefit fairs and site visits 
- Continue negotiations with the collective bargaining agreements –   
- Coordinate management and team building trainings for DC Water employees 
- Streamline Talent Acquisition processes  
- Revamp the Compensation offer process for Non-Union hires 
- Implement hiring manager surveys at the end of the Recruitment process 

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

- Expand DC Water's Career Ladder Program 
- Enhance DC Water's position reclassification process 
- Expand Wellness Programs focused on Healthy, Safe, and Well imperative 
- Expand open season benefit fairs and site visits 
- Begin work on Collective Bargaining Negotiations – Working Conditions Agreements   
- Review and Update DC Water Policies and Procedures  
- Enhance Wellness Programs to align with the Healthy, Safe, and Well imperative 
- Organize open season fair and site visits 
- Revamp Internship Program under Talent Acquisition leadership 

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact

Strategic Plan - Blueprint 2.0 Imperatives Legend:

 **Healthy, Safe and Well**
 **Reliable**
 **Resilient**
 **Equitable**
 **Sustainable**

DEPARTMENT: People and Talent

FY 2024 AND FY 2025 TALENT DEVELOPMENT PLAN

TALENT DEVELOPMENT OVERVIEW

At DC Water, our talent is our people, Team Blue. Talent Development consists of acquiring, training, and development strategies. We provide solutions and programs that motivate, engage, and educate our employees to cultivate a high performing workforce. Our ability to meet demands, realize our vision, and fulfill our mission relies on the character and competence of our talent.

The vision of DC Water states that "we will be known for superior service, ingenuity, and stewardship to advance the health and well-being of our diverse workforce and communities". The Talent Management Team supports this vision by leading the Healthy, Safe, and Well imperative of the Blueprint 2.0. Healthy, Safe, and Well imperative of the Blueprint 2.0 indicates that water is the life source of our community, and the essential services we provide at DC Water must be world-class. Our fundamental priority has to be ensuring DC Water is safe for all – for our customers, our communities, our employees, and our contractors. To achieve this, we are connecting the strategies of leadership and employee development with tools and activities that build and support a culture of "coaching" based performance management. Effective coaching provides specific, timely, and actionable feedback to employees. We believe the role of the management team is much deeper than simply providing direction. We aim to provide our leaders with the tools that they need to achieve the following goals:

- Optimize the employee experience by consistently engaging the employee throughout their lifecycle at DC Water
- Improved individual performance through coaching and frequent check-ins
- Increased trust and accountability by creating new possibilities for team members
- Accountability for self and employees by removing obstacles in the way of success
- Leading the ongoing development of the employees under their supervision

At DC Water, our management team leads by managing performance. On-going coaching-based performance management unleashes the full array of talent and ingenuity our team possesses that would otherwise be untapped.

Other forms of talent development at DC Water include:

In-house training – classes and programs designed in-house. In-house training may focus on non-technical courses, skills development, or new processes.

Walk in my shoes – The principal goal of the Program is to provide a path for DC Water staff to develop new skills, receive basic cross training, and broaden the participant's knowledge of DC Water operations, as well as identify possible career options.

eLearning/on-demand training – online courses housed within our learning management system (LMS), Cornerstone. The content for this site is developed in-house and by external vendors.

DEPARTMENT: People and Talent

FY 2024 AND FY 2025 TALENT DEVELOPMENT PLAN

External Training – classes and programs developed by external vendors that support individual employee development needs and requirements. This is an effective means of providing highly specialized or special focus training to individuals or a small group of employees. DC Water's education assistance and tuition reimbursement program is included in this category.

Learning Events – conferences, retreats, and virtual programs. These events boost employee morale and help to increase productivity.

Engagement Activities – events held virtually or in-person, that allow DC Water employees the opportunity to get to know each other through collaboration and fun.

Offsite leadership retreats – used to enhance the culture and bring people together in a more relaxed environment. It's not about pen and paper but the experience to create a team and hold each other accountable while uplifting one another.

Leveraging the use of DC Water Business partners – the business partners are the eyes and ears of People and Talent. Assisting with performance practices, encouraging employees who desire training, or need general support.

DC Water Internship Program – Here at DC Water, we consider it part of our public service mission to support and encourage the educational goals of the next generation. Many of our interns in the past have become employees of DC Water in all capacities and grades.

FY 2023 ACCOMPLISHMENTS

In FY 2023, we continued to provide Learning, Development, and Engagement opportunities for the Authority.

Our Lead and Learn series continues to be a huge success while providing interactive leadership and career development opportunities. Sessions were facilitated to forge connections across the Authority, building essential career development skills for our employees with an average of 40 plus employees per session. The program created creative ways for different departments to inform, share, and educate employees across the authority.

We also coordinated/facilitated and provided communication assistance for multiple customized trainings to support specific departmental needs. In addition, as part of an annual requirement, we assigned, managed, and tracked Mandatory Compliance training for our Non-Union employees via the ERP Oracle. We had a 99% completion rate.

DEPARTMENT: People and Talent

As we continue to build a pipeline for emerging leaders, we successfully delivered our Summer Internship program while providing a learning experience for 39 interns.

We continued identifying critical positions and potential successors to ensure we have the right people in place for now and in the future. Succession Plans were implemented utilizing assessments, focus groups and the 9-box tool. The scope of the Succession plan was for grade A-D. 76 critical positions were identified and 102 high performers within the succession talent pool. The goal is to continue to utilize the succession talent pool to fill new vacancies/acting assignments. As we continue to enhance succession plans, we look forward to building a succession planning process that is transparent, cultivates equity and trust in the process, and helps employees see potential career trajectories for their role. Our goal is to have development plans created for all high performing successor candidates by September 2024. Based on market trends and best practices, 15%-20% of all critical positions should have succession plans in place.

The Authority continued to leverage college and university relationships through the Tuition Assistance Program. We built partnerships with universities to provide discounts and support as part of the TA/TR benefit. In FY 2023, our employees continued to pursue critical certifications in various areas such as Professional Engineering, Program Management, and other degree-seeking programs. Lastly, in FY 2023, a total of 141 employees participated in the Education and Tuition Assistance Reimbursement benefit program. DC Water provided \$295,523.73 to assist employees with their continued education programs.

FY 2024 AND FY 2025 TALENT DEVELOPMENT BUDGET

The approved FY 2025 training budget remains unchanged from FY 2024 at \$1.7 million. The Talent Development branch of People & Talent Department is positioned to help the Authority transform and will continue to focus on the need to develop our workforce beyond the initial job qualifications. In the future, we envision providing DC Water employees the ability to maximize training and development funding through one budget managed by the Talent Development branch. Leading the charge in the creation of a high-performing organization.

CLUSTER: GOVERNMENT AND LEGAL AFFAIRS

DEPARTMENT: Government and Legal Affairs

PURPOSE: To provide legal advice and services to the Board of Directors, CEO and General Manager, and the DC Water departments

MISSION: To provide professional, timely, and useful legal advice and services, manage the services of outside counsel as needed, and to minimize liability exposure by recommending and implementing appropriate policies, practices, and procedures

Authorized Positions: 14

FY 2025 Budget = \$8.3 million

FUNCTIONS

Litigation	Administrative Law
Appellate	Board of Directors Support
Bankruptcy	Organize, plan and direct all operations of the Authority
Contract	Ensure development and implementation of improvement processes to increase operational efficiencies
Construction	Construction Claims
Environmental	Safe Drinking Water Act & Regulatory Compliance
Procurement	Employment Law Matters
Tort	Intra-Governmental & Inter Jurisdictional Agreements
Receivership	Municipal Law & Real Property Matters
Employment	Pretreatment Enforcement Support
Foreclosures	Procurement Protests, Claims & Internal Appeals

DEPARTMENT: Government and Legal Affairs

BUDGET

The approved FY 2025 budget is relatively flat compared to the approved FY 2024 budget

\$000's	FY 2022	FY 2023	FY 2024	FY 2025	Change from FY 2024	
Description	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	14	14	14	14	0	0%
Headcount: Filled	14	13	13	13	0	0%
Personnel Services	\$ 2,444	\$ 3,231	\$ 3,047	\$ 3,264	\$ (217)	(7)%
Supplies	2	1	3	7	(4)	(133)%
Chemicals	-	-	0	-	0	-
Utilities and Rent	23	31	25	24	1	5%
Contractual	4,500	5,688	5,269	5,017	252	5%
Water Purchases	-	-	0	-	0	-
Biosolids	-	-	0	-	0	-
Small Equipment	-	-	0	-	0	-
Non Personnel Services	4,524	5,720	5,297	5,048	249	5%
Department Total	\$ 6,968	\$ 8,951	\$ 8,345	\$ 8,312	\$ 32	0%

DCW Key Performance Indicators (KPIs)

TARGETED PERFORMANCE MEASURES	FY 2022	FY 2023	FY 2024	FY 2025	Blueprint 2.0 (Strategic Plan) Imperatives
	Results	Results	Targets	Targets	
Hours of employee time spent on direct work 1,700	1700	1700	1700	1700	Reliable

DEPARTMENT: Government and Legal Affairs

FY 2024 MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue to manage and support litigation to include complex matters
- Continue to provide support to Clean Rivers Project and other long term capital Improvement Program (CIP) Projects
- Continue to provide legal support for Green Infrastructure activities
- Continue to support Innovative initiatives
- Continue to support environmental permits – National Pollutant Discharge Elimination System (NPDES), Total Maximum Daily Limit (TMDL), Municipal Separate Storm Sewer System (MS4)
- Continue to review and revise regulations
- Continue to provide support to Anacostia Sediment Class Action litigation
- Continue to enforce actions to collect delinquent revenues
- Continue development of a fully functioning internal Government Affairs team as a part of the current Enterprise-Level initiatives
- Develop a strong external team as a part of the Government Affairs team at the Federal level
- Continue to maintain the Governance Committee-Government Legislature and Government Relations Oversight on the DC Water Board

FY 2025 MAJOR PLANNED ACTIVITIES AND CHANGES

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- Continue to provide support to Clean Rivers Project and other long term capital Improvement Program (CIP) Projects
- Continue to provide legal support for Green Infrastructure activities
- Continue to support Innovative initiatives
- Continue to support environmental permits – National Pollutant Discharge Elimination System (NPDES), Total Maximum Daily Limit (TMDL), Municipal Separate Storm Sewer System (MS4)
- Continue to review and revise regulations
- Continue to provide support to Anacostia Sediment Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
- Continue to enforce actions to collect delinquent revenues
- Provide legal and strategic support to PFAS issues

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Provide legal support in environmental and financial issues affecting DC Water CIP Projects and on-going operations
- Provide legal support to ongoing Long Term Control Plan (LTCP), Green Infrastructure, and TMDL litigation activities

Strategic Plan - Blueprint 2.0 Imperatives Legend:

Healthy, Safe and Well
Reliable
Resilient
Equitable
Sustainable



Approved FY 2025 Budgets

Section VIII: GLOSSARY AND ACRONYMS



GLOSSARY

ACCRUAL BASIS: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

ADVANCED METERING INFRASTRUCTURE (AMI): Also known as Smart meters, are updated, digital versions of the traditional electrical meter attached to the outside of your home. Smart meters are also designed to transmit pricing and energy information from the utility company to the consumer (two-way communication).

