



# DC Water Approved FY 2026 Budget

Adopted March 6, 2025 (Fiscal year starts on October 1)

Dr. Unique Morris-Hughes, Board Chair

David L. Gadis, Chief Executive Officer and GM

Matthew T. Brown, Chief Financial Officer and EVP



Healthy, Safe and Well



Reliable



Resilient



Equitable



Sustainable

Potomac River Tunnel Groundbreaking Ceremony – May 21, 2024





## 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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**Lola Oyeyemi,** Vice President, Budget

**Tika Acharya,** Acting Director, Controller

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**William Elledge,** Director, Lead Free and Water Program

**Paul Guttridge,** Director, Shared Services and Asset Management

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**Shawna Martinelli,** Director, Operations & Process Engineering

**Ogechi Okpechi,** Director, Permit Operations

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**Chris Peot,** Director, Resource Recovery and Interim President, Blue Drop

**Jeffrey Peterson,** Director, Clean Rivers

**Maureen Schmelling,** Director, Water Quality

**Ryu Suzuki,** Director, Sewer and Wastewater Engineering

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**Gregory Hope,** Vice President and Deputy General Counsel

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**Kelly Fisher,** Director and Associate General Counsel

**Barbara Mitchell,** Director and Associate General Counsel and Acting Director, Government Affairs

## 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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| Ivan Boykin           | Deborah Cole        |
| Syed Khalil           | Ted Coyle           |
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# dc Executive Budget Summary

**Approved FY 2026 • Adopted March 6, 2025**

(Fiscal year starting October 1)

**Dr. Unique N. Morris-Hughes**, Chair, Board of Directors

**David L. Gadis**, Chief Executive Officer and General Manager

**Matthew T. Brown**, Chief Financial Officer and EVP

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 2026 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.dcwwater.com](http://www.dcwwater.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.dcwwater.com/strategic-plan](http://www.dcwwater.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

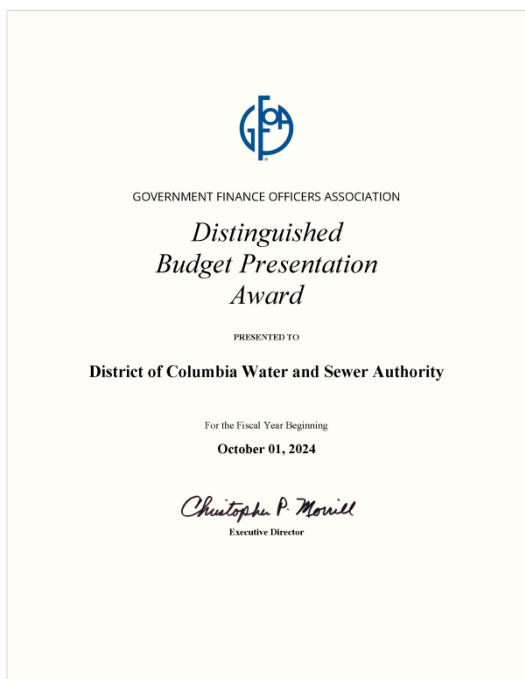
Exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner.

### 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

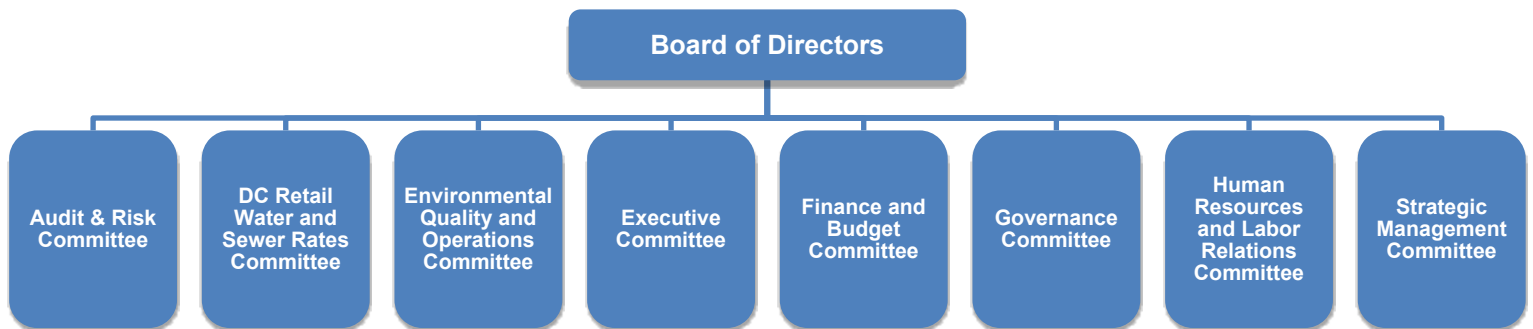
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# Organizational Governance and Structure

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 Senior Executive Team



*Note: The Organizational Leadership structure was updated on March 5, 2025*

# CEO / General Manager's Message



I am pleased to present DC Water's Fiscal Year (FY) 2026 approved budget. This budget aligns with our Blueprint 2.0 strategy, ensuring efficient resource allocation while prioritizing reliability, sustainability, and innovation in water services and addressing key priorities.

## Financial Stewardship

Our Board of Directors has established key financial policies guiding our financing, budgeting, rate-setting, and cash management practices. These policies have been instrumental in developing the FY 2026 operating budget of \$838.1 million and the ten-year Capital Improvement Program of \$9.62 billion which is supported by the previously Board-approved rates and fees, ensuring we maintain high-quality investment-grade bond ratings and financial resilience. The CIP budget includes the completion of the mandated Clean Rivers project by 2030 and advances the Lead Free DC program to eliminate lead from drinking water.

In line with our commitment to fiscal responsibility and being astute environmental stewards, we took a strategic approach and rigorous review process for our operating budget. Each vacant position and every expenditure were carefully re-evaluated and justified based on need. We made the difficult decision to eliminate 42 vacant positions within the Authority, saving our customers \$5.7 million. While these changes are necessary to optimize our operations, they will not compromise our ability to provide exceptional service to our customers.

We did all this with the customer in mind – knowing they were also burdened by the impact of inflation and with a common goal of not increasing the rates beyond the financial plan forecast for FY 2026. These efforts demonstrate our commitment to making the best use of every dollar spent.

## Looking Ahead

As we navigate the challenges and opportunities ahead, DC Water remains steadfast in our mission to protect public health and the environment. With much of our water and sewer infrastructure aging and approaching – or exceeding – projected asset lifespans, we are prioritizing making condition assessments, identifying sustainable funding solutions, and evaluating customer affordability to guide

the next budget cycle. Simultaneously, as we face increasingly unpredictable weather patterns, we are proactively exploring alternative water sources to strengthen regional resilience and ensure long-term reliability for our customers.

Additionally, long-term funding from the Bipartisan Infrastructure Law (BIL) is currently under review by the Office of Management and Budget (OMB), which casts uncertainty on Lead Free DC funding. Allocations from the BIL are currently the primary source of funding for private-side lead service line replacements. Also, new Lead and Copper Rules and evolving mandates require us to adapt our strategies to ensure compliance and service continuity.

## Strategic Partnership

We are also strengthening our engagement with the community through our Stakeholder Alliance, which recently began a new term. Given the current uncertainty over federal funding levels and the challenges that lie ahead with aging infrastructure, the Alliance will be a key partner in helping the community understand the challenges we face particularly as they relate to rates and affordability.

We recognize the diverse needs of the community we serve and continue to explore opportunities to expand our already robust customer assistance programs so that eligible customers have access to essential water and sewer services, thereby promoting public health and well-being. The Authority remains committed to affordability. In FY 2024, our best-in-class Customer Assistance Programs provided \$5.2 million in subsidies for 4,985 families. This year, we implemented two new assistance programs – Payment Plan Incentive Program and Leak Assessment Program. These strategic choices ensure we continue delivering high-quality water and wastewater services while maximizing value for our customers.

I want to thank each and every one of DC Water's staff and our Board of Directors for their continued hard work, dedication, and commitment to excellence. Each of us plays an essential role in helping the Authority achieve our goals, and together, we will continue to provide the highest quality of service to our customers, while building a sustainable future for our utility.

A handwritten signature in black ink, appearing to read 'D. L. Gadis', with a stylized flourish at the end.

David L. Gadis  
CEO & General Manager  
DC Water



# DC Water Budget Overview



## DC Water Budget Overview

FY 2026  
Approved  
Operating  
Budget of  
**\$838.1 million**



**\$345.4 million**  
Other non-operational needs  
for debt service and Paygo  
for the capital program



**\$147.2 million**  
Funds fixed and nondiscretionary  
costs for chemicals & supplies, water  
purchase, and utilities



**\$1.2 million**  
Funds the maintenance of  
the Green Infrastructure  
(GI) facilities to manage  
stormwater



**\$100.1 million**  
Funds core  
operations  
including critical  
infrastructure  
and facilities  
maintenance and  
repairs, software  
technology, legal,  
compliance,  
insurance, audit  
services, biosolids  
hauling services,  
government affairs,  
and workforce  
development



**\$2.5 million**  
Enhances customer  
engagement, stakeholder  
communication, and the  
Mark & Locate program to  
identify underground utility  
repairs and developments.  
Implements the leak  
assessment program to  
help customers fix  
property-side leaks  
affecting water bills



**\$217.5 million**

Funds wages, retirement,  
health benefits for 1283 FTEs,  
supports overtime for emergency  
repairs and special projects, and  
career pathways and training  
programs for apprentices  
and summer  
interns



**\$24.2 million**  
PILOT & ROW payments to the  
District



## DC Water Budget Overview

FY 2025-2034  
Approved  
Capital  
Investments  
of **\$9.6 billion**



**Sewer Infrastructure Investments \$2.72 billion**

Ramps up to 1% rehabilitation  
for small/local sewer lines per  
year and invests in high risk  
trunk sewers



**Water Infrastructure Investments \$1.77 billion**

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



**Blue Plains \$1.76 billion**

Funds rehabilitation and  
upgrades including Filters,  
Primary treatment, and  
process innovations



**\$1.10 billion**  
Continue eliminating  
lead service lines  
and meet regulatory  
requirements.



**dc clean RIVERS PROJECT \$1.07 billion**  
Fully funds DC Water  
Clean Rivers projects to  
meet Consent Decree  
requirements



**\$501 million**  
Invests in the  
Aqueduct's  
capital  
infrastructure



**\$351 million**  
Invests in process  
equipment, specialized  
vehicles, and information  
technology infrastructure



**\$213 million**  
Renovates Non-Process  
Facilities including  
Blue Plains, Main Pump  
Station, and Bryant  
Street Pump Station



**\$66 million**  
Improves  
stormwater  
pump stations  
to relieve local  
flooding



## Message from the Chief Financial Officer



I am pleased to present the Fiscal Year (FY) 2026 Board of Directors Approved Budget. It has been a collaborative effort by the DC Water team and the budget reflects our continued commitment to delivering safe, reliable, high-quality water and wastewater treatment services to the District and the region while maintaining financial sustainability.

### Balancing the Budget

At DC Water, we focus our resources on maintaining core operations and making critical capital investments. Much of our water and sewer infrastructure is very old, and we are investing strategically to maintain reliable service. This year, we faced continued cost pressures—including increases in professional services, energy, chemicals, and maintenance. Despite these challenges, we balanced the budget by making deliberate decisions to control spending and help customers.

The budget reflects a careful balance between the urgent need for infrastructure investment and our commitment to rate affordability. This cycle, we adopted a zero-based budgeting approach, requiring all expenditures to be thoroughly reviewed and justified. We evaluated discretionary spending and redirected savings and reductions toward rising costs for critical parts, maintenance, software, and professional services. As a result, we achieved a one percent reduction in our core operations budget compared to financial plan estimates, capped the contractual services budget at the FY 2025 level, and maintained the previously approved FY 2026 rates and fees.

DC Water continues to benefit from strong credit ratings, which have allowed us to refinance debt and lower our long-term costs. In FY 2024, a refinancing transaction generated \$75 million in savings over the next 20 years—reducing financial pressure and supporting future capital needs.

### Increasing Capital Investments

With growing infrastructure needs, we remain focused on both the urgency of capital investments and their impact on our customers. In line with our commitment to addressing

aging infrastructure, we have added \$1.88 billion to the ten-year Capital Improvement Program (CIP). This investment will help ensure continued reliability of our water and sewer systems, progress on the rehabilitation of the Potomac Interceptor, continued implementation of the Lead Free DC program, and upgrades to our wastewater treatment facilities.

While grant funding accounts for less than 5 percent of our Capital Improvement Program, it plays a role in keeping rates affordable and moving forward the program to remove lead lines in DC. We are closely monitoring the status of federal funding as any reduction in expected funding would significantly impact our financial planning and customer rates.

We also recognize the impact that these investments place on ratepayers. DC Water offers some of the most robust customer assistance programs in the country. In the last year, we provided \$5.2 million in assistance to 4,985 customers through the DC Water Cares suite of programs. This year, we introduced the CAP+ program to provide even greater support to families earning up to 20% of the area median income.

### Financial Sustainability

We amended the FY 2025 operating expenditure budget by reallocating \$5.5 million from debt service to pay-as-you-go (paygo) funding to reduce future borrowing needs. These debt service savings were made possible by the structure of new debt and refinancing.

Additionally, we increased the FY 2025 operating revenue budget by \$25.6 million, driven by higher consumption and fire protection fees, as well as Indirect Cost Reimbursements for capital projects under the Inter-Municipal Agreement (IMA) and Cost of Service updates.

With many competing demands and continued uncertainty around long-term federal funding, DC Water is relentlessly pursuing opportunities to find savings and using those savings to help offset future rate increases. We remain committed to transparency, accountability, and customer service excellence in all aspects of our financial planning and operations.

Matthew T. Brown  
Chief Financial Officer and EVP

# Budget at a Glance

## Operating Expenditures (\$ in Thousands)

| Category                                | FY 2025 Revised   | FY 2026 Approved  |
|---|-------------------|-------------------|
| Authorized Headcount                    | 1325              | 1283              |
| Personnel Services                      | \$ 209,633        | \$ 217,462        |
| Chemicals                               | 44,079            | 43,995            |
| Supplies                                | 11,506            | 13,496            |
| Utilities                               | 40,318            | 41,659            |
| Contractual Services                    | 102,284           | 102,284           |
| Water Purchases                         | 45,330            | 48,149            |
| Small Equipment                         | 1,364             | 1,531             |
| Total Non-Personnel Services            | \$ 244,881        | \$ 251,114        |
| <b>Total Operations and Maintenance</b> | <b>\$ 454,513</b> | <b>\$ 468,576</b> |
| Debt Service                            | 243,969           | 271,489           |
| PILOT & ROW                             | 23,796            | 24,170            |
| Payment in Lieu of Taxes                | 18,696            | 19,070            |
| Right of Way                            | 5,100             | 5,100             |
| Cash Financed Capital Improvements      | 65,963            | 73,897            |
| Total Debt Service/PILOT/ROW/ CFCI      | 333,728           | 369,557           |
| <b>Total Operating Expenditure</b>      | <b>\$ 788,241</b> | <b>\$ 838,133</b> |
| Less: Capital Labor                     | (34,087)          | (30,907)          |
| <b>Total Net Operating Expenditure</b>  | <b>\$ 754,154</b> | <b>\$ 807,226</b> |

## Capital Disbursements (\$ in Thousands)

| Service Areas                      | FY 2025 Revised   | FY 2026 Approved  |
|------------------------------------|-------------------|-------------------|
| Non-Process Facilities             | \$ 18,181         | \$ 51,570         |
| Wastewater Treatment               | 68,282            | 106,353           |
| Clean Rivers                       | 220,365           | 245,686           |
| Combined Sewer                     | 3,467             | 4,700             |
| Stormwater                         | 8,209             | 17,360            |
| Sanitary Sewer                     | 146,901           | 148,796           |
| Water                              | 185,094           | 270,680           |
| <b>Capital Projects</b>            | <b>\$ 650,499</b> | <b>\$ 845,145</b> |
| Capital Equipment                  | 31,477            | 32,481            |
| Washington Aqueduct                | 35,770            | 35,770            |
| <b>Additional Capital Programs</b> | <b>\$ 67,247</b>  | <b>\$ 68,251</b>  |
| <b>Total CIP</b>                   | <b>\$ 717,745</b> | <b>\$ 913,396</b> |

## Operating Revenues (\$ in Thousands)

| Category                       | FY 2025 Revised   | FY 2026 Approved    |
|--------------------------------|-------------------|---------------------|
| Residential                    | \$ 148,715        | \$ 160,242          |
| Commercial                     | 231,974           | 248,665             |
| Multi-family                   | 167,213           | 177,501             |
| Federal Government             | 91,696            | 99,339              |
| Municipal & Housing            | 43,416            | 46,376              |
| Water System Replacement Fee   | 40,717            | 40,717              |
| Metering Fee                   | 24,083            | 24,083              |
| Wholesale                      | 114,248           | 122,612             |
| Rate Stabilization Fund        | 2,000             | -                   |
| Other Revenue                  | 87,801            | 91,850              |
| <b>Total Operating Revenue</b> | <b>\$ 951,863</b> | <b>\$ 1,011,385</b> |



## Capital Revenues (\$ in Thousands)

| Source                              | FY 2025 Revised   | FY 2026 Approved  |
|-------------------------------------|-------------------|-------------------|
| Wholesale Capital Payments          | \$ 88,796         | \$ 118,945        |
| Federal Grants & CSO Appropriations | 49,899            | 44,614            |
| Interest Income on Bond Proceeds    | 10,592            | 9,244             |
| Pay-Go Financing                    | 188,346           | 334,328           |
| Debt Proceeds                       | 351,000           | 351,000           |
| System Availability Fee             | 7,700             | 7,700             |
| <b>Total Capital Revenue</b>        | <b>\$ 696,333</b> | <b>\$ 865,831</b> |



## 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.dewater.com/strategic-plan](http://www.dewater.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?

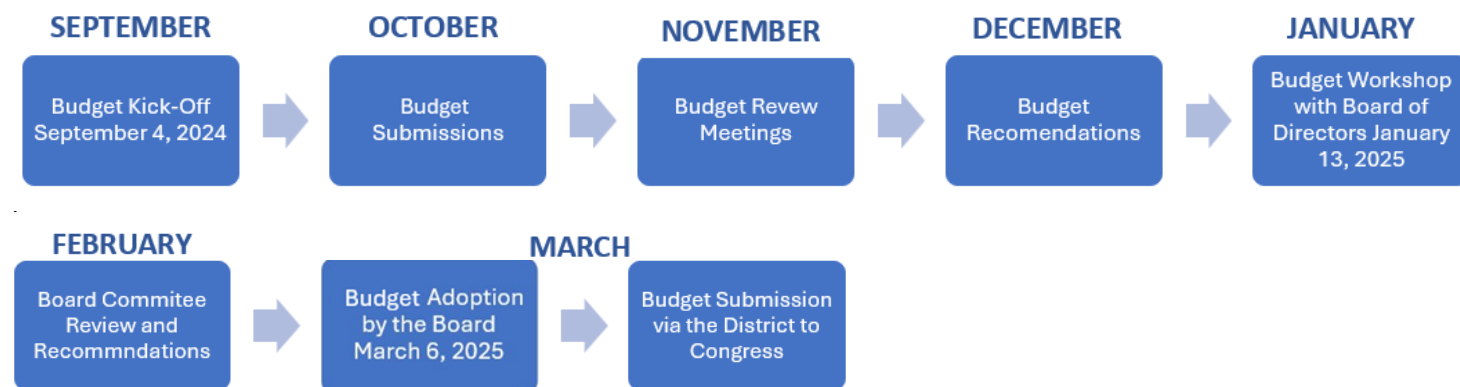
**Resilient**  
Are we able to cope with and recover from disruption, anticipating shocks and stressors to maintain service?

**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 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. This provides consideration for various projects to ensure 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.

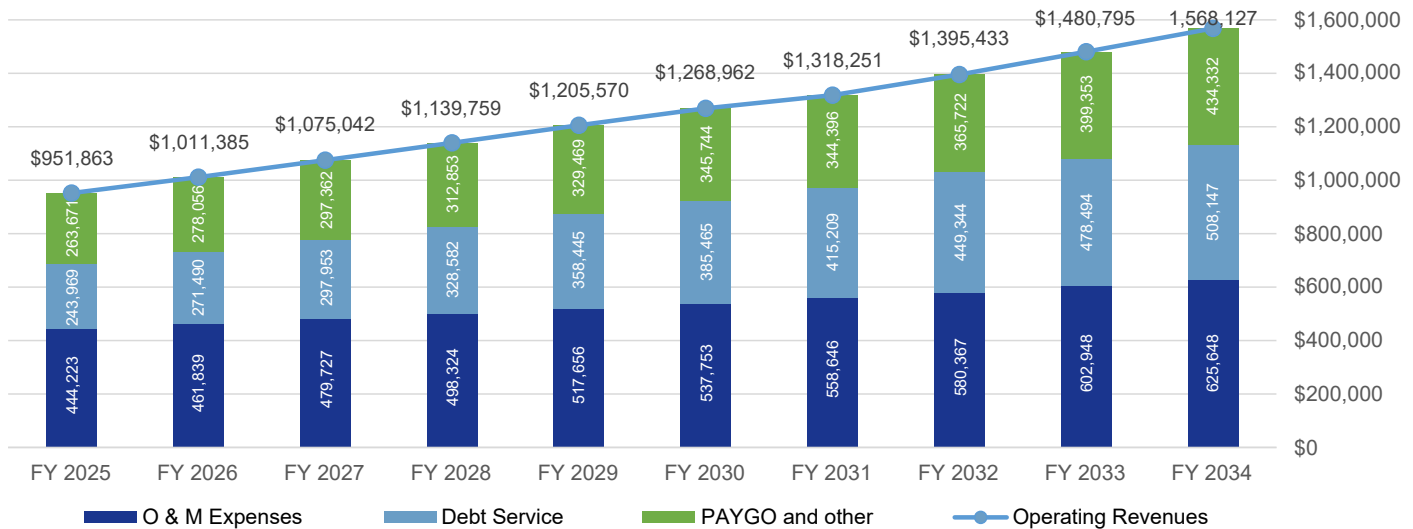
| Blueprint 2.0 Imperatives  | Program Description   |
|--|---|
|  | Complete the Clean Rivers Program to reduce Combined Sewer Overflows (CSO) and meet the District's water quality standard. Achieve 96 percent system-wide capture mandate for removal of trash, debris etc. from the Anacostia and Potomac Rivers and Rock Creek. |
|  | Advance the Lead Free DC program to remove all lead lines in the District.  |
|  | Expand training and learning opportunities for operational crews including "Hazard Awareness Training" and "Hands on Drills" etc. Continue the 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) and seek other non rate revenue sources.   |
| <b>Legend:</b> Healthy, Safe and Well  Reliable  Resilient  Equitable  Sustainable |   |



## Ten-Year Financial Outlook / Debt Management

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 2025 - FY 2034 Financial Plan (\$ in Thousands)



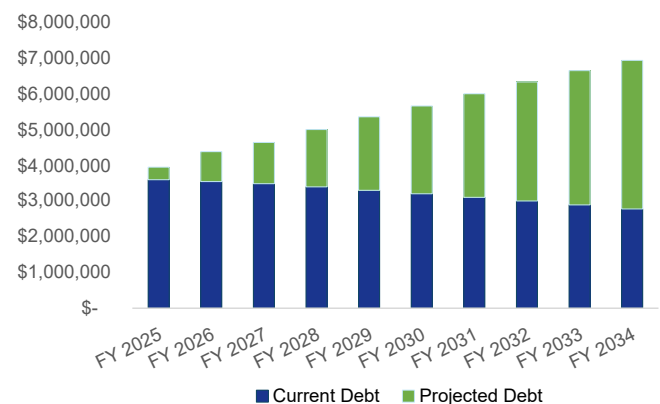
### Debt Management

DC Water continues to maintain strong financial performance and bond ratings. During FY 2024, 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](http://www.dewater.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 42 percent of the funding in the ten-year financial plan and 32 percent of the FY 2025 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, 2024, DC Water had an outstanding WIFIA loan amount of \$95.6 million. The Authority's total long-term debt, including current maturities was \$3.7 billion at the end of FY 2024, and is projected to increase over the next ten years primarily due to continuous investment in our aging infrastructure.

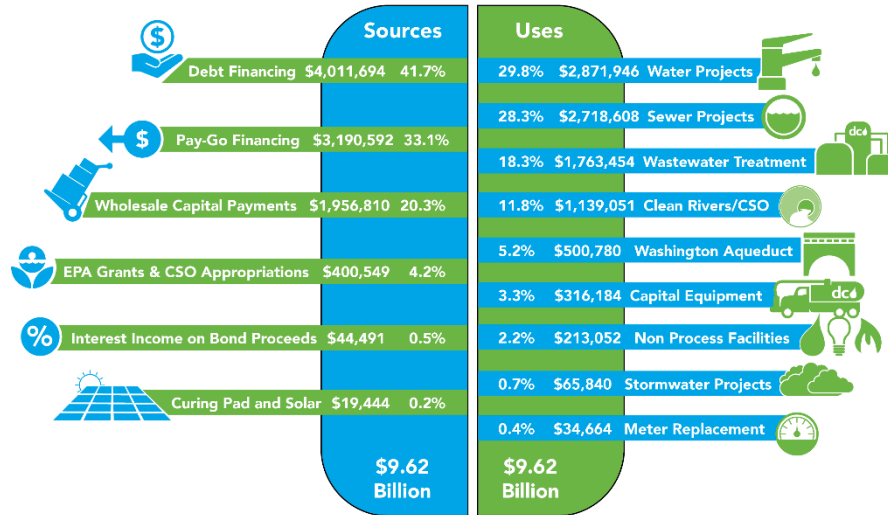
### FY 2025 - FY 2034 Current and Projected Debt (\$ in Thousands)



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.

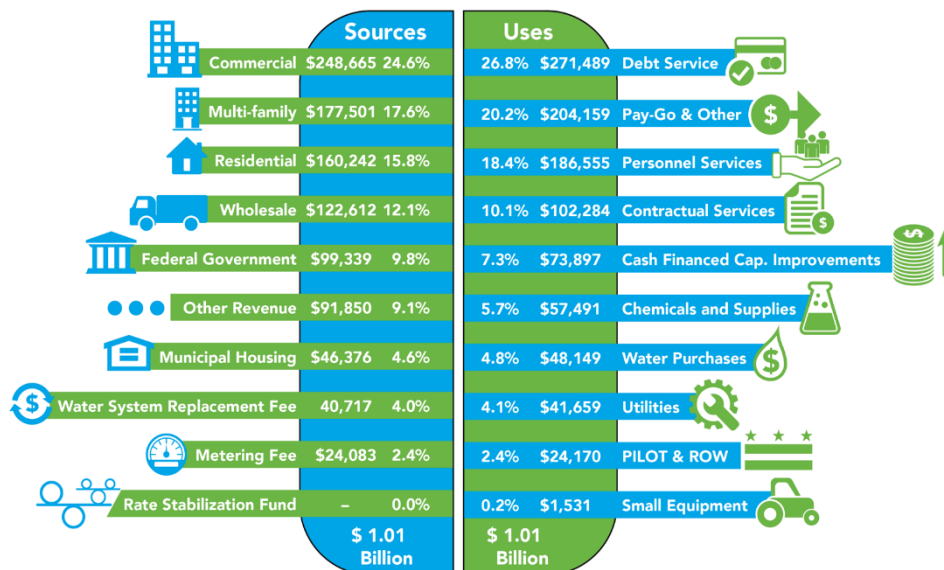
DC Water relies on several funding sources to finance its capital program and cash flow needs. Over the ten-year period, 74.8 percent is funded by debt and pay-go financing, 20.3 percent is capital payment from our Wholesale customers, 4.2 percent is from grant funding and federal appropriations and the remaining 0.7 percent is from interest income and other available funds.

**FY 2025 – FY 2034 CIP Sources & Uses of Funds (\$ in 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 2026 Operating Sources & Uses of Funds (\$ in Thousands)

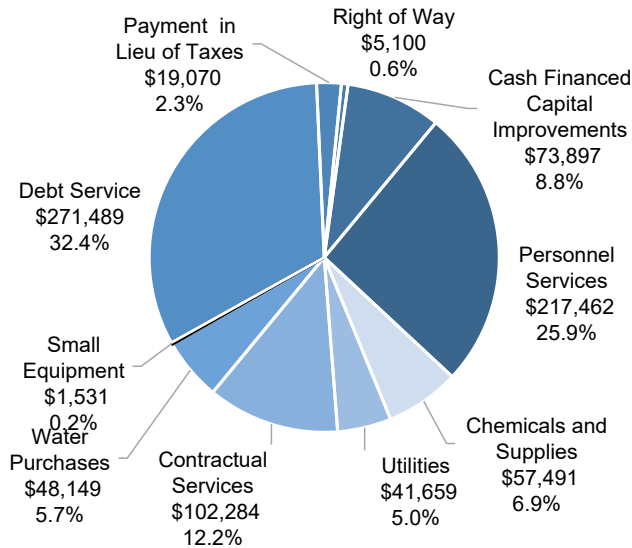




# Operating Budget

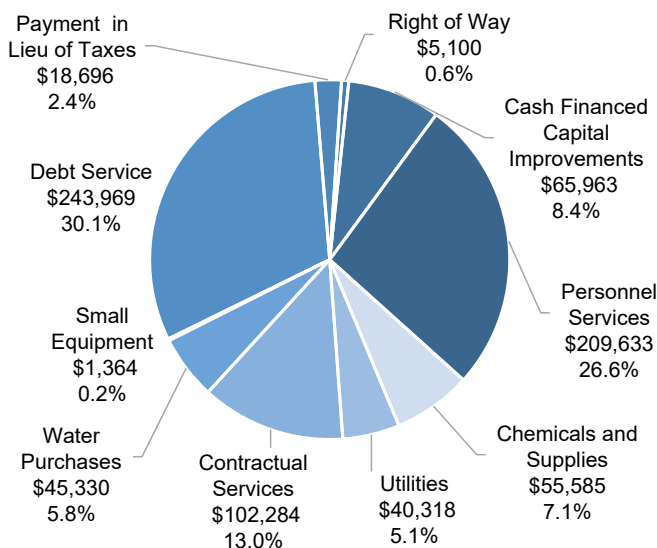
## Approved FY 2026 Budget - \$838.1 Million

(\$ in Thousands)



## Revised FY 2025 Budget - \$788.2 Million

(\$ in Thousands)



## DC Water's Approved FY 2026 Operating Budget

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 2026 budget totals \$838.1 million, reflecting a \$49.9 million increase (6.3 percent) from the revised FY 2025 budget. This increase is driven by operations and maintenance (O&M) costs, debt service, and Pay-Go financing to support the Authority's Capital Improvement Program.

The budget includes the following:

- **Personnel (\$7.8 million increase)** Reflects adjustments for vacancies, merit, increased overtime and other salary adjustments. This budget includes elimination of 45 hard to fill vacant positions, saving ratepayers \$5.7 million
- **Supplies (\$1.9 million increase)** Reflects inflationary cost pressures for critical parts and custodial materials
- **Utilities (\$1.3 million net increase)** Increased capacity prices for electricity with offsetting reduction in natural gas and water usage in various treatment activities consistent with current trends
- **Water Purchase (\$2.8 million increase)** driven by proportionate cost for the dredging of the Little Seneca Reservoir
- **Contractual Services (no change)** caps spending at FY25 budget with cost adjustments for maintenance & repairs, software, insurance and various professional services for hauling and disposal, industrial cleaning and janitorial services
- **Small Equipment (\$0.2 million increase)** reflects rental of two cranes for use at Blue Plains
- **Debt Service (\$27.5 million increase)** for planned debt coverage between the projected senior and subordinate bond series
- **Cash Financed Capital Improvements (\$7.9 million increase)** for PAYGO funding to reduce future borrowing costs
- **PILOT & ROW (\$0.4 million increase)** mainly for the PILOT payments to the District

Detailed descriptions of the FY 2025 and FY 2026 operating budgets are available online at [www.dewater.com](http://www.dewater.com).





## 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 2025 Revised Budget | Department                                     | FY 2026 Approved Budget | Authorized Headcount |
|----------------------|------------------------|--|-------------------------|----------------------|
| 3                    | \$875                  | Secretary to the Board                         | \$1,033                 | 3                    |
| 4                    | 2,712                  | Office of the CEO                              | 2,696                   | 4                    |
| 0                    | 839                    | Internal Audit                                 | 818                     | 0                    |
| <b>7</b>             | <b>\$4,426</b>         | <b>Independent Offices</b>                     | <b>\$4,547</b>          | <b>7</b>             |
| <b>20</b>            | <b>\$4,349</b>         | <b>Marketing and Communications</b>            | <b>\$4,850</b>          | <b>20</b>            |
| 2                    | 1,466                  | Office of the Chief Administration Officer     | 1,325                   | 2                    |
| 6                    | 1,682                  | Office of Emergency Management                 | 1,801                   | 7                    |
| 8                    | 7,191                  | Fleet Management                               | 7,543                   | 7                    |
| 18                   | 2,859                  | Occupational Safety and Health                 | 3,370                   | 16                   |
| 52                   | 10,778                 | Facilities Management                          | 13,807                  | 53                   |
| 8                    | 11,057                 | Security                                       | 10,866                  | 9                    |
| 9                    | 2,738                  | Strategy and Performance                       | 3,244                   | 9                    |
| 120                  | 21,117                 | Customer Care                                  | 21,969                  | 119                  |
| <b>223</b>           | <b>\$58,887</b>        | <b>Administration</b>                          | <b>\$63,927</b>         | <b>222</b>           |
| <b>37</b>            | <b>\$11,006</b>        | <b>Information Technology</b>                  | <b>\$12,155</b>         | <b>37</b>            |
| <b>115</b>           | <b>\$40,490</b>        | <b>Finance, Procurement and Compliance</b>     | <b>\$38,084</b>         | <b>115</b>           |
| <b>33</b>            | <b>\$9,685</b>         | <b>People and Talent</b>                       | <b>\$10,262</b>         | <b>31</b>            |
| <b>14</b>            | <b>\$8,312</b>         | <b>Government and Legal Affairs</b>            | <b>\$8,369</b>          | <b>14</b>            |
| 112                  | 25,395                 | Engineering and Technical Services             | 21,382                  | 104                  |
| 24                   | 5,965                  | CIP Infrastructure Management                  | 4,530                   | 23                   |
| 23                   | 3,722                  | Wastewater Engineering                         | 4,862                   | 18                   |
| 28                   | 5,286                  | Permit Operations                              | 5,399                   | 28                   |
| 8                    | 4,108                  | Clean Rivers                                   | 3,974                   | 9                    |
| <b>195</b>           | <b>\$44,476</b>        | <b>Engineering</b>                             | <b>\$40,148</b>         | <b>182</b>           |
| 5                    | 1,692                  | Office of the Chief Operating Officer          | 2,059                   | 5                    |
| 264                  | 145,380                | Operations                                     | 150,613                 | 261                  |
| 217                  | 80,716                 | Water Operations                               | 87,507                  | 211                  |
| 195                  | 45,092                 | Pumping and Sewer Operations                   | 46,056                  | 178                  |
| <b>681</b>           | <b>\$272,880</b>       | <b>Operations</b>                              | <b>\$286,235</b>        | <b>655</b>           |
| <b>1325</b>          | <b>\$454,513</b>       | <b>Total Operations and Maintenance</b>        | <b>\$468,576</b>        | <b>1283</b>          |
|                      | 243,969                | Debt Service                                   | 271,489                 |                      |
|                      | 23,796                 | PILOT and ROW                                  | 24,170                  |                      |
|                      | 65,963                 | Cash Financed Capital Improvements             | 73,897                  |                      |
|                      | <b>\$333,728</b>       | <b>Total Debt Service, PILOT and ROW, CFCI</b> | <b>\$369,557</b>        |                      |
| <b>1325</b>          | <b>\$788,241</b>       | <b>Total Operating Expenditure</b>             | <b>\$838,133</b>        | <b>1283</b>          |
|                      | (34,087)               | Less: Capital Labor                            | (30,907)                |                      |
|                      | <b>\$754,154</b>       | <b>TOTAL NET OPERATING EXPENDITURE</b>         | <b>\$807,226</b>        |                      |



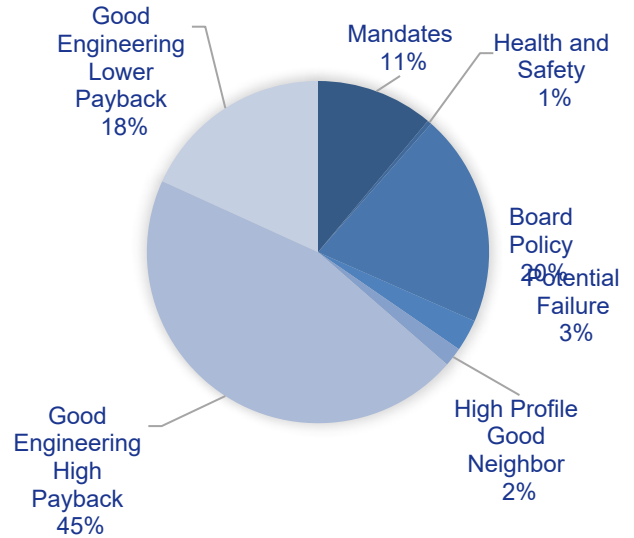
## Capital Improvement Program (CIP)

### FY 2025 – FY 2034 Capital Improvement Program

(\$ in Thousands)

| Service Area                       | Ten-Year Disbursement Plan | Total Lifetime Budget |
|------------------------------------|----------------------------|-----------------------|
| Non Process Facilities             | \$213,052                  | \$414,629             |
| Wastewater Treatment               | 1,763,454                  | 3,871,705             |
| DC Clean Rivers Program            | 1,071,567                  | 3,290,812             |
| Combined Sewer Overflow            | 67,484                     | 131,053               |
| Stormwater                         | 65,840                     | 151,698               |
| Sanitary Sewer                     | 2,718,608                  | 3,745,688             |
| Water                              | 2,871,947                  | 4,968,490             |
| <b>Capital Projects</b>            | <b>\$8,771,952</b>         | <b>\$16,574,075</b>   |
| Capital Equipment                  | 350,848                    | <b>350,848</b>        |
| Washington Aqueduct                | 500,780                    | <b>500,780</b>        |
| <b>Additional Capital Programs</b> | <b>\$851,628</b>           | <b>\$851,628</b>      |
| Labor                              |                            | 383,495               |
| <b>Total Capital Budgets</b>       | <b>\$9,623,580</b>         | <b>\$17,809,198</b>   |

### MEASURE OF PRIORITY



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 2025 – FY 2034 CIP disbursement budget of \$9.62 billion increased by approximately \$1.88 billion compared to the previous plan. The lifetime budget is \$16.1 billion covering total commitments including labor for active projects prior to, during, and beyond the ten-year window.

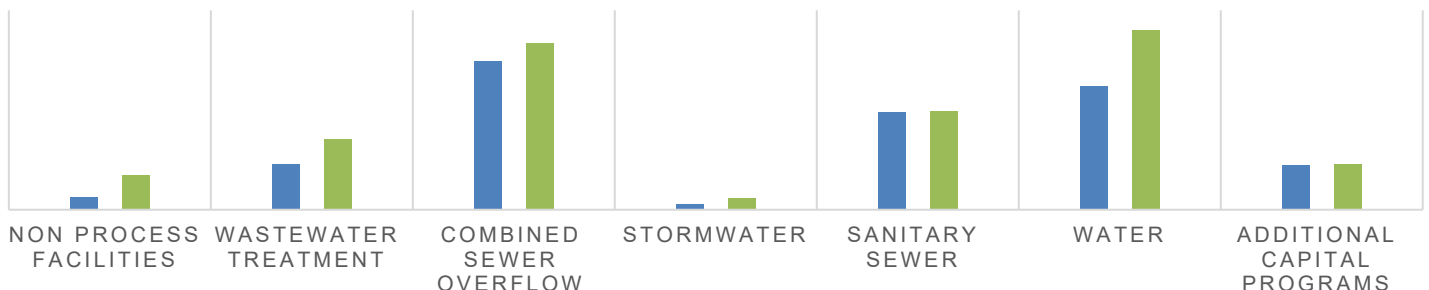
The budget fully funds the Clean Rivers Program to meet the consent decree requirements and advances the Lead Free DC program goals. This budget also funds the full rehabilitation of the Potomac Inceptor, major rehabilitation and upgrades at Blue Plains, DC Water's share of the Washington Aqueduct's infrastructure program, and 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 to ensure continued system reliability. This plan includes the ramp up of the small diameter water mains replacements to 1.5 percent per year in FY 2028 and beyond and one percent rehabilitation for small sewer lines per year in FY 2025 and beyond.

The FY 2025 and FY 2026 capital budgets total \$717.7 million and \$913.4 million, respectively (cash disbursement basis). 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](http://www.dewater.com).

### ANNUAL CAPITAL BUDGET (\$ in Thousands)

■ FY 2025 REVISED ■ FY 2026 APPROVED



# Major Capital Investments

## LEAD FREE DC

This program aims to remove all lead service lines from both public right-of-way areas and private properties within the District. Lead service line replacements are carried out across the water distribution system through specific block-by-block projects, water main renewal projects, and emergency rehabilitation of water service lines. Customers with partial lead service lines can initiate replacements by participating in either the Voluntary Full Replacement Program (VFRP) or the Lead Pipe Replacement Assistance Program (LPRAP).



## DC CLEAN RIVERS

The Potomac River Tunnel is the next major tunnel being 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.



## POTOMAC INTERCEPTOR

The Potomac Interceptor (PI) sanitary sewer system carries about 60 million gallons per day of wastewater from areas in the Washington Dulles International Airport to the Potomac Pump Station in Washington, DC. Flows from the pump station are then sent to the Blue Plains Advanced Wastewater Treatment Plant for treatment before discharge into the Potomac River. DC Water has several Capital Improvement Projects to rehabilitate defective segments.



## 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 sanitary 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).





# 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 – 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 2026 rates become effective October 1, 2025. 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 (\$ in Thousands)

| Category                       | FY 2025 Revised   | FY 2026 Approved    |
|--------------------------------|-------------------|---------------------|
| Residential                    | \$ 148,715        | \$ 160,242          |
| Commercial                     | 231,974           | 248,665             |
| Multi-family                   | 167,213           | 177,501             |
| Federal Government             | 91,696            | 99,339              |
| Municipal & Housing            | 43,416            | 46,376              |
| Water System Replacement Fee   | 40,717            | 40,717              |
| Metering Fee                   | 24,083            | 24,083              |
| Wholesale                      | 114,248           | 122,612             |
| Rate Stabilization Fund        | 2,000             | -                   |
| Other Revenue                  | 87,801            | 91,850              |
| <b>Total Operating Revenue</b> | <b>\$ 951,863</b> | <b>\$ 1,011,385</b> |



# Operating Revenues, Rates, Fees & Charges (continued)

## FY 2025 - FY 2026 Retail Rates and Fees

| Description of Fees                   | Units | FY 2024 | FY 2025<br>Current | FY 2026<br>Approved | FY 2025<br>Incr. /(Decr.) |       | FY 2026<br>Incr. /(Decr.) |       |
|---------------------------------------|-------|---------|--------------------|---------------------|---------------------------|-------|---------------------------|-------|
| DC Water Retail Rates – Water:        |       | \$      | \$                 | \$                  | \$                        | %     | \$                        | %     |
| Residential – Lifeline (0- 4 Ccf)     | Ccf   | \$4.38  | \$5.21             | \$5.78              | \$0.83                    | 18.9% | \$0.57                    | 10.9% |
| Residential – (> 4 Ccf)               | Ccf   | 5.70    | 6.81               | 7.60                | 1.11                      | 19.5  | 0.8                       | 11.6  |
| Multi-family                          | Ccf   | 5.00    | 5.82               | 6.47                | 0.82                      | 16.4  | 0.6                       | 11.2  |
| Non-Residential                       | Ccf   | 5.89    | 7.03               | 7.84                | 1.14                      | 19.4  | 0.8                       | 11.5  |
| DC Water Retail Rates – Sewer         | Ccf   | 11.70   | 12.07              | 12.52               | 0.37                      | 3.2   | 0.4                       | 3.7   |
| DC Water Clean Rivers IAC             | ERU   | 21.86   | 21.23              | 24.23               | -0.63                     | -2.9  | 3.0                       | 14.1  |
| DC Water Customer Metering Fee        | 5/8"  | 7.75    | 7.75               | 7.75                | 0.0                       | 0.0   | 0.0                       | 0.0   |
| DC Water System Replacement Fee       | 5/8"  | 6.30    | 6.30               | 6.30                | 0.0                       | 0.0   | 0.0                       | 0.0   |
| District of Columbia PILOT Fee        | Ccf   | 0.61    | 0.61               | 0.62                | 0.0                       | 0.0   | 0.0                       | 1.6   |
| District of Columbia Right of Way Fee | Ccf   | 0.19    | 0.19               | 0.20                | 0.0                       | 0.0   | 0.0                       | 5.3   |
| District of Columbia Stormwater Fee   | ERU   | 2.67    | 2.67               | 2.67                | 0.0                       | 0.0   | 0.0                       | 0.0   |
| Groundwater Fee                       | Ccf   | 3.50    | 3.50               | 3.76                | 0.0                       | 0.0   | 0.3                       | 7.4   |
| 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 \$3.29 billion cost of implementing the DC Clean Rivers Project (the District's CSO-Long Term Control Program). The proposed monthly CRIAC ranges from \$21.23 per Equivalent Residential Unit (ERU) in FY 2025 to \$28.37 per ERU in FY 2034. From 2011 until 2024, 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 outside the current year Congressional appropriation. DC Water has received \$304.4 million through Federal appropriations as of the end of March 2025.

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.

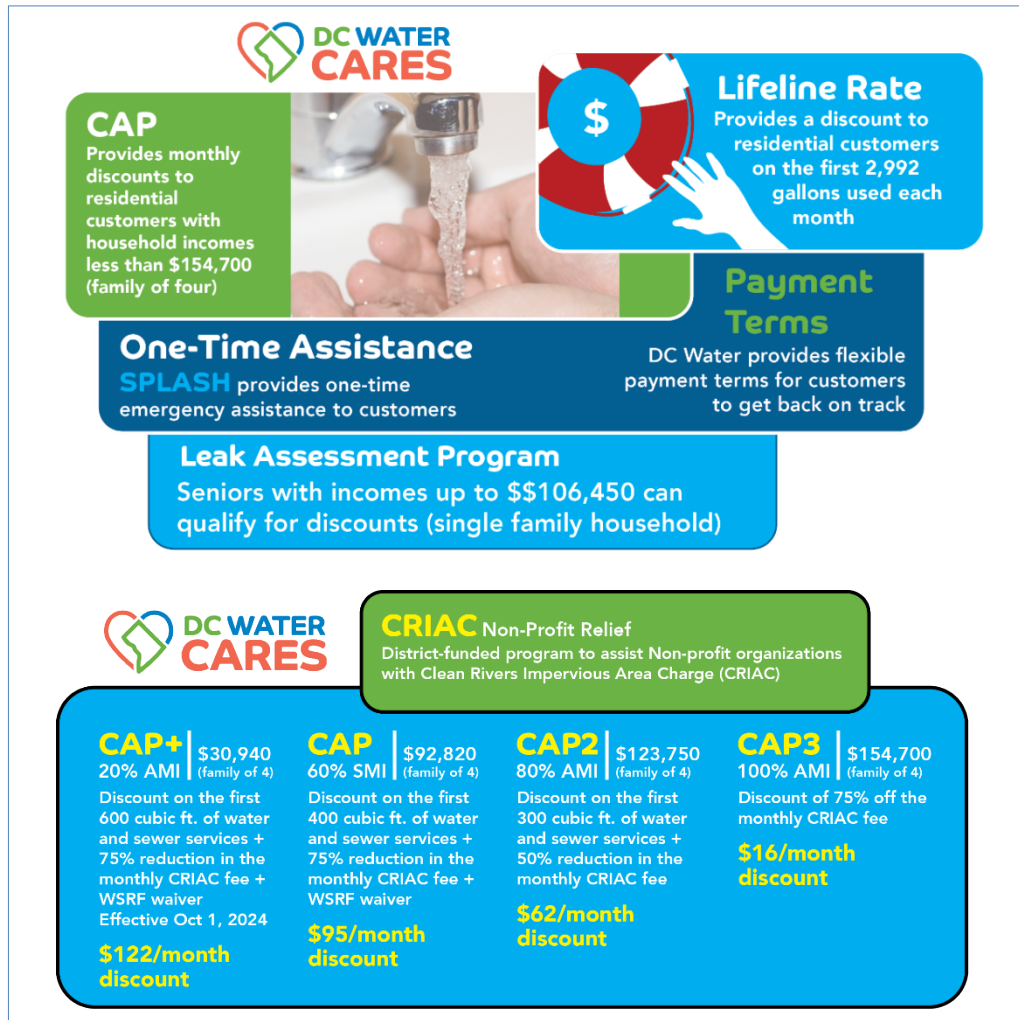


## Customer Assistance & Regional Demographics

### 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 demonstrated strong resilience, even during periods of nationwide economic volatility. Employment tied to the federal government—and the broad network of professional and service firms that support it—has long served as a stabilizing force through economic cycles and shifts in administration.

While the federal government remains a major and relatively stable local employer, recent fiscal uncertainty, budget constraints, and evolving telework policies have introduced some variability in agency operations and regional economic activity. Nonetheless, the federal sector continues to provide a critical employment foundation for the region. Between 2010 and 2023, the District's population grew by more than 70,000 residents, underscoring the area's continued appeal and long-term economic strength. 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 2025 - FY 2026 Average Residential Customer Monthly Bill

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

<sup>(1)</sup> Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

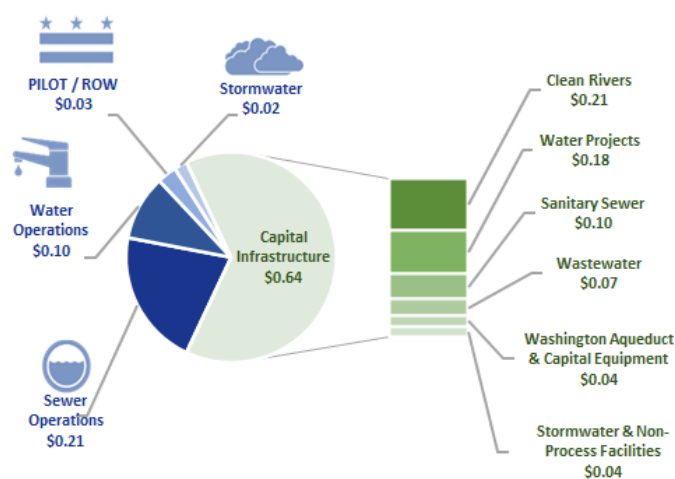
<sup>(2)</sup> Assumes average 1 Equivalent Residential Unit (ERU)

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

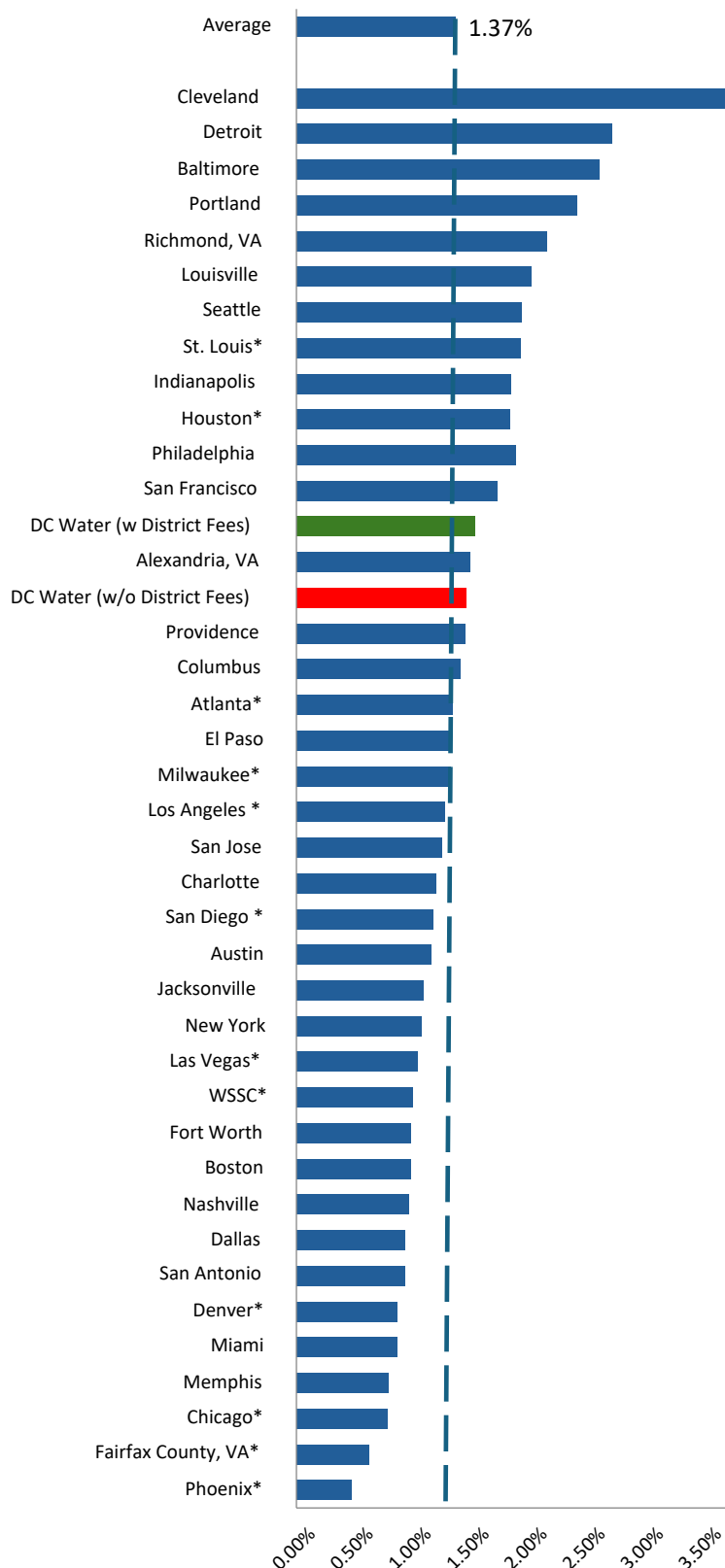
<sup>(4)</sup> DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

## FY 2026: 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.



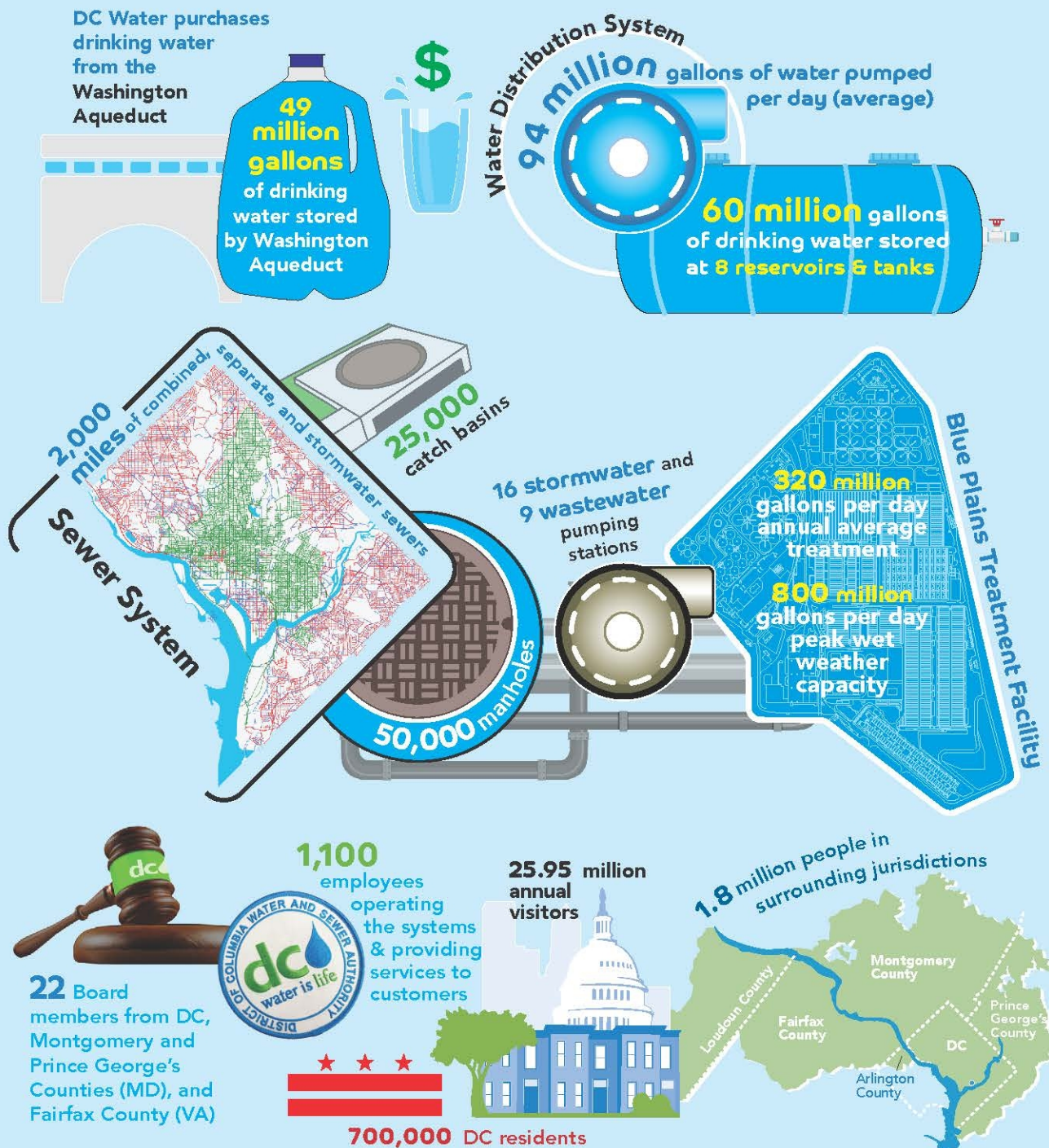
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## Approved FY 2026 Budgets Section II: Budget Overview

### DC Water's Water Distribution and Wastewater Collection and Treatment Process



## History & Service Area

**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 25.95 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. The Blue Plains Advanced Wastewater Treatment Plant (BPAWWTP) is located at the southernmost tip of the District. DC Water treats wastewater for approximately 1.8 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.

## FACTS AT A GLANCE

### Governance



- DC Water's Board of Directors 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; Audit and Risk; and Strategic Planning

### Employees



- Approximately 1,100 people are employed by DC Water
- DC Water Employees (Team Blue) work at various facilities across the District of Columbia to provide vital services to our customers

### Pumped and Treated Water Storage



- An average of more than 94 million gallons of water pumped per day during FY 2024
- Storage of approximately 60 million gallons of treated water at its eight facilities (reservoirs and tanks)
- Additional 49 million gallons of water stored by the Washington Aqueduct, which treats drinking water

### Water Distribution System



- 1,300 miles of interconnected pipes, four pumping stations, four reservoirs
- Four elevated water tanks, about 43,860 valves and 9,510 fire hydrants

### Sewer System



- 2,000 miles of combined, separate, and stormwater sewers
- 50,000 manholes and 25,000 catch basins
- 16 stormwater pumping stations and 9 offsite wastewater pumping stations

### Blue Plains Advanced Wastewater Treatment Plant



- 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



- Customer communications through bill inserts, monthly newsletters, its website, and social media, including Facebook, YouTube, Flickr, X (Twitter), and Instagram
- 24-hour Emergency Command Center is the centralized communication facility for receiving and responding to emergency calls from customers and the public
- Robust customer assistance programs to help thousands of residents with a reduction in their monthly bills and/or a one-time payment.
- Additional information available at <https://www.dewater.com/customer-center/financial-assistance/customer-assistance>



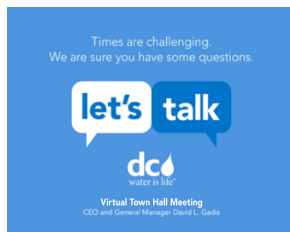
## FACTS AT A GLANCE

### Community Service



- DC Water donates its time and resources to participate in events that align with its mission, fostering engagement with residents about key projects and services
- Employees contribute by supporting various charitable initiatives and community service efforts
- The Authority invests in community development through activities such as conducting science laboratory exercises in District high schools and hosting public tours of the Blue Plains Advanced Wastewater Treatment Plant

### Community Outreach



- DC Water hosts and attends hundreds of public events across the city, providing information and meeting customers where they are, whether in person or virtually
- Expands outreach to new community events, including the Capital Pride Block Party, Broccoli City Festival, World Rivers Day Celebration, and other events coordinated in partnership with the Office of Mayor Muriel Bowser, Council members, District government agencies, as well as faith and community-based organizations
- Continues to deliver transparency and various activities across every Ward in the District through educational outreach, tours, and events

### Financial Performance



- Strong bond ratings allow DC Water to have a lower borrowing cost which in turn reduces ratepayer cost in the long run.
- Maintained senior bond ratings of AAA/Aa1/AA+ from S&P/Moody's/Fitch's Ratings
- Maintained a GB1 rating for green bonds, Moody's highest possible green bond assessment
- Received its 27th consecutive unqualified audit opinion of its financial statements
- Achieved the Government Finance Officers Association (GFOA) Triple Crown: Certificate of Excellence in Budget, Financial Reporting, and Popular Financial Reporting
- Received its 25th consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA)





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

| Description  | Unit of Measure | FY 2025 Revised | FY 2026 Approved | Change Increase (+) / Decrease (-) |
|--|-----------------|-----------------|------------------|------------------------------------|
| <b>BUDGETS</b>                                     |                 |                 |                  |                                    |
| <b>Total Operating Expenditure</b>                 | \$ in thousands | \$788,241       | \$838,133        | + \$49,892                         |
| <b>Total Capital Disbursements</b>                 | \$ in thousands | \$717,745       | \$913,396        | + \$195,651                        |
| <b>Ten-Year CIP (Cash Disbursement)</b>            | \$ in billions  | \$7.74          | \$9.62           | + \$1.88                           |
| <b>Total Operating Revenue</b>                     | \$ in thousands | \$951,863       | \$1,011,385      | + \$59,522                         |
| <b>Wholesale Operating Revenues</b>                | \$ in thousands | \$114,248       | \$122,612        | + \$8,364                          |
| <b>RATES &amp; FEES</b>                            |                 |                 |                  |                                    |
| <b>Residential 0-4 Ccf (Lifeline) <sup>2</sup></b> | Ccf             | \$5.21          | \$5.78           | + \$0.57                           |
| <b>Residential - &gt; 4 Ccf <sup>2</sup></b>       | Ccf             | \$6.81          | \$7.60           | + \$0.79                           |
| <b>Multi-family / DC Housing <sup>2</sup></b>      | Ccf             | \$5.82          | \$6.47           | + \$0.65                           |
| <b>Non-Residential</b>                             | Ccf             | \$7.03          | \$7.84           | + \$0.81                           |
| <b>DC Water Retail Rates – Sewer</b>               | Ccf             | \$12.07         | \$12.52          | + \$0.45                           |
| <b>DC Water Clean Rivers IAC</b>                   | ERU             | \$21.23         | \$24.23          | + \$3.00                           |
| <b>DC Water Customer Metering Fee</b>              | 5/8"            | \$7.75          | \$7.75           | no change                          |
| <b>Water System Replacement Fee <sup>1</sup></b>   | 5/8"            | \$6.30          | \$6.30           | no change                          |
| <b>PILOT Fee</b>                                   | Ccf             | \$0.61          | \$0.62           | + \$0.01                           |
| <b>Right of Way Fee</b>                            | Ccf             | \$0.19          | \$0.20           | + \$0.01                           |
| <b>Stormwater Fee</b>                              | ERU             | \$2.67          | \$2.67           | no change                          |

Ccf – hundred cubic feet or 748 gallons

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

(2) Proposed Class-Based rates



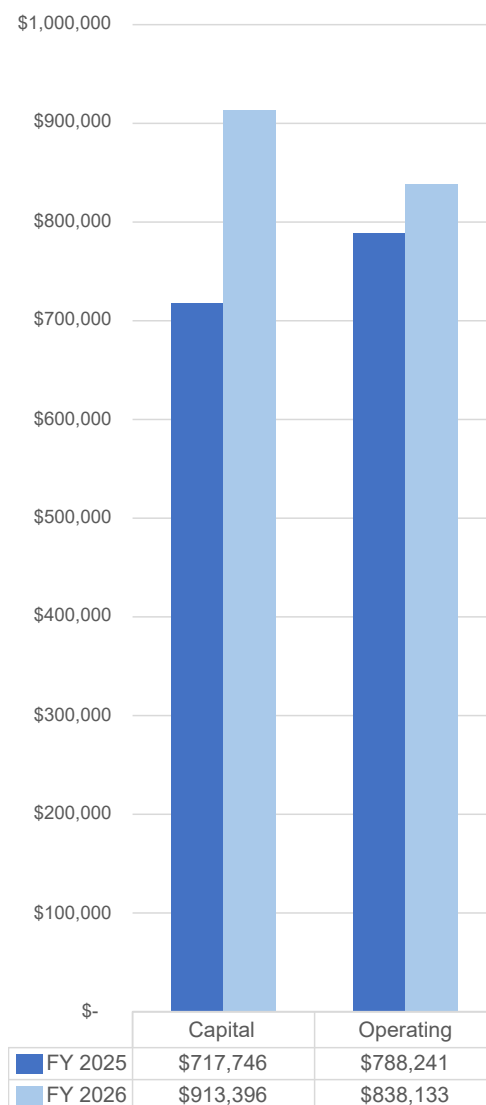
# Comparative Capital & Operating Expenditures

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

\$ in thousands

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

|   | REVISED<br>FY2025 | APPROVED<br>FY2026 |
|---|-------------------|--------------------|
| <b><u>CAPITAL (Cash Disbursements Basis)*</u></b> |                   |                    |
| Wastewater Treatment                              | \$ 68,282         | \$ 106,353         |
| Sanitary Sewer                                    | 146,901           | 148,796            |
| Combined Sewer Overflow                           | 223,832           | 250,386            |
| Stormwater  | 8,209             | 17,360             |
| Water   | 185,094           | 270,680            |
| Washington Aqueduct                               | 35,770            | 35,770             |
| Capital Equipment                                 | 31,477            | 32,481             |
| Non Process Facilities                            | 18,181            | 51,570             |
| <b>Total Capital</b>                              | <b>\$ 717,746</b> | <b>\$ 913,396</b>  |
| <b><u>OPERATING</u></b>                           |                   |                    |
| Personnel Services                                | \$ 209,633        | \$ 217,462         |
| Contractual Services                              | 102,284           | 102,284            |
| Water Purchases                                   | 45,330            | 48,149             |
| Chemicals and Supplies                            | 55,585            | 57,491             |
| Utilities   | 40,318            | 41,659             |
| Small Equipment                                   | 1,364             | 1,531              |
| <b>Total O&amp;M</b>                              | <b>454,513</b>    | <b>468,576</b>     |
| Debt Service                                      | 243,969           | 271,489            |
| Cash Financed Capital Improvements                | 65,963            | 73,897             |
| Payment in Lieu of Taxes                          | 18,696            | 19,070             |
| Right of Way Fees                                 | 5,100             | 5,100              |
| <b>Subtotal Operating</b>                         | <b>788,241</b>    | <b>838,133</b>     |
| Personnel Services charged to Capital Projects    | (34,087)          | (30,907)           |
| <b>Net Operating</b>                              | <b>\$ 754,154</b> | <b>\$ 807,226</b>  |



\*Reflects revision to FY 2025 capital disbursement budget during the FY 2026 cycle.

\$ in thousands

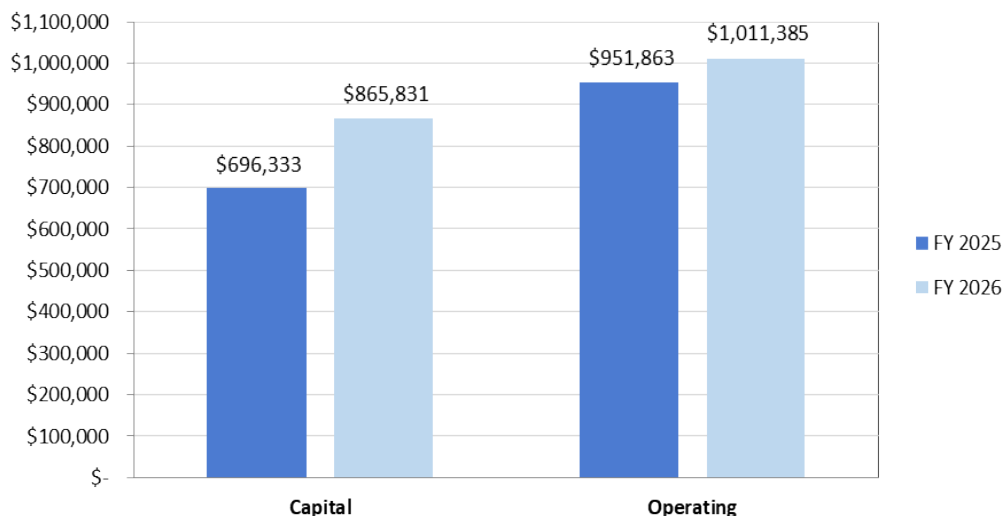
|                                      | FY 2025<br>Revised | FY 2026<br>Approved |
|--------------------------------------|--------------------|---------------------|
| <b>CAPITAL</b>                       |                    |                     |
| Wholesale Capital Payments           | \$ 88,796          | \$ 118,945          |
| Federal Grants & CSO Appropriations  | 49,899             | 44,614              |
| Interest Income on Bond Proceeds     | 10,592             | 9,244               |
| Pay-Go-Financing                     | 188,346            | 334,328             |
| Revenue Bonds/Commercial Paper/EMCP* | 351,000            | 351,000             |
| System Availability Fee              | 7,700              | 7,700               |
| <b>Total Capital Revenue</b>         | <b>\$ 696,333</b>  | <b>\$ 865,831</b>   |

|                                       |                   |                     |
|---------------------------------------|-------------------|---------------------|
| <b>OPERATING</b>                      |                   |                     |
| Residential                           | 148,715           | 160,242             |
| Commercial                            | 231,974           | 248,665             |
| Multi-Family                          | 167,213           | 177,501             |
| Federal Government                    | 91,696            | 99,339              |
| Municipal & Housing                   | 43,416            | 46,376              |
| Water System Replacement Fee (WSRF)   | 40,717            | 40,717              |
| Metering Fee                          | 24,083            | 24,083              |
| Wholesale                             | 114,248           | 122,612             |
| Transfer from Rate Stabilization Fund | 2,000             | -                   |
| Other Revenue                         | 87,801            | 91,850              |
| <b>Total Operating Revenue</b>        | <b>\$ 951,863</b> | <b>\$ 1,011,385</b> |

\* Extendable Municipal Commercial Paper

(\*) Extendable Municipal Commercial Paper

## Capital and Operating Revenue





# Cash Flow Summary

[summary](#)
[overview](#)
[financial plan](#)
[rates & rev](#)
[capital](#)
[financing](#)
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\$ in thousands

| OPERATING BUDGET  | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved |
|---|-------------------|--------------------|---------------------|
| <b>Operating Revenue</b>  |                   |                    |                     |
| Residential, Commercial & Multi-Family                                    | 450,972           | 472,505            | 498,119             |
| Federal   | 15,755            | 17,400             | 18,365              |
| Municipal   | 71,001            | 70,254             | 76,861              |
| D.C. Housing Authority  | 15,161            | 15,851             | 16,654              |
| Groundwater   | -                 | 5                  | 5                   |
| Water System Replacement Fee (WSRF)                                       | 24,439            | 24,083             | 24,083              |
| Metering Fee  | 43,192            | 40,717             | 40,717              |
| Payment in Lieu of Taxes / Right of Way Fee                               | 25,601            | 23,813             | 24,156              |
| Clean Rivers IAC Revenue  | 111,704           | 106,999            | 122,119             |
| <b>Sub-total Retail</b>   | <b>757,823</b>    | <b>771,627</b>     | <b>821,079</b>      |
| Wholesale   | 106,757           | 114,248            | 122,612             |
| Interest Earnings   | 12,074            | 9,089              | 8,816               |
| Transfer from Rate Stabilization Fund <sup>(2)</sup>                      | -                 | 2,000              | -                   |
| Other Operating Revenues <sup>(1)</sup>                                   | 38,217            | 54,899             | 58,878              |
| <b>Total Operating Revenue <sup>(1)</sup></b>                             | <b>914,871</b>    | <b>951,863</b>     | <b>1,011,385</b>    |
| <b>Operating Expenditures</b>   |                   |                    |                     |
| Personnel Services  | 164,873           | 175,546            | 186,555             |
| Contractual Services  | 93,253            | 102,284            | 102,284             |
| Chemicals & Supplies  | 70,140            | 55,585             | 57,491              |
| Utilities & Rent  | 31,899            | 40,318             | 41,659              |
| Water Purchases   | 37,941            | 45,330             | 48,149              |
| Small Equipment   | 1,441             | 1,364              | 1,531               |
| <b>Subtotal - Operating Expenditures</b>                                  | <b>399,547</b>    | <b>420,426</b>     | <b>437,669</b>      |
| Payment in Lieu of Taxes / Right of Way Fee                               | 23,430            | 23,796             | 24,170              |
| Debt Service  | 220,073           | 243,969            | 271,489             |
| Cash Financed Capital Improvements/Defeasance                             | 58,575            | 65,963             | 73,897              |
| <b>Total Operating Disbursements</b>                                      | <b>701,625</b>    | <b>754,154</b>     | <b>807,226</b>      |
| <b>Operating Surplus <sup>(1)</sup></b>                                   | <b>213,246</b>    | <b>197,709</b>     | <b>204,159</b>      |
| <b>CAPITAL Disbursements</b> (See Section VI for more details)            |                   |                    |                     |
| Sources of Capital Funds  | 374,757           | 777,889            | 932,908             |
| Uses of Capital Funds   | 502,585           | 717,745            | 913,396             |
| <b>Capital Disbursements Overage / (Shortage)</b>                         | <b>(127,828)</b>  | <b>60,144</b>      | <b>19,512</b>       |
| <b>CASH RESERVES</b>  |                   |                    |                     |
| <b>Beginning O&amp;M Reserve Balance (Net of Rate Stabilization Fund)</b> | <b>286,889</b>    | <b>320,513</b>     | <b>309,600</b>      |
| Operating Surplus   | 213,246           | 197,709            | 204,159             |
| Wholesale Customer Refunds/Payments for Prior Years                       | 1,564             | (3,000)            | (3,000)             |
| A/P Voided Checks /ACH Return for Previous Year                           |                   |                    |                     |
| Project Billing Refunds   | (2,088)           | (2,000)            |                     |
| Federal Customer Refund/Payments for Prior Years                          | (4,330)           | (11,049)           | (11,310)            |
| Interest Earned from Bond Reserve   | 229               | 404                | 401                 |
| Pay-As-You-Go Capital Financing   | (174,769)         | (192,573)          | (173,849)           |
| <b>Ending O&amp;M Reserve Balance (Net of Rate Stabilization Fund)</b>    | <b>320,742</b>    | <b>310,004</b>     | <b>326,001</b>      |
| <b>Rate Stabilization Fund</b>  | <b>\$ 35,644</b>  | <b>\$ 33,644</b>   | <b>\$ 33,644</b>    |

(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 continue 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 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. The budget is prepared through a collaborative and decentralized process, guided by its strategic plan (Blueprint 2.0). The plan 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.dewater.com/strategic-plan](http://www.dewater.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

Typically, in September, the Chief Executive Officer & General Manager and Chief Financial Officer kick off the budget season. Departments submit their budget requests in late September to early October and meet with budget staff and the Senior Executive Team in tandem. All budget requests for existing and new programs are evaluated and scored against established prioritization criteria.

In January of each year, management delivers the operating budget, ten-year capital improvement program multi-year rates (conducted every two years) and ten-year financial plan to the Board of Directors. Management conducts two months of detailed review with the various Board Committees. Additionally, budget briefings are provided to DC Water's Wholesale Customers, the Office of the People's Counsel (OPC) and other stakeholders. The individual Committees submit recommendations to the full Board for budget adoption between March and April. During a ratemaking year, which occurs every two years, management holds various Town Hall meetings in each ward in the District in advance of public hearing to inform customers about the proposed rates, fees and budgets. The rates are adopted by the Board in July.

Upon budget adoption, the Budget Office publishes and distributes the approved budget book which contains detailed information about the adopted budgets and rates. 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.

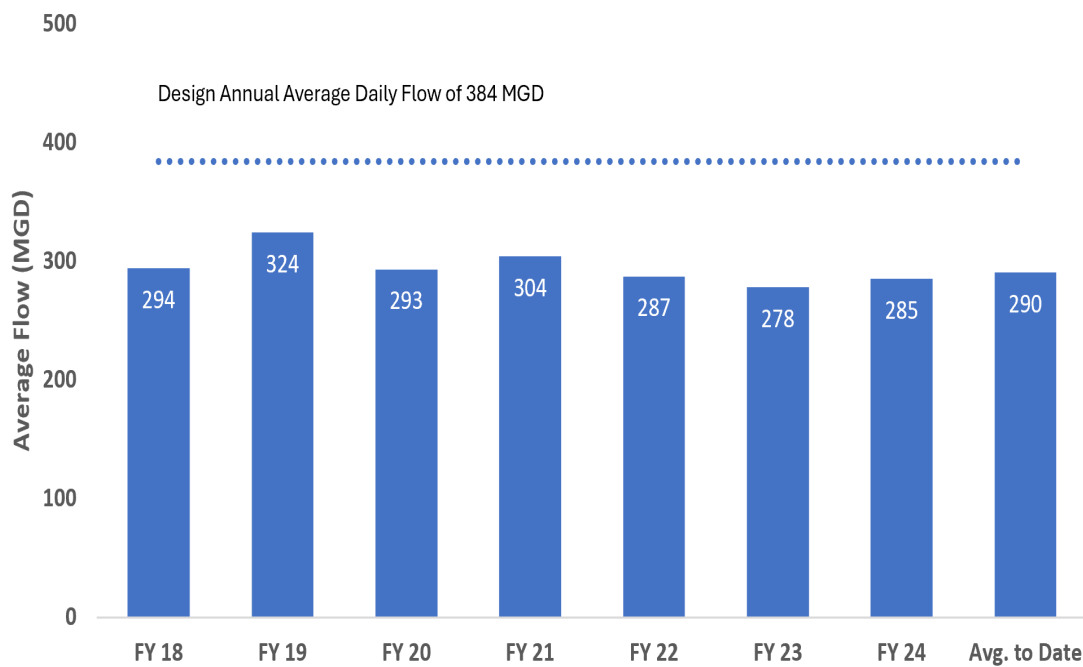
| Month                       | Activity  |
|-----------------------------|---|
| <b>July</b>                 | Centrally Managed and Matrix training and preparation   |
| <b>August</b>               | Establish Budget Prioritization, Scoring Criteria and Linkages to Strategic Plan (Blueprint 2.0)<br>Develop Budget Manual & Guidelines and Provide Training for Departments   |
| <b>September 4</b>          | Chief Executive Officer & General Manager's Budget Kickoff Meeting  |
| <b>October</b>              | Departmental FY 2026 Budget Submission to Budget Office   |
| <b>October</b>              | Chief Financial Officer Briefing on Departmental Budget Requests  |
| <b>October<br/>November</b> | - Departmental FY 2026 Operating and Capital Equipment Budget Reviews with the Chief Executive Officer, Chief Financial Officer, and the Budget Office  |
| <b>November</b>             | Senior Executive Team Briefing (Operating and Ten-Year Capital Improvement Program)   |
| <b>December</b>             | Finalize Ten-Year Financial Plan (Operating, Capital Program, Revenues, Rates & Fees)<br>Transmit Final Budget Recommendation to Executives, Vice Presidents & Department Heads   |
| <b>January 13</b>           | Budget Workshop – Board Briefing of the CEO & GM's Proposed FY 2026 Budgets, Capital Improvement Program and Financial Plan<br>Publication of Proposed FY 2026 Budget Book  |
| <b>January</b>              | Budget Briefing to Wholesale Customers, Office of People's Counsel and Other Stakeholders   |
| <b>January<br/>February</b> | - Board Committees Conduct In-Depth Review of Budget Proposal: <ul style="list-style-type: none"> <li>• Environmental Quality &amp; Operations Committee Review of Capital Improvement Program</li> <li>• Joint session with the DC Retail Water &amp; Sewer Rates and Finance &amp; Budget Committees on the Operating Budget, Capital Improvement Program, and Financial Plan (including the Two-Year Rate Proposal conducted every two years)</li> </ul> |
| <b>February</b>             | Board Committees Forward Recommendations to Full Board for Deliberation/Action<br>Budget Book Preparation & Production  |
| <b>March 6</b>              | Budget Adoption by Full Board<br>Submission to the District of Columbia for onward transmission to U.S. Congress<br>Publication of Approved Budget Book   |
| <b>April</b>                | Application for Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award  |
| <b>April – June</b>         | Rate-making Process, (conducted every two years)<br>Public Outreach & Public Hearing Activities   |
| <b>July</b>                 | Board Adoption of Rates (conducted every two years)   |
| <b>October 1</b>            | Fiscal Year Begins  |



## Wastewater System Capacity Ensures Service Area Meets Needs Through 2040

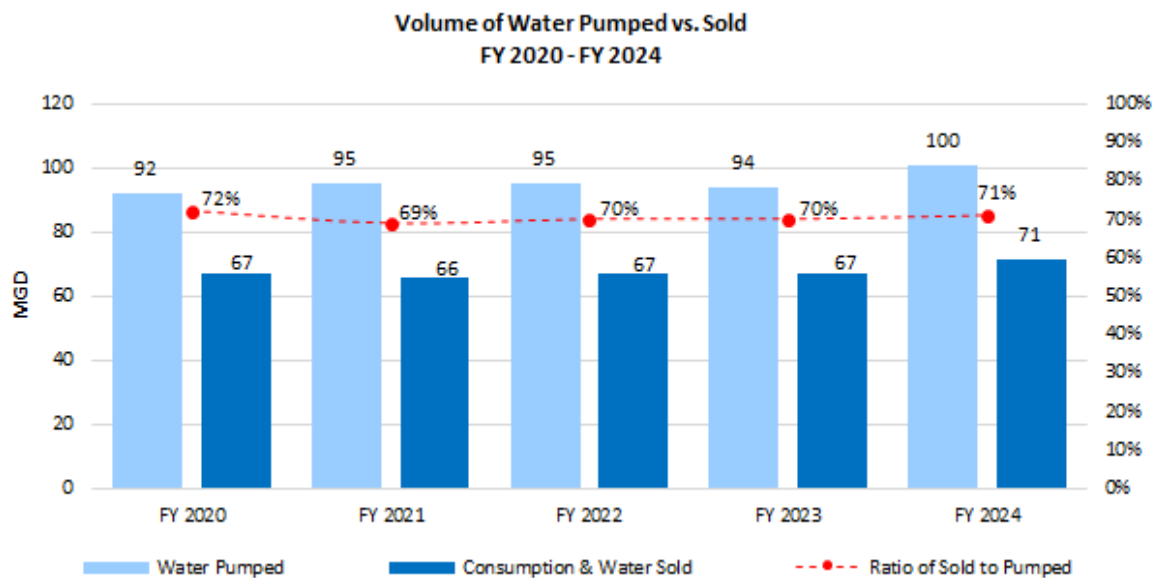
- Blue Plains is the world’s largest advanced wastewater treatment plant
  - Treats an average of approximately 320 million gallons per day (MGD) annually
  - Designed for average daily flow of 384 MGD and, with a peak design capacity to treat more than 780 MGD
- System comprises 1,950 miles of sanitary, 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 2024



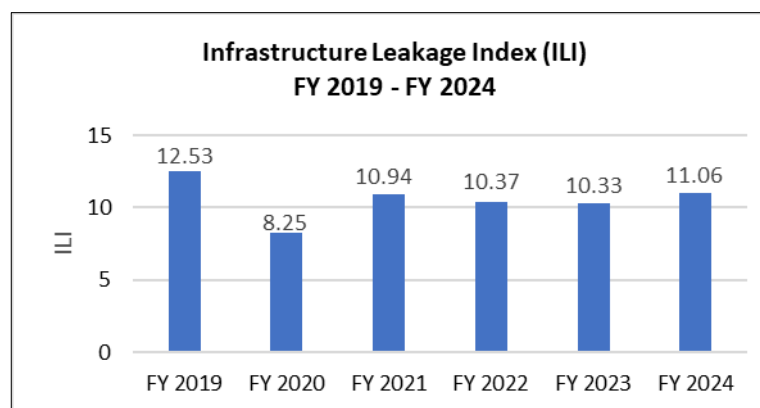
## Water System Capacity Meets Service Area Needs

- 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.