ADVANCED RESEARCH & TESTING PROGRAM: Specialized wastewater treatment services to outside entities.

A/E CONTRACT: Architectural and Engineering Contracts.

AERATION: The process that forces compressed air into wastewater. The oxygen keeps the microorganisms alive and sets off a chain reaction; live, eat, and work. Oxygen is an essential ingredient in "activating" sludge.

ALTERNATIVE FUELED VEHICLE: An alternative fuel vehicle is a vehicle that runs on a fuel other than traditional petroleum fuels (petrol or Diesel fuel); and refers to any technology of powering an engine that does not involve solely petroleum.

AMERICAN RECOVERY AND REINVESTMENT ACT: Is an economic stimulus package enacted by the 111th United States Congress in February 2009. The stimulus was intended to create jobs and promote investment and consumer spending during the recession.

ANAEROBIC DIGESTION: A biological process that uses microorganisms to reduce the volume of biosolids.

ANAMMOX: An abbreviation for ANaerobic AMMonium OXidation, is a globally important microbial process of the nitrogen cycle.

APPROPRIATION: An authorization by Congress, which permits officials to incur obligations and expend Authority resources. Appropriations are usually made for fixed amounts, which extend for a fiscal year. Appropriations for capital improvement projects, however, extend until completion, usually beyond the current fiscal year.

ARBITRAGE: The simultaneous purchase and selling of an asset in order to profit from a differential in the price. This usually takes place on different exchanges or marketplaces. Also known as "riskless profit".

AS-BUILT: A revised set of drawings submitted by a contractor upon completion of a construction project. As-built drawings show the dimensions, geometry, and location of all components of the project.

ASSETS: Property with monetary value owned by the Authority.

AUDIT: An independent systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting records. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements.

AUTOMATED METER READING (AMR): System that automatically read customers' meters using radio frequencies, allowing for more accurate and frequent meter readings and transfer of data to a central database for billing and analysis. It is an older technology that only collects electrical energy consumption and transfers that data from the electric meter on the home to the utility (one-way communication).

BALANCED BUDGET: A budget in which the income equals expenditure.

BIOCHEMICAL OXYGEN DEMAND (BOD): An indicator of the amount of biodegradable contaminants in wastewater.

BIOSOLIDS: Sludge that has been treated to reduce pathogens, organics, and odors, forming a reusable agricultural product.

BLUE PLAINS ADVANCED WASTEWATER TREATMENT PLANT: Located in Washington, DC, Blue Plains is the world's largest advanced wastewater treatment plant and has a permitted capacity of 370 million gallons per day.

BOARD OF DIRECTORS: DC Water's governing board (the Board), which includes 11 primary and 11 alternate members; six members from the District of Columbia, two members each from Montgomery and Prince George's Counties in Maryland, and one member from Fairfax County, Virginia.

BLOOM: a soil conditioner made from Class A biosolids.

BOND: An obligation issued by DC Water promising to pay a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically issued to fund specific capital improvement expenditures.

BUDGET: A plan of financial operations including an estimate of proposed expenditures and revenues for a fiscal period. The budget establishes funding levels for continuing service programs, operation and maintenance of public facilities, and principal and interest payments on bonded indebtedness. Recurring replacement of capital outlay and minor new capital outlay items are included.

CA PPM: Represents a single platform that enables management of the entire innovation lifecycle and make more informed strategic investments.

CLASS A BIOSOLIDS: Class A Biosolids is a designation for dewatered and heated sewage sludge that meets U.S. EPA guidelines for land application with no restrictions. Thus, class A biosolids can be legally used as fertilizer on farms, vegetable gardens, and can be sold to home gardeners as compost or fertilizer.

CAPACITY MANAGEMENT OPERATION and MAINTENANCE (CMOM): A standard framework for municipal sewer collection systems to identify and incorporate widely-accepted wastewater industry practices to meet regulatory compliance.

CAPITAL BUDGET: A plan for investment in long-term assets such as buildings, plant, and equipment. DC Water's capital budget includes project schedules and funding needed to acquire, improve or construct properties or facilities to enhance water and sewer services to our customers.

CAPITAL EQUIPMENT: A capital asset with a useful life of at least 3 years, a cost exceeding \$5,000 and is financed with short-term debt or cash. Examples include rolling stock and computer equipment.

CAPITAL IMPROVEMENT PROGRAM (CIP): A plan, which identifies the nature, schedule, and cost of long-term improvements to DC Water's infrastructure.

CCF (Ccf): Hundred cubic feet or 748 gallons.

CERIDIAN: DC Water's fully integrated payroll and personnel system designed to accommodate a variety of pay, leave, and work rules and to provide a comprehensive set of human resource applications.

CHLORAMINATION: The process of adding chloramines to drinking water. Chloramine, a form of chlorine and ammonia, is used as a disinfectant by the Washington Aqueduct.

CLEAN RIVERS IMPERVIOUS AREA CHARGE (CRIAC): DC Water uses information contained in the District of Columbia's GIS plainmetric database, which includes tax and property records to determine impervious surface areas. (All surfaces are classified as either pervious or impervious). An impervious charge is billed to DC Water customers based on Equivalent Residential Unit (ERU). This is the amount of impervious surface area measured in square feet based on a statistical median for a single family residential property.

CLEAN WATER ACT (CWA): Act passed by the U.S. Congress in 1972 to control water pollution.

COMBINED DEBT SERVICE COVERAGE: The ratio of net revenues available annually to pay debt service to meet the annual debt service requirement including all senior and subordinate debt.

COMBINED HEAT AND POWER FACILITY (CHP): The facility provides steam necessary for the thermal hydrolysis process that uses intense heat and pressure to treat wastewater solids, producing a much cleaner biosolids, and onsite generation of up to one third of Blue Plains' electricity needs.

COMBINED SEWER OVERFLOWS (CSO): Discharge of untreated wastewater (a mixture of stormwater and sanitary waste) directly to waterways during periods of significant rainfall.

COMBINED SEWER OVERFLOW LONG-TERM CONTROL PLAN (CSO LTCP): This Program encompasses projects designed to reduce overflows into the local waterways by 98 percent and is now known as the Clean Rivers Project.

COMBINED SEWER SYSTEM LONG-TERM CONTROL PLAN (CSS LTCP): Final plan submitted by DC Water in July 2002 and approved by EPA in March 2005 to control Combined Sewer Overflow (CSO's) to the Districts waterways.

COMMERCIAL PAPER: Short-term (less than 270 days) notes issued by DC Water to provide interim financing of its capital improvement program. Commercial paper typically carries lower interest rates than long-term debt and is issued on a subordinate basis.

CRIAC NON-PROFITS RELIEF PROGRAM: District funded program to provide CRIAC credits to non-profit organizations as determined by the District Department of the Environment (DDOE).

CUSTOMER ASSISTANCE PROGRAM (CAP): Existing program that uses LIHEAP (Low Income Home Energy Assistance Program) criteria to provide DC Water-funded discounts to low-income residential customers with incomes up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS)).

CUSTOMER ASSISTANCE PROGRAM II (CAP2): CDC Water's proposed expanded program for low-income residential customers who do not qualify for CAP with household income up to 80 percent Area Median Income (AMI).

CUSTOMER ASSISTANCE PROGRAM III (CAP3): District-funded program to provide benefits to DC Water customers with household income greater than 80 percent and up to 100 percent Area Median Income (AMI) who do not qualify for CAP or CAP2.

CUSTOMER CLASS-BASED VOLUMETRIC RATES: Rate differentiation based on the peaking demands of each customer class (residential, multi-family and non-residential).

CUSTOMER INFORMATION SYSTEM (CIS): System which DC Water utilizes for customer billing, information and other related services.

DAYS OF CASH ON HAND: The reserve established by the Board of Directors October 2021, that states DC Water is required to have cash reserves equivalent to 250 days of projected operating expenses calculated on an average daily balance basis in the budget and all years of the financial plan.

DC CLEAN RIVERS PROJECT: New name for the COMBINED SEWER OVERFLOW LONG TERM CONTROL PLAN (CSO LTCP), which is a program that encompasses projects designed to reduce overflows into the local waterways by 98 percent.

DC WATER WORKS: local hiring initiatives for DC Water projects.

DEAMMONIFICATION: This involves Anammox bacteria working synergistically with Ammonia Oxidizing Bacteria to oxidize ammonia without organic carbon to produce nitrogen gas.

DEBT RATING: An independent opinion, based on a comprehensive quantitative and qualitative evaluation, of a company's financial position, operating performance, business profile and management. Specifically, the debt rating reflects a company's ability to meet its obligations to repay interest and principal on outstanding obligations to investors.

DEBT SERVICE: Amount of money necessary to pay principal and interest on senior outstanding notes and bonds in any given fiscal year.

DEBT SERVICE COVERAGE: Requirement of DC Water's master indenture and Board policy that provides that annual revenue available to pay debt service must exceed annual debt service by a certain percentage. DC Water's master indenture requires 120 percent senior debt service coverage; DC Water Board policy requires 140 percent senior debt service coverage and 160 percent combined debt service coverage.

EFFLUENT: Treated wastewater discharged from the Blue Plains Advanced Wastewater Treatment Plant.

ENABLING ACT: Legislation which established DC Water and defined its purpose and authority. DC Water's enabling legislation was initially enacted in 1996.

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is released.

ENHANCED CLARIFICATION FACILITY (ECF): This facility is part of DC Water's proposed Total Nitrogen-Wet Weather plan, which addresses the requirements of the Long Term Control Plan, as well as the Chesapeake Bay Tributary Strategies for reducing nitrogen discharged in the Chesapeake Bay.

ENHANCED NITROGEN REMOVAL FACILITY: This Program Area represents the new name for the Total Nitrogen Program (BTN) which includes projects for new facilities and upgrades to existing facilities needed

at Blue Plains to meet the total nitrogen discharge limit that has been included in DC Water's 2010 NPDES permit.

ENTERPRISE FUND: A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. This type of fund uses the accrual basis of accounting. DC Water is responsible for two enterprise funds:

- 1) Water and Sewer Enterprise Fund
- 2) The District of Columbia Stormwater Enterprise Fund

ENVIRONMENTAL PROTECTION AGENCY (EPA): Federal agency responsible for environmental regulations and enforcement.

EXPENDITURES: Payment for goods and services received.

EXTENDABLE MUNICIPAL COMMERCIAL PAPER PROGRAM (EMCP): A money-market security issued by large organizations to obtain funds to meet short-term debt obligations and is backed only by an issuing bank or corporation's promise to pay the face amount on the maturity date specified on the note.

EXTRACT, TRANSFORM and LOAD (ETL) refers to a process in database usage and especially in data warehousing that:

- Extracts data from homogeneous or heterogeneous data sources
- Transforms the data for storing it in proper format or structure for querying and analysis purpose
- Loads it into the final target (database, more specifically, operational data store, data mart, or data warehouse)

FABRIDAM: A dynamic weir (or dam) that inflates and deflates depending on the structure set point. Set points vary from structure to structure.

FILTRATE TREATMENT FACILITY (FTF): Also known as the Centrate Treatment Facility and is a part of the Total Nitrogen Removal Wet Weather plan, provides a new treatment system that will remove nitrogen from the recycle stream of solids processing at Blue Plains. The facility uses six sequencing batch reactors to treat a nitrogen-rich system from the Final Dewatering Facility's belt filter presses.

FISCAL YEAR: The twelve-month period used by DC Water, which begins October 1 and ends September 30 of the following calendar year.

FIXED ASSET: Long-lived property owned by an entity used by an entity in the production of its income. Tangible fixed assets include real estate, plant, and equipment.

GENERAL OBLIGATION DEBT: This is money that DC Water still owes the District of Columbia for bond issuance prior to the enabling act that created DC Water.

HYBRID PLUG-IN VEHICLE: A hybrid electric vehicle that utilizes rechargeable batteries, or another energy storage device, that can be restored to full charge by connecting a plug to an external electric power source (usually a normal electric wall socket).

IMPERVIOUS SURFACE: an area that impedes or retards the percolation of water into the subsoil and impedes plant growth. Impervious surfaces include but are not limited to the following: roofprints, footprints of patios, driveways, private streets, other paved areas, tennis courts, and swimming pools, and

any path or walkway that is covered by impervious material.

INFRASTRUCTURE: DC Water's facilities, services, and installations needed for its functioning, such as its water, sewer and customer delivery systems.

INTER-MUNICIPAL AGREEMENT OF 1985 (IMA): This agreement outlines the operating and financial responsibilities for wholesale wastewater treatment services at Blue Plains. Signatories to the IMA include the District of Columbia, Montgomery and Prince George's Counties in Maryland, Fairfax County, Virginia, and the Washington Suburban Sanitary Commission.

INTERCEPTORS: The large pipes that convey wastewater from the collection system to DC Water's wastewater treatment plant, Blue Plains.

INTERNAL IMPROVEMENT PLAN (IIP): Operational improvement plans for various operating departments across DC Water that will result in improved service and cost savings to DC Water's customers. Proposed improvements are a function of new capital projects, investments in technology, and new business processes. IIP's have been developed for the Departments of Wastewater Treatment, Maintenance Services, and Customer Service, and are in process for the Departments of Water and Sewer Services.

INVERTED BLOCK RATE STRUCTURES: Is a schedule of rates applicable to blocks of increasing usage in which the usage in each succeeding block is charged at a higher unit rate than in the previous blocks. Generally, each successive block rate may be applicable to a greater volume of water delivery than the preceding block(s).

JOINT USE SEWERAGE FACILITIES: A list of specific facilities identified in the DC Official Code, Section #34-2202.01(4).

LIFELINE RATE: A lifeline rate for the first 4 Ccf of Single Family Residential (SFR) water use to reflect baseline usage by residential customers without peaking cost.

LOCAL SMALL DISADVANTAGED BUSINESS ENTERPRISE (LSDBE): Business entities that are encouraged to do business in the District through supportive legislation, business development programs, and agency and public/private contract compliance.

LOW IMPACT DEVELOPMENT (LID): Integrates ecological and environmental considerations into all phases of urban planning, design, and construction in order to avoid encroaching on environmentally fragile or valuable lands, and to decrease runoff volumes and peak flow impacts.

MASTER INDENTURE OF TRUST (MASTER INDENTURE): The Master Indenture of Trust dated as of April 1, 1998, between DC Water and the Trustee, including all amendments.

MASTER FACILITIES PLAN: A twenty-year plan that outlines proposed capital improvements across DC Water. This plan is updated every three to five years.

MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4): A regulatory program for controlling stormwater pollution.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES): A permit issued by the EPA that governs effluent discharges into various rivers and waterways by Blue Plains and DC Water's sewer system.

NINE MINIMUM CONTROLS (NMC): Nine EPA-designated activities that DC Water must undertake to reduce

Combined Sewer Overflow (CSO) while implementing its Long Term Control Plan (LTCP).

NITRIFICATION: An aerobic process in which bacteria changes the ammonia and organic nitrogen in wastewater into oxidized nitrogen.

OPERATING BUDGET: The budget that encompasses the day-to-day activities for DC Water. The operating budget includes employee salaries, supplies, and other non-personnel items related to current activities. The operating budget also includes other costs including debt service and payment in lieu of taxes/right of way fees.

OPERATING RESERVE: This is the cash balance and includes the reserve funds established and required by the Master Indenture where DC Water must maintain a balance of at least 60 days of operating and maintenance expenses of the prior year (Renewal and Replacement Reserve, and the Operating Reserve Fund). The Operating Cash Reserve does not include the Rate Stabilization Fund, DC Insurance Reserve Fund, bond funds, or debt service reserve funds

OPERATIONS & MAINTENANCE (O&M): The activities related to the performance of routine, preventive, and predictive, actions aimed at preventing DC Water's equipment and infrastructure from failure or decline, with the goal of increasing efficiency, reliability, and safety.

OUTFALL: The place or structure where effluent is discharged into receiving waters.

PAYMENT IN LIEU of TAXES (PILOT): Amounts which DC Water pays each fiscal year to the District and institutions in which its facilities are located. Consistent with the provisions of DC Water's Enabling Act, these payments are to be based on services received and certified from the District of Columbia.

PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS): A class of man-made chemicals, not found naturally in the environment.

PERFLUOROOCTANE SULFONATE (PFOS): A synthetic chemical used to make products resistant to stains, grease, soil, and water.

PLANT RESIDUALS: In 2003, the EPA issued a revised NPDES permit to the Washington Aqueduct (WAD) and entered into a Federal Facilities Compliance Agreement (the federal agency equivalent of an Administrative Order) requiring WAD, to have in operation, by Dec 31, 2009, a new process, which dewateres the residuals on site and trucks them off-site for disposal.

PLUG-IN ELECTRIC VEHICLE: Any motor vehicle that can be recharged from an external source of electricity, such as wall sockets, and the electricity stored in the rechargeable battery packs drives or contributes to drive the wheels.

POTOMAC INTERCEPTOR: Fifty-mile interceptor that carries wastewater from Loudoun and Fairfax Counties in Virginia and Montgomery County in Maryland to Blue Plains.

PRIMARY TREATMENT: A wastewater treatment process that allows those substances in wastewater that readily settles or floats to be separated from the water being treated.

PRINCIPAL: The total amount of money being borrowed or lent.

PROCESS COMPUTER CONTROL SYSTEM (PCCS): Electronically monitors and controls all treatment processes and facilities.

RATE STABILIZATION FUND: A fund established by the Board of Directors, which is used to implement rate increases on a gradual and predictable basis.

RESERVES: An accounting entry that properly reflects contingent liabilities.

REVENUE: An increase in (sources of) fund financial resources other than from inter-fund transfers and debt issue proceeds. Revenues should be classified by fund and source.

REVENUE BONDS: Bonds payable from specific source of revenue and which do not pledge the full faith and credit of the issuer.

RIGHT-OF-WAY FEE (ROW): A permit fee that the District of Columbia Government charges DC Water for water and sewer conduits that it occupies within the District of Columbia.

SAFE DRINKING WATER ACT (SDWA): Act passed by the U.S. Congress (most recently amended in 1996) to control drinking water quality.

SECONDARY TREATMENT: Usually following primary treatment, secondary treatment employs microorganisms to reduce the level of biochemical oxygen demand (BOD) in wastewater.

SENIOR DEBT: Debt whose terms in the event of bankruptcy require it to be repaid before subordinated debt receives any payment.

SLUDGE: Solid residue from wastewater treatment, also known as Biosolids.

SUBORDINATED DEBT: Debt over which senior debt takes priority. In the event of bankruptcy, subordinated debtholders receive payment only after senior debt claims are paid in full.

SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA): Equipment and computer technology used to monitor and control the water distribution and wastewater conveyance systems.

SUPPLEMENTAL ENVIRONMENTAL PROJECT (SEP): A project DC Water is funding as part of its nine minimum control (NMC) CSO consent order.

SYSTEM AVAILABILITY FEE (SAF): Fee assessed to new development (or redevelopment) to recover the investment in available system capacity, based on meter size.

THE BLUEPRINT: DC Water's Strategic Plan.