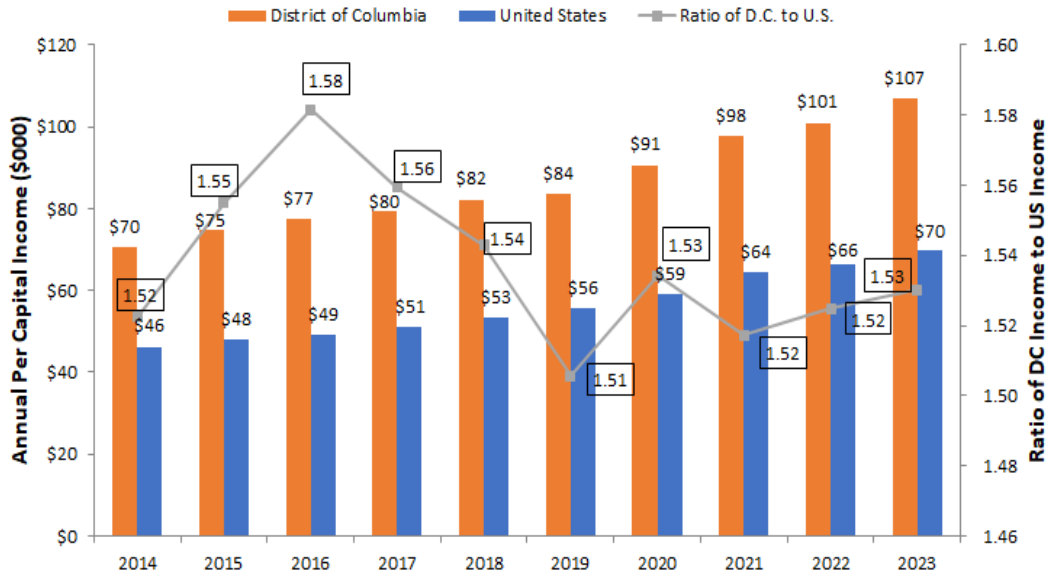
Strong financial planning requires careful monitoring and analysis of various trends and factors that may influence the market place. In this case, the market place for DC Water is the District of Columbia and its surrounding region. DC Water monitors consumption and wastewater flow trends within the 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 steadying force through various economic cycles.

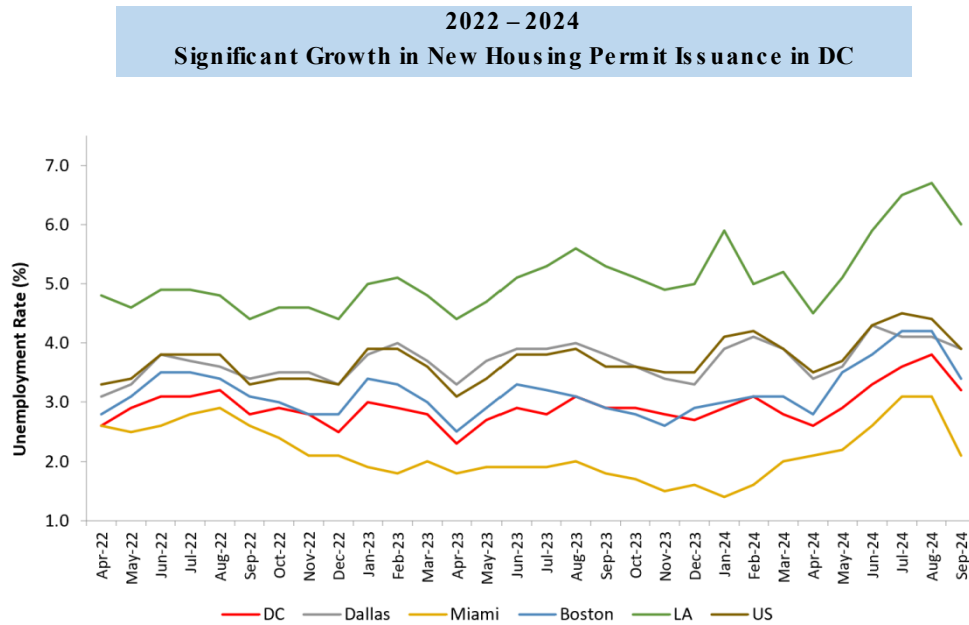
A major local employer, the federal government, remains relatively stable for this employment sector for the past few years. The population of the District grew by more than 70,000 people from 2010 to 2022. Per capita incomes within the District and for the region as a whole continue to be higher than 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.

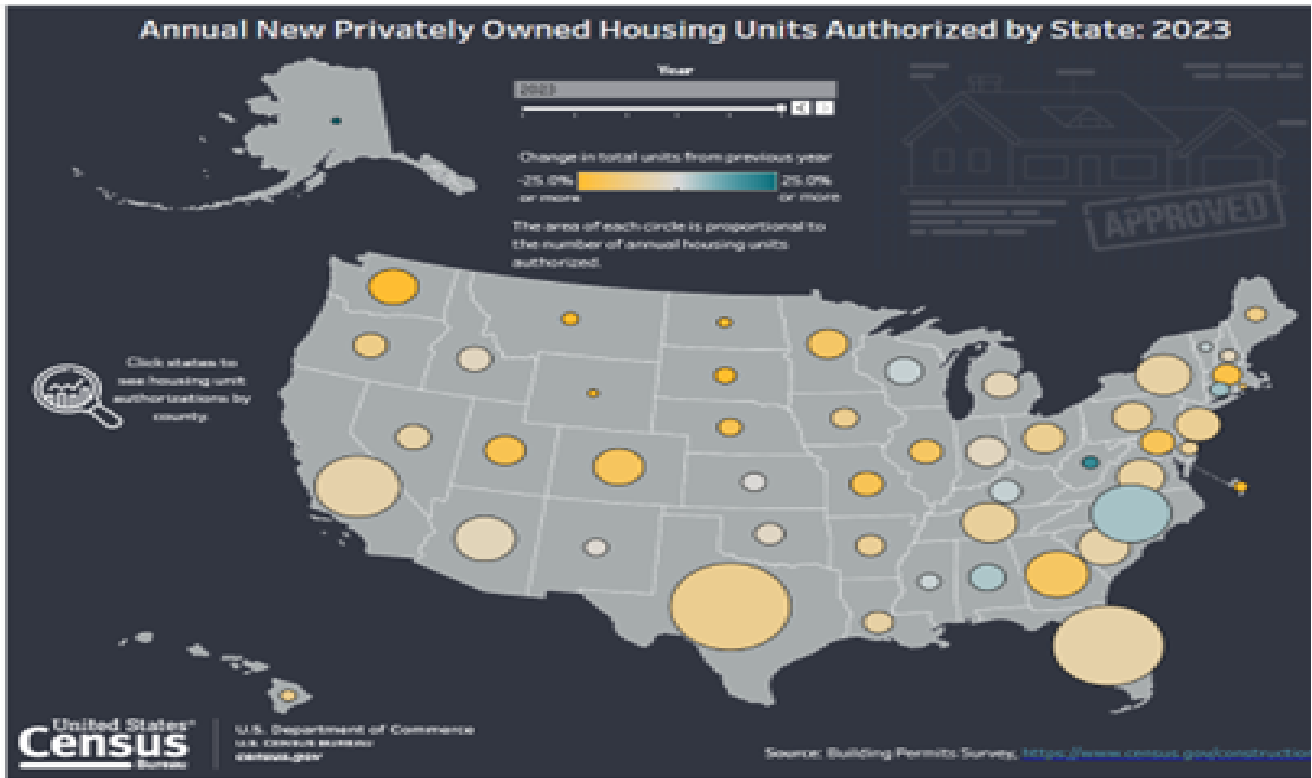
## DC Per Capita Income is Higher Than US Average



Source: Bureau of Labor Statistics

## Unemployment Rate in The DC Region Remains Relatively Low

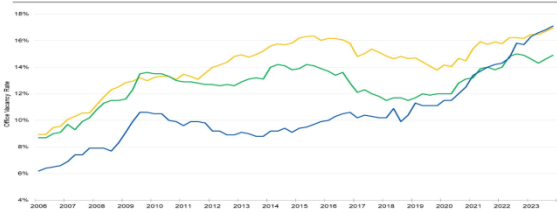




## DC Metro Vacancy Rates Are Above Pre-Recession Levels Partly Due to New Spaces Added to The Market

### Office Vacancy Rate in the COG Region, 2006 - 2023

Office Vacancy Highest in D.C., Narrowly Exceeds Northern Virginia



### Retail Vacancy Rate in the COG Region, 2006 - 2024

Available Retail Space at Lowest Level Since 2008



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

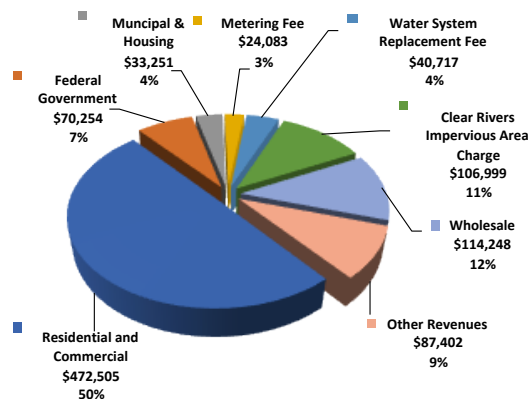
- Source: Metropolitan Washington Council of Governments (COG)
- Note: COG region includes the District of Columbia, Northern Virginia, and Suburban Maryland



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 2025 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



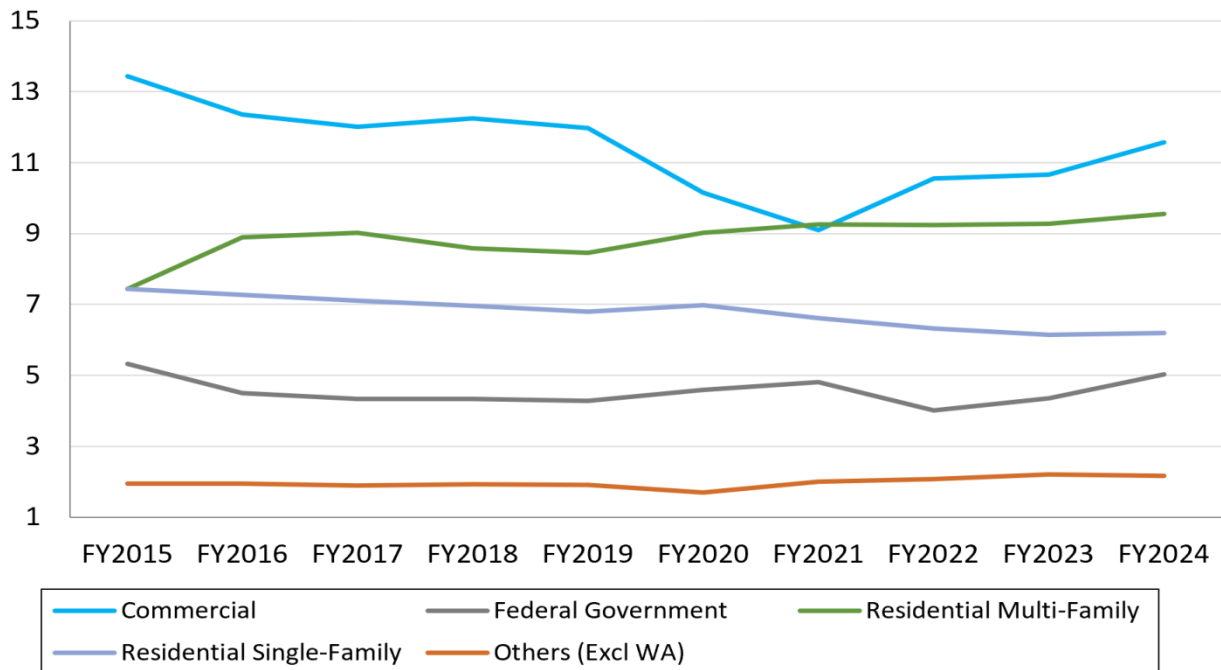
## Media reports reference the service area's economic strength

- "The Washington, D.C. multifamily market's stable, steady performance is continuing into the second half of 2024... Workforce and affordable housing remains in demand in D.C. supporting durable rents and vacancies." J.P. Morgan Washington, D.C. Multifamily Market Update, July 2024
- "... the region's tourism industry continues to boom, and hotel occupancies are at the highest level since 2019... Visitation to the District set an all-time record in 2023, surpassing pre-pandemic levels. Roughly 25.95 million people visited D.C. last year [2023]." Washington Business Journal, June 2024
- "The D.C. Policy Center's Rivlin Initiative recently finished the fourth round of the Business Sentiments Survey... more survey respondents expected the D.C. economy to strengthen than to weaken over the next six months." D.C. Policy Center, November 2024

- **Customer Demand:** A reasonable degree of accuracy in forecasting water demand is important for sound financial planning and rate-setting. The FY 2015 - 2024 actual average decline in usage is 0.3% annually, excluding the Washington Aqueduct. FY 2015 – FY 2024 average annual rate of change in demand for the customer classes: Commercial -1.6%; Federal Government: -0.6%; Single Family: -2.0%; Multi-Family: 2.8%; and Other (include Exempt, DC Housing Authority, DC Municipal Government, and DC Water): 1.2%.

## DC Water Consumption by Customer Type

### FY 2015 - FY 2024 Annual Retail Water Consumption by Customer Type (Millions of Ccf)



Source: DC Water

- FY 2024 consumption, excluding Washington Aqueduct, increased 5.7% compared to the prior year
- 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 2025 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.

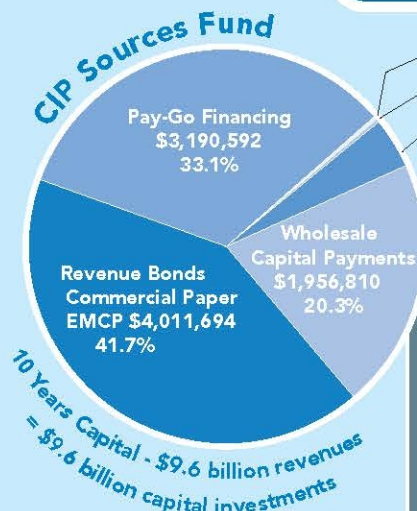
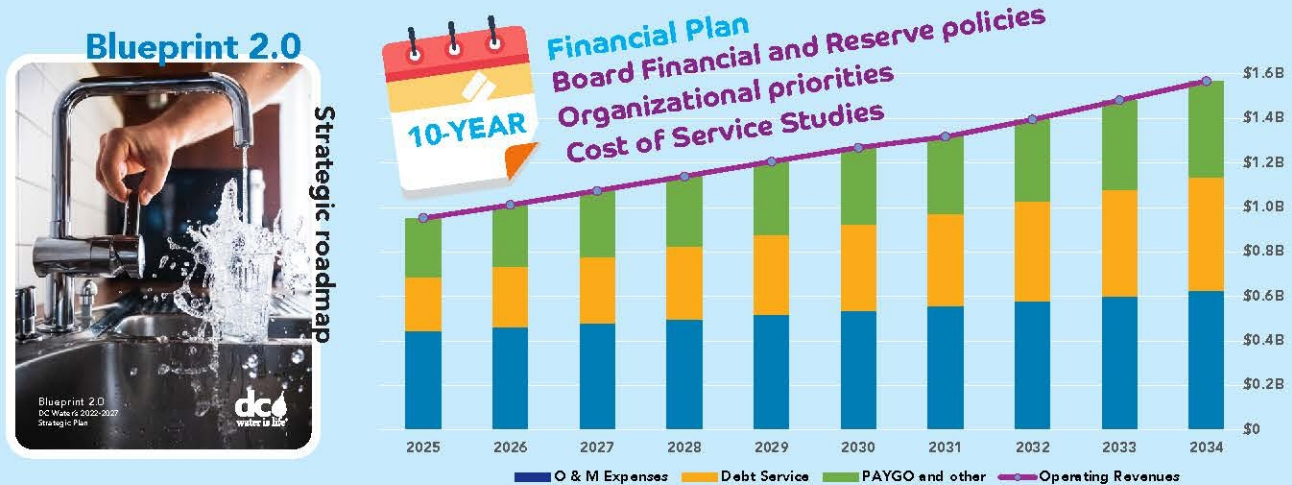


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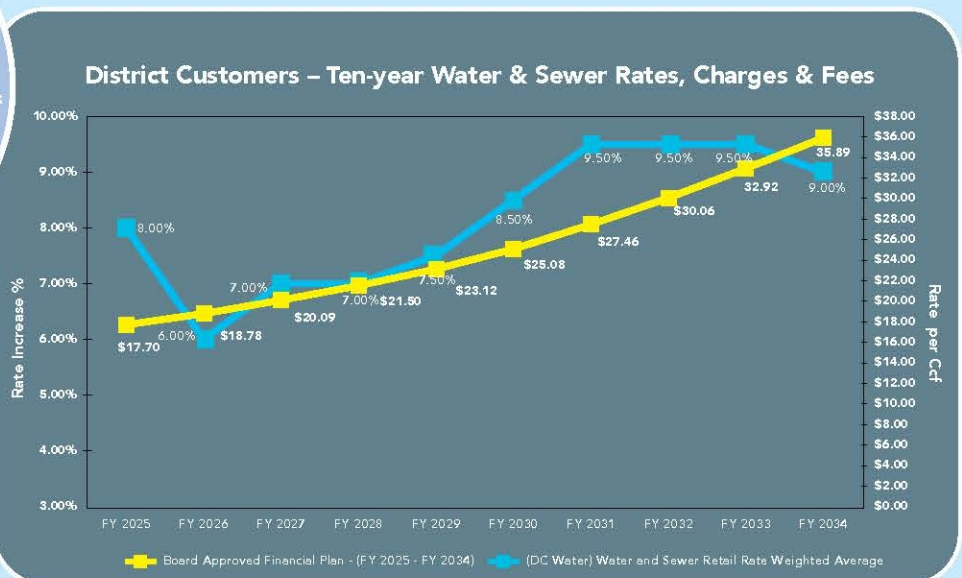


# Approved FY 2026 Budgets Section III: Financial Plan

## DC Water, a Cost Recovery Organization



Interest Income on Bond Proceeds \$44,491 / 0.5%  
Curing Pad and Solar \$19,444 / 0.2%  
EPA Grants / CSO Appropriations \$400,549 / 4.2%





## FY 2025 – FY 2034 Financial 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 2024 – FY 2033 ten-year plan. This budget includes DC Water’s twenty fifth comprehensive ten-year financial plan, covering FY 2025 – FY 2034.

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



#### REGULATORY AND CAPITAL PROJECT-DRIVEN



Healthy, Safe and Well



Reliable

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.



#### BOARD POLICY



Healthy, Safe and Well



Reliable



Resilient

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.



#### INTERNAL IMPROVEMENTS AND INVESTMENTS



Healthy, Safe and Well



Reliable

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 2025 - FY 2034 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.

## FY 2025 – FY 2034 Financial Plan

### 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 are as follow:



#### KEY FINANCIAL AREAS

 Healthy, Safe and Well  Reliable  Resilient

- 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



#### FINANCIAL PLAN OBJECTIVES

 Healthy, Safe and Well  Reliable

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

 Healthy, Safe and Well  Reliable  Resilient

- Maintain Debt Service as a percentage of revenue equal to 33.0 percent or less
- Maintain combined coverage of 160 percent
- Maintain 267 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 2024 actual consumption increased by 5.7 percent. Assumed 1.0 percent decline in consumption in FY 2025 over FY 2024 actual. Assumed 1.0 percent conservation in FY 2026 and onwards. Due to the impact of COVID-19, assumed 0.4 percent decline in consumption for the Commercial category in FY 2025 as compared to FY2021 projected consumption.
- FY 2024 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 2025 and onwards.
- Assumed higher miscellaneous fee revenue and interest earnings.
- Assumed higher collection of receipts for Late Fees

## FY 2025 – FY 2034 Financial Plan



**FINANCIAL METRICS**
 Healthy, Safe and Well
  Reliable
  Resilient

| Metrics  | Indenture Requirements | Board Policy | Management Target      | Financial Plan      | S&P Median          |
|--|------------------------|--------------|------------------------|---------------------|---------------------|
| Days of Cash on Hand (excluding RSF)           | 60 Days                | 250 Days     | –                      | 267 – 269 Days      | 514 Days            |
| Combined Coverage Ratio                        | –                      | 1.6X         | –                      | 1.87X – 2.11X       | 2.0                 |
| Senior Coverage                                | 1.2X                   | –            | –                      | 6.29X – 8.73X       |                     |
| Subordinate Coverage                           | 1.0X                   | –            | –                      | 2.23X – 2.51X       |                     |
| Debt Service as a % of Revenue                 | –                      | –            | 33% of Revenue or Less | 25.9% - 32.9%       |                     |
| Rate Stabilization Fund (RSF)                  | –                      | –            | –                      | \$33.6 million      |                     |
| Median Leverage Ratio (debt to capitalization) | –                      | –            | –                      | 48% (FY2023 Actual) | 35%                 |
| Growth in operating expenses over two years    |                        |              |                        | 19% (FY2021-FY2023) | 17% (FY2021-FY2023) |

## Key Financial Policies

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 to 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 2024, 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.



## Key Financial Policies

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.

## Key Financial Policies

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.

In October 2023, the Board approved Resolution # 23-61 revising the Rate Stabilization Fund Policy as follows:

DC Water will 1) establish a targeted RSF balance of 5% of retail revenues; 2) contributions to the RSF may be directed by the Board through the allocation year-end surplus or by the General Manager from savings or revenues from projects funded by the RSF; 3) the RSF may be used for: (i) emergencies or unplanned events to prevent rate spikes, (ii) investments in technologies or other initiatives that could reduce operating expenditures, (iii) apply to revenues to reduce rate increases, decrease higher cost debt, or as PAYGO to reduce debt service costs.

### 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.

## Key Financial Policies

### 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](http://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](http://www.dcwater.com).

## Major Financial Accomplishments

During FY 2024 DC Water met the financial goals set out by the Board and the FY 2024 – FY 2033 financial plan. DC Water successfully managed its finances through FY 2024, aligning expenditures to the revenue shortfall from the impacts of COVID. At the end of the year, revenues were above budget by \$24.3 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 241 percent in FY 2024 and is projected at 190 percent in FY 2034 greater than the board policy requirement. DC Water's senior debt service coverage in FY 2024 was at 956 percent, while maintaining the Board's rate setting and financial policies. The senior debt service coverage is expected to decrease to 701 percent by FY 2034 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 289 percent in FY 2024. 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.

In August 2024, DC Water received Board authorization to revise the commercial paper (CP) program from \$150 million to \$250 million to include: (1) Series D (tax-exempt and taxable) aggregate principal amount not to exceed \$250 million. Additionally, DC Water authorized the Letter of Credit facility to TD Bank, NA. and approved J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC as the authorized dealers along with US Bank Trust Company National Association as the Issuing Paying Agent to support our CP program.

- 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 2024.** However, no amount was contributed to RSF. The Rate Stabilization Fund's ending balance for FY 2024 was \$35.64 million.
- DC Water continued its strong operating budget performance in FY 2024** – Actual cash receipts for FY 2024 were higher than the budget by \$24.3 million, or 2.7 percent. Actual operating expenditures were \$14.1 million or 2.0 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 \$3.29 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.

## Major Financial Accomplishments

- **DC Water implemented a retail water and sewer rate increase of 3.25 percent in FY 2024** to recover increased retail water and sewer revenue requirements of \$11.0 million. In FY 2024, 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 2024, PILOT fees increased to \$0.61 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 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.



## Major Financial Accomplishments

- For the twenty fourth consecutive year, DC Water received the Government Finance Officers' Award for Distinguished Budget Presentation for its FY 2025 budget which was submitted in 2024. 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 addition, DC Water was awarded with "special recognition" for the long-range financial plan. This section also received a score of 4 (outstanding) for all three reviewers.
- In FY 2024, DC Water successfully renewed all the Authority's operations insurance policies at essentially the same terms up 0.5 percent from expiring costs than previous year. DC Water's coverage is generally comparable to expiring.
- DC Water completed its Twentieth year ROCIP I (October 2004 to October 2009) of its rolling owner- controlled insurance program (ROCIPI); fifteenth year of ROCIP II (October 2009 to October 2012); twelfth year of ROCIP III (October 2012 to October 2015); ninth year of ROCIP IV (November 2015 to October 2020); fourth year of ROCIP V (November 2020 to November 2023); first year of ROCIP VI (November 2023 to 2028 and PRT OCIP November 2023 to November 2030). 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 2024, 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 \$32 million in Avoided Costs Across 7 Programs.

## Major Financial Accomplishments

### Customer Assistance Programs (CAP)

In FY 2024, DC Water remained committed to water affordability by maintaining a comprehensive range of assistance programs. Through our DC Water Cares suite of programs, new and temporary programs are introduced to support customers facing higher water rates and overdue balances due to income challenges from the global COVID pandemic. Many of these programs were made possible through DC Water's partnership with the District Department of Energy and Environment (DOEE).

DC Water Cares Assistance Programs are as follow:

- Customer Assistance Program (CAP) offers a discount on the first 400 cubic feet (3,000 gallons) of water and sewer services, PILOT and ROW fee each month. Eligible households receive a 75 percent reduction on the monthly CRIAC fee and a waiver for the Water Service Replacement Fee. This results in a monthly discount of approximately \$95. Funded by DC Water and made possible through partnership with DOEE.
- CAP 2 offers a discount on the first 300 cubic feet (2,250 gallons) of water and sewer services used each month. Eligible households receive a 50 percent reduction on the monthly CRIAC fee. This results in a monthly discount of approximately \$62. Funded by DC Water and made possible through partnership with DOEE.
- CAP 3 offers 75 percent reduction in the monthly CRIAC fee. This results in a monthly discount of approximately \$16. Funded by DOEE and made possible through partnership with DC Water.
- CRIAC Non-Profit Relief offers credits of up to 90 percent of the CRIAC portion of a nonprofit's water bill. Funded by DOEE and made possible through partnership with DC Water.

The assistance provided to customers in FY 2024 is listed below:

| Program                                       | Assistance     | Assisted Customers |
|---|----------------|--------------------|
| CAP, CAP2,                                    |                |                    |
| CAP (Original)                                | \$2.59 million | 4,411              |
| CAP 2   | \$160,586      | 360                |
| RAP   | \$1.11 million | 1,660              |
| CRIAC Residential Relief Program              |                |                    |
| CAP 3   | \$4,714        | 29                 |
| CRIAC Non Profit Relief Program               |                |                    |
| Non Profit Relief                             | \$997,487      | 185                |
| Homeowner Assistance Fund                     |                |                    |
| HAF   | \$38,871       | 68                 |
| Low Income Household Water Assistance Program |                |                    |
| LIHWAP  | \$283,116      | 642                |

**SPLASH (Serving People by Lending A Supporting Hand) Program** supports customers in need through contributions from customers, the community, and DC Water employees. DC Water covers all administrative fees, while the Greater Washington Urban League (GWUL) administers the program. In FY 2024, DC Water received \$58,611 in contributions and distributed \$111,820, assisting 339 customers as of September 2024. CAP, CAP2, and SPLASH, together in FY 2024, provided \$2,859,104 in assistance to approximately 5,110 low-income households in FY 2024, to help make their bills more affordable.

## Major Financial Accomplishments

### Customer Contacts

- **Payment Plan Incentive Program** was created in FY24 to assist residential customers who are sixty plus days past due and \$500 or more in arrears. If they create and maintain a payment plan, DC Water will credit equivalent to 40 percent of customer payments over a three-month period. In FY24, DC Water was able to assist 470 residential customers with credits that totaled \$122,307.
- Completed the FY2024 Voice of the Customer Survey
- Created marketing videos shared on YouTube and other social media platforms to raise awareness about assistance programs and educate customers on DC Water's billing process.
- Continued to focus on customer outreach to increase enrollment in financial assistance plans.
- Provided ongoing communication and updates related to assistance programs and payment arrangements.

### System Enhancements

In FY 2024, system enhancements were made to improve customer service experience:

- Enhanced the IVR and the mydcwater portal to allow residential customers whose service was disconnected for nonpayment the ability to set up payment arrangements for service restoral after disconnection.
- Upgraded to Genesys Cloud for automated call distribution, integrating it with our IVR system.
- Obtained a new payment processor and bill print vendor
- Upgraded Customer Portal (mydcwater.com) (Phase 1)
- Upgraded DC Water website (Customer Center)
- Upgraded the Report A Problem website

### Other Upcoming Projects

- Completed Informational AI Chatbot on the DC Water Customer Center webpage. Moving to Personal and Transactional AI on the IVR and the Customer Center webpage.
- Bill Redesign
- Welcome Letter and other customer correspondence redesign
- 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.
- Continue to 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.
- Call Translation Technology
- Multilingual Bills and Notices
- New Field Work Management System
- Address Validation Software

### Expansion of Customer Assistance Programs:

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

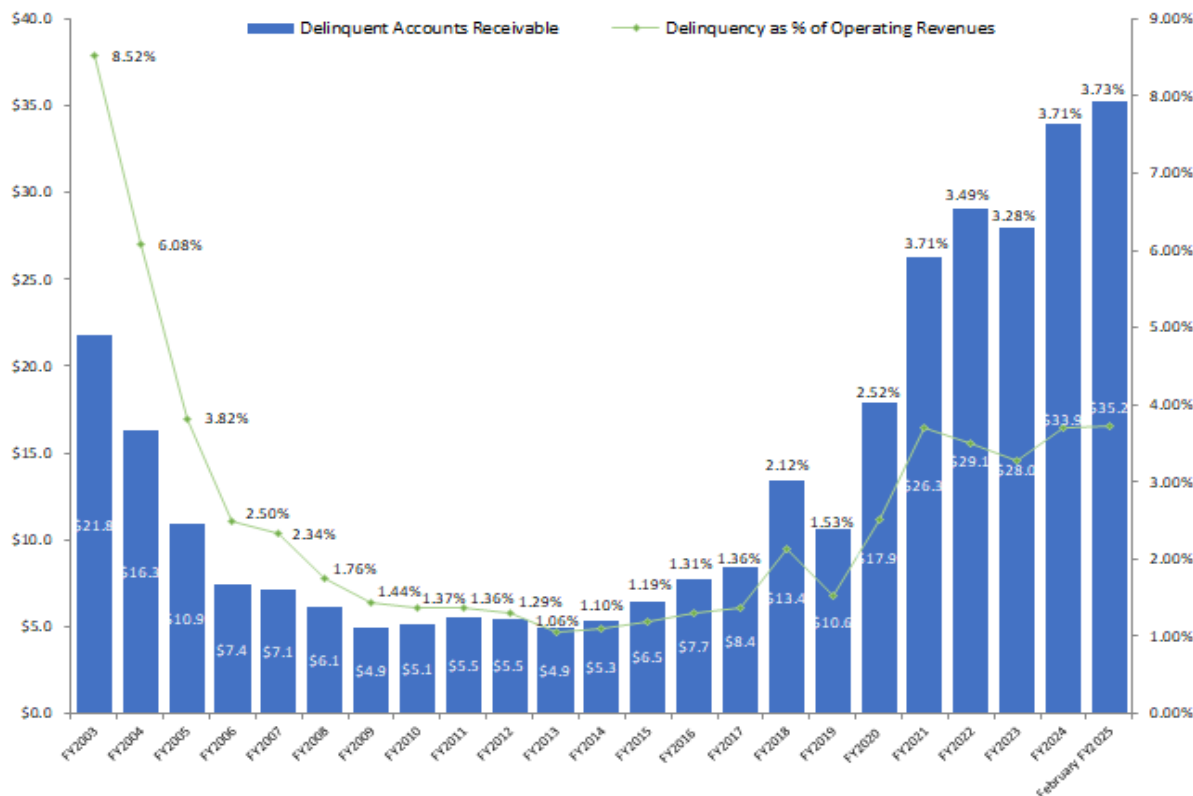
- **CAP+** is a new program designed for eligible customers, offering all the benefits of CAP along with a discount on an additional two hundred cubic feet of water and sewer services. This program is available to customers with incomes at 20 percent MFI or lower.
- **Leak Assessment and Repair Program** is a new initiative for CAP+, CAP, and CAP 2 customers who have received high usage alerts. This program offers a free leak assessment to help customers identify the source of leaks. Additionally, DC Water has partnered with the District to provide repairs for leaks identified through the assessment. The Repair program is available for a limited time and while funding lasts.

## Major Financial Accomplishments

- **SPLASH donations** have helped customers avoid disconnection. The program is funded by DC Customers, DC Water employees and other generous donors. DC Water has created an online portal to increase SPLASH donations by expanding the donation pool to receive donations from as many sources as possible. More information can be found at [www.dewater.com/splash](http://www.dewater.com/splash)

## Major Financial Accomplishments

**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 3.71 percent in 2024 and 3.73 percent as of February 2025.
- 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 ongoing 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, but increased to \$33.9 million in September 2024.



## Major Financial Accomplishments

### 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:

- Customer Class-Based Volumetric Rates – Rate differentiation based on the peaking demands of each customer class (residential, multi-family and non-residential).
- 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.
- 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.
- 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.

## Major Financial Accomplishments

- 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.

## Major Financial Accomplishments

- 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 Water System Replacement Fee (WSRF) will generate approximately \$40.7 million per year from fiscal years 2025 through 2034. 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 2024 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.

## Major Financial Accomplishments

In 2024, 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 2019 – FY 2023). Projections of DC Water costs were developed for FY 2024 – FY 2027. As per terms of the 2013 MOU and based on the results of the 2024 COS, Fire Protection Service fee was established at \$17.575 million for fiscal years FY 2025, FY 2026 and FY 2027. This fee is \$6.04 million higher than the FY 2021 fee of \$11.535 million. 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 SAF 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 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.

## Major Financial Accomplishments

### 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.



## Future Goals and Financial Assumptions

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

| Compliant | Description   | Legal Covenant  | Performance Target   | FY2020 Actual  | FY2022 Actual   | FY2024 Actual   | FY2025 Revised  | FY2026 Approved   |
|-----------|---|---|--|--|---|---|---|---|
| √         | Senior Debt Service Coverage  | 120%  | 140%   | 524%   | 653%  | 956%  | 855%  | 738%  |
| √         | Operating Cash Reserves   | N/A   | \$275 million  | 186.8 million  | \$294 million   | \$329.2 million   | 309.6 million   | \$325.6 million   |
| √         | Short Term Investment Return Benchmark Merrill Lynch 3-Month Treasury Index | N/A   | 416 basis points   | 226 basis points   | 110 basis points  | 456 basis points  | 426 basis points  | 391 basis points  |
| √         | Long Term Investment Return Benchmark Merrill Lynch 1-3 Year Treasury Index | N/A   | 378 basis points   | 225 basis points   | 211 basis points  | 370 basis points  | 398 basis points  | 395 basis points  |
| √         | 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 | 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  | Contributed \$28.8 million to RSF in FY 2020, leaving an RSF balance of \$90.2 million | Utilization of \$88.5 million of RSF in FY 2022 leaves a balance of \$33.64 million   | FY 2024 year end RSF balance was \$35.46 million  | The projected utilization of \$2.0 million RSF in FY 2025 will leave a balance of \$33.64 million | The projected non-utilization of RSF in FY 2026 will leave a balance of \$33.64 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.

## Future Goals and Financial Assumptions

**The Approved FY 2025 - FY 2034 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 \$9.62 billion capital improvement program
- Includes disbursements of \$1.07 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

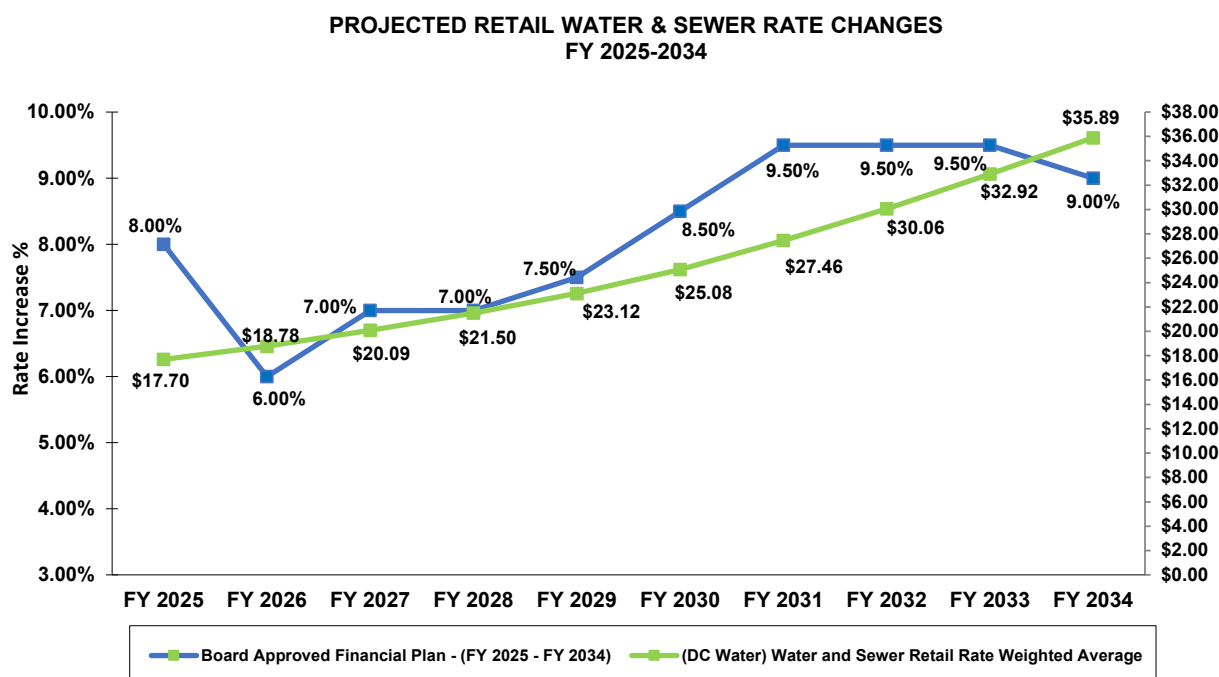
## Future Goals and Financial Assumptions

### 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 4.0 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 2025 to FY 2034 range from 1.87 to 2.07. 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 25.9 percent and 27.1 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

## Future Goals and Financial Assumptions

Due to these ongoing and new initiatives, from FY 2025 – FY 2034 DC Water’s water and sewer volumetric retail rates are projected to increase by \$1.08 to \$2.97 per 100 cubic feet as shown in the chart below. Cumulative rate increases would total 81.50 percent over the ten-year period compared to 75.75 percent projected in last year’s ten-year plan (FY 2024 – FY 2033).



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.

## Future Goals and Financial Assumptions



- 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 \$21.23 per month in FY 2025 to \$28.37 per month in FY 2034
- 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.



## Future Goals and Financial Assumptions

The proposed rate and fee adjustments included in the FY 2025 – FY 2034 financial plan are driven by the following trends and initiatives:

- Assumed retail water consumption decline of 1.0 percent in FY 2025 compared to FY 2024 actual. However, due to the impact of COVID-19, FY 2025 consumption for commercial is assumed to decline by 0.4 percent as compared to FY 2021 projected consumption. In FY 2026 and onwards, a one percent decrease in consumption has been assumed due to conservation.
- Increasing debt service expenditures, driven by DC Water's \$9.62 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 4.0 percent annually over a ten-year period.
  - Increasing operating expenditures, driven primarily by projected increases in personnel services, chemicals and supplies, utilities, and water purchases
  - Enhanced service to the development community through improved permitting operations

## Revenues

The Revised FY 2025 operating receipts projection totals \$951.9 million, an increase of \$37.0 million as compared to the FY 2024 Actual. The Approved FY 2026 operating receipts total \$1,011.4 million, an increase of \$59.5 million over the FY 2025 Revised budget receipts.

### Comparative Operating Receipts FY 2024 – FY 2026

\$ in thousands

|  | FY 2024<br>Actual | FY 2025<br>Revised | Increase /<br>(Decrease) | Percent<br>Change | FY 2026<br>Approved | Increase /<br>(Decrease) | Percent<br>Change |
|--|-------------------|--------------------|--------------------------|-------------------|---------------------|--------------------------|-------------------|
| Residential  | \$ 144,967        | \$ 148,715         | \$ 3,748                 | 2.6%              | \$ 160,242          | \$ 11,527                | 7.8%              |
| Commercial   | 226,365           | 231,975            | 5,610                    | 2.5%              | 248,665             | 16,690                   | 7.2%              |
| Multi-family   | 160,824           | 167,213            | 6,389                    | 4.0%              | 177,501             | 10,288                   | 6.2%              |
| <b>Sub-Total Residential, Commercial and Multi-family</b>              | <b>532,156</b>    | <b>547,903</b>     | <b>15,747</b>            | <b>3.0%</b>       | <b>586,408</b>      | <b>38,504</b>            | <b>7.0%</b>       |
| Federal Government <sup>(1)</sup>                                      | 91,338            | 91,696             | 357                      | 0.4%              | 99,339              | 7,643                    | 8.3%              |
| District Government  | 24,739            | 26,388             | 1,649                    | 6.7%              | 28,256              | 1,868                    | 7.1%              |
| D.C. Housing Authority   | 16,358            | 17,027             | 670                      | 4.1%              | 18,120              | 1,092                    | 6.4%              |
| Transfer from Rate Stabilization Fund <sup>(3)</sup>                   | -                 | 2,000              | 2,000                    | 0.0%              | -                   | (2,000)                  | 0.0%              |
| Water System Replacement Fee (WSRF)                                    | 43,192            | 40,717             | (2,475)                  | -5.7%             | 40,717              | -                        | 0.0%              |
| Metering Fee   | 24,439            | 24,083             | (356)                    | -1.5%             | 24,083              | -                        | 0.0%              |
| <b>Total Retail</b>  | <b>732,222</b>    | <b>749,814</b>     | <b>17,591</b>            | <b>2.4%</b>       | <b>796,923</b>      | <b>47,108</b>            | <b>6.3%</b>       |
| IMA Wastewater Charges   | 93,434            | 100,251            | 6,818                    | 7.3%              | 108,014             | 7,762                    | 7.7%              |
| Potomac Interceptor Wastewater Charges                                 | 13,323            | 13,997             | 674                      | 5.1%              | 14,598              | 602                      | 4.3%              |
| <b>Total Wholesale</b>   | <b>106,757</b>    | <b>114,248</b>     | <b>7,491</b>             | <b>7.0%</b>       | <b>122,612</b>      | <b>8,364</b>             | <b>7.3%</b>       |
| District Stormwater Revenue <sup>(2)</sup>                             | 1,008             | 1,008              | -                        | 0.0%              | 1,008               | -                        | 0.0%              |
| Misc. Rev. (e.g. watertap installation, fire hydrant usage, etc.)      | 31,430            | 42,996             | 11,566                   | 36.8%             | 46,979              | 3,983                    | 9.3%              |
| Washington Aqueduct Backwash - DC Water's pro rata share               | 2,755             | 2,598              | (157)                    | -5.7%             | 2,598               | -                        | 0.0%              |
| Washington Aqueduct Debt Service Revenue for Falls Church & Arlington  | 193               | 193                | (0)                      | 0.0%              | 193                 | -                        | 0.0%              |
| Interest Income (including interest on Bond Debt Service Reserve Fund) | 12,303            | 9,493              | (2,810)                  | -22.8%            | 9,217               | (276)                    | -2.9%             |
| System Availability Fee (SAF)  | 2,603             | 7,700              | 5,097                    | 195.8%            | 7,700               | -                        | 0.0%              |
| Right-of-Way (ROW) Fee   | 5,573             | 5,100              | (473)                    | -8.5%             | 5,100               | -                        | 0.0%              |
| Payment-in-Lieu-of-Taxes (PILOT) Fee                                   | 20,027            | 18,713             | (1,314)                  | -6.6%             | 19,056              | 343                      | 1.8%              |
| <b>Total Other</b>   | <b>75,891</b>     | <b>87,801</b>      | <b>11,909</b>            | <b>15.7%</b>      | <b>91,850</b>       | <b>4,049</b>             | <b>4.6%</b>       |
| <b>Total Operating Cash Receipts</b>                                   | <b>\$ 914,871</b> | <b>\$ 951,863</b>  | <b>\$ 36,992</b>         | <b>4.0%</b>       | <b>\$ 1,011,385</b> | <b>\$ 59,521</b>         | <b>6.3%</b>       |

1. Historical actuals are presented on reference 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.

## Revenues

Major assumptions underlying the revenue projections contained in the FY 2025 – FY 2034 financial plan include:

- For FY 2025, 1.0 percent reduction in water sales is assumed over FY 2024 Actual for all customer categories, based on historical trends in consumption levels. For the Commercial category, due to impact of COVID-19, 0.4 percent decline in consumption was assumed for FY 2025 as compared to FY 2021 projected consumption. For FY 2026 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 2034 for wholesale customers, in line with operating and maintenance expense increases for joint use facilities. However, the wholesale revenues are projected to increase by \$7.5 million or 7.0 percent for FY 2025 as compared to FY 2024 Actual and \$8.4 million or 7.3 percent for FY 2026 over FY 2025 Revised Budget 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 3.5 percent earnings rate in FY 2025, 3.0 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 \$58.5 million in FY 2026 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 - \$1.0 million.
  - Recovery of indirect costs from DC Water's IMA partners - \$13.4 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 \$17.6 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.

## FY 2025 Revised vs FY 2024 Actual Operating Receipts

The Revised FY 2025 receipts projection totals \$951.9 million, approximately \$37.0 million higher than the FY 2024 Actual. The increase is primarily due to:

- **Residential, Commercial and Multi-Family Receipts** - Projections for FY 2025 reflect an increase of \$15.7 million, or 3.0 percent from FY 2024 Actual 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 2024 Actual has been assumed due to conservation.
- **Federal Revenues** - Revised 2025 Federal revenues are projected to increase by \$0.4 million or 0.4 percent over FY 2024 Actual. 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 Revised 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 \$2.3 million (or 5.6 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 \$33.64 million by the end of FY 2034. 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.

## FY 2025 Revised vs FY 2024 Actual Operating Receipts - Continued

- **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 \$7.5 million or 7.0 percent to \$114.2 million mainly due to projected increase in operations and maintenance expenses.
- **Stormwater** - DC Water's FY2025 receipts include \$1.0 million 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 2025 – FY 2034 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 Revised budget as compared to FY 2024 Actual, PILOT is projected to decrease by \$1.3 million or 6.6 percent mainly due to higher actual consumption in FY 2024 as compared to the budget. ROW fee remains same at \$5.1 million.
- **Other Revenues** - In FY 2025, Other Revenues are projected to increase by \$11.9 million or 15.7 percent as compared to FY2024 Actual mainly due to increase in the Indirect Cost Recovery from Counties on Capital Projects, Fire Protection Service Fee, Development Contractors Water and Sewer Services Fee, and System Availability Fee.



## FY 2026 Approved vs FY 2025 Revised Operating Receipts

The Approved FY 2026 receipts projection totals \$1,011.4 million, approximately \$59.5 million, or 6.3 percent higher than the Revised FY 2025 projections. This increase is due primarily to:

- **Residential, Commercial & Multi-Family** - FY 2026 projections reflect an increase of \$38.5 million, or 7.0 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 III- Rate and Revenues for detail on all rate and fee proposals).
  - One percent decrease in consumption over FY 2025 Revised 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 \$7.6 million or 8.3 percent above the FY 2025 Revised budget to \$99.3 million.
- **Municipal & D.C. Housing Authority Receipts** - are projected to increase by \$3.0 million (or 6.8 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 \$33.64 million by the end of FY 2034.
- **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 \$8.4 million or 7.3 percent to \$122.6 million due to the projected increase in operations and maintenance expenses.
- **Stormwater** - As noted earlier, the Proposed FY 2026 receipts for this category include \$1.0 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 Revised FY 2025 budget. The ROW fee remains the same at \$5.1 million.
- **Other Revenues** - In FY2026, Other Revenues are projected to increase by \$4.0 million or 4.6 percent mainly due to Indirect Cost Recovery from Counties on Capital Projects and Miscellaneous Revenue.

## Long-Term Planning: Ten-Year Financial Plan

(\$ in thousands)

### DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY FY 2025 - FY 2034 FINANCIAL PLAN (In 000's)

| OPERATING                                | 2  | FY 2025   | FY 2026      | FY 2027      | FY 2028      | FY 2029      | FY 2030      | FY 2031      | FY 2032      | FY 2033      | FY 2034      |
|--|----|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Retail*                                  |    | 771,627   | 821,079      | 871,854      | 917,377      | 976,477      | 1,039,404    | 1,089,189    | 1,161,642    | 1,240,043    | 1,319,977    |
| Wholesale*                               |    | 114,248   | 122,612      | 127,516      | 132,617      | 137,922      | 143,439      | 149,176      | 155,143      | 161,349      | 167,803      |
| Other                                    |    | 63,988    | 67,694       | 75,672       | 89,764       | 91,171       | 86,119       | 79,886       | 78,649       | 79,403       | 80,347       |
| RSF                                      |    | 2,000     | 0            | -            | -            | -            | -            | -            | -            | -            | -            |
| Operating Receipts <sup>(1)</sup>        | \$ | 951,863   | \$ 1,011,385 | \$ 1,075,042 | \$ 1,139,758 | \$ 1,205,569 | \$ 1,268,962 | \$ 1,318,252 | \$ 1,395,433 | \$ 1,480,795 | \$ 1,568,127 |
| Operating Expenses                       |    | 444,223   | 461,839      | 479,727      | 498,324      | 517,656      | 537,753      | 558,646      | 580,367      | 602,948      | 625,648      |
| Debt Service                             |    | 243,969   | 271,489      | 297,953      | 328,582      | 358,445      | 385,465      | 415,209      | 449,344      | 478,494      | 508,147      |
| Cash Financed Capital Improvem           | \$ | 65,963    | \$ 73,897    | \$ 78,467    | \$ 82,564    | \$ 87,883    | \$ 93,546    | \$ 98,027    | \$ 104,548   | \$ 111,604   | \$ 118,798   |
| Net Revenues After Debt Service          | \$ | 197,709   | \$ 204,159   | \$ 218,895   | \$ 230,289   | \$ 241,586   | \$ 252,197   | \$ 246,369   | \$ 261,174   | \$ 287,749   | \$ 315,534   |
| Operating Reserve-Beg Balance            |    | 320,513   | 309,600      | 325,600      | 338,600      | 351,600      | 366,600      | 380,600      | 395,600      | 411,600      | 428,100      |
| Other Misc (Disbursements)/Receipts      |    |           |              |              |              |              |              |              |              |              |              |
| Wholesale/Federal True Up                |    | (14,049)  | (14,310)     | (10,000)     | -            | -            | -            | -            | -            | -            | -            |
| Project Billing Refunds                  |    | (2,000)   | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Transfers to RSF                         |    |           |              |              |              |              |              |              |              |              |              |
| Pay-Go Financing                         |    | (192,573) | (173,849)    | (195,895)    | (217,289)    | (226,586)    | (238,197)    | (231,369)    | (245,174)    | (271,249)    | (298,934)    |
| Operating Reserve - Ending Bala          | \$ | 309,600   | \$ 325,600   | \$ 338,600   | \$ 351,600   | \$ 366,600   | \$ 380,600   | \$ 395,600   | \$ 411,600   | \$ 428,100   | \$ 444,700   |
| Rate Stabilization Fund Balance          | \$ | 33,644    | \$ 33,644    | \$ 33,644    | \$ 33,644    | \$ 33,644    | \$ 33,644    | \$ 33,644    | \$ 33,644    | \$ 33,644    | \$ 33,644    |
| Senior Debt Service Coverage             |    | 873%      | 744%         | 668%         | 704%         | 696%         | 656%         | 683%         | 629%         | 635%         | 701%         |
| Combined Debt Service Coverag            |    | 211%      | 206%         | 205%         | 203%         | 199%         | 196%         | 189%         | 187%         | 189%         | 191%         |
| Actual/Projected Water/Sewer R           |    | 8.00%     | 6.00%        | 7.00%        | 7.00%        | 7.50%        | 8.50%        | 9.50%        | 9.50%        | 9.50%        | 9.00%        |
| *Operating Receipts \$ Increase/Decrease |    |           |              |              |              |              |              |              |              |              |              |
| Retail                                   |    | 13,804    | 49,451       | 50,776       | 45,523       | 59,100       | 62,927       | 49,785       | 72,452       | 78,401       | 79,934       |
| Wholesale                                |    | 7,491     | 8,364        | 4,904        | 5,101        | 5,305        | 5,517        | 5,738        | 5,967        | 6,206        | 6,454        |
| *Operating Receipts % Increase/Decrease  |    |           |              |              |              |              |              |              |              |              |              |
| Retail                                   |    | 18%       | 6.4%         | 6.2%         | 5.2%         | 6.4%         | 6.4%         | 4.8%         | 6.7%         | 6.7%         | 6.6%         |
| Wholesale                                |    | 7.0%      | 7.3%         | 4.0%         | 4.0%         | 4.0%         | 4.0%         | 4.0%         | 4.0%         | 4.0%         | 4.0%         |

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

<sup>(2)</sup> \$2.0 million withdrawal from Rate Stabilization Fund in FY2025 for new Payment Plan Incentive Program, leaving a balance of 33.644 million

## Operating Expenditures

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 \$9.62 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 4.0 percent. The following chart provides a detailed comparison of the FY 2025 Revised and FY 2026 Approved operating budgets.

### Comparative Operating Expenditures Budgets FY 2025 - FY 2026

| <i>\$ in thousands</i>                             | FY 2025<br>REVISED | FY 2026<br>APPROVED | Increase<br>(Decrease) | Percentage<br>Change |
|--|--------------------|---------------------|------------------------|----------------------|
| Personnel Services                                 | \$209,633          | \$217,462           | \$7,829                | 3.7%                 |
| Contractual Services                               | 102,284            | 102,284             | (0)                    | 0.0%                 |
| Water Purchases                                    | 45,330             | 48,149              | 2,819                  | 6.2%                 |
| Chemicals and Supplies                             | 55,585             | 57,491              | 1,906                  | 3.4%                 |
| Utilities  | 40,318             | 41,659              | 1,341                  | 3.3%                 |
| Small Equipment                                    | 1,364              | 1,531               | 167                    | 12.2%                |
| <b>Subtotal Operations &amp; Maintenance</b>       | <b>\$454,513</b>   | <b>\$468,576</b>    | <b>\$14,063</b>        | <b>3.1%</b>          |
| Debt Service                                       | 243,969            | 271,489             | 27,521                 | 11.3%                |
| Cash Financed Capital Improvements                 | 65,963             | 73,897              | 7,934                  | 12.0%                |
| Payment in Lieu of Taxes                           | 18,696             | 19,070              | 374                    | 2.0%                 |
| Right of Way Fees                                  | 5,100              | 5,100               | -                      | 0.0%                 |
| <b>Subtotal Debt Service, CFCI &amp; PILOT/ROW</b> | <b>333,728</b>     | <b>369,557</b>      | <b>35,829</b>          | <b>10.7%</b>         |
| <b>Total Operating Expenditures</b>                | <b>\$788,241</b>   | <b>\$838,133</b>    | <b>\$49,892</b>        | <b>6.3%</b>          |
| Personnel Services charged to Capital Projects     | (34,087)           | (30,907)            | 3,180                  | -9.3%                |
| <b>Total Net Operating Expenditures</b>            | <b>\$754,154</b>   | <b>\$807,226</b>    | <b>\$53,072</b>        | <b>7.0%</b>          |

The FY 2026 approved budget total of \$838.1 million is approximately 6.3 percent higher than the FY 2025 revised budget. The net increase is primarily due to increase in Debt Service and Cash Financed Capital Improvements (CFCI) costs associated with DC Water's capital improvement program, as well as increase in the operations and maintenance budget. The FY 2026 approved operations and maintenance budget net increase of 3.1 percent is primarily due to increases in personnel 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.

## Operating Expenditures

**Personnel Services** - increase of \$7.8 million or 3.7 percent above the revised FY 2025 budget. The increase is primarily due to adjustments for vacancies, merit, bonus payments, overtime, other salary adjustments, and bonus payments consistent with newly Board-ratified union agreements (expired September 2023). Provides funding for the career workforce advancement program for existing employees, apprenticeship program, and Summer Internship Program.

**Contractual Services** – (no change) Caps spending at FY 2025 budget with cost adjustments for maintenance & repairs, software, insurance, and various professional services for hauling and disposal, industrial cleaning, and janitorial services

**Water Purchase** – increase of approximately \$2.8 million or 6.2 percent above the revised FY 2025 budget. This represents DC Water’s share of the Washington Aqueduct’s FY 2025 O&M budget and includes funding for the proportionate cost of the dredging of the Little Seneca Reservoir.

**Chemicals & Supplies** – increase of approximately \$1.9 million or 3.4 percent above the revised FY 2025 Reflects inflationary cost pressures for critical parts and custodial materials.

**Utilities** – increase of approximately \$1.3 million or 3.3 percent above the revised FY 2025 budget is due to anticipated increased capacity prices for electricity starting with an offsetting reduction in natural gas and water usage at various facilities throughout the organization. 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.

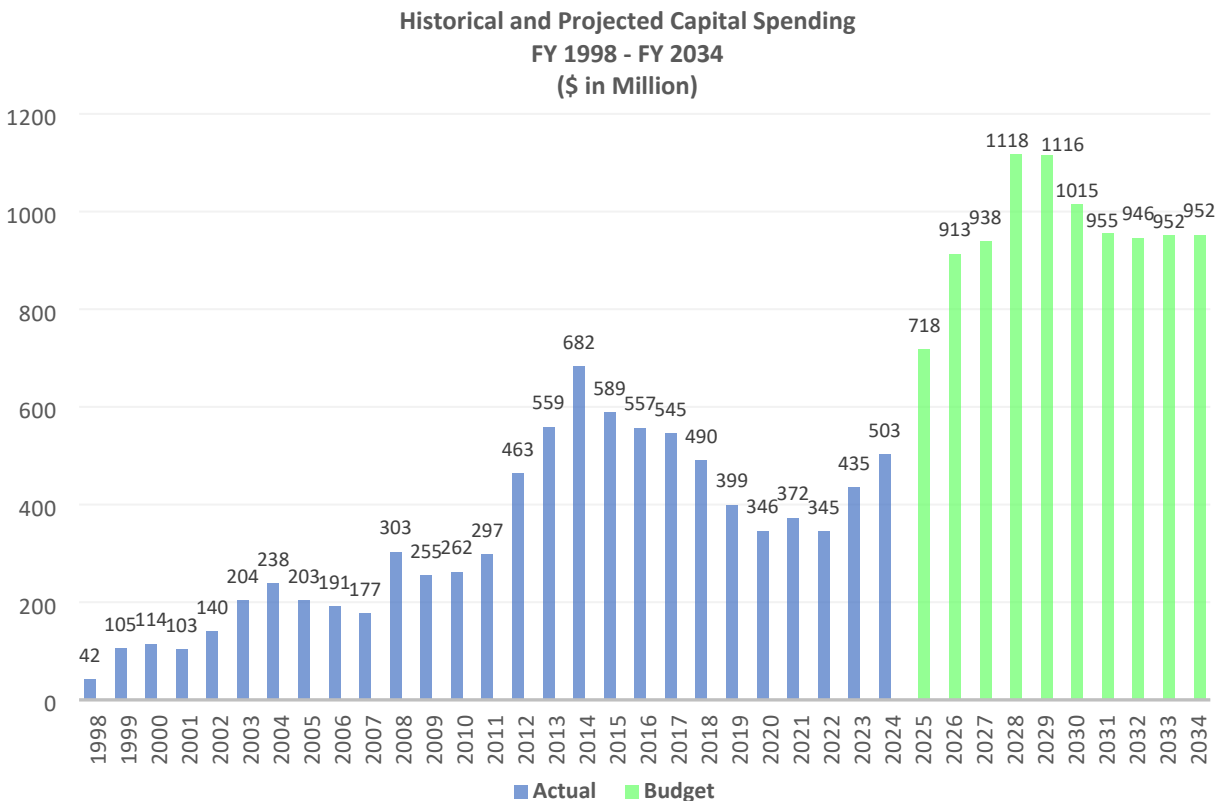
**Small Equipment** – increase of approximately \$0.2 million or 12.2 percent above the revised FY 2025 reflects the rental of two cranes for use at Blue Plains.

## Capital Financing Program

### The \$9.62 Billion Ten-Year CIP Protects Our Assets While Leveraging Long-Term Debt

The FY 2025 - FY 2034 financial plan anticipates capital disbursements of \$9.62 billion. Over the last 27 years, \$8.92 billion has been invested in DC Water's system averaging approximately \$330.5 million per year. Projected annual spending ranges from \$718 million to nearly \$1.1 billion as shown in the chart below (or approximately \$962.4 million per year from FY 2025 - FY 2034). The financing of DC Water's capital program comes from four primary sources, as 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.



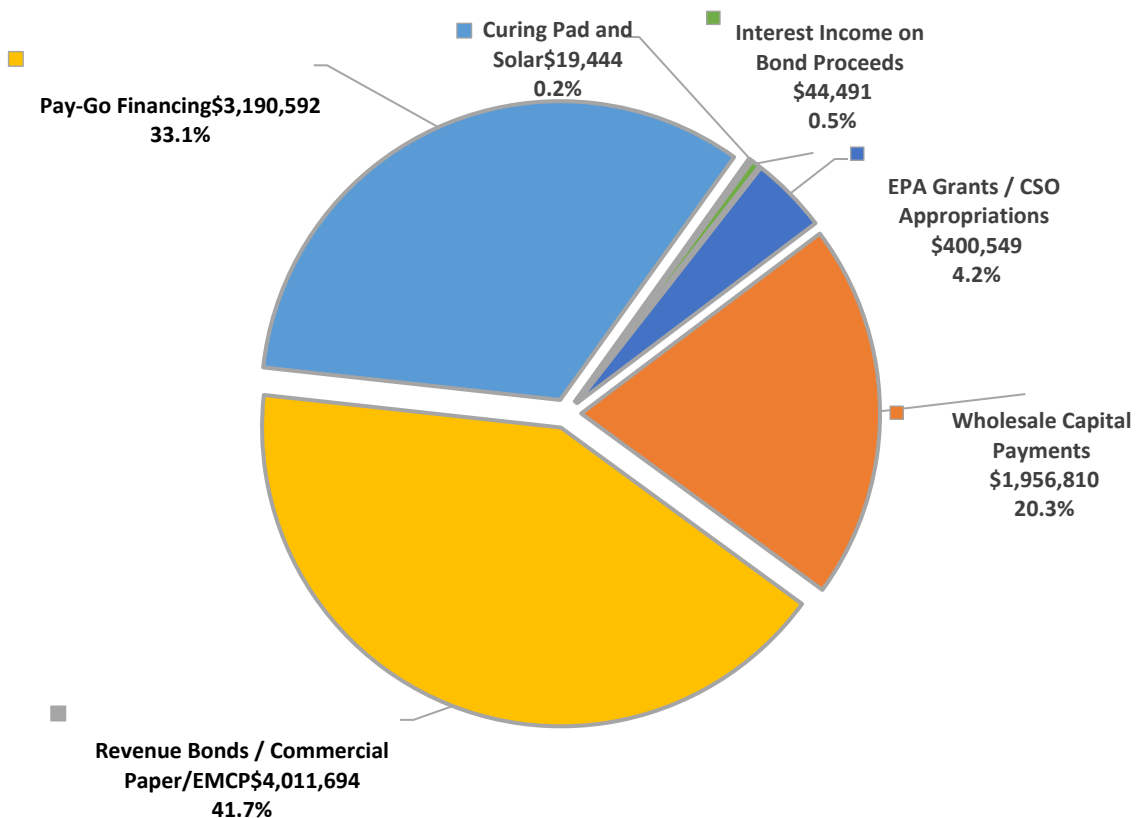


\$ in thousands

## Capital Financing Program

### FY 2025 – FY 2034 Capital Improvement Program Sources of Funds

|                                       | FY 2025 - FY 2034<br>Plan Total | Percent<br>of Total |
|---------------------------------------|---------------------------------|---------------------|
| EPA Grants / CSO Appropriations       | \$ 400,549                      | 4.2                 |
| Wholesale Capital Payments            | \$ 1,956,810                    | 20.3                |
| Revenue Bonds / Commercial Paper/EMCP | \$ 4,011,694                    | 41.7                |
| Pay-Go Financing                      | \$ 3,190,592                    | 33.1                |
| Curing Pad and Solar                  | \$ 19,444                       | 0.2                 |
| Interest Income on Bond Proceeds      | \$ 44,491                       | 0.5                 |
| <b>TOTAL SOURCES</b>                  | <b>\$ 9,623,580</b>             | <b>100.0</b>        |



## Capital Financing Program

- **EPA and CSO Grants – For FY 2025 – FY 2034**, EPA and CSO grants represent only 4.2 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 \$300.8 million in Congressional appropriations for the Clean Rivers Project (aka CSO LTCP) as of September 30, 2024.
- **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 20.3 percent of its capital funding will come from wholesale customers.
- **Revenue Bonds/Commercial Paper/EMCP/WIFIA** - Currently debt financing represents only 41.7 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 33.1 percent of total funding for the FY 2025 – FY 2034 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 2025 and FY 2026 Debt Issuance Plans & Debt Service Assumptions

DC Water plans to remarket the variable rate mode Series 2014 B bonds in the third quarter of FY 2025 for approximately \$100 million. Additionally, DC Water plans to issue \$325 million in new bonds in the second quarter of FY 2025, for Series 2025.

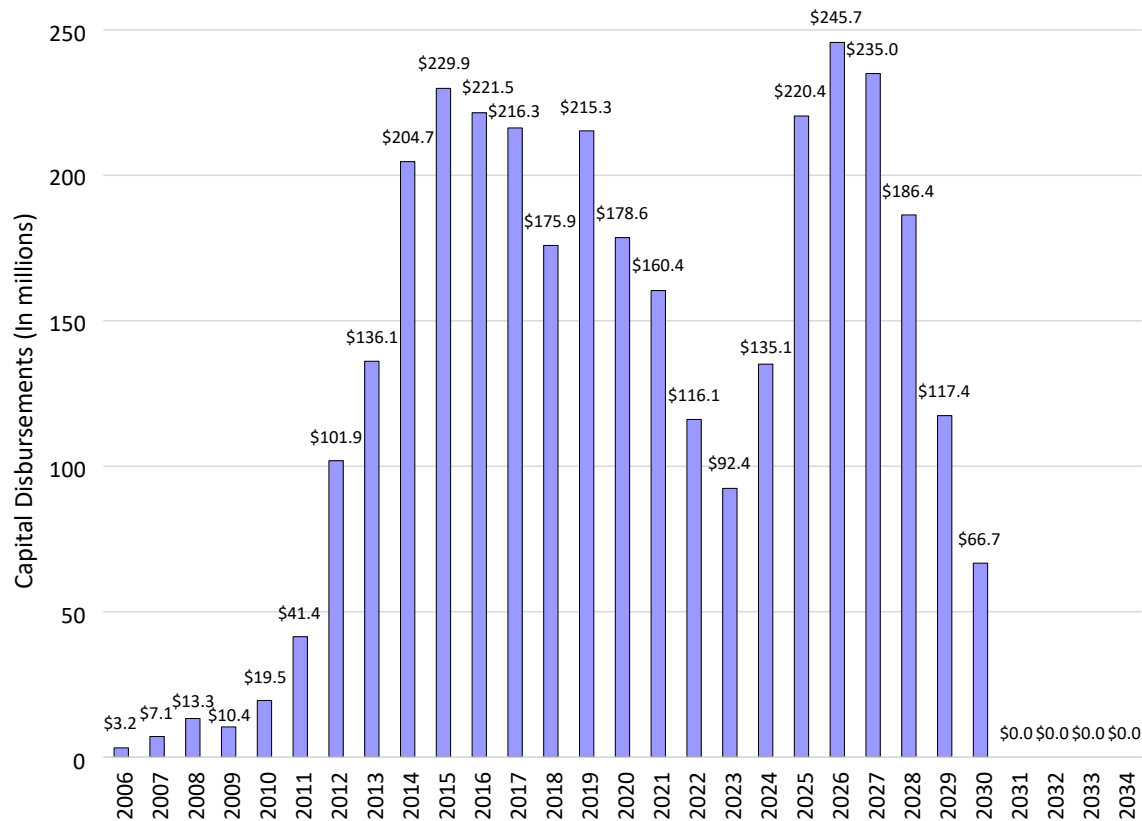
For financial planning, (1) we have assumed fixed rate, tax-exempt bonds at 6.0 percent for FY 2025. Similarly, for the remainder of the ten-year plan we have assumed issuing long-term bonds at 6.0 percent for FY 2026 to FY 2034; and 2) issue commercial paper/EMCP for interim financing. The ten-year plan assumes a variable interest rate of 3.5 percent in FY 2025 and 3.0 percent in FY 2026. To yield the best possible interest rate savings, our debt portfolio is evaluated on a regular basis.

## Capital Financing Program

### 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 \$3.29 billion and this year's approved ten-year plan includes \$1.07 billion of projected disbursements. Projected spending by fiscal year for the Clean Rivers Project is shown in the next chart.

In FY 2024, 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 Position and Reserves

Cash balances totaled \$357.2 million at the end of FY 2024. 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 2024 Year - End Cash

(\$ in thousands)

|  |                   |
|--|-------------------|
| <b>Cash Balance per Bank</b>                                       | <b>\$ 357,179</b> |
| Operating Reserve per Indenture (1)                                | 64,723            |
| Renewal & Replacement Reserve (Indenture Required) (2)             | 35,000            |
| 267 Days of Cash O&M Undesignated Reserve to meet Board Policy (3) | <b>220,812</b>    |
| <b>Ending Cash Balance</b>   | <b>\$ 320,535</b> |
| Rate Stabilization Fund Reserve                                    | 35,644            |
| DC Insurance Reserve   | 1,000             |
| <b>Total Cash Balance and Reserve Funds</b>                        | <b>\$ 357,179</b> |

(1) Two months of prior fiscal year's O&M expense, target balance \$64.7 million

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

(3) Board policy approved October 2023, 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 with goal to achieve 350 days of cash by 2032

- **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 \$64.7 million in FY 2024.
- **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 was presented to the Board for review and was approved. 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.

## Cash Position and Reserves

- **Undesignated Reserve** - After allocating portions of the operating and maintenance reserve to the reserves listed above, the amount that remains (approximately \$196.9 million for FY 2024) 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 2024. The year-end RSF balance is projected at \$33.6 million for FY 2025. 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 \$33.6 million available at the end of FY 2034.
- **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.



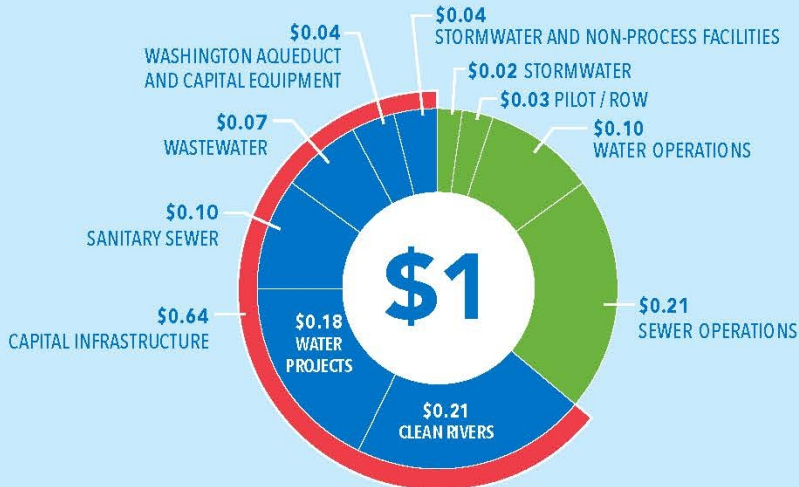


## Approved FY 2026 Budgets

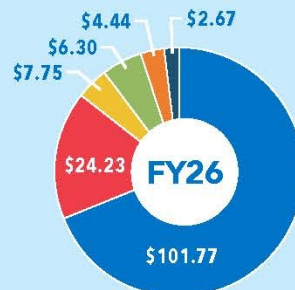
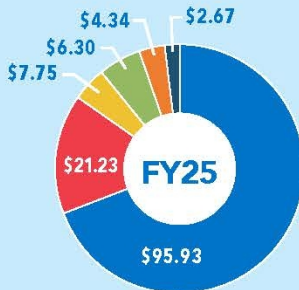
### Section IV: Rates and Revenue

#### WHERE DOES YOUR MONEY GO?

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



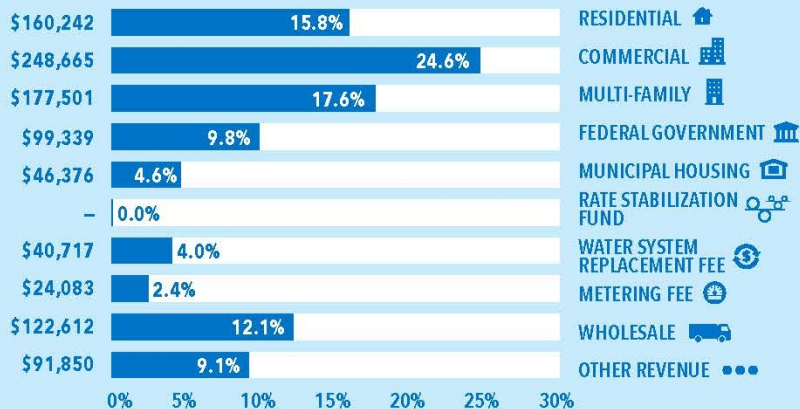
#### AVERAGE RESIDENTIAL BILL WITH 5.42 CCF OR 4,054 GALLONS OF CONSUMPTION



■ DC Water - Water and Sewer Rates  
■ Clean Rivers IAC  
■ DC Water - Customer Metering Fee

■ DC Water - Water System Replacement Fee  
■ District of Columbia PILOT and ROW Fee  
■ District of Columbia Stormwater Fee

#### FY 2026 OPERATING SOURCES OF FUNDS



#### SINGLE FAMILY RESIDENTIAL MONTHLY BILL AS PERCENTAGE OF MEDIAN HOUSEHOLD INCOME

Large National and Regional Utilities



\* WITHOUT DISTRICT FEES  
\*\* WITH DISTRICT FEES

## DC Water Revenue Receipts



**Reliable And Predictable**



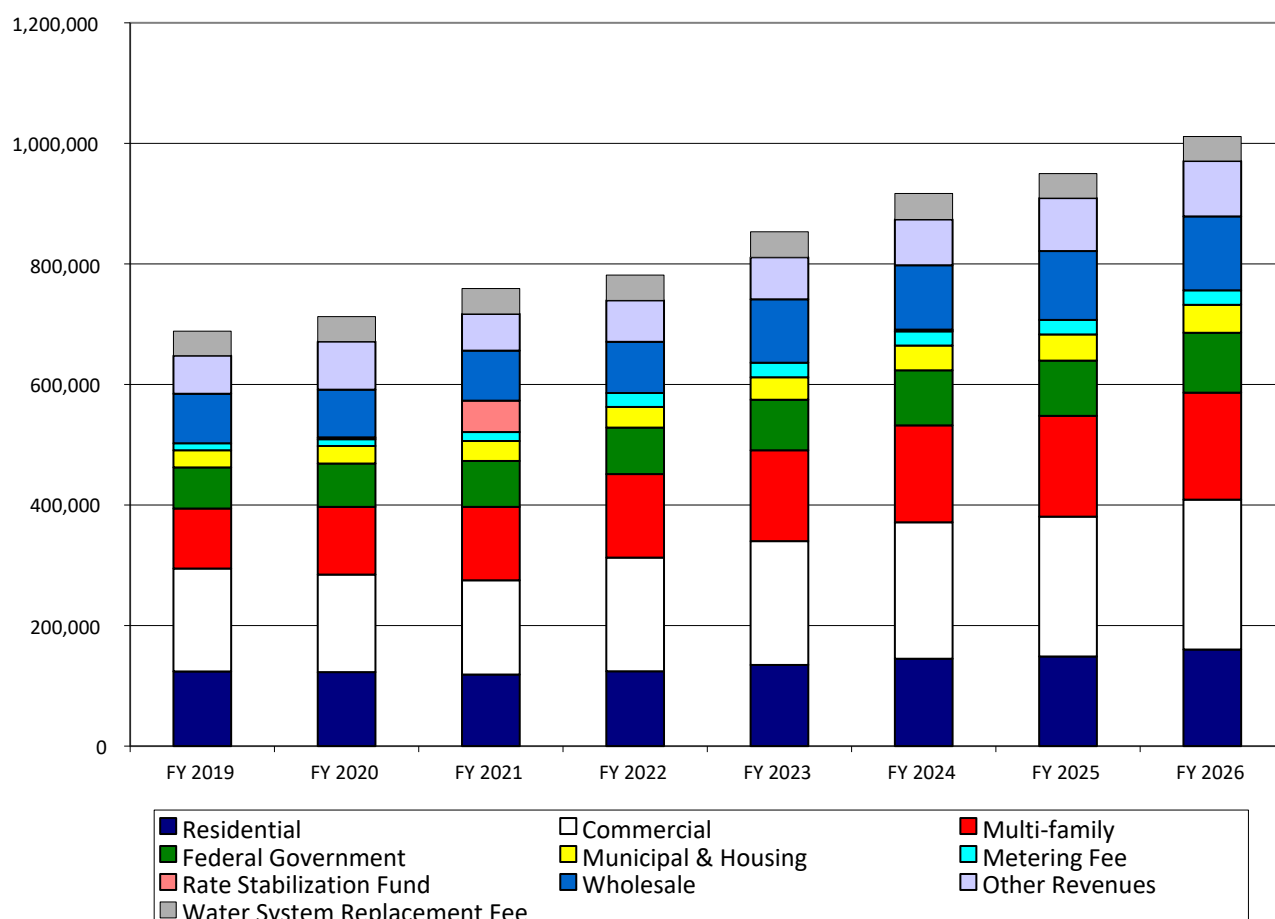
**Healthy, Safe and Well**



**Reliable**

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. The diversification of revenues mitigates reliance on any single customer and provides a level of revenue stability.

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



## DC Water Revenue Receipts

### Funds Summary

The COVID-19 has an impact on consumption and revenue. The revised budget for FY 2025 assumed revenue of \$951.9 million from consumption of 34,177,000 Ccf. The revenue projections assume a 1.0 percent overall retail water consumption decline in FY 2025 over FY 2024 actual. However, for Commercial category, consumption for FY 2025 is assumed to decline by 0.4 percent as compared to projected FY 2021 consumption. For all categories of customers, one percent conservation is assumed for FY 2026 and onwards.



#### MAJOR ASSUMPTIONS



Healthy, Safe and Well



Reliable



Resilient

- Assumed delinquencies will decrease slightly in 2025 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 19, 2024, to January 3, 2025.
- Partnered with the District for the Emergency Relief to District customers
- Assumed slightly higher miscellaneous fee revenue and interest earnings
- For FY 2025 and beyond, projected that the Commercial consumption decline would continue due to 1 percent conservation

## DC Water Revenue Receipts

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

|  | FY2021         | FY2022         | FY2023         | FY2024         | FY2025         | FY2026           |
|--|----------------|----------------|----------------|----------------|----------------|------------------|
|  | Actual         | Actual         | Actual         | Actual         | Revised        | Approved         |
| Residential  | 118,770        | 124,159        | 134,665        | 144,967        | 148,715        | 160,242          |
| Commercial   | 156,345        | 188,598        | 205,401        | 226,365        | 231,975        | 248,665          |
| Multi-family   | 121,777        | 138,579        | 150,756        | 160,824        | 167,213        | 177,501          |
| <b>Sub-Total Residential, Commercial and Multi-family</b>              | <b>396,892</b> | <b>451,336</b> | <b>490,822</b> | <b>532,156</b> | <b>547,903</b> | <b>586,408</b>   |
| Federal Government (1)   | 76,206         | 77,112         | 83,839         | 91,338         | 91,696         | 99,339           |
| District Government  | 20,933         | 21,055         | 21,495         | 24,739         | 26,388         | 28,256           |
| D.C. Housing Authority   | 12,173         | 13,210         | 15,801         | 16,358         | 17,027         | 18,120           |
| Transfer from Rate Stabilization Fund                                  | 2,500          | 52,100         | -              | -              | 2,000          | -                |
| Water System Replacement Fee (WSRF)                                    | 42,212         | 42,079         | 42,407         | 43,192         | 40,717         | 40,717           |
| Metering Fee   | 14,862         | 23,134         | 24,104         | 24,439         | 24,083         | 24,083           |
| <b>Total Retail</b>  | <b>565,777</b> | <b>680,026</b> | <b>678,468</b> | <b>732,222</b> | <b>749,814</b> | <b>796,923</b>   |
| IMA Wastewater Charges   | 71,797         | 73,798         | 91,713         | 93,434         | 100,251        | 108,014          |
| Potomac Interceptor Wastewater Charges                                 | 11,189         | 11,101         | 13,537         | 13,323         | 13,997         | 14,598           |
| <b>Total Wholesale</b>   | <b>82,987</b>  | <b>84,899</b>  | <b>105,250</b> | <b>106,757</b> | <b>114,248</b> | <b>122,612</b>   |
| District Stormwater Revenue (2)  | 1,148          | 1,107          | 1,038          | 1,008          | 1,008          | 1,008            |
| Misc. Rev. (e.g. watertap installation, fire hydrant usage, etc.)      | 28,822         | 34,463         | 32,981         | 31,430         | 42,996         | 46,979           |
| Washington Aqueduct Backwash - DC Water's prorata share                | -              | -              | 177            | 2,755          | 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          | 12,303         | 9,493          | 9,217            |
| System Availability Fee (SAF)  | 5,403          | 9,194          | 5,087          | 2,603          | 7,700          | 7,700            |
| Right-of-Way Fee   | 5,100          | 5,345          | 5,253          | 5,573          | 5,100          | 5,100            |
| PILOT Fee  | 16,512         | 17,284         | 18,506         | 20,027         | 18,713         | 19,056           |
| <b>Total Other</b>   | <b>60,805</b>  | <b>68,670</b>  | <b>69,616</b>  | <b>75,891</b>  | <b>87,801</b>  | <b>91,850</b>    |
| <b>Total Operating Cash Receipts</b>                                   | <b>709,569</b> | <b>833,595</b> | <b>853,333</b> | <b>914,871</b> | <b>951,863</b> | <b>1,011,385</b> |

- (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.