TUNNEL DEWATERING PUMP STATION (TDPS)/ENHANCED CLARIFICATION FACILITY (ECF): The TDPS facility starts where the DC Clean Rivers Project tunnels end at Blue Plains. The TDPS will pump millions of gallons of combined sewer overflows and the ECF will treat the captured wet-weather flows, previously flowed into the District's waterways during heavy rain storms.

WASHINGTON AQUEDUCT: A division of the U.S. Army Corps of Engineers which owns and operates the water treatment facilities for DC Water, Arlington and Falls Church, Virginia. DC Water purchases treated drinking water on a wholesale basis from the Washington Aqueduct and is responsible for approximately 73 percent of the Aqueduct's costs.

WATER SYSTEM REPLACEMENT FEE (WSRF): A fixed monthly fee designed to fund the 1 percent renewal and replacement of aging water infrastructure for residential, multi-family and non-residential customers.



WET WEATHER TREATMENT FACILITY: A wet weather event is deemed to start when plant influent is greater than a rate of 511 mgd and deemed to stop four hours after plant influent drops to a rate of 511 mgd or a period of 4 hours has elapsed since the start of a wet weather event, whichever occurs last.

ACRONYMS

3PP: Third Party Portal

BP: Blue Plains

ACFR: Annual Comprehensive Financial Report

CAP: Customer Assisted Program

ADA: Americans with Disability Act

CCTV: Closed Circuit TV

AED: Automated External Defibrillator

CFCI: Cash Financed Capital Improvements

AFV: Alternative Fueled Vehicle

CHP: Combined Heat and Power

AI: Artificial Intelligence

CIP: Capital Improvement Program

AMI: Advanced Metering Infrastructure

CIPP: Critical Infrastructure Protection Plan

AMR: Automatic Meter Reading

CIS: Customer Information System

AMSA: Association of Metropolitan Sewerage Agencies

CMF: Central Maintenance Facility

ANC: Advisory Neighborhood Commission

CMOM: Capacity Management Operation and Maintenance

ARPA: American Rescue Plan Act of 2021

COBRA: The Consolidated Omnibus Budget Reconciliation Act Of 1985

ART: Advanced Research Testing

COF: Central Operations Facility

ASA: American Shotcrete Association

COG: Metropolitan Washington Council of Governments

AWWTP: Advanced Waste Water Treatment Plant

COOP: Continuity of Operations Plan

BABs: Build America Bonds

COTR: Contracting Officer's Technical Representative

BIL: Bipartisan Infrastructure Law

CRIAC: Clean Rivers Impervious Area Charge

BOD: Biochemical Oxygen Demand

CSO LTCP: Combined Sewer Overflow Long-Term Control Plan

ACRONYMS

CSO: Combined Sewer Overflows

DWE: Department of Wastewater Engineering

CSP: Comprehensive Safety Program

DWO: Department of Water Operations

CSRS: Civil Service Retirement System

EA: Environmental Assessment

CSS LTCP: Combined Sewer System Long-Term Control Plan

EBU: Equivalent Billing Unit

CWA: Clean Water Act

ECF: Enhanced Clarification Facility

CWSRF: Clean Water State Revolving Fund

EDMC: Engineering Document Management and Control

DCFEMS: DC Fire and Emergency Medical Services

EEOC: Equal Employment Opportunity Commission

DCRA: District of Columbia Department of Consumer and Regulatory Affairs

EIS: Environmental Impact Statement

DDOT: District of Columbia Department of Transportation

EMA: Emergency Management Agency

DEI: Diversity, Equity and Inclusion

EMAP: Emergency Management Accreditation Program

DEMON: Deammonification Process

EMCP: Extendable Municipal Commercial Paper Program

DETS: Department of Engineering and Technical Services

ENRF: Enhanced Nitrogen Removal Facilities

DMRQA: Discharge Monitoring Report Quality Assurance

EOC: Emergency Operations Center

DOEE: District of Columbia Department of Energy & Environment

EPA: Environmental Protection Agency

DPSO: Department of Pumping and Sewer Operations

EPM: Enterprise Performance Management

DRBCP: Disaster Recovery and Business Continuity Plan

ERDMS: Enterprise Records and Document Management System

DSLF: Dewatered Sludge Loading Facility

ERP: Enterprise Resource Planning System

ACRONYMS

ERU: Equivalent Residential Unit

HPEV: Hybrid Plug-In Vehicle

ESC: Executive Steering Committee

HPPR: High Priority Rehabilitation Program

ESF: Emergency Support Function

HQO: Head Quarters Office

ETL: Extract, Tool, Load

HUNA: High Usage Notification Application

FCPA: Foreign Corruption Practices Act

HVAC: Heating Ventilation and Air Conditioning

FEMA: Federal Emergency Management Agency

I&C: Instrumentation and Controls

FOC: Fiber Optic Cable

I&I: Infiltration and Inflow

FONSI: Finding of No Significant Impact

IAC: Impervious Area Charge

FROG: Fats, Rags, Oil, and Grease

IFB: Invitation for Bid

FTE: Full Time Employee

IIP: Internal Improvement Plan

FTF: Filtrate Treatment Facility

IMA: Inter-Municipal Agreement

GFOA: Government Finance Officers Association

IOT: Internet of Things

GHG: Green House Gas

IR&R: Infrastructure Repair & Replacement

GICD: Green Infrastructure Consent Decree

IT: Information Technology

GIS: Geographical Information System

ITA: International Tunnelling Association

GMP: Guaranteed Maximum Price

IVR: Interactive Voice Response

HCM: Human Capital Management

JBAB: Joint Base Anacostia-Bolling

ACRONYMS

JUDD: Joint Utility Discount Day

MS4: Municipal Separate Storm Sewer System

KPI: Key Performance Indicators

MTBF: Meantime Between Failures

LDWMR: Large Diameter Water Main Rehabilitation

MTTR: Meantime to Repair

LID: Low Impact Development

MW: Mega Watt

LIDAR: Light Detection and Ranging

NACWA: National Association of Clean Water Agencies

LIMS: Laboratory Information Management System

NEB: North East Boundary

LOTO: Log Out Tag-Out

NEBT: North East Boundary Tunnel

LSC: Local Steering Committee

NELAP: National Environmental Laboratory Accreditation Program

LSDBE: Local Small Disadvantaged Business Enterprise

NEPA: National Environmental Policy Act

LSR: Lead Service Replacement

NFPA: National Fire Protection Agency

LTCP: Long Term Control Plan

NHPA: National Historic Preservation Act

MBE: Minority Business Enterprise

NMC: Nine Minimum Controls

MGD: Million Gallons Per Day

NPDES: National Pollutant Discharge Elimination System

MJUF: Multi-Jurisdictional Use Facility

NPFMP: Non-Process Facilities Master Plan

MOCRS: Mayor's Office of Community Relations and Services

NWBSO: Northwest Boundary Sewer Overflow

MOU: Memorandum of Understanding

O&M: Operations & Maintenance

MPT: Main Process Train

OCIP: Owner Controlled Insurance Program

ACRONYMS

OEM: Original Equipment Manufacturer

PPM: Parts Per Million

OMAC: Office of Marketing and Communications

PRT: Potomac River Tunnel

OMB: Office of Management and Budget

PRV: Pressure Release Valve

OSHA: Occupational Safety and Health Administration

PS: Pumping Station

PBS: Public Broadcasting Service

PSA: Public Service Announcement

PCA: Pipe Condition Assessment

PSIM: Physical Security Information Management

PCCS: Process Computer Control System

PSSDB: Primary Scum Screening Degrating Building

PCS: Process Control System

PSW: Process Service Water System

PDMS: Payables Document Management Systems

PZIP: Pressure Zone Increase Project

PdNA: Post-Disaster Needs Assessment

QMS: Quality Management System

PEV: Plug-In Electric Vehicle

RCM: Reliability Centered Maintenance

PFAS: Perfluoroalkyl and Polyfluoroalkyl Substances

RFE: Reclaimed Final Effluent

PFOS: Perfluorooctane Sulfonate

RFP: Request for Proposal

PILOT: Payment In Lieu of Taxes

RFQ: Request for Quotation

PLC: Program Logic Control

ROCIP: Rolling Owner Controlled Insurance Program

PM: Preventive Maintenance

RSF: Rate Stabilization Fund

PPA: Power Purchase Agreement

RWWP: Raw Wastewater Pump Station

ACRONYMS

SAF: System Availability Fee

USACE: U.S. Army Corps of Engineers

SCADA: Supervisory Control and Data Acquisition

VAV: Variable Air Volume

SDWA: Safe Drinking Water Act

VEP: Valve Exercise Program

SDWMR: Small Diameter Water Main Replacement

VIT: Vehicle Information Transmitter

SEP: Supplemental Environmental Project

WAD: Washington Aqueduct

SET: Senior Executive Team

WaSSP: Water and Sewer Sensor Program

SFR: Single Family Residence

WBE: Women Business Enterprise

SOP: Standard Operating Procedure

WSRF: Water System Replacement Fee

SOX: Sarbanes Oxley Act

WSSC: Washington Suburban Sanitary Commission

SPLASH: Serving People by Lending a Supporting Hand

WWTP: Wastewater Treatment Plant

SSO: Sanitary Sewer Overflow

TDPS: Tunnel Dewatering Pump Station

TEAMS: Total Enterprise Asset Management System

TMDL: Total Maximum Daily Pollutant Loads

TN: Total Nitrogen

UAMI: Upper Anacostia Main Interceptor

ULSD: Ultra-Low Sulfur Diesel

Presented and Adopted: March 7, 2024

Subject: Approval of Proposed Fiscal Year 2024 - 2033 Capital Improvement Program

#24-06
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at its meeting on March 7, 2024 upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2024 - 2033 Capital Improvement Program.