## DC Water Revenue Receipts

### Customer Categories and Accounts



Reliable And Predictable



Healthy, Safe and Well



Reliable

As of September 30, 2024, DC Water had 127,334 active, metered water and wastewater accounts. In addition, there are 5,470 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 2024 revenue receipts are actual as of September 30, 2024.

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.



## DC Water Revenue Receipts



Reliable And Predictable



Healthy, Safe and Well



Reliable

**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.



Equitable

**Residential, commercial and multi-family receipts are projected to increase in FY 2025 by approximately \$15.7 million, or 3.0 percent, over the FY 2024 level due to:**

- Board-approved volumetric retail rate (water and sewer) increase of 8.0 percent, effective October 1, 2024
- Board-approved Clean Rivers Project CRIAC rate decreased from \$21.86 in FY 2024 to \$21.23 per ERU in FY 2025
- Due to the impact of COVID-19, assumed a 0.4 percent decline in consumption for Commercial category in FY2025 and beyond.
- In FY 2024, DC Water's collections on its retail receivables was impacted due to COVID-19, with accounts receivable over 90 days at \$33.9 million as of September 30, 2024, which is \$7.6 million higher than FY 2021. DC Water will continue its collection efforts
- The customer assistance program reduces projected revenues by approximately \$5.0 million

**Residential, commercial and multi-family customers:**

- In FY 2025, residential customers include 107,491 accounts that comprise of 15.6 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 2025, there are 8,785 accounts that comprise of 17.6 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 9,011 accounts and will comprise of 24.4 percent of the projected FY 2025 operating revenues. In FY 2026, they will comprise of 24.6 percent of the fiscal year operating revenue.

## DC Water Revenue Receipts

FY 2025 projections for Residential, Multi-Family and Commercial customers reflect an increase of \$15.7 million, or 3.0 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 \$38.5 million or 7.0 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 1.0 percent retail water consumption decline in FY 2025 over FY 2024 actual. However, for Commercial category, consumption in FY 2025 is assumed to decline by 0.4 percent as compared to FY 2021 projected consumption. In FY 2026 and onwards, one percent decrease in consumption has been assumed due to conservation.

**The Federal customers FY 2025 receipts are projected to total \$91.7 million; an increase of \$0.4 million, or 0.4 percent over FY 2024.** In FY 2026, Federal revenues are projected to be \$99.3 million or 9.8 percent of the total operating revenues. The projected federal revenues will be higher by \$8.3 million or 7.6 percent in FY 2026 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.

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 2025 estimated vs. actual consumption and rate increases will be included in the FY 2028 billing, to be prepared in April 2026). 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 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. 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.

## DC Water Revenue Receipts



Reliable And Predictable

Healthv. Safe and Well

Reliable

Resilient

**Municipal & D.C. Housing Authority – FY 2025 receipts from the District of Columbia government and the District of Columbia Housing Authority are projected at \$43.4 million, an increase of \$2.3 million or 5.6 percent over FY 2024.** In 2026, receipts from these organizations are projected to total \$46.4 million, an increase of \$3.0 million, or 6.8 percent, mainly due to increases in retail volumetric rates.

- The Municipal customer group includes 518 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 2.8 percent of the FY 2025 revised budget, and 2.8 percent of the proposed FY 2026 budget.
- The D.C. Housing Authority has 1,050 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 2025 cash receipts and 1.8 percent of the proposed FY 2026 cash receipts.

**Wholesale customer revenue - FY 2025 revenues are projected at \$114.2 million, an increase of \$7.5 million or 7.0 percent over FY 2024.** In FY 2026, the Wholesale revenues are projected to increase by \$8.4 million or 7.3 percent to \$122.6 million. In FY 2027, the wholesale revenues are projected to increase by \$4.9 million or 4.0 percent to \$127.5 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 and 12.1 percent of total receipts in 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.

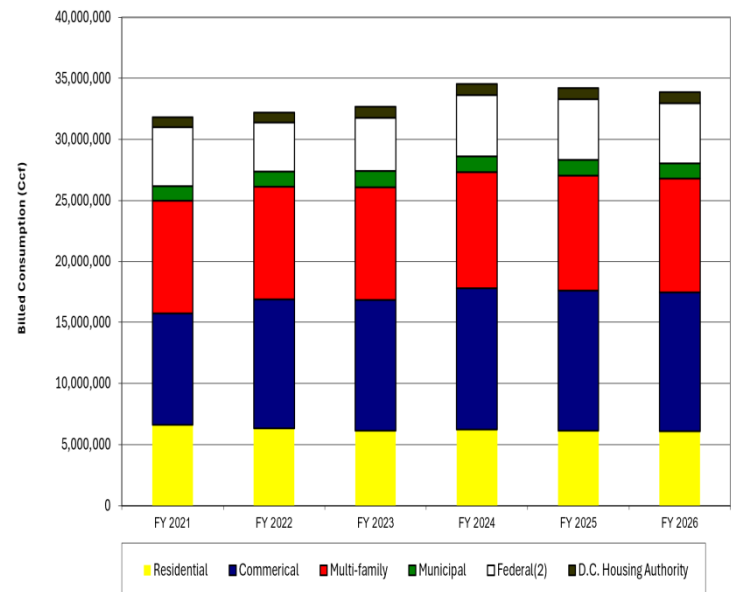
## DC Water Consumption

### 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 increased by 5.7 percent in FY 2024. 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 1.0 percent decline in FY 2025 over FY 2024 Actual. However, due to the impact of Covid-19, FY 2025 consumption for commercial is assumed to decline by 0.4 as compared to FY 2021 projected consumption. Assumed 1.0 percent decline in FY 2026 and beyond for all categories of customers.

Historical and Projected Billed Consumption (Ccf)



Historical and Projected Billed Consumption (Ccf)

|                                | FY 2021<br>Actual | FY 2022<br>Actual | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Projected | FY 2026<br>Projected |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|
| <b>Residential</b>             | 6,620,451         | 6,319,378         | 6,148,086         | 6,202,811         | 6,141,000            | 6,080,000            |
| <b>Commercial</b>              | 9,098,077         | 10,561,267        | 10,665,543        | 11,577,290        | 11,462,000           | 11,347,000           |
| <b>Multi-family</b>            | 9,260,560         | 9,243,028         | 9,274,129         | 9,544,963         | 9,450,000            | 9,356,000            |
| <b>Municipal<sup>(1)</sup></b> | 1,195,762         | 1,243,211         | 1,326,087         | 1,265,556         | 1,253,000            | 1,241,000            |
| <b>Federal<sup>(2)</sup></b>   | 4,813,337         | 4,006,115         | 4,350,621         | 5,035,575         | 4,985,000            | 4,935,000            |
| <b>D.C. Housing Authority</b>  | 808,267           | 824,862           | 889,780           | 894,653           | 886,000              | 877,000              |
| <b>Total Retail</b>            | <b>31,796,454</b> | <b>32,197,861</b> | <b>32,654,246</b> | <b>34,520,848</b> | <b>34,177,000</b>    | <b>33,836,000</b>    |

(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

## Recent and Approved Rate and Fee Changes

### 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 FY 2015 COS to include alternative rate structure analysis that would more effectively meet DC Water's highest priority pricing objectives. These recommendations were incorporated in the FY2016 rate proposal and were approved by the Board. These recommendations are summarized below:

- Lifeline Rates
- Classed-based Volumetric Rates
- Water System Replacement Fee (WSRF)
- System Availability Fee (SAF)
- Based on similar peaking ratios, District of Columbia Housing Authority (DCHA) category moved to multi-family class.

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.

## Recent and Approved Rate and Fee Changes

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.

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.

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. It also included the Groundwater and high flow filter backwash sewer rates. The results of COS study support the multi-year rate, charges, and fee proposed for FY2025 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.



## Recent and Approved Rate and Fee Changes

### 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  |

## Recent and Approved Rate and Fee Changes

### 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                          |

## Recent and Approved Rate and Fee Changes

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

## Recent and Approved Rate and Fee Changes

### 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.

## Recent and Approved Rate and Fee Changes

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                    |

## Recent and Approved Rate and Fee Changes

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.



## Recent and Approved Rate and Fee Changes

### 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.

- 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 Customer Service 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)

## Recent and Approved Rate and Fee Changes

### 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 |

## Recent and Approved Rate and Fee Changes

### 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 variety 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 have 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.

## Recent and Approved Rate and Fee Changes

### 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 2025 RATE AND FEE CHANGES



Reliable And Predictable

Healthy, Safe and Well

Reliable

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
- 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 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

## APPROVED FY 2026 RATE AND FEE CHANGES



Reliable And Predictable

 Healthy, Safe and Well

 Reliable

**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



## APPROVED FY 2025 & FY 2026 RATE AND FEE CHANGES



**Reliable And Predictable**  **Healthy, Safe and Well**  **Reliable**

The ten-year projected water and sewer rate increases under this year's plan (FY 2025 – FY 2034) totaling 81.50 percent are driven primarily by capital spending for DC Water's \$9.62 billion capital improvement program.

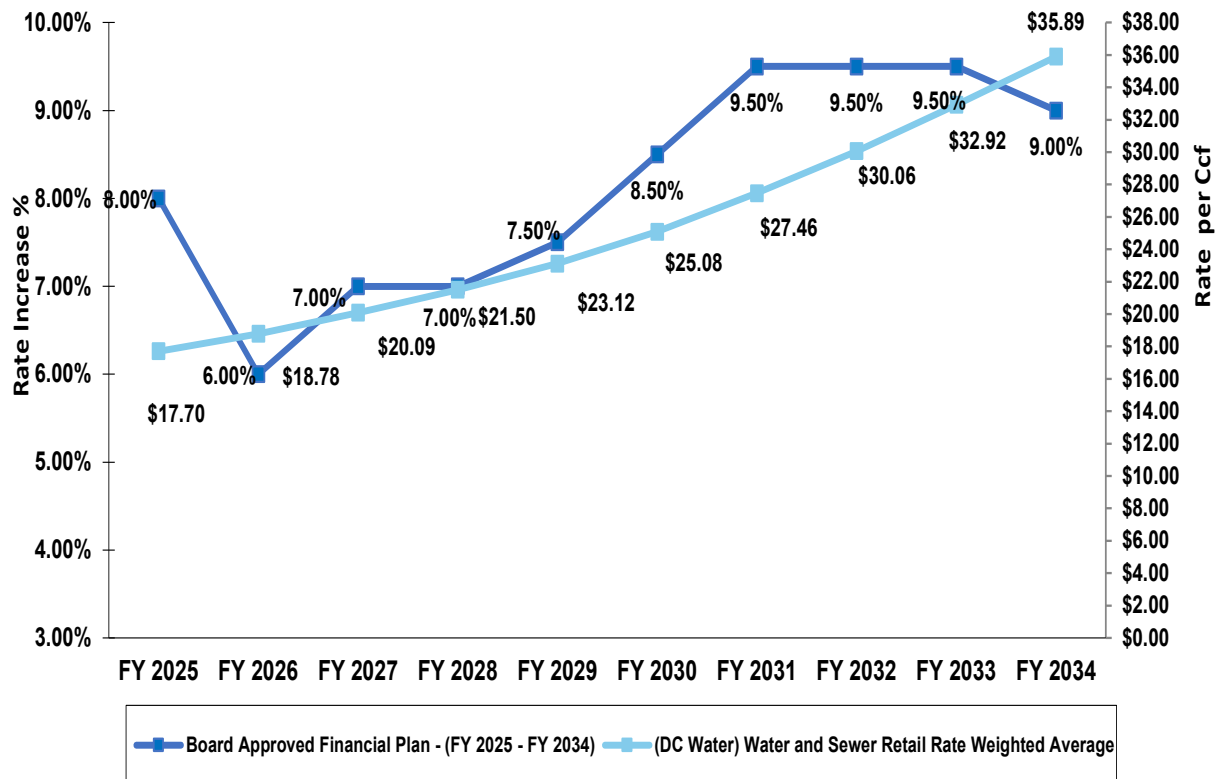
Primary spending in the ten-year capital plan include: the construction of the Potomac River Tunnel in the DC Clean Rivers program to meet the consent decree requirements by 2030, continued investment in the water and sewer infrastructure, and Lead Free DC program, major rehabilitation and upgrades at 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 occurred 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 page 115.

## APPROVED FY 2025 and FY 2026 RATE AND FEE CHANGES

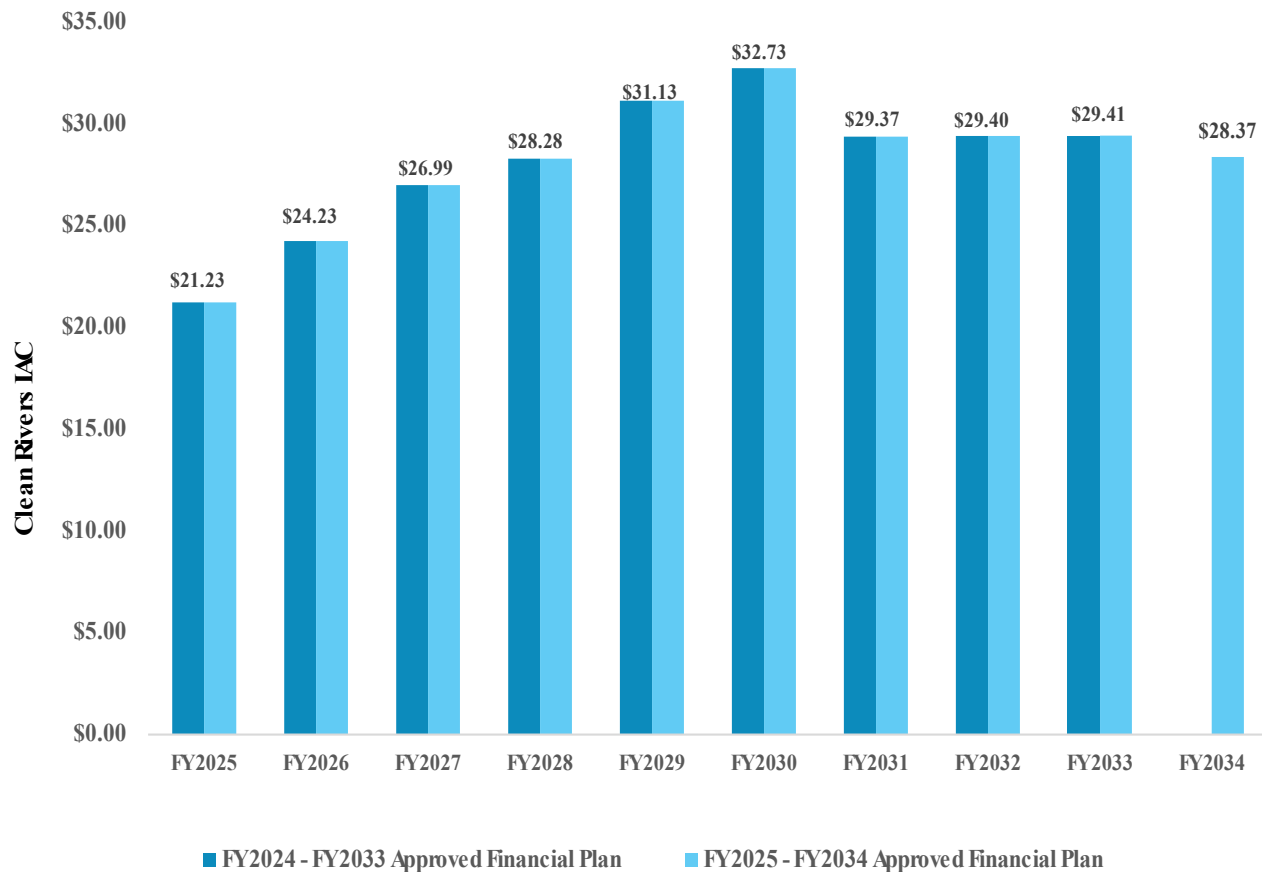
### PROJECTED RETAIL WATER & SEWER RATE CHANGES FY 2025-2034



- (1) Rates shown above reflect weighted water and sewer rates for Residential customer category
- (2) In FY 2025 approved water and sewer rate increase of \$1.47 per Ccf, (\$1.97 per 1,000 gallons)
  - a. 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)
  - a. 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

## APPROVED FY 2025 and FY 2026 RATE AND FEE CHANGES

### PROJECTED MONTHLY CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE (CRIAC) CHANGES FY2025 – FY2034



- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the thirty-year \$3.29 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 \$290.76 in FY 2026 to \$340.44 in FY 2034
- 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 will 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.

## RECENT AND APPROVED RATE AND FEE CHANGES

### AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL FY 2021 – FY 2026

|  | Units | FY 2021          | FY 2022          | FY 2023          | FY 2024          | Current<br>FY 2025 | Approved<br>FY 2026 |
|--|-------|------------------|------------------|------------------|------------------|--------------------|---------------------|
| DC Water Water and Sewer Retail Rates <sup>(1)</sup> | Ccf   | \$ 73.30         | \$ 78.92         | \$ 86.07         | \$ 89.03         | \$ 95.93           | \$ 101.77           |
| DC Water Clean Rivers IAC <sup>(2)</sup>             | 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 <sup>(4)</sup> | 5/8"  | 6.30             | 6.30             | 6.30             | 6.30             | 6.30               | 6.30                |
| <b>Subtotal DC Water Rates &amp; Charges</b>         |       | <b>\$ 104.08</b> | <b>\$ 111.37</b> | <b>\$ 118.26</b> | <b>\$ 124.94</b> | <b>\$ 131.21</b>   | <b>\$ 140.05</b>    |
| Increase / Decrease                                  |       | \$ 6.73          | \$ 7.29          | \$ 6.89          | \$ 6.68          | \$ 6.27            | \$ 8.84             |
| <b>Percent Increase in DC Water Portion of Bill</b>  |       | <b>6.9%</b>      | <b>7.0%</b>      | <b>6.2%</b>      | <b>5.6%</b>      | <b>5.0%</b>        | <b>6.7%</b>         |
| District of Columbia PILOT Fee <sup>(1)</sup>        | Ccf   | \$ 2.93          | \$ 3.04          | \$ 3.20          | \$ 3.31          | \$ 3.31            | \$ 3.36             |
| District of Columbia Right-of-Way Fee <sup>(1)</sup> | Ccf   | 1.03             | 1.03             | 1.03             | 1.03             | 1.03               | 1.08                |
| District of Columbia Stormwater Fee <sup>(3)</sup>   | ERU   | 2.67             | 2.67             | 2.67             | 2.67             | 2.67               | 2.67                |
| <b>Subtotal District of Columbia Charges</b>         |       | <b>\$ 6.63</b>   | <b>\$ 6.74</b>   | <b>\$ 6.90</b>   | <b>\$ 7.01</b>   | <b>\$ 7.01</b>     | <b>\$ 7.11</b>      |
| <b>Total Amount Appearing on DC Water Bill</b>       |       | <b>\$ 110.71</b> | <b>\$ 118.11</b> | <b>\$ 125.16</b> | <b>\$ 131.95</b> | <b>\$ 138.22</b>   | <b>\$ 147.16</b>    |
| Increase / Decrease Over Prior Year                  |       | \$ 6.90          | \$ 7.40          | \$ 7.05          | \$ 6.79          | \$ 6.27            | \$ 8.94             |
| <b>Percent Increase in Total Bill</b>                |       | <b>6.6%</b>      | <b>6.7%</b>      | <b>6.0%</b>      | <b>5.4%</b>      | <b>4.8%</b>        | <b>6.5%</b>         |

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

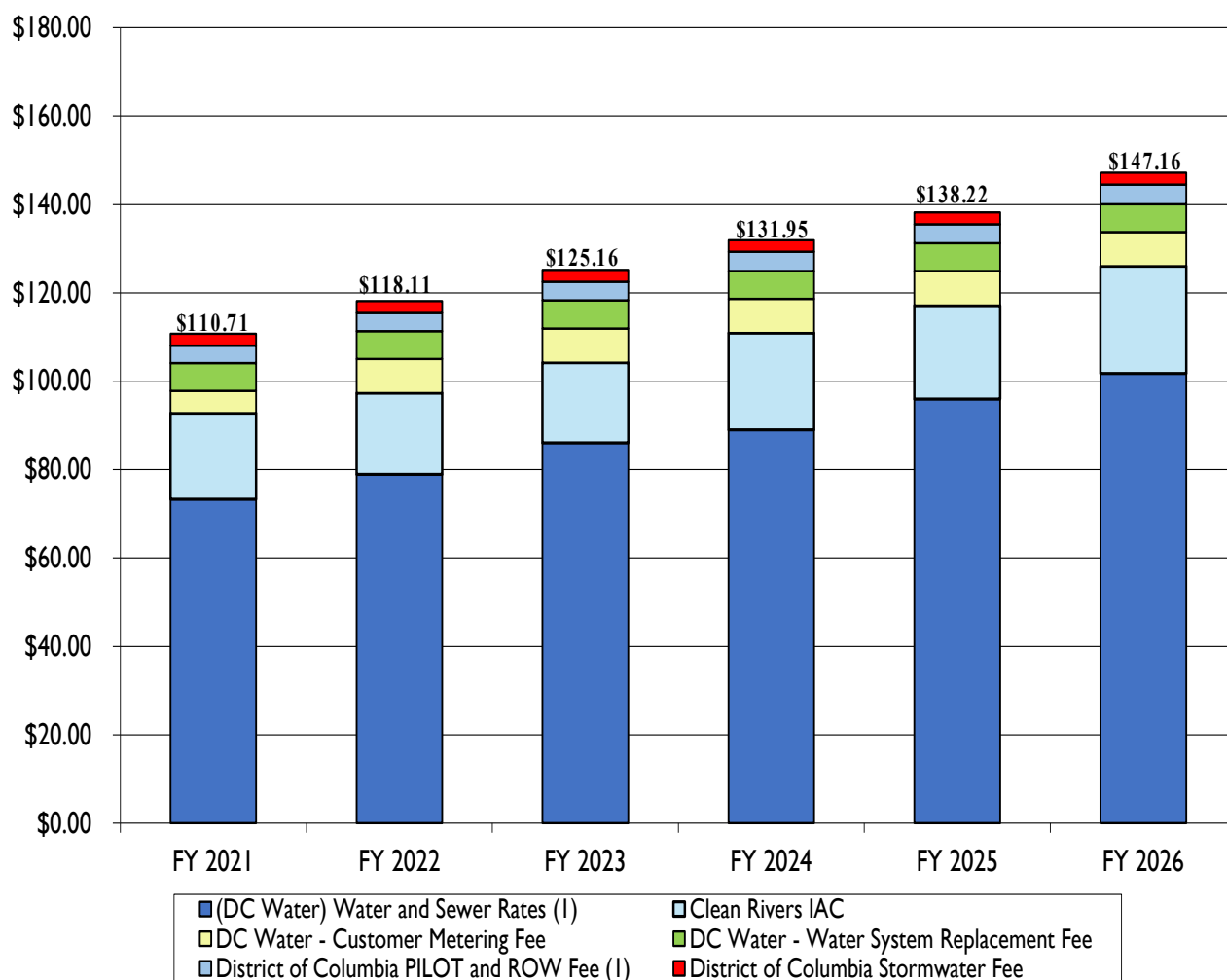
(2) Assumes average 1 Equivalent Residential Unit (ERU)

(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

## RECENT AND APPROVED RATE AND FEE CHANGES

### AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL FY 2021 – FY 2026



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

- FY2025 cost per gallon is a little over \$0.02 (water and sewer rates only)

## RECENT AND APPROVED RATE AND FEE CHANGES

### AVERAGE CAP CUSTOMER MONTHLY BILL FY 2021 – FY 2026

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

(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

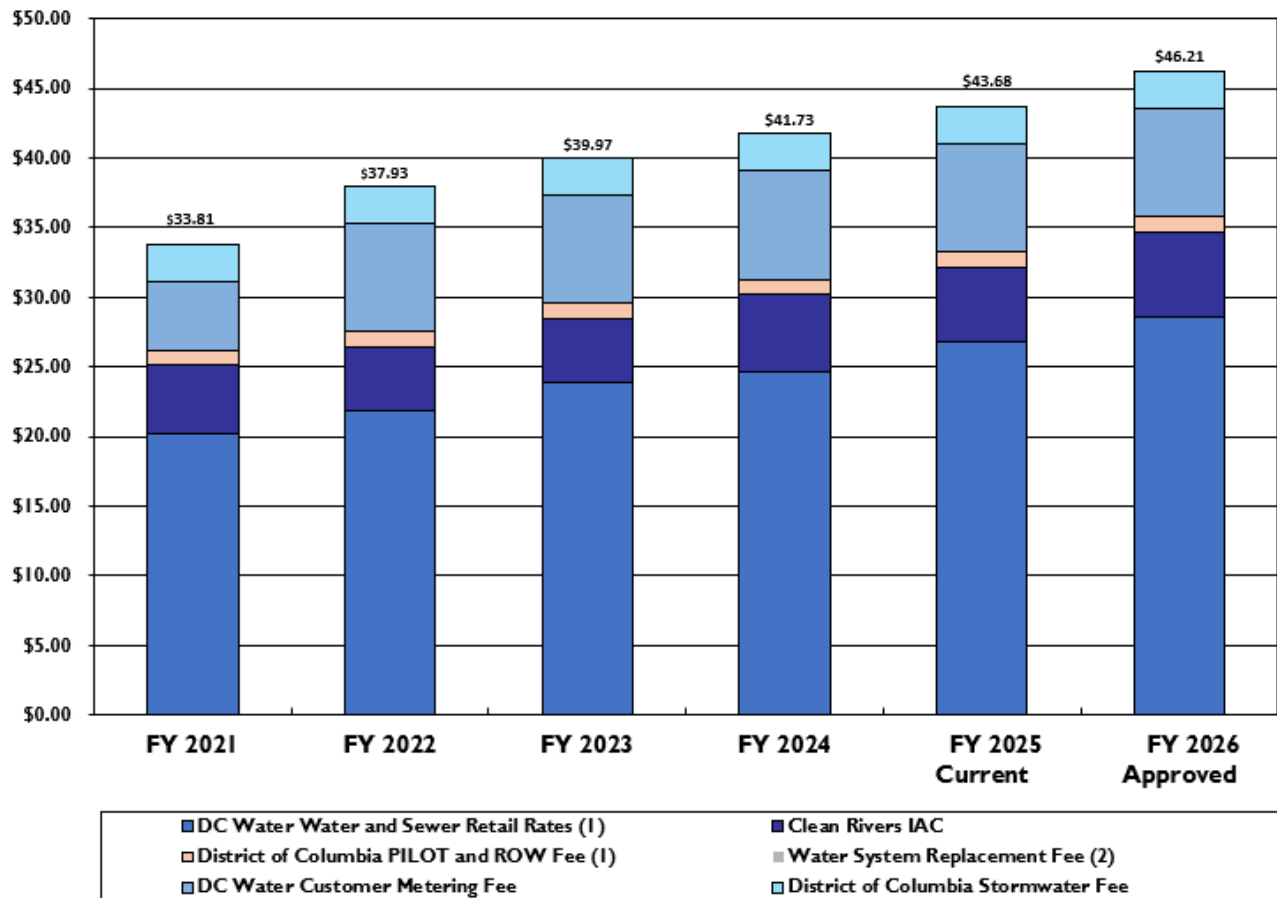
(4) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(5) Assumes 50 percent discount up to FY 2020 and 75 percent discount for FY 2021 to FY 2026 for the Clean Rivers IAC



## RECENT AND APPROVED RATE AND FEE CHANGES

### AVERAGE CAP CUSTOMER MONTHLY BILL



- (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).

## RECENT AND APPROVED RATE AND FEE CHANGES

### AVERAGE CAP 2 CUSTOMER MONTHLY BILL FY 2021 – FY 2026

|   | Units | FY 2021          | FY 2022          | FY 2023          | FY 2024          | Current<br>FY 2025 | Approved<br>FY 2026 |
|---|-------|------------------|------------------|------------------|------------------|--------------------|---------------------|
| DC Water Water and Sewer Retail Rates <sup>(1)</sup>    | 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                |
| <b>Subtotal DC Water Rates &amp; Charges</b>            |       | <b>\$ 104.08</b> | <b>\$ 111.37</b> | <b>\$ 118.26</b> | <b>\$ 124.94</b> | <b>\$ 131.21</b>   | <b>\$ 140.05</b>    |
| 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                |
| <b>Subtotal District of Columbia Charges</b>            |       | <b>\$ 6.63</b>   | <b>\$ 6.74</b>   | <b>\$ 6.90</b>   | <b>\$ 7.01</b>   | <b>\$ 7.01</b>     | <b>\$ 7.11</b>      |
| <b>Total Amount</b>                                     |       | <b>110.71</b>    | <b>118.11</b>    | <b>125.16</b>    | <b>131.95</b>    | <b>138.22</b>      | <b>147.16</b>       |
| Less: CAP2 Discount (3 Ccf per month) <sup>(2)</sup>    |       | (39.78)          | (42.81)          | (46.62)          | (48.24)          | (51.84)            | (54.90)             |
| Clean Rivers IAC <sup>(3)</sup>                         |       | (9.76)           | (9.20)           | (9.07)           | (10.93)          | (10.62)            | (12.12)             |
| <b>Total Amount Appearing on DC Water Bill</b>          |       | <b>61.17</b>     | <b>66.10</b>     | <b>69.47</b>     | <b>72.78</b>     | <b>75.76</b>       | <b>80.14</b>        |
| Increase / Decrease Over Prior Year                     |       | \$ 3.68          | \$ 4.93          | \$ 3.37          | \$ 3.31          | \$ 2.98            | \$ 4.38             |
| <b>CAP Customer Discount as a Percent of Total Bill</b> |       | <b>-44.7%</b>    | <b>-44.0%</b>    | <b>-44.5%</b>    | <b>-44.8%</b>    | <b>-45.2%</b>      | <b>-45.5%</b>       |

(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

## RECENT AND APPROVED RATE AND FEE CHANGES

### AVERAGE CAP+ CUSTOMER MONTHLY BILL FY 2025 – FY 2026

|   | Units | Current<br>FY 2025 | Approved<br>FY 2026 |
|---|-------|--------------------|---------------------|
| DC Water Water and Sewer Retail Rates <sup>(1)</sup>        | 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                |
| <b>Subtotal DC Water Rates &amp; Charges</b>                |       | <b>\$ 131.21</b>   | <b>\$ 140.05</b>    |
| 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                |
| <b>Subtotal District of Columbia Charges</b>                |       | <b>\$ 7.01</b>     | <b>\$ 7.11</b>      |
| <b>Total Amount</b>   |       | <b>138.22</b>      | <b>147.16</b>       |
| Less: CAP Discount (5.42 Ccf per month) <sup>(1), (2)</sup> |       | (100.27)           | (106.21)            |
| Water System Replacement Fee (WSRF) <sup>(3)</sup>          |       | (6.30)             | (6.30)              |
| Clean Rivers IAC <sup>(4)</sup>                             |       | (15.92)            | (18.17)             |
| <b>Total Amount Appearing on DC Water Bill</b>              |       | <b>15.73</b>       | <b>16.48</b>        |
| Increase / Decrease Over Prior Year                         |       |                    | \$ 0.75             |
| <b>CAP Customer Discount as a Percent of Total Bill</b>     |       | <b>-88.6%</b>      | <b>-88.8%</b>       |

(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.

## RECENT AND APPROVED RATE AND FEE CHANGES

### AVERAGE CAP 3 CUSTOMER MONTHLY BILL FY 2021 – FY 2026

|   | Units | FY 2021          | FY 2022          | FY 2023          | FY 2024          | Current<br>FY 2025 | Approved<br>FY 2026 |
|---|-------|------------------|------------------|------------------|------------------|--------------------|---------------------|
| DC Water Water and Sewer Retail Rates <sup>(1)</sup>    | 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                |
| <b>Subtotal DC Water Rates &amp; Charges</b>            |       | <b>\$ 104.08</b> | <b>\$ 111.37</b> | <b>\$ 118.26</b> | <b>\$ 124.94</b> | <b>\$ 131.21</b>   | <b>\$ 140.05</b>    |
| 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                |
| <b>Subtotal District of Columbia Charges</b>            |       | <b>\$ 6.63</b>   | <b>\$ 6.74</b>   | <b>\$ 6.90</b>   | <b>\$ 7.01</b>   | <b>\$ 7.01</b>     | <b>\$ 7.11</b>      |
| <b>Total Amount</b>                                     |       | <b>110.71</b>    | <b>118.11</b>    | <b>125.16</b>    | <b>131.95</b>    | <b>138.22</b>      | <b>147.16</b>       |
| Less: CAP3 Discount Clean Rivers IAC <sup>(2)</sup>     |       | (14.64)          | (13.80)          | (13.61)          | (16.40)          | (15.92)            | (18.17)             |
| <b>Total Amount Appearing on DC Water Bill</b>          |       | <b>96.07</b>     | <b>104.31</b>    | <b>111.55</b>    | <b>115.55</b>    | <b>122.30</b>      | <b>128.99</b>       |
| Increase / Decrease Over Prior Year                     |       | \$ 7.97          | \$ 8.24          | \$ 7.24          | \$ 4.00          | \$ 6.75            | \$ 6.69             |
| <b>CAP Customer Discount as a Percent of Total Bill</b> |       | <b>-13.2%</b>    | <b>-11.7%</b>    | <b>-10.9%</b>    | <b>-12.4%</b>    | <b>-11.5%</b>      | <b>-12.3%</b>       |

(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

## WHY RATE INCREASES ARE NEEDED

### FY 2025 – FY 2034 FINANCIAL PLAN

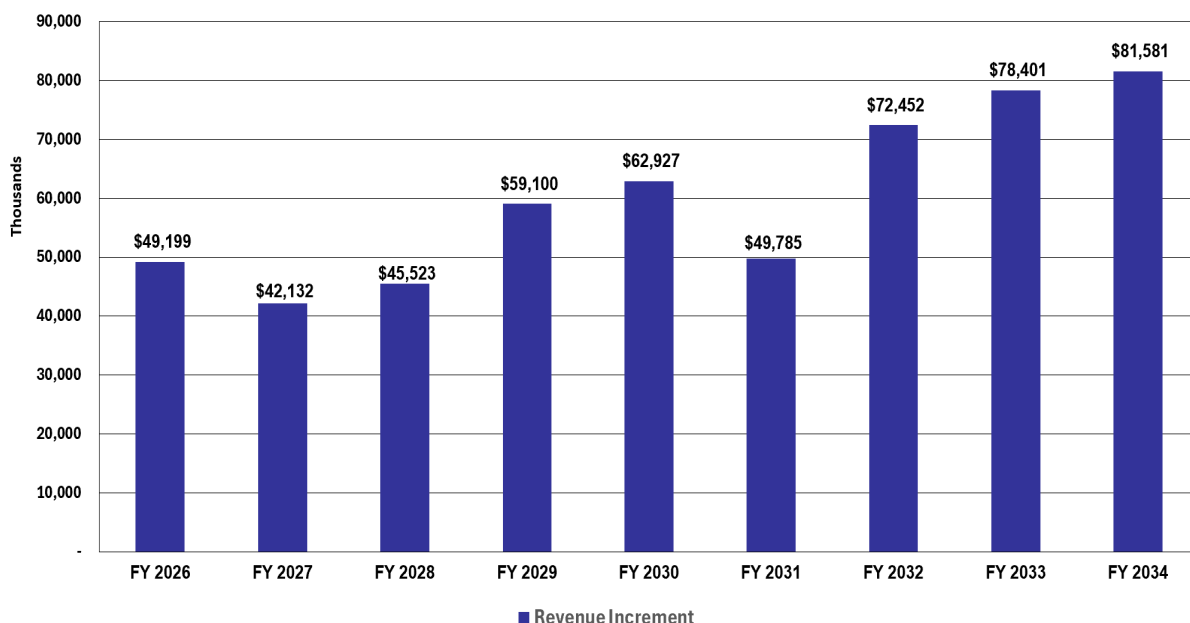
As shown in the chart below, incremental increases in retail revenues are projected to range from \$42.1 million to \$81.6 million in FY 2026 – FY 2034, due to:

- Average annual debt service increase of 8.6 percent
- Average annual O&M increase of 4.0 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).

These costs would be recovered through:

- Approved water and sewer rate increase of 8.0 percent in FY 2025 and 6.0 percent to 9.5 percent from FY 2026 to FY 2034.
- Approved Clean Rivers Impervious Surface Area Charge (CRIAC) revenues ranging from \$24.23 to \$32.73 per ERU per month
- Approved 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
- No Rate Stabilization Fund is projected to be utilized for FY 2026 to FY 2034 to offset retail rate increases.

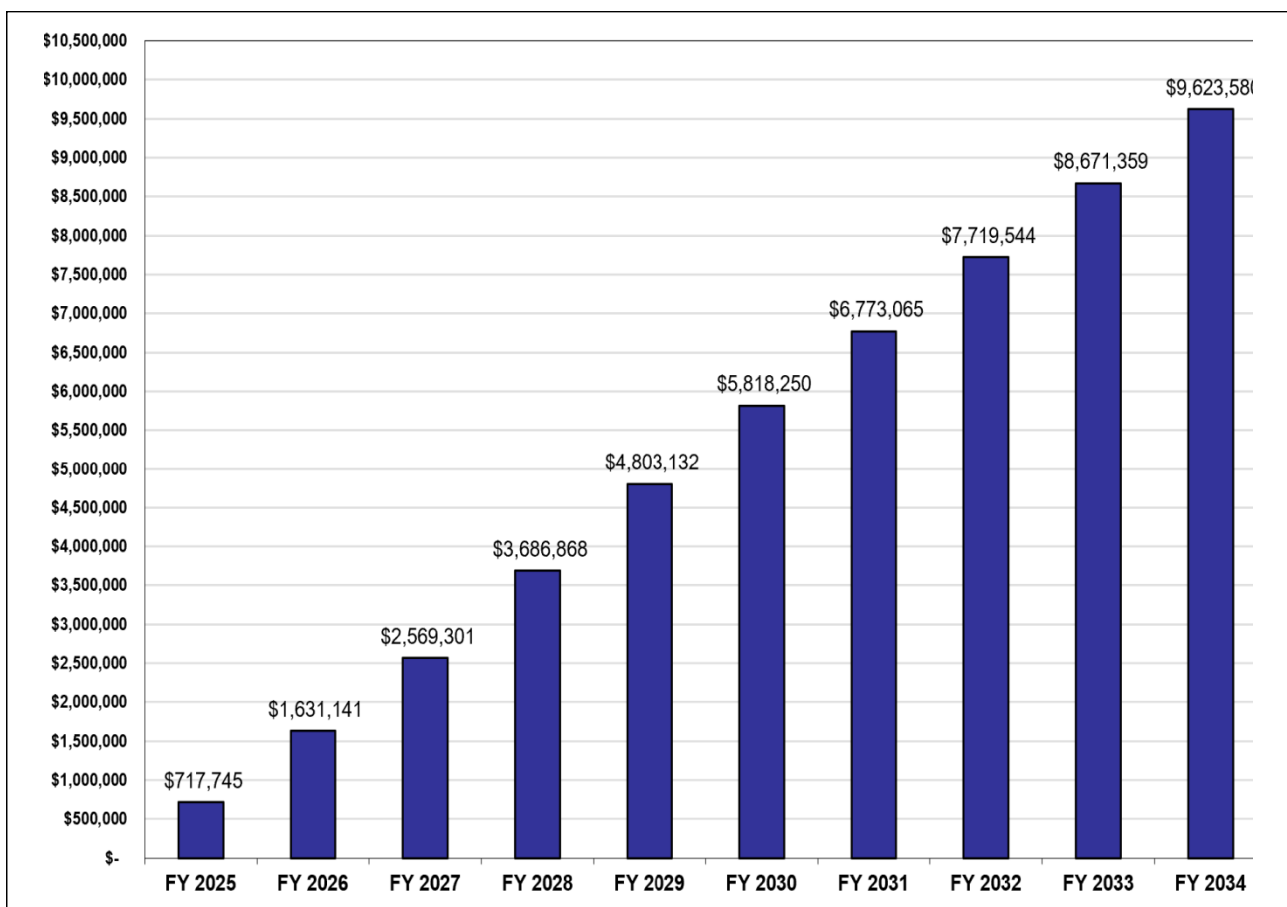
INCREMENTAL INCREASE IN REVENUE  
FY 2026 – FY 2034  
(\$000's)



## WHY RATE INCREASES ARE NEEDED

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

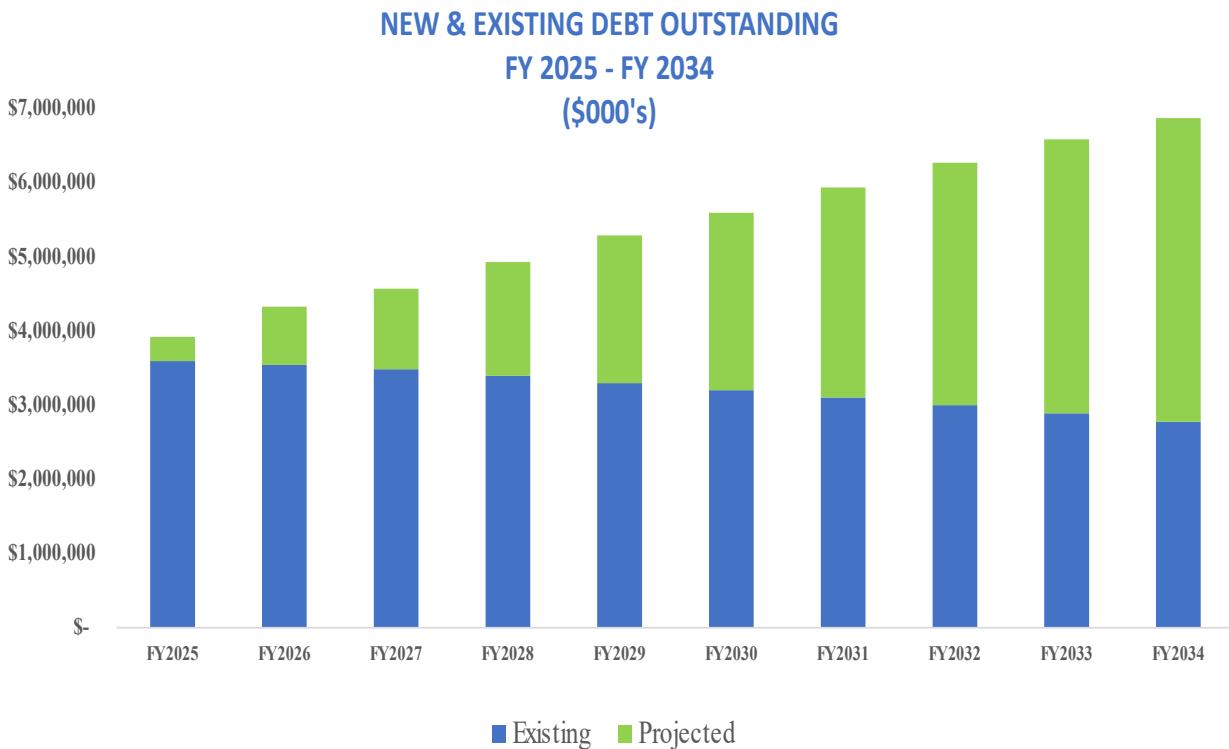
### CUMULATIVE CAPITAL SPENDING FY 2025 – FY 2034 (\$000's)



- DC Water's ten-year capital improvement program totals \$9.62 billion, with annual spending ranging from \$717.75 million to \$1,117.57 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 \$1.07 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 FY 2025 through FY 2034



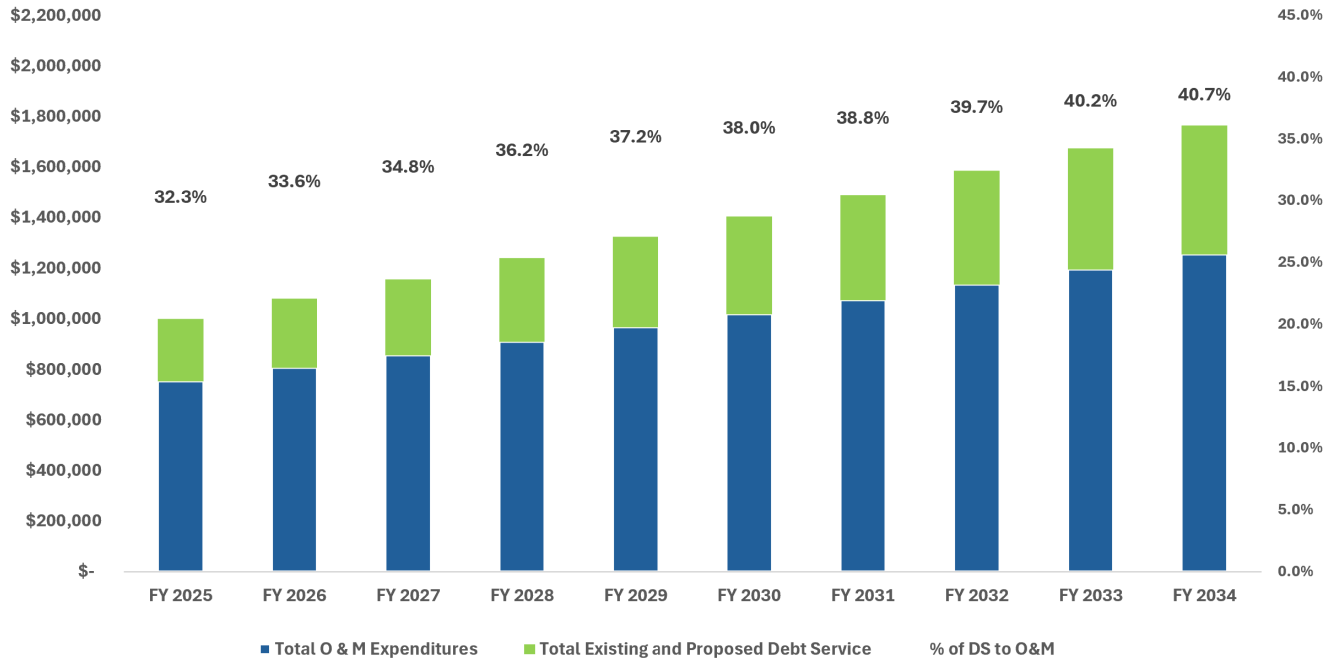
## WHY RATE INCREASES ARE NEEDED



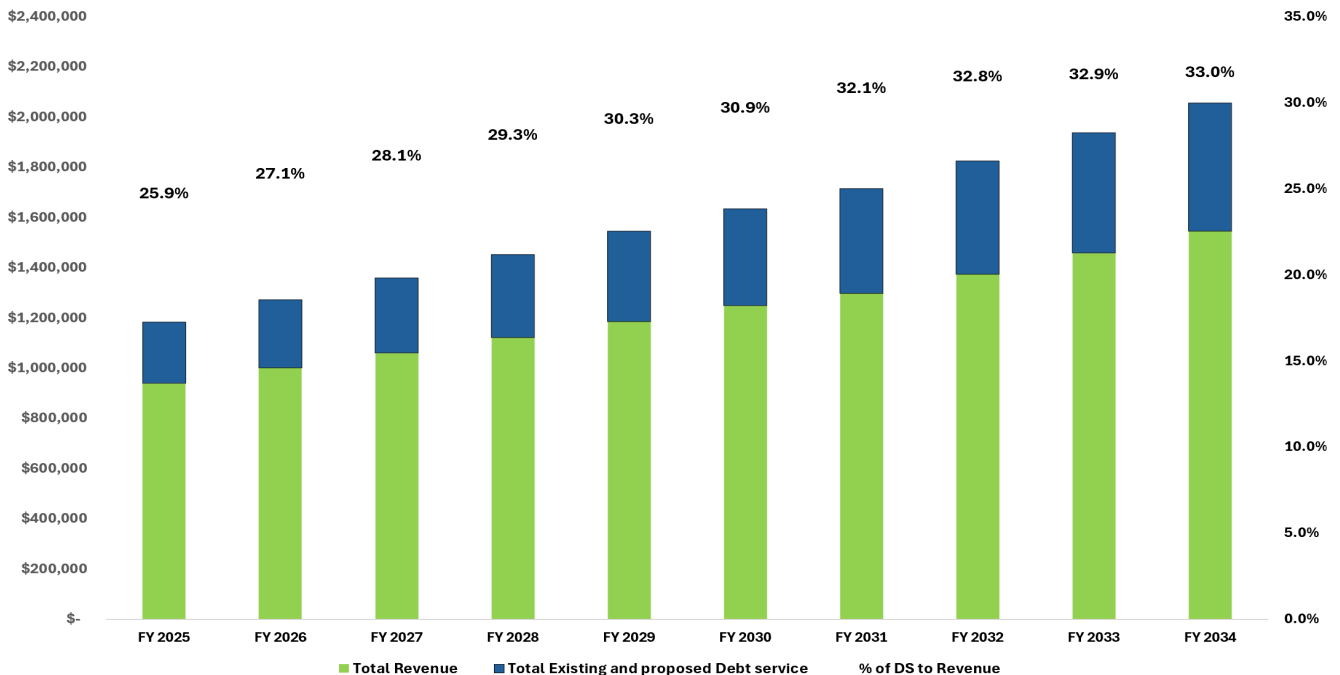
- The largest source of funding for DC Water's capital program is debt
- Over the next ten years, DC Water will issue approximately \$4.2 billion in new debt (which includes the funding of reserves and costs of issuance), increasing total debt outstanding to \$7.0 billion at the end of FY 2034.

## WHY RATE INCREASES ARE NEEDED

### DEBT SERVICE AS PERCENT OF TOTAL OPERATING & MAINTENANCE EXPENDITURES FY 2025 – FY 2034



### DEBT SERVICE AS PERCENT OF TOTAL OPERATING REVENUES FY 2025 – FY 2034 (\$000's)



## WHY RATE INCREASES ARE NEEDED

### OPERATING & DEBT SERVICE EXPENDITURES FY 2025 – FY 2034

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

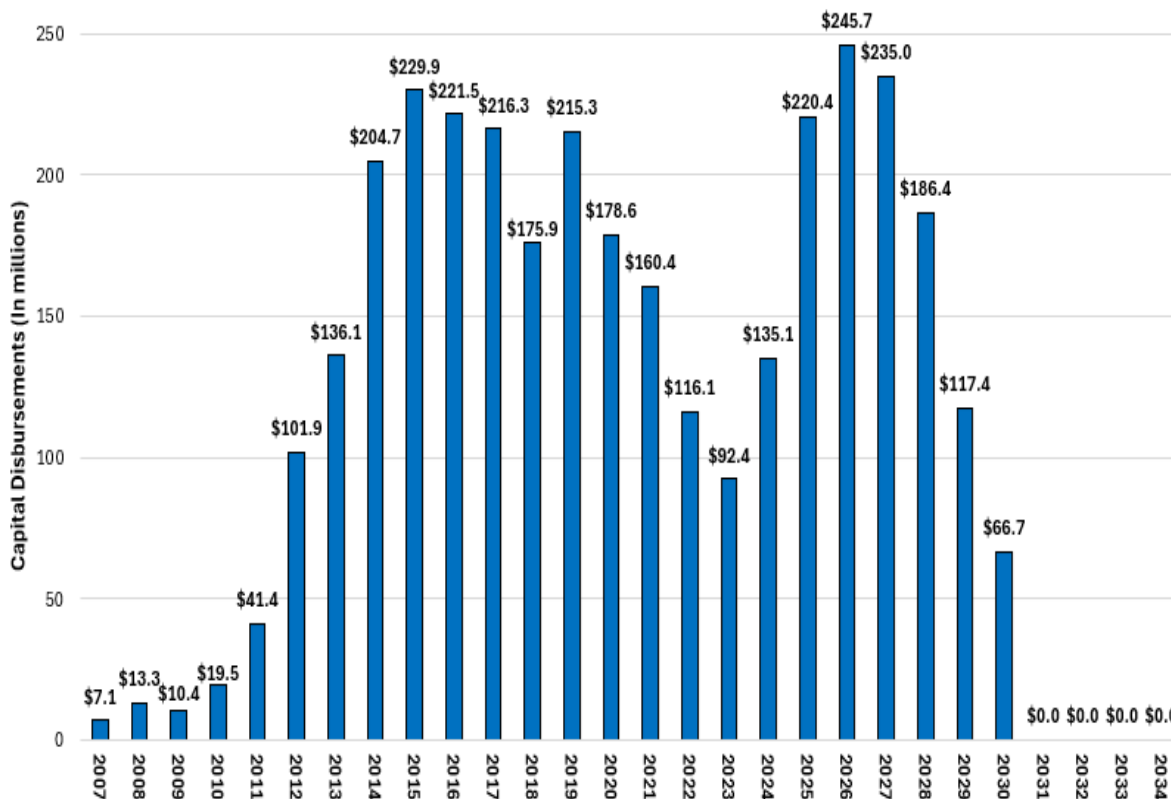
#### **DC Water's proposed rate increases are primarily required to fund increasing debt service costs**

- Operations and maintenance expenditures (excluding the payment-in-lieu of taxes and right-of-way fee) increase on average by 4.0 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)

## WHY RATE INCREASES ARE NEEDED

### POTENTIAL IMPACT OF CSO LONG-TERM CONTROL PLAN ON RATES

#### Clean Rivers CSO LTCP Disbursement 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, 2024, \$300.8 million has been received through federal appropriations. Lifetime capital costs for the plan (exclusive of the nine–minimum controls program) total approximately \$3.29 billion, and this year’s proposed ten-year plan includes \$1.07 billion of projected Clean Rivers Project disbursements.



# CUSTOMER ASSISTANCE PROGRAMS

20%  
MFI

60%  
SFI

80%  
MFI

100%  
MFI

↑ LEAK ASSESSMENT PROGRAM (START 10/1/24) ↓

## ▶ CAP+

- Discount on the first 600 cubic feet of water and sewer services
- 75% reduction in the monthly CRIAC fee + WSRF waiver
- \$122/month discount

## ▶ CAP

- Discount on the first 400 cubic feet of water and sewer services
- 75% reduction in the monthly CRIAC fee + WSRF waiver
- \$95/month discount

## ▶ CAP2

- Discount on the first 300 cubic feet of water and sewer services
- 50% reduction in the monthly CRIAC fee
- \$62/month discount

## ▶ CAP3

- Discount of 75% off the monthly CRIAC fee
- \$16/month discount

## ▶ CRIAC NON-PROFIT

- Eligible non-profit organizations with Clean Rivers Impervious Area Charge (CRIAC)
- Discount of up to 90% off the monthly CRIAC fee

### Payment Plan Incentive Program (Start 6/1/24)

- 40% credit for on-time payments according to payment plans and the program rules

### Homeowners Assistance Fund

- Federally funded
- Up to \$5,000 for homeowners towards water bill

### Flexible Payment Plans

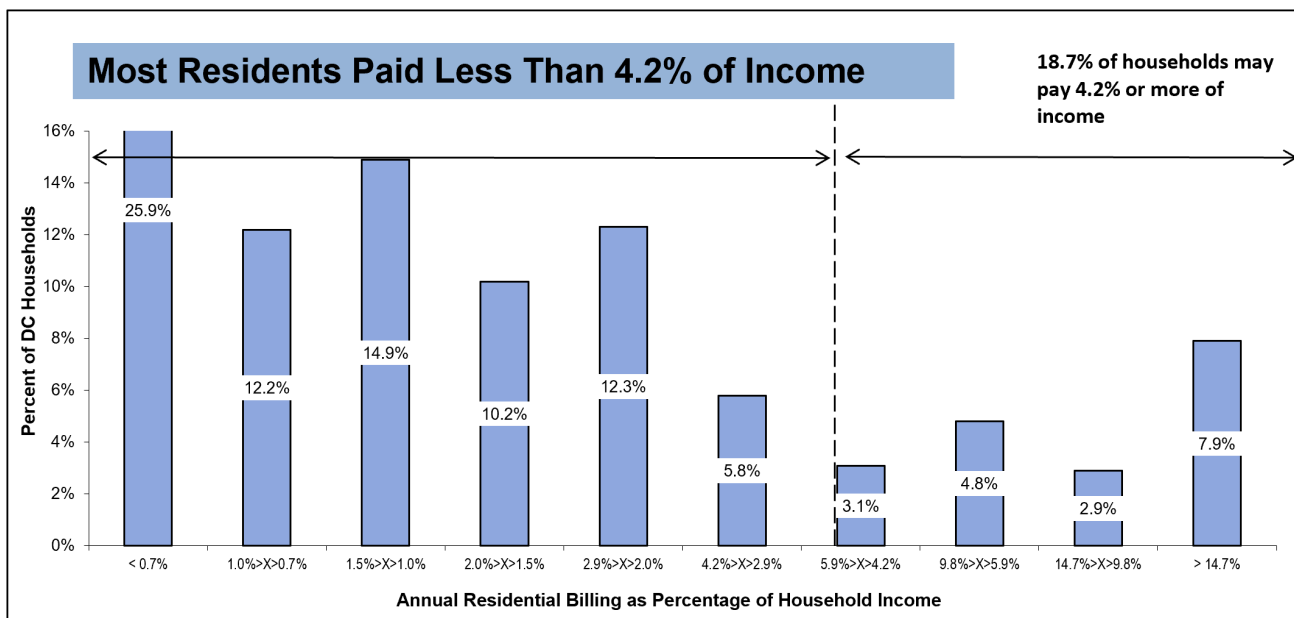
### SPLASH

- \$350 payment towards bill
- Donations from customers, employees, Board Members and others

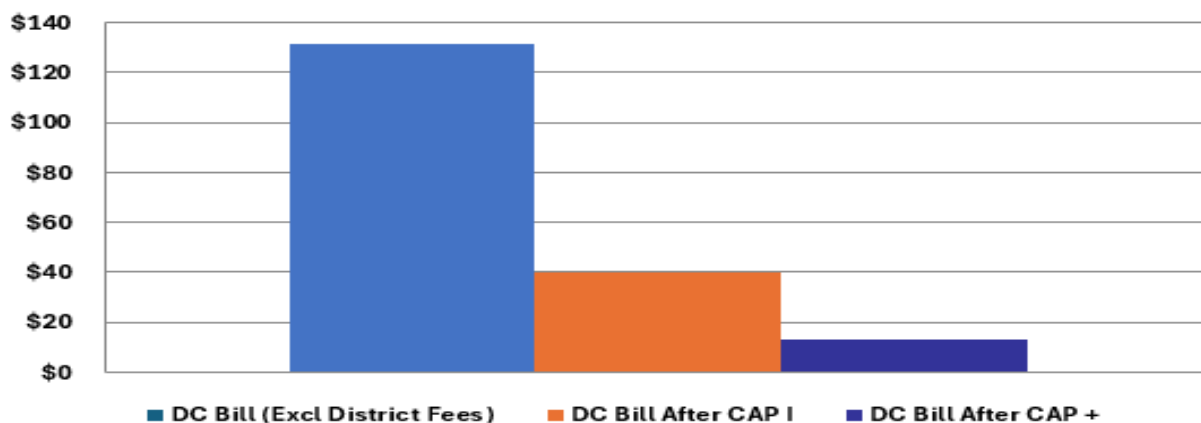
## AFFORDABILITY OF RETAIL RATES

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

- **Median household income:** The average DC Water charges are less than 4.2% of income for 81.3% 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 2025 Single Family Residential Average Monthly Bill With and Without CAP Credits

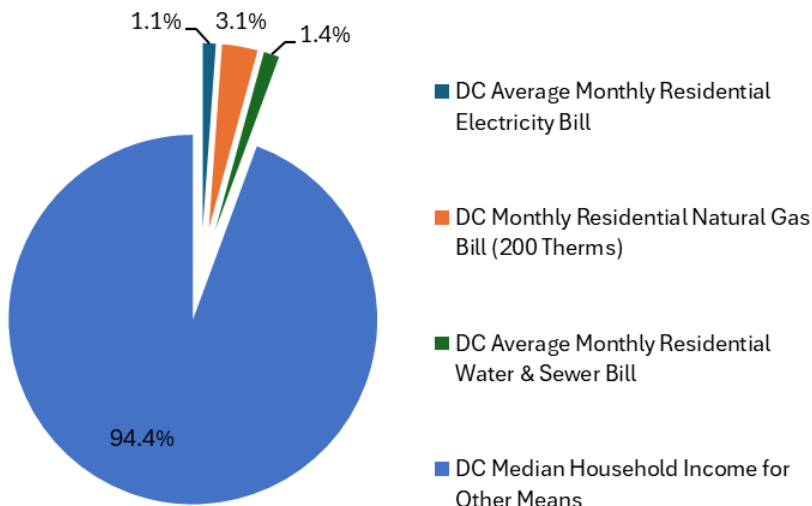


- A family of 4 at the 2024 Federal Poverty level spends 0.5% and 1.5% of income on DC Water bills, respectively, after CAP+ and CAP credits



## AFFORDABILITY OF RETAIL RATES

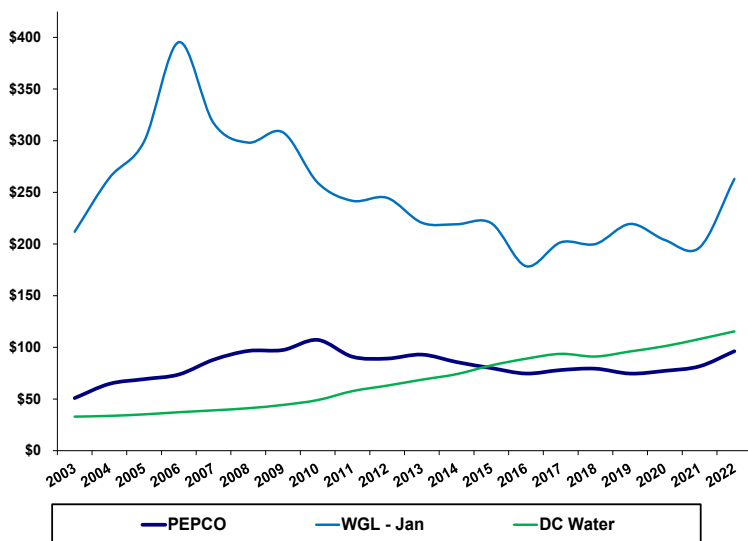
### 2022 Monthly DC Median Household Income



#### 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.

### Monthly Residential Utility Bills



#### 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

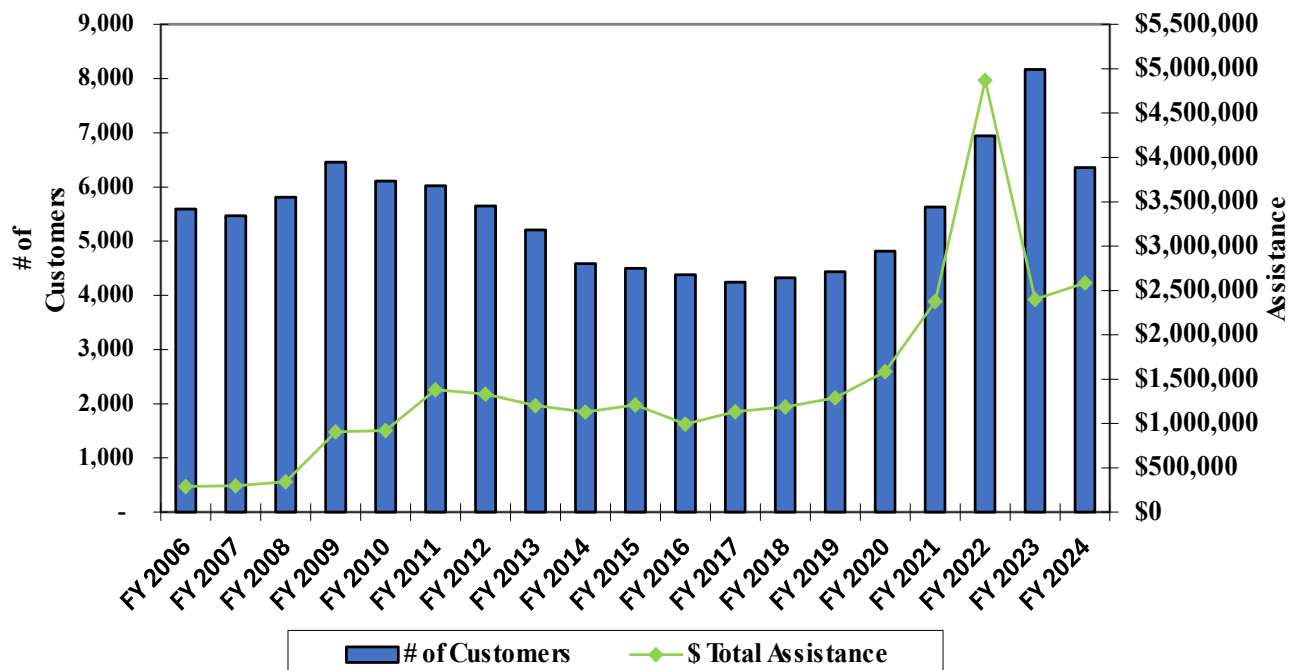
## AFFORDABILITY OF RETAIL RATES

### 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 2024, CAP assisted 6,362 customers and provided \$2,586,698 in discounts to low-income customers.

### Customer Assistance Program



## AFFORDABILITY OF RETAIL RATES

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 2024, CAP2 assisted 579 customers and provided \$160,586 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 2024, CAP3 assisted 29 customers and provided \$4,714 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 2024, Nonprofit Relief Program assisted 185 non-profit organizations and provided \$997,487 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, ERRP 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.

## AFFORDABILITY OF RETAIL RATES

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 ERRP 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 2024, RAP assisted 1,660 customers and provided \$1,105,135. The RAP program ended in FY 2024.

**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 2024, LIHWAP assisted 642 customers and provided \$283,116.

**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.

**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.

## AFFORDABILITY OF RETAIL RATES

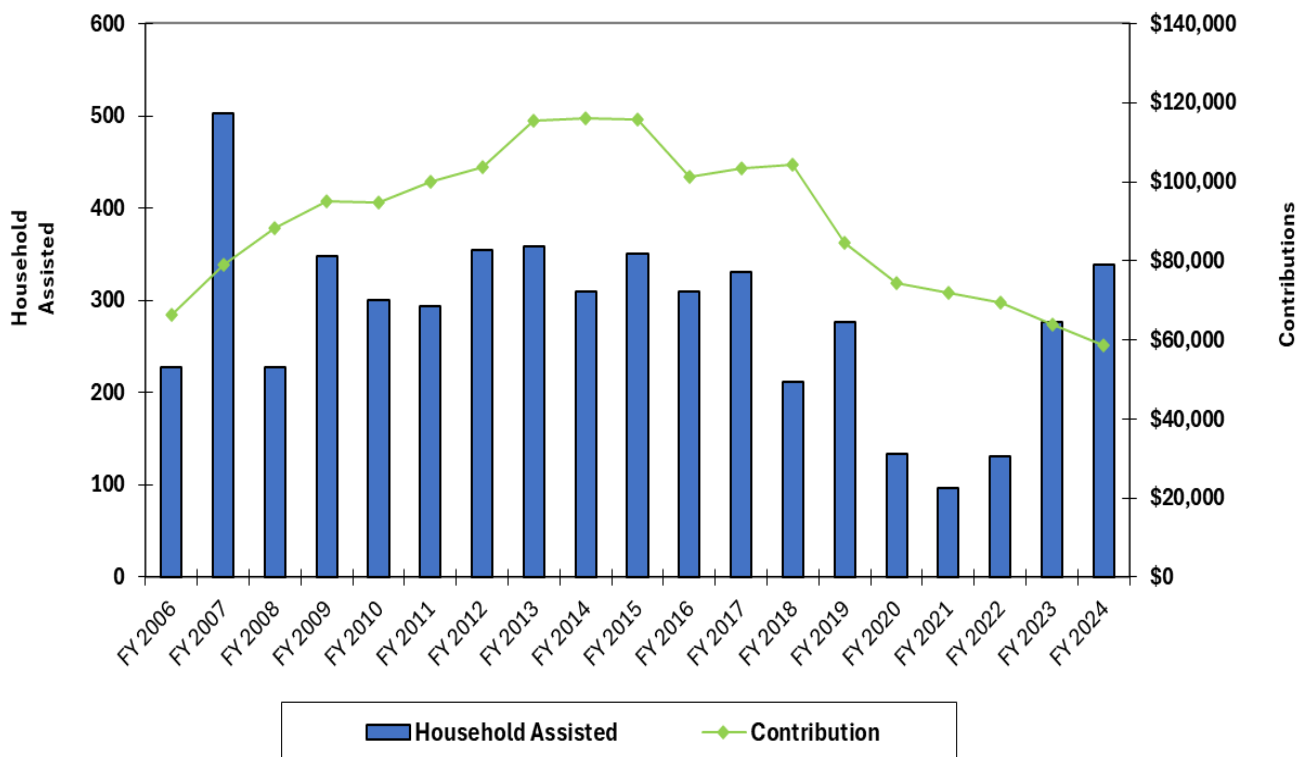
**Leak Assessment Program** - Offer resources to CAP+, CAP and CAP2 customers that will provide private side leak assessment to help them identify the source of leaks and high usage. DC Water has partnered with the District to provide repairs for leaks identified through the assessment.

**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.

## AFFORDABILITY OF RETAIL RATES

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

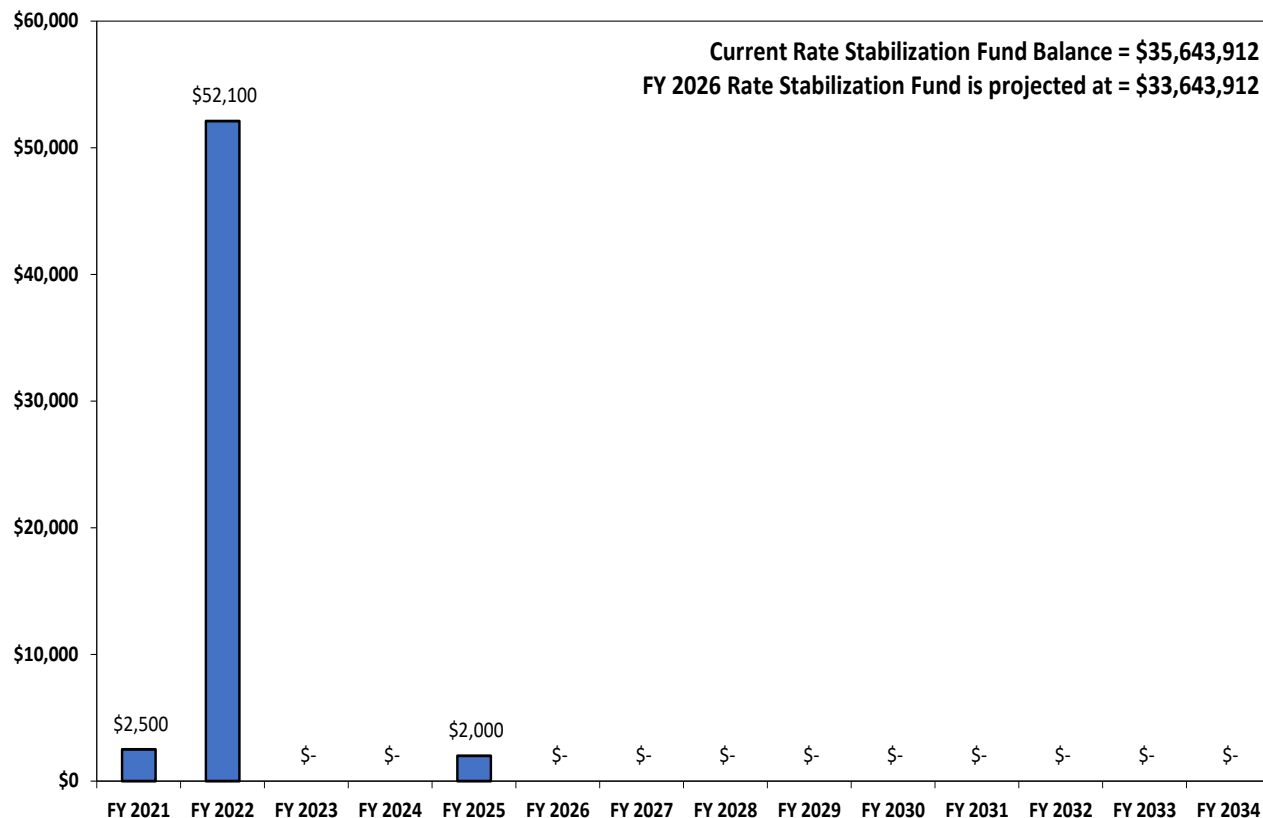


**Serving People by Lending a Supporting Hand (S.P.L.A.S.H):** The SPLASH program was implemented in FY 2001. Through the SPLASH program, DC Water offers assistance to families in need so that they can maintain critical water and sewer services until they get back on their feet. The program is administered by the Greater Washington Urban League. Every dollar received by DC Water is distributed to eligible customers. In FY 2024, SPLASH contributions received was \$58,611 and DC Water assisted 339 households low income customers.



## AFFORDABILITY OF RETAIL RATES

### RATE STABILIZATION FUND USAGE FY 2025 - FY 2034 (\$000's)



### RATE STABILIZATION FUND USAGE

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. An 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 to FY 2024, DC Water's rate stabilization fund (RSF) balance was \$35.64 million. For funding the Payment Plan Incentive Program, \$2.0 million RSF utilization is projected for FY 2025, which will result in reducing the RSF balance to \$33.64 million at the end of FY 2025. No RSF is proposed to be utilized from FY 2026 to FY 2034. RSF will have a balance of \$33.64 million at the end of FY 2034.

## AFFORDABILITY OF RETAIL RATES

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 2024, 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:

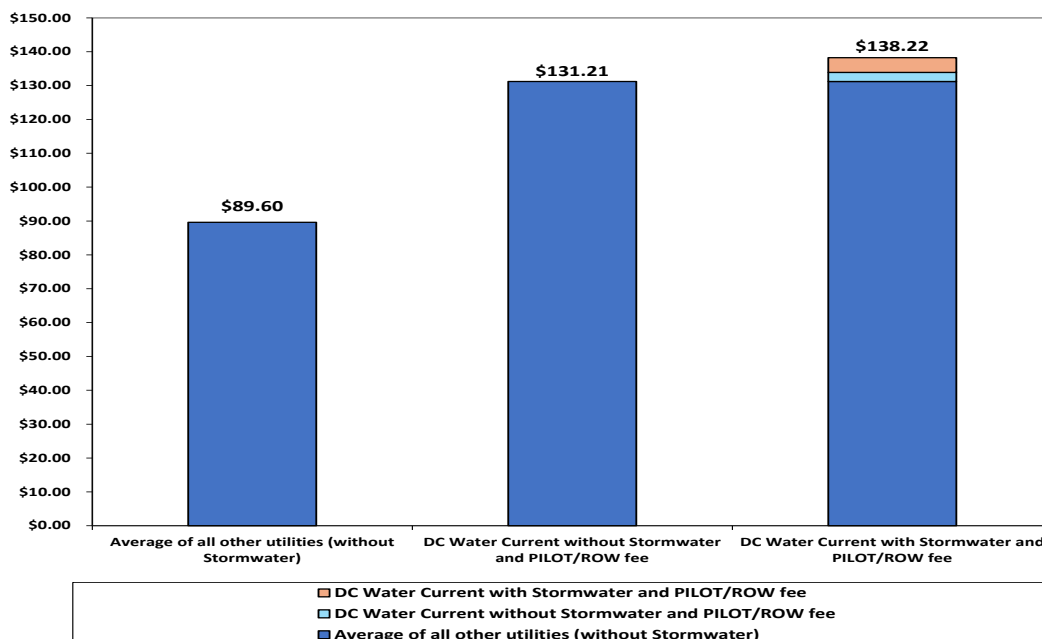
- Different patterns of water use (e.g., suburban jurisdictions can have different demands from urban centers)
- Revenues from taxes that reduce the revenues to be raised from water, sewer and stormwater rates (e.g., Milwaukee, St. Louis, Atlanta, Chicago, etc.)
- Available undeveloped areas supporting 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 FY2025 Monthly Residential Bill

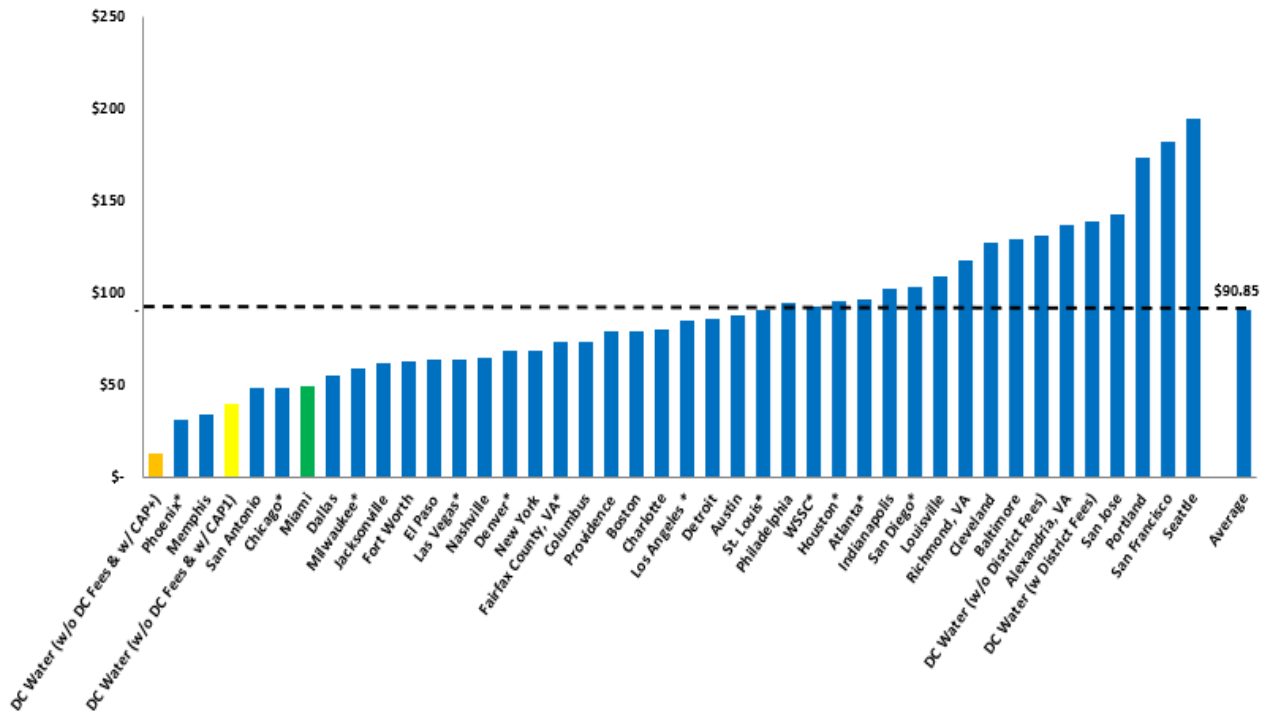
vs.

#### Average Monthly Bill of Other Utilities in Effect Fall 2024



## AFFORDABILITY OF RETAIL RATES

### DC Water Retail Rates Compared to Other Large Utilities (Based on Rates in effect Fall 2024)

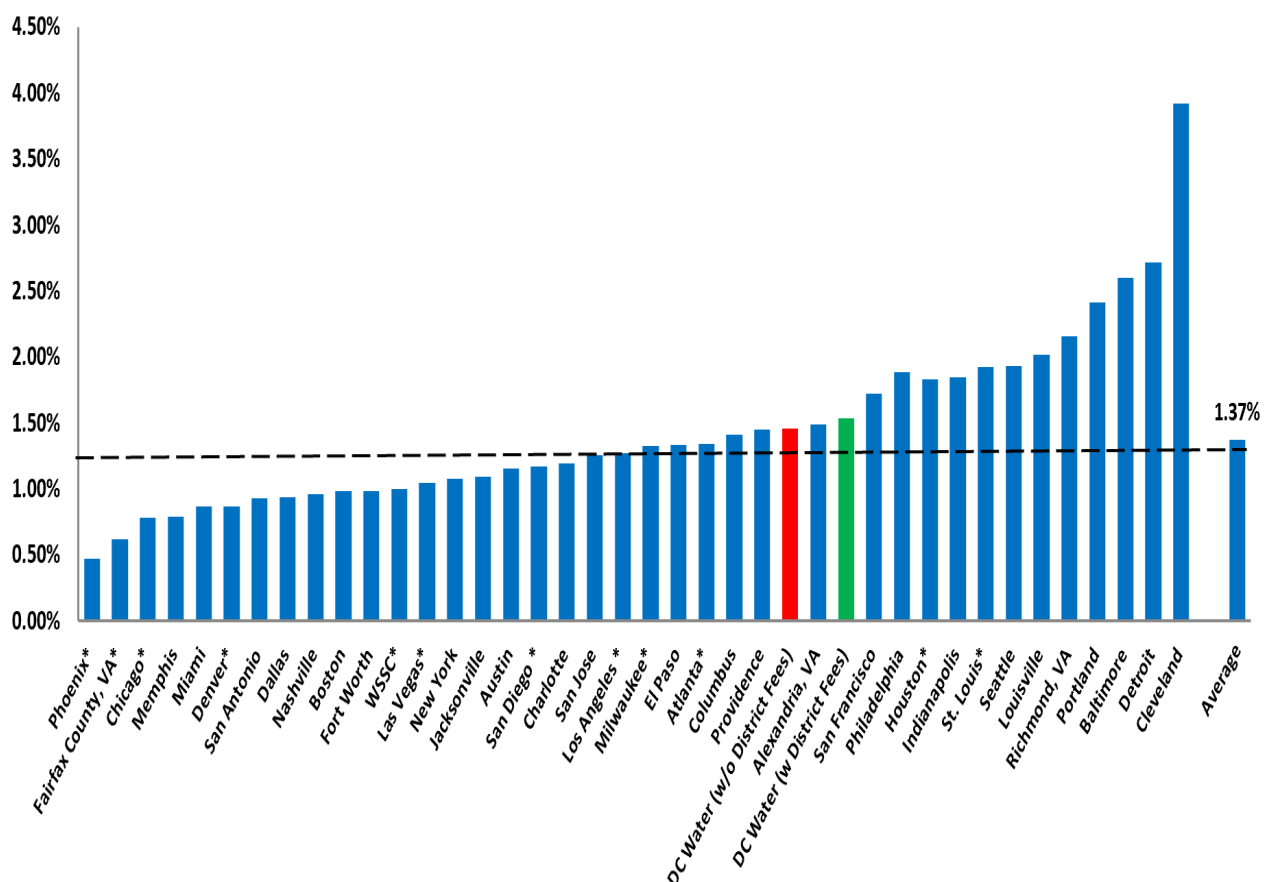


- (1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
- (2) Reflects rates and fees in place as of November 1, 2024. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.80 per Ccf (effective October 1, 2024) 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.

## AFFORDABILITY OF RETAIL RATES

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.

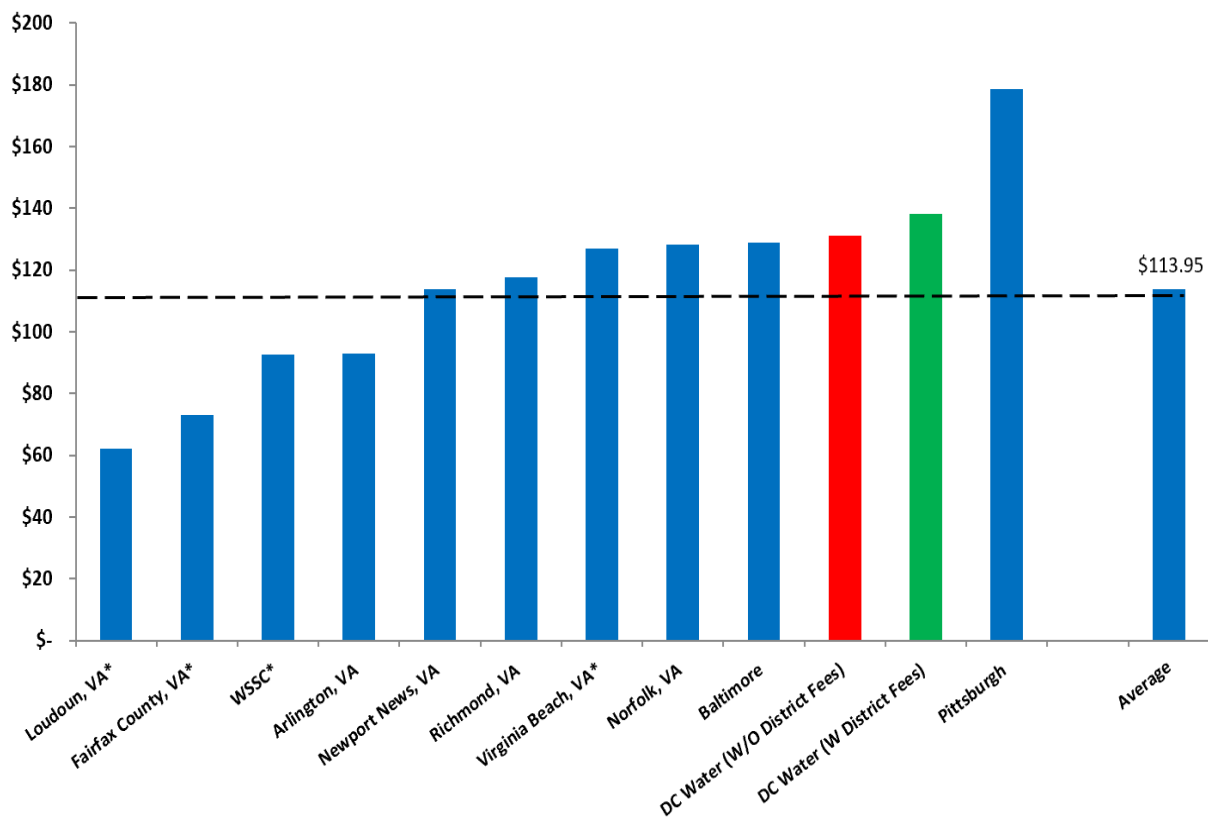
### Single Family Residential (SFR) Monthly Bill as % of Median Household Income - Large National Utilities (Based on Rates in effect Fall 2024)



- (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, 2024. The Authority's rate includes the PILOT/ROW fee totaling \$0.80 per Ccf (effective October 1, 2024) 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.

## AFFORDABILITY OF RETAIL RATES

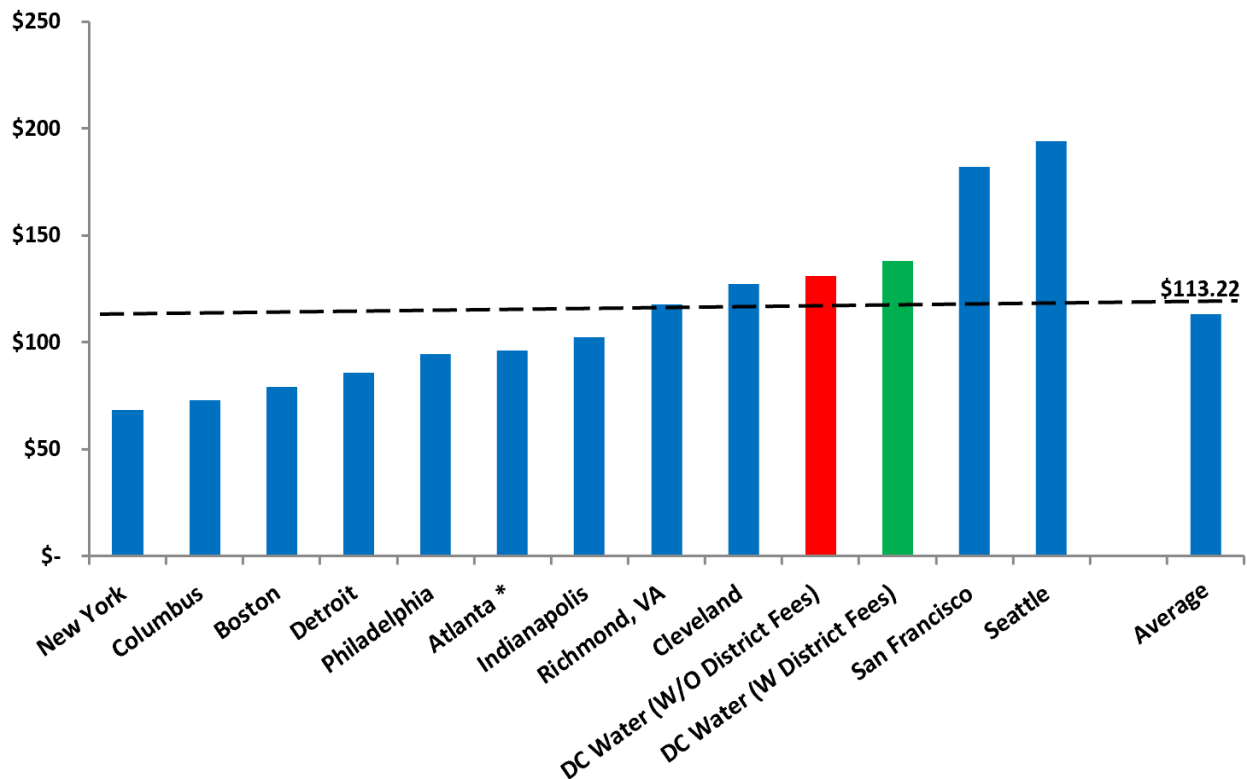
### DC Water Retail Rates Compared to Regional Utilities (Based on Rates in effect Fall 2024)



- (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, 2024. 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.

## AFFORDABILITY OF RETAIL RATES

### DC Water Compared to CSO Communities (Based on Rates in effect Fall 2024)



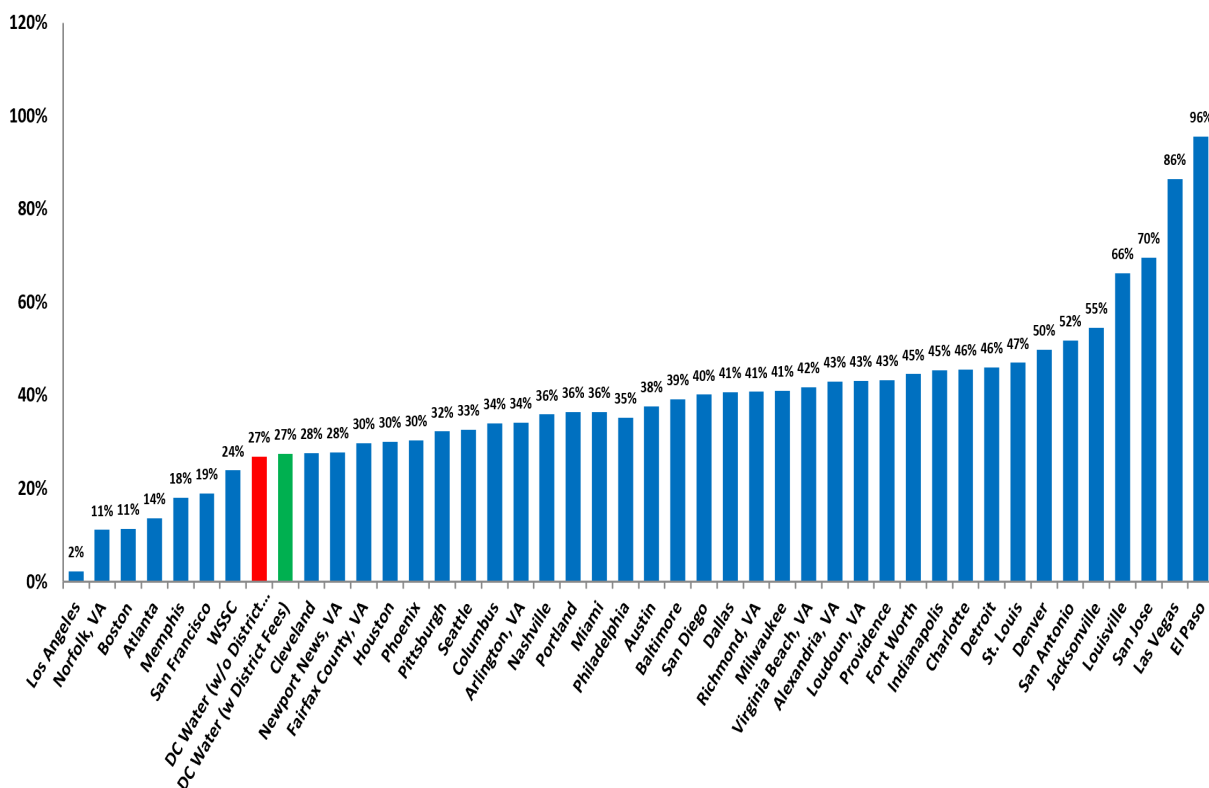
- (1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
- (2) Reflects rates and fees in place as of November 1, 2024. The Authority's rate includes the PILOT/ROW fee totaling
- (3) \$0.80 per Ccf (effective October 1, 2024) and the DOEE residential stormwater rate of \$2.67 per ERU per month.
- (4) Most CSO communities have implemented double digit rate increases to recover CSO-LTCP costs
- (5) Increases do not reflect other available dedicated taxes or state funding potentially available to some agencies
- (6) Chart reflects SFR monthly bill utilities with CSO programs without offsets to user charges



## AFFORDABILITY OF RETAIL RATES

Fixed charges are a small component of the DC Water monthly bill and are 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 2024)

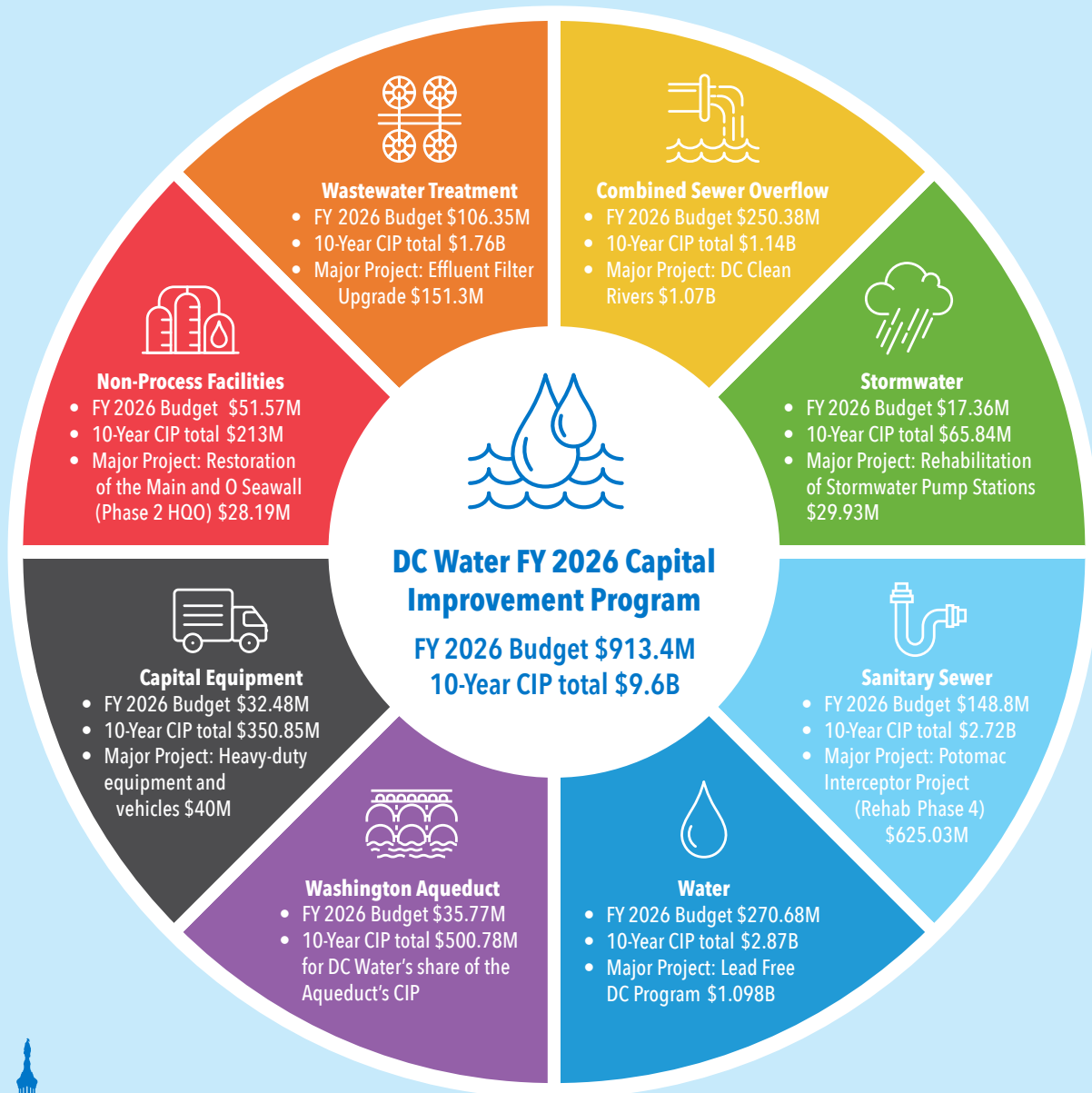


- (1) User Charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. Some cities bill for sewer uses 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, 2024. Whereas charges for all cities reflect rate schedules in effect November 1, 2024
- (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 2026 Budgets

# Section V: Capital Improvement Program



## Capital Improvement Program

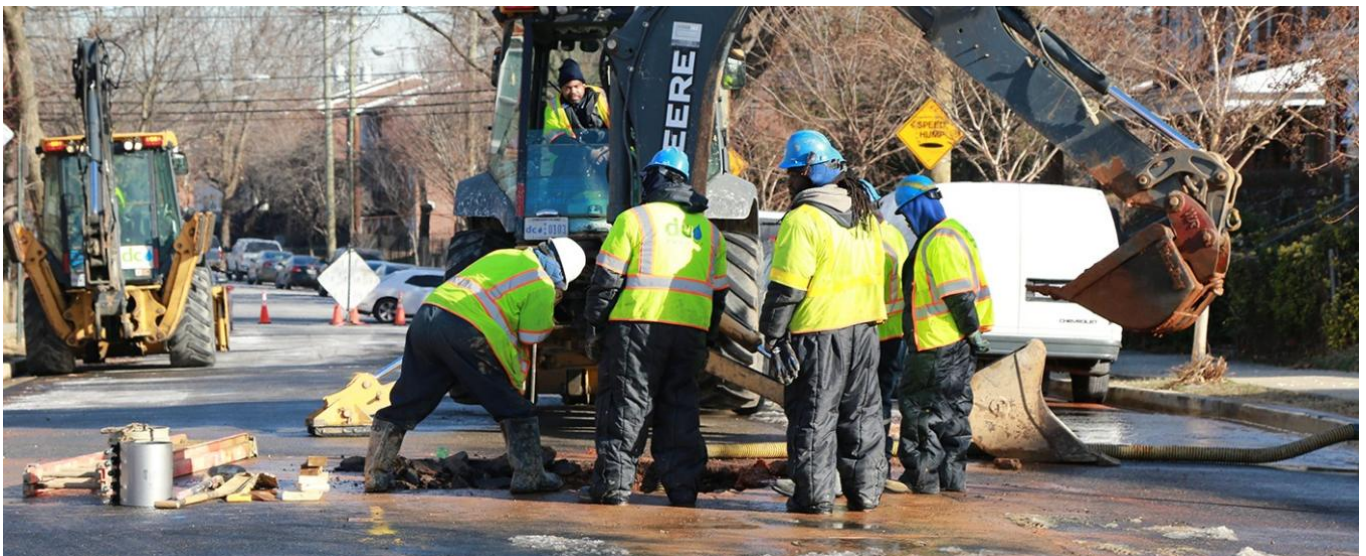
### Overview

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.

- **The Ten-Year Disbursement Plan** shows actual project cash outflows, excluding contingencies. It offers a realistic basis for forecasting rate increases and timing capital financing. It also includes projected completion dates, program management, and in-house labor costs.
- **The Lifetime Budget** captures historical spending before, during, and after the current ten-year period, including in-house labor. It focuses on active projects for budget planning and daily monitoring. It also includes projects completed in the previous fiscal year, marked as "closed" in the CIP. Closed projects are removed in the next fiscal year, while new projects are added annually as needed.

The Approved ten-year disbursement budget for FY 2025 – FY 2034 is \$9.6 billion. This CIP budget supports increased investments in critical water and sewer infrastructure initiatives, completes the Potomac River tunnel of the mandated Clean Rivers project, and advances the Lead-Free DC program (LFDC) to include brass and permit fees. Additionally, this budget includes the full rehabilitation of the Potomac Interceptor, replacement of 150 miles of small-diameter water mains, and major rehabilitation and equipment upgrades at Blue Plain. This funding also encompasses investments in the Washington Aqueduct program and the procurement and replacement of vehicles, heavy-duty equipment, mechanical systems, and operational facility upgrades, ensuring the continued reliability and efficiency of essential services. The Approved lifetime budget for all DC Water's construction projects and capital programs is \$17.8 billion.



| (\$ in thousands)                    | FY2024<br>Actual | FY 2025 - FY 2034 Disbursement Plan |           |           |             |             |             |           |           |           |           | Lifetime    |              |
|--------------------------------------|------------------|-------------------------------------|-----------|-----------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-------------|--------------|
|                                      |                  | FY2025                              | FY2026    | FY2027    | FY2028      | FY2029      | FY2030      | FY2031    | FY 2032   | FY2033    | FY 2034   | 10-Yr Total | Budget       |
| NON PROCESS FACILITIES               |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
| Facility Land Use                    | \$4,818          | \$18,181                            | \$51,570  | \$36,149  | \$16,630    | \$13,006    | \$12,169    | \$16,339  | \$16,393  | \$16,616  | \$16,000  | \$213,052   | \$414,629    |
| Subtotal                             | \$4,818          | \$18,181                            | \$51,570  | \$36,149  | \$16,630    | \$13,006    | \$12,169    | \$16,339  | \$16,393  | \$16,616  | \$16,000  | \$213,052   | \$414,629    |
| WASTEWATER TREATMENT                 |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
| Liquid Processing                    | \$29,889         | \$28,574                            | \$40,674  | \$59,430  | \$114,602   | \$115,967   | \$144,038   | \$147,596 | \$134,848 | \$131,382 | \$133,696 | \$1,050,807 | \$1,758,612  |
| Plantwide                            | \$17,542         | \$28,284                            | \$50,884  | \$43,954  | \$69,654    | \$47,347    | \$36,874    | \$28,755  | \$28,111  | \$34,618  | \$34,235  | \$402,717   | \$679,450    |
| Solids Processing                    | \$2,809          | \$10,758                            | \$14,796  | \$8,274   | \$11,314    | \$25,379    | \$40,519    | \$46,646  | \$52,966  | \$51,553  | \$47,059  | \$309,264   | \$1,046,727  |
| Enhanced Nitrogen Removal Facilities | \$686            | \$666                               | \$0       | \$0       | \$0         | \$0         | \$0         | \$0       | \$0       | \$0       | \$0       | \$666       | \$386,916    |
| Subtotal                             | \$50,926         | \$68,282                            | \$106,353 | \$111,659 | \$195,570   | \$188,694   | \$221,431   | \$222,997 | \$215,925 | \$217,553 | \$214,990 | \$1,763,454 | \$3,871,705  |
| COMBINED SEWER OVERFLOW              |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
| DC Clean Rivers Program              | \$135,108        | \$220,365                           | \$245,686 | \$235,003 | \$186,380   | \$117,403   | \$66,731    | \$0       | \$0       | \$0       | \$0       | \$1,071,566 | \$3,290,812  |
| Combined Sewer Overflow Program      | \$2,945          | \$3,467                             | \$4,700   | \$2,346   | \$10,716    | \$21,122    | \$19,181    | \$5,953   | \$0       | \$0       | \$0       | \$67,484    | \$131,053    |
| Subtotal                             | \$138,053        | \$223,832                           | \$250,386 | \$237,349 | \$197,096   | \$138,525   | \$85,911    | \$5,953   | \$0       | \$0       | \$0       | \$1,139,051 | \$3,421,865  |
| STORMWATER                           |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
| Storm Local Drainage Program         | \$115            | \$849                               | \$3,915   | \$2,564   | \$2,448     | \$2,226     | \$2,226     | \$1,238   | \$1,811   | \$2,054   | \$1,102   | \$20,433    | \$38,640     |
| Storm On-Going Program               | \$361            | \$372                               | \$640     | \$613     | \$1,490     | \$1,287     | \$935       | \$500     | \$500     | \$500     | \$500     | \$7,336     | \$11,233     |
| Storm Pumping Facilities             | \$3,842          | \$5,814                             | \$10,959  | \$11,638  | \$1,522     | \$0         | \$0         | \$0       | \$0       | \$0       | \$0       | \$29,933    | \$59,501     |
| Stormwater Program Managemet         | \$127            | \$744                               | \$694     | \$461     | \$0         | \$27        | \$1,970     | \$0       | \$0       | \$0       | \$0       | \$3,896     | \$13,349     |
| Stormwater Trunk/Force Sewers        | \$131            | \$431                               | \$1,152   | \$1,164   | \$1,495     | \$0         | \$0         | \$0       | \$0       | \$0       | \$0       | \$4,242     | \$28,977     |
| Subtotal                             | \$4,576          | \$8,209                             | \$17,360  | \$16,440  | \$6,955     | \$3,540     | \$5,131     | \$1,738   | \$2,311   | \$2,554   | \$1,602   | \$65,840    | \$151,698    |
| SANITARY SEWER                       |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
| Sanitary Collection System           | \$3,767          | \$15,875                            | \$21,009  | \$26,210  | \$57,118    | \$91,767    | \$86,810    | \$93,050  | \$96,012  | \$92,495  | \$104,917 | \$685,262   | \$880,985    |
| Sanitary On-Going Projectsss         | \$15,034         | \$15,152                            | \$17,100  | \$16,795  | \$18,418    | \$26,725    | \$26,474    | \$81,466  | \$86,964  | \$82,933  | \$84,964  | \$456,991   | \$525,764    |
| Sanitary Pumping Facilities          | \$2,896          | \$6,047                             | \$9,880   | \$9,122   | \$8,387     | \$12,187    | \$26,724    | \$28,453  | \$32,578  | \$31,733  | \$25,370  | \$190,481   | \$265,605    |
| Sanitary Program Management          | \$5,195          | \$11,510                            | \$9,702   | \$9,060   | \$10,883    | \$645       | \$0         | \$0       | \$0       | \$0       | \$0       | \$41,801    | \$171,900    |
| Interceptor/Trunk Force Sewers       | \$57,210         | \$98,317                            | \$91,105  | \$109,744 | \$250,797   | \$267,833   | \$163,334   | \$98,729  | \$87,043  | \$92,153  | \$85,017  | \$1,344,073 | \$1,901,434  |
| Subtotal                             | \$84,102         | \$146,901                           | \$148,796 | \$170,931 | \$345,603   | \$399,157   | \$303,342   | \$301,698 | \$302,597 | \$299,314 | \$300,268 | \$2,718,608 | \$3,745,688  |
| WATER                                |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
| Water Distribution Systems           | \$67,455         | \$46,536                            | \$84,530  | \$97,092  | \$96,785    | \$117,873   | \$133,358   | \$153,427 | \$152,544 | \$161,608 | \$168,836 | \$1,212,588 | \$2,230,246  |
| Water Lead Program                   | \$66,805         | \$100,747                           | \$133,460 | \$133,000 | \$133,000   | \$133,000   | \$133,000   | \$83,000  | \$83,000  | \$83,000  | \$83,000  | \$1,098,207 | \$1,783,056  |
| Water On-Going Projects              | \$19,670         | \$15,362                            | \$14,759  | \$16,006  | \$15,150    | \$16,014    | \$21,501    | \$20,779  | \$22,623  | \$20,404  | \$20,404  | \$183,002   | \$307,845    |
| Water Pumping Facilities             | \$4,018          | \$5,903                             | \$8,716   | \$7,049   | \$8,305     | \$5,870     | \$5,128     | \$2,250   | \$0       | \$0       | \$0       | \$43,220    | \$84,652     |
| Water Storage Facilities             | \$1,670          | \$3,726                             | \$18,404  | \$30,600  | \$18,253    | \$22,955    | \$16,208    | \$32,925  | \$37,377  | \$37,057  | \$33,412  | \$250,917   | \$374,296    |
| Water Service Program Management     | \$4,551          | \$12,821                            | \$10,810  | \$14,063  | \$16,626    | \$4,691     | \$5,000     | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$84,011    | \$188,394    |
| Subtotal                             | \$164,169        | \$185,094                           | \$270,680 | \$297,810 | \$288,118   | \$300,403   | \$314,195   | \$297,381 | \$300,544 | \$307,069 | \$310,652 | \$2,871,946 | \$4,968,489  |
| CAPITAL PROJECTS                     |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
| Capital Equipment Reporting          | \$19,127         | \$31,477                            | \$32,481  | \$32,052  | \$31,825    | \$37,169    | \$37,169    | \$37,169  | \$37,169  | \$37,169  | \$37,169  | \$350,849   | \$350,849    |
| Washington Aqueduct Reporting        | \$35,594         | \$35,770                            | \$35,770  | \$35,770  | \$35,770    | \$35,770    | \$35,770    | \$71,540  | \$71,540  | \$71,540  | \$71,540  | \$500,780   | \$500,780    |
| ADDITIONAL CAPITAL PROGRAMS          |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
|                                      | \$54,721         | \$67,247                            | \$68,251  | \$67,822  | \$67,595    | \$72,939    | \$72,939    | \$108,709 | \$108,709 | \$108,709 | \$108,709 | \$851,629   | \$851,629    |
| LABOR                                |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
|                                      |                  |                                     |           |           |             |             |             |           |           |           |           |             | \$383,495    |
| TOTAL CAPITAL BUDGETS                |                  |                                     |           |           |             |             |             |           |           |           |           |             |              |
|                                      | \$501,365        | \$717,745                           | \$913,396 | \$938,159 | \$1,117,568 | \$1,116,264 | \$1,015,118 | \$954,815 | \$946,479 | \$951,815 | \$952,221 | \$9,623,580 | \$17,809,199 |

## CIP Development and Approval Process

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 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 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 criteria 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**).

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, two-year rates (conducted every two years) and ten-year financial plan are then submitted to the full Board in March. 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 2026 – FY 2034 capital authority request in the amount of \$8.9 billion.

Note that the execution of contracts requires the approval of the CEO and General Manager, as Contracting Officer, or his delegee. 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 or operating expense:

| Expenditure Type      | Financial Treatment | Definition   |
|-----------------------|---------------------|--|
| <b>Rehabilitation</b> |                     |  |
| 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 pipelining 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.   |
| <b>Replacement</b>    | 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   |
| <b>Repair</b>         | 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. |
| <b>Maintenance</b>    | Expense             | Scheduled and recurring costs for the continued performance of an asset  |



## Prioritization Schedule

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

Approximately 11.1 percent of the current ten-year CIP 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 can increase investments in upgrading its aging water and sewer infrastructure.

### MEASURE OF PRIORITY (\$ IN THOUSANDS)

|                   | 1A   |     | 2A                                | 2B   | 2C   | 2D                                | 3A  |     | 3B                                    |                    |
|-------------------|--|-----|-----------------------------------|--|--|-----------------------------------|---|-----|---------------------------------------|--------------------|
|                   | <b>Mandates</b>  |     | <b>Health &amp; Safety</b>        | <b>Board Policy</b>  | <b>Potential Failure</b>   | <b>High Profile Good Neighbor</b> | <b>Good Engineering High Payback</b>          |     | <b>Good Engineering Lower Payback</b> |                    |
|                   | 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 fulfil Mission and upgrade Facilities |     | Lower priority Projects               |                    |
| FY 2025           | \$219,383  | 34% | \$7,822                           | \$140,958  | \$40,974   | \$607                             | \$232,404                                     | 27% | \$75,596                              | \$717,745          |
| FY 2026           | \$245,758  | 29% | \$7,814                           | \$209,419  | \$42,522   | \$18,175                          | \$228,015                                     | 20% | \$161,694                             | \$913,396          |
| FY 2027           | \$235,018  | 27% | \$7,586                           | \$208,979  | \$26,422   | \$32,444                          | \$258,437                                     | 23% | \$169,273                             | \$938,159          |
| FY 2028           | \$186,380  | 18% | \$11,482                          | \$219,606  | \$51,680   | \$22,564                          | \$406,040                                     | 33% | \$219,816                             | \$1,117,568        |
| FY 2029           | \$117,403  | 11% | \$6,816                           | \$231,094  | \$28,783   | \$23,577                          | \$494,443                                     | 41% | \$214,148                             | \$1,116,264        |
| FY 2030           | \$66,731   | 7%  | \$647                             | \$219,752  | \$31,942   | \$12,681                          | \$416,673                                     | 38% | \$266,693                             | \$1,015,118        |
| FY 2031           | \$0  | 0%  | \$0                               | \$158,699  | \$24,484   | \$10,508                          | \$518,352                                     | 51% | \$242,772                             | \$954,815          |
| FY 2032           | \$0  | 0%  | \$0                               | \$158,838  | \$15,482   | \$24,267                          | \$580,701                                     | 59% | \$167,191                             | \$946,479          |
| FY 2033           | \$0  | 0%  | \$0                               | \$180,921  | \$13,914   | \$20,066                          | \$615,186                                     | 63% | \$121,728                             | \$951,815          |
| FY 2034           | \$0  | 0%  | \$0                               | \$209,044  | \$12,280   | \$8,055                           | \$616,228                                     | 63% | \$106,614                             | \$952,221          |
| <b>Total</b>      | <b>\$1,070,673</b>   |     | <b>\$42,169</b>                   | <b>\$1,937,309</b>   | <b>\$288,483</b>   | <b>\$172,944</b>                  | <b>\$4,366,480</b>                            |     | <b>\$1,745,524</b>                    | <b>\$9,623,580</b> |
| <b>% of Total</b> | <b>11.1%</b>   |     | <b>0.4%</b>                       | <b>20.1%</b>   | <b>3.0%</b>  | <b>1.8%</b>                       | <b>45.4%</b>                                  |     | <b>18.2%</b>                          |                    |

## Service Area: Non-Process Facilities

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 wellness for program working environment while maximizing efficient use of existing DC Water land and facilities. The introduction of state-of-the-art material management technologies will enhance inventory security, storage, distribution, and transportation, implement green strategies, and sustainable design and maximize flexibility throughout DC Water facilities.

| Program Areas                           | FY 2024 Actual | FY 2025 Revised | FY 2026 Approved | 10-Year Plan     | Lifetime Budget  |
|---|----------------|-----------------|------------------|------------------|------------------|
| Facility Land Use                       | \$4,818        | \$18,181        | \$51,570         | \$213,052        | \$414,629        |
| <b>Total Non-Process Facilities CIP</b> | <b>\$4,818</b> | <b>\$18,181</b> | <b>\$51,570</b>  | <b>\$213,052</b> | <b>\$414,629</b> |

(\$ in thousands)

## 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 DC Water is meeting the wellness needs of its workforce while efficiently maintaining facilities to support operational activity. 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 as well as the health and well-being of employees and visitors in DC Water's office and shop environments.

- **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 departments of Water Operations, Pumping and Sewer Operations, Meter Operations and Materials Management. The project will also research and provide options for warehousing currently supported at the 200 Bryant Street Warehouse building to 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 need but limited space.
- **Main & O Redevelopment Efforts:** This project relocated Sewer and Fleet Operations from the Main & O Campus 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. The remaining projects include the fencing and access point definition and hardscape improvements around the redefined campus through FY 2025.
- **Renovations to Blue Plains Central Operations Facility:** The Central Operations Facility will be provided with updates as needed to support this building as the operations center for Blue Plains as originally intended, consolidating all Engineering staff except Clean Rivers. This project will efficiently organize the space vacated by administrative personnel now located at the Headquarters Office. Space planning to identify and support office alterations is planned for FY 2025.

## Key major projects include:

### Non-Process Heating, Ventilation, and Air Conditioning (HVAC) and Roofing Projects



### Major Accomplishments:

Roof Assessments of the buildings within Blue Plains were divided into seven (7) phases. Six (6) of seven (7) phased roof assessment tasks have been completed. Two (2) phases were completed in FY 2023, FY 2024, and to date in FY 2025. The roofs are prioritized for replacement based on the condition rating in the assessment reports with an initial list of three (3) roofs identified for replacement in FY 2025.

| Project Name              | Project ID | Start | Finish | 10-Year Plan    | Lifetime Project |
|---------------------------|------------|-------|--------|-----------------|------------------|
| HVAC and Roofing Projects | RV         | 2020  | 2034   | \$17,513        | \$23,988         |
| <b>Total</b>              |            |       |        | <b>\$17,513</b> | <b>\$23,988</b>  |

(\$ in thousands)

**Project Description:** 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 facility 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 2025. 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.

- **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, procurement start of construction for SB-1 renovation are planned for FY 2025.
- **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 for building envelope stabilization to provide for future opportunities as a field location for operations which will improve the exterior conditions as a good neighbor to the surrounding Ward 8 neighborhood.
- **Floatable Debris Dock Replacement:** Renovations for this facility will be focused on supporting a healthy and safe operating environment by renovating the existing campus resources. Concept and design-build procurement are anticipated in FY 2025.

- **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.
- **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. Planning for this project (Project ID SH) began in FY 2024 and is expected to continue in FY 2025. The estimated total cost of the project is \$9.5 million.

### Key major projects include:

Solar Projects  Sustainable

**Project Description:** This project provides planning, design, and construction for solar installations at multiple DC Water campuses. Planning includes solar projects at Bryant Street, 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 the improvement of rates.

| Project Name   | Project ID | Start | Finish | 10-Year Plan    | Lifetime Project |
|----------------|------------|-------|--------|-----------------|------------------|
| Solar Projects | SF         | 2023  | 2030   | \$15,056        | \$23,942         |
| <b>Total</b>   |            |       |        | <b>\$15,056</b> | <b>\$23,942</b>  |



Aerial View of Blue Plains Solar

- **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 started in FY 2024, the design is projected to start in FY 2025 and construction to start in FY 2026.
- **Sewer Services Office and Garage Expansion:** This project is to provide options to expand the existing Sewer Services Facilities at Ames Place or another strategic location to be identified. The project is needed to provide additional office and support spaces, as well as a garage enclosure for 25-fleet vehicles. Concept design with options is projected to run through FY 2025 with option selection and design-build procurement to start in FY 2026. The project will provide a suitable field operations location for the Sewer Operations team.
- **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 the restoration of the building's exterior envelope and interior spaces for 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. The procurement of a design build contract for this project will take place in FY2025.

- **Combined Water Quality & Wastewater Lab:** This project will research and provide options to renovate existing space at Blue Plains to provide DC Water with a water quality lab facility at Blue Plains in addition to the wastewater quality lab. Planning for this project will start in FY 2025 with design-build projected to start in late FY 2025/early FY 2026.

## ACCOMPLISHMENTS

- Completion of the concept design for the Bryant St Pump Station Modifications Project (HE), Main Pump Station Envelope Upgrades (SD), Ames Place Expansion Project (SG).
- 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. There are two active design tasks that started in FY 2024 and will complete in FY 2025 supporting the Bryant Street parking upgrades and the Anacostia Pump Station building envelope renovations.
- The new Non-Process Facilities Program Manager, 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 (NPFPM):** 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.



## CHALLENGES

There are challenges to the program based on the broad range of scopes for this program that supports all DC Water departments. The stakeholder list is broad and diverse, presenting basic challenges such as scheduling meetings and workshops and more complex challenges related to meeting stakeholder needs across a broad spectrum. Additionally, many of the facilities in DC Water's portfolio are considered historic and subject to historic preservation office review and approval and all building renovations within public view are subject to Commission of Fine Arts review and approval.



Fleet Management Facility



## NON PROCESS FACILITIES

| Facility Land Use   | Start Status | FY 2024 Actual | FY2025          | FY2026          | FY2027          | FY2028          | FY2029          | FY2030          | FY2031          | FY2032          | FY2033          | FY2034          | 10-Year Total    | Lifetime Budget  | Completion |
|---|--------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------|
| DS New Headquarters Building  | 2008 Ongoing | \$580          | \$651           | \$118           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$769            | \$76,893         | 2026       |
| HE Bryant Street Pump Station Building Modifications - Field Ops Facility Central | 2018 Ongoing | \$978          | \$931           | \$11,211        | \$8,628         | \$717           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$21,488         | \$31,983         | 2028       |
| HF Fort Reno Pump Station - Field Ops Facility West                               | 2020 Ongoing | \$11           | \$158           | \$2,750         | \$970           | \$643           | \$5             | \$0             | \$0             | \$0             | \$0             | \$0             | \$4,526          | \$6,297          | 2029       |
| HH Main & O Redevelopment Efforts (Formerly New Fleet Management Facility)        | 2015 Ongoing | \$1,579        | \$1,334         | \$900           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$2,234          | \$56,127         | 2026       |
| HJ COF Renovations  | 2019 Ongoing | \$341          | \$107           | \$455           | \$932           | \$854           | \$166           | \$0             | \$0             | \$0             | \$0             | \$0             | \$2,514          | \$7,214          | 2029       |
| HK CMF Renovations and Consolidation  | 2020 Ongoing | \$0            | \$2,197         | \$6,541         | \$2,548         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$11,286         | \$16,679         | 2027       |
| NZ Floatable Debris Dock Replacement  | 2020 Ongoing | \$9            | \$63            | \$72            | \$1,003         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$1,138          | \$12,499         | 2027       |
| RV Non-Process Area - HVAC And Roofing Projects                                   | 2020 Ongoing | \$396          | \$3,078         | \$2,561         | \$2,408         | \$3,223         | \$1,242         | \$1,000         | \$1,000         | \$1,000         | \$1,000         | \$1,000         | \$17,513         | \$23,988         | 2034       |
| SA Anacostia Pump Station - Field Ops East  | 2022 Ongoing | \$7            | \$590           | \$891           | \$1,876         | \$769           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$4,125          | \$5,714          | 2028       |
| SB Bryant Street Parking Modifications  | 2022 Ongoing | \$14           | \$513           | \$570           | \$1,252         | \$353           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$2,688          | \$4,000          | 2028       |
| SC Main & O Seawall Restoration (Phase 2 HQO)                                     | 2022 Ongoing | \$31           | \$3             | \$3             | \$3             | \$274           | \$394           | \$1,161         | \$9,339         | \$12,393        | \$4,616         | \$0             | \$28,185         | \$28,930         | 2033       |
| SD Main PS Building Modifications - Historic Restoration                          | 2022 Ongoing | \$286          | \$3,463         | \$11,701        | \$5,928         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$21,091         | \$30,923         | 2027       |
| SE Non-Process Facilities Program Management                                      | 2022 Ongoing | \$468          | \$2,130         | \$2,600         | \$1,371         | \$661           | \$6             | \$0             | \$0             | \$0             | \$0             | \$0             | \$6,767          | \$10,657         | 2029       |
| SF Solar Projects   | 2023 Ongoing | \$0            | \$1,698         | \$5,917         | \$3,872         | \$3,251         | \$309           | \$8             | \$0             | \$0             | \$0             | \$0             | \$15,056         | \$23,942         | 2030       |
| SG Sewer Services Office and Garage Expansion                                     | 2024 Ongoing | \$117          | \$727           | \$3,478         | \$559           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$4,763          | \$6,800          | 2027       |
| SH Operation Training Facility  | 2024 Ongoing | \$0            | \$260           | \$274           | \$3,571         | \$3,604         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$7,709          | \$9,500          | 2028       |
| SJ Electric Vehicle Infrastructure  | 2024 Ongoing | \$0            | \$133           | \$816           | \$309           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$1,258          | \$1,784          | 2027       |
| SK Annex Building 8 at McMillan Reservoir Rehab                                   | 2024 Ongoing | \$0            | \$78            | \$625           | \$146           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$850            | \$1,200          | 2027       |
| SL Water Quality Lab  | 2024 Ongoing | \$0            | \$68            | \$87            | \$774           | \$2,281         | \$884           | \$0             | \$0             | \$0             | \$0             | \$0             | \$4,093          | \$4,500          | 2029       |
| Z2 Capital Project Allowance - Facility Land Use                                  | 2029 Future  | \$0            | \$0             | \$0             | \$0             | \$0             | \$10,000        | \$10,000        | \$6,000         | \$3,000         | \$11,000        | \$15,000        | \$55,000         | \$55,000         | 2035       |
| <b>TOTAL FACILITY LAND USE AND BUDGET</b>   |              | <b>\$4,818</b> | <b>\$18,181</b> | <b>\$51,570</b> | <b>\$36,149</b> | <b>\$16,630</b> | <b>\$13,006</b> | <b>\$12,169</b> | <b>\$16,339</b> | <b>\$16,393</b> | <b>\$16,616</b> | <b>\$16,000</b> | <b>\$213,052</b> | <b>\$414,629</b> |            |
| <b>TOTAL NON PROCESS FACILITIES BUDGET</b>  |              | <b>\$4,818</b> | <b>\$18,181</b> | <b>\$51,570</b> | <b>\$36,149</b> | <b>\$16,630</b> | <b>\$13,006</b> | <b>\$12,169</b> | <b>\$16,339</b> | <b>\$16,393</b> | <b>\$16,616</b> | <b>\$16,000</b> | <b>\$213,052</b> | <b>\$414,629</b> |            |

( \$ in thousands)

## Service Area: Wastewater Treatment

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                         | FY 2024 Actual  | FY 2025 Revised | FY 2026 Approved | 10-Year Plan       | Lifetime Budget    |
|---------------------------------------|-----------------|-----------------|------------------|--------------------|--------------------|
| Liquid Processing                     | \$29,889        | \$28,574        | \$40,674         | \$1,050,807        | \$1,758,612        |
| Plantwide                             | \$17,542        | \$28,284        | \$50,884         | \$402,717          | \$679,450          |
| Solids Processing                     | \$2,809         | \$10,758        | \$14,796         | \$309,264          | \$1,046,727        |
| Enhanced Nitrogen Removal Facilities  | \$686           | \$666           | \$0              | \$666              | \$386,916          |
| <b>Total Wastewater Treatment CIP</b> | <b>\$50,926</b> | <b>\$68,282</b> | <b>\$106,353</b> | <b>\$1,763,454</b> | <b>\$3,871,705</b> |

(\$ in thousands)

## 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 the 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.

## Key major projects include:

### Nitrification Reactor/Sedimentation - 20 year rebuild



| Project ID   | Start | Finish | 10- Year Plan   | Lifetime Project |
|--------------|-------|--------|-----------------|------------------|
| LF           | 2024  | 2039   | \$62,616        | \$139,980        |
| <b>Total</b> |       |        | <b>\$62,616</b> | <b>\$139,980</b> |

(\$ in thousands)

| Project ID   | Start | Finish | 10-Year Plan    | Lifetime Project |
|--------------|-------|--------|-----------------|------------------|
| JF           | 2019  | 2028   | \$25,846        | \$40,564         |
| <b>Total</b> |       |        | <b>\$25,846</b> | <b>\$40,564</b>  |

(\$ in thousands)

**Project Description:** Projects in this Liquid Processing 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.



**Major Accomplishments:** Projects in this Liquid Processing Program enable DC Water to continue to produce excellent quality effluent into the Potomac River and meet NPDES permit requirements.

Completion of Raw Wastewater Pump Station 2 (RWWPS2) Upgrade improved system reliability and increased redundancy and has extended the useful life of assets in the station. 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.

## ACCOMPLISHMENTS

- Ongoing construction under 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, plantwide storm drain improvements, construction of biosolids curing pad and solar PV, electrical upgrades at COF to name a few. It also addresses other critical rehabilitation throughout Blue Plains facility and pumping stations.
- Construction Notice to Proceed for Headworks Influent and Effluent Structural Rehabilitation – This project includes



DC Water Trucks outside of Blue Plains facility

rehabilitation of the East Influent Sewer feeding Raw Wastewater Pump Station 1 downstream of 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.

- Construction Solicitation for Blue Plains Floodwall Segments A, B, D – The design-build Request for Qualifications (RFQ) and Request for Proposal (RFP) for this project were finalized for advertisement at the start of FY25. FEMA grant letter for Phase I work was received for \$3.9M. Phase II grant for the remaining funding will be awarded at the end of design. 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.
- CMAR Construction Solicitation for Blue Plains projects – The CMAR Request for Qualifications (RFQ) for 2 portfolios are being finalized. Each portfolio includes two projects and is planned to be \$200 million in construction value. The first portfolio includes Filter Underdrain and Backwash System Upgrades (FUBS) and Miscellaneous Improvements to Filtration Facility (MIFF). The second portfolio includes Headwork Electrical Upgrades and Upgrades to Primary Treatment Facility.
- Design Notice to Proceed 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.



Aerial view of Wastewater Treatment Plant

## 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 on-site solar generation and a combined heat and power plant. The Microgrid Roadmap project was completed in June 2024.



## WASTEWATER TREATMENT

| Liquid Processing              |   | Start | Status  | FY 2024<br>Actual | FY2025          | FY2026          | FY2027          | FY2028           | FY2029           | FY2030           | FY2031           | FY2032           | FY2033           | FY2034           | 10-Year<br>Total   | Lifetime<br>Budget | Completion |
|--------------------------------|---|-------|---------|-------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|------------|
| A2                             | Liquid Processing Program Management                  | 2001  | Ongoing | \$3,449           | \$1,703         | \$0             | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$1,703            | \$84,027           | 2025       |
| B6                             | Primary Sedimentation Tank Covers                     | 2030  | Future  | \$0               | \$0             | \$0             | \$0             | \$0              | \$0              | \$646            | \$1,017          | \$150            | \$2,985          | \$2,718          | \$7,516            | \$43,598           | 2036       |
| B7                             | Primary Sedimentation Tank Odor Scrubblers            | 2032  | Future  | \$0               | \$0             | \$0             | \$0             | \$0              | \$0              | \$0              | \$0              | \$1,433          | \$906            | \$2,080          | \$4,419            | \$45,870           | 2038       |
| BC                             | Headworks Influent Structures                         | 2017  | Ongoing | \$269             | \$6,343         | \$12,359        | \$6,573         | \$498            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$25,773           | \$38,546           | 2028       |
| BQ                             | Grit and Screenings and Primary                       | 2018  | Ongoing | \$1,930           | \$1,175         | \$5,171         | \$16,542        | \$26,630         | \$14,614         | \$8,776          | \$0              | \$0              | \$0              | \$0              | \$72,908           | \$101,926          | 2030       |
| BR                             | Nitrification/Denitrification Fac                     | 2006  | Ongoing | \$164             | \$1,422         | \$67            | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$1,489            | \$54,803           | 2026       |
| BT                             | Filtration/Disinfection Fac PH II                     | 2008  | Ongoing | \$0               | \$11            | \$0             | \$49            | \$750            | \$1,171          | \$107            | \$0              | \$0              | \$0              | \$0              | \$2,088            | \$24,018           | 2030       |
| BV                             | RWWPS No. 2 Upgrades                                  | 2013  | Ongoing | \$45              | \$136           | \$0             | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$136              | \$46,898           | 2025       |
| FG                             | Secondary Treatment Upgrades for TN                   | 2009  | Ongoing | \$140             | \$4             | \$0             | \$1,941         | \$1,257          | \$6,596          | \$24,198         | \$11,320         | \$449            | \$0              | \$0              | \$45,765           | \$57,168           | 2032       |
| I4                             | Grit Removal Facilities - 20 year rebuild             | 2031  | Future  | \$0               | \$0             | \$0             | \$0             | \$0              | \$0              | \$0              | \$2,300          | \$9,326          | \$16,390         | \$12,785         | \$40,801           | \$52,500           | 2036       |
| I5                             | Raw Water Pump Stations 1 & 2 - 20 year rebuild       | 2026  | Ongoing | \$0               | \$0             | \$0             | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                | \$29,000           | 2031       |
| I7                             | Primary Treatment - 20 year Rebuild                   | 2023  | Ongoing | \$0               | \$1,683         | \$3,547         | \$5,040         | \$34,394         | \$47,393         | \$21,951         | \$0              | \$0              | \$0              | \$0              | \$114,008          | \$139,850          | 2030       |
| IY                             | Effluent Filter Upgrade                               | 2017  | Ongoing | \$11,927          | \$5,812         | \$8,365         | \$19,413        | \$34,258         | \$28,730         | \$42,006         | \$12,727         | \$0              | \$0              | \$0              | \$151,311          | \$183,187          | 2031       |
| IZ                             | Replace/Upgrade Influent Screens                      | 2016  | Ongoing | \$718             | \$16            | \$0             | \$208           | \$2,178          | \$1,811          | \$5,015          | \$19,804         | \$21,961         | \$8,816          | \$0              | \$59,809           | \$81,819           | 2033       |
| J2                             | Replace/Upgrade Primary Treatment Mechanisms          | 2018  | Ongoing | \$9,485           | \$3,168         | \$1,600         | \$763           | \$115            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$5,646            | \$29,683           | 2028       |
| J6                             | Deammonification Project                              | 2013  | Ongoing | \$184             | \$2,600         | \$1,528         | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$4,128            | \$6,128            | 2026       |
| JC                             | Secondary East and West - 20 year rebuild             | 2028  | Ongoing | \$0               | \$0             | \$0             | \$0             | \$360            | \$2,717          | \$30,325         | \$29,034         | \$14,098         | \$7,917          | \$5,510          | \$89,961           | \$96,000           | 2034       |
| LF                             | Nitrification Reactor/Sedimentation - 20 year rebuild | 2024  | Ongoing | \$711             | \$348           | \$688           | \$1,596         | \$9,037          | \$4,569          | \$0              | \$3,256          | \$8,272          | \$14,368         | \$20,482         | \$62,616           | \$139,980          | 2039       |
| OZ                             | Grit Chambers 1 & 2 Upgrades                          | 2017  | Ongoing | \$0               | \$0             | \$1,688         | \$3,089         | \$1,965          | \$1,069          | \$0              | \$0              | \$0              | \$0              | \$0              | \$7,811            | \$15,568           | 2029       |
| PD                             | Secondary East & West Upgrades                        | 2016  | Ongoing | \$0               | \$0             | \$196           | \$482           | \$2,036          | \$3,655          | \$178            | \$0              | \$0              | \$0              | \$0              | \$6,547            | \$9,685            | 2030       |
| PE                             | Nitrification Reactor/Sedimentation Upgrades          | 2017  | Ongoing | \$669             | \$1,684         | \$1,904         | \$2,077         | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$5,665            | \$15,696           | 2027       |
| RN                             | Liquids Processing Rehabilitation                     | 2020  | Ongoing | \$38              | \$1,273         | \$3,552         | \$1,658         | \$72             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$6,555            | \$9,387            | 2028       |
| RW                             | Long\$0term Concrete Rehabilitation Projects          | 2028  | Future  | \$0               | \$0             | \$0             | \$0             | \$1,051          | \$3,642          | \$10,836         | \$33,138         | \$9,159          | \$0              | \$0              | \$57,826           | \$62,820           | 2032       |
| UC                             | 504J1 - FILTRATION/DISINFECTION FACILITIES            | 2000  | Ongoing | \$161             | \$763           | \$9             | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$772              | \$97,405           | 2026       |
| UF                             | Dual Purpose Sed Area Facilities 20-yr Upgrade        | 2034  | Future  | \$0               | \$0             | \$0             | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$121            | \$121              | \$13,165           | 2036       |
| UJ                             | FIP Wall Pipe Replacement                             | 2024  | Ongoing | \$0               | \$434           | \$0             | \$0             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$434              | \$4,884            | 2025       |
| Z3                             | Capital Project Allowance - Liquid Processing         | 2031  | Future  | \$0               | \$0             | \$0             | \$0             | \$0              | \$0              | \$0              | \$35,000         | \$70,000         | \$80,000         | \$90,000         | \$275,000          | \$275,000          | 2034       |
| <b>TOTAL LIQUID PROCESSING</b> |   |       |         | <b>\$29,889</b>   | <b>\$28,574</b> | <b>\$40,674</b> | <b>\$59,430</b> | <b>\$114,602</b> | <b>\$115,967</b> | <b>\$144,038</b> | <b>\$147,596</b> | <b>\$134,848</b> | <b>\$131,382</b> | <b>\$133,696</b> | <b>\$1,050,807</b> | <b>\$1,758,612</b> |            |

(\$ in thousands)

| Plantwide              |  | Start | Status  | FY 2024 Actual  | FY2025          | FY2026          | FY2027          | FY2028          | FY2029          | FY2030          | FY2031          | FY2032          | FY2033          | FY2034          | 10-Year Total    | Lifetime Budget  | Completion |
|------------------------|--|-------|---------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------|
| AL                     | Plantwide Project Program Management                       | 2001  | Ongoing | \$9,568         | \$11,410        | \$11,283        | \$10,726        | \$10,398        | \$10,277        | \$10,049        | \$8,953         | \$0             | \$0             | \$0             | \$73,096         | \$126,942        | 2031       |
| BY                     | Additional Chemical Systems PH III                         | 2025  | New     | \$0             | \$0             | \$33            | \$214           | \$198           | \$1,451         | \$632           | \$0             | \$0             | \$0             | \$0             | \$2,528          | \$3,822          | 2030       |
| CW                     | Security at Blue Plains                                    | 2005  | Ongoing | \$339           | \$274           | \$250           | \$347           | \$50            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$921            | \$6,650          | 2028       |
| EI                     | Plantwide Painting of Steel Pipes                          | 2012  | Ongoing | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$5,570          | 2028       |
| GP                     | I & C & Elec - EPMC  | 2009  | Ongoing | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$6,373          | 2025       |
| GW                     | Control Systems Replacement                                | 2022  | Ongoing | \$0             | \$0             | \$211           | \$848           | \$976           | \$3,594         | \$11,477        | \$9,861         | \$5,277         | \$159           | \$0             | \$32,403         | \$37,000         | 2033       |
| HL                     | DWT - Process and Operations Jobs                          | 2011  | Ongoing | \$321           | \$453           | \$390           | \$86            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$929            | \$9,218          | 2027       |
| IC                     | Electrical Monitoring Systems                              | 2015  | Ongoing | \$866           | \$77            | \$867           | \$1,169         | \$10,666        | \$5,640         | \$0             | \$0             | \$0             | \$0             | \$0             | \$18,419         | \$26,130         | 2029       |
| IT                     | Hauled Waste Receiving Facility                            | 2020  | Ongoing | \$0             | \$50            | \$248           | \$295           | \$1,970         | \$226           | \$0             | \$0             | \$0             | \$0             | \$0             | \$2,789          | \$5,000          | 2029       |
| IU                     | Solar Photovoltaic System                                  | 2020  | Ongoing | \$125           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$960            | 2025       |
| IV                     | Blue Plains IT Backbone FOC Tubes                          | 2016  | Ongoing | \$1,714         | \$135           | \$283           | \$251           | \$5             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$674            | \$5,911          | 2028       |
| JF                     | Construction of Flood Seawall                              | 2019  | Ongoing | \$0             | \$743           | \$4,402         | \$10,493        | \$10,209        | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$25,847         | \$40,564         | 2028       |
| LS                     | Misc. Facilities Projects FY2013                           | 2013  | Ongoing | \$718           | \$1,695         | \$3,195         | \$236           | \$237           | \$236           | \$295           | \$173           | \$0             | \$0             | \$0             | \$6,067          | \$22,162         | 2031       |
| LX                     | Process Control System Upgrade                             | 2021  | Ongoing | \$63            | \$45            | \$31            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$76             | \$4,003          | 2026       |
| OD                     | Plantwide Paving   | 2015  | Ongoing | \$0             | \$93            | \$678           | \$330           | \$2,494         | \$1,426         | \$0             | \$0             | \$0             | \$0             | \$0             | \$5,021          | \$8,240          | 2029       |
| OE                     | Plantwide Drainage & Runoff                                | 2016  | Ongoing | \$3             | \$1,435         | \$3,107         | \$0             | \$835           | \$1,967         | \$498           | \$0             | \$0             | \$0             | \$0             | \$7,842          | \$19,120         | 2030       |
| OG                     | City Water & Sewer Upgrades at WWTP                        | 2022  | Ongoing | \$0             | \$21            | \$494           | \$321           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$836            | \$1,403          | 2027       |
| OH                     | Plantwide Demolition                                       | 2027  | Future  | \$0             | \$0             | \$0             | \$106           | \$2,259         | \$2,611         | \$3,055         | \$1,668         | \$159           | \$0             | \$0             | \$9,858          | \$11,100         | 2032       |
| OP                     | Plantwide Sump Pump Rehabilitation                         | 2019  | Ongoing | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$0              | 2025       |
| OQ                     | Plantwide Roofing Upgrades                                 | 2022  | Ongoing | \$631           | \$132           | \$3,693         | \$3,643         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$7,468          | \$10,000         | 2027       |
| OS                     | Plantwide Lighting Upgrades                                | 2017  | Ongoing | \$0             | \$518           | \$341           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$859            | \$3,723          | 2026       |
| PF                     | Chemical System/Building Upgrades                          | 2015  | Ongoing | \$442           | \$1,289         | \$4,304         | \$2,393         | \$3,065         | \$1,398         | \$0             | \$0             | \$0             | \$0             | \$0             | \$12,449         | \$26,670         | 2029       |
| TZ                     | 50416 - ELEC POWER SYS - SWITCH GEAR                       | 2001  | Ongoing | \$1,560         | \$5,729         | \$10,714        | \$7,929         | \$16,266        | \$7,072         | \$326           | \$0             | \$0             | \$0             | \$0             | \$48,036         | \$83,589         | 2030       |
| U2                     | Wastewater Thermal Energy                                  | 2023  | Ongoing | \$0             | \$0             | \$0             | \$0             | \$0             | \$284           | \$1,085         | \$1,215         | \$2,675         | \$4,459         | \$4,235         | \$13,953         | \$18,430         | 2036       |
| US                     | Main Substation Hardening                                  | 2028  | Future  | \$0             | \$0             | \$274           | \$460           | \$1,246         | \$3,771         | \$1,128         | \$0             | \$0             | \$0             | \$0             | \$6,879          | \$9,279          | 2030       |
| V1                     | MFU8 - Rehabilitation and Emergency Response VIII          | 2023  | Ongoing | \$1,027         | \$3,666         | \$2,867         | \$466           | \$195           | \$34            | \$0             | \$0             | \$0             | \$0             | \$0             | \$7,228          | \$10,560         | 2029       |
| V2                     | MFU8 - Rehabilitation and Emergency Response IX            | 2026  | New     | \$0             | \$284           | \$3,099         | \$2,011         | \$591           | \$482           | \$99            | \$0             | \$0             | \$0             | \$0             | \$6,566          | \$10,280         | 2030       |
| V3                     | MFU8 - Rehabilitation and Emergency Response - Plantwide X | 2027  | Future  | \$0             | \$0             | \$0             | \$829           | \$879           | \$875           | \$1,086         | \$185           | \$0             | \$0             | \$0             | \$3,854          | \$5,120          | 2031       |
| WS                     | Truck Scales Upgrade                                       | 1999  | Ongoing | \$0             | \$0             | \$0             | \$286           | \$3,629         | \$85            | \$0             | \$0             | \$0             | \$0             | \$0             | \$4,000          | \$5,000          | 2029       |
| XP                     | Solar Project - Phase 2                                    | 2025  | Ongoing | \$0             | \$0             | \$0             | \$0             | \$2,800         | \$5,480         | \$6,850         | \$6,700         | \$0             | \$0             | \$0             | \$21,830         | \$25,000         | 2031       |
| YD                     | 700D5 - MISCELLANEOUS PROJECTS                             | 2020  | Ongoing | \$166           | \$236           | \$120           | \$516           | \$687           | \$438           | \$294           | \$0             | \$0             | \$0             | \$0             | \$2,291          | \$51,630         | 2030       |
| Z4                     | Capital Project Allowance - Plantwide                      | 2032  | Future  | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$20,000        | \$30,000        | \$30,000        | \$80,000         | \$80,000         | 2034       |
| <b>TOTAL PLANTWIDE</b> |  |       |         | <b>\$17,542</b> | <b>\$28,284</b> | <b>\$50,884</b> | <b>\$43,954</b> | <b>\$69,654</b> | <b>\$47,347</b> | <b>\$36,874</b> | <b>\$28,755</b> | <b>\$28,111</b> | <b>\$34,618</b> | <b>\$34,235</b> | <b>\$402,717</b> | <b>\$679,450</b> |            |

(\$ in thousands)



| Solids Processing                          |   | Start | Status  | FY 2024 Actual | FY2025   | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | FY2031    | FY2032    | FY2033    | FY2034    | 10-Year Total | Lifetime Budget | Completion |
|--|---|-------|---------|----------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|-----------------|------------|
| AM   | Solids Processing Program Management                      | 2001  | Ongoing | \$640          | \$203    | \$271     | \$262     | \$398     | \$426     | \$533     | \$533     | \$345     | \$328     | \$328     | \$3,627       | \$26,630        | 2035       |
| BX   | Gravity Thickener Upgrades Ph II                          | 2010  | Ongoing | \$1,421        | \$2,485  | \$1,914   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$4,399       | \$85,593        | 2026       |
| I3   | Biosolids Blending Development Center                     | 2015  | Ongoing | \$67           | \$5,074  | \$4,268   | \$52      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$9,394       | \$14,092        | 2027       |
| LD   | Pre-Dewatering Additional Centrifuges                     | 2020  | Ongoing | \$62           | \$440    | \$3,750   | \$2,630   | \$123     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$6,943       | \$10,051        | 2028       |
| LE   | High Strength Waste Receiving Facility (Includes FOG)     | 2027  | Future  | \$0            | \$0      | \$0       | \$290     | \$326     | \$2,964   | \$805     | \$0       | \$0       | \$0       | \$0       | \$4,385       | \$6,008         | 2030       |
| RM   | Biosolids Rehabilitation                                  | 2021  | Ongoing | \$63           | \$500    | \$2,091   | \$1,715   | \$4,524   | \$2,760   | \$20,628  | \$25,528  | \$12,198  | \$539     | \$0       | \$70,483      | \$79,996        | 2033       |
| SN   | GT Fermenter Conversion                                   | 2027  | Future  | \$0            | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           | \$15,593        | 2031       |
| TH   | THP/Digestion Facilities 20 yr Upgrade                    | 2033  | Future  | \$0            | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$292     | \$19,111  | \$19,403      | \$34,084        | 2036       |
| TL   | Renewable Natural Gas Capital Modification                | 2024  | Ongoing | \$43           | \$311    | \$42      | \$41      | \$38      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$432         | \$600           | 2028       |
| V4   | MFU8- Rehabilitation and Emergency Response - Biosolids X | 2027  | Future  | \$0            | \$0      | \$0       | \$829     | \$879     | \$875     | \$1,086   | \$185     | \$0       | \$0       | \$0       | \$3,854       | \$5,120         | 2031       |
| XA   | New Digestion Facilities                                  | 1999  | Ongoing | \$62           | \$5      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$5           | \$552,905       | 2025       |
| XD   | Rehabilitation of Dewatered Sludge Loading Facility       | 2025  | New     | \$0            | \$0      | \$1,289   | \$876     | \$4,396   | \$12,134  | \$7,073   | \$6       | \$0       | \$0       | \$0       | \$25,774      | \$31,700        | 2031       |
| XY   | DAF Facility 20yr Upgrade                                 | 2029  | Future  | \$0            | \$0      | \$0       | \$0       | \$0       | \$6,219   | \$10,394  | \$10,394  | \$10,423  | \$10,394  | \$2,620   | \$50,444      | \$54,000        | 2034       |
| XZ   | Solids Processing Building / DSLF                         | 1999  | Ongoing | \$450          | \$1,740  | \$1,172   | \$1,580   | \$629     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$5,121       | \$25,357        | 2028       |
| Z5   | Capital Project Allowance - Solids Processing             | 2031  | Future  | \$0            | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | 10,000    | 30,000    | 40,000    | 25,000    | \$105,000     | \$105,000       | 2034       |
| TOTAL SOLIDS PROCESSING                    |   |       |         | \$2,809        | \$10,758 | \$14,796  | \$8,274   | \$11,314  | \$25,379  | \$40,519  | \$46,646  | \$52,966  | \$51,553  | \$47,059  | \$309,264     | \$1,046,727     |            |
| Enhanced Nitrogen Removal Facilities       |   |       |         | FY 2024 Actual | FY2025   | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | FY2031    | FY2032    | FY2033    | FY2034    | 10-Year Total | Lifetime Budget | Completion |
| E8   | Enhanced Clarification Facilities                         | 2009  | Ongoing | \$671          | \$526    | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$526         | \$186,573       | 2025       |
| EE   | Filtrate Treatment Facilities                             | 2009  | Ongoing | \$13           | \$84     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$84          | \$108,294       | 2025       |
| FR   | BP Tunnel Dewatering Pumping Sta                          | 2010  | Ongoing | \$2            | \$4      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$4           | \$35,657        | 2025       |
| FS   | Div D - Bolling Overflow & Diversion                      | 2010  | Ongoing | \$0            | \$52     | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$52          | \$56,391        | 2025       |
| TOTAL ENHANCED NITROGEN REMOVAL FACILITIES |   |       |         | \$686          | \$666    | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$666         | \$386,916       |            |
| TOTAL WASTEWATER TREATMENT BUDGET          |   |       |         | \$50,926       | \$68,282 | \$106,353 | \$111,659 | \$195,570 | \$188,694 | \$221,431 | \$222,997 | \$219,925 | \$217,553 | \$214,990 | \$1,763,454   | \$3,871,705     |            |

(\$ in thousands)

## Service Area: Combined Sewer Overflow

Like 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 sanitary sewage to the Blue Plains Advanced Wastewater Treatment Plant. In wet weather, stormwater runoff also enters the system and, if the 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 Anacostia River Tunnel System was placed in operation in two phases: Phase 1 from Blue Plains to RFK Stadium in March 2018 and Phase 2 - the Northeast Boundary Tunnel in September 2023. From March 20, 2018, through November 2024, the system has performed exceptionally well, capturing over 17.7 billion gallons of combined sewer and removing more than 11,240 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 (Rock Creek C is currently in construction, and Piney Branch Tunnel is in the CMAR pre-construction phase). The Potomac River Tunnel (PRT) which runs from Joint Base Anacostia Bolling to Georgetown University started construction in 2024 and is required to be placed in operation by 2030. The Piney Branch Tunnel benefiting Rock Creek is planned to be constructed from 2026-2029. 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                   | FY 2024<br>Actual | FY 2024<br>Revised | FY 2026<br>Approved | 10-Year<br>Plan    | Lifetime<br>Budget |
|---------------------------------|-------------------|--------------------|---------------------|--------------------|--------------------|
| DC Clean Rivers                 | \$135,108         | \$220,365          | \$245,686           | \$1,071,566        | \$3,290,812        |
| Combined Sewer                  | \$2,945           | \$3,467            | \$4,700             | \$67,484           | \$131,053          |
| <b>Total Combined Sewer CIP</b> | <b>\$138,053</b>  | <b>\$223,832</b>   | <b>\$250,386</b>    | <b>\$1,139,051</b> | <b>\$3,421,865</b> |

( \$ in thousands)

## 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 Northeast Boundary Tunnel on September 15, 2023, completed all the controls for the Anacostia River, ahead of the 2025 Consent Decree deadline. The Potomac River Tunnel began construction in 2024 with the establishment of the mining site for the twin tunnel boring machines at West Potomac Park. 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.

**Key major projects include:**

**Potomac Long Term Control Plan Projects**



| Project ID   | Start | Finish | 10-Year Plan     | Lifetime Project   |
|--------------|-------|--------|------------------|--------------------|
| CZ           | 2010  | 2030   | \$930,186        | \$1,159,181        |
| <b>Total</b> |       |        | <b>\$930,186</b> | <b>\$1,159,181</b> |

( \$ in thousands)

**Project Description:** The Clean Rivers Project is DC Water's ongoing program to reduce combined sewer overflows (CSO's) into the District's waterways - the Anacostia and Potomac Rivers and Rock Creek. The Project is a massive infrastructure program designed to capture and clean wastewater during rainfalls before it ever reaches our rivers. The PRT is the next major phase of the DC Clean Rivers Project. The project consists of a large-diameter deep sewer tunnel, diversion facilities, drop shafts, and support structures to capture flows from existing combined sewer overflows (CSO's) along the Potomac River and convey them to the Blue Plains Advanced Wastewater Treatment Plant for treatment.



Potomac River Tunnel Groundbreaking Ceremony

**Major Accomplishments:**

- Began construction in the field for the Potomac River Tunnel, including establishing the mining site at West Potomac Park
- Potomac River Tunnel Design-BUILDER received approval for and placed orders for two tunnel boring machines to construct the Tunnel
- Finalized and Issued Environmental Assessment for Piney Branch Tunnel in cooperation with National Park Service

**ACCOMPLISHMENTS**

- Issued Construction Manager at Risk (CMAR) RFQ/P for Piney Branch Tunnel and selected contractor for preconstruction services. Preconstruction services are underway in FY25
- Issued Construction Manager at Risk (CMAR) RFQ/P for Rock Creek Green Infrastructure Project C and selected contractor for preconstruction services. Worked with contractor to refine design to develop a Guaranteed Maximum Price in early FY2025. Active construction is underway
- 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

- Complied with regulatory requirements to implement projects 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 November 2024, the Anacostia River Tunnel System captured approximately 17.7 billion gallons of combined sewer overflows and 11,240 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.

## CHALLENGES

The program challenges are the construction of major capital infrastructure in the National Mall Areas, Georgetown and in other highly visible and visited areas. Diligence in minimizing impacts to the public while still allowing practical construction to proceed to meet Consent Decree deadlines will continue to be a challenge as the project progresses. Other challenges include increasing costs of materials, equipment, and labor due to inflation, uncertainty related to tariffs, and immigration policy. Uncertainty related to Federal Administration changes and potential impacts to third party coordination (ex. National Park Service (NPS)).



(Open Bioretention Area)

## COMBINED SEWER OVERFLOW

| DC CLEAN RIVERS PROGRAM               |  |      | Start   | Status | FY 2024 Actual | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030   | FY2031  | FY2032 | FY2033 | FY2034 | 10-Year Total | Lifetime Budget | Completion |  |  |  |
|---------------------------------------|--|------|---------|--------|----------------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|--------|--------|---------------|-----------------|------------|--|--|--|
| CY                                    | Anacostia LTCP Projects                  | 2005 | Ongoing |        | \$21,075       | \$13,472  | \$869     | \$775     | \$750     | \$465     | \$469    | \$0     | \$0    | \$0    | \$0    | \$16,800      | \$1,927,896     | 2030       |  |  |  |
| CZ                                    | Potomac LTCP Projects                    | 2010 | Ongoing |        | \$105,491      | \$190,780 | \$213,921 | \$204,843 | \$167,693 | \$94,744  | \$58,205 | \$0     | \$0    | \$0    | \$0    | \$930,186     | \$1,159,181     | 2030       |  |  |  |
| DZ                                    | Rock Creek CSS LTCP Project              | 2010 | Ongoing |        | \$8,542        | \$16,112  | \$30,897  | \$29,384  | \$17,936  | \$22,194  | \$8,056  | \$0     | \$0    | \$0    | \$0    | \$124,580     | \$203,735       | 2030       |  |  |  |
| TOTAL DC CLEAN RIVERS PROGRAM         |  |      |         |        | \$135,108      | \$220,365 | \$245,686 | \$235,003 | \$186,380 | \$117,403 | \$66,731 | \$0     | \$0    | \$0    | \$0    | \$1,071,566   | \$3,290,812     |            |  |  |  |
|                                       |  |      |         |        |                |           |           |           |           |           |          |         |        |        |        |               |                 |            |  |  |  |
| COMBINED SEWER OVERFLOW PROGRAM       |  |      | Start   | Status | FY 2024 Actual | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030   | FY2031  | FY2032 | FY2033 | FY2034 | 10-Year Total | Lifetime Budget | Completion |  |  |  |
| BA                                    | DC Water Low Impact Development Projects | 2002 | Ongoing |        | \$0            | \$165     | \$72      | \$16      | \$0       | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$253         | \$2,870         | 2027       |  |  |  |
| EK                                    | Long Term Rehab-Main & O Pump Sta        | 2021 | Ongoing |        | \$59           | \$305     | \$743     | \$967     | \$10,423  | \$21,122  | \$19,181 | \$5,953 | \$0    | \$0    | \$0    | \$58,693      | \$78,725        | 2031       |  |  |  |
| EQ                                    | Potomac Pumping Station-PH IV Rehab      | 2020 | Ongoing |        | \$26           | \$141     | \$514     | \$529     | \$293     | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$1,477       | \$2,616         | 2028       |  |  |  |
| FQ                                    | Main & O St. PS Intermediate Upgrade     | 2010 | Ongoing |        | \$1,673        | \$1,335   | \$3,371   | \$835     | \$0       | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$5,540       | \$37,571        | 2027       |  |  |  |
| FX                                    | Rehab Northeast Boundary Sewer-PH 1      | 2015 | Ongoing |        | \$0            | \$0       | \$0       | \$0       | \$0       | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$0           | \$4,628         | 2025       |  |  |  |
| FZ                                    | Tiber Creek Sewer Lining -Ph 1           | 2016 | Ongoing |        | \$656          | \$516     | \$0       | \$0       | \$0       | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$516         | \$1,000         | 2025       |  |  |  |
| G7                                    | Combined Sewers Under Buildings          | 2009 | Ongoing |        | \$88           | \$106     | \$0       | \$0       | \$0       | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$106         | \$1,046         | 2025       |  |  |  |
| IH                                    | Combined Sewer Rehabilitation 2          | 2008 | Ongoing |        | \$295          | \$277     | \$0       | \$0       | \$0       | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$277         | \$1,377         | 2025       |  |  |  |
| OB                                    | Inflatable Dams Replacement FY24         | 2022 | Ongoing |        | \$148          | \$621     | \$0       | \$0       | \$0       | \$0       | \$0      | \$0     | \$0    | \$0    | \$0    | \$621         | \$1,220         | 2025       |  |  |  |
| TOTAL COMBINED SEWER OVERFLOW PROGRAM |  |      |         |        | \$2,945        | \$3,467   | \$4,700   | \$2,346   | \$10,716  | \$21,122  | \$19,181 | \$5,953 | \$0    | \$0    | \$0    | \$67,484      | \$131,053       |            |  |  |  |
| TOTAL COMBINED SEWER OVERFLOW BUDGET  |  |      |         |        | \$138,053      | \$223,832 | \$250,386 | \$237,349 | \$197,096 | \$138,525 | \$85,911 | \$5,953 | \$0    | \$0    | \$0    | \$1,139,051   | \$3,421,865     |            |  |  |  |

(\$ in thousands)



## Service Area: Stormwater

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 635 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                                | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | 10-Year<br>Plan | Lifetime<br>Budget |
|--|-------------------|--------------------|---------------------|-----------------|--------------------|
| Stormwater Local Drainage                    | \$115             | \$849              | \$3,915             | \$20,433        | \$38,640           |
| Stormwater On-Going                          | \$361             | \$372              | \$640               | \$7,336         | \$11,233           |
| Stormwater Pumping Facilities                | \$3,842           | \$5,814            | \$10,959            | \$29,933        | \$59,501           |
| Stormwater Program Management                | \$127             | \$744              | \$694               | \$3,896         | \$13,349           |
| Stormwater Interceptor Trunk/Force<br>Sewers | \$131             | \$431              | \$1,152             | \$4,242         | \$28,977           |
| <b>TOTAL Stormwater CIP</b>                  | <b>\$4,576</b>    | <b>\$8,209</b>     | <b>\$17,360</b>     | <b>\$65,840</b> | <b>\$151,698</b>   |

( \$ in thousands)

## PROGRAM AREAS

**Local Storm 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.

**Storm 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.





## Key major projects include:

### Pumping Facilities



Healthy, Safe and Well



Reliable



Resilient

| Project Name                              | Project ID | Start | Finish | 10-Year Plan    | Lifetime Project |
|---|------------|-------|--------|-----------------|------------------|
| Stormwater Pumping Station Rehabilitation | NG         | 2017  | 2028   | \$29,933        | \$59,501         |
| <b>Total</b>                              |            |       |        | <b>\$29,933</b> | <b>\$59,501</b>  |

( \$ in thousands)



Sewer Inspection Maintenance Catch Basin

**Stormwater 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.

### Major Accomplishments:

- Design for Storm Sewer Rehab and Repair Phase 11 has started
- Storm Sewer Needs Report (draft) was completed.

**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 1<sup>st</sup> and D Stormwater Pump Station, Kenilworth Stormwater Pump Station, 12<sup>th</sup> and Maine Street SW Stormwater Pump Station, and Portland Street Stormwater Pump Station.
- 68 MS4 outfalls were inspected.
- Completed inspections of 1.92 miles of small and large sewers (> 12-inches & < 60-inches in diameter) and 53 manholes under the Local S—ewers Program.

- Completed inspections of 1.16 miles of very large storm sewers ( $\geq$  60-inches in diameter) and 16 manholes.
- Completed design for Storm Sewer Rehab and Repair Phase 11 has started.
- Completed Storm Sewer Needs Report (draft).