WHEREAS, pursuant to Resolution #10-76, dated July 1, 2010, the Board’s Rate Stabilization Fund Policy requires an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

WHEREAS, on March 2, 2023, through Resolution #23-14, the Board approved the Proposed Fiscal Year (FY) 2023 - 2032 Capital Improvement Program, which includes the FY 2023 - 2032 Capital Disbursement Plan and related Lifetime Budget; and

WHEREAS, on January 4, 2024, during the FY 2025 Budget Workshop, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance, Procurement & Compliance, and Vice President, Engineering briefed Board members on the FY 2024 - 2033 Capital Improvement Program, which includes the proposed Revised FY 2024 CIP Disbursement Budget of \$514,726,712, the proposed 10-Year Disbursement Plan totaling \$7,743,235,326 and the proposed Lifetime Budget of \$16,082,284,099 and

WHEREAS, on January 18, 2024, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the budget scenarios, budget drivers, budget assumptions, risks and customer impacts; and

WHEREAS, on January 23, 2024, the Finance & Budget Committee and the DC Retail Water and Sewer Rates Committee, in a joint meeting, reviewed the budget proposals and discussed in detail the budget scenarios, budget drivers, budget assumptions, risks, and customer impacts; and

WHEREAS, on February 15, 2024, the Environmental Quality and Operations Committee, reviewed the budget proposals, and discussed in detail the budget drivers and risks, and recommended that the Board adopt the FY 2024 - 2033 Capital Improvement Program, which includes the proposed Revised FY 2024 CIP Disbursement

Budget of \$514,726,712, proposed 10-Year Capital Disbursement Plan totaling \$7,743,235,326, and related Lifetime Budget, totaling \$16,082,284,099; and

WHEREAS, on February 22, 2024, the Finance & Budget Committee, reviewed the budget proposals and discussed in detail the budget drivers and budget assumptions, and recommended that the Board adopt the FY 2024 - 2033 Capital Improvement Program, which includes the proposed Revised FY 2024 CIP Disbursement Budget of \$514,726,712, proposed 10-Year Capital Disbursement Plan totaling \$7,743,235,326, and related Lifetime Budget, totaling \$16,082,284,099; and

WHEREAS, on February 27, 2024, the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail the budget drivers, assumptions, and customer impacts.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's FY 2024 - 2033 Capital Improvement Program, which includes the Revised FY 2024 CIP Disbursement Budget of \$514,726,712, Fiscal Year 2024 – 2033 Capital Improvement Program Disbursement Plan totaling \$7,743,235,326, and related Lifetime Budget totaling \$16,082,284,099; provided in Attachment A-1 and as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2025 Budget and accompanying materials presented on January 4, 2024.

This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

Capital Improvement Program Proposed Budget

Attachment A-1

	FY 2024 - FY 2033 Disbursement Plan											Lifetime Budget	
	Revised Budget		FY 2024 - FY 2033 Disbursement Plan										
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	10-yr Total		
NON PROCESS FACILITIES													
Facility Land Use	\$13,074,148	\$19,899,722	\$25,189,941	\$27,460,830	\$17,774,560	\$35,413,360	\$23,100,090	\$13,282,590	\$14,977,360	\$7,345,430	\$197,518,032	\$362,044,066	
	\$13,074,148	\$19,899,722	\$25,189,941	\$27,460,830	\$17,774,560	\$35,413,360	\$23,100,090	\$13,282,590	\$14,977,360	\$7,345,430	\$197,518,032	\$362,044,066	
WASTEWATER TREATMENT													
Liquid Processing	\$31,048,728	\$37,484,373	\$62,214,984	\$82,863,496	\$90,298,000	\$109,684,150	\$99,566,930	\$106,730,770	\$64,331,770	\$59,904,400	\$744,127,601	\$1,383,302,353	
Plantwide	\$21,440,084	\$35,956,649	\$43,146,688	\$49,890,832	\$43,836,600	\$45,110,650	\$27,192,330	\$18,601,890	\$3,488,790	\$3,152,650	\$291,817,163	\$542,511,511	
Solids Processing	\$11,166,208	\$28,652,274	\$27,041,176	\$10,790,136	\$29,141,904	\$31,597,830	\$34,274,930	\$38,154,170	\$23,316,940	\$11,608,670	\$245,744,238	\$985,127,586	
Enhanced Nitrogen Removal Facilities	\$1,495,382	\$1,198,170	\$1,084,272	\$2,598,760	\$1,324,256	\$8,244,470	\$24,198,440	\$11,320,200	\$449,580	\$0	\$51,913,531	\$437,837,922	
	\$65,150,402	\$103,291,467	\$133,487,120	\$146,143,224	\$164,600,760	\$194,637,100	\$185,232,630	\$174,807,030	\$91,587,080	\$74,665,720	\$1,333,602,533	\$3,348,779,382	
COMBINED SEWER OVERFLOW													
DC Clean Rivers Program	\$118,913,096	\$204,033,452	\$220,390,158	\$212,583,113	\$189,056,663	\$147,147,462	\$77,719,333	\$0	\$0	\$0	\$1,169,843,276	\$3,266,221,697	
Combined Sewer Overflow Program	\$4,879,708	\$9,374,524	\$10,932,822	\$4,031,919	\$4,693,032	\$7,652,799	\$14,643,837	\$4,040,802	\$0	\$0	\$60,249,443	\$164,526,690	
	\$123,792,803	\$213,407,976	\$231,322,980	\$216,615,032	\$193,749,695	\$154,800,261	\$92,363,170	\$4,040,802	\$0	\$0	\$1,230,092,719	\$3,430,748,387	
STORMWATER													
Storm Local Drainage Program	\$491,379	\$3,461,292	\$2,886,366	\$430,646	\$424,035	\$226,443	\$264,562	\$302,681	\$324,394	\$302,681	\$9,114,479	\$38,639,859	
Storm On-Going Program	\$224,568	\$574,996	\$642,534	\$846,220	\$1,083,740	\$1,287,260	\$935,100	\$500,000	\$500,000	\$500,000	\$7,094,418	\$11,553,151	
Storm Pumping Facilities	\$4,847,323	\$8,668,698	\$2,692,739	\$1,050,183	\$3,024,225	\$1,754,650	\$5,497,260	\$8,490,700	\$5,507,390	\$3,747,260	\$44,680,428	\$64,226,628	
Stormwater Program Management	\$1,287,865	\$851,352	\$337,770	\$0	\$0	\$0	\$0	\$138,240	\$439,760	\$680,880	\$3,735,867	\$13,678,204	
Stormwater Trunk/Force Sewers	\$441,724	\$608,525	\$1,398,672	\$1,477,017	\$0	\$0	\$0	\$0	\$0	\$0	\$3,925,938	\$28,976,732	
	\$7,292,860	\$13,564,862	\$7,958,081	\$3,804,066	\$4,532,000	\$3,268,353	\$6,696,922	\$9,431,621	\$6,771,544	\$5,230,821	\$68,551,129	\$157,074,574	
SANITARY SEWER													
Sanitary Collection System	\$6,087,171	\$26,323,390	\$36,509,534	\$26,783,380	\$35,728,446	\$108,246,910	\$82,941,630	\$61,528,530	\$13,098,870	\$95,611,860	\$592,859,721	\$774,096,236	
Sanitary On-Going Projects	\$13,397,969	\$14,489,438	\$13,643,343	\$13,383,880	\$16,037,200	\$29,818,230	\$26,474,270	\$26,465,890	\$26,963,810	\$26,176,970	\$206,851,000	\$292,096,297	
Sanitary Pumping Facilities	\$3,639,346	\$7,259,350	\$9,040,344	\$5,374,521	\$9,016,038	\$8,035,170	\$20,116,590	\$20,951,460	\$32,230,670	\$27,351,080	\$153,014,569	\$236,064,444	
Sanitary Program Management	\$7,495,225	\$3,382,364	\$5,193,600	\$7,889,814	\$10,130,481	\$9,192,210	\$6,269,290	\$748,620	\$0	\$0	\$50,301,604	\$171,900,257	
Interceptor/Trunk Force Sewers	\$49,979,621	\$40,780,436	\$59,467,004	\$65,207,396	\$98,125,320	\$122,523,184	\$113,669,300	\$118,076,130	\$97,018,750	\$87,705,880	\$852,553,020	\$1,423,347,320	
	\$80,599,332	\$92,234,977	\$123,853,825	\$118,638,991	\$169,037,485	\$287,815,704	\$249,471,080	\$227,770,630	\$269,312,100	\$236,845,790	\$1,855,579,913	\$2,897,504,554	
WATER													
Water Distribution Systems	\$59,596,455	\$99,259,710	\$117,420,426	\$96,830,370	\$106,484,688	\$113,946,380	\$130,215,120	\$133,780,750	\$141,443,600	\$152,827,460	\$1,151,804,959	2,152,848,712	
Lead Free DC Program	\$62,338,564	\$83,332,632	\$93,925,392	\$98,920,812	\$99,443,200	\$101,674,367	\$104,866,870	\$42,753,261	\$22,166,058	\$731,587,214	\$1,827,131,910		
Water On-Going Projects	\$14,106,682	\$15,339,404	\$15,041,104	\$16,157,640	\$15,132,392	\$20,691,000	\$21,601,000	\$20,878,810	\$22,622,770	\$20,403,590	\$18,974,392	\$280,813,438	
Water Pumping Facilities	\$6,276,940	\$8,130,624	\$8,562,160	\$6,142,860	\$7,451,730	\$5,688,940	\$3,625,010	\$1,785,530	\$0	\$0	\$47,663,793	\$84,432,273	
Water Storage Facilities	\$7,461,655	\$5,812,826	\$7,836,632	\$21,093,345	\$31,911,237	\$26,562,030	\$18,875,870	\$8,037,130	\$33,647,710	\$32,582,080	\$193,820,515	\$306,733,553	
Water Service Program Management	\$8,955,788	\$10,618,571	\$9,608,800	\$11,132,559	\$5,833,053	\$28,750	\$0	\$0	\$0	\$0	\$46,177,521	\$86,144,167	
	\$158,736,084	\$222,493,766	\$252,394,514	\$250,277,586	\$266,256,300	\$268,591,467	\$279,183,870	\$207,235,481	\$219,880,138	\$227,979,188	\$2,353,028,393	\$4,738,104,052	
CAPITAL PROJECTS	\$448,645,630	\$664,892,769	\$774,206,461	\$762,939,728	\$815,950,800	\$944,526,245	\$836,047,763	\$636,568,154	\$602,528,222	\$552,066,949	\$7,038,372,719	\$14,934,255,015	
CAPITAL EQUIPMENT	\$30,535,042	\$31,476,501	\$31,839,005	\$30,523,141	\$37,169,413	\$37,169,413	\$37,169,413	\$37,169,413	\$37,169,413	\$37,169,413	\$347,390,167	\$347,390,167	
WASHINGTON AQUEDUCT	\$35,546,040	\$35,769,600	\$35,769,600	\$35,769,600	\$35,769,600	\$35,769,600	\$35,769,600	\$35,769,600	\$35,769,600	\$35,769,600	\$357,472,440	\$357,472,440	
ADDITIONAL CAPITAL PROJECTS	\$66,081,082	\$67,246,101	\$67,608,605	\$66,292,741	\$72,939,013	\$72,939,013	\$72,939,013	\$72,939,013	\$72,939,013	\$72,939,013	\$704,862,607	\$704,862,607	
LABOR												\$443,166,477	
TOTAL CAPITAL BUDGETS	\$514,726,712	\$732,138,870	\$841,815,066	\$829,232,469	\$888,889,813	\$1,017,465,258	\$908,986,776	\$709,507,167	\$675,467,235	\$625,005,962	\$7,743,235,326	\$16,082,284,099	

Presented and Adopted: March 7, 2024

Subject: Approval to Amend Fiscal Year 2024 Operating Budget

#24-07
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at the Board meeting on March 7, 2024, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Amended Fiscal Year 2024 Operating Budget.