## 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, and station reliability, and will reduce maintenance needs.



Anacostia Pump Station

## STORMWATER

| Storm Local Drainage Program        |   |      |         | FY 2024 Actual | FY2025  | FY2026   | FY2027   | FY2028  | FY2029  | FY2030  | FY2031  | FY2032  | FY2033  | FY2034  | 10-Year Total | Lifetime Budget | Completion |
|-------------------------------------|---|------|---------|----------------|---------|----------|----------|---------|---------|---------|---------|---------|---------|---------|---------------|-----------------|------------|
| GY                                  | Storm Sewer Rehab @ Various Location    | 2013 | Ongoing | \$0            | \$58    | \$2,250  | \$598    | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$2,906       | \$6,133         | 2027       |
| IE                                  | Storm Sewer Rehabilitation 3            | 2020 | Ongoing | \$31           | \$451   | \$1,003  | \$1,324  | \$517   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$3,294       | \$6,271         | 2028       |
| RR                                  | Local Storm Sewer Assessment 2          | 2025 | New     | \$83           | \$340   | \$663    | \$643    | \$1,931 | \$2,226 | \$2,226 | \$911   | \$244   | \$244   | \$120   | \$9,548       | \$17,645        | 2034       |
| ZJ                                  | Local Storm Sewer Assessment 1          | 2028 | Future  | \$0            | \$0     | \$0      | \$0      | \$0     | \$0     | \$0     | \$327   | \$1,567 | \$1,811 | \$982   | \$4,686       | \$8,591         | 2034       |
| TOTAL STORM LOCAL DRAINAGE PROGRAM  |   |      |         | \$115          | \$849   | \$3,915  | \$2,564  | \$2,448 | \$2,226 | \$2,226 | \$1,238 | \$1,811 | \$2,054 | \$1,102 | \$20,433      | \$38,640        |            |
|                                     |   |      |         |                |         |          |          |         |         |         |         |         |         |         |               |                 |            |
| Storm On-Going Program              |   |      |         | FY 2024 Actual | FY2025  | FY2026   | FY2027   | FY2028  | FY2029  | FY2030  | FY2031  | FY2032  | FY2033  | FY2034  | 10-Year Total | Lifetime Budget | Completion |
| LO                                  | FY2021 - DSS Stormwater Projects        | 2021 | Ongoing | \$0            | \$33    | \$16     | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$49          | \$923           | 2026       |
| M8                                  | FY2022 - DSS Stormwater Projects        | 2022 | Ongoing | \$0            | \$0     | \$0      | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0           | \$820           | 2025       |
| MG                                  | FY2023 - DSS Stormwater Projects        | 2023 | Ongoing | \$192          | \$68    | \$25     | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$94          | \$845           | 2026       |
| NV                                  | FY2024 - FY2026 DSS Stormwater Projects | 2024 | Ongoing | \$169          | \$271   | \$598    | \$449    | \$406   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$1,725       | \$2,689         | 2028       |
| T7                                  | FY2028 - DSS Stormwater Projects        | 2028 | Future  | \$0            | \$0     | \$0      | \$0      | \$501   | \$380   | \$0     | \$0     | \$0     | \$0     | \$0     | \$881         | \$979           | 2029       |
| T9                                  | FY2027 - DSS Stormwater Projects        | 2027 | Future  | \$0            | \$0     | \$0      | \$163    | \$583   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$746         | \$950           | 2028       |
| U6                                  | FY2029 - DSS Stormwater Project         | 2029 | Future  | \$0            | \$0     | \$0      | \$0      | \$0     | \$907   | \$0     | \$0     | \$0     | \$0     | \$0     | \$907         | \$1,008         | 2029       |
| U8                                  | FY2030 - DSS Stormwater Project         | 2030 | Future  | \$0            | \$0     | \$0      | \$0      | \$0     | \$0     | \$935   | \$500   | \$500   | \$500   | \$500   | \$2,935       | \$3,020         | 2034       |
| TOTAL STORM ON-GOING PROGRAM        |   |      |         | \$361          | \$372   | \$640    | \$613    | \$1,490 | \$1,287 | \$935   | \$500   | \$500   | \$500   | \$500   | \$7,336       | \$11,233        |            |
|                                     |   |      |         |                |         |          |          |         |         |         |         |         |         |         |               |                 |            |
| Storm Pumping Facilities            |   |      |         | FY 2024 Actual | FY2025  | FY2026   | FY2027   | FY2028  | FY2029  | FY2030  | FY2031  | FY2032  | FY2033  | FY2034  | 10-Year Total | Lifetime Budget | Completion |
| NG                                  | Stormwater Pump Stations Rehabilitation | 2017 | Ongoing | \$3,842        | \$5,814 | \$10,959 | \$11,638 | \$1,522 | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$29,933      | \$59,501        | 2028       |
| TOTAL STORM PUMPING FACILITIES      |   |      |         | \$3,842        | \$5,814 | \$10,959 | \$11,638 | \$1,522 | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$29,933      | \$59,501        |            |
|                                     |   |      |         |                |         |          |          |         |         |         |         |         |         |         |               |                 |            |
| Storm Program Managment             |   |      |         | FY 2024 Actual | FY2025  | FY2026   | FY2027   | FY2028  | FY2029  | FY2030  | FY2031  | FY2032  | FY2033  | FY2034  | 10-Year Total | Lifetime Budget | Completion |
| AT                                  | Stormwater Program Management           | 2001 | Ongoing | \$127          | \$744   | \$694    | \$461    | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$1,899       | \$11,349        | 2027       |
| ZT                                  | Stormwater PM Phase 3                   | 2029 | Future  | \$0            | \$0     | \$0      | \$0      | \$0     | \$27    | \$1,970 | \$0     | \$0     | \$0     | \$0     | \$1,997       | \$2,000         | 2030       |
| TOTAL STORM PROGRAM MANAGMENT       |   |      |         | \$127          | \$744   | \$694    | \$461    | \$0     | \$27    | \$1,970 | \$0     | \$0     | \$0     | \$0     | \$3,896       | \$13,349        |            |
|                                     |   |      |         |                |         |          |          |         |         |         |         |         |         |         |               |                 |            |
| Stormwater Trunk/Force Sewers       |   |      |         | FY 2024 Actual | FY2025  | FY2026   | FY2027   | FY2028  | FY2029  | FY2030  | FY2031  | FY2032  | FY2033  | FY2034  | 10-Year Total | Lifetime Budget | Completion |
| BO                                  | Future Stormwater Projects              | 2005 | Ongoing | \$3            | \$9     | \$330    | \$128    | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$467         | \$15,759        | 2027       |
| WV                                  | MS4 Outfall Storm Rehab 1               | 2025 | New     | \$0            | \$0     | \$0      | \$238    | \$524   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$762         | \$3,217         | 2028       |
| XS                                  | Inspection of Stormwater Trunk Sewers   | 2023 | Ongoing | \$128          | \$421   | \$822    | \$798    | \$971   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$3,012       | \$10,000        | 2028       |
| TOTAL STORMWATER TRUNK/FORCE SEWERS |   |      |         | \$131          | \$431   | \$1,152  | \$1,164  | \$1,495 | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$4,242       | \$28,977        |            |
| TOTAL STORMWATER BUDGET             |   |      |         | \$4,576        | \$8,209 | \$17,360 | \$16,440 | \$6,955 | \$3,540 | \$5,131 | \$1,738 | \$2,311 | \$2,554 | \$1,602 | \$65,840      | \$151,698       |            |

( \$ in thousands )

## Service Area: Sanitary Sewer

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 1,295 miles of small, large and very large gravity collection sewers and force mains. The total inventory of the collection and conveyance system includes approximately 1,930 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                                 | FY 2024 Actual  | FY 2025 Revised  | FY 2026 Approved | 10-Year Plan       | Lifetime Budget    |
|---|-----------------|------------------|------------------|--------------------|--------------------|
| Sanitary Collection System                    | \$3,767         | \$15,875         | \$21,009         | \$685,262          | \$880,985          |
| Sanitary On-Going                             | \$15,034        | \$15,152         | \$17,100         | \$456,991          | \$525,764          |
| Sanitary Pumping Facilities                   | \$2,896         | \$6,047          | \$9,880          | \$190,481          | \$265,605          |
| Sanitary Program Management                   | \$5,195         | \$11,510         | \$9,702          | \$41,801           | \$171,900          |
| Sanitary Interceptor/Trunk Mains/Force Sewers | \$57,210        | \$98,317         | \$91,105         | \$1,344,073        | \$1,901,434        |
| <b>TOTAL Sanitary Sewer CIP</b>               | <b>\$84,102</b> | <b>\$146,901</b> | <b>\$148,796</b> | <b>\$2,718,608</b> | <b>\$3,745,688</b> |

( \$ in thousands)

## 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.

**SANITARY 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.

**SANITARY 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 rebuilding or refurbishment.



## Key major projects include:

### Potomac Interceptor

#### Projects



## Project Description:

The rehabilitation of large diameter sewers that have reached the end of their useful life or in need of major

rebuild or refurbishment. Primarily involves rehabilitation of the Potomac Interceptor (PI) pipe segments around MH31. The PI is a critical component of DC Water's sewer system serving Loudoun and Fairfax counties in Virginia and Montgomery County in Maryland. The PI conveys sewage from these areas to the Potomac Pumping Station in DC. From the Pumping Station, the flow is then sent to the Blue Plains Advanced Wastewater Treatment Plant for treatment. DC Water has been conducting assessments of the PI and has several Capital Improvement Projects to rehabilitate defective segments.

| Project ID   | Start | Finish | 10-Year Plan     | Lifetime Project |
|--------------|-------|--------|------------------|------------------|
| QS           | 2022  | 2029   | \$18,674         | \$33,399         |
| QT           | 2025  | 2029   | \$37,497         | \$60,869         |
| QU           | 2026  | 2031   | \$113,418        | \$157,500        |
| QW           | 2024  | 2035   | \$157,590        | \$180,600        |
| UR           | 2030  | 2035   | \$72,092         | \$76,918         |
| <b>Total</b> |       |        | <b>\$399,271</b> | <b>\$509,286</b> |

( \$ in thousands)

## ACCOMPLISHMENTS

- Construction for Piney Branch Sewer Rehabilitation project is ongoing, 50% complete.
- Construction for Northeast Boundary Trunk Sewer Rehabilitation project is ongoing, 55% complete.
- Construction for Service Life Restoration Program Phase 2 is ongoing.
- Construction for Sanitary Sewer Rehab 10 is ongoing.
- Construction for Normanstone Sewer Rehabilitation is ongoing.
- Construction for B St/NJ Trunk Sewer Rehab has been completed.
- Major Potomac Interceptor projects currently in design:
  - Emergency Repair under I495 overpass (MD)
  - High Priority Repair between MH19 and MH18
  - PI-01 – Lock 10 / Cabin John (Rehabilitation at Clara Barton Parkway and I-495 including Cabin John)
  - Manhole Rehabilitation
- September 10, 2020, Flooding Response
  - Processed and reimbursed 11 rebates
- Other major sewer projects currently in design include:
  - Fenwick Branch Sewer Rehabilitation
  - Spring Place Sewer Rehabilitation
  - Glover Archbold Park 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
- Large and very large sewer condition assessment projects completed or in progress:
  - Potomac Interceptor (from MH15-20), completed 0.65 miles
  - Rock Creek Main Interceptor completed 1.96 miles, inspections continue into FY25
  - Rock Creek Main Interceptor Relief Sewer, completed 2.24 miles, inspections continue into FY25
  - Upper Potomac Interceptor, completed 3.79 miles, inspections continue into FY25
  - West Rock Creek Diversion Sewer, completed 0.84 miles, inspections continue into FY25
  - Tiber Creek Trunk Sewer, completed 3.04 miles, inspections continue into FY25
  - Anacostia Force Main (Screening Only), completed 5.96 miles, additional inspections are planned
  - East Side Force Main (Screening Only), completed 0.29 miles
  - Upper Potomac Interceptor Sewer and Northwest Boundary Trunk Sewer (portions previously inaccessible / uninspected), 0.09 miles
- Completed inspection of 36.54 miles of local sewers (>12-inch and <60-inch diameter) and 768 manholes under the Local Sewer Inspection Program and 3.98 miles of heavy cleaning local sewer inspections under the Heavy Cleaning Program, for a total of 40.52 miles of Local Sewer Inspections
- Completed visual inspection of about 32.17 miles of pipe crossings under the Creek Bed Inspections. The Annual Creek Bed Inspection included 733 sewer pipes and 539 manholes, and the Post-Rainfall Creek Bed Inspection included 88 sewer pipes 3.29 miles and 57 manholes.
- Heavy cleaning projects completed or in progress:
  - Anacostia Main Interceptor (including siphons) ~4.9 miles
  - Local Sewers (>12-inch and <60-inch diameter) ~4 miles
  - West Outfall Sewer ~0.25 miles
  - West Outfall Relief Sewer ~0.2 miles
  -
- Extensive coordination with the District Department of Transportation (DDOT) Benning Road Reconstruction and Streetcar project:
  - Review of DDOT design drawings to identify possible conflicts with existing sewer assets
  - 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:
  - Review of DDOT design drawings to identify possible conflicts with existing sewer assets and technical information for proposed sliplining of West Outfall Sewer



- Reviewed 100 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:
  - Linear Sewer Facilities Plan
  - InfoAsset Planner™ Model Results for the Sewer System Updates
  - Potomac Interceptor Access Road Dulles Airport Survey
  - Specifications and Design Standard gap analysis and peer review evaluation
  - Digitization of approximately 9,300 manhole inspection forms.
  - Multi-Jurisdictional Use Facilities (MJUF) Conveyance System: Operation and Maintenance (O&M) Cost Allocation User Guidelines
  - Proposed Waste Transfer Station at the Swirl Facility (Draft)
  - Multi-Jurisdictional Use Facilities (MJUF) Conveyance System: Operation and Maintenance (O&M) Cost Allocation Report
  - FY24 Annual Creek Bed & MS4 Outfall Program
  - Condition Assessment Report – East and West Outfall Sewers
  - Condition Assessment Report – East and West Outfall Relief Sewers
  - Condition Assessment Report – North and South Interconnecting Branch Sewers
  - Condition Assessment Report – Northwest Boundary Trunk Sewer
  - Department of Sewer Operations Hotlist: Root Cause Analysis
  - Corrosion Study Pilot Field Result Technical Memorandum
  - Inspection and Database Processing Tool – Technical and Functional Requirements
  - Corrosion Mitigation Sampling Results Technical Memorandum
- Provided operations support for the following:
  - 10 separate local sewer emergency investigation and repair incidents
  - East and West Outfall Relief Sewer emergency rehabilitation
  - Anacostia Main Interceptor emergency rehabilitation (near 1601 Fairlawn St SE)
  - Northwest Boundary Trunk Sewer emergency rehabilitation (22<sup>nd</sup> St NW and Q St NW)
  - Northeast Boundary Trunk Sewer emergency rehabilitation (1<sup>st</sup> St NE and V St NE)
  - Upper Potomac Interceptor (UPI) Emergency Rehabilitation (Clara Barton Parkway, north of Chain Bridge)
  - Tiber Creek Manhole Emergency Rehabilitation (3<sup>rd</sup> & F St NE)
  - 14<sup>TH</sup> St & K St NW Sewer Abandonment
  - 5th St NW and Gresham Pl NW Geophysical Survey

## 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 Rehabilitations** - Renewal of major sewers will reduce emergency rehabilitation and maintenance demands for these sewers.

## CHALLENGES

The rehabilitation of the Potomac Interceptor, in highly visible and visited areas outside the district where coordination with Chesapeake and Ohio Canal, National Park Service, Fairfax and Loudoun County Park Authorities, NoVA Parks as well as other public and private stakeholders will be important. Diligence in minimizing impacts to the public and commuters while still allowing practical construction in areas and communities DC Water typically does not work will be challenging.

## SANITARY SEWER

| Sanitary Collection System              |   | Start | Status  | FY 2024 Actual | FY2025          | FY2026          | FY2027          | FY2028          | FY2029          | FY2030          | FY2031          | FY2032          | FY2033          | FY2034           | 10-Year Total    | Lifetime Budget  | Completion |
|---|---|-------|---------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------|
| J3                                      | Sewer Upgrade - City Wide                           | 2000  | Ongoing | \$94           | \$109           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$109            | \$4,013          | 2025       |
| JX                                      | Sanitary Sewer Rehabilitation 10                    | 2000  | Ongoing | \$18           | \$6,354         | \$9,672         | \$2,536         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$18,562         | \$29,140         | 2027       |
| QS                                      | Local Sewer Rehab 5                                 | 2022  | Ongoing | \$16           | \$734           | \$1,087         | \$7,106         | \$8,545         | \$1,202         | \$0             | \$0             | \$0             | \$0             | \$0              | \$18,674         | \$33,399         | 2029       |
| QT                                      | Local Sewer Rehab 6                                 | 2025  | New     | \$0            | \$780           | \$2,395         | \$2,848         | \$24,562        | \$6,913         | \$0             | \$0             | \$0             | \$0             | \$0              | \$37,497         | \$60,869         | 2029       |
| QU                                      | Local Sewer Rehab 7                                 | 2026  | New     | \$0            | \$0             | \$3,523         | \$4,450         | \$15,953        | \$44,312        | \$40,013        | \$5,167         | \$0             | \$0             | \$0              | \$113,418        | \$157,500        | 2031       |
| QW                                      | Local Sewer Rehab 8                                 | 2024  | Ongoing | \$29           | \$814           | \$1,158         | \$2,314         | \$1,998         | \$20,677        | \$11,150        | \$1,833         | \$2,911         | \$27,425        | \$87,310         | \$157,590        | \$180,600        | 2035       |
| QX                                      | Local Sewer Assessment - Engineering and Tech. Serv | 2024  | Ongoing | \$2,490        | \$4,883         | \$1             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$4,883          | \$12,212         | 2026       |
| QY                                      | Local Sewer Assessment - Linear Asset Mgmt Branch   | 2020  | Ongoing | \$1,120        | \$1,437         | \$358           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$1,794          | \$4,000          | 2026       |
| QZ                                      | Local Sewer Assessment 3                            | 2023  | Ongoing | \$0            | \$764           | \$2,815         | \$6,956         | \$6,061         | \$5,663         | \$5,249         | \$903           | \$0             | \$0             | \$0              | \$28,411         | \$40,616         | 2031       |
| RG                                      | Local Sewer Rehab 9                                 | 2026  | New     | \$0            | \$0             | \$0             | \$0             | \$0             | \$13,000        | \$16,100        | \$47,541        | \$6,893         | \$932           | \$0              | \$84,466         | \$95,955         | 2033       |
| T4                                      | District Energy Buzzard Point                       | 2021  | Ongoing | \$0            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0              | \$0              | \$30,000         | 2027       |
| UQ                                      | Local Sewer Rehab 10                                | 2028  | Future  | \$0            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$21,094        | \$62,430        | \$35,090        | \$1,222          | \$119,836        | \$125,685        | 2034       |
| UR                                      | Local Sewer Rehab 11                                | 2030  | Future  | \$0            | \$0             | \$0             | \$0             | \$0             | \$0             | \$7,145         | \$8,618         | \$14,375        | \$26,826        | \$15,128         | \$72,092         | \$76,918         | 2035       |
| VQ                                      | Local Sewer Assessment 4                            | 2031  | Future  | \$0            | \$0             | \$0             | \$0             | \$0             | \$0             | \$7,153         | \$7,894         | \$9,403         | \$2,222         | \$1,257          | \$27,929         | \$30,078         | 2034       |
| <b>TOTAL SANITARY COLLECTION SYSTEM</b> |   |       |         | <b>\$3,767</b> | <b>\$15,875</b> | <b>\$21,009</b> | <b>\$26,210</b> | <b>\$57,118</b> | <b>\$91,767</b> | <b>\$86,810</b> | <b>\$93,050</b> | <b>\$96,012</b> | <b>\$92,495</b> | <b>\$104,917</b> | <b>\$685,262</b> | <b>\$880,985</b> |            |

| Sanitary On-Going Projects              |  | Start | Status  | FY 2024 Actual  | FY2025          | FY2026          | FY2027          | FY2028          | FY2029          | FY2030          | FY2031          | FY2032          | FY2033          | FY2034          | 10-Year Total    | Lifetime Budget  | Completion |
|---|--|-------|---------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------|
| J1                                      | FY2020 - DSS Sanitary Sewer Projects                   | 2020  | Closed  | \$659           | \$464           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$464            | \$12,568         | 2025       |
| M9                                      | FY2022 - DSS Sanitary Sewer Projects                   | 2021  | Ongoing | \$3,874         | \$1,210         | \$285           | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$1,495          | \$13,335         | 2026       |
| MF                                      | FY2023 - DSS Sanitary Sewer Projects                   | 2021  | Ongoing | \$5,169         | \$1,807         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$1,807          | \$14,247         | 2025       |
| NW                                      | FY2024-FY2026 - DSS Sanitary Sewer Projects            | 2023  | Ongoing | \$5,332         | \$11,672        | \$16,798        | \$7,952         | \$3,918         | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$40,339         | \$45,065         | 2028       |
| T8                                      | FY2027 - FY2029 DSS Sanitary Sewer Projects            | 2026  | New     | \$0             | \$0             | \$17            | \$8,843         | \$14,500        | \$15,540        | \$0             | \$0             | \$0             | \$0             | \$0             | \$38,900         | \$48,071         | 2029       |
| U9                                      | FY2030 DSS Sewer Sanitary Projects                     | 2029  | Future  | \$0             | \$0             | \$0             | \$0             | \$0             | \$8             | \$15,289        | \$0             | \$0             | \$0             | \$0             | \$15,297         | \$16,997         | 2030       |
| UH                                      | FY2031 DSS Sewer Sanitary Projects                     | 2030  | Future  | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$8             | \$15,289        | \$0             | \$0             | \$0             | \$15,297         | \$16,997         | 2031       |
| V5                                      | FY2032 DSS Sewer Sanitary Projects                     | 2032  | Future  | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$15,756        | \$15,756        | \$15,756        | \$15,756        | \$47,268         | \$47,268         | 2034       |
| Y2                                      | Cleanout Installation                                  | 2029  | Future  | \$0             | \$0             | \$0             | \$0             | \$0             | \$11,177        | \$11,177        | \$11,177        | \$11,208        | \$11,177        | \$11,208        | \$67,124         | \$82,215         | 2034       |
| Z6                                      | Capital Project Allowance - Sanitary On-Going Projects | 2025  | New     | \$0             |                 |                 |                 |                 |                 |                 | \$55,000        | \$60,000        | \$56,000        | \$58,000        | \$229,000        | \$229,000        | 2035       |
| <b>TOTAL SANITARY ON-GOING PROJECTS</b> |  |       |         | <b>\$15,034</b> | <b>\$15,152</b> | <b>\$17,100</b> | <b>\$16,795</b> | <b>\$18,418</b> | <b>\$26,725</b> | <b>\$26,474</b> | <b>\$81,466</b> | <b>\$86,964</b> | <b>\$82,933</b> | <b>\$84,964</b> | <b>\$456,991</b> | <b>\$525,764</b> |            |

| Sanitary Pumping Facilities              |  | Start | Status  | FY 2024 Actual | FY2025         | FY2026         | FY2027         | FY2028         | FY2029          | FY2030          | FY2031          | FY2032          | FY2033          | FY2034          | 10-Year Total    | Lifetime Budget  | Completion |
|--|--|-------|---------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------|
| GZ                                       | Sewer Instrumentation & Control                    | 2012  | Ongoing | \$1,262        | \$824          | \$282          | \$287          | \$431          | \$410           | \$445           | \$1             | \$0             | \$0             | \$0             | \$2,681          | \$12,518         | 2031       |
| LY                                       | Sewer Facilities Security Upgrades                 | 2020  | Ongoing | \$268          | \$815          | \$93           | \$0            | \$0            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$909            | \$2,000          | 2026       |
| MB                                       | 3rd Street & Constitution Ave NW - Pumping Station | 2014  | Ongoing | \$0            | \$0            | \$49           | \$474          | \$927          | \$486           | \$1,153         | \$770           | \$388           | \$0             | \$0             | \$4,247          | \$7,501          | 2032       |
| MC                                       | Additional Sewer SCADA System Sites                | 2015  | Ongoing | \$366          | \$712          | \$984          | \$279          | \$0            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$1,975          | \$8,514          | 2027       |
| PM                                       | East Side Pumping Station                          | 2019  | Ongoing | \$77           | \$472          | \$818          | \$218          | \$281          | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$1,789          | \$6,186          | 2028       |
| PT                                       | Existing Sewer Facilities Building Optimization    | 2020  | Ongoing | \$0            | \$22           | \$404          | \$0            | \$0            | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$426            | \$705            | 2026       |
| RH                                       | Sewer Pump Stations Upgrades                       | 2020  | Ongoing | \$809          | \$898          | \$2,127        | \$367          | \$140          | \$51            | \$0             | \$0             | \$0             | \$0             | \$0             | \$3,583          | \$8,100          | 2029       |
| RS                                       | Sewer Pump Station Upgrades 2                      | 2025  | New     | \$0            | \$0            | \$189          | \$476          | \$2,655        | \$6,287         | \$16,104        | \$21,070        | \$25,921        | \$26,185        | \$23,805        | \$122,692        | \$150,585        | 2037       |
| RT                                       | Sewer Pump Station Upgrades 3                      | 2025  | New     | \$0            | \$93           | \$408          | \$763          | \$1,823        | \$4,802         | \$8,285         | \$4,619         | \$276           | \$0             | \$0             | \$21,070         | \$25,271         | 2032       |
| RU                                       | Sewer Pump Station Upgrades - Pumps & VFDs         | 2022  | Ongoing | \$115          | \$2,210        | \$4,525        | \$6,258        | \$1,860        | \$78            | \$409           | \$752           | \$2,883         | \$3,557         | \$1,208         | \$23,741         | \$35,845         | 2034       |
| SS                                       | Sewer SCADA Replacement                            | 2028  | Future  | \$0            | \$0            | \$0            | \$0            | \$270          | \$71            | \$328           | \$1,241         | \$3,110         | \$1,991         | \$357           | \$7,368          | \$8,380          | 2034       |
| <b>TOTAL SANITARY PUMPING FACILITIES</b> |  |       |         | <b>\$2,896</b> | <b>\$6,047</b> | <b>\$9,880</b> | <b>\$9,122</b> | <b>\$8,387</b> | <b>\$12,187</b> | <b>\$26,724</b> | <b>\$28,453</b> | <b>\$32,578</b> | <b>\$31,733</b> | <b>\$25,730</b> | <b>\$190,481</b> | <b>\$265,605</b> |            |

(\$ in thousands)

| Sanitary Program Management                 |  | Start | Status  | FY 2024 Actual  | FY2025           | FY2026           | FY2027           | FY2028           | FY2029           | FY2030           | FY2031           | FY2032           | FY2033           | FY2034           | 10-Year Total      | Lifetime Budget    | Completion |
|---|--|-------|---------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|------------|
| AU  | Sanitary Sewer Program Management            | 2001  | Ongoing | \$2,054         | \$4,758          | \$2,567          | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$7,325            | \$65,441           | 2026       |
| AV  | CSO Program Management                       | 2001  | Ongoing | \$2,195         | \$5,557          | \$6,486          | \$602            | \$502            | \$44             | \$0              | \$0              | \$0              | \$0              | \$0              | \$13,192           | \$57,756           | 2029       |
| DN  | Sewer Inspection Program                     | 2010  | Ongoing | \$946           | \$1,195          | \$650            | \$789            | \$889            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$3,523            | \$27,903           | 2028       |
| QH  | Sanitary Sewer Program Management FY26-30    | 2026  | New     | \$0             | \$0              | \$0              | \$7,669          | \$9,491          | \$601            | \$0              | \$0              | \$0              | \$0              | \$0              | \$17,761           | \$20,800           | 2029       |
| <b>TOTAL SANITARY PROGRAM MANAGEMENT</b>    |  |       |         | <b>\$5,195</b>  | <b>\$11,510</b>  | <b>\$9,703</b>   | <b>\$9,060</b>   | <b>\$10,883</b>  | <b>\$645</b>     | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$41,801</b>    | <b>\$171,900</b>   |            |
| Interceptor/Trunk Force Sewers              |  | Start | Status  | FY 2024 Actual  | FY2025           | FY2026           | FY2027           | FY2028           | FY2029           | FY2030           | FY2031           | FY2032           | FY2033           | FY2034           | 10-Year Total      | Lifetime Budget    | Completion |
| A4  | Future Sewer System Upgrades                 | 2004  | Ongoing | \$2,399         | \$1,607          | \$98             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$1,705            | \$14,545           | 2026       |
| FW  | Rehab Piney Branch Trunk Sewer               | 2011  | Ongoing | \$6,001         | \$3,802          | \$2,281          | \$25             | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$6,108            | \$30,596           | 2028       |
| G2  | Sewer Structure Rehabilitation (1)           | 2010  | Ongoing | \$212           | \$483            | \$114            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$596              | \$8,825            | 2026       |
| G5  | Sewer Rehab Near Creek Beds                  | 2010  | Ongoing | \$3,914         | \$483            | \$114            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$596              | \$72,352           | 2026       |
| G6  | Sanitary Sewers Under Buildings 1            | 2012  | Ongoing | \$0             | \$483            | \$114            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$596              | \$31               | 2026       |
| GH  | Large Sewer Rehab 3                          | 2012  | Ongoing | \$453           | \$13,285         | \$7,354          | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$20,639           | \$42,936           | 2026       |
| HS  | Rehabilitation of Influent Sewers            | 2022  | Ongoing | \$1,443         | \$237            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$237              | \$3,000            | 2025       |
| HT  | Rehabilitation of Anacostia Force Main       | 2012  | Ongoing | \$1,304         | \$65             | \$0              | \$839            | \$19,774         | \$36,316         | \$18,370         | \$0              | \$0              | \$0              | \$0              | \$75,363           | \$120,278          | 2030       |
| IK  | Potomac Force Main Rehabilitation            | 2012  | Ongoing | \$6             | \$10             | \$15             | \$252            | \$824            | \$178            | \$0              | \$0              | \$0              | \$0              | \$0              | \$1,279            | \$5,879            | 2029       |
| IL  | Creekbed Sewer Rehabilitation 2              | 2013  | Ongoing | \$476           | \$644            | \$909            | \$103            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$1,656            | \$26,201           | 2027       |
| IM  | Creekbed Sewer Rehabilitation 3              | 2013  | Ongoing | \$176           | \$368            | \$323            | \$122            | \$131            | \$9              | \$0              | \$0              | \$0              | \$0              | \$0              | \$953              | \$2,009            | 2029       |
| IN  | Upper East Side Trunk Sewer Rehabilitation   | 2012  | Ongoing | \$191           | \$164            | \$548            | \$680            | \$3,307          | \$5,646          | \$0              | \$0              | \$0              | \$0              | \$0              | \$10,344           | \$19,044           | 2029       |
| J0  | B St/New Jersey Ave Trunk Sewer Reha         | 2004  | Ongoing | \$0             | \$484            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$484              | \$18,168           | 2025       |
| LZ  | Potomac Interceptor Projects - Rehab Phase 2 | 2015  | Ongoing | \$17,640        | \$27,725         | \$9,620          | \$9,214          | \$9,236          | \$3,482          | \$0              | \$0              | \$0              | \$0              | \$0              | \$59,276           | \$100,812          | 2032       |
| PI  | Potomac Interceptor Projects - Rehab Phase 4 | 2024  | Ongoing | \$0             | \$11,077         | \$38,779         | \$70,427         | \$164,934        | \$195,604        | \$104,862        | \$25,424         | \$10,017         | \$2,458          | \$1,445          | \$625,027          | \$623,396          | 2034       |
| RA  | Major Sewer Assessment and Heavy Cleaning 1  | 2021  | Ongoing | \$1,044         | \$2,193          | \$2,253          | \$1,342          | \$837            | \$534            | \$362            | \$0              | \$0              | \$0              | \$0              | \$7,521            | \$16,371           | 2030       |
| RB  | Major Sewer Assessment and Heavy Cleaning 2  | 2024  | Ongoing | \$3,116         | \$2,419          | \$969            | \$69             | \$2,631          | \$112            | \$0              | \$0              | \$0              | \$0              | \$0              | \$6,200            | \$13,525           | 2029       |
| RC  | Major Sewer Rehab 1                          | 2021  | Ongoing | \$8,161         | \$10,464         | \$1,415          | \$1,705          | \$13,338         | \$5,647          | \$0              | \$0              | \$0              | \$0              | \$0              | \$32,569           | \$79,348           | 2029       |
| RD  | Major Sewer Rehab 2                          | 2023  | Ongoing | \$6             | \$199            | \$3,138          | \$10,772         | \$18,532         | \$6,155          | \$7,670          | \$16,263         | \$2,210          | \$3,773          | \$2,859          | \$71,571           | \$107,391          | 2036       |
| RE  | Major Sewer Rehab 3                          | 2023  | Ongoing | \$11,763        | \$7,774          | \$2,282          | \$0              | \$0              | \$0              | \$16,000         | \$40,000         | \$50,000         | \$60,000         | \$60,000         | \$236,057          | \$372,640          | 2034       |
| RJ  | Creekbed Sewer Rehabilitation 4              | 2022  | Ongoing | \$125           | \$355            | \$171            | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$527              | \$1,107            | 2026       |
| W1  | Major Sewer Rehab 4                          | 2025  | New     | \$0             | \$189            | \$2,505          | \$3,894          | \$0              | \$0              | \$8,000          | \$10,000         | \$20,000         | \$20,000         | \$20,000         | \$84,588           | \$115,183          | 2034       |
| WP  | Major Sewer Assessment and Heavy Cleaning 3  | 2026  | New     | \$0             | \$0              | \$1,637          | \$2,432          | \$2,439          | \$2,432          | \$1,379          | \$1,724          | \$1,729          | \$1,724          | \$713            | \$16,209           | \$21,736           | 2034       |
| WQ  | Major Sewer Assessment                       | 2026  | New     | \$0             | \$0              | \$687            | \$1,999          | \$3,464          | \$4,911          | \$6,044          | \$5,318          | \$3,087          | \$4,198          | \$0              | \$29,708           | \$41,063           | 2033       |
| X6  | Emergency Sewer Rehab                        | 2025  | New     | \$0             | \$9,387          | \$14,177         | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$23,564           | \$45,000           | 2026       |
| <b>TOTAL INTERCEPTOR/TRUNK FORCE SEWERS</b> |  |       |         | <b>\$57,210</b> | <b>\$98,317</b>  | <b>\$91,105</b>  | <b>\$109,744</b> | <b>\$250,797</b> | <b>\$267,833</b> | <b>\$163,334</b> | <b>\$98,729</b>  | <b>\$87,043</b>  | <b>\$92,153</b>  | <b>\$85,017</b>  | <b>\$1,344,073</b> | <b>1,901,434</b>   |            |
| <b>TOTAL SANITARY SEWER BUDGET</b>          |  |       |         | <b>\$84,102</b> | <b>\$146,901</b> | <b>\$148,797</b> | <b>\$170,931</b> | <b>\$345,603</b> | <b>\$399,157</b> | <b>\$303,342</b> | <b>\$301,698</b> | <b>\$302,597</b> | <b>\$299,314</b> | <b>\$300,628</b> | <b>\$2,718,608</b> | <b>\$3,745,688</b> |            |

(\$ in thousands)

## Service Area: Water

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 daily 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 test quality 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



Bryant Street Pumping

| Program Areas                    | FY 2024 Actual   | FY 2025 Revised  | FY 2026 Approved | 10-Year Plan       | Lifetime Budget    |
|----------------------------------|------------------|------------------|------------------|--------------------|--------------------|
| Water Distribution Systems       | \$67,455         | \$46,536         | \$84,530         | \$1,212,588        | \$2,230,246        |
| Lead Free DC Program             | \$66,805         | \$100,747        | \$133,460        | \$1,098,207        | \$1,783,056        |
| Water On-Going Projects          | \$19,670         | \$15,362         | \$14,759         | \$183,002          | \$307,845          |
| Water Pumping Facilities         | \$4,018          | \$5,903          | \$8,716          | \$43,220           | \$84,652           |
| Water Storage Facilities         | \$1,670          | \$3,726          | \$18,404         | \$250,917          | \$374,296          |
| Water Service Program Management | \$4,551          | \$12,821         | \$10,810         | \$84,011           | \$188,394          |
| <b>Total Water CIP</b>           | <b>\$164,169</b> | <b>\$185,094</b> | <b>\$270,680</b> | <b>\$2,871,946</b> | <b>\$4,968,489</b> |

( \$ in thousands)

## PROGRAM AREAS

**WATER 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 four primary elements: small diameter water main renewal, large diameter water main rehabilitation, valve replacement and DDOT project relocation needs.

**WATER 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 (LSL) 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.

**WATER ON-GOING PROJECTS:** Includes small projects for urgent rehabilitation of water main breaks, valves and fire hydrants, water service connections, and other minor water main rehabilitation work.

**WATER PUMPING FACILITIES:** Rehabilitate and upgrade the water-pumping stations within the system. All four pump stations have undergone major upgrades in the past twenty years. However, several upcoming projects, including electrical, mechanical, and instrumentation upgrades, are anticipated soon.

**WATER STORAGE FACILITIES:** Rehabilitation and upgrades are needed for elevated tanks and reservoirs, along with the construction of new storage reservoirs. Resilience studies have highlighted the necessity for these upgrades and new facilities to accommodate evolving development patterns, ensure regulatory compliance, and meet system demands, such as providing additional water pressure in required areas and offering redundant service during unplanned outages. Furthermore, many existing reservoirs have surpassed their 50-year useful life. As a result, regular inspections and subsequent upgrades based on these findings are planned.



**WATER PROGRAM MANAGEMENT:** Provides engineering program management services for the drinking water system capital improvements program, including asset management, developing facilities plans, collaborative delivery planning documents, design criteria documents, condition assessment of linear assets, inspection and assessment of reservoirs and pump stations, studies such as secondary water source, non-revenue water, and second high water pressure zone evaluation, design document review, operations support, and subject matter expertise in various areas.

### Key major projects include:

#### Lead Free DC



Healthy, Safe and Well



Reliable



Resilient



| Project ID   | Start | Finish | 10-Year Plan       | Lifetime Project   |
|--------------|-------|--------|--------------------|--------------------|
| BW           | 2003  | 2035   | \$82,213           | \$302,940          |
| ST           | 2022  | 2039   | \$1,015,995        | \$1,524,192        |
| <b>Total</b> |       |        | <b>\$1,098,207</b> | <b>\$1,827,132</b> |

( \$ in thousands)

**Project Description:** DC Water launched the Lead-Free DC (LFDC) initiative in 2019 to accelerate lead service line replacement and combine all our lead reduction efforts under one banner. DC Water estimates the District of Columbia has more than 42,000 service lines with lead or galvanized-iron pipe. It is our goal to replace all of them with copper pipe. Visit <https://www.dcwater.com/resources/lead> to view details of the Lead-Free DC Program including the inventory map and construction dashboard.

### Major Accomplishments:

- LFDC completed 2,197 lead line replacements in FY 2024 and our District and federal funds saved customers \$16 million to date by providing free replacements.
- LFDC has 14 active construction packages.
- Published the Lead-Free DC Program Status Dashboard on our website to show our estimated LSLRs, completed LSLRs, estimated remaining LSLRs, percent complete, pipe material verification, and our five material type display categories.



## ACCOMPLISHMENTS

### Water Distribution System

- 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
  - Dead End Elimination
  - Soldiers Home 48-in Steel Main on 1<sup>st</sup> St. NW
  - Rehabilitation of the 66-in Steel Main 8<sup>th</sup> Street Low Service Main
  - East and West Venturi Meter Replacement at Bryant St Pumping Station
- The following water linear projects are scheduled to be advertised as Progressive Design Build contract in FY2025:
  - Critical Valve Replacement, Year 3
  - 16-inch Rock Creek Park Transmission Main
  - 16-inch Reservoir Road Transmission Main
  - Large Diameter Water Main Renewal
  - Three WSSC Interconnections Projects with a booster pump station in 4th high Reno Pressure Zone
- Conducted ninety-six (96) design reviews for the forty-three DDOT Public Space projects varying in size, complexity, and design phase to identify DC Water betterment work and establish commitments to replace water mains through participation in DDOT projects. In FY 2024, DC Water committed to 2,290 linear feet of water main betterment and/or relocation to be constructed once DDOT bids the project.
- Completed the following studies:
  - Coordination of Projects at Anacostia Memo (draft)
  - 2nd High Pressure Zone Improvements Memo
  - Washington Hospital Hydraulic Analysis Memo
  - Info Asset Planner – Estimated Useful Life Memo
  - Info Asset Planner –Water Main Failure Scoring Review Memo
  - Water Master Model Updates Memo
  - C-Factor Calibration for 2nd High and 3rd High Memo
  - Water storage Facilities Plan
  - Water Pumping Facilities Plan
  - Bryant St PS Assessment Report
  - 16th and Alaska Assessment Report
  - Brentwood Reservoir Inspection Report

- Ft. Reno Reservoir No. 1 Restore to Service SOP
  - Ft. Stanton Reservoir No. 1 Restore to Service SOP
  - Soldier's Home Reservoir Restore to Service SOP
  - Bryant St SCADA Operations SOP
  - Anacostia Pumping Station SCADA Operations SOP
  - Soldier's Home Isolation and Draining SOP
  - FY2024 Hydromax Inspection Asset Summary Report South Dakota NE
  - FY2024 Hydromax Asset Summary Report Reservoir Rd. NW
  - Pipe Condition Assessment of 16-in Water main on Reservoir Road NW and South Dakota NE
  - Water Main Selection Justification Memo
  - Pipe Condition Assessment Summary Report
- Completed 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) is ongoing.



Potomac River



## CHALLENGES

### OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

**Water Mains:** The capital improvement program for linear assets aims to:

- Minimize customer disruptions caused by pipe breaks.
- Reduce the need for reactive maintenance and unscheduled rehabilitations, leading to lower long-term maintenance costs.
- Enhance water quality within the distribution system.
- Improve water pressure and available fire flow throughout the distribution system.
- Decrease the inventory of lead service pipes, thereby reducing lead exposure.

### Water Pumping and Storage

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. Some of the on-going and planned projects include:

- The following projects are under construction
  - Bryant Street Spill Header Improvement project
  - Anacostia Storage Tank No. 1
- The following major projects are in design:
  - Ft Reno PS Upgrades
- The following water vertical projects are scheduled to be advertised as Progressive Design
- Build contract in FY2025:
  - Replacement of Fort Stanton Reservoirs 1 and 2
  - BSPS Improvements Phase III
  - Anacostia PS Major Upgrades
  - Anacostia 3rd High Pressure Zone Improvement



Digesters



WATER

| Water Distribution Systems                                | Start | Status  | FY 2024 Actual | FY2025   | FY2026   | FY2027   | FY2028   | FY2029    | FY2030    | FY2031    | FY2032    | FY2033    | FY2034    | 10-Year Total | Lifetime Budget | Completion |
|---|-------|---------|----------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|-----------------|------------|
| C9 Large Diameter Water Mains 1                           | 2014  | Ongoing | \$1,178        | \$961    | \$483    | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$1,444       | \$20,650        | 2026       |
| DE Small Diameter Water Main Rehab 12                     | 2014  | Ongoing | \$2,134        | \$573    | \$267    | \$2      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$842         | \$46,385        | 2027       |
| F1 Small Diameter Water Main Rehab 13                     | 2014  | Ongoing | \$85           | \$15     | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$15          | \$40,975        | 2025       |
| F2 Small Diameter Water Main Rehab 14                     | 2017  | Ongoing | \$7,982        | \$3,484  | \$477    | \$744    | \$605    | \$411     | \$113     | \$0       | \$0       | \$0       | \$0       | \$5,834       | \$60,742        | 2030       |
| F6 Steel Water Main Rehab -Phase I                        | 2009  | Ongoing | \$157          | \$107    | \$716    | \$2,601  | \$487    | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$3,912       | \$12,139        | 2028       |
| FT Water Mains Rehab Phase II                             | 2014  | Ongoing | \$1,348        | \$2,175  | \$1,815  | \$2,088  | \$816    | \$90      | \$0       | \$0       | \$0       | \$0       | \$0       | \$6,984       | \$18,014        | 2029       |
| GQ Fire Hydrant Replacement Program - Phase II            | 2010  | Ongoing | \$2,185        | \$322    | \$36     | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$359         | \$29,142        | 2026       |
| GR Small Diameter Water Main Rehab 15                     | 2018  | Ongoing | \$22,103       | \$6,765  | \$1,377  | \$157    | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$8,299       | \$61,300        | 2027       |
| HX Small Diameter Water Main Rehab 16                     | 2018  | Ongoing | \$20,660       | \$11,153 | \$11,628 | \$5,605  | \$2,449  | \$14      | \$0       | \$0       | \$0       | \$0       | \$0       | \$30,849      | \$80,759        | 2029       |
| I8 Large Valve Replacement (Contract 11-013)              | 2012  | Ongoing | \$720          | \$204    | \$15     | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$219         | \$19,701        | 2026       |
| JZ Large Dia Water Main Repl 3 - 4 & 5                    | 2021  | Ongoing | \$1,465        | \$6,432  | \$4,035  | \$10,204 | \$1,950  | \$636     | \$2,877   | \$2,857   | \$1,189   | \$0       | \$0       | \$30,180      | \$81,620        | 2032       |
| K7 Large Diameter Water Main Replacement 6 - 7 & 8        | 2024  | Ongoing | \$0            | \$0      | \$346    | \$1,312  | \$4,411  | \$10,915  | \$20,505  | \$15,437  | \$9,382   | \$8,391   | \$1,314   | \$72,014      | \$89,140        | 2034       |
| K8 Large Diameter Water Main Replacement 9 - 10 & 11      | 2028  | Future  | \$0            | \$0      | \$0      | \$0      | \$335    | \$4,508   | \$10,248  | \$24,800  | \$18,087  | \$7,204   | \$0       | \$65,182      | \$76,400        | 2033       |
| K9 Large Diameter Water Main Replacement 12 - 13 & 14     | 2030  | Future  | \$0            | \$0      | \$0      | \$0      | \$0      | \$840     | \$8,498   | \$9,905   | \$28,583  | \$17,570  | \$6,993   | \$72,389      | \$83,480        | 2034       |
| KD Large Valve Replacement Contracts 29 - 30 & 31         | 2030  | Future  | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$417     | \$2,290   | \$3,137   | \$7,961   | \$4,485   | \$18,290      | \$22,970        | 2035       |
| KE Small Diameter Water Main Rehab 18                     | 2020  | Ongoing | \$1,616        | \$4,496  | \$14,202 | \$17,563 | \$8,034  | \$398     | \$144     | \$0       | \$0       | \$0       | \$0       | \$44,836      | \$74,115        | 2030       |
| KF Small Diameter Water Main Rehab 19                     | 2022  | Ongoing | \$931          | \$3,467  | \$10,258 | \$17,089 | \$10,918 | \$3,768   | \$0       | \$0       | \$0       | \$0       | \$0       | \$45,499      | \$70,988        | 2029       |
| KG Small Diameter Water Main Rehab 20                     | 2022  | Ongoing | \$913          | \$947    | \$1,764  | \$2,094  | \$4,869  | \$10,627  | \$16,239  | \$11,733  | \$7,496   | \$374     | \$0       | \$56,143      | \$68,050        | 2033       |
| KH Small Diameter Water Main Rehab 21                     | 2022  | Ongoing | \$3,608        | \$3,007  | \$9,160  | \$15,713 | \$16,066 | \$6,625   | \$80      | \$0       | \$0       | \$0       | \$0       | \$50,651      | \$81,643        | 2030       |
| KI Small Diameter Water Main Rehab 22                     | 2023  | Ongoing | \$1            | \$990    | \$3,573  | \$11,343 | \$21,974 | \$21,327  | \$7,109   | \$5       | \$0       | \$0       | \$0       | \$66,321      | \$94,788        | 2031       |
| KJ Small Diameter Water Main Rehab 23                     | 2024  | Ongoing | \$0            | \$891    | \$2,483  | \$5,670  | \$16,137 | \$24,317  | \$31,309  | \$5       | \$0       | \$0       | \$0       | \$80,812      | \$104,270       | 2031       |
| KL Small Diameter Water Main Rehab 25                     | 2027  | New     | \$0            | \$0      | \$20,529 | \$0      | \$5,179  | \$14,593  | \$6,871   | \$17,511  | \$739     | \$0       | \$0       | \$65,422      | \$117,476       | 2032       |
| KM Small Diameter Water Main Rehab 26                     | 2027  | Future  | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$10,000  | \$70,000  | \$80,000      | \$119,312       | 2032       |
| KN Small Diameter Water Main Rehab 27                     | 2028  | Future  | \$0            | \$0      | \$0      | \$0      | \$376    | \$16,014  | \$24,408  | \$39,294  | \$25,289  | \$6,087   | \$0       | \$111,468     | \$121,666       | 2033       |
| KP Small Diameter Water Main Rehab 28                     | 2029  | Future  | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | \$5,511   | \$11,611  | \$52,714  | \$4,616   | \$74,452      | \$120,435       | 2035       |
| MV Small Diameter Water Main Rehab 3                      | 2006  | Ongoing | \$19           | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           | \$200           | 2027       |
| ND Small Diameter Water Main Rehab 30                     | 2030  | Future  | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$479     | \$1,640   | \$30,703  | \$28,746  | \$50,351  | \$111,919     | \$146,443       | 2035       |
| NI Small Diameter Water Main Rehab Outyear                | 2024  | Ongoing | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$12,030  | \$1,077   | \$13,107      | \$68,040        | 2038       |
| O3 Small Diameter Water Main Rehab 11                     | 2014  | Ongoing | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           | \$42,399        | 2026       |
| QF District Metering                                      | 2023  | Ongoing | \$0            | \$158    | \$144    | \$312    | \$506    | \$2,437   | \$3,364   | \$831     | \$0       | \$0       | \$0       | \$7,752       | \$9,930         | 2031       |
| S3 Large Valve Replacement (Contract 3-7)                 | 1999  | Ongoing | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           | \$23,207        | 2027       |
| SU Small Diameter Water Main Rehab 31                     | 2025  | New     | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           | \$130,323       | 2039       |
| U5 WSSC Interconnection Project                           | 2022  | Ongoing | \$350          | \$390    | \$1,220  | \$4,595  | \$1,675  | \$353     | \$697     | \$1,608   | \$1,328   | \$531     | \$0       | \$12,397      | \$18,545        | 2033       |
| Z7 Capital Project Allowance - Water Distribution Systems | 2031  | Future  | \$0            | \$0      | \$0      | \$0      | \$0      | \$0       | \$0       | 20,000    | 15,000    | \$10,000  | \$30,000  | \$75,000      | \$75,000        | 2034       |
| TOTAL WATER DISTRIBUTION SYSTEMS                          |       |         | \$67,455       | \$46,536 | \$84,530 | \$97,092 | \$96,785 | \$117,873 | \$133,358 | \$153,427 | \$152,544 | \$161,608 | \$168,836 | \$1,212,588   | \$2,230,246     |            |

(\$ in thousands)



| Water On-Going Projects        |  |      | FY 2024 Actual | FY2025   | FY2026   | FY2027   | FY2028   | FY2029   | FY2030   | FY2031   | FY2032   | FY2033   | FY2034   | 10-Year Total | Lifetime Budget | Completion |
|--------------------------------|--|------|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------------|-----------------|------------|
| KW                             | FY2021 - DWS Water Projects                        | 2021 | Ongoing        | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           | \$11,830        | 2026       |
| KX                             | FY2022 - DWS Water Projects                        | 2022 | Ongoing        | \$1,383  | \$921    | \$1      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$922         | \$15,930        | 2026       |
| KY                             | FY2023 - DWS Water Projects                        | 2023 | Ongoing        | \$6,783  | \$68     | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$68          | \$13,150        | 2025       |
| KZ                             | FY 2024 - FY2026 - DWS Water Project               | 2024 | Ongoing        | \$10,516 | \$11,702 | \$11,600 | \$2,839  | \$3,536  | \$0      | \$0      | \$0      | \$0      | \$0      | \$29,677      | \$45,122        | 2028       |
| L6                             | FY2027 - 2029 - DWS Water Projects                 | 2027 | Future         | \$0      | \$0      | \$0      | \$10,944 | \$10,794 | \$15,142 | \$0      | \$0      | \$0      | \$0      | \$36,880      | \$58,825        | 2029       |
| L7                             | FY2028 - DWS Water Projects                        | 2028 | Future         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           | \$19,575        | 2028       |
| L8                             | FY2029 - DWS Water Projects                        | 2029 | Future         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           | \$21,000        | 2029       |
| L9                             | FY2030 - DWS Water Projects                        | 2030 | Future         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$20,500 | \$0      | \$0      | \$0      | \$20,500      | \$22,000        | 2030       |
| LA                             | FY2031 - DWS Water Projects                        | 2031 | Future         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$19,781 | \$2,219  | \$0      | \$0      | \$22,000      | \$23,500        | 2032       |
| LW                             | FY2032 - DWS Water Project                         | 2032 | Future         | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$20,404 | \$20,404 | \$20,404 | \$61,212      | \$61,212        | 2034       |
| QJ                             | DPO Water Pumping and Storage, Capital Projects    | 2020 | Ongoing        | \$987    | \$2,671  | \$3,158  | \$2,223  | \$819    | \$873    | \$1,001  | \$998    | \$0      | \$0      | \$11,744      | \$15,701        | 2031       |
| TOTAL WATER ON GOING PROJECTS  |  |      |                | \$19,670 | \$15,362 | \$14,759 | \$16,006 | \$15,150 | \$16,015 | \$21,501 | \$20,779 | \$22,623 | \$20,404 | \$183,002     | \$307,845       |            |
| Water Pumping Facilities       |  |      | FY 2024 Actual | FY2025   | FY2026   | FY2027   | FY2028   | FY2029   | FY2030   | FY2031   | FY2032   | FY2033   | FY2034   | 10-Year Total | Lifetime Budget | Completion |
| AY                             | Upgrades to Ft. Reno Pumping Station               | 2002 | Ongoing        | \$15     | \$186    | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$186         | \$14,479        | 2025       |
| HI                             | Bryant Street Pump Station Phase III               | 2025 | New            | \$0      | \$15     | \$162    | \$330    | \$407    | \$1,557  | \$5,128  | \$2,250  | \$0      | \$0      | \$9,849       | \$11,228        | 2031       |
| HR                             | Anacostia Pump Station Improvements Phase II       | 2025 | New            | \$27     | \$0      | \$0      | \$785    | \$7,014  | \$4,313  | \$0      | \$0      | \$0      | \$0      | \$12,111      | \$14,953        | 2029       |
| HV                             | Bryant St Pump Station - Spill Header Flow Control | 2013 | Ongoing        | \$2,763  | \$2,507  | \$664    | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$3,171       | \$11,871        | 2026       |
| JB                             | Bryant Street PS Improvements - Phase II           | 2012 | Ongoing        | \$318    | \$689    | \$4,322  | \$1,122  | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$6,134       | \$12,185        | 2027       |
| LT                             | Water System SCADA                                 | 2014 | Ongoing        | \$641    | \$1,075  | \$994    | \$1,193  | \$564    | \$0      | \$0      | \$0      | \$0      | \$0      | \$3,826       | \$8,406         | 2028       |
| LU                             | Water Facilities Security System Upgrades 2        | 2016 | Ongoing        | \$40     | \$709    | \$388    | \$84     | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$1,181       | \$2,000         | 2027       |
| OR                             | Fort Reno Pump Station Improvements Phase II       | 2023 | Ongoing        | \$144    | \$327    | \$1,318  | \$2,610  | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$4,256       | \$6,430         | 2027       |
| OW                             | Water System Sensor Program (WaSSP)                | 2022 | Ongoing        | \$69     | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           | \$0             | 2026       |
| PS                             | Existing Water Facilities Building Optimization    | 2023 | Ongoing        | \$0      | \$23     | \$496    | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$0      | \$519         | \$695           | 2026       |
| S6                             | West Venturi Meter - Bryant St Pumping Station     | 2023 | Ongoing        | \$0      | \$370    | \$372    | \$925    | \$320    | \$0      | \$0      | \$0      | \$0      | \$0      | \$1,988       | \$2,404         | 2028       |
| TOTAL WATER PUMPING FACILITIES |  |      |                | \$4,018  | \$5,901  | \$8,716  | \$7,049  | \$8,305  | \$5,870  | \$5,128  | \$2,250  | \$0      | \$0      | \$43,220      | \$84,652        |            |





| Lead Free DC Program  |  | Start | Status  | FY 2024 Actual | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | FY2031    | FY2032    | FY2033    | FY2034    | 10-Year Total | Lifetime Budget | Completion |
|---|--|-------|---------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|-----------------|------------|
| BW Lead Free DC Program                                       |  | 2003  | Ongoing | \$7,582        | \$7,697   | \$6,715   | \$9,362   | \$15,024  | \$22,171  | \$7,736   | \$5,429   | \$6,067   | \$1,999   | \$14      | \$82,213      | \$299,443       | 2034       |
| ST Lead Free DC Project                                       |  | 2022  | Ongoing | \$59,223       | \$93,050  | \$126,746 | \$123,638 | \$117,976 | \$110,829 | \$125,264 | \$77,571  | \$76,933  | \$81,001  | \$82,986  | \$1,015,995   | \$1,483,612     | 2039       |
| TOTAL LEAD FREE DC PROGRAM                                    |  |       |         | \$66,805       | \$100,747 | \$133,460 | \$133,000 | \$133,000 | \$133,000 | \$133,000 | \$83,000  | \$83,000  | \$83,000  | \$83,000  | \$1,098,207   | \$1,783,056     |            |
| Water Storage Facilities                                      |  | Start | Status  | FY 2024 Actual | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | FY2031    | FY2032    | FY2033    | FY2034    | 10-Year Total | Lifetime Budget | Completion |
| FA Water Storage Facility Upgrades                            |  | 2009  | Ongoing | \$802          | \$1,021   | \$64      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$1,086       | \$37,987        | 2026       |
| HW Rehabilitation of Elevated Water Tanks                     |  | 2023  | Ongoing | \$607          | \$789     | \$95      | \$614     | \$1,334   | \$790     | \$276     | \$0       | \$0       | \$0       | \$0       | \$3,899       | \$7,517         | 2030       |
| MA St. Elizabeth Water Tank                                   |  | 2002  | Ongoing | \$36           | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           | \$47,517        | 2026       |
| MQ 2MG 4th High Storage Tank                                  |  | 2004  | Ongoing | \$206          | \$1,418   | \$1,665   | \$1,065   | \$1,099   | \$2,830   | \$2,923   | \$1,176   | \$0       | \$0       | \$0       | \$12,174      | \$22,668        | 2031       |
| QG Anacostia First and Second High Storage                    |  | 2019  | Ongoing | \$20           | \$497     | \$5,793   | \$6,632   | \$15,550  | \$19,265  | \$12,681  | \$10,508  | \$24,267  | \$20,066  | \$8,055   | \$123,314     | \$137,240       | 2034       |
| SW Water SCADA Replacement                                    |  | 2028  | Future  | \$0            | \$0       | \$0       | \$0       | \$270     | \$71      | \$328     | \$1,241   | \$3,110   | \$1,991   | \$357     | \$7,368       | \$8,380         | 2034       |
| Z1 Anacostia Third High Pressure Zone Improvements            |  | 2024  | Ongoing | \$0            | \$0       | \$10,788  | \$22,289  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$33,077      | \$42,987        | 2027       |
| Z8 Capital Project Allowance - Water Storage Facilities       |  | 2031  | Future  | \$0            | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | 20,000    | 10,000    | 15,000    | 25,000    | \$70,000      | \$70,000        | 2034       |
| TOTAL WATER STORAGE FACILITIES                                |  |       |         | \$1,670        | \$3,726   | \$18,404  | \$30,600  | \$18,253  | \$22,956  | \$16,208  | \$32,925  | \$37,377  | \$37,057  | \$33,412  | \$250,197     | \$374,296       |            |
| Water Service Program Management                              |  | Start | Status  | FY 2024 Actual | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | FY2031    | FY2032    | FY2033    | FY2034    | 10-Year Total | Lifetime Budget | Completion |
| KV Water Program Mgt. Services 2F                             |  | 2020  | Ongoing | \$4,416        | \$6,586   | \$467     | \$377     | \$314     | \$28      | \$0       | \$0       | \$0       | \$0       | \$0       | \$7,772       | \$31,060        | 2029       |
| LB Water Program Mgt. Services 2G                             |  | 2025  | Ongoing | \$0            | \$5,959   | \$6,142   | \$5,686   | \$7,312   | \$4,663   | \$0       | \$0       | \$0       | \$0       | \$0       | \$29,761      | \$35,480        | 2029       |
| ME Water System Program Management Services                   |  | 1999  | Ongoing | \$136          | \$276     | \$78      | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$354         | \$19,854        | 2026       |
| NU Water Program Management Services 2H                       |  | 2020  | Ongoing | \$0            | \$0       | \$0       | \$0       | \$0       | \$0       | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$25,000      | \$25,000        | 2035       |
| S8 Second Source Feasibility Study and Demonstration Facility |  | 2026  | New     | \$0            | \$0       | \$4,124   | \$8,000   | \$9,000   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$21,124      | \$77,000        | 2028       |
| TOTAL WATER SERVICE PROGRAM MANAGEMENT                        |  |       |         | \$4,551        | \$12,821  | \$10,810  | \$14,063  | \$16,626  | \$4,691   | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$5,000   | \$84,011      | \$188,394       |            |
| TOTAL WATER BUDGET  |  |       |         | \$164,169      | \$185,094 | \$270,680 | \$297,810 | \$288,118 | \$300,403 | \$314,195 | \$297,381 | \$300,544 | \$307,069 | \$310,652 | \$2,871,946   | \$4,968,489     |            |

(\$ in thousands)

## Service Area: Additional Capital Programs

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 41% 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.

**Washington Aqueduct** - DC Water's share of Washington Aqueduct's infrastructure improvements to achieve established service levels for FY 2025 - FY 2034 is \$500.7 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.

| Program Areas                            | FY 2024 Actual  | FY 2025 Revised | FY 2026 Approved | 10-Year Plan     |
|--|-----------------|-----------------|------------------|------------------|
| Wastewater Operations                    | \$1,483         | \$4,925         | \$6,845          | \$22,480         |
| Water Operations                         | \$21            | \$1,000         | \$1,300          | \$3,900          |
| Pumping and Sewer Operations             | \$1,977         | \$2,287         | \$2,265          | \$9,082          |
| Engineering                              | \$25            | \$25            | \$25             | \$100            |
| Finance & Procurement                    | \$110           | \$4,710         | \$6,065          | \$226,317        |
| Customer Care                            | \$558           | \$6,944         | \$3,080          | \$39,566         |
| Information Technology                   | \$4,265         | \$5,107         | \$6,165          | \$22,502         |
| Shared Services                          | \$10,688        | \$6,478         | \$6,736          | \$26,901         |
| <b>Total Capital Equipment</b>           | <b>\$19,127</b> | <b>\$31,477</b> | <b>\$32,481</b>  | <b>\$350,848</b> |
| Washington Aqueduct                      | \$35,594        | \$35,770        | \$35,770         | \$500,780        |
| <b>Total Additional Capital Programs</b> | <b>\$54,721</b> | <b>\$67,247</b> | <b>\$68,251</b>  | <b>\$851,628</b> |

( \$ in thousands)

## PROGRAM AREAS

**CAPITAL EQUIPMENT** –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 reserve funds to support additional capital equipment needs for new facilities, unplanned emergencies, and capital equipment requiring long-lead time. 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 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.

## Key major projects include:

### Washington Aqueduct

 Healthy, Safe and Well  Reliable  Resilient

| Project             | 10-Year Plan |
|---------------------|--------------|
| Washington Aqueduct | \$500,780    |
| Total               | \$500,780    |

( \$ in thousands)

**Project Description:** DC Water's share of Washington Aqueduct's infrastructure improvements to achieve established service levels for FY 2025 – FY 2034 is \$500.7 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.



Washington Aqueduct



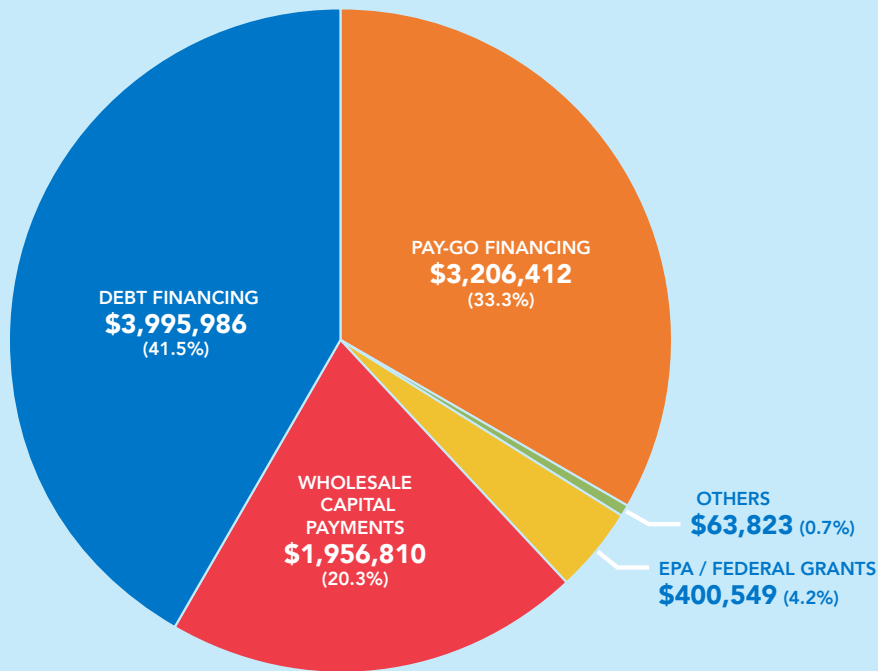
| Additional Capital Projects                            |                |          |          |          |          |          |          |           |           |           |           |               |
|--|----------------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|---------------|
|  | FY 2024 Actual | FY2025   | FY2026   | FY2027   | FY2028   | FY2029   | FY2030   | FY2031    | FY2032    | FY2033    | FY2034    | 10-Year Total |
| <b>WASTEWATER OPERATIONS</b>                           |                |          |          |          |          |          |          |           |           |           |           |               |
| 810600 Clean Water Quality & Technology                | \$123          | \$80     | \$80     | \$80     | \$80     | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$320         |
| 810006 Wastewater Operations                           | \$0            | \$20     | \$50     | \$50     | \$50     | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$170         |
| 812003 Wastewater Process Engineering                  | \$293          | \$625    | \$775    | \$725    | \$725    | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$2,850       |
| 811003 Maintenance                                     | \$1,067        | \$4,200  | \$5,940  | \$4,500  | \$4,500  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$19,140      |
| Subtotal   | \$1,483        | \$4,925  | \$6,845  | \$5,355  | \$5,355  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$22,480      |
| <b>WATER OPERATIONS</b>                                |                |          |          |          |          |          |          |           |           |           |           |               |
| 813003 Water Operations                                | \$21           | \$1,000  | \$1,300  | \$800    | \$800    | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$3,900       |
| Subtotal   | \$21           | \$1,000  | \$1,300  | \$800    | \$800    | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$3,900       |
| <b>PUMPING AND SEWER OPERATIONS</b>                    |                |          |          |          |          |          |          |           |           |           |           |               |
| 815000 Pumping Services                                | \$1,480        | \$1,765  | \$1,765  | \$1,765  | \$1,765  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$7,060       |
| 814000 Sewer Operations                                | \$497          | \$522    | \$500    | \$500    | \$500    | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$2,022       |
| Subtotal   | \$1,977        | \$2,287  | \$2,265  | \$2,265  | \$2,265  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$9,082       |
| <b>ENGINEERING</b>                                     |                |          |          |          |          |          |          |           |           |           |           |               |
| 801000 Engineering & Technical Services                | \$25           | \$25     | \$25     | \$25     | \$25     | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$100         |
| Subtotal   | \$25           | \$25     | \$25     | \$25     | \$25     | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$100         |
| <b>FINANCE &amp; PROCUREMENT</b>                       |                |          |          |          |          |          |          |           |           |           |           |               |
| 300003 Finance, Accounting & Budget                    | \$0            | \$10     | \$600    | \$310    | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$920         |
| 300003 Reserve Fund                                    | \$110          | \$4,700  | \$5,465  | \$7,550  | \$8,050  | \$29,102 | \$29,102 | \$29,102  | \$29,102  | \$29,102  | \$29,102  | \$200,377     |
| Subtotal   | \$110          | \$4,710  | \$6,065  | \$7,860  | \$8,050  | \$29,102 | \$29,102 | \$29,102  | \$29,102  | \$29,102  | \$29,102  | \$201,297     |
| <b>CUSTOMER CARE</b>                                   |                |          |          |          |          |          |          |           |           |           |           |               |
| 600018 On-Going Replacement                            | \$0            | \$2,900  | \$3,080  | \$3,080  | \$3,080  | \$3,867  | \$3,867  | \$3,867   | \$3,867   | \$3,867   | \$3,867   | \$35,342      |
| 600018 SDWM Meter Program                              | \$558          | \$4,044  | \$0      | \$0      | \$0      | \$200    | \$200    | \$200     | \$200     | \$200     | \$200     | \$5,244       |
| Subtotal   | \$558          | \$6,944  | \$3,080  | \$3,080  | \$3,080  | \$4,067  | \$4,067  | \$4,067   | \$4,067   | \$4,067   | \$4,067   | \$40,586      |
| <b>INFORMATION TECHNOLOGY</b>                          |                |          |          |          |          |          |          |           |           |           |           |               |
| 601003 IT Infrastructure                               | \$1,418        | \$1,962  | \$2,020  | \$2,440  | \$2,500  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$8,922       |
| 601012 IT Project Management                           | \$2,847        | \$3,145  | \$4,145  | \$3,145  | \$3,145  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$13,580      |
| Subtotal   | \$4,265        | \$5,107  | \$6,165  | \$5,585  | \$5,645  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$22,502      |
| <b>SHARED SERVICES</b>                                 |                |          |          |          |          |          |          |           |           |           |           |               |
| 204000 Facilities Management                           | \$1,273        | \$1,878  | \$1,985  | \$2,958  | \$1,855  | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$8,676       |
| 205003 Security  | \$619          | \$600    | \$600    | \$600    | \$600    | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$2,400       |
| 202006 Fleet Management                                | \$8,796        | \$4,000  | \$4,000  | \$4,000  | \$4,000  | \$4,000  | \$4,000  | \$4,000   | \$4,000   | \$4,000   | \$4,000   | \$40,000      |
| 203000 Occupational Safety                             | \$0            | \$0      | \$150    | \$150    | \$150    | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$450         |
| 201006 Office of Emergency Management                  | \$0            | \$0      | \$0      | \$50     | \$0      | \$0      | \$0      | \$0       | \$0       | \$0       | \$0       | \$50          |
| Subtotal   | \$10,688       | \$6,478  | \$6,735  | \$7,758  | \$6,605  | \$4,000  | \$4,000  | \$4,000   | \$4,000   | \$4,000   | \$4,000   | \$51,576      |
| TOTAL CAPITAL EQUIPMENT                                | \$19,127       | \$31,477 | \$32,481 | \$32,052 | \$31,825 | \$37,169 | \$37,169 | \$37,169  | \$37,169  | \$37,169  | \$37,169  | \$350,848     |
| WASHINGTON AQUEDUCT                                    | \$35,594       | \$35,770 | \$35,770 | \$35,770 | \$35,770 | \$35,770 | \$35,770 | \$71,540  | \$71,540  | \$71,540  | \$71,540  | 500,780       |
| TOTAL ADDITIONAL CAPITAL PROGRAMS<br>(\$ in thousands) | \$54,721       | \$67,247 | \$68,251 | \$67,822 | \$67,595 | \$72,939 | \$72,939 | \$108,709 | \$108,709 | \$108,709 | \$108,709 | \$851,628     |



## Approved FY 2026 Budgets

### Section VI: Cash and Debt Financing

#### TEN-YEAR SOURCES OF FUNDS \$ THOUSANDS



#### SENIOR BOND RATINGS (BY JUNE 2024)



# AAA

STANDARD AND POOR'S CORPORATION

# Aa1

MOODY'S INVESTOR SERVICE

# AA+

FITCH'S RATING

#### ASSET VALUE AND OUTSTANDING DEBT FY 2025



#### NET ASSETS




# \$8.7B



#### OUTSTANDING DEBT

# \$3.9B

#### DEBT SERVICE COVERAGE

| DEBT LEVEL   | MASTER INDENTURE | BOARD RESOLUTION | MANAGEMENT PRACTICE | TEN YEAR PLAN (AVERAGE) |
|--|------------------|------------------|---------------------|-------------------------|
| <br>SENIOR      | 140x             | 140x             | 140x                | 696x                    |
| <br>SUBORDINATE | 100x             | 100x             | 100x                | 235x                    |
| <br>COMBINED    | NA               | 160x             | 160x                | 197x                    |



## Overview

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 42% percent of DC Water's Capital Program is funded by debt, 33% is funded by Pay-Go, 20% of the funds are contributed by the wholesale capital payments, 4% is funded by EPA/Federal Grants and the remaining estimated 1% comes from other available funds.

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

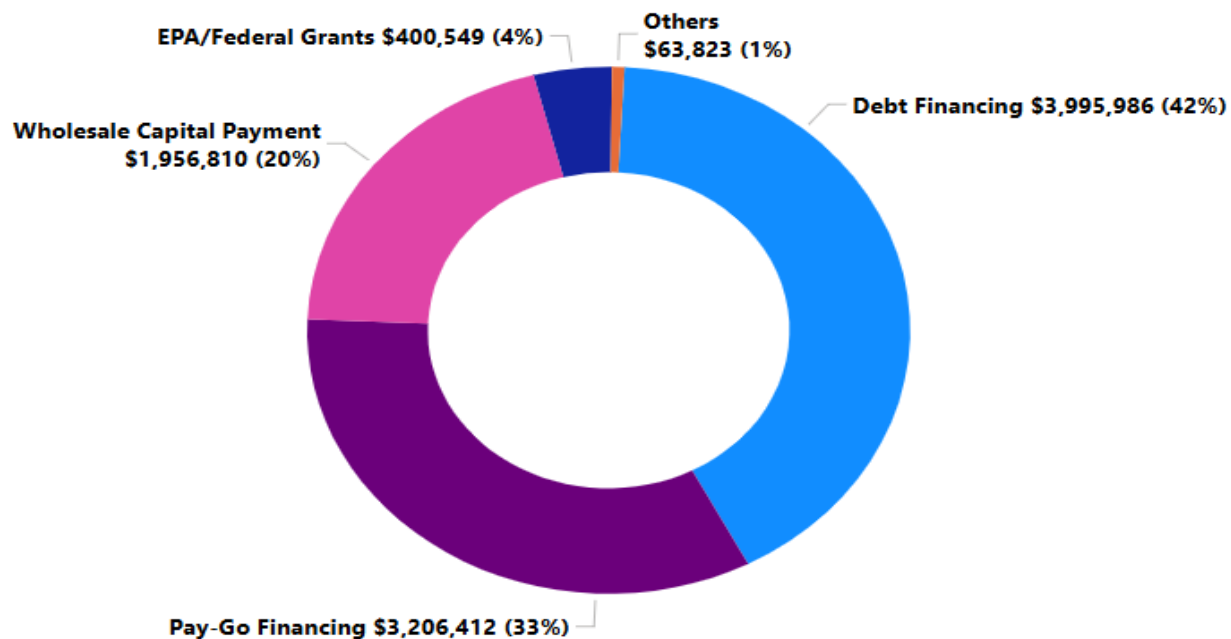
(\$ in thousands)

| Ten-Year Sources of Funds | Amount (\$)      |
|---------------------------|------------------|
| Debt Financing            | 3,995,986        |
| Pay-Go Financing          | 3,206,412        |
| Wholesale Capital Payment | 1,956,810        |
| EPA/Federal Grants        | 400,549          |
| Others                    | 63,823           |
| <b>Total</b>              | <b>9,623,580</b> |

- 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. It also comprises System Availability Fee (SAF) and Clean Rivers Impervious Area Charge (CRIAC)
- Other financing comprises Interest Income on Bond Proceeds and Curing Pad and Solar.

(\$ in thousands)

### Ten Year Sources Of Funds



\$ in thousands

## Sources and Uses Of Fund

| Particulars  | FY 2024<br>Actual | FY 2025<br>Approved | FY 2025<br>Revised | FY 2026<br>Approved |
|--|-------------------|---------------------|--------------------|---------------------|
| <b>Sources</b>   |                   |                     |                    |                     |
| <b>Beginning Balance</b>                                   | \$ 366,735        | \$ 184,103          | \$ 238,907         | \$ 269,051          |
| New Debt Proceeds / Commercial Paper / EMCP <sup>(1)</sup> | 26,014            | 351,000             | 351,000            | 486,620             |
| Curing Pad and Solar                                       | -                 | -                   | -                  | 1,000               |
| System Availability Fee (SAF)                              | 2,603             | 7,700               | 7,700              | 7,700               |
| Clean Rivers Impervious Area Charge (CRIAC)                | 63,348            | 60,977              | 60,977             | 69,711              |
| Pay-Go Financing   | 167,392           | 127,369             | 189,859            | 170,335             |
| Federal Grants - Infrastructure Funding                    | -                 | 29,755              | 32,267             | 37,036              |
| EPA Grants   | 24,185            | 20,144              | 21,792             | 13,461              |
| CSO Appropriation  | 8,112             | -                   | -                  | -                   |
| Wholesale Customer Capital Contributions                   | 81,481            | 88,796              | 103,703            | 137,800             |
| Interest Income  | 1,622             | 10,592              | 10,592             | 9,244               |
| <b>Total Sources</b>                                       | \$ 374,757        | \$ 696,333          | \$ 777,889         | \$ 932,908          |
| <b>Uses</b>  |                   |                     |                    |                     |
| Water Projects   | 163,737           | 222,494             | 185,094            | 270,680             |
| Wastewater Treatment                                       | 51,117            | 103,291             | 68,282             | 106,353             |
| Sanitary Sewer Treatment                                   | 82,772            | 92,235              | 146,901            | 148,796             |
| Combined Sewer & LTCP Projects                             | 138,861           | 213,408             | 223,832            | 250,386             |
| Stormwater Projects  | 6,026             | 13,565              | 8,209              | 17,360              |
| Non-Process Facilities                                     | 5,352             | 19,900              | 18,181             | 51,570              |
| Washington Aqueduct  | 35,594            | 35,770              | 35,770             | 35,770              |
| Capital Equipment  | 18,481            | 24,532              | 24,532             | 29,401              |
| Meter Replacement / AMR/ CIS                               | 645               | 6,944               | 6,944              | 3,080               |
| <b>Total Uses</b>  | \$ 502,585        | \$ 732,139          | \$ 717,745         | \$ 913,396          |
| Capital Contingency Reserve for LTCP                       | 33,432            | 30,000              | 30,000             | 30,000              |
| <b>Ending Balance</b>                                      | \$ 238,907        | \$ 118,297          | \$ 269,051         | \$ 258,563          |

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

\$ in thousands

## Cash Reserve Summary

| Particulars  | FY 2024<br>Actual | FY 2025<br>Approved | FY 2025<br>Revised | FY 2026<br>Approved |
|--|-------------------|---------------------|--------------------|---------------------|
| <b>Beg. O&amp;M Reserve Balance (Net of Rate Stabilization Fund)</b>   | \$ 286,889        | \$ 296,600          | \$ 320,513         | \$ 309,600          |
| Operating Surplus  | 213,017           | 171,719             | 197,305            | 203,758             |
| Wholesale Customer Refunds/Payments for Prior Years                    | 1,564             | (7,700)             | (3,000)            | (3,000)             |
| Federal Customer Refund/Payments for Prior Years                       | (4,330)           | (13,813)            | (11,049)           | (11,310)            |
| Interest Earned from Bond Reserve                                      | 229               | 404                 | 404                | 401                 |
| Pay-As-You-Go Capital Financing  | (174,769)         | (135,609)           | (192,573)          | (173,849)           |
| Project Billing Refunds  | (2,088)           | (2,000)             | (2,000)            | -                   |
| <b>Ending O&amp;M Reserve Balance (Net of Rate Stabilization Fund)</b> | \$ 320,513        | \$ 309,600          | \$ 309,600         | \$ 325,600          |
| <b>Rate Stabilization Fund</b>   | \$ 35,644         | \$ 31,644           | \$ 33,644          | \$ 33,644           |

## Capital Financing Plan

### Purpose to Issue Debt

- Finance the cost associated with the CIP.
- Refund existing debt to obtain Debt Service savings and/or restructure certain terms for existing debt.

### Successful Strategy

On 30 July 2024, DC Water successfully issued Subordinate Lien Multimodal Revenue Refunding Bond Series 2024 A and B. This strategic move resulted in interest savings of approximately \$75 million. In addition, The Authority Partnered with Goldman Sachs & Co and JPMorgan Securities to modernize and expand its Commercial Paper Program. The program's capacity increased from \$150 million (Series B and C) to \$250 million (2024 Series D), enhancing financial flexibility and supporting capital improvements. This expansion ensures ongoing access to taxable and tax-exempt capital markets and optimizes long-term debt issuance timing, with TD Bank, NA continuing to provide liquidity and credit support for the next five years.

### The Key Goals of DC Water's Comprehensive Capital Financial Plans

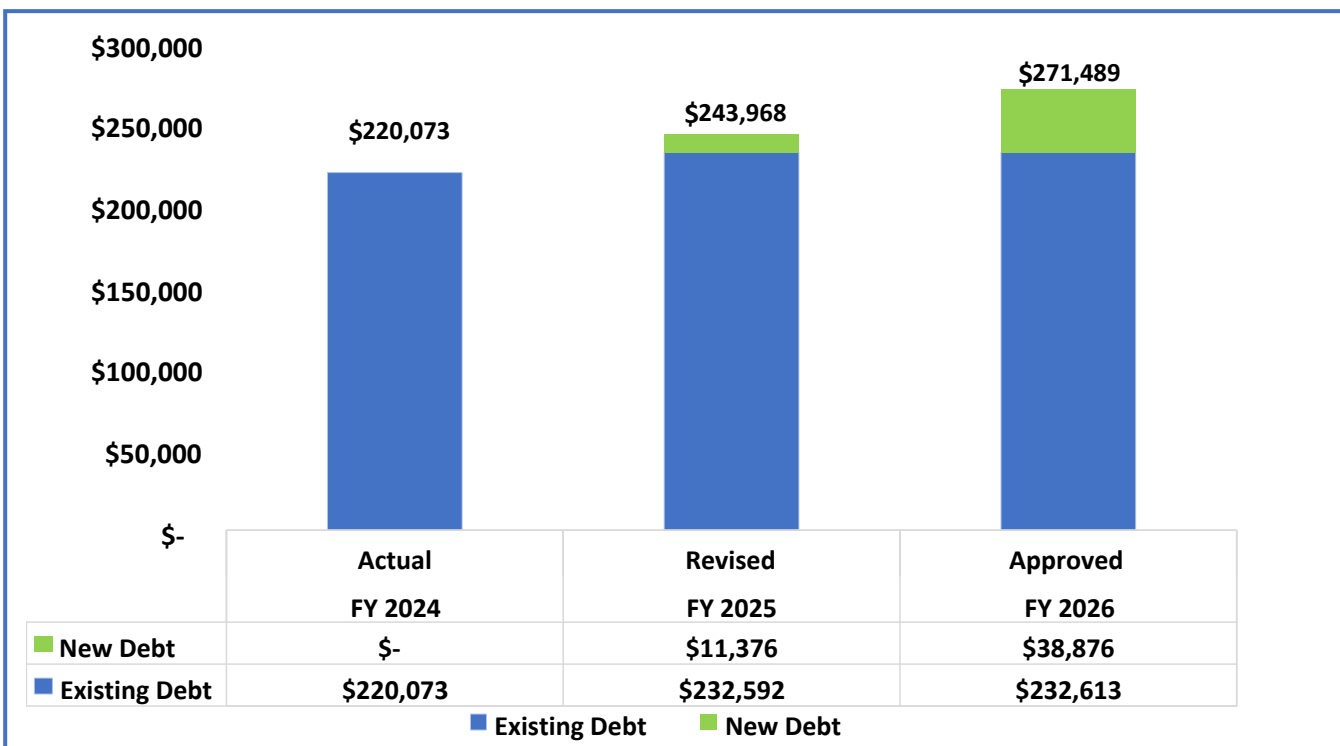
Minimize the cost of capital

Increase operational flexibility

Optimize assets/liability matching through Interim financing, Pay Go Financing and Federal Grants

\$ in thousands

## Debt Service FY 2024-2026



## Debt Service FY 2024-FY 2026

The chart below shows debt service payment of principal and interest for a three-year outlook.  
**\$ in thousands**

| Bond Series                           | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved |
|---------------------------------------|-------------------|--------------------|---------------------|
| <b>Senior Lien</b>                    |                   |                    |                     |
| Series 1998                           | 2,278             | 8,114              | 8,114               |
| Series 2014A                          | 16,657            | 16,849             | 16,849              |
| Series 2017A&B                        | 17,598            | 14,608             | 14,604              |
| Series 2018A&B                        | 17,935            | 16,527             | 16,529              |
| WIFIA Loan                            | 1,045             | 2,924              | 2,924               |
| <b>Total Senior Lien</b>              | <b>\$ 55,514</b>  | <b>\$ 59,022</b>   | <b>\$ 59,020</b>    |
| <b>Subordinate Lien</b>               |                   |                    |                     |
| Series 2010A                          | 22,224            | 15,372             | 15,313              |
| Series 2014B                          | 3,534             | 3,996              | 4,000               |
| Series 2014C                          | 15,561            | 2,747              | 2,747               |
| Series 2015A&B                        | 19,236            | 14,189             | 14,186              |
| Series 2016                           | 15,885            | 11,638             | 11,638              |
| Series 2019A&B                        | 7,544             | 11,045             | 11,049              |
| Series 2019C                          | 1,579             | -                  | -                   |
| Series 2019D                          | 12,017            | 10,288             | 9,105               |
| Series 2022A                          | 36,558            | 28,668             | 28,568              |
| Series 2022B                          | 3,831             | 3,979              | 3,979               |
| Series 2022C-1                        | 8,921             | 8,921              | 8,921               |
| Series 2022C-2                        | 177               | 177                | 177                 |
| Series 2022D                          | 10,404            | 9,685              | 9,413               |
| Series 2022E                          | 2,835             | 2,891              | 2,891               |
| Series 2024A                          | -                 | 42,303             | 43,928              |
| Series 2024 B1,B2                     | 577               | 3,978              | 3,982               |
| Extendable Municipal Commercial Paper | 1,809             | 2,889              | 2,892               |
| Commercial Paper                      | 1,062             | -                  | -                   |
| Jennings Randolph Bond                | 805               | 805                | 805                 |
| <b>Total Subordinate Lien</b>         | <b>\$ 164,559</b> | <b>\$ 173,570</b>  | <b>\$ 173,593</b>   |
| <b>Planned Debt Service</b>           | <b>-</b>          | <b>\$ 11,376</b>   | <b>\$ 38,876</b>    |
| <b>Total Debt Service</b>             | <b>\$ 220,073</b> | <b>\$ 243,968</b>  | <b>\$ 271,489</b>   |

## Bond Ratings (June 2024)

| Bond Type             | Rating Agencies                    |                             |               |
|-----------------------|------------------------------------|-----------------------------|---------------|
|                       | Standard & Poor's Global<br>Rating | Moody's Investor<br>Service | Fitch Ratings |
| Long Term Senior      | <b>AAA</b>                         | <b>Aa1</b>                  | <b>AA+</b>    |
| Long Term Subordinate | <b>AA+</b>                         | <b>Aa2</b>                  | <b>AA+</b>    |
| Short Term            | <b>A-1+</b>                        | <b>P-1</b>                  | <b>F1+</b>    |

## Debt Service Coverage

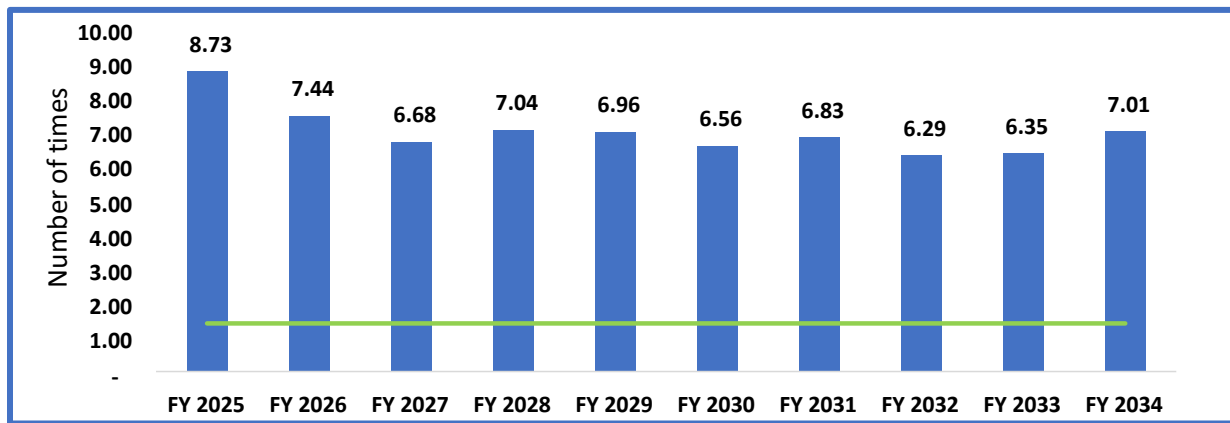
### Debt Service Coverage (FY 2025-FY 2034)

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                |

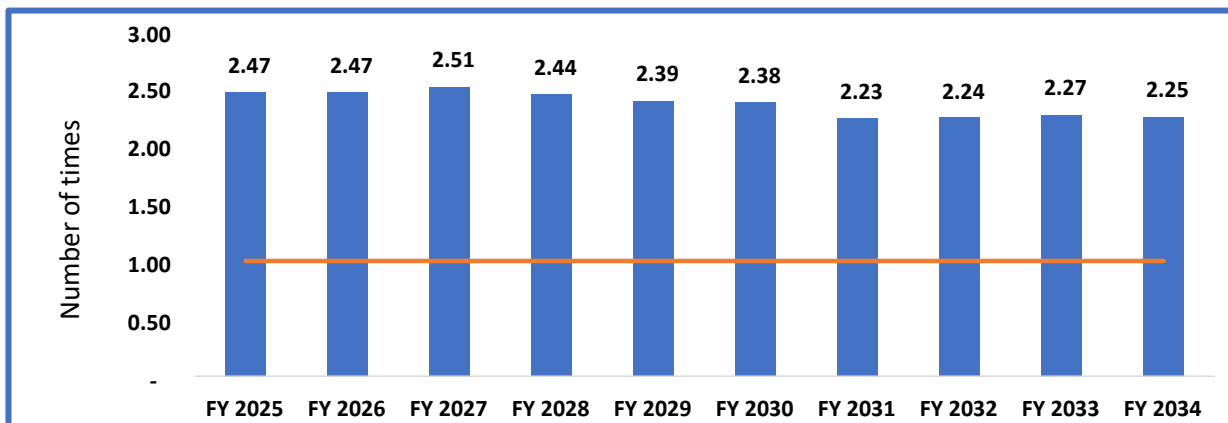
### Senior Debt Service Coverage

Senior Debt Service Coverage (Management target = 140x)



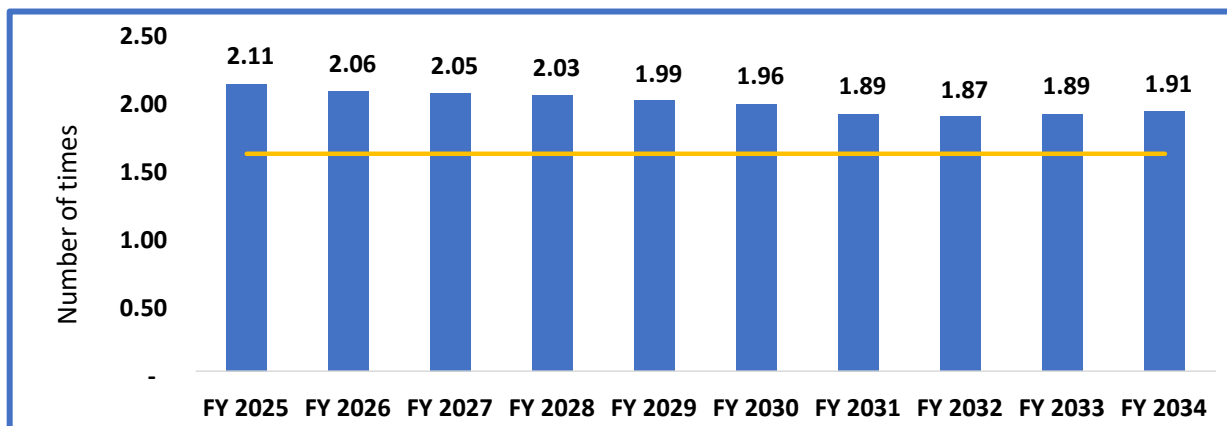
### Subordinate Debt Service Coverage

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



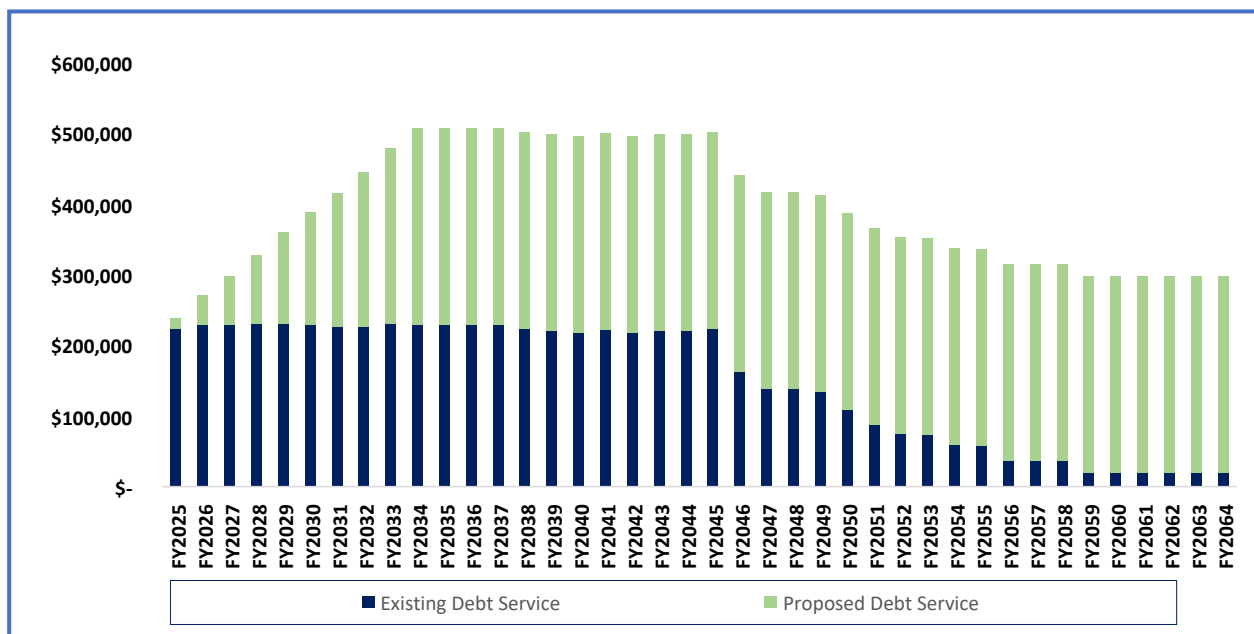
### Combined Debt Service Coverage

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



\$ in thousands

### Total Outstanding & Proposed Debt Service



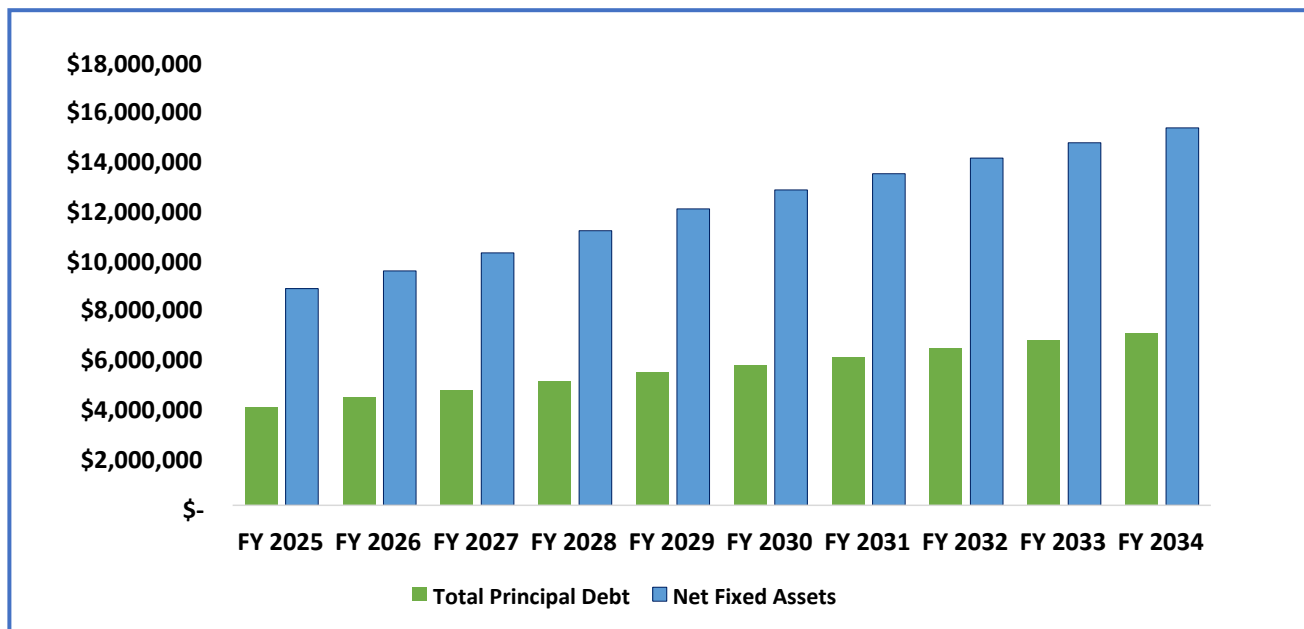
**Note:** 40-year debt service schedule above assumes no new debt issuances after FY 2034



Over the next 10 years, DC Water plans to disburse \$9.62 billion for its capital program. As of FY 2025, its net fixed assets total \$8.7 billion, with projections reaching \$15.2 billion by FY 2034. To support these investments, DC Water anticipates issuing approximately \$4.2 billion in new debt over the period. Outstanding debt stands at \$3.9 billion in FY 2025 and is expected to grow to \$6.9 billion by FY 2034.

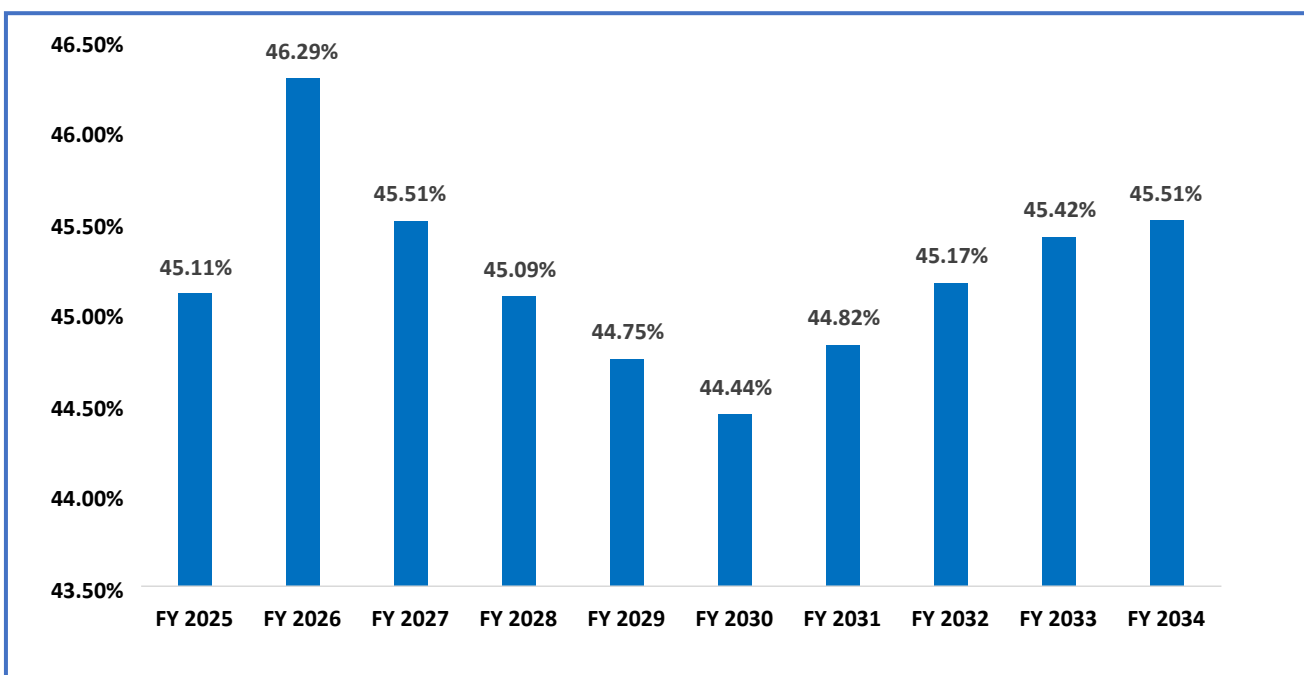
\$ in thousands

### Principal vs Net Fixed Assets



**Note:** Outstanding debt in the 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; 2) Series 2014A; 3) Series 2017A 4) Series 2017B; 5) Series 2018A; 6) Series 2018B; 7) 2021 WIFIA Loan

**PUBLIC UTILITY SUBORDINATE LIEN REVENUE BONDS:** 1) Series 2012A; 2) Series 2014B; 3) Series 2015A; 4) Series 2015B; 5) Series 2016B (Environmental Impact Bond; 6) Series 2019A; 7) Series 2019B; 8) Series 2019C; 9) Series 2022B; 10) Series 2022C; 11) Series 2022D; and 12) Series 2022E

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

**PUBLIC UTILITY SUBORDINATE LIEN REVENUE REFUNDING BONDS:** 1) Series C taxable commercial paper: (refunded Series 2007B, April 2008) 2) Series 2014C: (advanced refunded all or a portion of Series 2007A, 2008A, 2009A, and 2012B, October 2014); 3) Series 2016A: (advanced refunded all or a portion of Series 2007A, 2008A, and 2009A, January 2016); 4) Series 2019D: (advanced refunded all of Series 2013A); 5) Series 2022C: (refunded portion of Series 2014C, 2015A and 2015B, February 2022); 6) Series 2022D: (refunded portion of Series 2014C, February 2022); 7) Series 2022A: (forward direct purchase agreement to refund all Series 2012A and 2012C, July 2022) ; 8) Series 2024 A: (partial refunded portion of 2014C, 2015A, 2015B, 2016A, 2017B, 2018A, 2018B,2019D and 2022D) ; 9) Series 2024 B (full refunded 2019 C)

**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.

**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 August 2024, DC Water revised the commercial paper (CP) program with Board authorization up to \$ 250 million. The CP program includes Series D (tax exempt) and (taxable). Additionally, DC Water selected JP Morgan Chase Bank and Goldman Sachs & Co. LLC as the dealers.

**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.

**DEBT POLICY:** DC Water's comprehensive debt policy can be found on our website at [www.dewater.com](http://www.dewater.com).



## Approved FY 2026 Budgets

# Section VII: FY 2026 Operating Expenditure

**\$217M**

### PERSONNEL SERVICES

**Employ** 1,283 Full-Time Equivalent (FTEs) to provide water and wastewater services  
**Pay** wages, retirement and health benefits for employees  
**Provide** overtime compensation for emergency repair responses and special projects  
**Create** career pathways and training opportunities for apprentices and summer interns  
**Breakdown** of Personnel Services by Functional Areas:

**\$153.7M** Core operational departments – 951 FTEs

**\$63.7M** Administration and support departments – 332 FTEs

**\$15M**

### SUPPLIES AND SMALL EQUIPMENT

**\$10.7M** **Buy** replacement pipes, valves, pumps, meters, vehicle parts, and other equipment for routine maintenance and upkeep

**\$2.8M** **Purchase** of laboratory supplies, custodial supplies, office supplies, uniforms, personal protective equipment (PPE) and other consumables

**\$1.5M** **Rent** machinery, cranes, vehicles and other specialized equipment

**\$102M**

### CONTRACTUAL SERVICES

**\$29M** **Provide** support for information technology, legal, security, engineering, financial advisory, strategic, research and temporary staffing services

**\$20M** **Maintain** buildings, electrical equipment, HVAC, elevators, vehicles, green infrastructure, fire systems, digesters, combined heat and power facility

**\$18M** **Pay** for hauling and disposal of hazardous materials and biosolids, odor control, janitorial, industrial cleaning, reservoir, wet well and catch basin cleaning services

**\$15M** **Leverage** cutting-edge software technology to optimize operations and business processes

**\$12M** **Meet** obligations for insurance premiums, audit, claims and litigation

**\$4M** **Invest** in education, professional development, conferences, memberships and support events for 1,283 employees

**\$2M** **Foster** stakeholder engagement, community outreach and regional programs

**\$2M** **Pay** for printing and postage of customer bills, advertisement of contract solicitations, promotional items, storage and material transportation charges

**\$48M**

### WATER PURCHASE

**\$48M** **Purchase** drinking water from the Washington Aqueduct

**\$86M**

### UTILITIES AND CHEMICALS

**\$82M** **Fund** chemicals, energy and water used for collection, distribution and treatment activities and buy fuel used in vehicles and heavy-duty equipment

**\$3M** **Connect** employees, customers and stakeholders through uninterrupted telecommunication services (telephone, cellphone and radios)

**\$1M** **Lease** office space for sewer operations and other storage services

**\$370M**

### NON-OPERATIONS AND MAINTENANCE

**\$272M** **Fund** debt service costs to support the capital program

**\$74M** **Allocate** funding for paygo financing

**\$24M** **Pay** the District's Payment in Lieu of Taxes and Right of Way fees

## Overview of DC Water's Operational and Administrative Departments

**Organizational Structure:** DC Water is structured to fulfill its mission of providing water and wastewater services by grouping 30 departments into functional service lines and reporting clusters.

- **Operational Departments:** These departments are responsible for day-to-day activities such as water distribution, sewer services, wastewater treatment, customer care, and infrastructure maintenance. Their primary focus is to directly serve customers and ensure the reliability and safety of the water and wastewater systems.
- **Administrative and Technical Support Departments:** These departments provide essential support to operational units. Their functions include strategic planning, asset management, leadership development, financial management, human resources, and legal support. They enable the operational departments to function effectively and ensure compliance with regulatory and organizational standards.

**Cluster-Based Reporting Structure:** To enhance efficiency, accountability, and service delivery, DC Water organizes its departments into clusters.

- **Clusters:** Each cluster is led by a Senior Executive Team (SET) member who is responsible for the overall performance and service delivery of the departments within their cluster. This structure helps streamline decision-making processes, improve communication, and ensures that each cluster meets its performance metrics and strategic goals.
- **Purpose of Clusters:** Clusters are designed to promote collaboration and alignment across departments with similar functions, ensuring that resources are used effectively and that services are delivered efficiently.

### Structural Changes:

- **Creation of the Information Technology (IT) Cluster:** The department of Information Technology was previously part of the Administration Cluster. The department became a stand-alone cluster in FY 2024 and is responsible for managing the organization's digital infrastructure, cybersecurity, and technology initiatives.

### Importance of DC Water's Organizational Structure:

- **Leverage Organizational Strengths:** By reorganizing into functional clusters, DC Water aims to capitalize on the strengths of each department and improve collaboration across the organization.
- **Foster a High-Performing Team Culture:** Creation of a more cohesive and engaged workforce, where departments work together towards common goals and performance metrics.
- **Enhance the Employee Experience:** By streamlining processes and improving internal support, DC Water aims to provide a better work environment, which in turn enhances productivity and job satisfaction.
- **Improve Organizational Performance:** The new structure is designed to increase operational efficiency, reduce redundancies, and ensure that resources are allocated effectively to meet the utility's goals and objectives.

- **Serve the Public and Protect the Environment:** Ensure that DC Water continues to provide high-quality water and wastewater services to its customers, while also protecting the environment and complying with regulatory requirements.

### Reporting and Accountability:

- The Senior Executive Team (SET) members overseeing each cluster are responsible for ensuring that their departments meet the organization's service delivery standards and performance metrics. This structure promotes accountability and ensures that departments are aligned with DC Water's overall mission and strategic objectives.
- **Performance Metrics:** Each department within the clusters is assessed based on specific performance indicators, which help track progress toward strategic goals and identify areas for improvement.

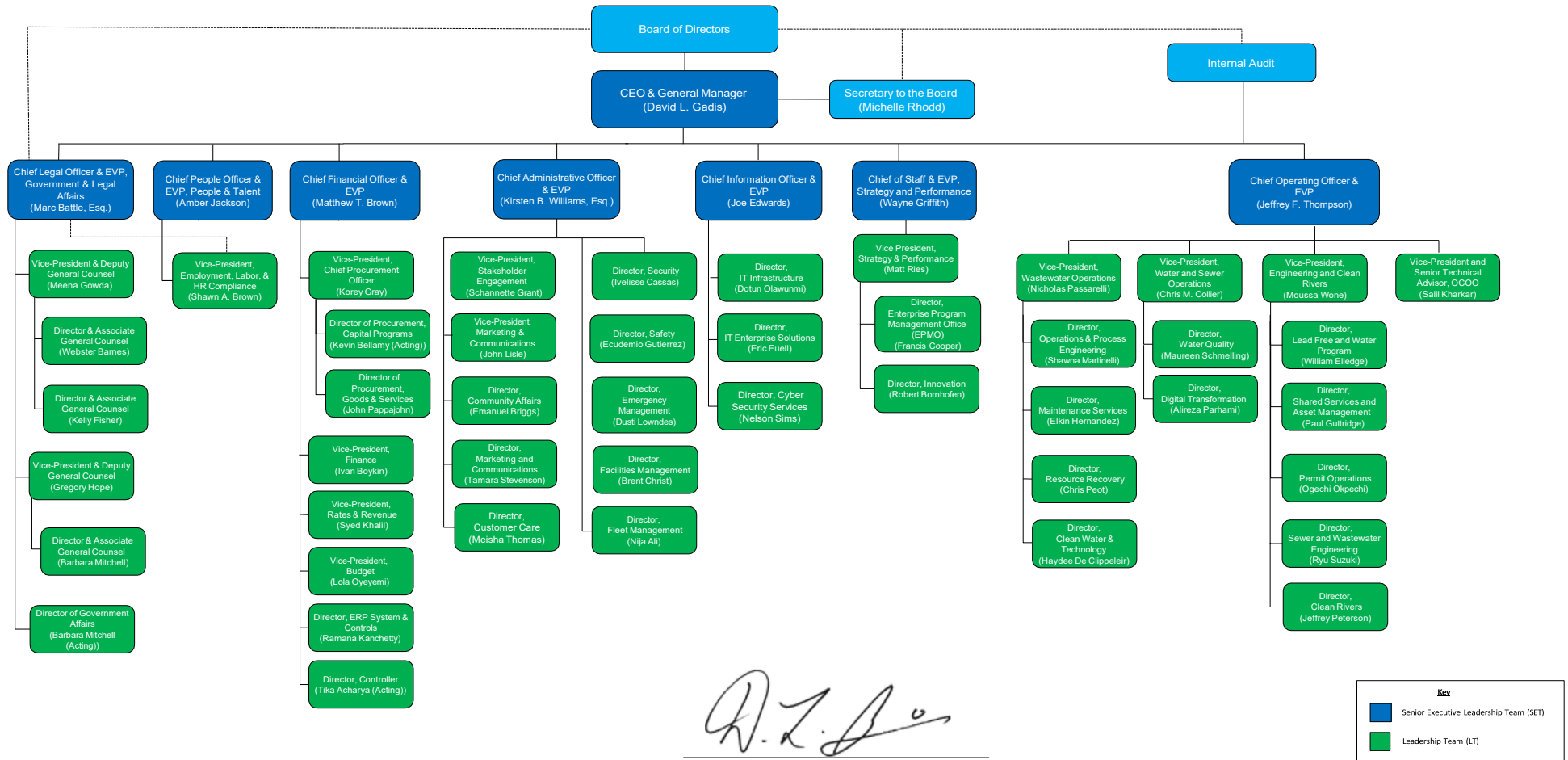
These structural changes are part of DC Water's ongoing efforts to optimize its operations, improve service delivery, and ensure the sustainable management of its resources.

### DC Water Clusters & Senior Executive Team (SET)



*Note: The Organizational Leadership structure was updated on March 5, 2025*

## DC WATER LEADERSHIP TEAM



*David L. Gadis*

David L. Gadis, CEO & General Manager



## Operating Expenditures Budget Linkage to Blueprint 2.0

DC Water's five-year strategic plan, called 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.dewater.com/strategic-plan](http://www.dewater.com/strategic-plan).



### Healthy, Safe and Well

Is everybody we impact healthy, safe and well?



### Sustainable

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



### Reliable

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



### Equitable

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

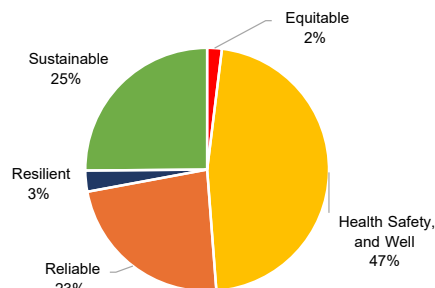


### Resilient

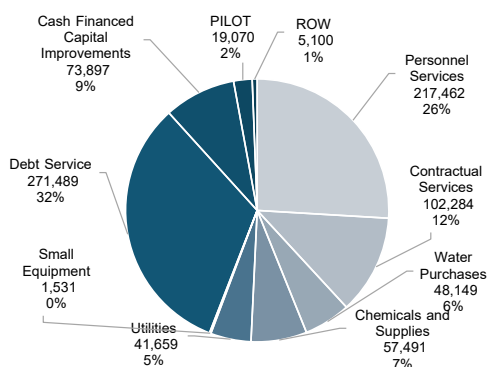
Are we able to cope with and recover from disruption, anticipating shocks and stressors to maintain service?

DC Water's budget is guided by its strategic plan. It serves as the primary lens through which budget requests are evaluated against established prioritization criteria and final budget decisions are made. The Approved FY 2026 operating budget advances DC Water's strategic plan and aligns it with the five imperatives of the Blueprint 2.0.

### FY 2026 Operations & Maintenance Budget Breakdown by Blueprint 2.0



### FY 2026 Operating Expenditures Budget Breakdown by Object



### Examples of Major Operating Expenditure Programs



Salaries, retirement and health benefits, employment taxes, janitorial services, trash removal and recycling services, insurance premiums, claims, safety parts, custodial supplies, and more.



Chemicals, biosolids hauling & disposal, Combined Heat & Power facility support, industrial cleaning, grit removal, drinking water purchases, industrial cleaning, Green Infrastructure maintenance, research & development, audits, and more.



Energy, water usage, overtime, maintenance & repair (automotive, equipment, HVAC, elevators), telecommunication, software & hardware maintenance, locate & mark services, critical parts and supplies, and more.



Security guard services, employee on call time, maintenance & repairs (meter, general, electrical high and low voltage, other), cybersecurity, and more.



Customer assistance and community outreach programs, legal matters, litigation contingency, employee parking subsidy, clothing & uniforms, employee orientation, internship programs, various employee training and conferences, and more.

## Operating Expenditures Budget

The Revised FY 2025 budget includes an amendment of \$5.5 million from debt service to the cash financed capital improvement fund due to the structure of new debt and refinancing. The overall operating expenditure budget for FY 2025 remains at the Board-adopted level.

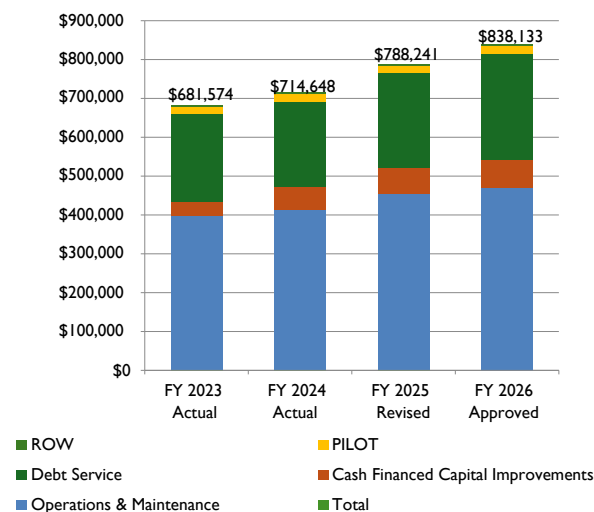
The Approved FY 2026 operating budget is \$838.1 million, an increase of \$50.7 million or 6.3% compared to FY 2025 level.

## Approved FY 2026 Operating Budget Changes

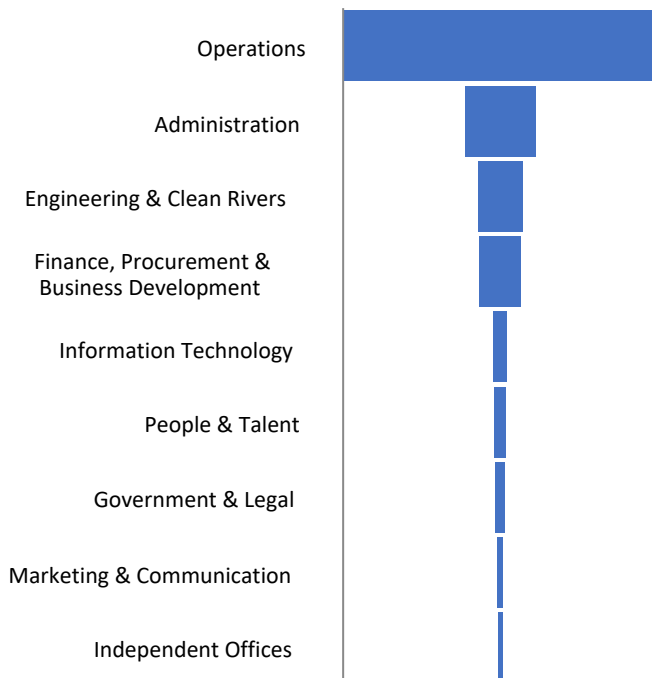
- **Personnel Services** (\$7.8 million increase): Reflects proposed adjustments for salaries, overtime and employee health benefits. Budget includes elimination of 45 hard to fill vacant positions, saving ratepayers \$5.7 million
- **Chemicals** (Relatively flat)
- **Supplies** (\$1.9 million increase): Reflects inflationary cost pressures for critical parts and custodial materials
- **Utilities** (\$1.3 million net increase): Higher electricity costs offset by reduced natural gas and water usage in treatment activities
- **Water Purchase** (\$2.8 million increase): DC Water's proportionate cost for dredging the Little Seneca Reservoir by the Washington Aqueduct.
- **Contractual Services** (no change)
- **Small Equipment** (\$0.2 million increase): Reflects rental of two cranes for use at Blue Plains
- **Debt Service** (\$27.5 million increase): for planned debt coverage between the projected senior and subordinate bond series
- **Cash Financed Capital Improvements** (\$7.9 million increase): PAYGO funding to reduce future borrowing costs
- **PILOT & ROW** (\$0.4 million increase): Payment to the District for Payment-in-Lieu-of Taxes and Right-of-Way fee which remains at the FY 2025 level



## Historical and Projected Operating Expenditures



## FY 2026 Operations & Maintenance Budget by Cluster



## Operating Expenditures by Object

DC Water's annual operating budget provides the resources necessary to sustain a multi-billion-dollar water distribution, sewage collection, and treatment system.

The FY 2026 Approved budget for Operations expenditures is \$838.1 million, which is an increase of 6.3% from the Revised FY 2025 budget. The operations and maintenance expenses are categorized into six major expenditure types: Personnel Services, Chemicals & Supplies, Contractual Services, Utilities and Rent, Water Purchases, and Small Equipment. Additionally, a portion of the personnel costs are capitalized in direct support of DC Water's Capital Improvement Program.

| \$ in thousands                                       | FY 2023<br>Year-End<br>Actual | FY 2024<br>Year-End<br>Actual | FY 2025<br>Revised<br>Budget | Approved<br>Budget | FY 2026<br>Change  | % Budget     |
|---|-------------------------------|-------------------------------|------------------------------|--------------------|--------------------|--------------|
| <b>Personnel Services</b>                             | <b>\$ 183,316</b>             | <b>\$ 192,994</b>             | <b>\$ 209,633</b>            | <b>\$ 217,462</b>  | <b>\$ (7,829)</b>  | <b>-3.7%</b> |
| <b>Chemicals &amp; Supplies</b>                       | 53,082                        | 55,596                        | 55,585                       | 57,491             | (1,906)            | -3.4%        |
| <b>Contractual Services</b>                           | 88,309                        | 89,276                        | 102,284                      | 102,284            | 0                  | 0.0%         |
| <b>Utilities and Rent</b>                             | 37,361                        | 34,202                        | 40,318                       | 41,659             | (1,341)            | -3.3%        |
| <b>Water Purchases</b>                                | 33,609                        | 38,904                        | 45,330                       | 48,149             | (2,819)            | -6.2%        |
| <b>Small Equipment</b>                                | 1,244                         | 1,599                         | 1,364                        | 1,531              | (167)              | -12.2%       |
| <b>Total O&amp;M Expenditures</b>                     | <b>\$ 396,921</b>             | <b>\$ 412,570</b>             | <b>\$ 454,513</b>            | <b>\$ 468,576</b>  | <b>\$ (14,063)</b> | <b>-3.1%</b> |
| <b>Debt Service</b>                                   | 225,852                       | 220,073                       | 243,969                      | 271,489            | (27,521)           | -11.3%       |
| <b>Cash Financed Capital Improvements</b>             | 35,730                        | 58,576                        | 65,963                       | 73,897             | (7,934)            | -12.0%       |
| <b>Payment in Lieu of Taxes</b>                       | 17,970                        | 18,330                        | 18,696                       | 19,070             | (374)              | -2.0%        |
| <b>Right of Way Fees</b>                              | 5,100                         | 5,100                         | 5,100                        | 5,100              | -                  | 0.0%         |
| <b>Total Operating Expenditures</b>                   | <b>\$ 681,574</b>             | <b>\$ 714,648</b>             | <b>\$ 788,241</b>            | <b>\$ 838,133</b>  | <b>\$ (49,892)</b> | <b>-6.3%</b> |
| <b>Personnel Services Charged to Capital Projects</b> | (27,813)                      | (26,699)                      | (34,087)                     | (30,907)           | (3,180)            | 9.3%         |
| <b>Net Operating</b>                                  | <b>\$ 653,760</b>             | <b>\$ 687,949</b>             | <b>\$ 754,154</b>            | <b>\$ 807,226</b>  | <b>\$ (53,072)</b> | <b>-7.0%</b> |



### PERSONNEL SERVICES



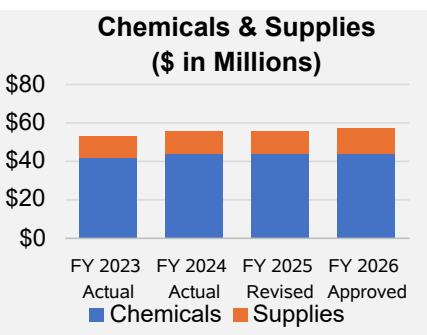
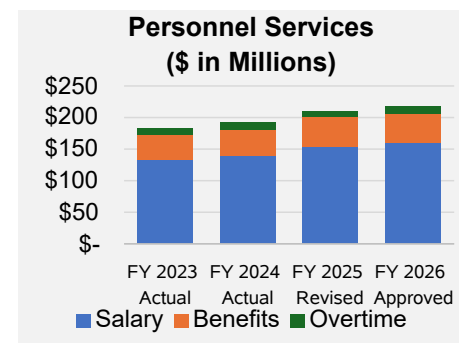
Healthy, Safe and Well



Reliable

Personnel Services covers the salaries, benefits, overtime, on-call and other employee compensations for 1283 full time employees, temporary part-time employees, apprentices and the DC Water's internship program.

Total costs for FY 2026 are estimated at \$217.5 million, or 27.4% of total operating budget and reflect a \$7.8 million or 3.7% increase from prior year. This increase in employee salaries and benefits is intended to improve employee retention in a highly competitive job market.



### CHEMICALS & SUPPLIES



Healthy, Safe and Well



Reliable



Resilient

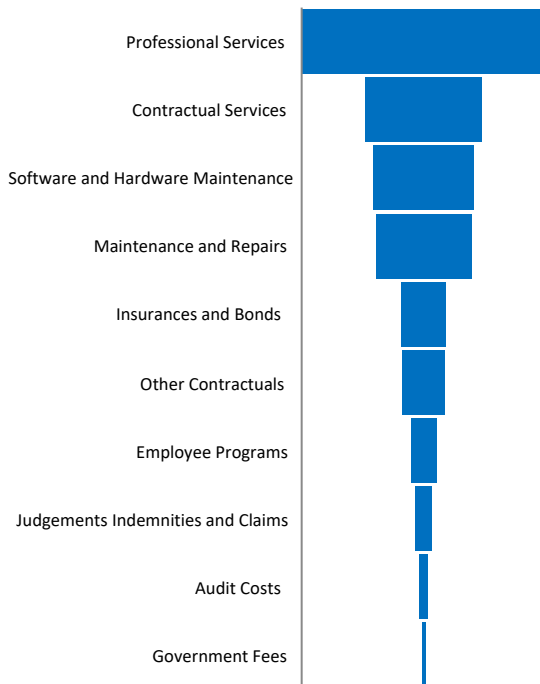
These include the various chemicals (Methanol, Polymer, Ferric Chloride, Etc.) used in the treatment processes, office supplies, custodial supplies including spare parts for maintaining critical assets, uniforms for operational and technical employees, etc.

The Approved FY 2026 budget is estimated at \$57.5 million, or 6.9 % of total operating budget and reflect a 3.4% increase from prior year budget. The \$1.9 million increase is mainly due to higher costs for critical spare parts and custodial supplies to maintain DC Water's infrastructure.

## FY 2026 Contractual Services



### CONTRACTUAL SERVICE



The Approved FY 2026 contractual budget is estimated at \$102.3 million, representing 12.2% of the total operating budget and remains relatively flat compared to the prior year. Key cost pressures include hauling, cleaning, IT support, utility marking, and security services, with budget reallocations focusing on travel, training, and professional services such as consulting, legal, and insurance.

### MAJOR CONTRACTUAL SERVICES

- **Professional Services:** Provides support for the Combined Heat & Power (CHP) facility, information technology, strategic, legal, financial advisory, strategic, temporary staffing, research and development, security and traffic services, and more
- **Contractual Services:** Hauling and disposal of waste materials, industrial cleaning, odor control, janitorial, reservoir, wet well and catch basin cleaning services and more
- **Software and Hardware Maintenance:** Software subscriptions, system updates, and technical support
- **Maintenance and Repairs:** Electrical, vehicles, heavy-duty equipment, HVAC, elevator systems
- **Employee Programs:** Tuition assistance, training, and conferences
- **Insurance Services:** Premiums for liability, property, and coverage
- **Other Contracts:** Locate and mark utilities, storage, printing, advertising, material transportation, and regional services.

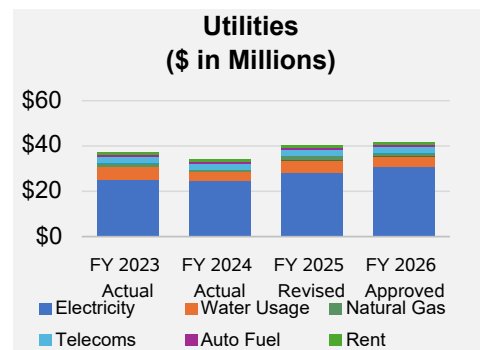


### UTILITIES

This covers the costs for telecommunications (radios, cell and phone lines), electricity, natural gas, water usage, building rentals, etc.

Total utilities costs for FY 2026 are estimated at \$41.7 million, or 4.98% of total operating budget, and reflect a 3.3% increase from prior year budget.

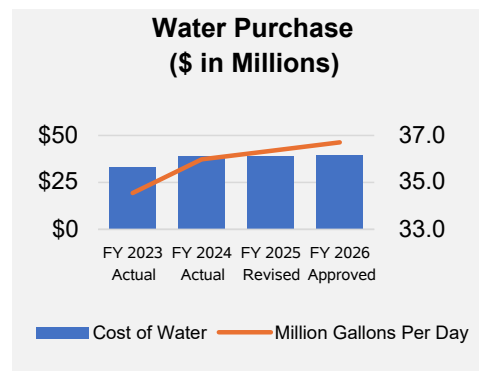
**Electricity** – The projected \$2.5 million increase in electricity is based on anticipated increase in capacity charges. Energy is used for various treatment activities at Blue Plains, Pump Stations, and various facilities. Onsite electric generation of 7MW from the Combined Heat & Power Facility mitigates cost growth and reduces reliance on the power grid.



### WATER PURCHASE

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

Total water purchase costs for FY 2026 are estimated at \$48 million, or 5.72% of total operating budget and reflect a 6.2% increase from prior year budget. The \$2.8 million increase is driven by DC Water's proportionate cost for the dredging of the Little Seneca Reservoir by the Washington Aqueduct.



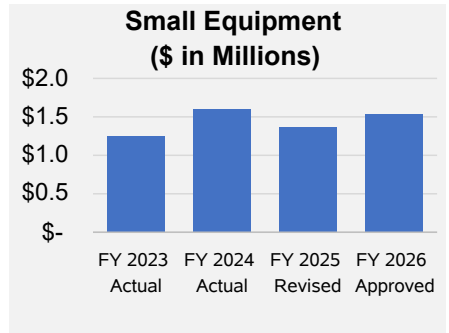


## SMALL EQUIPMENT

Healthy, Safe and Well Reliable Resilient

Small equipment includes items such as rented equipment, cranes, adding machines, cameras, small appliances, etc.

Total costs for FY 2026 are estimated at \$1.5 million, with a \$167K increase for renting additional cranes at Blue Plains facility.



## DEBT SERVICE & CFCI

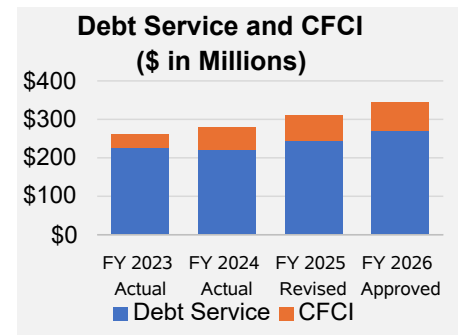
Healthy, Safe and Well Reliable Resilient

The Non-O&M category includes the debt service and cash financed capital improvement (CFCI), as well as Payment in Lieu of Taxes (PILOT) and Right-Of-Ways (ROW) fees.

Debt service refers to the repayment of principal and interest on debt issued for the capital program. As of FY 2024, the total debt service paid amounted to \$220 million, with a planned debt service payment of \$271.5 million in FY 2026.

The FY 2025 revised budget reflects reprogramming of \$5.5 million from debt service to CFCI for paygo to reduce future borrowing costs.

CFCI serves dual purpose as an Operations and Maintenance budget contingency, and provides sufficient debt service coverage/paygo.

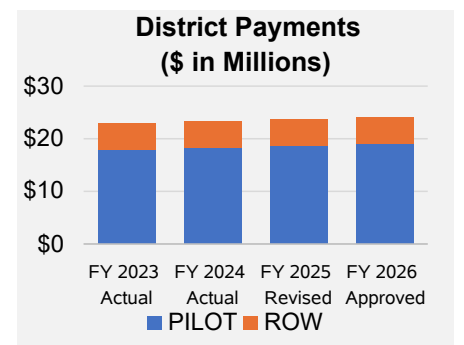


## DISTRICT PAYMENTS

Healthy, Safe and Well Reliable Resilient

These are payments to the District for water and sewer conduits that it occupies within the District of Columbia, consistent with an existing memorandum of understanding (MOU).

The PILOT is for \$19 million and increased by 2%, and the ROW amount is \$5.1 million, no change from the prior year.

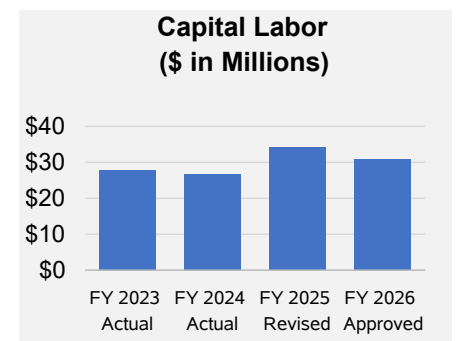


## CAPITAL LABOR

Healthy, Safe and Well Reliable Resilient

Capital labor charges represent costs for personnel directly supporting capital projects, including planning, design, and construction efforts.

The Approved FY 2026 budget is \$31 million and reflects a decrease of \$3 million mainly due to the elimination of aged and hard to fill vacancies in the engineering departments.





## Operating Expenditures by Department and Cluster

\$ in thousands)

| Departments & Clusters                         | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>REVISED | FY 2026<br>APPROVED |
|--|-------------------|-------------------|--------------------|---------------------|
| <b>OPERATIONS</b>                              | <b>\$ 240,603</b> | <b>\$ 251,636</b> | <b>\$ 272,880</b>  | <b>\$ 286,235</b>   |
| Office of the Chief Operating Officer          | 2,113             | 1,585             | 1,692              | 2,059               |
| Wastewater Treatment Operations                | 91,639            | 92,889            | 99,254             | 101,362             |
| Process Engineering                            | 7,862             | 6,432             | 8,534              | 8,468               |
| Maintenance Services                           | 21,627            | 24,233            | 24,763             | 26,945              |
| Clean Water and Technology                     | 3,686             | 3,878             | 5,055              | 5,486               |
| Resource Recovery                              | 6,670             | 6,833             | 7,775              | 8,354               |
| Water Operations                               | 66,140            | 74,193            | 80,716             | 87,507              |
| Pumping and Sewer Operations                   | 40,866            | 41,593            | 45,092             | 46,056              |
| <b>ENGINEERING</b>                             | <b>\$ 37,993</b>  | <b>\$ 37,204</b>  | <b>\$ 44,476</b>   | <b>\$ 40,148</b>    |
| Engineering & Technical Services               | 23,280            | 23,128            | 25,395             | 21,382              |
| CIP Infrastructure Management                  | 4,731             | 1,514             | 5,965              | 4,530               |
| Wastewater Engineering                         | 2,226             | 4,202             | 3,722              | 4,862               |
| Permit Operations                              | 4,637             | 4,946             | 5,286              | 5,399               |
| Clean Rivers                                   | 3,120             | 3,415             | 4,108              | 3,974               |
| <b>ADMINISTRATION</b>                          | <b>\$ 52,004</b>  | <b>\$ 55,828</b>  | <b>\$ 58,887</b>   | <b>\$ 63,927</b>    |
| Office of the Chief Administration Officer     | -                 | 491               | 1,466              | 1,325               |
| Customer Care                                  | 19,177            | 19,248            | 21,117             | 21,969              |
| Strategy and Performance                       | 2,991             | 2,925             | 2,738              | 3,244               |
| Office of Emergency Management                 | 1,605             | 1,560             | 1,682              | 1,801               |
| Fleet Management                               | 6,596             | 7,515             | 7,191              | 7,543               |
| Occupational Safety & Health                   | 2,259             | 2,647             | 2,859              | 3,370               |
| Facilities Management                          | 9,691             | 11,285            | 10,778             | 13,807              |
| Security                                       | 9,686             | 10,157            | 11,057             | 10,866              |
| <b>INFORMATION TECHNOLOGY</b>                  | <b>\$ 10,960</b>  | <b>\$ 11,037</b>  | <b>\$ 11,006</b>   | <b>\$ 12,155</b>    |
| Information Technology                         | 10,960            | 11,037            | 11,006             | 12,155              |
| <b>INDEPENDENT OFFICES</b>                     | <b>\$ 4,342</b>   | <b>\$ 4,490</b>   | <b>\$ 4,426</b>    | <b>\$ 4,547</b>     |
| Secretary to the Board                         | 385               | 808               | 875                | 1,033               |
| Office of the Chief Executive Officer          | 3,177             | 2,866             | 2,712              | 2,696               |
| Internal Audit (outsourced)                    | 780               | 815               | 839                | 818                 |
| <b>FINANCE &amp; PROCUREMENT</b>               | <b>\$ 30,796</b>  | <b>\$ 32,423</b>  | <b>\$ 40,490</b>   | <b>\$ 38,084</b>    |
| Finance  | 22,991            | 24,246            | 30,062             | 27,762              |
| Procurement                                    | 6,664             | 6,490             | 7,611              | 7,644               |
| Compliance and Business Development            | 1,141             | 1,687             | 2,318              | 2,477               |
| Non-Ratepayer Revenue Fund                     | -                 | -                 | 500                | 200                 |
| <b>MARKETING AND COMMUNICATION</b>             | <b>\$ 3,102</b>   | <b>\$ 3,891</b>   | <b>\$ 4,349</b>    | <b>\$ 4,850</b>     |
| Marketing and Communication                    | 3,102             | 3,891             | 4,349              | 4,850               |
| <b>PEOPLE AND TALENT</b>                       | <b>\$ 8,169</b>   | <b>\$ 10,128</b>  | <b>\$ 9,685</b>    | <b>\$ 10,262</b>    |
| People and Talent                              | 8,169             | 10,128            | 9,685              | 10,262              |
| <b>GOVERNMENT AND LEGAL AFFAIRS</b>            | <b>\$ 8,951</b>   | <b>\$ 5,934</b>   | <b>\$ 8,312</b>    | <b>\$ 8,369</b>     |
| Government and Legal Affairs                   | 8,951             | 5,934             | 8,312              | 8,369               |
| <b>Subtotal O &amp; M Expenditures</b>         | <b>\$ 396,921</b> | <b>\$ 412,570</b> | <b>\$ 454,513</b>  | <b>\$ 468,576</b>   |
| Debt Service                                   | 225,852           | 220,073           | 243,969            | 271,489             |
| Cash Financed Capital Improvements             | 35,730            | 58,576            | 65,963             | 73,897              |
| Payment in Lieu of Taxes                       | 17,970            | 18,330            | 18,696             | 19,070              |
| Right of Way Fees                              | 5,100             | 5,100             | 5,100              | 5,100               |
| <b>Total Operating Expenditures</b>            | <b>\$ 681,574</b> | <b>\$ 714,648</b> | <b>\$ 788,241</b>  | <b>\$ 838,133</b>   |
| Personnel Services charged to Capital Projects | (27,813)          | (26,699)          | (34,087)           | (30,907)            |
| <b>Total Net Operating Expenditures</b>        | <b>\$ 653,760</b> | <b>\$ 687,949</b> | <b>\$ 754,154</b>  | <b>\$ 807,226</b>   |



## FY 2025 Revised Budget by Department by Category

(\$ in thousands)

|  | Auth<br>Pos  | Pay               | Fringe           | Overtime        | Personnel<br>Services | Supplies         | Chemicals        | Utilities        | Contracts        | Biosolids       | Water<br>Purchases | Equipment       | Total Non-<br>Personnel<br>Services | Total<br>Operating |
|--|--------------|-------------------|------------------|-----------------|-----------------------|------------------|------------------|------------------|------------------|-----------------|--------------------|-----------------|-------------------------------------|--------------------|
| 810ZZZ-Wastewater Treatment Operations         | 106          | 11,114            | 3,491            | 1,530           | 16,134                | 341              | 43,878           |                  | 10,814           | -               | -                  | 118             | 83,119                              | 99,254             |
| 812ZZZ-Process Engineering                     | 36           | 4,521             | 1,407            | 32              | 5,960                 | 780              | -                |                  | 1,522            | -               | -                  | 228             | 2,574                               | 8,534              |
| 811ZZZ-Maintenance Services                    | 102          | 10,832            | 3,458            | 700             | 14,990                | 5,129            | -                |                  | 4,013            | -               | -                  | 500             | 9,773                               | 24,763             |
| 813ZZZ-Water Operations                        | 217          | 20,924            | 6,788            | 2,542           | 30,253                | 1,218            | 39               |                  | 3,254            | -               | 45,330             | 201             | 50,463                              | 80,716             |
| 600ZZZ-Customer Care                           | 120          | 11,343            | 3,616            | 304             | 15,264                | 105              | -                |                  | 5,431            | -               | -                  | 3               | 5,853                               | 21,117             |
| 801ZZZ-Engineering and Technical Services      | 112          | 15,825            | 5,228            | 938             | 21,992                | 151              | -                |                  | 2,975            | -               | -                  | -               | 3,403                               | 25,395             |
| 802ZZZ-CIP Infrastructure Management           | 24           | 4,651             | 1,205            | 5               | 5,861                 | -                | -                |                  | 104              | -               | -                  | -               | 104                                 | 5,965              |
| 803ZZZ-Wastewater Engineering                  | 23           | 2,176             | 613              | 10              | 2,799                 | 10               | -                |                  | 914              | -               | -                  | -               | 924                                 | 3,722              |
| 800ZZZ-Clean Rivers                            | 8            | 1,727             | 445              | -               | 2,172                 | 10               | -                |                  | 1,858            | -               | -                  | -               | 1,936                               | 4,108              |
| 804ZZZ-Permit Operations                       | 28           | 3,506             | 1,024            | 55              | 4,585                 | 30               | -                |                  | 644              | -               | -                  | -               | 701                                 | 5,286              |
| 814ZZZ-Pumping and Sewer Operations            | 195          | 19,819            | 6,457            | 2,134           | 28,409                | 1,620            | 162              |                  | 5,869            | -               | -                  | 143             | 16,683                              | 45,092             |
| 810YYY-Resource Recovery                       | 8            | 1,067             | 356              | 90              | 1,513                 | 1                | -                |                  | 966              | 5,278           | -                  | -               | 6,262                               | 7,775              |
| 810XXX- Clean Water and Technology             | 12           | 1,625             | 398              | 250             | 2,273                 | 554              | -                |                  | 2,203            | -               | -                  | -               | 2,782                               | 5,055              |
| <b>Subtotal Operations</b>                     | <b>991</b>   | <b>\$109,129</b>  | <b>\$34,486</b>  | <b>\$8,590</b>  | <b>\$152,205</b>      | <b>\$9,949</b>   | <b>\$44,079</b>  | <b>\$38,181</b>  | <b>\$40,568</b>  | <b>\$5,278</b>  | <b>\$45,330</b>    | <b>\$1,193</b>  | <b>\$184,577</b>                    | <b>\$336,781</b>   |
| 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                          | 0            | -                 | -                | -               | -                     | -                | -                | -                | 839              | -               | -                  | -               | 839                                 | 839                |
| 103ZZZ-Marketing and Communication             | 20           | 2,608             | 664              | -               | 3,271                 | 8                | -                | 17               | 1,044            | -               | -                  | 9               | 1,078                               | 4,349              |
| 104ZZZ-Office of Chief Operating Officer       | 5            | 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                                | 8            | 1,153             | 248              | 0               | 1,401                 | 32               | -                | 393              | 9,211            | -               | -                  | 20              | 9,656                               | 11,057             |
| 300ZZZ-Finance                                 | 65           | 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              | 0            | -                 | -                | -               | -                     | -                | -                | -                | 500              | -               | -                  | -               | 500                                 | 500                |
| 303ZZZ-Compliance & Business Development       | 11           | 1,476             | 431              | -               | 1,907                 | 9                | -                | 5                | 397              | -               | -                  | -               | 411                                 | 2,318              |
| 400ZZZ-Strategy and Performance                | 9            | 1,403             | 343              | -               | 1,745                 | 6                | -                | 3                | 983              | -               | -                  | -               | 992                                 | 2,738              |
| 500ZZZ-People and Talent                       | 33           | 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              |
| <b>Subtotal Administration</b>                 | <b>334</b>   | <b>\$44,976</b>   | <b>\$11,939</b>  | <b>\$513</b>    | <b>\$57,428</b>       | <b>\$1,558</b>   | <b>-</b>         | <b>\$2,137</b>   | <b>\$56,438</b>  | <b>-</b>        | <b>-</b>           | <b>\$171</b>    | <b>\$60,304</b>                     | <b>\$117,732</b>   |
| <b>Subtotal O &amp; M Expenditures</b>         | <b>1,325</b> | <b>\$ 154,105</b> | <b>\$ 46,425</b> | <b>\$ 9,103</b> | <b>\$ 209,633</b>     | <b>\$ 11,506</b> | <b>\$ 44,079</b> | <b>\$ 40,318</b> | <b>\$ 97,006</b> | <b>\$ 5,278</b> | <b>\$ 45,330</b>   | <b>\$ 1,364</b> | <b>\$ 244,881</b>                   | <b>\$ 454,513</b>  |
| Debt Service                                   |              |                   |                  |                 |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 243,969            |
| Cash Financed Capital Improvements             |              |                   |                  |                 |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 65,963             |
| Payment in Lieu of Taxes                       |              |                   |                  |                 |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 18,696             |
| Right of Way                                   |              |                   |                  |                 |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 5,100              |
| <b>Total OPERATING EXPENDITURES</b>            |              |                   |                  |                 |                       |                  |                  |                  |                  |                 |                    |                 |                                     | <b>788,241</b>     |
| Personnel Services charged to Capital Projects |              |                   |                  |                 |                       |                  |                  |                  |                  |                 |                    |                 |                                     | (34,087)           |
| <b>TOTAL NET OPERATING EXPENDITURES</b>        |              |                   |                  |                 |                       |                  |                  |                  |                  |                 |                    |                 |                                     | <b>\$754,154</b>   |

## FY 2026 Approved Budget by Department byCategory

(\$ in thousands)

|  | Auth<br>Pos  | Pay               | Fringe           | Overtime         | Personnel<br>Services | Supplies         | Chemicals        | Utilities        | Contracts        | Biosolids       | Water<br>Purchases | Equipment       | Total Non-<br>Personnel<br>Services | Total<br>Operating |
|--|--------------|-------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|-----------------|--------------------|-----------------|-------------------------------------|--------------------|
| 810ZZZ-Wastewater Treatment Operations         | 105          | 11,780            | 3,930            | 1,538            | 17,249                | 346              | 43,955           | 28,557           | 11,180           | -               | -                  | 74              | 84,113                              | 101,362            |
| 812ZZZ-Process Engineering                     | 36           | 4,772             | 1,498            | 28               | 6,298                 | 579              | -                | 32               | 1,558            | -               | -                  | -               | 2,169                               | 8,468              |
| 811ZZZ-Maintenance Services                    | 97           | 10,644            | 3,168            | 906              | 14,718                | 5,919            | -                | 146              | 5,152            | -               | -                  | 1,010           | 12,227                              | 26,945             |
| 813ZZZ-Water Operations                        | 211          | 21,940            | 7,024            | 3,492            | 32,455                | 1,518            | 39               | 445              | 4,780            | -               | 48,149             | 120             | 55,051                              | 87,507             |
| 600ZZZ-Customer Care                           | 119          | 12,306            | 3,458            | 404              | 16,168                | 112              | -                | 382              | 5,304            | -               | -                  | 3               | 5,801                               | 21,969             |
| 801ZZZ-Engineering and Technical Services      | 104          | 13,798            | 3,941            | 938              | 18,677                | 150              | -                | 320              | 2,214            | -               | -                  | 20              | 2,705                               | 21,382             |
| 802ZZZ-CIP Infrastructure Management           | 23           | 3,547             | 915              | 7                | 4,469                 | 10               | -                | 0                | 52               | -               | -                  | -               | 62                                  | 4,530              |
| 803ZZZ-Wastewater Engineering                  | 18           | 3,130             | 810              | 1                | 3,941                 | 2                | -                | 0                | 919              | -               | -                  | -               | 921                                 | 4,862              |
| 800ZZZ-Clean Rivers                            | 9            | 1,788             | 461              | -                | 2,250                 | 5                | -                | 63               | 1,657            | -               | -                  | -               | 1,724                               | 3,974              |
| 804ZZZ-Permit Operations                       | 28           | 3,466             | 1,034            | 65               | 4,566                 | 19               | -                | 22               | 792              | -               | -                  | -               | 834                                 | 5,399              |
| 810XXX- Clean Water and Technology             | 14           | 1,851             | 495              | 100              | 2,446                 | 856              | -                | 1                | 2,182            | -               | -                  | -               | 3,040                               | 5,486              |
| 810YYY-Resource Recovery                       | 9            | 1,182             | 385              | 154              | 1,721                 | 7                | -                | 1                | 804              | 5,821           | -                  | -               | 6,633                               | 8,354              |
| 814ZZZ-Pumping and Sewer Operations            | 178          | 19,697            | 6,166            | 2,904            | 28,768                | 1,727            | 0                | 9,591            | 5,828            | -               | -                  | 142             | 17,288                              | 46,056             |
| <b>Subtotal Operations</b>                     | <b>951</b>   | <b>\$109,903</b>  | <b>\$33,286</b>  | <b>\$10,537</b>  | <b>\$153,726</b>      | <b>\$11,250</b>  | <b>\$43,995</b>  | <b>\$39,561</b>  | <b>\$42,421</b>  | <b>\$5,821</b>  | <b>\$48,149</b>    | <b>\$1,369</b>  | <b>\$192,566</b>                    | <b>\$346,293</b>   |
| 100ZZZ-Secretary to the Board                  | 3            | 512               | 132              | -                | 644                   | 3                | -                | 9                | 377              | -               | -                  | -               | 388                                 | 1,033              |
| 101ZZZ-Office of Chief Executive Officer       | 4            | 1,097             | 265              | -                | 1,362                 | 7                | -                | 35               | 1,292            | -               | -                  | -               | 1,334                               | 2,696              |
| 102ZZZ-Internal Audit                          | -            | -                 | -                | -                | -                     | -                | -                | 0                | 818              | -               | -                  | -               | 818                                 | 818                |
| 103ZZZ-Marketing and Communication             | 20           | 3,137             | 685              | 3                | 3,825                 | 7                | -                | 30               | 988              | -               | -                  | -               | 1,025                               | 4,850              |
| 104ZZZ-Office of Chief Operating Officer       | 5            | 1,135             | 280              | -                | 1,415                 | 2                | -                | 2                | 627              | -               | -                  | 13              | 644                                 | 2,059              |
| 105ZZZ-Office of Chief Administration Officer  | 2            | 446               | 111              | -                | 557                   | -                | -                | 3                | 765              | -               | -                  | -               | 769                                 | 1,325              |
| 201ZZZ-Office of Emergency Management          | 7            | 1,024             | 264              | -                | 1,287                 | 21               | -                | 14               | 479              | -               | -                  | -               | 514                                 | 1,801              |
| 202ZZZ-Fleet Management                        | 7            | 895               | 261              | 4                | 1,160                 | 1,333            | -                | 1,161            | 3,864            | -               | -                  | 25              | 6,383                               | 7,543              |
| 203ZZZ-Occupational Safety                     | 16           | 1,770             | 473              | 3                | 2,246                 | 15               | -                | 22               | 1,087            | -               | -                  | -               | 1,124                               | 3,370              |
| 204ZZZ-Facilities Management                   | 53           | 5,355             | 1,678            | 475              | 7,508                 | 763              | -                | 96               | 5,337            | -               | -                  | 103             | 6,299                               | 13,807             |
| 205ZZZ-Security                                | 9            | 1,223             | 323              | 2                | 1,548                 | 44               | -                | 387              | 8,877            | -               | -                  | 10              | 9,318                               | 10,866             |
| 300ZZZ-Finance                                 | 65           | 10,589            | 3,147            | 45               | 13,781                | 10               | -                | 43               | 13,929           | -               | -                  | -               | 13,982                              | 27,762             |
| 301ZZZ-Procurement                             | 39           | 5,411             | 1,561            | 120              | 7,092                 | 11               | -                | 49               | 494              | -               | -                  | 0               | 553                                 | 7,644              |
| 302ZZZ-Non-Ratepayer Revenue Fund              | -            | -                 | -                | -                | -                     | -                | -                | 0                | 200              | -               | -                  | -               | 200                                 | 200                |
| 303ZZZ-Compliance & Business Development       | 11           | 1,527             | 438              | -                | 1,965                 | 10               | -                | 0                | 502              | -               | -                  | -               | 512                                 | 2,477              |
| 400ZZZ-Strategy and Performance                | 9            | 1,763             | 459              | -                | 2,222                 | -                | -                | 2                | 1,020            | -               | -                  | -               | 1,022                               | 3,244              |
| 500ZZZ-People and Talent                       | 31           | 4,834             | 1,277            | 3                | 6,113                 | 5                | -                | 32               | 4,112            | -               | -                  | -               | 4,149                               | 10,262             |
| 601ZZZ-Information Technology                  | 37           | 5,976             | 1,448            | 6                | 7,430                 | 16               | -                | 180              | 4,517            | -               | -                  | 11              | 4,725                               | 12,155             |
| 700ZZZ-Government and Legal Affairs            | 14           | 2,751             | 827              | 2                | 3,580                 | -                | -                | 30               | 4,759            | -               | -                  | -               | 4,789                               | 8,369              |
| <b>Subtotal Administration</b>                 | <b>332</b>   | <b>\$49,444</b>   | <b>\$13,629</b>  | <b>\$663</b>     | <b>\$63,736</b>       | <b>\$2,246</b>   | <b>-</b>         | <b>\$2,098</b>   | <b>\$54,041</b>  | <b>-</b>        | <b>-</b>           | <b>\$162</b>    | <b>\$58,547</b>                     | <b>\$122,283</b>   |
| <b>Subtotal O &amp; M Expenditures</b>         | <b>1,283</b> | <b>\$ 159,348</b> | <b>\$ 46,914</b> | <b>\$ 11,200</b> | <b>\$ 217,462</b>     | <b>\$ 13,496</b> | <b>\$ 43,995</b> | <b>\$ 41,659</b> | <b>\$ 96,462</b> | <b>\$ 5,821</b> | <b>\$ 48,149</b>   | <b>\$ 1,531</b> | <b>\$ 251,114</b>                   | <b>\$ 468,576</b>  |
| Debt Service                                   |              |                   |                  |                  |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 271,489            |
| Cash Financed Capital Improvements             |              |                   |                  |                  |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 73,897             |
| Payment in Lieu of Taxes                       |              |                   |                  |                  |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 19,070             |
| Right of Way                                   |              |                   |                  |                  |                       |                  |                  |                  |                  |                 |                    |                 |                                     | 5,100              |
| <b>Total OPERATING EXPENDITURES</b>            |              |                   |                  |                  |                       |                  |                  |                  |                  |                 |                    |                 |                                     | <b>838,133</b>     |
| Personnel Services charged to Capital Projects |              |                   |                  |                  |                       |                  |                  |                  |                  |                 |                    |                 |                                     | (30,907)           |
| <b>TOTAL NET OPERATING EXPENDITURES</b>        |              |                   |                  |                  |                       |                  |                  |                  |                  |                 |                    |                 |                                     | <b>\$807,226</b>   |

## Summary of Authorized Positions by Department

DC Water is focused on reducing its vacancy rate by assessing staffing requirements and increasing hiring efforts in critical areas. In past years, hard-to-fill positions were deactivated, and new roles were added to align with operational needs such as water quality compliance and strategic programs. This reflects DC Water's commitment to efficiency and achieving a lower single-digit vacancy rate.

### Explanation of Changes to Authorized Positions

#### Overview:

- In FY 2023, the authorized headcount was revised from 1325 to 1308, resulting in the elimination of 17 positions identified as hard-to-fill positions across the Authority
- In FY 2024 and FY 2025, the Authority introduced new positions across multiple departments to support key initiatives aimed at addressing areas of greatest need, driving efficiency, and filling critical roles

#### Key Drivers of Growth:

- Operational Expansion:** The expansion of operational activities required additional staff to manage increased workloads and ensure efficiency
- Strategic Initiatives:** New strategic initiatives, such as the implementation of advanced technologies and customer service enhancements, necessitated the creation of specialized roles
- Regulatory Compliance:** Compliance with new regulatory requirements led to the establishment of positions focused on ensuring adherence to industry standards

#### Impact on Workforce:

- The authorized headcount increased by approximately 1.3% from FY 2023 to FY 2025, reflecting the organization's commitment to scaling its operations and enhancing service quality

### Major FY 2026 Position Changes

#### Overview of FY 2026:

- DC Water continues to refine its workforce strategy to align with evolving business needs and market conditions. This includes both the elimination of existing vacant positions (through redirection of aged vacant positions) without active recruitment and the addition of minimum new positions to remain responsive to changing demands

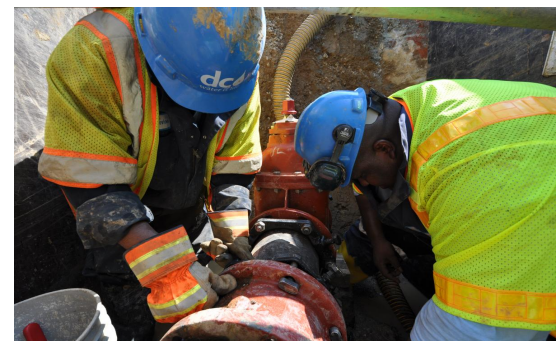
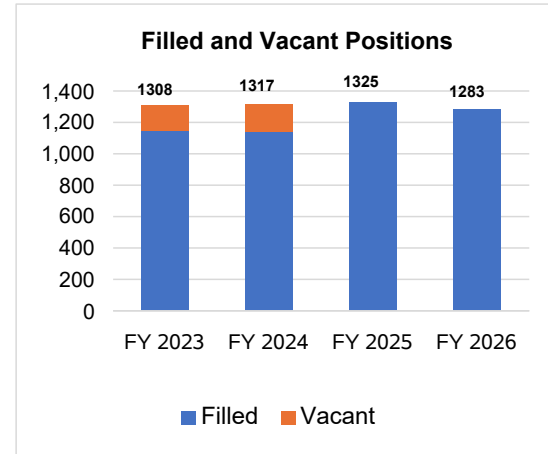
#### Significant Changes in FY 2026:

- New Positions:** Introduction of 3 new positions in key areas such as information technology, emergency management, and research and development
- Headcount Adjustments:** Elimination of 45 vacant positions to maintain a balanced workforce, ensuring that the organization remains agile and optimize resource utilization. This reflects DC Water's commitment to efficiency and achieving a lower single digit vacancy rate than historical trends

#### Rationale for Changes:

- Strategic Alignment:** Ensuring that the workforce is aligned with the organization's long-term strategic goals and objectives
- Operational Efficiency:** Enhancing operational efficiency by optimizing the allocation of human resources
- Market Adaptation:** Adapting to market trends and customer expectations by investing in areas with the highest impact on service delivery and business growth

These position changes reflect management's proactive approach to workforce planning, ensuring that it remains well-equipped to meet future challenges and opportunities.



## Authorized Positions

|                 |  | FY 2023    |                  | FY 2024    |                  | FY 2025    | FY 2025 | FY 2026    |
|-----------------|--|------------|------------------|------------|------------------|------------|---------|------------|
|                 |  | Authorized | Year -End Filled | Authorized | Year -End Filled | Authorized | Revised | Authorized |
| O               | Wastewater Treatment Operations            | 106        | 101              | 106        | 101              | 104        | 106     | 105        |
| p               | Process Engineering                        | 36         | 30               | 36         | 29               | 35         | 36      | 36         |
| e               | Maintenance Services                       | 98         | 94               | 102        | 91               | 102        | 102     | 97         |
| r               | Water Operations                           | 213        | 192              | 212        | 193              | 213        | 217     | 211        |
| a               | Customer Care                              | 120        | 104              | 120        | 109              | 120        | 120     | 119        |
| t               | Pumping and Sewer Operations               | 183        | 167              | 185        | 163              | 186        | 195     | 178        |
| i               | Engineering and Technical Services         | 133        | 119              | 120        | 104              | 128        | 112     | 104        |
| o               | Wastewater Engineering                     | 22         | 7                | 27         | 16               | 20         | 23      | 18         |
| n               | CIP Infrastructure Management              | 31         | 28               | 27         | 23               | 30         | 24      | 23         |
| s               | Clean Rivers                               | 10         | 7                | 9          | 6                | 9          | 8       | 9          |
|                 | Permit Operations                          | 29         | 25               | 29         | 26               | 29         | 28      | 28         |
|                 | Resource Recovery                          | 8          | 7                | 8          | 8                | 9          | 8       | 9          |
|                 | Clean Water and Technology                 | 12         | 11               | 12         | 12               | 13         | 12      | 14         |
| Subtotal        |  | 1,001      | 892              | 993        | 881              | 998        | 991     | 951        |
| A               | Office of the Chief Executive Officer      | 4          | 3                | 4          | 4                | 4          | 4       | 4          |
| d               | Office of the Chief Operating Officer      | 3          | 2                | 5          | 4                | 4          | 5       | 5          |
| m               | Office of the Chief Administration Officer | 0          | 0                | 2          | 1                | 2          | 2       | 2          |
| i               | Strategy and Performance                   | 9          | 7                | 9          | 6                | 8          | 9       | 9          |
| n               | Office of the Secretary                    | 3          | 2                | 3          | 2                | 3          | 3       | 3          |
| i               | Internal Audit (outsourced)                | -          | -                | -          | -                | -          | -       | -          |
| s               | Government and Legal Affairs               | 14         | 13               | 14         | 13               | 14         | 14      | 14         |
| t               | Marketing and Communication                | 14         | 10               | 19         | 12               | 19         | 20      | 20         |
| r               | People and Talent                          | 34         | 25               | 33         | 21               | 29         | 33      | 31         |
| a               | Information Technology                     | 37         | 32               | 37         | 32               | 37         | 37      | 37         |
| t               | Procurement                                | 35         | 32               | 35         | 27               | 39         | 39      | 39         |
| i               | Compliance and Business Development        | 7          | 7                | 8          | 7                | 11         | 11      | 11         |
| o               | Finance                                    | 60         | 47               | 64         | 57               | 64         | 65      | 65         |
| n               | Office of Emergency Management             | 6          | 4                | 6          | 6                | 6          | 6       | 7          |
|                 | Facilities Management                      | 50         | 43               | 52         | 47               | 52         | 52      | 53         |
|                 | Security                                   | 7          | 7                | 7          | 7                | 9          | 8       | 9          |
|                 | Occupational Safety and Health             | 16         | 11               | 18         | 9                | 18         | 18      | 16         |
|                 | Fleet Management                           | 8          | 7                | 8          | 5                | 8          | 8       | 7          |
| Subtotal        |  | 307        | 252              | 324        | 260              | 327        | 334     | 332        |
| Total Positions |  | 1,308      | 1,144            | 1,317      | 1,141            | 1,325      | 1,325   | 1,283      |

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

### Position Highlights

- Reflects the recommendation to eliminate 45 existing hard-to-fill and aged vacant positions, resulting in an estimated cost savings of \$5.7 million
- Includes the addition of 3 new positions (through reallocation of aged and hard-to-fill vacant positions) to meet organizational headcount needs and support key initiatives
- Assumes an overall vacancy rate of 7% in FY 2025 and 5% in FY 2026, driven by the elimination of existing vacancies. Historically, the Authority has faced a double-digit vacancy rate, with the vacancy rate based on active recruitment standing at 9.6% at the close of FY 2024
- Aligns with the strategic plan, Blueprint 2.0, to set priorities and strengthen operations, ensuring alignment with long-term goals and enhancing overall efficiency

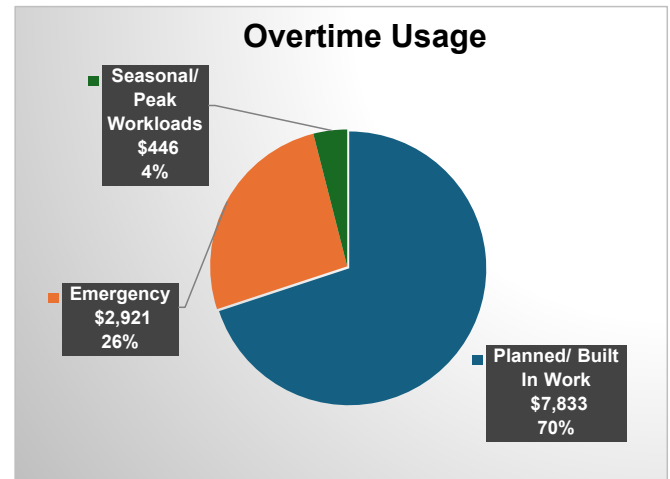
## Summary of Overtime

(\$ in thousands)

At DC Water, overtime is mainly used to ensure continuity of operations in critical areas such as maintenance, facilities, customer service, cyclical events and respond to emergencies impacting customers.

Below is the breakdown of the overtime usage and costs by department:

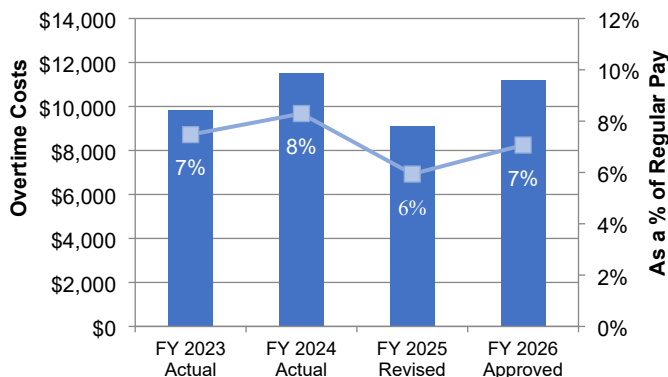
- **Planned/Built-in Work:** This includes overtime that is scheduled in advance to cover regular, ongoing tasks that cannot be completed within standard working hours. It ensures that essential services are maintained without interruption.
- **Emergency Work:** This type of overtime is used to respond to unexpected events or emergencies that require immediate attention. It ensures that the organization can quickly address issues such as equipment failures, natural disasters, or other urgent situations.
- **Seasonal or Peak Workloads:** Overtime is also used to manage periods of increased demand, such as during peak seasons or special projects. This helps the organization handle temporary spikes in workload without hiring additional staff. Additionally, at the end of the fiscal year, overtime may be necessary to complete tasks related to closing out the year's accounts, preparing reports, and ensuring that all financial and operational activities are properly documented.