WHEREAS, on March 2, 2023, through Resolution #23-13, the Board approved DC Water’s Fiscal Year 2024 Operating Budget that totaled \$737,566,811; and

WHEREAS, during the Fiscal Year 2025 Budget Workshop on January 4, 2024, the Chief Executive Officer and General Manager and Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance briefed Board members on the proposed amendment of DC Water’s Fiscal Year 2024 Operating Budget to reallocate \$10,318,201 from debt services to Cash Financed Capital Improvements (CFCI) and maintain the Approved Fiscal Year 2024 Operating Budget at \$737,566,811; and

WHEREAS, on January 23, 2024, the Finance and Budget Committee in a joint session with the Retail and Rates Committee, during which management presented proposed amendment of DC Water’s FY 2024 Operating Budget, to reallocate \$10,318,201 from debt service, due to a planned debt that was not issued in FY 2023, coupled with the release of the 1998 debt service reserves, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2024 Operating Budget at \$737,566,811; and

WHEREAS, on February 22, 2024, the Finance and Budget Committee was further briefed on the proposed amendment of DC Water’s FY 2024 Operating Budget, to reallocate \$10,318,201 from debt service due to a planned debt that was not issued in FY 2023, coupled with the release of the 1998 debt service reserves, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2024 Operating Budget at \$737,566,811; and

WHEREAS, on February 22, 2024, the Finance and Budget Committee after further consideration and discussion, recommended Board approval of the proposed amendment of DC Water’s FY 2024 Operating Budget as presented by management.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts the amendment of DC Water's Fiscal Year 2024 Operating Budget to reallocate \$10,318,201 from debt service to the Cash Financed Capital Improvements Fund for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2024 Operating Budget at \$737,566,811.

This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

Presented and Adopted: March 7, 2024
Subject: Approval to Amend Fiscal Year 2024 Revenue Budget

#24-08
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at the Board meeting on March 7, 2024, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Amended Fiscal Year 2024 Revenue Budget.

WHEREAS, on March 2, 2023, through Resolution #23-15, the Board approved the Fiscal Year 2023-2032 Ten Year Financial Plan, which included the Fiscal Year 2024 Revenue Budget (Operating Receipts) of \$878,515,674; and

WHEREAS, on January 23, 2024, the Finance & Budget Committee and Retail Water and Sewer Rate Committee met to consider revisions to the Fiscal Year 2024 year-end forecasts for revenue, operating expenditure, capital disbursements and net cash position and their impact on the projected Fiscal Year Revenue Budget; and.

WHEREAS, the General Manager proposed revising the Fiscal Year 2024 Revenue Budget (as shown below) for approval by the Board due to increases in Retail Revenue based on projected higher consumption, decreases in Other Revenue, and the transfer of \$2 Million from the Rate Stabilization Fund to the Authority General Fund for the new proposed Payment Plan Incentive Program as reflected in the Financial Plan for FY 2024-2033.

	Approved FY 2024 Revenue Budget	Revised FY 2024 Revenue Budget	Increase/ Decrease
Retail Revenue	\$ 694,880,846	\$ 705,362,252	\$ 10,481,406
Wholesale Revenue	\$ 106,519,069	\$ 106,519,069	\$ -
Other Revenue	\$ 77,114,759	\$ 76,678,473	\$ (436,286)
Rate Stabilization Fund	\$ -	\$ 2,000,000	\$ 2,000,000
Total Revenue Budget	\$ 878,514,674	\$ 890,559,794	\$ 12,045,120

WHEREAS, on February 22, 2024, the Finance & Budget Committee met to consider the final proposal to amend the Fiscal Year 2024 year-end forecasts and recommended the Board approve the amendments to the Fiscal Year 2024 Revenue Budget to \$890,559,794.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby approves and adopts the amended FY 2024 Revenue Budget to increase it to \$890,559,794 as presented in the Fiscal Year 2023-2032 Ten Year Financial Plan.
2. This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

Presented and Adopted: March 7, 2024
Subject: Approval of Proposed Fiscal Year 2025 Operating Budget

#24-09
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at the Board meeting on March 7, 2024, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Proposed Fiscal Year 2025 Operating Budget.

WHEREAS, during the Fiscal Year 2025 Budget Workshop on January 4, 2024, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, and members of the Senior Executive Team (SET) briefed Board members on the Proposed Fiscal Year 2025 Operating Budget that totaled \$788,241,048; and

WHEREAS, on January 23, 2024, the Finance and Budget Committee in a joint session with the DC Retail Water and Sewer Rates Committee met to review the Proposed Fiscal Year 2025 Operating Budget and discussed in detail, the alternative budget and rate scenarios, budget drivers, budget assumptions, risks and customer impacts; and

WHEREAS, on February 22, 2024, the Finance and Budget Committee further reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact, and recommended the Board adopt the Proposed Fiscal Year 2025 Operating Budget that totals \$788,241,048, including \$15,000 for representation and \$15,000 for official meetings.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water’s Proposed Fiscal Year 2025 Operating Budget totaling \$788,241,048, including \$15,000 for representation and \$15,000 for official meetings, and as further detailed in the Proposed Fiscal Year 2025 Operating Budget presented on January 4, 2024 and accompanying materials.

This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

Presented and Adopted: March 7, 2024
SUBJECT: Approval of Fiscal Year 2024-2033 Ten-Year Financial Plan

#24-10
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on March 7, 2024, upon consideration of a joint-use matter decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2024-2033 Ten Year Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board, in Resolutions 11-10, dated January 6, 2011 and 23-58, dated October 5, 2023 (Board Policies), adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

WHEREAS, adherence to these financial policies has allowed the DC Water to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

WHEREAS, consistent with the Board Policies and management financial targets, the General Manager has prepared a ten-year financial plan in conjunction with and based on the assumptions in the proposed FY 2025 Operating and Capital Budgets; and

WHEREAS, the proposed Fiscal Year 2024-2033 Ten Year Financial Plan is consistent with projections in the attached Schedules A, B and C of this Resolution; and

WHEREAS, on February 22, 2024, and February 27, 2024, the Finance and Budget Committee and the DC Retail Water and Sewer Rates Committee, respectively, met, reviewed and recommended the Board adopt the Fiscal Year 2024-2033 Ten Year Financial Plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the proposed Fiscal Year 2024-2033 Ten Year Financial Plan that is consistent with the projections in the attached Schedule A, B and C and the proposed Fiscal Year 2025 Operating and Capital Budgets.

This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

District of Columbia Water & Sewer Authority
FY 2024 – FY 2033 Financial Plan

OPERATING	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Retail	728,792	755,456	799,250	854,603	911,660	980,556	1,043,786	1,090,013	1,154,059	1,204,514
Wholesale	106,519	114,248	120,905	125,741	130,771	136,001	141,441	147,099	152,983	159,102
Other	53,249	54,557	57,301	62,364	67,922	70,592	69,584	70,092	65,216	64,505
RSF	2,000	2,000	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 890,560	\$ 926,261	\$ 977,455	\$ 1,042,708	\$ 1,110,352	\$ 1,187,149	\$ 1,254,812	\$ 1,307,204	\$ 1,372,258	\$ 1,428,121
Operating Expenses	425,383	444,207	464,947	482,959	501,685	521,151	541,388	562,427	584,299	607,038
Debt Service	221,635	249,495	277,000	307,289	340,180	372,492	402,816	425,524	446,587	462,941
Cash Financed Capital Improvement	\$ 58,575	\$ 60,436	\$ 71,932	\$ 76,914	\$ 82,049	\$ 88,250	\$ 93,941	\$ 98,101	\$ 103,865	\$ 108,406
Net Revenues After Debt Service	\$ 184,967	\$ 172,123	\$ 163,576	\$ 175,546	\$ 186,439	\$ 205,256	\$ 216,667	\$ 221,152	\$ 237,507	\$ 249,736
Operating Reserve-Beg Balance	286,889	296,600	309,600	324,600	337,600	351,600	365,600	380,600	395,600	411,600
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(15,256)	(21,513)	(15,100)	-	-	-	-	-	-	-
Project Billing Refunds	(2,000)	(2,000)	-	-	-	-	-	-	-	-
Transfers to RSF										
Pay-Go Financing	(158,000)	(135,609)	(133,476)	(162,546)	(172,439)	(191,256)	(201,667)	(206,152)	(221,507)	(233,736)
Operating Reserve - Ending Balance	\$ 296,600	\$ 309,600	\$ 324,600	\$ 337,600	\$ 351,600	\$ 365,600	\$ 380,600	\$ 395,600	\$ 411,600	\$ 427,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ 33,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644	\$ 31,644
Senior Debt Service Coverage	818%	753%	651%	607%	635%	628%	589%	616%	591%	579%
Combined Debt Service Coverage	213%	193%	188%	190%	186%	186%	183%	181%	182%	183%
Actual/Projected Water/Sewer Rate Increases	3.25%	8.00%	6.00%	8.00%	9.00%	9.00%	8.50%	9.00%	8.50%	6.50%
Operating Receipts \$ Increase/Decrease										
Retail	26,565	26,664	43,794	55,353	57,057	68,896	63,230	46,227	64,047	50,455
Wholesale	1,269	7,729	6,657	4,836	5,030	5,231	5,440	5,658	5,884	6,119
Operating Receipts % Increase/Decrease										
Retail	3.8%	3.7%	5.8%	6.9%	6.7%	7.6%	6.4%	4.4%	5.9%	4.4%
Wholesale	1.2%	7.3%	5.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

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

⁽²⁾ \$2.0 million withdrawal from Rate Stabilization Fund in FY 2024 for new Payment Plan Incentive Program, leaving a balance of \$33.644 million

⁽²⁾ FY 2025 planned transfer of \$0.0 million to Rate Stabilization Fund and \$2.0 million utilization will keep the total fund balance at \$31.644 million.