(\$ in thousands)

| Department                            | FY 2023 Actual  | FY 2024 Actual   | FY 2025 Revised | FY 2026 Approved |
|---------------------------------------|-----------------|------------------|-----------------|------------------|
| Wastewater Treatment Operations       | \$ 1,603        | \$ 1,451         | \$ 1,530        | \$ 1,538         |
| Resource Recovery                     | 143             | 145              | 90              | 154              |
| Clean Water and Technology            | 253             | 92               | 250             | 100              |
| Process Engineering                   | 37              | 27               | 32              | 28               |
| Maintenance Services                  | 739             | 855              | 700             | 906              |
| Engineering and Technical Services    | 792             | 877              | 938             | 938              |
| CIP Infrastructure Management         | 1               | 6                | 5               | 7                |
| Wastewater Engineering                | 0               | 0                | 10              | 1                |
| Permit Operations                     | 61              | 57               | 55              | 65               |
| Water Operations                      | 2,537           | 3,790            | 2,542           | 3,492            |
| Pumping and Sewer Operations          | 2,738           | 3,144            | 2,134           | 2,904            |
| Clean Rivers                          | -               | -                | -               | -                |
| Customer Care                         | 360             | 476              | 304             | 404              |
| Information Technology                | 6               | 6                | 6               | 6                |
| Office of Emergency Management        | -               | -                | -               | -                |
| Fleet Management                      | 10              | 3                | 6               | 4                |
| Occupational Safety and Health        | 0               | 2                | -               | 3                |
| Facilities Management                 | 365             | 448              | 325             | 475              |
| Security                              | 2               | 2                | 0               | 2                |
| Secretary for the Board               | -               | -                | -               | -                |
| Office of the Chief Executive Officer | -               | -                | -               | -                |
| Internal Audit                        | -               | -                | -               | -                |
| Finance                               | 89              | 32               | 83              | 45               |
| Procurement                           | 96              | 101              | 90              | 120              |
| Compliance and Business Development   | -               | -                | -               | -                |
| Marketing and Communication           | 2               | 2                | -               | 3                |
| People and Talent                     | 5               | 2                | -               | 3                |
| Government and Legal Affairs          | 1               | 1                | 3               | 2                |
| <b>Total</b>                          | <b>\$ 9,840</b> | <b>\$ 11,520</b> | <b>\$ 9,103</b> | <b>\$ 11,200</b> |

### Annual Overtime Trend





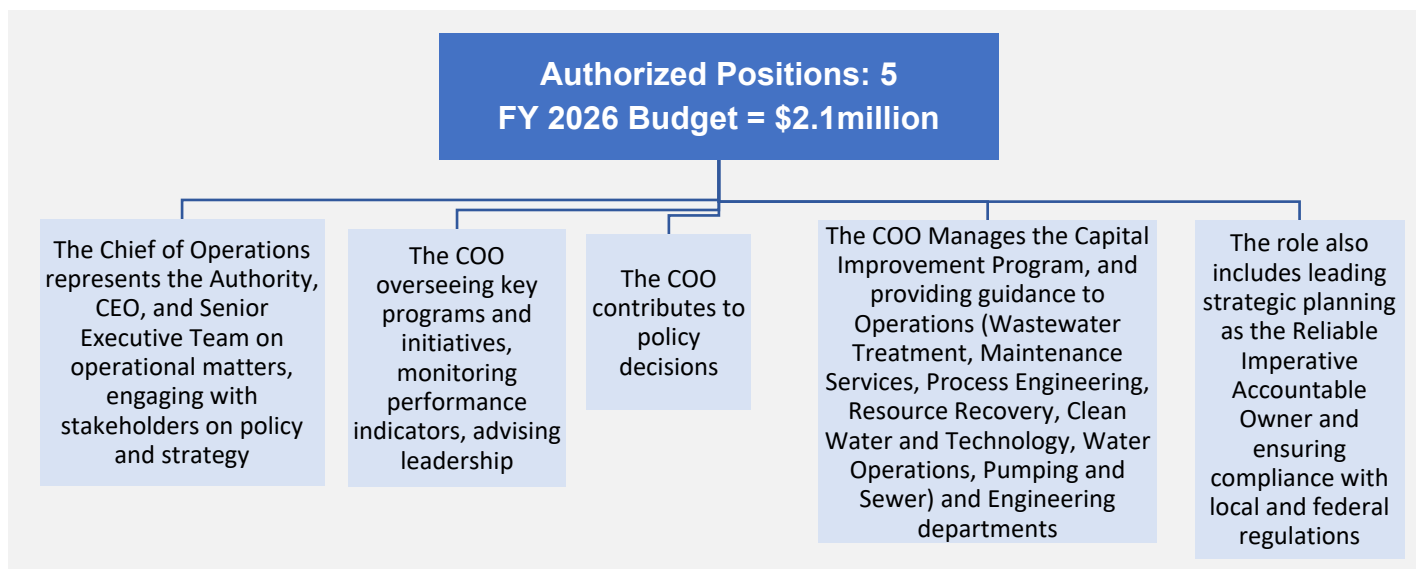
## CLUSTER: OPERATIONS

### DEPARTMENT: OFFICE OF THE CHIEF OPERATING OFFICER (COO)

**Purpose:** To support and provide oversight, guidance and strategic direction, to ensure alignment with the vision and strategic direction cast by the CEO and Board of Directors

**Mission:** Effectively, efficiently, and reliably manage the core operations 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 mitigate risks to day-to-day operations and critical infrastructure

#### Organization Structure





## DEPARTMENT: OFFICE OF THE CHIEF OPERATING OFFICER (COO)

### FY 2026 Operating Budget Overview

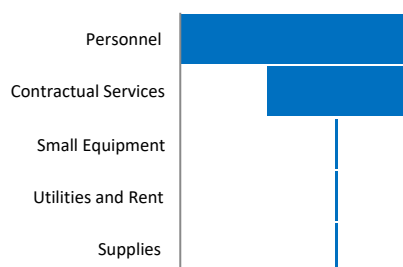
**Personnel Services:** Increase reflects salary and benefit adjustments in line with year-over-year trends

**Non-Personnel Services:** Relatively flat

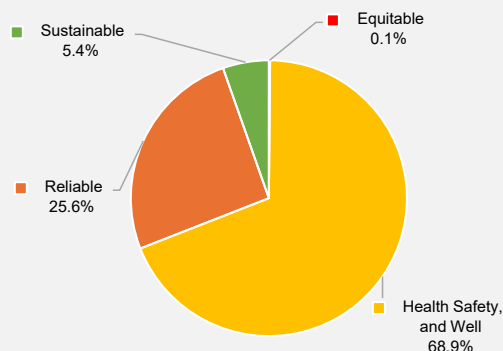
**Capital Equipment:** No Activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|--------------|
| Headcount: Authorized             | 3                 | 5                 | 5                  | 5                   | 0                               | 0%           |
| Personnel Services                | \$ 967            | \$ 1,267          | \$ 1,051           | \$ 1,415            | \$ (364)                        | (35)%        |
| Contractual Services              | 1,105             | 155               | 638                | 627                 | 11                              | 2%           |
| Chemicals and Supplies            | -                 | -                 | 2                  | 2                   | 0                               | 0%           |
| Utilities and Rent                | -                 | -                 | 1                  | 2                   | (1)                             | (66)%        |
| Small Equipment                   | 41                | 164               | -                  | 13                  | (13)                            | -            |
| Non Personnel Services            | 1,146             | 318               | 641                | 644                 | (3)                             | (1)%         |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 2,113</b>   | <b>\$ 1,585</b>   | <b>\$ 1,692</b>    | <b>\$ 2,059</b>     | <b>\$ (367)</b>                 | <b>(22)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                               | -            |

#### Approved Budget



#### Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND CHANGES

- Oversee the completion of the Anacostia Tunnel as part of the Clean Rivers Program – emphasizing sustainable infrastructure development
- Lead negotiation of the National Pollutant Discharge Elimination System (NPDES) Permit for the Blue Plains Advanced Wastewater Treatment Plant, ensuring regulatory compliance and strategic alignment with operational goals
- Provide strategic oversight for effective execution of the large Capital Improvement Program (CIP), proactively minimizing risks to critical infrastructure

### ACCOMPLISHMENTS

- Supported departments in achieving the 11th consecutive Platinum Award from the National Association of Clean Water Agencies, recognizing our collective commitment to excellence in clean water management
- Achieved the Consent Decree milestone for the Tunnel Project, reflecting strong cross-functional teamwork and commitment to regulatory compliance

### GOALS

- Lead departmental efforts to maintain Platinum Status with the National Association of Clean Water Agencies, reflecting sustained excellence in compliance, performance, and environmental stewardship
- Provide strategic leadership to ensure adherence to the EPA-mandated 2030 timeline for the successful completion of the Clean Rivers Project
- Direct the implementation of a Geographic Information System (GIS)-centric Asset Management System for DC Water, enhancing data-driven decision-making and infrastructure management

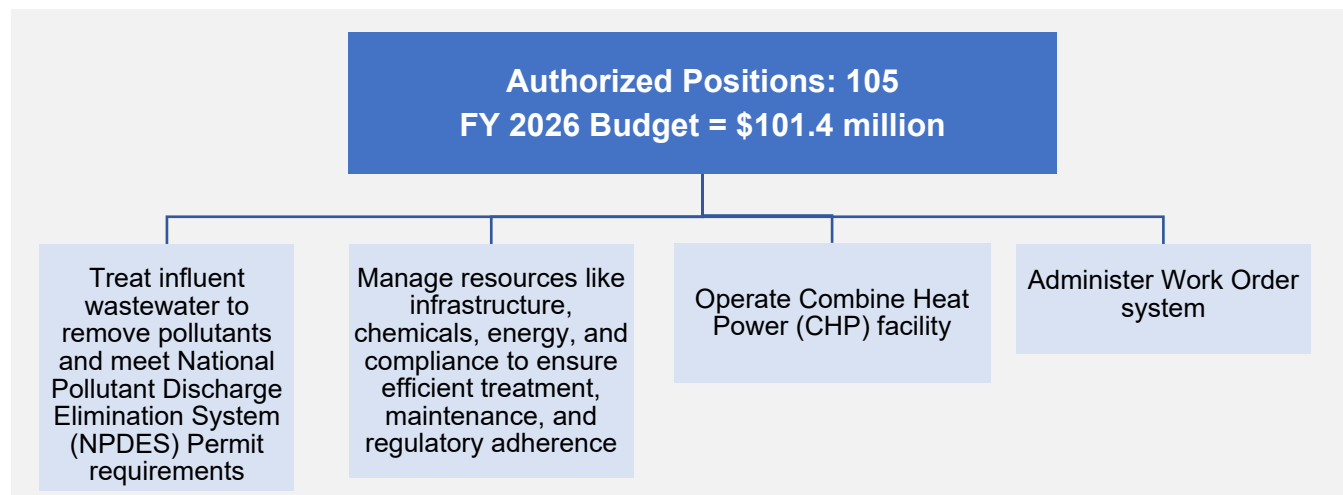
## CLUSTER: OPERATIONS

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023          | FY 2024          | FY 2025          | FY 2026          | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|------------------|------------------|------------------|------------------|--|
| TARGETED PERFORMANCE MEASURES   | Results          | Results          | Targets          | Targets          |  |
| Achieve National Association of Clean Water Agencies Award Status             | Platinum         | Platinum         | Platinum         | Platinum         | Reliable   |
| Discharge monitoring report quality assurance samples: 90% acceptable results | greater than 90% | greater than 90% | greater than 90% | greater than 90% | 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: WASTEWATER TREATMENT OPERATIONS

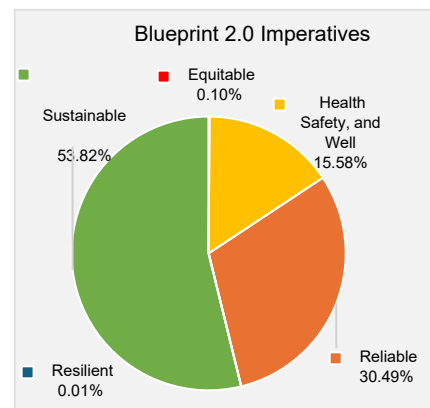
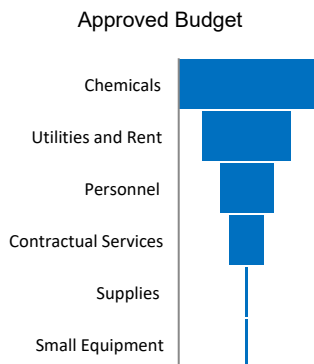
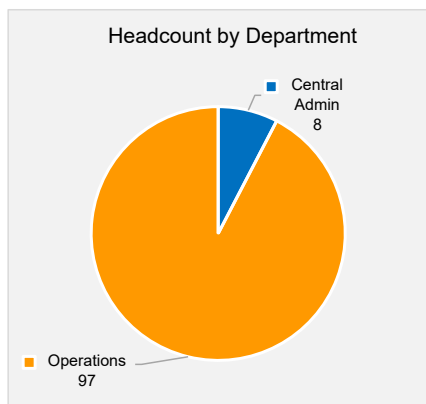
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increase in employee salaries, benefits, and overtime

**Non-Personnel Services:** Increase covers the higher cost of industrial cleaning services and energy

**Capital Equipment:** Purchase of automatic sampling and refrigeration equipment

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |             |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-------------|
| Headcount: Authorized             | 106               | 106               | 106                | 105                 | 1                                 | 1%          |
| Personnel Services                | \$ 15,261         | \$ 16,347         | \$ 16,134          | \$ 17,249           | \$ (1,115)                        | (7)%        |
| Contractual Services              | 9,655             | 9,929             | 10,814             | 11,180              | (366)                             | (3)%        |
| Chemicals and Supplies            | 42,498            | 43,392            | 44,219             | 44,301              | (82)                              | 0%          |
| Utilities and Rent                | 24,222            | 23,158            | 27,967             | 28,557              | (590)                             | (2)%        |
| Small Equipment                   | 3                 | 63                | 118                | 74                  | 44                                | 37%         |
| Non Personnel Services            | 76,378            | 76,542            | 83,119             | 84,113              | (993)                             | (1)%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 91,639</b>  | <b>\$ 92,889</b>  | <b>\$ 99,254</b>   | <b>\$ 101,362</b>   | <b>\$ (2,108)</b>                 | <b>(2)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | \$ 20              | \$ 50               | \$ (30)                           | (150)%      |



| ACCOMPLISHMENTS   | GOALS   | CHALLENGES  |
|---|---|---|
| <ul style="list-style-type: none"> <li>12th consecutive receipt of Platinum National Association of Clean Water Agencies Award</li> <li>Successful implementation of staff training augmentation</li> </ul> | <ul style="list-style-type: none"> <li>Achieve Platinum National Association of Clean Water Agencies</li> <li>Continued implementation of staff training program and increased hours of staff training execution</li> </ul> | <ul style="list-style-type: none"> <li>Fluctuating costs of chemicals and utilities due to volatility in markets</li> </ul> |

## DEPARTMENT: WASTEWATER TREATMENT OPERATIONS

### MAJOR PLANNED ACTIVITIES AND CHANGES

- Implementation of an Asset Management Program alongside the Asset Reliability Program
- Implementation of Operator Driven Reliability (ODR) and mobile device utilization
- Optimization of new capital projects and support for planned CIP projects (e.g., Headworks Electrical Upgrades, Influent Structure Rehabilitation, etc.)
- Continue implementation of the Career Advancement Framework
- Continue workforce development initiatives to enhance skills and create a learning environment, including safety and operator cross-training

### IMPACT OF OPERATIONAL PROGRAM

- Improved equipment reliability and operational efficiency
- Enhanced workforce skills and career growth opportunities
- Better project execution and infrastructure optimization
- Increased safety and operational effectiveness
- Streamlined asset and work order management through Maximo

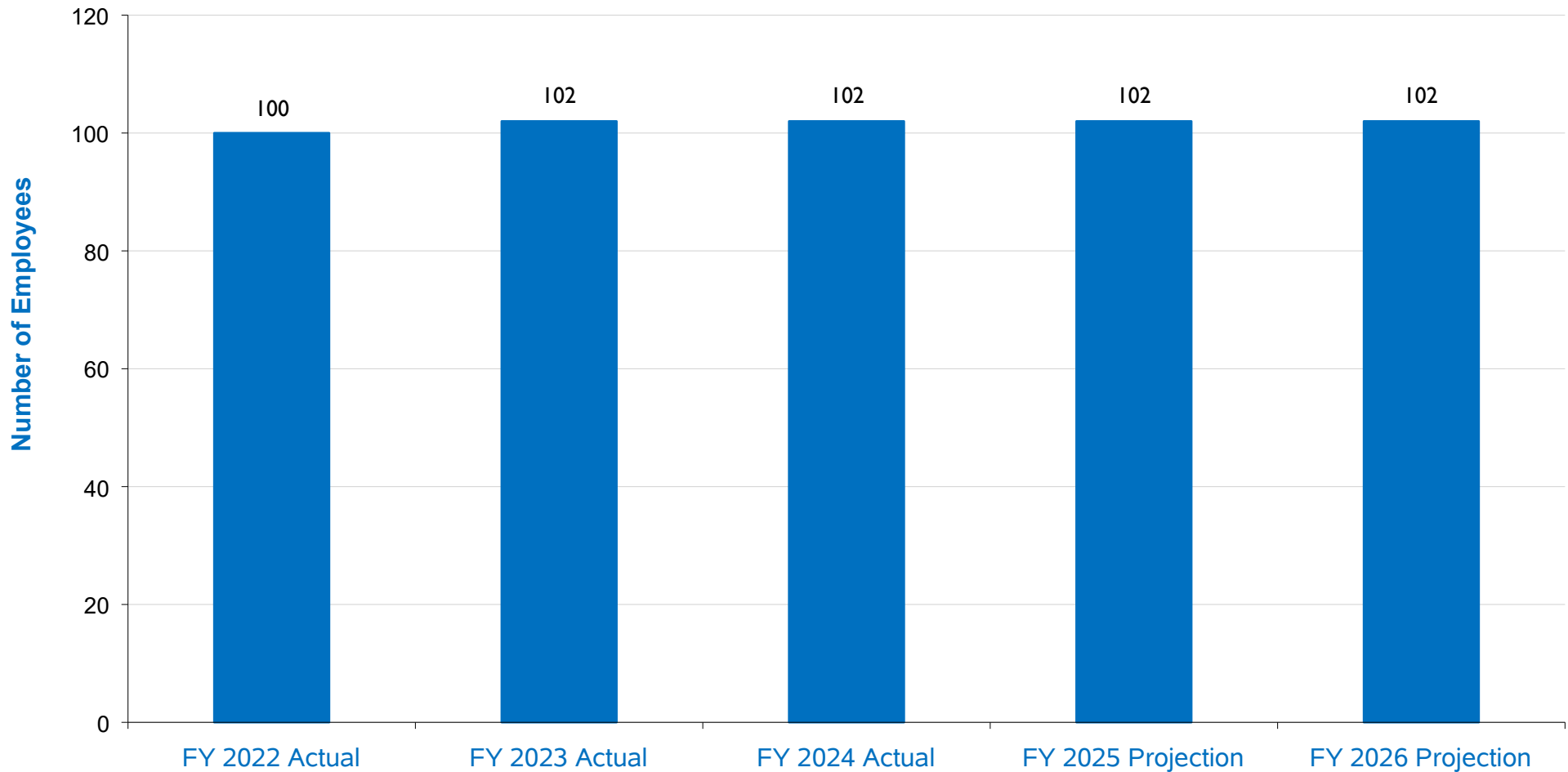
### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Potential operational disruptions due to coordination of large-scale process outages during construction of the Influent Structure Rehab CIP Project
- Potential operational impacts due to Emergency Digester Repair Work
- 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



*Treatment of wastewater at DC Water Blue Plains*

## Wastewater Treatment Certified Operators\* FY 2022 - FY 2026

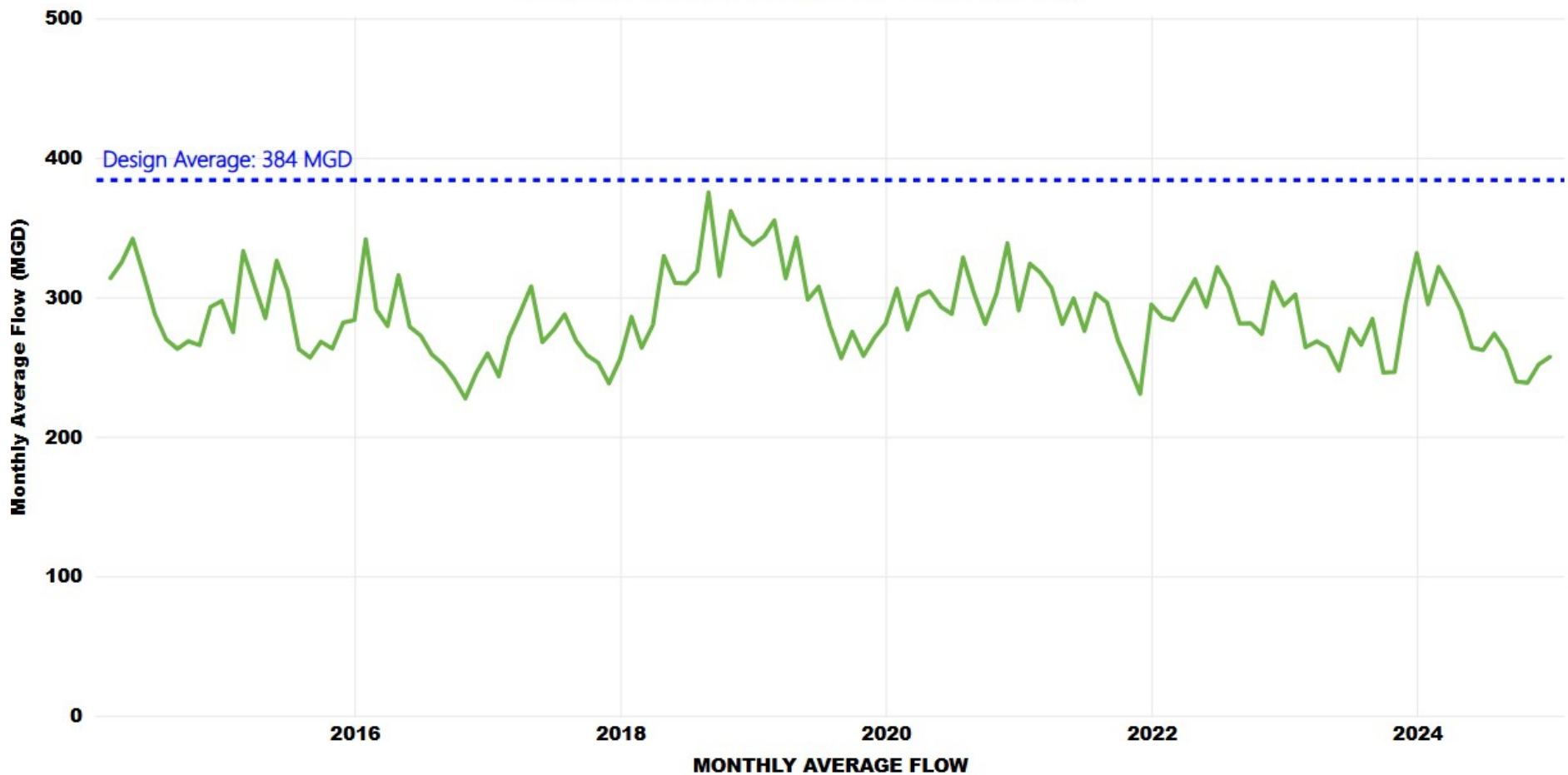


\*Includes all positions with Certified Wastewater Treatment Plant Operator License

## BLUE PLAINS WASTEWATER TREATMENT PLANT EFFLUENT FLOW

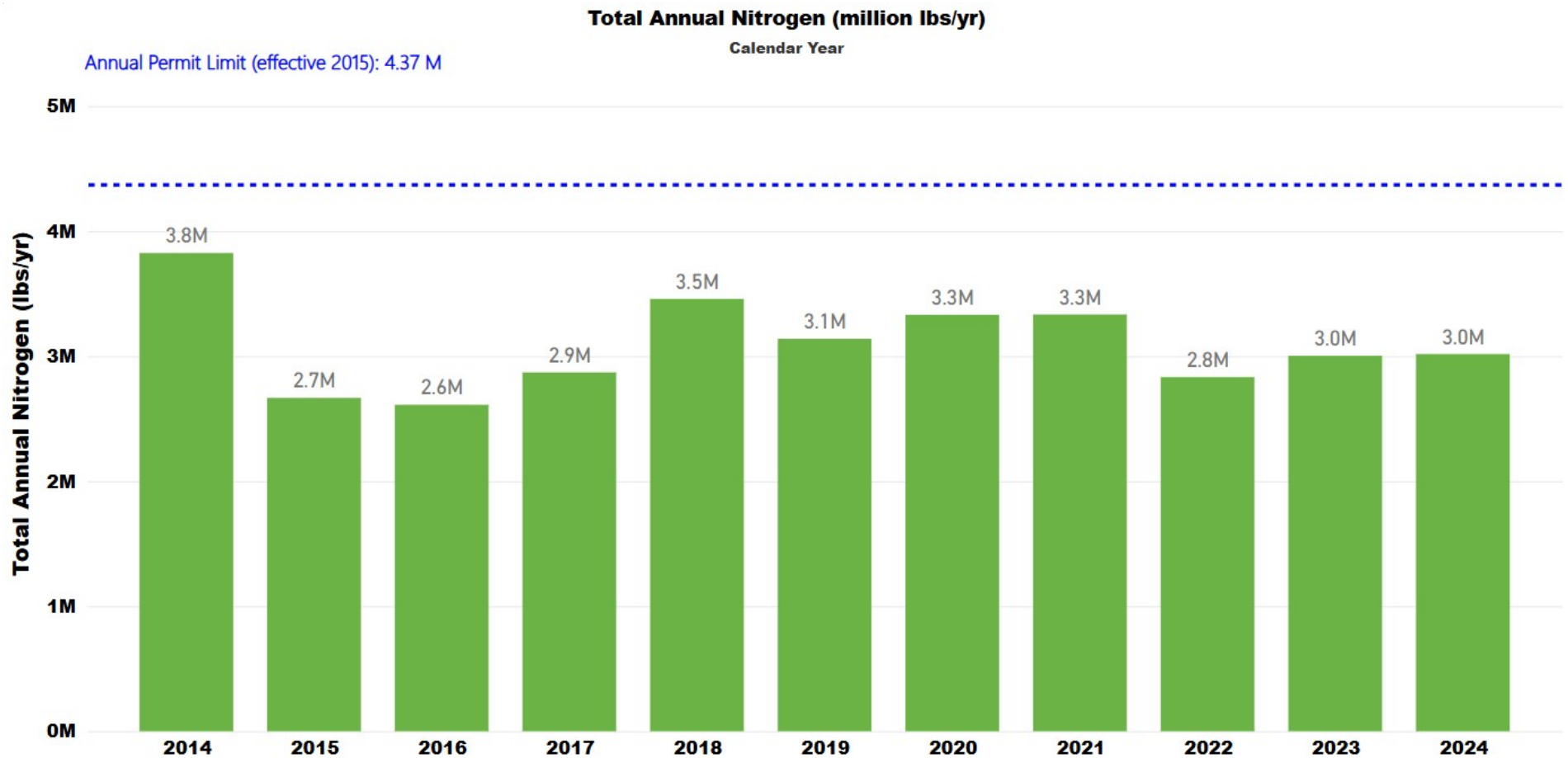
January 2014 – December 2024

**Complete Treatment Flow - Outfall 002 (MGD)**





## BLUE PLAINS WASTEWATER TREATMENT PLANT ANNUAL TOTAL NITROGEN LOAD 2014 - 2024

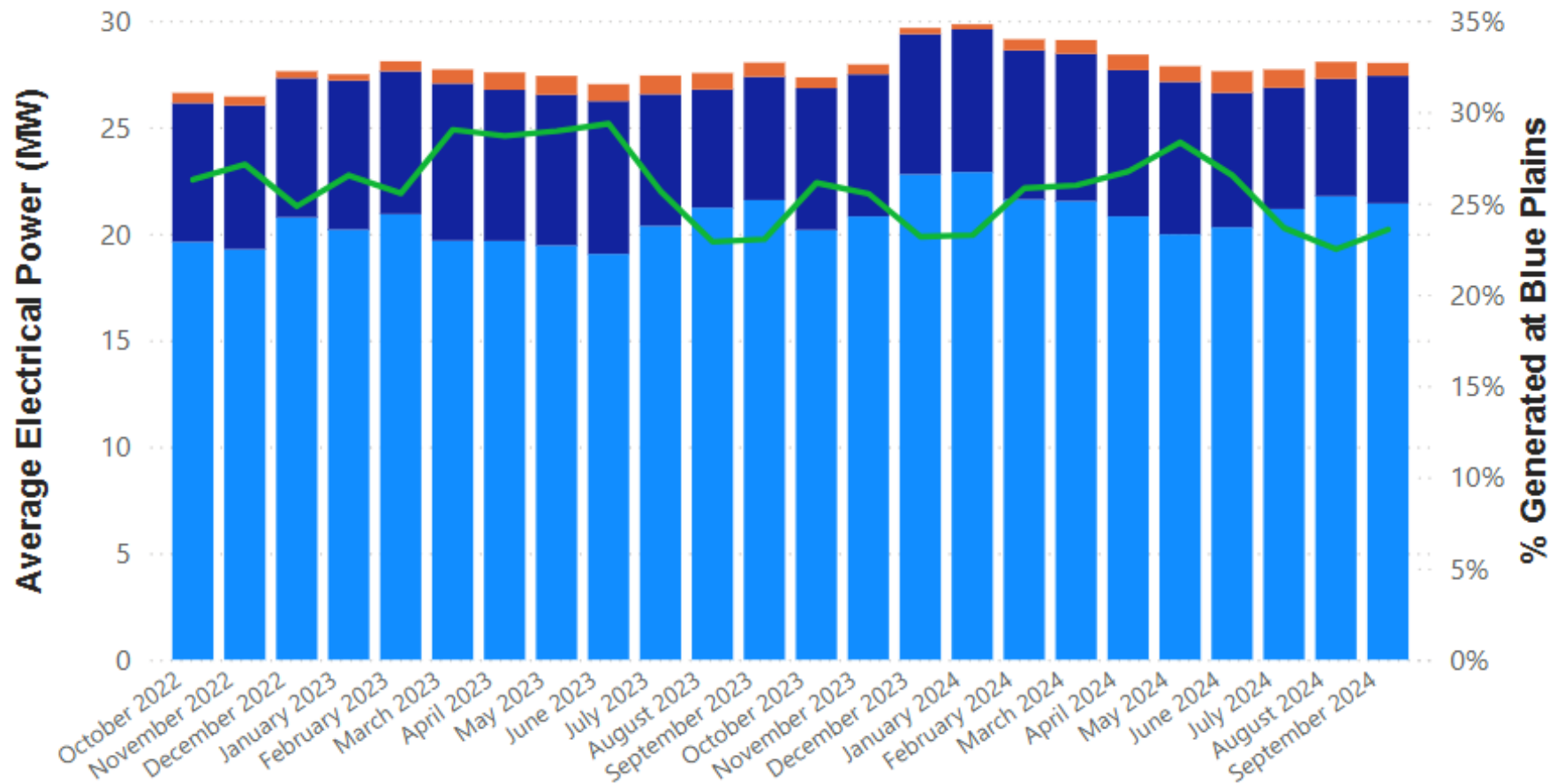


## BLUE PLAINS ELECTRICITY REPORT

### October 2022 – September 2024

#### Blue Plains Electrical Report

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



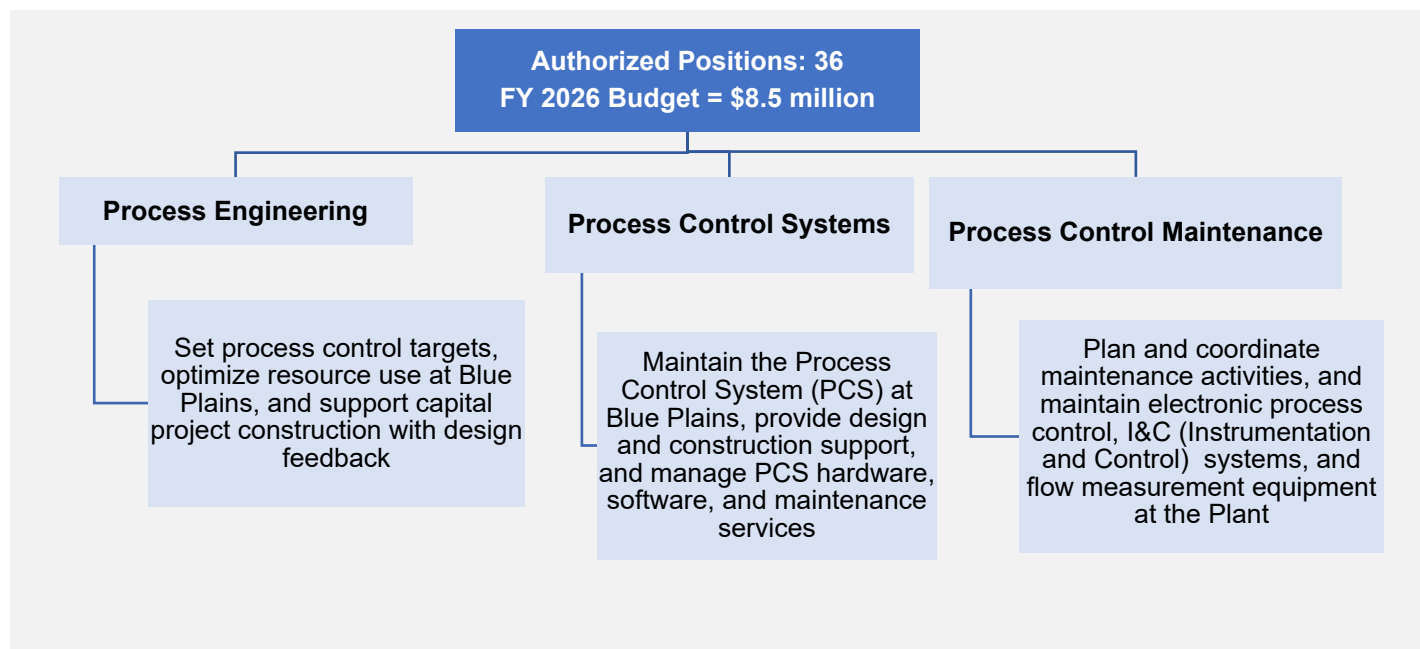
## CLUSTER: OPERATIONS

### DEPARTMENT: PROCESS ENGINEERING

**Purpose:** To assist in the operation of the Advanced Wastewater Treatment Plant at Blue Plains, and production of 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

### Organization Structure



### Key Performance Indicators (KPIs)

|                                     | FY 2023          | FY 2024          | FY 2025          | FY 2026          | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|-------------------------------------|------------------|------------------|------------------|------------------|--|
| TARGETED PERFORMANCE MEASURES       | Results          | Results          | Targets          | Targets          |  |
| Critical Equipment Availability 97% | greater than 97% | greater than 97% | greater than 97% | greater than 97% | Reliable   |

## DEPARTMENT: PROCESS ENGINEERING

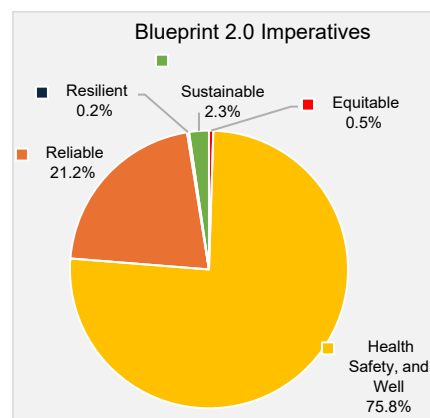
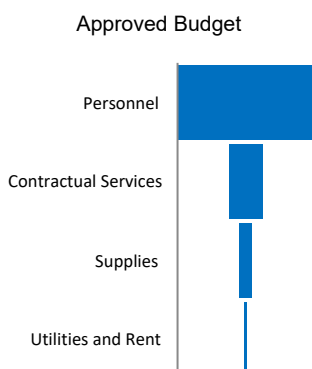
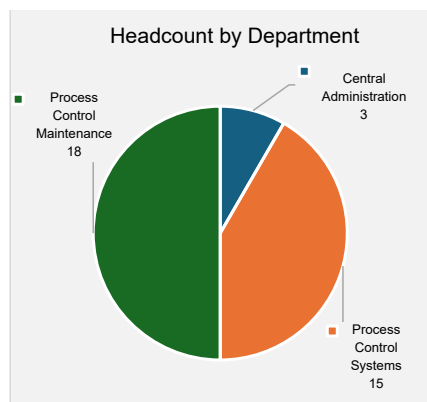
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increase for salaries, and benefits adjustments

**Non-Personnel Services:** Decrease in small equipment and supplies, offset in part by increases in contractual services and utilities

**Capital Equipment:** Purchase of annual actuator and process probe replacements, parts for sensor calibration, and upgrades to the PCS (Control System) network

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |              |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|--------------|
| Headcount: Authorized             | 36                | 36                | 36                 | 36                  | 0                                 | 0%           |
| Personnel Services                | \$ 5,318          | \$ 4,883          | \$ 5,960           | \$ 6,298            | \$ (339)                          | (6)%         |
| Contractual Services              | 1,583             | 1,064             | 1,522              | 1,558               | (36)                              | (2)%         |
| Chemicals and Supplies            | 889               | 469               | 780                | 579                 | 201                               | 26%          |
| Utilities and Rent                | 37                | 31                | 44                 | 32                  | 11                                | 26%          |
| Small Equipment                   | 35                | (14)              | 228                | -                   | 228                               | 100%         |
| Non Personnel Services            | 2,544             | 1,549             | 2,574              | 2,169               | 405                               | 16%          |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 7,862</b>   | <b>\$ 6,432</b>   | <b>\$ 8,534</b>    | <b>\$ 8,468</b>     | <b>\$ 66</b>                      | <b>1%</b>    |
| <b>Capital Equipment</b>          | <b>\$ 1,565</b>   | <b>\$ 971</b>     | <b>\$ 625</b>      | <b>\$ 775</b>       | <b>\$ (150)</b>                   | <b>(24)%</b> |



#### ACCOMPLISHMENTS

- 12th consecutive receipt of Platinum National Association of Clean Water Agencies Award
- Successful implementation of staff training augmentation

#### GOALS

- Achieve Platinum National Association of Clean Water Agencies
- Continued implementation of staff training program and increased hours of staff training execution

#### CHALLENGES

- Fluctuating costs of chemicals and utilities due to volatility in markets

## DEPARTMENT: PROCESS ENGINEERING

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Maintain full compliance with the National Pollutant Discharge Elimination Systems (NPDES) permit
- Train staff on CIP/commissioning projects and ongoing Plant-Wide Process Training
- Complete ongoing Process Control System (PCS) upgrades
- Support key CIP projects, including electrical, structural, and equipment upgrades.
- Conduct process design reviews for capital projects
- Implement and enhance the Asset Management Program alongside the Asset Reliability Program
- Improve the structure and use of Maximo and leverage mobile tablets
- Optimize plant processes to enhance permit compliance, reliability, and treatment performance, including Class A Biosolids Facilities
- Fine-tune and monitor key performance indicators in Process Engineering, Control Systems, and Control Maintenance teams
- Strengthen cybersecurity and recovery procedures impacting Process Control System (PCS)

### IMPACT OF OPERATIONAL PROGRAMS

- Maintains regulatory compliance and avoid penalties
- Improves staff readiness and operational efficiency
- Enhances system reliability and extends equipment life
- Reduces downtime and improves data tracking
- Strengthens cybersecurity protection
- Boosts treatment performance and efficiency

### 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
- Potential operational disruptions due to coordination of large-scale process outages because of the Influent Structure Rehab CIP Project



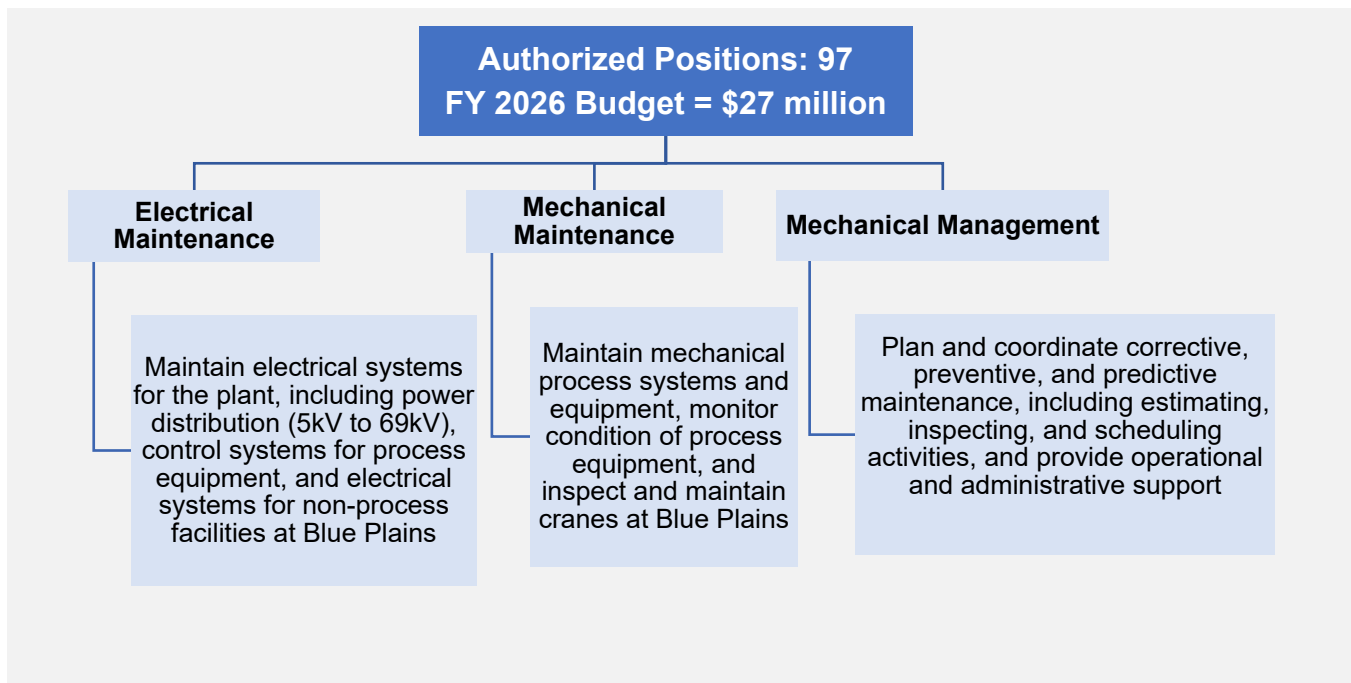
## CLUSTER: OPERATIONS

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|                                     | FY 2023 | FY 2024 | FY 2025          | FY 2026          | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|-------------------------------------|---------|---------|------------------|------------------|--|
| TARGETED PERFORMANCE MEASURES       | Results | Results | Targets          | Targets          |  |
| Critical Equipment Availability 97% | 97%     | 98%     | greater than 95% | greater than 95% | Reliable   |



## DEPARTMENT: MAINTENANCE SERVICES

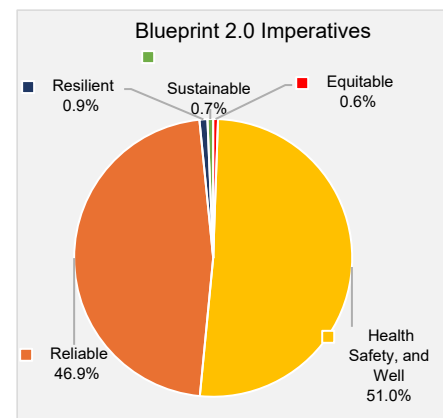
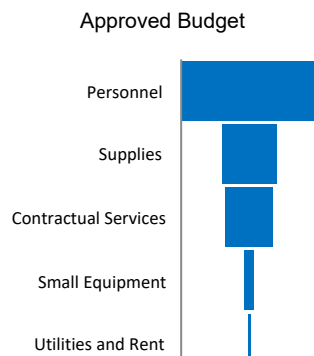
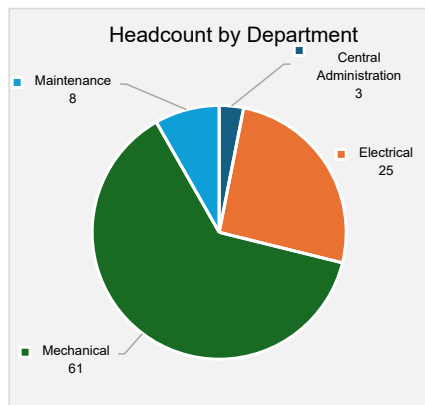
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Decrease reflects the elimination of five vacant, hard-to-fill electrician positions, offset in part by increases in salaries adjustments

**Non-personnel Services:** Increases to cover the impact of inflation on critical parts, supplies, and maintenance, services

**Capital Equipment:** Covers pump rehab, motor repairs, warehouse parts, facility maintenance, and a condition monitoring system for Blue Plains

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |              |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|--------------|
| Headcount: Authorized             | 98                | 102               | 102                | 97                  | 5                                 | 5%           |
| Personnel Services                | \$ 12,306         | \$ 13,346         | \$ 14,990          | \$ 14,718           | \$ 272                            | 2%           |
| Contractual Services              | 4,007             | 4,095             | 4,013              | 5,152               | (1,138)                           | (28)%        |
| Chemicals and Supplies            | 4,668             | 5,702             | 5,129              | 5,919               | (790)                             | (15)%        |
| Utilities and Rent                | 126               | 138               | 130                | 146                 | (16)                              | (12)%        |
| Small Equipment                   | 522               | 953               | 500                | 1,010               | (510)                             | (102)%       |
| Non Personnel Services            | 9,321             | 10,887            | 9,773              | 12,227              | (2,454)                           | (25)%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 21,627</b>  | <b>\$ 24,233</b>  | <b>\$ 24,763</b>   | <b>\$ 26,945</b>    | <b>\$ (2,182)</b>                 | <b>(9)%</b>  |
| <b>Capital Equipment</b>          | <b>\$ 3,640</b>   | <b>\$ 5,025</b>   | <b>\$ 4,000</b>    | <b>\$ 5,940</b>     | <b>\$ (1,940)</b>                 | <b>(49)%</b> |



#### ACCOMPLISHMENTS

- The critical equipment availability target was met every month during FY 2024, with an annual monthly average of 97%
- Over 10 different maintenance-specific training initiatives directed toward frontline employees

#### GOALS

- 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

#### CHALLENGES

- Increasing costs of equipment, parts, tools, and maintenance services
- Equipment aging: Biosolids facilities (Cambi, Digesters, Belt Filter Presses)

## DEPARTMENT: MAINTENANCE SERVICES

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Develop an improved approach for Nitrification Reactor and Cambi outages, influent screen inspections, etc.
- Continue providing new skills to support best maintenance practices
- Validate online vibration monitoring program for expansion
- Continue rehabilitation of major process equipment (Nitrification Blowers and Wastewater Pumps)
- Identify and plan maintenance optimization activities (e.g., belt press roller upgrades)
- Identify and implement new training initiatives (e.g., advanced laser alignment, pulley systems, and belt operations) using sheaves for power transmission and motion control
- Plan and execute new opportunities for emerging technologies and data-driven applications

### IMPACT OF OPERATIONAL PROGRAMS

- Improved maintenance practices and equipment reliability
- Enhanced skills and capabilities of maintenance staff
- Expansion of technology and data applications for more efficient maintenance
- Optimized process equipment performance

### 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)



*The left side picture shows a multimedia filter in backwash, flushing out contaminants. On the right, large tanks store ferric chloride, a key treatment chemical. This contrast highlights wastewater treatment operations*

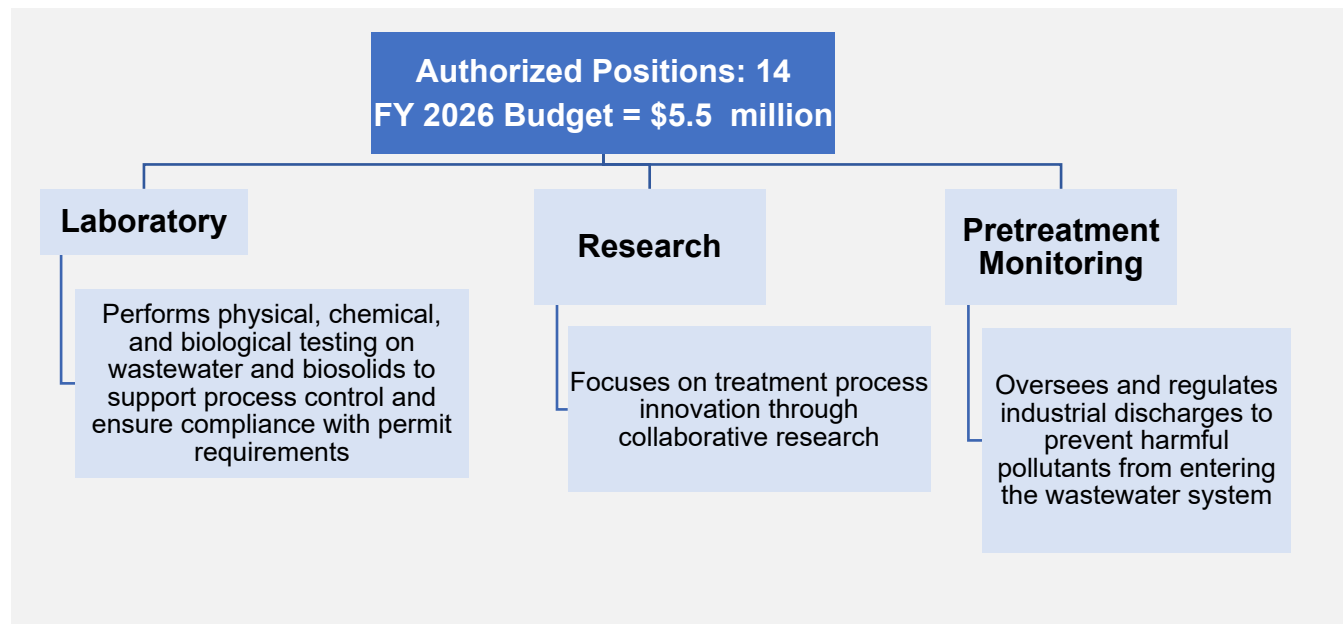
## CLUSTER: OPERATIONS

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023          | FY 2024          | FY 2025          | FY 2026          | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|------------------|------------------|------------------|------------------|--|
| TARGETED PERFORMANCE MEASURES   | Results          | Results          | Targets          | Targets          |  |
| Achieve National Association of Clean Water Agencies Award Status             | Platinum         | Platinum         | Platinum         | Platinum         | Reliable   |
| Discharge monitoring report quality assurance samples: 90% acceptable results | greater than 90% | greater than 90% | greater than 90% | greater than 90% | 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 2026 OPERATING BUDGET OVERVIEW

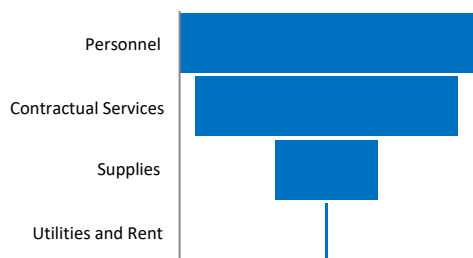
**Personnel Services:** Increase reflects department reorganization and the addition of one new position for the reclaimed water research program, coupled with salaries and benefits adjustments

**Non-personnel Services:** Increase is for lab supplies and Per- and poly-fluoroalkyl substances (PFAS) related tasks to enhance monitoring and compliance with environmental standards

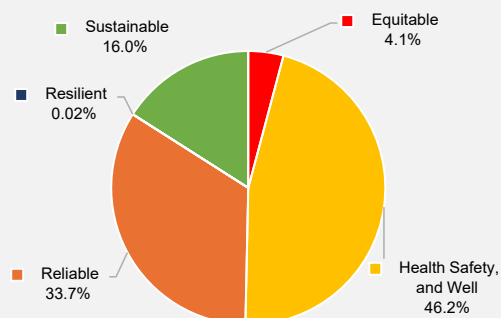
**Capital Equipment:** Covers laboratory equipment

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %           |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|-------------|
| Headcount: Authorized             | 12                | 12                | 12                 | 14                  | (2)                             | (17)%       |
| Personnel Services                | \$ 2,088          | -                 | \$ 2,273           | \$ 2,446            | \$ (174)                        | (8)%        |
| Contractual Services              | 941               | -                 | 2,203              | 2,182               | 21                              | 1%          |
| Chemicals and Supplies            | 658               | -                 | 554                | 856                 | (303)                           | (55)%       |
| Utilities and Rent                | -                 | -                 | 26                 | 1                   | 25                              | 96%         |
| Small Equipment                   | -                 | -                 | -                  | -                   | -                               | -           |
| Non Personnel Services            | 1,599             | -                 | 2,782              | 3,040               | (257)                           | (9)%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 3,686</b>   | <b>-</b>          | <b>\$ 5,055</b>    | <b>\$ 5,486</b>     | <b>\$ (431)</b>                 | <b>(9)%</b> |
| <b>Capital Equipment</b>          | <b>\$ 27</b>      | <b>\$ 172</b>     | <b>\$ 80</b>       | <b>\$ 80</b>        | <b>\$ 0</b>                     | <b>0%</b>   |

Approved Budget



Blueprint 2.0 Imperatives



### ACCOMPLISHMENTS

- 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

### GOALS

- 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

### CHALLENGES

- Changing regulations and potential needs for advanced laboratory methods and/or treatment needs



## DEPARTMENT: CLEAN WATER QUALITY & TECHNOLOGY

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Continue training initiatives to support best practices, efficiency, and effectiveness
- Expand culture of learning and cross-training through workshops and collaborative projects
- Advance viable research concepts by piloting or demonstrating within existing infrastructure
- Identify future research needs within CIP planning, operational needs, or regulatory drivers
- Work on identifying upcoming regulatory changes and develop sampling efforts or treatment needs
- Continue laboratory certification efforts
- Enhance preparedness for emerging contaminants through research and monitoring
- Identify regulatory-driven research needs (e.g., PFAS) affecting pretreatment, process needs, and compliance

### IMPACT OF OPERATIONAL PROGRAMS

- Improved employee skills, efficiency, and career advancement
- Enhanced team collaboration and high-performance culture
- Successful integration of research concepts into operational value
- Anticipation and preparation for regulatory changes
- Better preparedness for emerging contaminants and regulatory 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



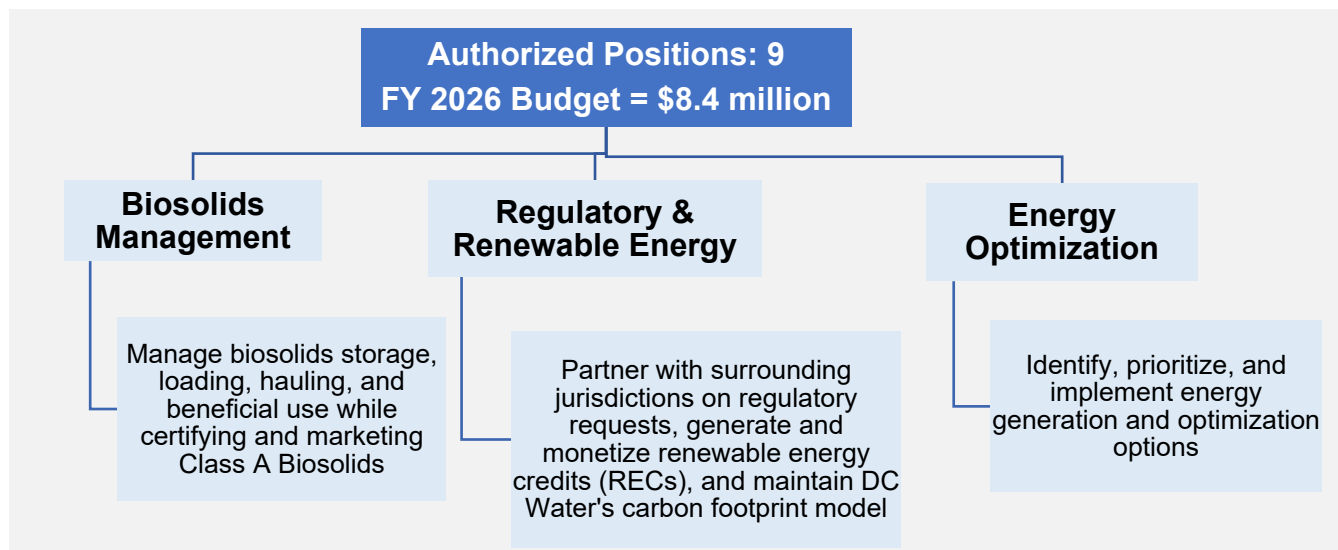
## CLUSTER: OPERATIONS

### DEPARTMENT: RESOURCE RECOVERY

**Purpose:** Maximize the available resources generated and assets owned by DC Water. Recycle the generated biosolids effectively and efficiently. 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 the authority's carbon footprint

#### Organization Structure



#### Key Performance Indicators (KPIs)

|  | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|--|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                          | 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 2026 Operating Budget Overview

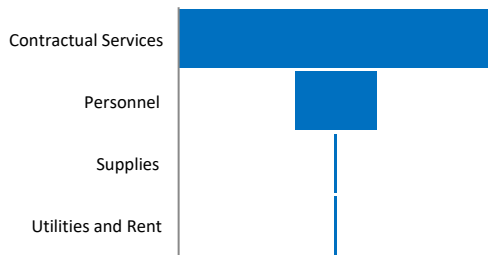
**Personnel Services:** Increase reflects department personnel services adjustments, including one additional FTE added after the cluster reorganization

**Non-Personnel Services:** Increase is primarily due to the biosolids hauling and disposal contract

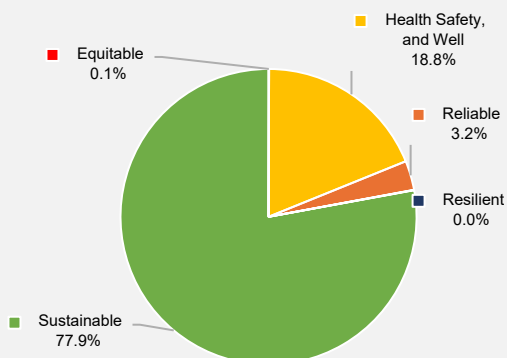
**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |             |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-------------|
| Headcount: Authorized             | 8                 | 8                 | 8                  | 9                   | (1)                               | (13)%       |
| Personnel Services                | \$ 1,125          | -                 | \$ 1,513           | \$ 1,721            | \$ (208)                          | (14)%       |
| Contractual Services              | 5,545             | -                 | 6,243              | 6,625               | (382)                             | (6)%        |
| Chemicals and Supplies            | 0                 | -                 | 1                  | 7                   | (6)                               | (595)%      |
| Utilities and Rent                | -                 | -                 | 18                 | 1                   | 17                                | 94%         |
| Non Personnel Services            | 5,545             | -                 | 6,262              | 6,633               | (371)                             | (6)%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 6,670</b>   | <b>-</b>          | <b>\$ 7,775</b>    | <b>\$ 8,354</b>     | <b>\$ (578)</b>                   | <b>(7)%</b> |
| <b>Capital Equipment</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>-</b>            | <b>-</b>                          | <b>-</b>    |

Approved Budget



Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Build solar panel curing pad
- Improve safety at Dewatered Sludge Loading Facility
- Collaborate on biosolids regulations with local jurisdictions
- Increase biosolids use for restoration, aim to sell 65,000 tons of Class A Bloom
- Continue research in wastewater treatment and biosolids management
- Advance solar and energy optimization projects
- Explore new initiatives like food codigestion and sewer heat recovery

### ACCOMPLISHMENTS

- Achieved 40% revenue growth in FY 2025
- Achieved three record months of inventory sales in the fall, showing new markets emerging
- Achieved \$2.8M savings over conventional contract costs, exceeding our goal by 10%
- FY 2024 set a revenue record for REC sales, with a 65% increase over FY 2023

### GOALS

- Increase Bloom sales
- Bloom Savings Target: \$2.75M
- REC sales Target: \$5.1M

### CHALLENGES

- Construction for Curing Pad is underway. Expected completion in early FY 2026

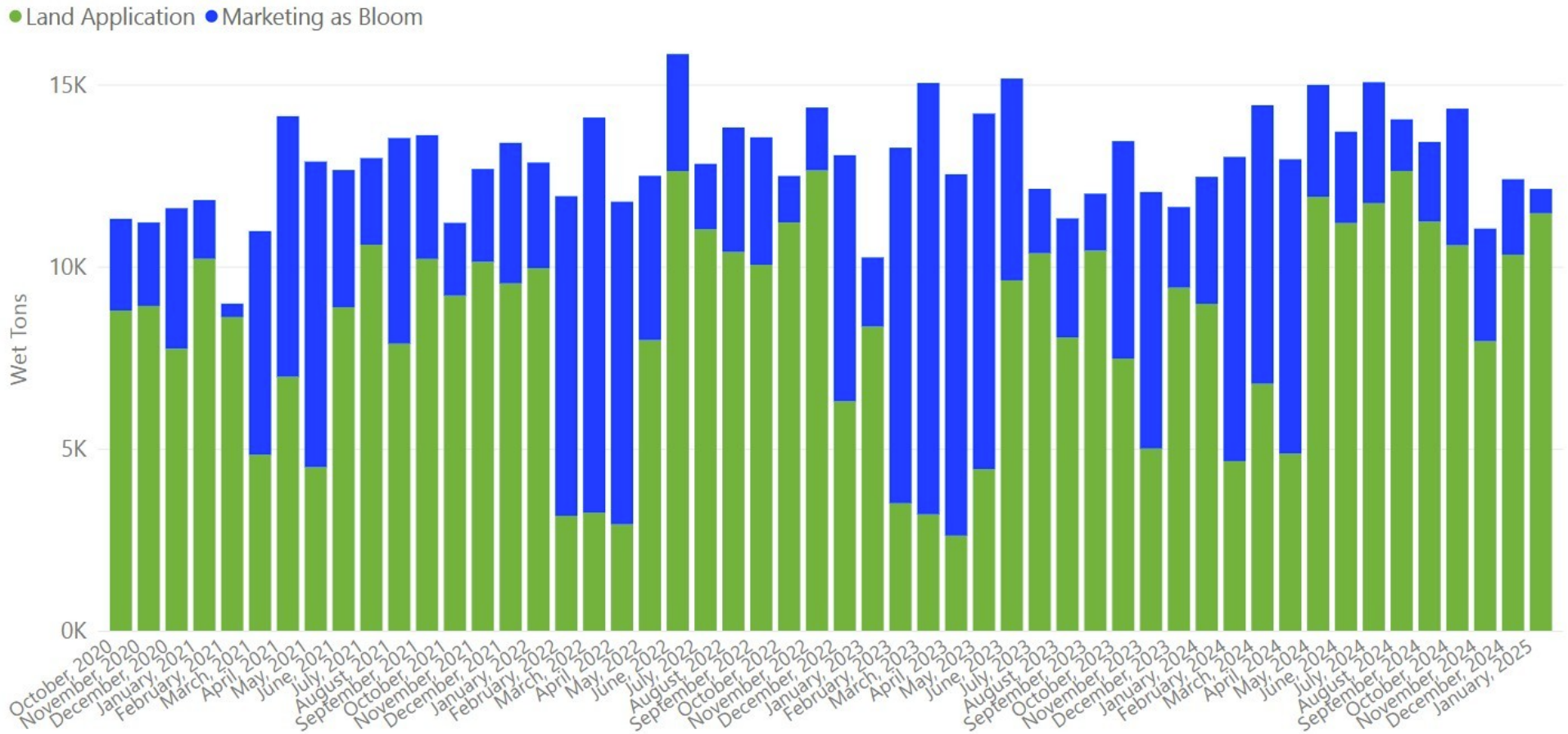
### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

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

## BLUE PLAINS WASTEWATER TREATMENT PLANT

### BIOSOLIDS PRODUCTION

October 2020 – January 2025



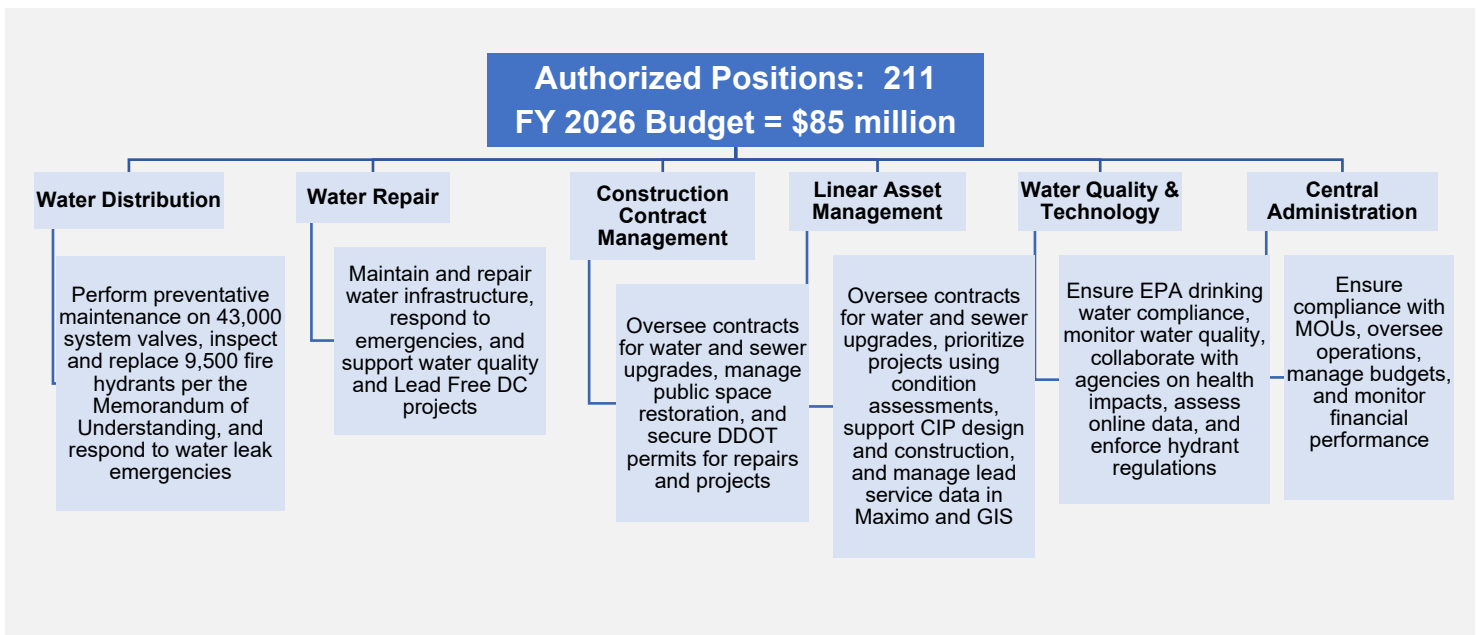
## CLUSTER: OPERATIONS

### DEPARTMENT: WATER OPERATIONS

**Purpose:** Operate and maintain the water distribution system delivering potable water to the citizens and visitors to the District of Columbia. Ensure compliance with the applicable regulations promulgated by the Safe Drinking Water Act

**Mission:** To support the Authority's mission as defined by the Strategic Plan; (Blueprint 2.0) and exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES   | Results | Results | Targets | Targets |  |
| Maintain Safe Drinking Water Act standards. Coliform results less than 5% | 2%      | 0.13%   | 5%      | 5%      | 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    | 99%     | 100%    | 100%    | 90%     | Reliable   |
| Number of water main breaks per 100 miles of pipe                         | 26      | 40.56   | 25      | 25      | Reliable   |

## DEPARTMENT: WATER OPERATIONS

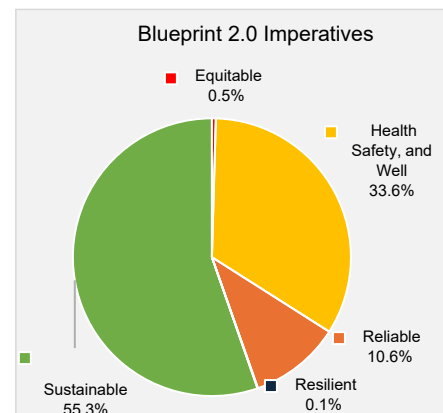
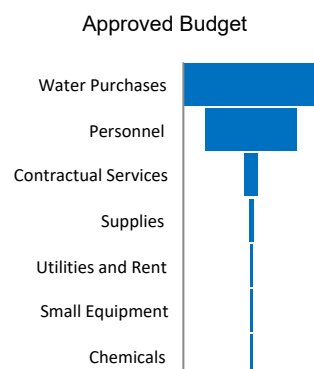
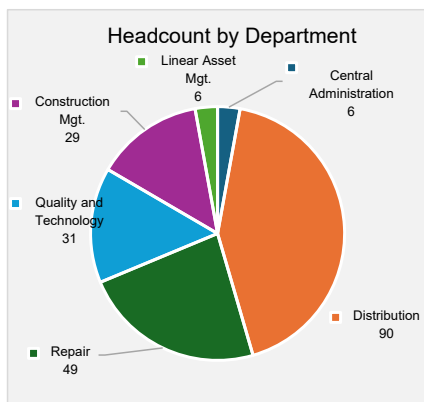
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** The increase is attributable to higher salaries, benefits, and overtime costs, partially offset by the elimination of six vacant positions

**Non-personnel Services:** Increase reflects higher cost of chemicals and supplies, contractual services (locate and mark utilities), and potable water purchases from the Washington Aqueduct, partly offset by small equipment purchase

**Capital Equipment:** Covers a Drone Starter Kit, water cathodic protection assessment, database upgrades, a Surface 4 Hub, and Hydrant App updates for compliance and functionality

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|--------------|
| Headcount: Authorized             | 213               | 212               | 217                | 211                 | 6                               | 3%           |
| Personnel Services                | \$ 27,916         | \$ 29,362         | \$ 30,253          | \$ 32,455           | \$ (2,202)                      | (7)%         |
| Contractual Services              | 2,908             | 3,946             | 3,254              | 4,780               | (1,526)                         | (47)%        |
| Chemicals and Supplies            | 1,134             | 1,430             | 1,257              | 1,557               | (301)                           | (24)%        |
| Utilities and Rent                | 391               | 384               | 421                | 445                 | (24)                            | (6)%         |
| Water Purchases                   | 33,609            | 38,904            | 45,330             | 48,149              | (2,819)                         | (6)%         |
| Small Equipment                   | 181               | 166               | 201                | 120                 | 81                              | 40%          |
| Non Personnel Services            | 38,224            | 44,831            | 50,463             | 55,051              | (4,589)                         | (9)%         |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 66,140</b>  | <b>\$ 74,193</b>  | <b>\$ 80,716</b>   | <b>\$ 87,507</b>    | <b>\$ (6,791)</b>               | <b>(8)%</b>  |
| <b>Capital Equipment</b>          | <b>\$ 679</b>     | <b>\$ 662</b>     | <b>\$ 1,000</b>    | <b>\$ 1,300</b>     | <b>\$ (300)</b>                 | <b>(30)%</b> |



| ACCOMPLISHMENTS  | GOALS   | CHALLENGES   |
|--|---|--|
| <ul style="list-style-type: none"> <li>The water monitoring program tested more than 40,000 samples taken from variety of sources across the District</li> <li>100% Response rate within 45 minutes – emergency calls dispatched in FY 2024</li> </ul> | <ul style="list-style-type: none"> <li>Maintain Safe Drinking Water Act Standards</li> <li>Maintain a fire hydrant operations rate of 99%</li> <li>Respond to 95% of all emergency service orders in 45mins or less</li> <li>Reduce the number of leaks and main breaks using the sensor program - AQUASCAN</li> <li>Continue to review, update, train, and develop standard operation procedures for key operational activities</li> </ul> | <ul style="list-style-type: none"> <li>Increasing costs of equipment, parts, tools, and maintenance services</li> <li>Overtime and rising costs are being closely monitored, driven by an increase in water main breaks and the impact of changing weather patterns on aging infrastructure</li> </ul> |

## DEPARTMENT: WATER OPERATIONS

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Implement mobile computing solutions for operations
- Develop Acqua application for Compliance Services
- Transition Voluntary Lead Service Replacement under Lead-Free DC Program
- Expand cathodic protection testing and maintenance
- Develop Pipeline and Soil Testing Pilot Program
- Implement Lead and Copper Rule compliance strategies
- Expand operational dashboard for data insights
- Streamline asset commissioning and coordination
- Publish updates to food service and cross-connection regulations
- Develop Fats, Rags, Oil, and Grease awareness campaign
- Expand pressure monitoring, leak detection, and valve exercising programs
- Assess water main conditions on bridges
- Develop a digital platform for water system optimization

### IMPACT OF OPERATIONAL PROGRAMS

- Enhanced operational efficiency through digital solutions
- Improved compliance with regulatory changes
- Strengthened infrastructure integrity and maintenance
- Increased public safety and environmental protection
- Better data visualization for proactive decision-making

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Mobile computing solutions will increase software and hardware needs
- Overtime may rise with increased capital projects
- Deferred system replacements could impact operational spending
- Capital projects for Water Quality and Lead-Free DC may require extra costs
- Renovation for Fire Hydrant Use Program at Blue Plains
- Enhancements for customer compliance will add costs



#### Types of Water Pipes (Service Lines)

**Lead** – A dull, silver-gray color that is easily scratched with a coin. Use a magnet - strong magnets will not cling to lead pipes.



**Galvanized** – A dull, silver-gray color. Use a magnet - strong magnets will typically cling to galvanized pipes.



**Copper** – The color of a penny.



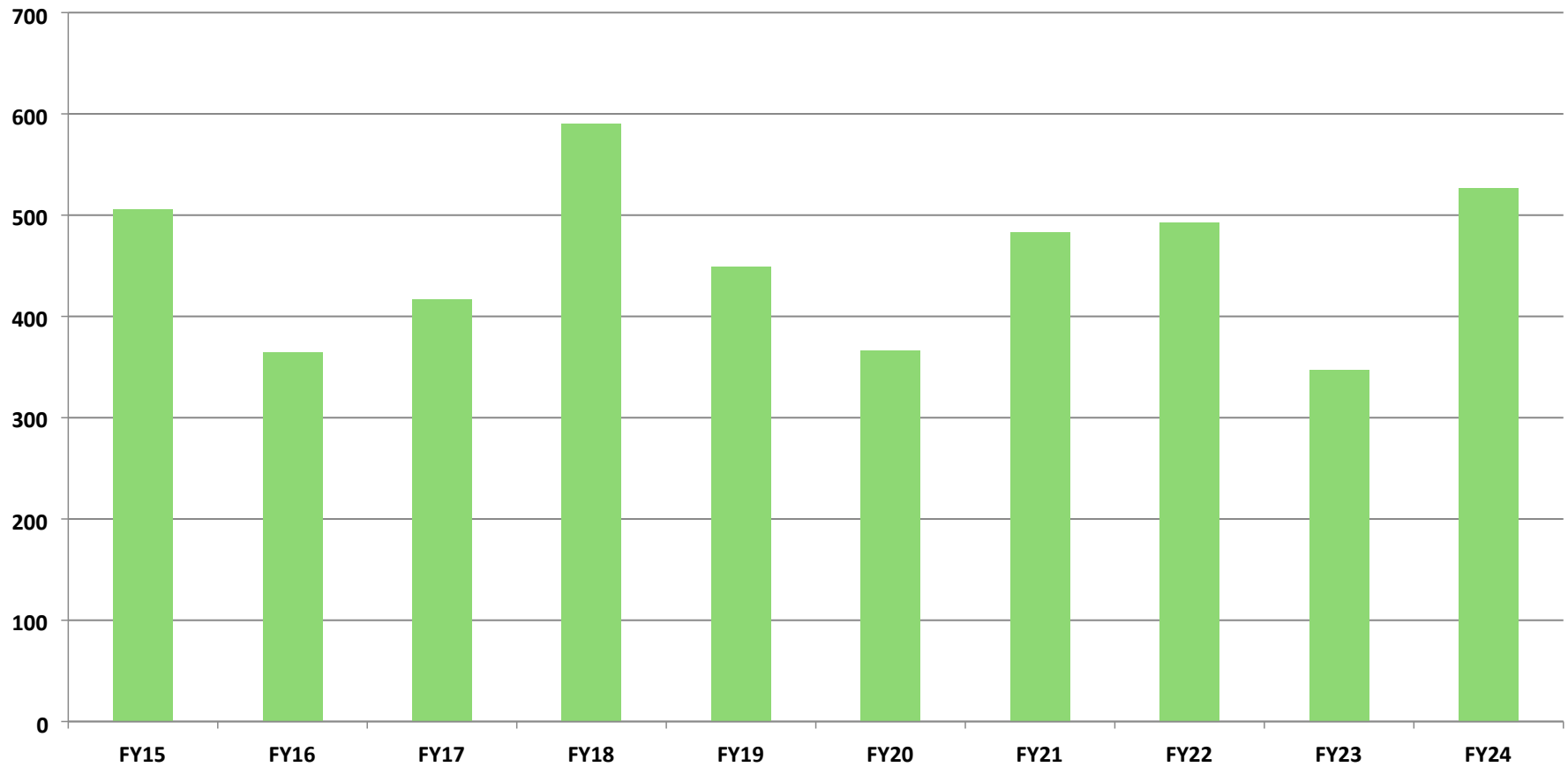
**Plastic** – White, rigid pipe.