District of Columbia Water & Sewer Authority
Average Residential Customer Monthly Bill
FY 2024 - 2033

	Units	FY 2023	Current FY 2024	Proposed FY 2025	Proposed FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	86.07	\$ 89.03	\$ 95.93	\$ 101.77	\$ 109.90	\$ 119.80	\$ 130.60	\$ 141.72	\$ 154.46	\$ 167.59	\$ 178.49
DC Water Clean Rivers IAC ⁽²⁾	ERU	18.14	21.86	21.23	24.23	26.99	28.28	31.13	32.73	29.37	29.40	29.41
DC Water Customer Metering Fee	5/8"	7.75	7.75	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	6.30
Subtotal DC Water Rates & Charges		\$ 118.26	\$ 124.94	\$ 131.21	\$ 140.05	\$ 150.94	\$ 162.13	\$ 175.78	\$ 188.50	\$ 197.88	\$ 211.04	\$ 221.95
Increase / Decrease		\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84	\$ 10.89	\$ 11.19	\$ 13.65	\$ 12.72	\$ 9.38	\$ 13.16	\$ 10.91
Percent Increase in DC Water Portion of Bill		6.2%	5.6%	5.0%	6.7%	7.8%	7.4%	8.4%	7.2%	5.0%	6.7%	5.2%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	3.20	3.31	3.31	3.36	3.41	3.47	3.52	3.58	3.63	3.69	3.74
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.08	1.08	1.08	1.14	1.14	1.14	1.14	1.14
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	2.67
Subtotal District of Columbia Charges		\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11	\$ 7.16	\$ 7.22	\$ 7.33	\$ 7.39	\$ 7.44	\$ 7.50	\$ 7.55
Total Amount Appearing on DC Water Bill		\$ 125.16	\$ 131.95	\$ 138.22	\$ 147.16	\$ 158.10	\$ 169.35	\$ 183.11	\$ 195.89	\$ 205.32	\$ 218.54	\$ 229.50
Increase / Decrease Over Prior Year		\$ 7.05	\$ 6.79	\$ 6.27	\$ 8.94	\$ 10.94	\$ 11.25	\$ 13.76	\$ 12.78	\$ 9.43	\$ 13.22	\$ 10.96
Percent increase in Total Bill		5.97%	5.43%	4.75%	6.47%	7.43%	7.12%	8.13%	6.98%	4.81%	6.44%	5.02%

(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 Energy & 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 2025 - FY 2026**

	Units	Current	Proposed	Proposed
		FY 2024	FY 2025	FY 2026
DC Water Retail Rates – Water:				
Residential – Lifeline (0- 4 Ccf)	Ccf	\$4.38	\$5.21	\$5.78
Residential – (> 4 Ccf)	Ccf	5.70	6.81	7.60
Multi-family	Ccf	5.00	5.82	6.47
Non-Residential	Ccf	5.89	7.03	7.84
DC Water Retail Rates – Sewer	Ccf	11.70	12.07	12.52
DC Water Clean Rivers IAC	ERU	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water System Replacement Fee	5/8"	6.30	6.30	6.30
District of Columbia PILOT Fee	Ccf	0.61	0.61	0.62
District of Columbia Right of Way Fee	Ccf	0.19	0.19	0.20
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67

Presented and Adopted: March 7, 2024

SUBJECT: Approval of Official Intent to Reimburse Fiscal Years 2024 and 2025 Capital Expenditures with Proceeds of a Borrowing

#24-11
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at the Board meeting held on March 7, 2024, upon consideration of a joint-use matter, decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to Approval of Official Intent to Reimburse Fiscal Year 2024 and 2025 Capital Expenditures with Proceeds of a Borrowing.

WHEREAS, on February 22, 2024, the Finance and Budget Committee met to consider the proposed Original Intent to reimburse FY 2024 and FY 2024 capital expenditures from proceeds of a borrowing; and

WHEREAS, DC Water intends to acquire, construct and equip improvements to the “System,” which shall be considered “Costs of the System” as both terms are defined in the Master Indenture of Trust between DC Water and Wells Fargo Bank, N.A., dated April 1, 1998, including, but not limited to the items and List of Projects set forth in Exhibit A hereto (collectively, the “Projects”); and

WHEREAS, DC Water intends to utilize the proceeds of tax-exempt bonds, taxable bonds or notes (the “bonds”) or other debt in an amount not currently expected to exceed \$325,000,000 to pay the costs of capital projects; and

WHEREAS, DC Water’s plans for the Projects have advanced and DC Water expects to advance its own funds to pay capital expenditures related to the Projects (“Expenditures”) prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both; and

WHEREAS, on February 22, 2024, the Finance and Budget Committee further reviewed the Projects and intended expenditures and recommended the Board adopt and approve the proposed Official Intent.

NOW THEREFORE BE IT RESOLVED THAT:

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the "Bonds") or other debt in an amount not currently expected to exceed \$325,000,000 to pay costs of the Projects.
2. The Board approves the General Manager's "Official Intent" to use the proceeds of the Bonds to reimburse Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.
4. The Board authorizes the General Manager to make a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Board adopts this resolution confirming the DC Water's "Official Intent" within the meaning of Treasury Regulations 26 CFR § 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.
6. This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

Exhibit A - List of Projects

Blue Plains Plantwide Projects
Blue Plains Enhanced Nitrogen Removal Facilities
Blue Plains Liquid and Solids Processing Projects
Sanitary Sewer System Projects
Combined Sewer System Projects
DC Clean Rivers Project
Stormwater Sewer System Projects
Water Pumping, Distribution and Storage Projects
Metering and Capital Equipment
Washington Aqueduct Projects

Presented and Adopted: March 7, 2024

SUBJECT: Approval of Transfers from the Rate Stabilization Fund to the Authority General Fund in FY2024 and FY2025 Operating Budgets

#24-12
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on March 7, 2024, upon consideration of a joint-use matter decided by a vote of ten (10) in favor and none (0) opposed, to take the following action with respect to transfers from the Rate Stabilization Fund to the Authority General Fund in FY2024 and FY2025 Operating Budgets.

WHEREAS, the Board, through Resolutions #11-10, dated January 6, 2011, and #23-58, dated October 5, 2023, adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

WHEREAS, the Board, through Resolution #23-61, dated October 5, 2023, adopted and approved the Revised Rate Stabilization Fund Policy; and

WHEREAS, on January 23, 2024, the Finance and Budget Committee in a joint session with the DC Retail Water and Sewer Rates Committee met to review the Proposed Fiscal Year 2025 Operating Budget and discussed in detail, the alternative budget and rate scenarios, and Customer Assistance Programs, including the new Payment Plan Incentive Program; and

WHEREAS, the General Manager presented the proposal to transfer \$2 Million from the Rate Stabilization Fund in FY 2024 and FY 2024 to fund the new Payment Plan Incentive Program, which will assist residential customers with a balance of \$500 for 60 days or more would receive credits to pay their outstanding arrears by providing credit calculated based on 40% of the monthly payment of monthly charges and payment plan installment payment; and

WHEREAS, on February 22, 2024, the Finance and Budget Committee further reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact, and proposed funding to support the new Payment Plan Incentive Program that would begin on June 1, 2024 and will end on September 30, 2025 as presented below; and

The details of transfers from Rate Stabilization Fund for FY 2024 and FY 2025 are listed below:

RSF Transfer in FY 2024:

FY 2023 Rate Stabilization Fund Balance	\$35,643,912
RSF Transfer to FY 2024 Authority General Fund	<u>\$ 2,000,000</u>
FY 2024 Rate Stabilization Fund Balance	\$33,643,912

RSF Transfer in FY 2025:

FY 2024 Rate Stabilization Fund Balance	\$33,643,912
RSF Transfer to FY 2025 Authority General Fund	<u>\$ 2,000,000</u>
FY 2025 Rate Stabilization Fund Balance	\$31,643,912

WHEREAS, the Finance and Budget Committee considered the General Manager's proposed new Payment Plan Incentive Program and recommended for Board approval to transfer \$2 million from Rate Stabilization Fund to the Authority General Fund in FY 2024 and FY 2025 for new Payment Plan Incentive Program, leaving a balance in the Rate Stabilization Fund of \$33,643,912 in FY 2024 and \$31,643,912 in FY 2025, as presented in the Fiscal Year 2024-2033 Ten Year Financial Plan; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby approves and adopts the proposed transfer of \$2 Million from the Rate Stabilization Fund to the Authority General Fund in FY 2024 and FY 2025 Operating Budgets for the new Payment Plan Incentive Program that begins on June 1, 2024 and will end on September 30, 2025.
2. This resolution is effective immediately.

Michelle Rhodd

Secretary to the Board of Directors

Presented and Adopted: March 7, 2024

**SUBJECT: Approval of Proposed Fiscal Years 2025 and 2026 Retail
Metered Water and Sewer Service Rates, Right-of-Way
(ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Clean Rivers
Impervious Area Charge (CRIAC), Retail Groundwater
Sanitary Sewer Service Rate and High Flow Filter
Backwash Sewer Rate**

**#24-15
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on March 7, 2024 upon consideration of a non-joint use matter, decided by a vote of five (5) in favor and none (0) opposed, to approve the following action with respect to the proposed Fiscal Year 2025 and Fiscal Year 2026 Retail Metered Water and Sewer Rates, Clean Rivers Impervious Area Charge (IAC), Right-of-Way Occupancy Fee (ROW), Payment In Lieu of Taxes Fee (PILOT), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate.

WHEREAS, pursuant to Resolution 11-10, dated January 6, 2011, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a reliable and predictable stream of revenues and will generate sufficient revenues to pay for DC Water’s projected operating and capital expenses; and

WHEREAS, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, pursuant to Resolution 13-79, dated July 3, 2013 and Resolution 17-52, dated September 7, 2017, DC Water established three classes of customers: residential, multi-family and non-residential, as promulgated in Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

WHEREAS, on February 27, 2024, the DC Retail Water and Sewer Rates Committee met to consider the proposed rate, charges and fees changes for Fiscal Year (“FY”) 2025 and FY 2026; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.20 per one hundred cubic feet ("Ccf") (\$1.61 per 1,000 gallons) for the first 4 Ccf of Residential customer's water use (Lifeline) for FY 2025 and \$1.02 per Ccf (\$1.36 per 1,000 gallons) for the first 4 Ccf of Residential customer's water use (Lifeline) for FY 2026; and

WHEREAS, the proposed increase in the Lifeline (Residential customer's first 4 Ccf of water usage) retail metered water and sewer rates will result in a combined water and sewer rate of \$17.28 per Ccf (\$23.10 per 1,000 gallons) of metered water and sewer use for FY 2025 and a combined water and sewer rate of \$18.30 per Ccf (\$24.47 per 1,000 gallons) for FY 2026; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.48 per Ccf (\$1.98 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2025 and a combined retail water and sewer rate increase of \$1.24 per Ccf (\$1.66 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2026; and

WHEREAS, the proposed increase for water usage greater than 4 Ccf and the sewer rates for Residential customers will result in a combined water and sewer rate of \$18.88 per Ccf (\$25.24 per 1,000 gallons) of metered water and sewer use for FY 2025 and a combined water and sewer rate of \$20.12 per Ccf (\$26.90 per 1,000 gallons) of metered water and sewer use for FY 2026; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.19 per Ccf (\$1.60 per 1,000 gallons) for Multi-family customers for FY 2025 and a combined retail water and sewer rate increase of \$1.10 per Ccf (\$1.47 per 1,000 gallons) for Multi-family customers for FY 2026; and

WHEREAS, the proposed increase in the water and sewer rates for Multi-family customers will result in a combined water and sewer rate of \$17.89 per Ccf (\$23.92 per 1,000 gallons) of metered water and sewer use for FY 2025 and a combined water and sewer rate of \$18.99 per Ccf (\$25.39 per 1,000 gallons) of metered water and sewer use for FY 2026; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.51 per Ccf (\$2.02 per 1,000 gallons) for Non-Residential customers for FY 2025 and a combined retail rate increase of \$1.26 per Ccf (\$1.68 per 1,000 gallons) for Non-Residential customers for FY 2026; and

WHEREAS, the proposed increase in the water and sewer rates for Non-Residential customers will result in a combined water and sewer rate of \$19.10 per Ccf (\$25.53 per

1,000 gallons) of metered water and sewer use for FY 2025 and a combined water and sewer rate of \$20.36 per Ccf (\$27.22 per 1,000 gallons) of metered water and sewer use for FY 2026; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment a decrease in the monthly Clean Rivers Impervious Area Charge of \$0.63 per Equivalent Residential Unit ("ERU") for FY 2025 and an increase in the monthly Clean Rivers Impervious Area Charge of \$3.00 per ERU for FY 2026 to recover the \$3.27 Billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.19 per Ccf (\$0.25 per 1,000 gallons) of water used for FY 2025 and consider for public comment, an increase in the Row fee of \$0.01 per Ccf (\$0.02 per 1000 gallons) for FY 2026 to recover the full cost of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the Pilot fee at the current amount of \$0.61 per Ccf (\$0.82 per 1000 gallons) of water used for FY 2025 and consider for public comment, an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2026 to recover the full cost of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the retail groundwater sanitary sewer service rate of \$3.50 per Ccf (\$4.68 per 1,000 gallons) for FY 2025 and consider for public comment, and an increase in the retail groundwater sanitary sewer service rate of \$0.26 per Ccf (\$0.35 per 1,000 gallons) for FY 2026; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the high flow filter backwash sewer rate of \$0.02 per Ccf (\$0.03 per 1,000 gallons) for FY 2025 and an increase in the high flow filter backwash sewer rate of \$0.22 per Ccf (\$0.29 per 1,000 gallons) for FY 2026; and

WHEREAS, adoption of these rate and fee changes would increase the monthly bill of the average Residential customer using 5.42 Ccf (or 4,054 gallons) by approximately \$6.27 per month or \$75.24 per year for FY 2025 and by approximately \$8.94 per month or \$107.28 per year for FY 2026; and

WHEREAS, the total revenues for FY 2025 and FY2026 are projected at \$926.26 million and \$977.46 million respectively; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2025 reflects an approximate \$26.28 million increase; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2026 reflect an approximate \$43.45 million increase; and

WHEREAS, on February 27, 2024, the DC Retail Water and Sewer Rates Committee recommended the Board approve the publication of the Notice of Proposed Rulemaking for the proposed rate and fee increases for public comment.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water's projected expenditures require that it propose, for public comment, the rate and fee increases as described below:

Retail Metered Water Service Rates

- a. An increase in the rate for metered water services:

	Metered Water Services									
	FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024		FY 2026 vs. FY2025	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential – Lifeline (0- 4 Ccf)	\$4.38	\$5.86	\$5.21	\$6.97	\$5.78	\$7.73	\$0.83	\$1.11	\$0.57	\$0.76
Residential – (> 4 Ccf)	\$5.70	\$7.62	\$6.81	\$9.10	\$7.60	\$10.16	\$1.11	\$1.48	\$0.79	\$1.06
Multi-family	\$5.00	\$6.68	\$5.82	\$7.78	\$6.47	\$8.65	\$0.82	\$1.10	\$0.65	\$0.87
Non-Residential	\$5.89	\$7.88	\$7.03	\$9.40	\$7.84	\$10.48	\$1.14	\$1.52	\$0.81	\$1.08

Retail Sewer Service Rates

- b. An increase in the rate for sanitary sewer services:

	Metered Sewer Services									
	FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024		FY 2026 vs. FY2025	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$11.70	\$15.64	\$12.07	\$16.14	\$12.52	\$16.74	\$0.37	\$0.50	\$0.45	\$0.60
Multi-family	\$11.70	\$15.64	\$12.07	\$16.14	\$12.52	\$16.74	\$0.37	\$0.50	\$0.45	\$0.60
Non-Residential	\$11.70	\$15.64	\$12.07	\$16.14	\$12.52	\$16.74	\$0.37	\$0.50	\$0.45	\$0.60

Clean Rivers Impervious Area Charge (CRIAC)

- c. A decrease in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$262.32 to \$254.76 per Equivalent Residential Unit (ERU) in FY 2025 and an increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$254.76 to \$290.76 per Equivalent Residential Unit (ERU) in FY 2026.

The charge per ERU will be billed monthly at:

Clean River Impervious Area Charge (CRIAC)

	Residential Customers	Multi-family	Non-Residential	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY2024 Incr. /(Decr.)	FY 2026 vs. FY2025 Incr. /(Decr.)
				ERU	ERU	ERU	ERU	ERU
				\$21.86	\$21.23	\$24.23	(\$0.63)	\$3.00
				\$21.86	\$21.23	\$24.23	(\$0.63)	\$3.00
				\$21.86	\$21.23	\$24.23	(\$0.63)	\$3.00

**District of Columbia Pass Through Charge
Right-of-Way Occupancy / PILOT Fee**

d. There is no increase in the **Right-of-Way Occupancy Fee** in FY 2025; and an increase in the Right-of-Way Occupancy Fee for FY 2026:

	Residential Customers	Multi-family	Non-Residential	ROW							
				FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024 Incr. /(Decr.)	
				Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
				\$0.19	\$0.25	\$0.19	\$0.25	\$0.20	\$0.27	\$0.00	\$0.00
										\$0.01	\$0.02
				\$0.19	\$0.25	\$0.19	\$0.25	\$0.20	\$0.27	\$0.00	\$0.00
										\$0.01	\$0.02
				\$0.19	\$0.25	\$0.19	\$0.25	\$0.20	\$0.27	\$0.00	\$0.00

e. An increase in the **Payment-in-Lieu of Taxes Fee** for FY 2025 and FY 2026:

	Residential Customers	Multi-family	Non-Residential	PILOT							
				FY 2024		FY 2025		FY 2026		FY 2025 vs. FY2024 Incr. /(Decr.)	
				Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
				\$0.61	\$0.82	\$0.61	\$0.82	\$0.62	\$0.83	\$0.00	\$0.00
										\$0.01	\$0.01
				\$0.61	\$0.82	\$0.61	\$0.82	\$0.62	\$0.83	\$0.00	\$0.00
										\$0.01	\$0.01
				\$0.61	\$0.82	\$0.61	\$0.82	\$0.62	\$0.83	\$0.00	\$0.00

f. There is no increase in the retail groundwater sewer service rate for FY 2025.
 There is an increase in the retail groundwater sewer service rate for FY 2026:

Groundwater

				FY 2025 vs. FY2024				FY 2026 vs. FY2025	
FY 2024		FY 2025		FY 2026		Incr. /(Decr.)		Incr. /(Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.50	\$4.68	\$3.50	\$4.68	\$3.76	\$5.03	\$0.00	\$0.00	\$0.26	\$0.35

g. An increase in the high flow filter backwash sewer rate for FY 2025 and FY 2026:

High Flow Filter Backwash Wastewater retail Sewer Rate

				FY 2025 vs. FY2024				FY 2026 vs. FY2025	
FY 2024		FY 2025		FY 2026		Incr. /(Decr.)		Incr. /(Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.30	\$4.41	\$3.32	\$4.44	\$3.54	\$4.73	\$0.02	\$0.03	\$0.22	\$0.29

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required to publish the Notice of Proposed Rulemaking and Notice of Public Hearing to provide notice of the proposed rate adjustments and fees and receive public comments and testimony at the public hearing in accordance with D.C. Official Code § 34-2202.16(b), 21 DCMR Chapter 40, and the District of Columbia's Administrative Procedures Act.
3. This resolution is effective immediately.

Michelle Rhodd
 Secretary to the Board of Directors