**Brass** – Bronze to gold color. Older pipes may be corroded and may contain lead.



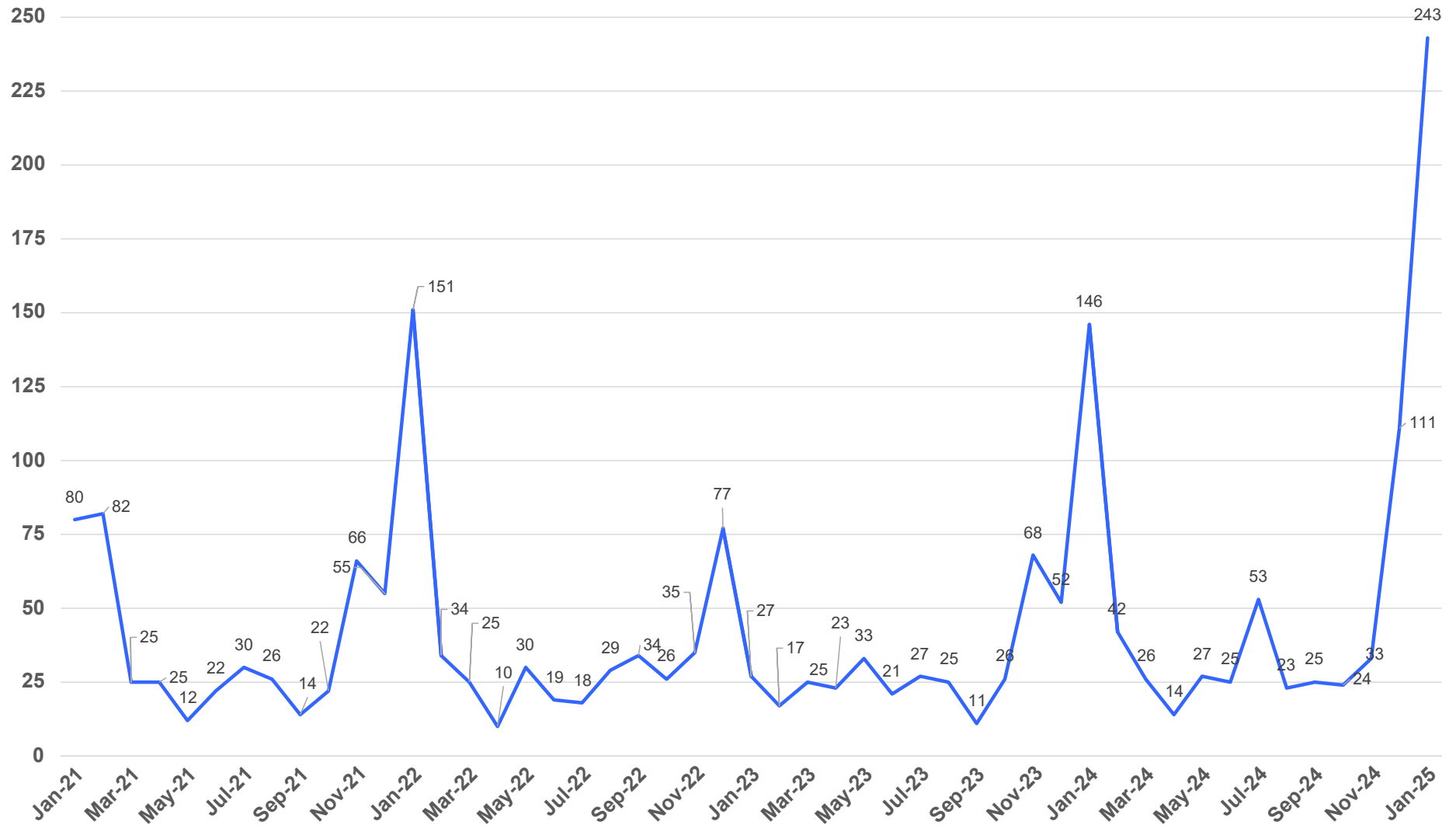
## Historical Water Main Breaks FY 2015 through FY 2024



Number of Water Main Breaks Reported FY 2015 - FY 2024



## Historical Monthly Main Breaks FY 2021 through January 2025



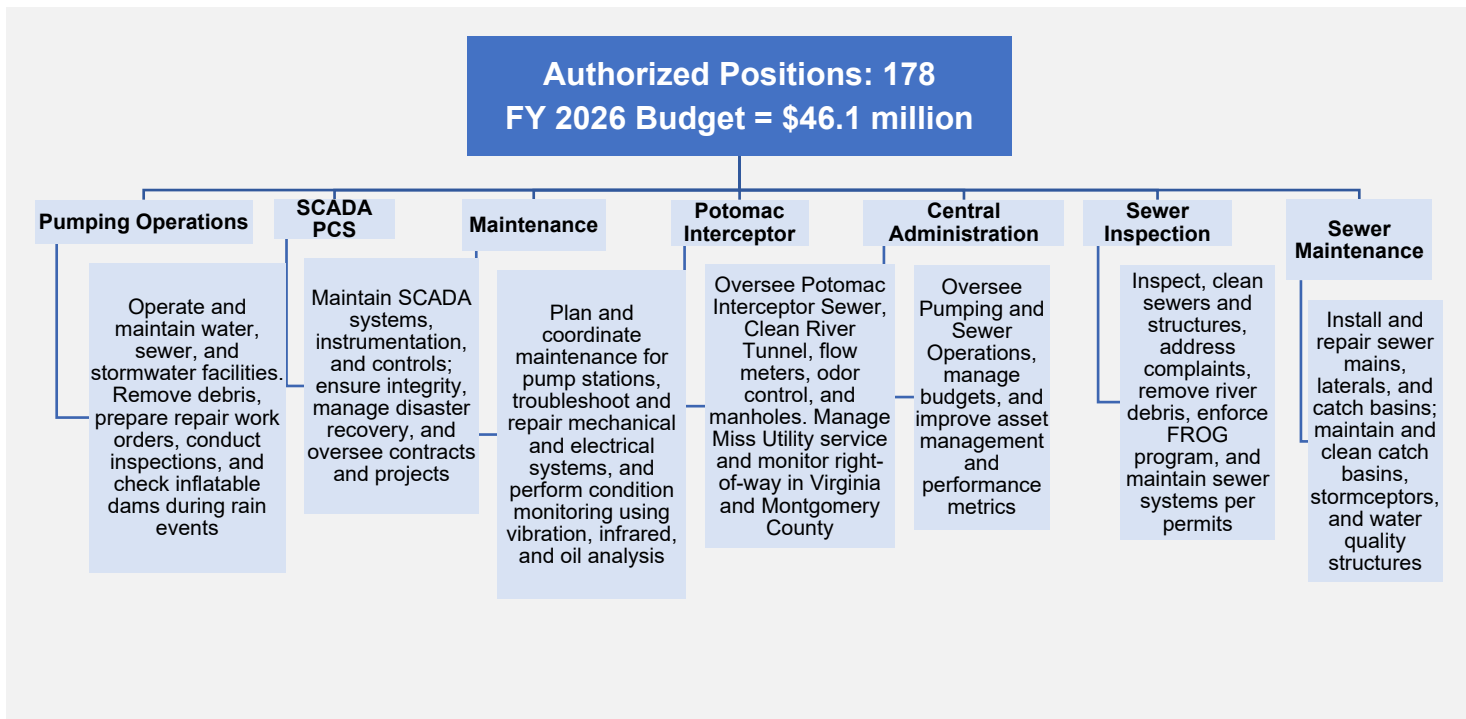
## CLUSTER: OPERATIONS

### DEPARTMENT: PUMPING AND SEWER OPERATIONS

**Purpose:** Delivery of safe, reliable, and efficient water and sewer pumping operations

**Mission:** To provide resilient delivery of water and sewer system services every minute of the day

#### Organization Structure:



#### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                                       | Results | Results | Targets | Targets |  |
| Availability % of our critical assets                               | 99%     | 99%     | 100%    | 100%    | Reliable   |
| Odor Complaints Sewer Overflows for the entire District of Columbia | 174     | 160     | 0       | 0       | Healthy, Safe, and Well                          |
| Odor Complaints Sewer Overflows for Potomac Interceptor Area        | 0       | 3       | 0       | 0       | Healthy, Safe, and Well                          |

## DEPARTMENT: PUMPING AND SEWER OPERATIONS

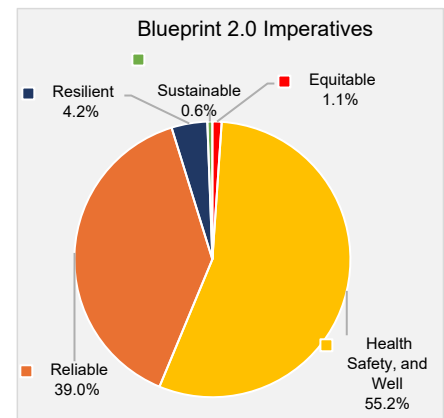
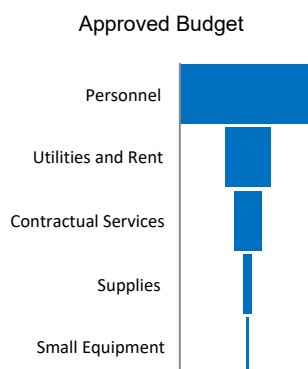
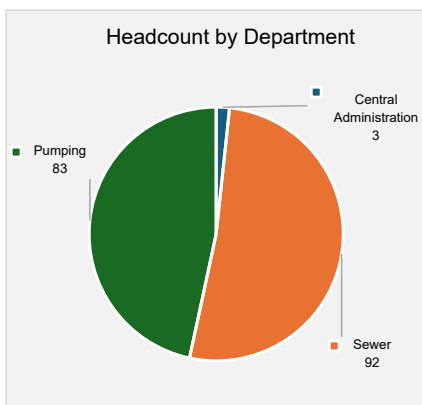
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Reflects increase in personnel services adjustment, offset in part by the reduction of 17 vacant positions

**Non-Personnel Services:** Increase is primarily due to utilities (electricity costs)

**Capital Equipment:** Increases are driven by infrastructure upgrades, equipment purchases, facility improvements, and system expansions, including the replacement of aging pipes

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|--------------|
| Headcount: Authorized             | 183               | 185               | 195                | 178                 | 17                              | 9%           |
| Personnel Services                | \$ 25,568         | \$ 3,125          | \$ 28,409          | \$ 28,768           | \$ (358)                        | (1)%         |
| Contractual Services              | 4,153             | 501               | 5,869              | 5,828               | 41                              | 1%           |
| Chemicals and Supplies            | 1,669             | -                 | 1,782              | 1,727               | 54                              | 3%           |
| Utilities and Rent                | 9,273             | -                 | 8,889              | 9,591               | (702)                           | (8)%         |
| Small Equipment                   | 204               | -                 | 143                | 142                 | 1                               | 1%           |
| Non Personnel Services            | 15,298            | 501               | 16,683             | 17,288              | (605)                           | (4)%         |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 40,866</b>  | <b>\$ 3,626</b>   | <b>\$ 45,092</b>   | <b>\$ 46,056</b>    | <b>\$ (964)</b>                 | <b>(2)%</b>  |
| <b>Capital Equipment</b>          | <b>\$ 1,737</b>   | <b>\$ 742</b>     | <b>\$ 2,000</b>    | <b>\$ 2,265</b>     | <b>\$ (265)</b>                 | <b>(13)%</b> |



| ACCOMPLISHMENTS   | GOALS  | CHALLENGES   |
|---|--|--|
| <ul style="list-style-type: none"> <li>The critical equipment availability target was met during FY 2024, at 99%</li> <li>100% of annual catch basin cleaning</li> <li>100% Permit Reporting</li> </ul> | <ul style="list-style-type: none"> <li>Zero Non-permitted Combined Sewer Overflow (CSO)</li> <li>Monthly scheduled completion rate at 95%</li> <li>Asset Availability of 95%</li> <li>Sewer odor investigation to resolution within 48hrs for level 5</li> </ul> | <ul style="list-style-type: none"> <li>Increasing costs of equipment, parts, tools, and maintenance services</li> <li>Aging infrastructure, obsolete equipment and lack of maintenance services</li> <li>Reduced workforce, possible increased overtime</li> </ul> |

## DEPARTMENT: PUMPING AND SEWER OPERATIONS

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

#### PUMPING

- Operate Water Pumping Stations, Reservoirs and Storage Tanks within the regulations of Safe Drinking Water Act
- Operate Wastewater Pumping Stations, Stormwater Pumping Stations, and Inflatable Dams, within the requirements of the National Pollution Discharge Elimination System (NPDES) Permit, the Municipal Separate Storm Water Sewer System (MS4) Permit, and DC Water Standard Operating Procedures
- Maintain and evaluate results from the maintenance reliability programs - oil analysis, thermography, vibration analysis, and ultra sound
- Replace Variable Frequency Drive (VFD), Valves, Programmable Logic Controllers (PLC), Operator Interface Terminal (OIT), Instruments and other critical equipment in need of upgrades
- Work with the Department of Water and Wastewater Engineering to design and construct improvements
- Prepare and submit Multi-Jurisdictional Use Facility FY 2025 Bill
- Implementation of Long-Term Corrosion Prevention Program
- Maintain and Repair Potomac Interceptor linear and vertical assets (includes odor control facilities)

#### IMPACT OF OPERATIONAL PROGRAMS

- Enhanced operational efficiency through digital solutions
- Improved compliance with regulatory changes
- Strengthened infrastructure integrity and maintenance
- Increased public safety and environmental protection
- Better data visualization for proactive decision-making

#### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Deferred CIP projects could lead to more failures and emergencies at pump stations, stormwater stations, and inflatable dams, increasing overtime, material costs, and environmental risks
- Major upcoming CIP projects will add to the workload of the Pumping and Potomac Interceptor teams in the near term
- Finding replacement parts of old equipment is a challenge and meeting goals of asset availability could decline



## DEPARTMENT: PUMPING AND SEWER OPERATIONS

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

#### SEWER

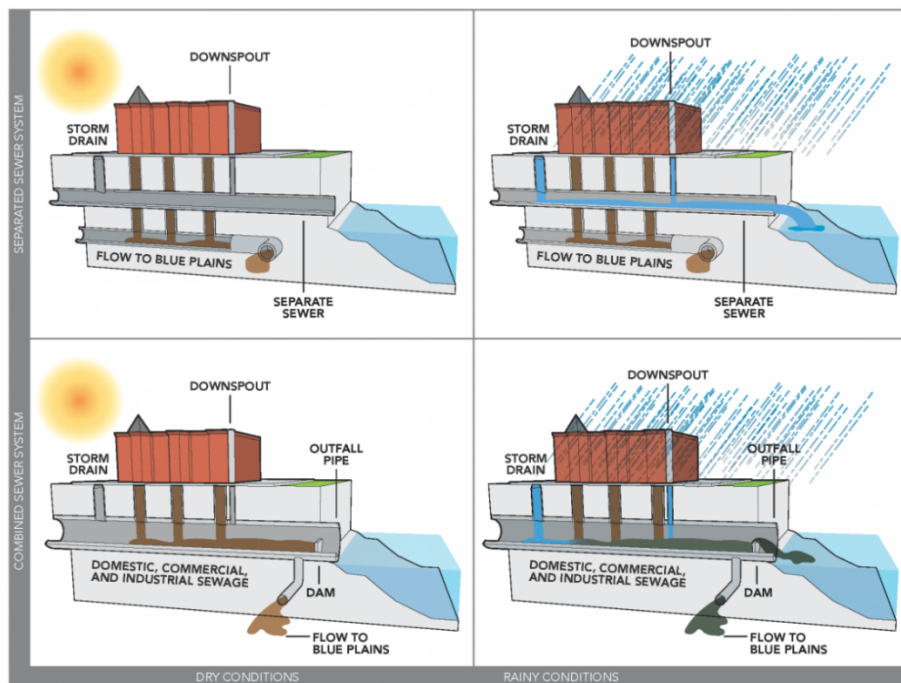
- Continue Small Local Sewer Inspection Program (Red Zone Robotics)
- Deploy update to catch basin app
- Deploy Local and Small Sewer Inspection and Maintenance Program
- Update the Sewer Emergency Operations Response Documents – Major Sewer Assets (Sewer)
- Implement root cause analysis training
- Work with Department of Engineering & Technical Services (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 OPERATIONAL PROGRAMS

- Deferred CIP projects may lead to increased failures and emergencies in the sewer system, including outfalls, catch basins, Sanitary Sewer Overflows (SSO), and dry weather overflows

#### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Delaying CIP projects may result in more frequent failures and emergencies within the sewer system, such as outfalls, catch basins, SSOs, and dry weather overflows. This can lead to increased overtime and material costs, as well as diminished public confidence and greater environmental risks



Combined Sewer Overflow or CSO

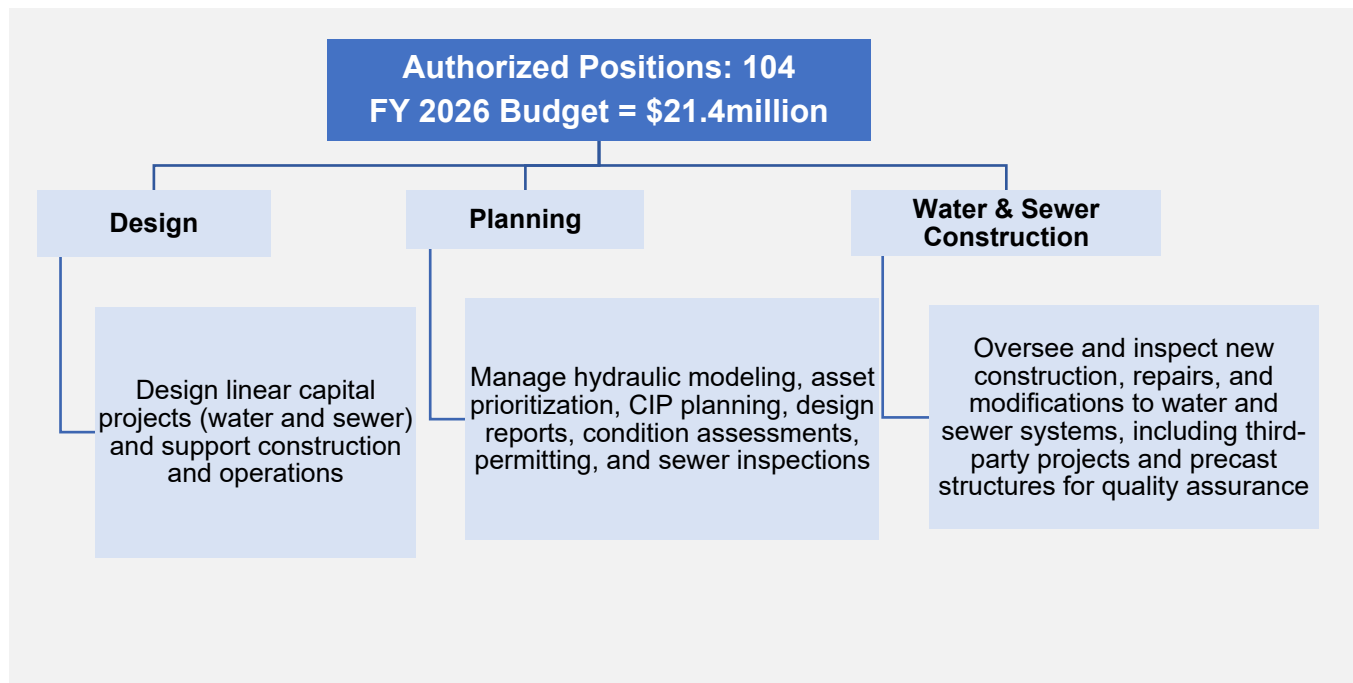
## CLUSTER: ENGINEERING

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                   | 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%    | Equitable  |
| Use 100% of Safe Drinking Water Act grant funds | 100%    | 100%    | 100%    | 100%    | Equitable  |



## DEPARTMENT: ENGINEERING AND TECHNICAL SERVICES

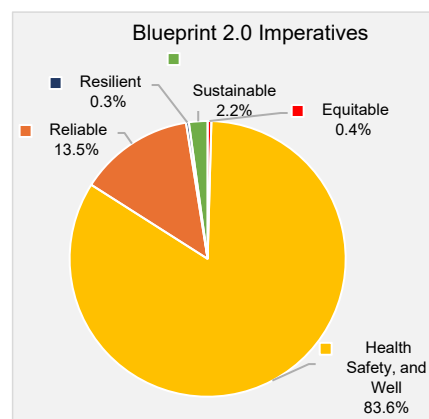
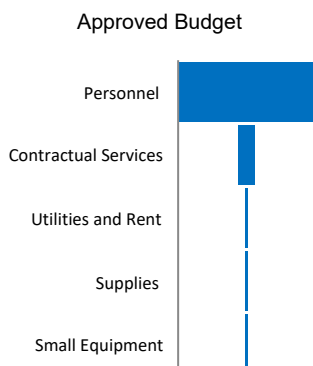
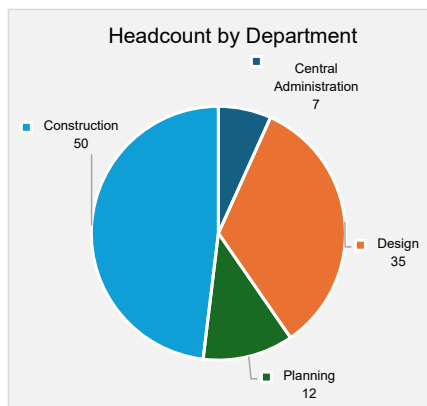
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Decreased due to elimination of vacancies and other position transfers for realignment within the cluster

**Non-personnel:** Decreased due to reduced contractual services, utilities, and small equipment

**Capital Equipment:** Remains relatively flat

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|------------|
| Headcount: Authorized             | 133               | 120               | 112                | 104                 | 8                                 | 7%         |
| Personnel Services                | \$ 19,470         | \$ 21,007         | \$ 21,992          | \$ 18,677           | \$ 3,314                          | 15%        |
| Contractual Services              | 3,296             | 1,696             | 2,975              | 2,214               | 761                               | 26%        |
| Chemicals and Supplies            | 167               | 113               | 151                | 150                 | 1                                 | 1%         |
| Utilities and Rent                | 327               | 299               | 277                | 320                 | (43)                              | (15)%      |
| Small Equipment                   | 19                | 12                | -                  | 20                  | (20)                              | -          |
| Non Personnel Services            | 3,809             | 2,121             | 3,403              | 2,705               | 699                               | 21%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 23,280</b>  | <b>\$ 23,128</b>  | <b>\$ 25,395</b>   | <b>\$ 21,382</b>    | <b>\$ 4,013</b>                   | <b>16%</b> |
| <b>Capital Equipment</b>          | <b>\$ 0</b>       | <b>\$ 25</b>      | <b>\$ 25</b>       | <b>\$ 25</b>        | <b>\$ 0</b>                       | <b>0%</b>  |



#### ACCOMPLISHMENTS

- Realigned internal resources to fulfill As-Built requests
- Rehabilitated small diameter projects identified as a priority
- Solidified funding and staff for DCW's Lead Free DC program

#### GOALS

- Standalone department for Lead Free DC program
- Agile funding solutions for LDF, small diameter and as-built projects
- Advancement of CIP execution for new and existing initiatives

#### CHALLENGES

- Continuity of services during staff realignment.
- Formulating and instilling a collaborative delivery process while maintaining established project lists/thresholds

## DEPARTMENT: ENGINEERING AND TECHNICAL SERVICES

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Conduct condition assessments for major sewers and large water mains
- Inspect 40 miles of local sewers annually
- Identify rehabilitation needs for water and sewer assets
- Advertise and execute small-diameter water main renewal projects (11 miles/year)
- Advance planning, design, and construction of capital projects
- Digitize over 11 million records in DC Water's archive
- Implement Water and Sewer Facility and Asset Management Plans
- Maintain and enhance hydraulic models
- Obtain necessary permits and approvals for CIP execution
- Support engineering needs across DC Water

### IMPACT OF OPERATIONAL PROGRAMS

- Improved asset condition monitoring and rehabilitation
- Enhanced project delivery efficiency and cost-effectiveness
- Strengthened infrastructure resilience and longevity
- Increased compliance with regulatory requirements
- Better coordination with third-party projects impacting DC Water Assets
- Streamlined data access and management through digitization
- Continued progress toward full-lead service line replacement

### 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



*Engineering Team at work*

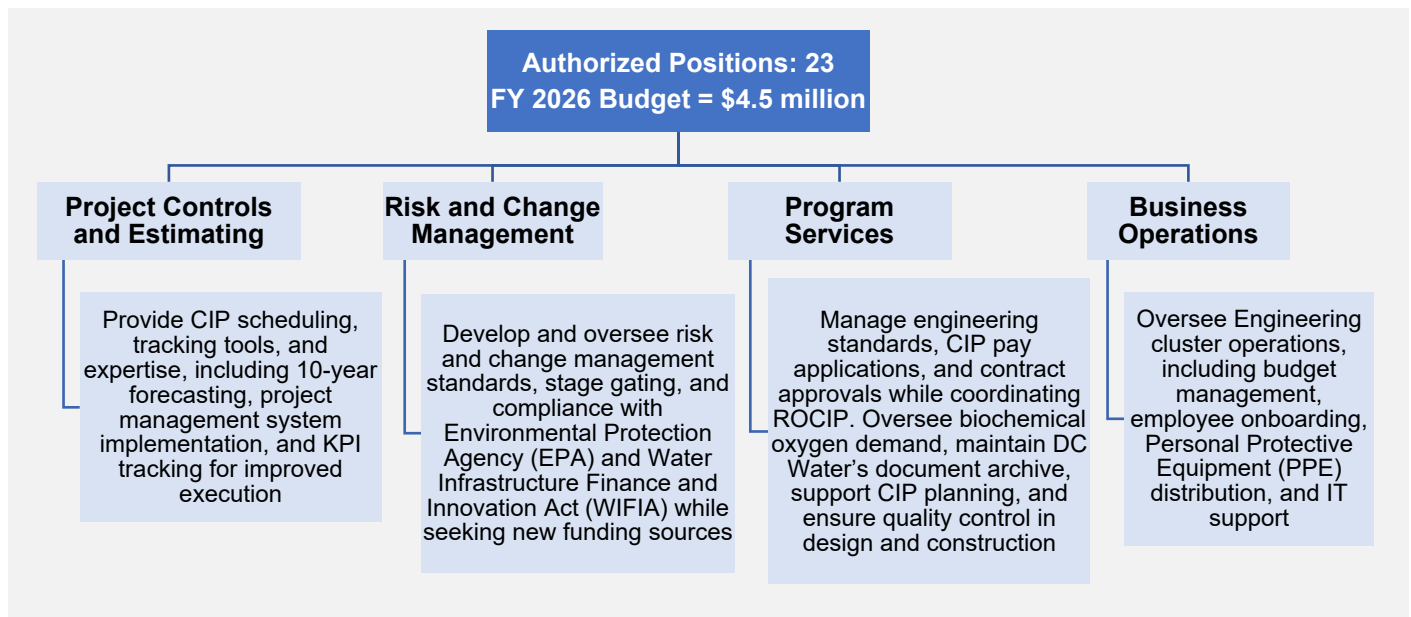
## CLUSTER: ENGINEERING

### 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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                   | Results | Results | Targets | Targets |  |
| Percentage of KPI's Completed                   | 80%     | 50%     | 80%     | 80%     | Reliable   |
| 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%    | Equitable  |

## DEPARTMENT: CIP INFRASTRUCTURE MANAGEMENT

### FY 2026 Operating Budget Overview

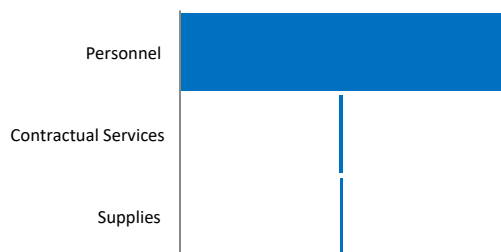
**Personnel Services:** Decreased due to elimination of vacancies and other position transfers for realignment within the cluster

**Non-Personnel Services:** Decreased due to reduced contractual services; partly offset by increase in chemical and supplies

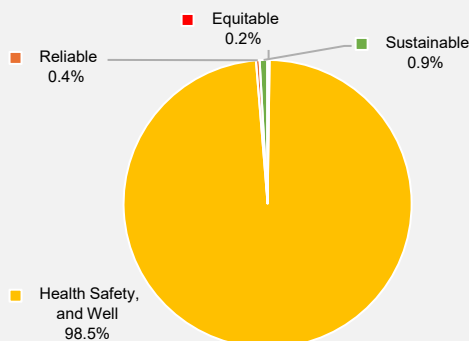
**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %          |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|------------|
| Headcount: Authorized             | 31                | 27                | 24                 | 23                  | 1                               | 4%         |
| Personnel Services                | \$ 4,651          | \$ 1,446          | \$ 5,861           | \$ 4,469            | \$ 1,392                        | 24%        |
| Contractual Services              | 65                | 56                | 104                | 52                  | 53                              | 50%        |
| Chemicals and Supplies            | 13                | 11                | -                  | 10                  | (10)                            | -          |
| Small Equipment                   | 2                 | -                 | -                  | -                   | -                               | -          |
| Non Personnel Services            | 80                | 67                | 104                | 62                  | 43                              | 41%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 4,731</b>   | <b>\$ 1,514</b>   | <b>\$ 5,965</b>    | <b>\$ 4,530</b>     | <b>\$ 1,435</b>                 | <b>24%</b> |
| <b>Capital Equipment</b>          | <b>\$ 426</b>     | <b>\$ 110</b>     | <b>-</b>           | <b>-</b>            | <b>-</b>                        | <b>-</b>   |

#### Approved Budget



#### Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Create standards and procedures for transitioning to a collaborative delivery model
- Set up tools (Unifier & P6) for the collaborative delivery model
- Develop dashboards to track project delivery metrics and KPIs
- Enhance tools, standards, and procedures for efficient capital program delivery
- Set standards and procedures to manage and reduce risk consistently
- Track and control CIP project execution using established metrics and KPIs
- Implement centralized tools, standards, and procedures for tracking all projects, including collaborative delivery

### GOALS

- Expanded Oracle Primavera Unifier, including Construction Manager at Risk (CMAR)/Progressive Design-Build (PDB) adaptation and DocuSign for invoices
- Addressing paper archive backlog in the Technical Information Center
- Implementing project delivery health dashboards with P6 enhancements
- Enhancing tools, processes, and training for collaborative delivery (PDB & CMAR)

### CHALLENGES

- Adapting to the shift from Design Bid Build to Collaborative Delivery
- Contractor availability for capital program delivery
- Securing funding for the capital program

### 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. These activities will result in reduction in consultant staff and corresponding cost savings

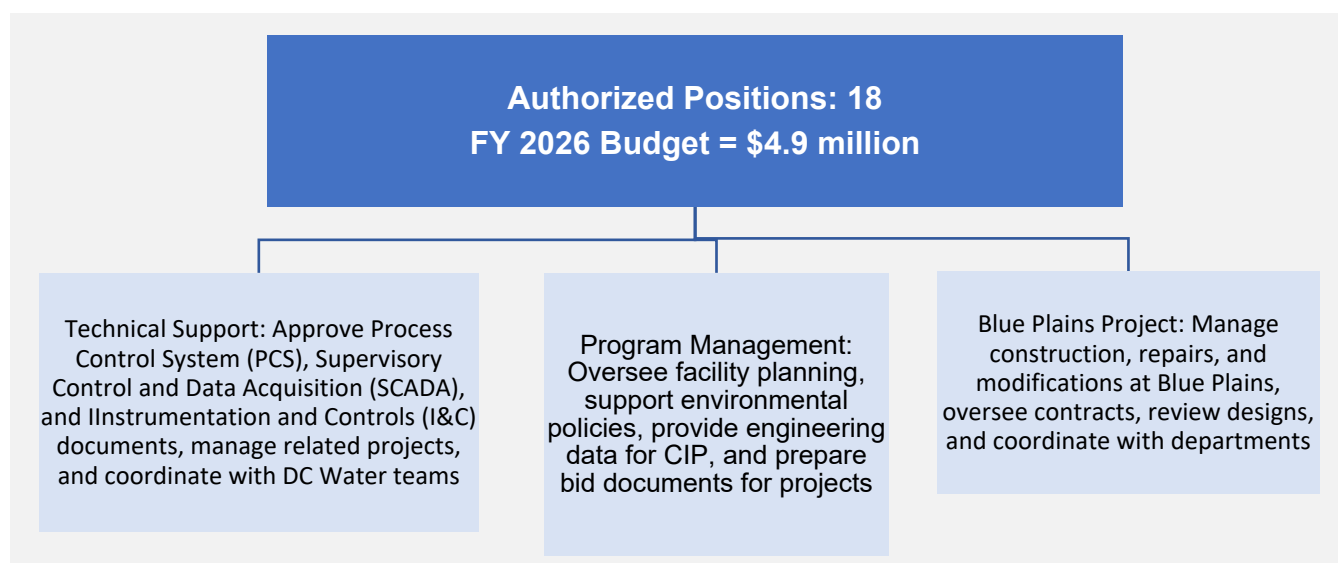
## CLUSTER: ENGINEERING

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                       | Results | Results | Targets | Targets |  |
| Design Lock-In and Stag-gating with comment closure | 2       | 2       | 2       | 2       | Resilient  |
| Construction Contracts Awarded                      | 3       | 3       | 3       | 3       | Reliable   |
| Construction Contracts Closed                       | 2       | 2       | 2       | 2       | Sustainable                                      |

## DEPARTMENT: WASTEWATER ENGINEERING

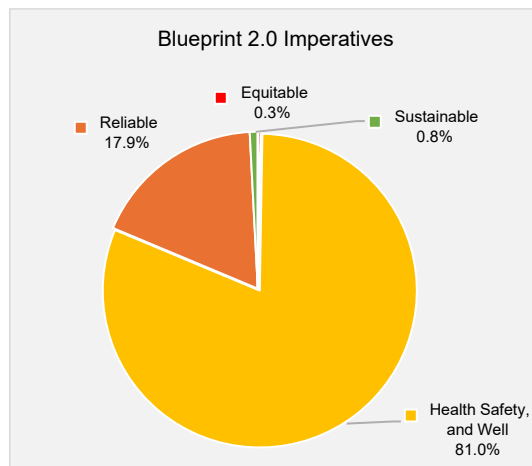
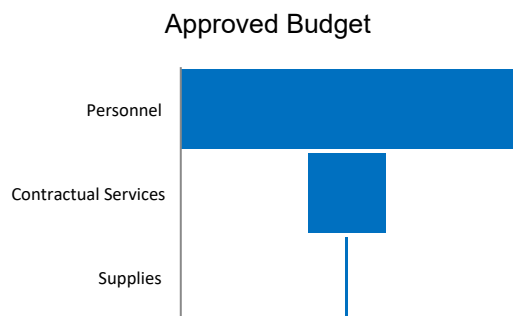
### FY 2026 Operating Budget Overview

**Personnel Services:** Increased due to salary and benefits adjustments

**Non-Personnel Services:** Relatively flat

**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |              |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|--------------|
| Headcount: Authorized             | 22                | 27                | 23                 | 18                  | 5                                 | 22%          |
| Personnel Services                | \$ 1,509          | \$ 3,387          | \$ 2,799           | \$ 3,941            | \$ (1,143)                        | (41)%        |
| Contractual Services              | 717               | 815               | 914                | 919                 | (5)                               | (1)%         |
| Chemicals and Supplies            | -                 | 0                 | 10                 | 2                   | 8                                 | 80%          |
| Non Personnel Services            | 717               | 815               | 924                | 921                 | 3                                 | 0%           |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 2,226</b>   | <b>\$ 4,202</b>   | <b>\$ 3,722</b>    | <b>\$ 4,862</b>     | <b>\$ (1,140)</b>                 | <b>(31)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -            |



### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Department division alignment that supports staffing levels conducive to consultants performing the design and project management assistance in support of the collaborative delivery process
- Complete design for Filter Underdrain and Backwash System Upgrades
- Managing and implementing the 10-year CIP for the Enhanced Nitrogen Removal Facility and plantwide liquid and solid processing
- Solicit contractor for construction of Headworks Electrical Upgrades, Headworks Influent Structures Rehabilitation, and Central Operations Facility Electrical Upgrades
- Complete concept plan for Floodwall completion for mitigation of 500-year flood at Blue Plains
- Complete SCADA upgrades for Stormwater Pump Stations

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Allocation of capital funding for priority projects throughout the authority may impact existing operating budget thresholds to maintain established goals and KPIs
- Completion of other rehabilitation and replacement projects such as electrical grid and micro grid improvements and gravity thickener will impact priorities
- Construction and maintenance of activities related to the combined sewer overflow and stormwater programs will impact the budget allocation process

### ACCOMPLISHMENTS

- Onboarded new Process Facilities Program Manager to oversee the whole lifecycle of a CIP project
- Transitioned to collaborative delivery and started solicitations for one Progressive Design Build and two Construction Manager at Risk

### GOALS

- Issue Notice to Proceed on three collaborative delivery contracts
- Start solicitation for the comprehensive Progressive Design Build contract in October 2025



## CLUSTER: ENGINEERING

### DEPARTMENT: PERMITS OPERATIONS

**Purpose:** Support the District of Columbia’s construction permit process through a coordinated effort with the Department of Building (DOB), the District Department of Transportation (DDOT), and the Department of Environment and Energy (DOEE). This is done through the review and approval of plans for new construction and renovations that impact the water or sewer system

**Mission:** To manage DC Water’s development and permit services

#### Organization Structure

**Authorized Positions: 28**  
**FY 2026 Budget = \$5.4 million**

Review and approve permit applications, issue work orders for inspections, and ensure compliance with DC Water design standards. Assess and collect fees for permit reviews, inspection services, and other related charges, managing the fee collection process. Create accounts for fees and handle the return of unused fees. Evaluate the impact of proposed developments on water and sewer infrastructure. Ensure compliance with the combined sewer system and DC Clean Rivers program. Coordinate with DC agencies (Department of Consumer and Regulatory Affairs, District Department of Transportation, Department of the Environment and Energy and update customer service records and the GIS database

#### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES   | Results | Results | Targets | Targets |  |
| Process permit applications within service level agreement timeframe of 85% | 92%     | 93%     | 90%     | 90%     | Equitable  |

## DEPARTMENT: PERMITS OPERATIONS

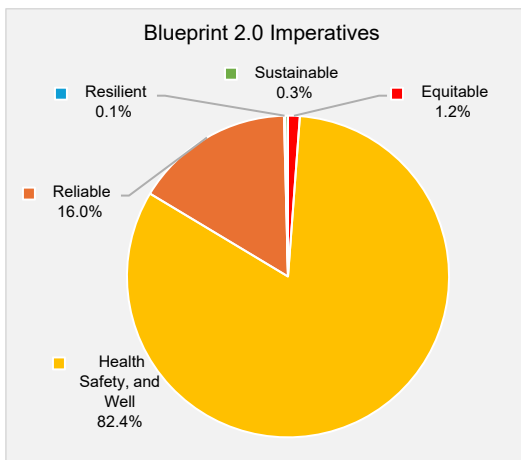
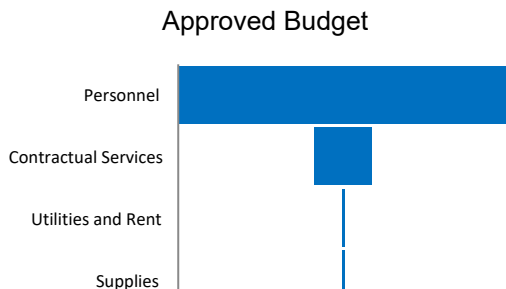
### FY 2026 Operating Budget Overview

**Personnel Services:** Decreased slightly due to position transfers for realignment within the cluster, offset in part by increases in salaries and benefits

**Non-personnel services:** Increased primarily in contractual (professional services)

**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |             |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-------------|
| Headcount: Authorized             | 29                | 29                | 28                 | 28                  | 0                                 | 0%          |
| Personnel Services                | \$ 3,286          | \$ 4,078          | \$ 4,585           | \$ 4,566            | \$ 19                             | 0%          |
| Contractual Services              | 977               | 817               | 644                | 792                 | (148)                             | (23)%       |
| Chemicals and Supplies            | 1                 | 13                | 30                 | 19                  | 11                                | 37%         |
| Utilities and Rent                | 373               | 38                | 27                 | 22                  | 4                                 | 15%         |
| Non Personnel Services            | 1,351             | 868               | 701                | 834                 | (133)                             | (19)%       |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 4,637</b>   | <b>\$ 4,946</b>   | <b>\$ 5,286</b>    | <b>\$ 5,399</b>     | <b>\$ (113)</b>                   | <b>(2)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -           |



### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Review and adjust permit review fees to meet future budget needs
- Complete the email permit application and electronic review process for remote work
- Begin transition from the current work order management system to a new system
- Start a policy for construction inspection account refunds and forfeitures
- Implement a \$300,000 Memorandum of Agreement with DC Department of Consumer and Regulatory Affairs (DCRA)/DC Water for permit review support
- Increase in-field staff participation for field validation and meter sets
- Reduce the time to process customer account refunds to within 2 years for 50% of projects and 5 years for 100% of projects
- Renew the DC Department of Consumer and Regulatory Affairs (DCRA)/DC Water Permit Review Memorandum of Agreement (MOA)

### ACCOMPLISHMENTS

- Developed a new tap and meter request process to ensure taps and meters are installed simultaneously, reducing non-revenue water loss
- Established an escalation process for tracking and monitoring issues escalated to the SET from the DC Council, DC government, Deputy Mayor for Planning and Economic Development (DMPED), and other DC agencies
- Improved relationships with the developer community via the District of Columbia Building Industry Association (DCBIA) by holding quarterly meetings to enhance collaboration, provide updates on upcoming changes, and resolve process challenges

### GOALS

- Continue optimizing processes to enhance operational efficiency

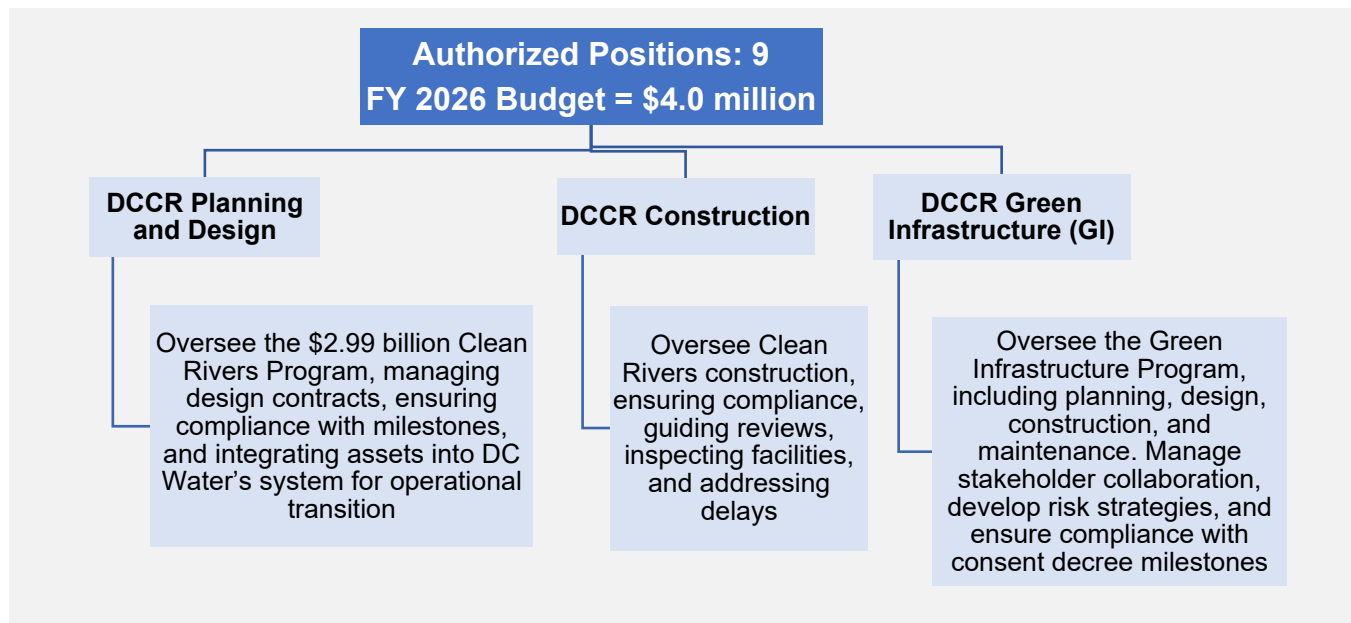
## CLUSTER: ENGINEERING

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES               | Results | Results | Targets | Targets |  |
| Meet all CSO LTCP consent decree milestones | 100%    | 100%    | 100%    | 100%    | Reliable   |

## DEPARTMENT: CLEAN RIVERS

### FY 2026 OPERATING BUDGET OVERVIEW

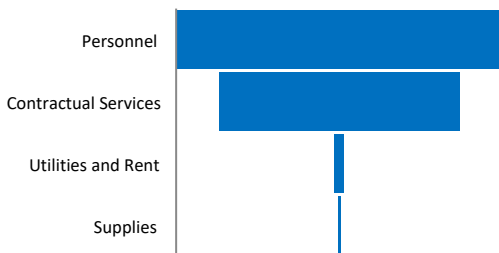
**Personnel Services:** Increased slightly due to salaries and benefits adjustments coupled with addition of one FTE

**Non-Personnel Services:** Decreased primarily due to reduced reliance on contractual services

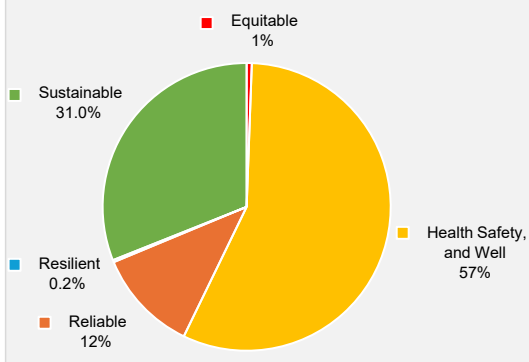
**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |           |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-----------|
| Headcount: Authorized             | 10                | 9                 | 8                  | 9                   | (1)                               | (13)%     |
| Personnel Services                | \$ 1,868          | \$ 1,785          | \$ 2,172           | \$ 2,250            | \$ (78)                           | (4)%      |
| Contractual Services              | 1,146             | 1,550             | 1,858              | 1,657               | 201                               | 11%       |
| Chemicals and Supplies            | 10                | 2                 | 10                 | 5                   | 5                                 | 53%       |
| Utilities and Rent                | 96                | 77                | 68                 | 63                  | 5                                 | 8%        |
| Non Personnel Services            | 1,252             | 1,630             | 1,936              | 1,724               | 212                               | 11%       |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 3,120</b>   | <b>\$ 3,415</b>   | <b>\$ 4,108</b>    | <b>\$ 3,974</b>     | <b>\$ 134</b>                     | <b>3%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -         |

#### Approved Budget



#### Blueprint 2.0 Imperatives



### ACCOMPLISHMENTS

- Northeast Boundary Tunnel (NEBT) received 2024 Project of the Year award from the Underground Construction Association
- October 2023 – Placed in Operation Rock Creek Green Infrastructure Project B
- November 2023 – Started Construction - Potomac River Tunnel Project
- September 2024 – Awarded Phase 1 Preconstruction for Rock Creek Project C
- November 2024 – Award of the Construction Manager at Risk (CMAR) Preconstruction Phase for Piney Branch Tunnel

### GOALS

- Complete surface restoration and complete operational demonstration of Northeast Boundary Tunnel (NEBT) transfer assets to DC Water Operations
- Meet all Consent Decree deadlines for Rock Creek C, Rock Creek D, and Piney Branch Tunnel projects
- Manage risks related to stakeholder approvals, material costs and sourcing uncertainty, and skilled labor/staffing for the program
- Build out the new Potomac Interceptor project team
- Support transition to new contract delivery methods Construction Manager at Risk (CMAR), Progressive Design Build (PDB)

### CHALLENGES

- Increasing costs of materials, equipment, and labor due to inflation, uncertainty related to tariffs, and immigration policy
- Uncertainty related to Federal Administration changes and potential impacts to third party coordination (ex. National Park Service (NPS), Commission of Fine Arts (CFA), National Capital Planning Commission (NCPC), State Historic Preservation Office (SHPO), Department of Environment and Energy (DOEE), District Department of Transportation (DDOT))

## DEPARTMENT: CLEAN RIVERS

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Continue construction of the Potomac River Tunnel (PRT)
- Continuing construction of Rock Creek Project C Green Infrastructure (GI)
- Begin Construction phase of the Piney Branch Tunnel
- Perform planning and design for Rock Creek Project D Green Infrastructure
- Continuing application of the National Green Infrastructure Certification Program (NGICP) on relevant green infrastructure projects
- Continuing deployment of Clean Rivers assets into DC Water's enterprise asset management system
- Continue the coordination of preventive maintenance of Clean Rivers assets
- Continuing the maintenance of GI facilities
- Regulatory requirements compliance

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

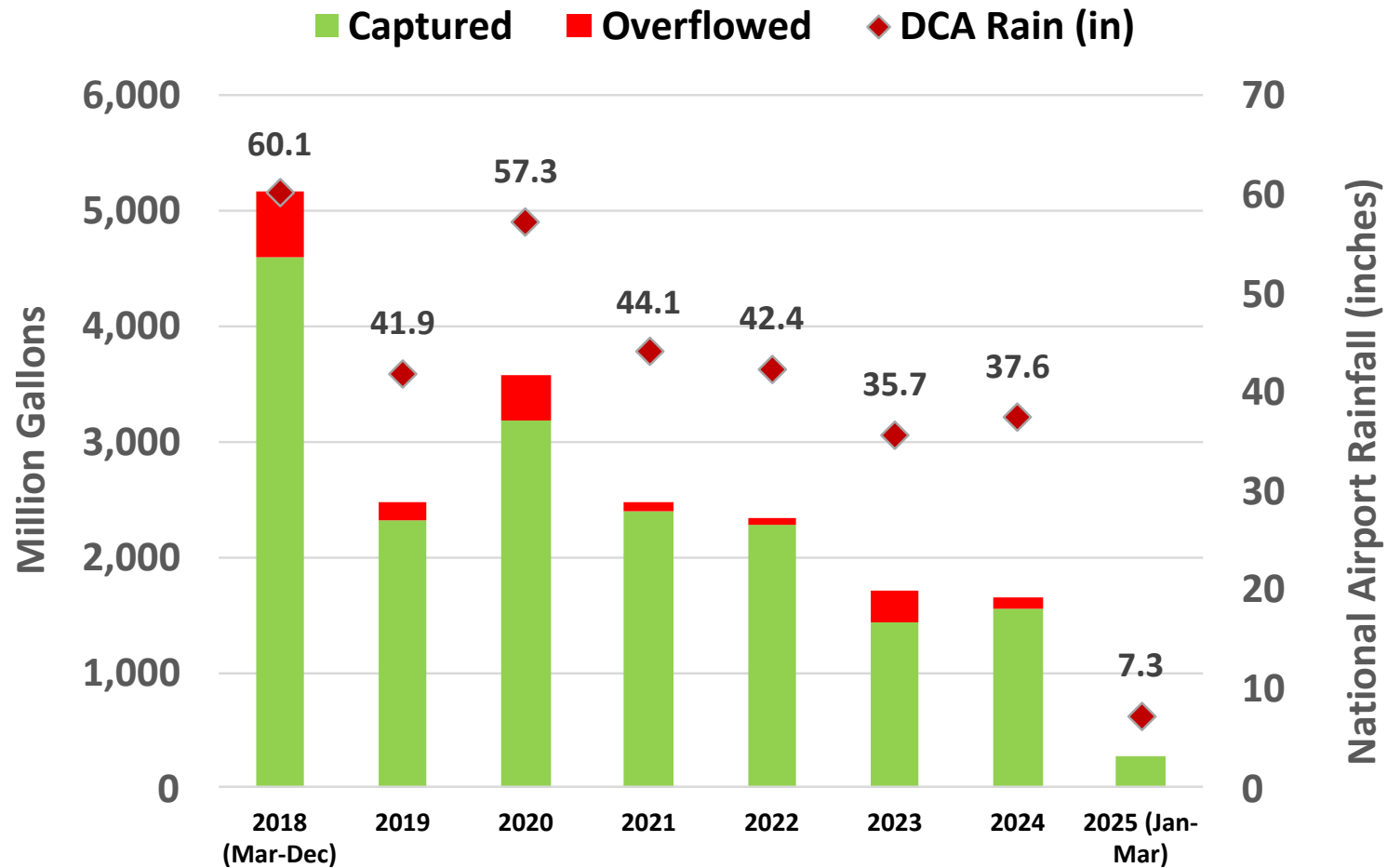
- Operations and Maintenance costs of Green Infrastructure in Rock Creek sewershed will increase as additional facilities are brought online



*Tunnel boring machine (TBM), Chris*

**CLEAN RIVERS TUNNEL PERFORMANCE**  
Tunnel Capture Volume (MG)  
(FY 2018 – FY 2024)

**Anacostia Tunnel System Performance**





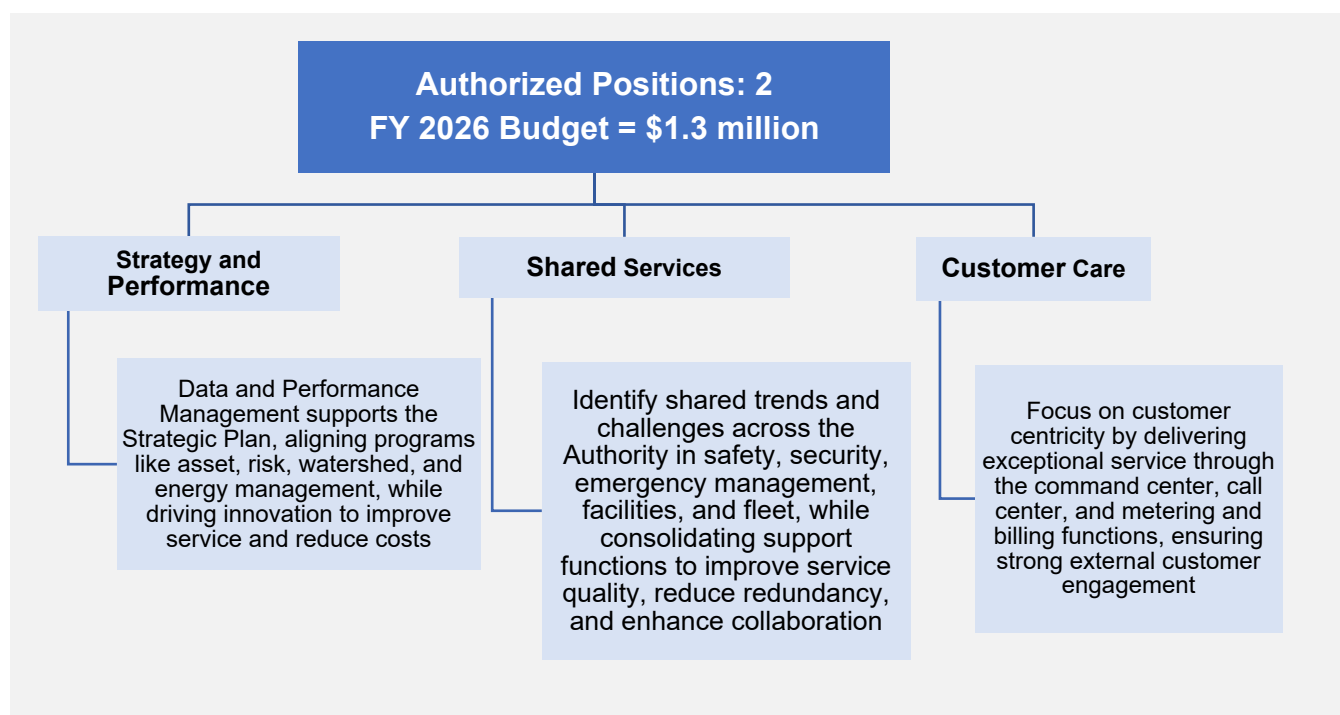
## CLUSTER: ADMINISTRATION

### DEPARTMENT: OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER (CAO)

**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 develop, manage, monitor, and execute the Authority's strategy, Blueprint 2.0, and to effectively deliver service in support of the core business in the functional areas of Shared Services, and Customer Care

### Organization Structure



## DEPARTMENT: OFFICE OF THE CHIEF ADMINISTRATION OFFICER (CAO)

### FY 2026 Operating Budget Overview

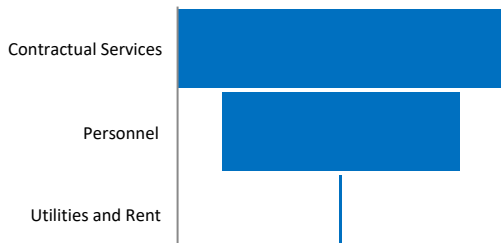
**Personnel Services:** Is relatively flat

**Non-Personnel Services:** Decreased due to reduced contractor reliance

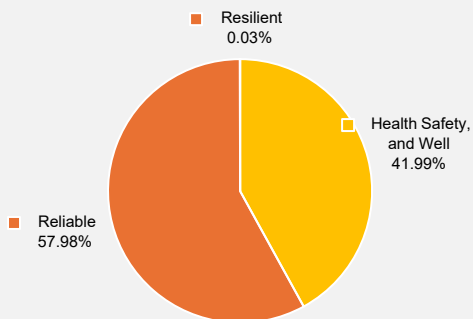
**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %          |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|------------|
| Headcount: Authorized             | -                 | 2                 | 2                  | 2                   | 0                               | 0%         |
| Personnel Services                | -                 | \$ 412            | \$ 566             | \$ 557              | \$ 10                           | 2%         |
| Contractual Services              | -                 | 79                | 900                | 765                 | 135                             | 15%        |
| Utilities and Rent                | -                 | -                 | -                  | 3                   | (3)                             | -          |
| Non Personnel Services            | -                 | 79                | 900                | 769                 | 131                             | 15%        |
| <b>Total O&amp;M Expenditures</b> | -                 | <b>\$ 491</b>     | <b>\$ 1,466</b>    | <b>\$ 1,325</b>     | <b>\$ 141</b>                   | <b>10%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                               | -          |

#### Approved Budget



#### Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND CHANGES

- Key planned activities include improving AMI transmission rates, enhancing strategic management with Blueprint 2.0, implementing the OCAO performance dashboard, and realigning CAO functions for better service delivery

### ACCOMPLISHMENTS

- Successful integration of AI tool (chatbot) for Customer Care
- Successfully launched the OCAO performance dashboard emphasizing financial outcomes, managing external stakeholders, and fostering partnerships and support from authorities

### GOALS

- Implementation and use of the CAO dashboard
- Continuously explore leveraging AI to gain greater efficiency within the Authority

### CHALLENGES

- Fluctuating costs resulting from volatility in markets



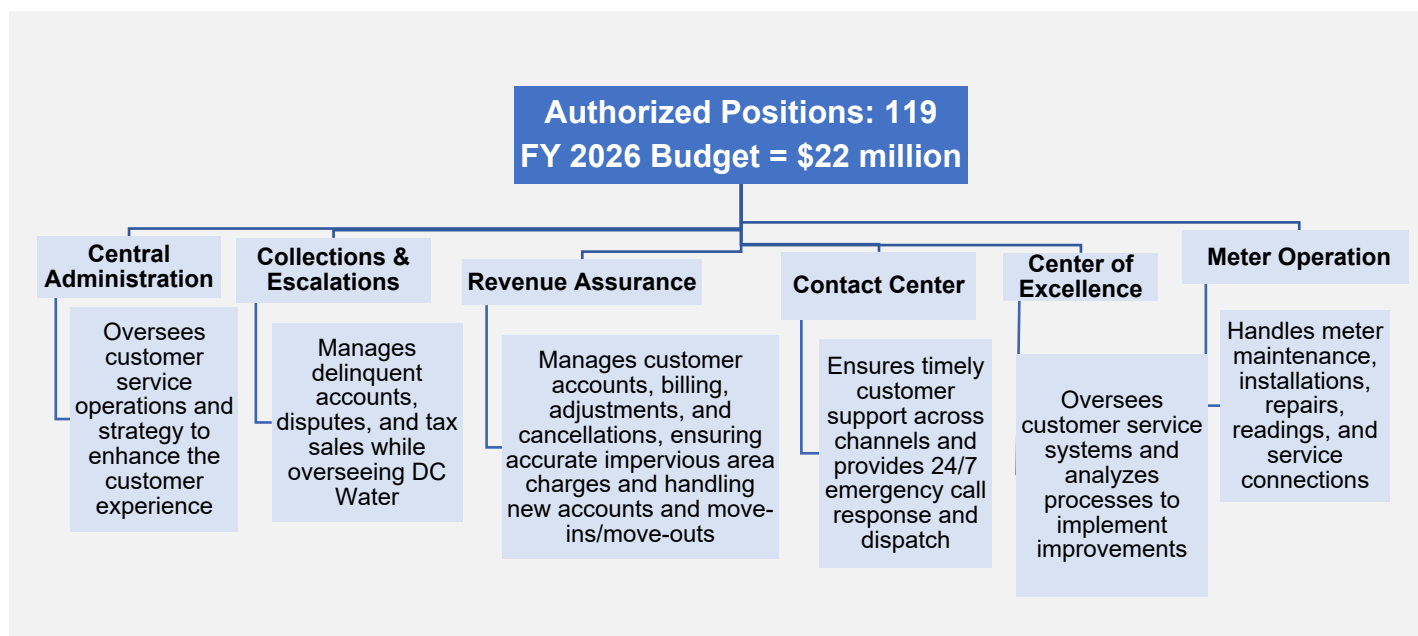
## CLUSTER: ADMINISTRATION

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES               | Results | Results | Targets | Targets |  |
| % of Bills issued on time (w/in 5 days)     | 97%     | 98%     | 97%     | 98%     | Reliable   |
| Estimated bills as a percent of meters read | 4.2%    | 4.3%    | 4%      | 4%      | Reliable   |
| Unbilled at the end of the month            | 1.5%    | 1.4%    | 1.5%    | 2%      | Reliable   |

## DEPARTMENT: CUSTOMER CARE

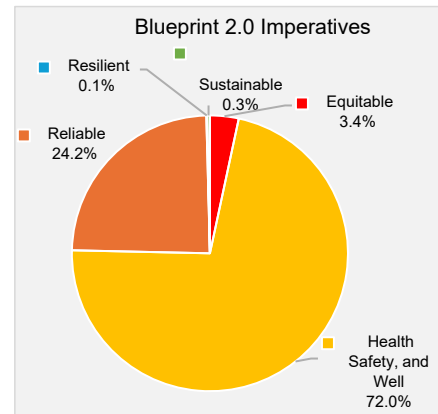
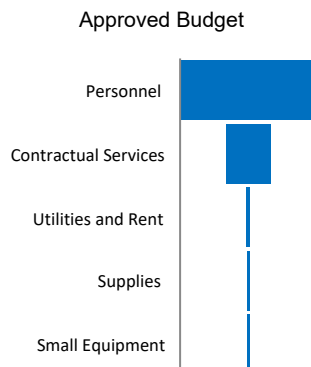
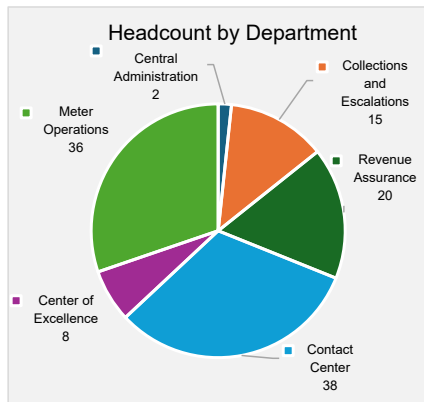
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increase reflects personnel readjustment for salaries, benefits and overtime, partly offset by one vacant position reduction

**Non-personnel Services:** Relatively flat

**Capital Equipment:** Covers various ongoing metering programs, including large and small line installations, plumbing, equipment, meters, and Meter Transmission Units (MTUs). It also includes the Advanced Metering Infrastructure (AMI) small line installation program and large meter program management support.

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %           |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|-------------|
| Headcount: Authorized             | 120               | 120               | 120                | 119                 | 1                               | 1%          |
| Personnel Services                | \$ 13,542         | \$ 13,997         | \$ 15,264          | \$ 16,168           | \$ (905)                        | (6)%        |
| Contractual Services              | 5,020             | 4,881             | 5,431              | 5,304               | 127                             | 2%          |
| Chemicals and Supplies            | 126               | 63                | 105                | 112                 | (7)                             | (6)%        |
| Utilities and Rent                | 489               | 307               | 314                | 382                 | (68)                            | (22)%       |
| Small Equipment                   | 1                 | 1                 | 3                  | 3                   | 1                               | 17%         |
| Non Personnel Services            | 5,635             | 5,251             | 5,853              | 5,801               | 53                              | 1%          |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 19,177</b>  | <b>\$ 19,248</b>  | <b>\$ 21,117</b>   | <b>\$ 21,969</b>    | <b>\$ (852)</b>                 | <b>(4)%</b> |
| <b>Capital Equipment</b>          | <b>\$ 2,383</b>   | <b>\$ 702</b>     | <b>\$ 3,854</b>    | <b>\$ 3,080</b>     | <b>\$ 774</b>                   | <b>20%</b>  |



| ACCOMPLISHMENTS  | GOALS   | CHALLENGES   |
|--|---|--|
| <ul style="list-style-type: none"> <li>Launched the Payment Plan Incentive Program, helping 470 residents pay off outstanding balances</li> <li>Met 100% compliance with response time requirements and exceeded emergency dispatch goals, achieving a 100% rate within 10 minutes (goal: 92%)</li> <li>Promoted over 42% of hires internally in FY24</li> <li>Expanded customer assistance with CAP+ for financially vulnerable customers and a Leak Assessment and Repair Program, both launching in FY2025</li> </ul> | <ul style="list-style-type: none"> <li>Improve customer experience through policy updates, training, and succession planning</li> <li>Expand AI tools like chatbots and automated phone support for personalized service</li> <li>Maintain and enhance customer assistance programs such as Customer Assistance Program (CAP), Serving People by Lending A Supporting Hand (SPLASH), Leak Assessment and Repair Assistance Programs (RLAAP &amp; RLRAP)</li> <li>Reduce printing and postage costs by promoting online billing and the account management portal</li> </ul> | <ul style="list-style-type: none"> <li>Managing post-pandemic impacts and government layoffs affecting usage and delinquencies</li> <li>Encouraging customers to use self-service options</li> <li>Increasing participation in assistance programs</li> <li>Promoting online bill management to reduce mailing costs</li> <li>Securing specialized training to boost employee performance and customer satisfaction</li> </ul> |

## DEPARTMENT: CUSTOMER CARE

### MAJOR PLANNED ACTIVITIES AND CHANGES

- Advance the implementation of the Leak Assessment and Repair Program in partnership with the District
- Expanding Online Services -Serving People by Lending A Supporting Hand (SPLASH) Donation Campaign
- Bill Redesign
- Paperless Billing Campaign
- System upgrades include the Vertex One (V1) Customer Advantage and the Field Management System
- Activate Informational Webpage Chatbot AI on dcwater.com Customer Center page
- AI Phase 3 (Transactional AI/chatbot interactions)
- Field Testing and Mars Test Bench Data Integration into V1
- Call Translation Technology
- Data Clean-Up for Customer Information System (CIS) Database
- Continued efforts to find new avenues to communicate with Customers by expanding into Texting
- Enterprise-Wide Customer Service Training - Customer Care Videos
- Increase Customer Assistance Enrollment



### IMPACT/EXPECTED OUTCOME

- Leak Assessment and Repair Program (Helps CAP customers detect and repair leaks, improving water conservation and affordability)
- Vertex One (V1) Customer Advantage Upgrade (Enhances customer service and system capabilities)
- AI Phase 3 (Transactional AI/chatbot interactions) (Improves customer experience and reduces manual workload)
- Call Translation Technology (Improves service accessibility for non-English speaking customers)
- Increase Customer Assistance Enrollment (Helps more customers access assistance programs)
- Bill Redesign (Improves billing transparency and customer understanding)



### 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, Lead Free DC (LFDC), and Small Diameter Water main (SDWM) replacement projects

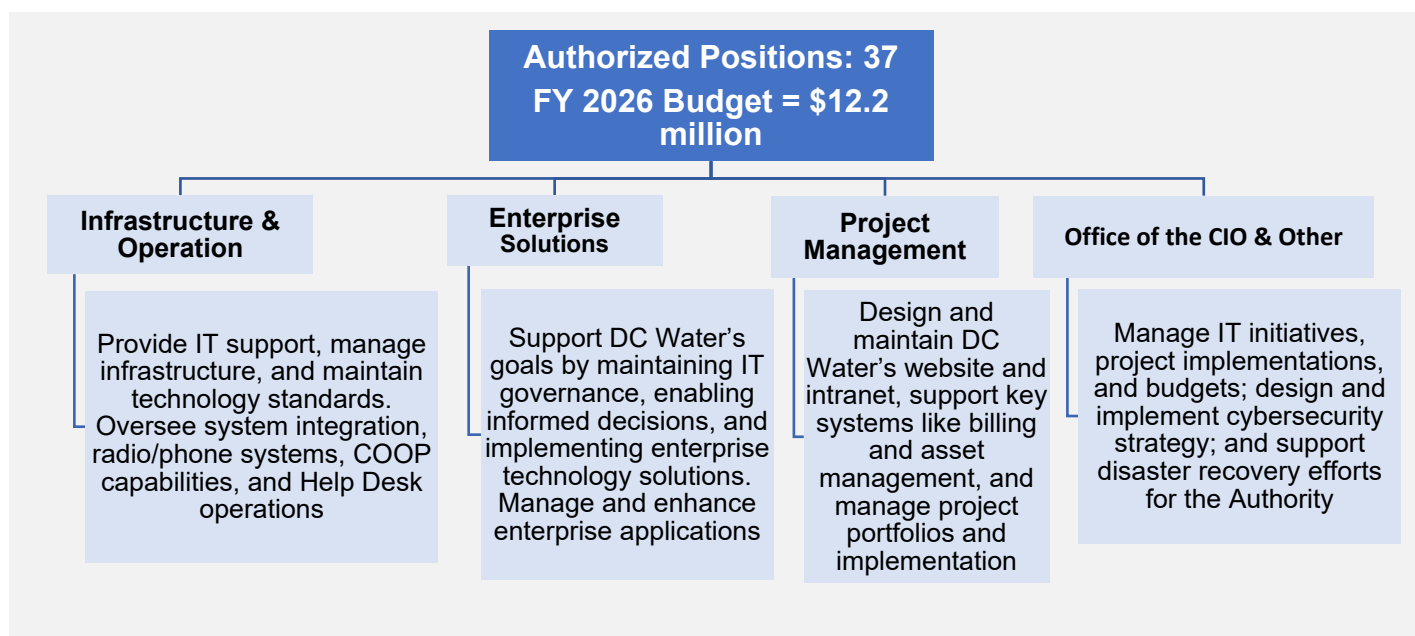
## CLUSTER: INFORMATION TECHNOLOGY

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                         | Results | Results | Targets | Targets |  |
| 98% Network uptime round the clock                    | 99%     | 99%     | 99%     | 99%     | Reliable   |
| 96% of high priority tickets completed within 4 hours | 98%     | 98.8%   | 98%     | 98%     | Reliable   |
| 60% Tickets closed by Tier 1 support                  | 97%     | 70%     | 65%     | 65%     | Reliable   |
| 50% of Projects Completed on-time                     | 90%     | 91%     | 90%     | 90%     | Reliable   |
| 98% Network uptime during peak hours                  | 99%     | 98.49%  | 99%     | 99%     | Reliable   |



## DEPARTMENT: INFORMATION TECHNOLOGY

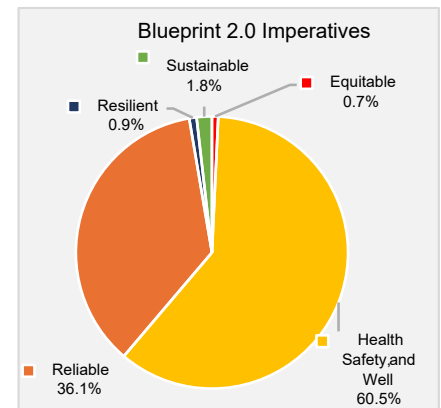
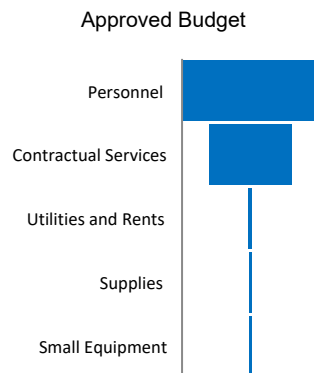
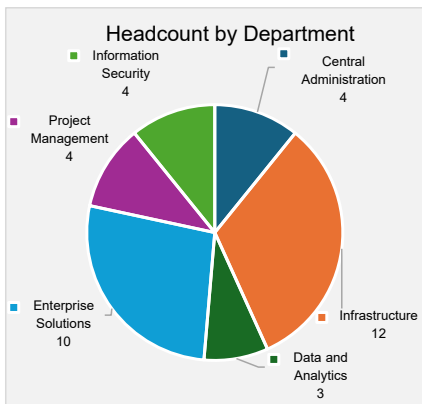
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increased due to adjustments for salaries and benefits

**Non-personnel Services:** Increased due to contractual services for network and data communication services, infrastructure support, and business data analytics maintenance, supplies and utilities

**Capital Equipment:** Covers cabling supplies, IT infrastructure upgrades, supplies, utilities, centrally managed IT infrastructure, telephony, computer and laptop replacements, and the IT Executive Steering Committee (ESC)/ Local Steering Committee (LSC) SharePoint migration

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|--------------|
| Headcount: Authorized             | 37                | 37                | 37                 | 37                  | 0                               | 0%           |
| Personnel Services                | \$ 6,399          | \$ 6,347          | \$ 6,679           | \$ 7,430            | \$ (751)                        | (11)%        |
| Contractual Services              | 4,333             | 4,514             | 4,156              | 4,517               | (361)                           | (9)%         |
| Chemicals and Supplies            | 5                 | (20)              | 5                  | 16                  | (11)                            | (218)%       |
| Utilities and Rent                | 188               | 189               | 154                | 180                 | (27)                            | (17)%        |
| Small Equipment                   | 36                | 7                 | 13                 | 11                  | 2                               | 16%          |
| Non Personnel Services            | 4,562             | 4,690             | 4,328              | 4,725               | (397)                           | (9)%         |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 10,960</b>  | <b>\$ 11,037</b>  | <b>\$ 11,006</b>   | <b>\$ 12,155</b>    | <b>\$ (1,149)</b>               | <b>(10)%</b> |
| <b>Capital Equipment</b>          | <b>\$ 8,291</b>   | <b>\$ 4,363</b>   | <b>\$ 5,107</b>    | <b>\$ 6,165</b>     | <b>\$ (1,058)</b>               | <b>(21)%</b> |



| ACCOMPLISHMENTS   | GOALS  | CHALLENGES   |
|---|--|--|
| <ul style="list-style-type: none"> <li>Upgraded customer service with Genesys PureCloud and Paymentus</li> <li>Enhanced security with AlertUs, underground Wi-Fi, and video access</li> <li>Launched new DCWater.com with improved reporting and event management</li> <li>Strengthened integration security with Microsoft API Management</li> <li>Upgraded technology: Windows 11, iPhones, and a new ticketing system</li> <li>Developed AWACS to detect water loss and ensure accurate billing</li> </ul> | <ul style="list-style-type: none"> <li>Implement Enterprise Data Strategy</li> <li>Keep IT projects on time and within budget (&gt;90%)</li> <li>Establish IT AI Governance group.</li> <li>Expand data warehouse, AI, and predictive analytics</li> <li>Conduct annual Disaster Recovery (DR) exercise</li> <li>Strengthening data protection and sharing policies</li> </ul> | <ul style="list-style-type: none"> <li>We are getting YoY (Year on Year) operating budget cuts while the number of projects and demands continues to rise</li> <li>DC Water IT Policy enforcements (e.g. Shadow IT)</li> <li>The organization supports planning and resource allocations (projects post-go-live) and prioritization initiatives</li> </ul> |

## DEPARTMENT: INFORMATION TECHNOLOGY

### MAJOR PLANNED ACTIVITIES AND CHANGES

- Customer Service Artificial Intelligence (AI): Ongoing enhancements (Informational Chatbot, Personal Chatbot, Transactional AI)
- Replacements: Kona replacement, IT Project Management Office (PMO) Tool, OpenText to SharePoint Migration
- Systems Enhancements: 3PP SaaS, Field Testing & Mars Testbench Data Integration, Website & Mobile App Enhancements, AlertUs, Impervious Area System, SharePoint Migration
- Systems Upgrades: Oracle Enterprise Resource Planning (ERP), Nintex Automation Cloud, MS SQL 2019, Board Room Audio-Visual (AV), Impervious Area Toolset, Network Infrastructure, Tunnel Wi-Fi
- Advancing system implementations such as the Custom Read Portal, SharePoint Forms, and PIMS (Permits Information System), along with other initiatives like Power Apps, MS Co-Pilot, and Qualtrics implementation

### IMPACT/ EXPECTED OUTCOME

- Efficiency & Automation: AI chatbots improve customer service and reduce manual workload
- System Modernization: Upgrades enhance performance, security, and compliance
- Operational Improvements: Enhancements streamline data integration, communication, and infrastructure reliability
- Increased Accessibility: Mobile & website improvements enhance user experience

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Migrating Oracle databases to MS SQL or Oracle Cloud will cut hardware and software maintenance costs
- Moving OpenText to SharePoint will reduce software operational costs
- Optimizing telecom circuits will lower costs
- Upgrading Genesys to the Cloud will save on IT customer service costs
- The addition of the mobile apps, Enterprise Management System (EMS), and the Advanced Water Accounting Computing System (AWACS), as well as the increased usage of Microsoft technology, has significantly increased costs for FY25



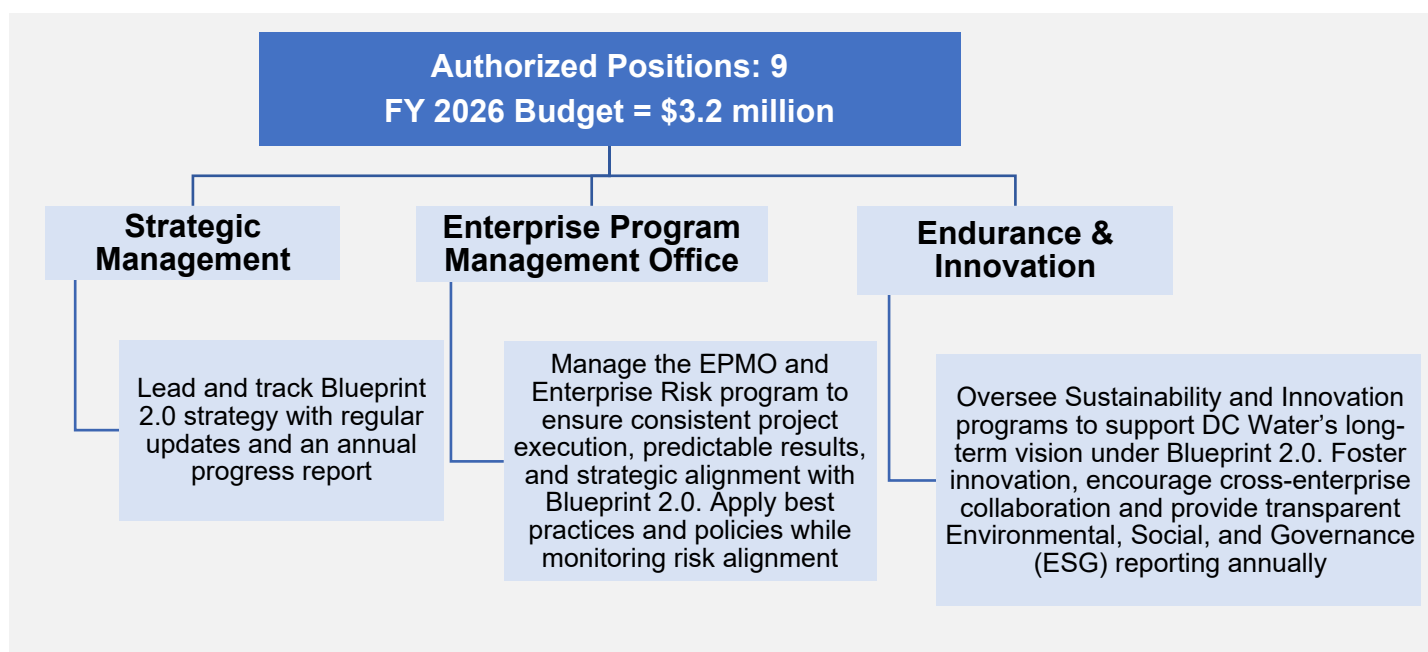
## CLUSTER: STRATEGY AND PERFORMANCE

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES   | Results | Results | Targets | Targets |  |
| Develop and implement Strategic Management (maturity scale 1-5)         | 2.6     | 2.9     | 3.2     | 3.4     | Reliable   |
| Publication of DC Water's Environmental, Social, Governance Report      | 1       | 1       | 1       | 1       | Reliable   |
| Extent of Enterprise Risk Management implement and maturity (scale 1-5) | 3       | 3       | 3       | 3       | Reliable   |

## DEPARTMENT: STRATEGY AND PERFORMANCE

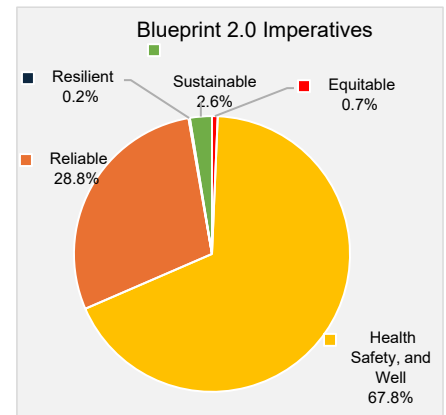
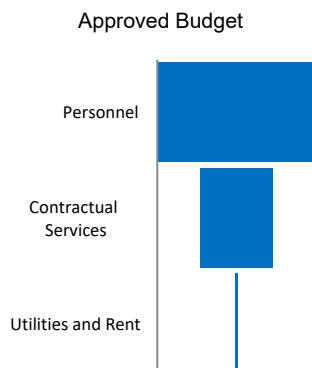
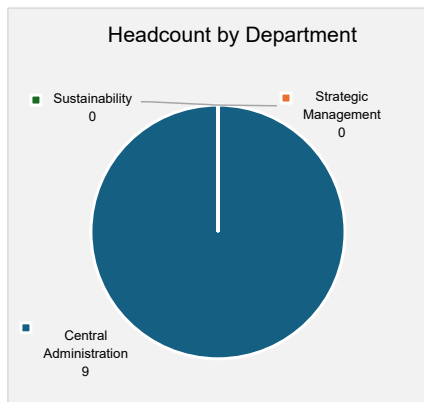
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increased due to salaries and benefits adjustments

**Non-Personnel Services:** Increased slightly due to contractual services

**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |              |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|--------------|
| Headcount: Authorized             | 9                 | 9                 | 9                  | 9                   | 0                                 | 0%           |
| Personnel Services                | \$ 1,978          | \$ 1,624          | \$ 1,745           | \$ 2,222            | \$ (476)                          | (27)%        |
| Contractual Services              | 1,007             | 1,299             | 983                | 1,020               | (36)                              | (4)%         |
| Chemicals and Supplies            | 6                 | 0                 | 6                  | -                   | 6                                 | 100%         |
| Utilities and Rent                | -                 | -                 | 3                  | 2                   | 1                                 | 27%          |
| Small Equipment                   | -                 | 2                 | -                  | -                   | -                                 | -            |
| Non Personnel Services            | 1,013             | 1,301             | 992                | 1,022               | (30)                              | (3)%         |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 2,991</b>   | <b>\$ 2,925</b>   | <b>\$ 2,738</b>    | <b>\$ 3,244</b>     | <b>\$ (506)</b>                   | <b>(18)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -            |



| ACCOMPLISHMENTS   | GOALS  | CHALLENGES  |
|---|--|---|
| <ul style="list-style-type: none"> <li>Established a Strategic Management framework, achieving a maturity scale of 2.9</li> <li>Published DC Water's Environmental, Social, and Governance Report for the year</li> </ul> | <ul style="list-style-type: none"> <li>Improve the Strategic Management framework, aiming for a maturity scale of 3.5</li> <li>Enhance the impact and reach of DC Water's Environmental, Social, and Governance Report in future publications</li> </ul> | <ul style="list-style-type: none"> <li>Increasing costs of consultants</li> </ul> |

## DEPARTMENT: STRATEGY AND PERFORMANCE

### MAJOR PLANNED ACTIVITIES AND CHANGES

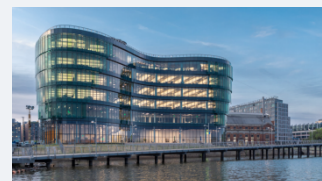
- Provide biannual updates on Blueprint 2.0 progress to the Board
- Convene quarterly status updates on Blueprint 2.0
- Refine Blueprint 2.0 goals and workstreams
- Advance the Enterprise Program Management Office to ensure program delivery
- Develop and promote the Program Management Office Center of Excellence
- Monitor the enterprise executive dashboard
- Refine indices for monitoring innovation and sustainability
- Advance the Generative AI Community of Practice
- Leverage ESG Governance and publish FY 2022, FY 2023 & FY 2024 ESG Reports
- Baseline Task Force on Climate-Related Financial Disclosures (TCFD) framework assessment
- Continue Environmental, Social, and Governance (ESG) Governance initiatives

### IMPACT OF OPERATING PROGRAMS

- Deliver mission-critical enterprise programs efficiently
- Strengthen enterprise compliance and internal audit functions
- Improve enterprise risk management through Risk Register and Deep Dives
- Enhance organizational transparency through ESG reporting
- Promote innovation and sustainability to align with Blueprint 2.0
- Break down silos and foster cross-enterprise collaboration

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No major items identified



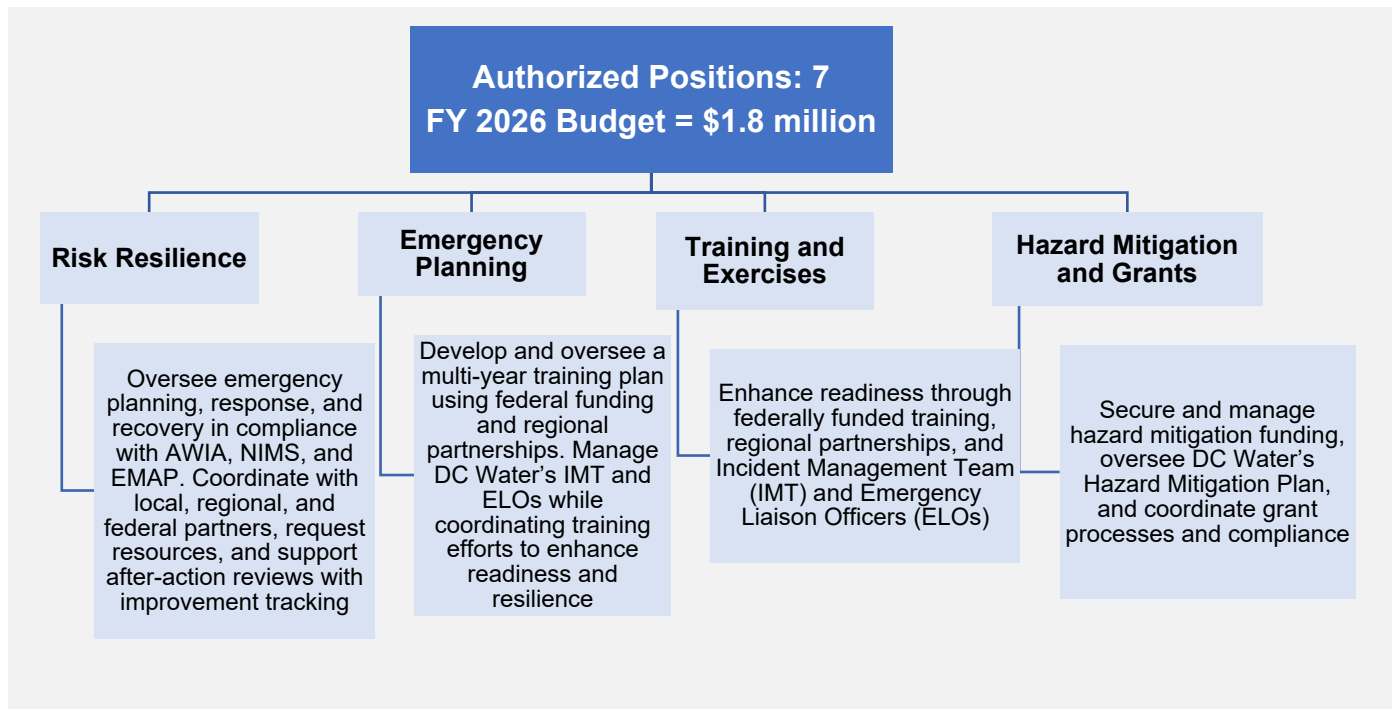
## CLUSTER: SHARED SERVICES

### 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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES   | 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

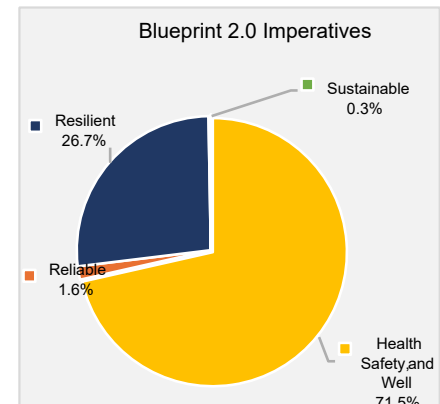
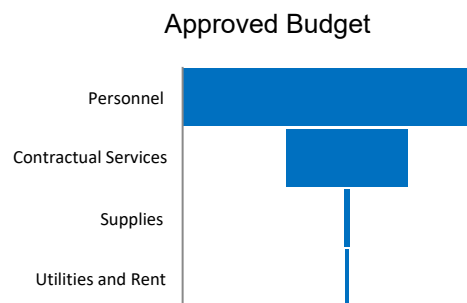
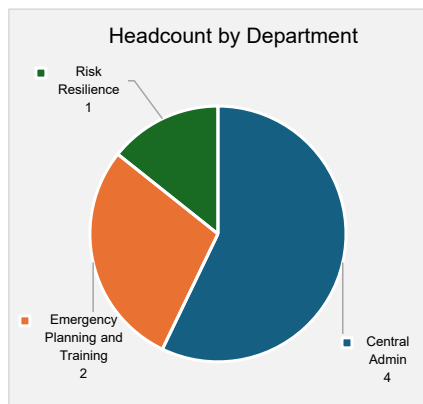
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increase reflects one additional FTE (Emergency Management Assistant) as well as increase for salaries and benefits

**Non-personnel Services:** Relatively flat

**Capital Equipment:** Increase for vehicle upgrades

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |             |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-------------|
| Headcount: Authorized             | 6                 | 6                 | 6                  | 7                   | (1)                               | (17)%       |
| Personnel Services                | \$ 985            | \$ 1,085          | \$ 1,146           | \$ 1,287            | \$ (141)                          | (12)%       |
| Contractual Services              | 578               | 438               | 517                | 479                 | 39                                | 8%          |
| Chemicals and Supplies            | 6                 | 17                | 6                  | 21                  | (14)                              | (223)%      |
| Utilities and Rent                | 12                | 15                | 12                 | 14                  | (3)                               | (23)%       |
| Small Equipment                   | 23                | 6                 | -                  | -                   | -                                 | -           |
| Non Personnel Services            | 619               | 475               | 536                | 514                 | 22                                | 4%          |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 1,605</b>   | <b>\$ 1,560</b>   | <b>\$ 1,682</b>    | <b>\$ 1,801</b>     | <b>\$ (119)</b>                   | <b>(7)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -           |



| ACCOMPLISHMENTS  | GOALS  | CHALLENGES  |
|--|--|---|
| <ul style="list-style-type: none"> <li>Developed new Cyber Incident Response Playbook with IT and Operations</li> <li>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</li> </ul> | <ul style="list-style-type: none"> <li>Establish comprehensive measures to track and address identified risks and capability gaps</li> </ul> | <ul style="list-style-type: none"> <li>Planning for and implementing staffing changes including recruitment and onboarding</li> </ul> |

## DEPARTMENT OFFICE OF EMERGENCY MANAGEMENT

### MAJOR PLANNED ACTIVITIES AND CHANGES PLANNED

- Implement: an entry level position to allow for department succession planning and support emergency management inventory supplies and logistic needs
- Establish: Incident Management Team (IMT) management and documentation software and virtual solution for quicker emergency notifications, tasks, documentation, and plan references
- Facilitate: finish the revision efforts for Authority wide Hazard Mitigation Plan, Emergency Management Plan, and Sewer Emergency Containment Plan
- Continue: compliance with America's Water Infrastructure Act and Emergency Management Accreditation Program

### ACCOMPLISHMENTS

- DC Water was awarded 2 grants for the continued construction of Blue Plains Floodwall and revision of the Hazard Mitigation Plan
- Coordinated 5 full Incident Management Team activations
- Compiled and finalized 13 after action reports for emergency response and exercises with 104 identified improvement items
- Facilitated 68 trainings and exercises for 1579 DC Water employees

### GOALS

- To maintain a high performing network of systems and assets critical to reliability and use real-time monitoring to inform better decision making

### CHALLENGES

- A significant increase in the number of incidents and events, thus additional after-action reports that require OEM support and coordination
- Emergency Management Accreditation Program (EMAP) reaccreditation demands



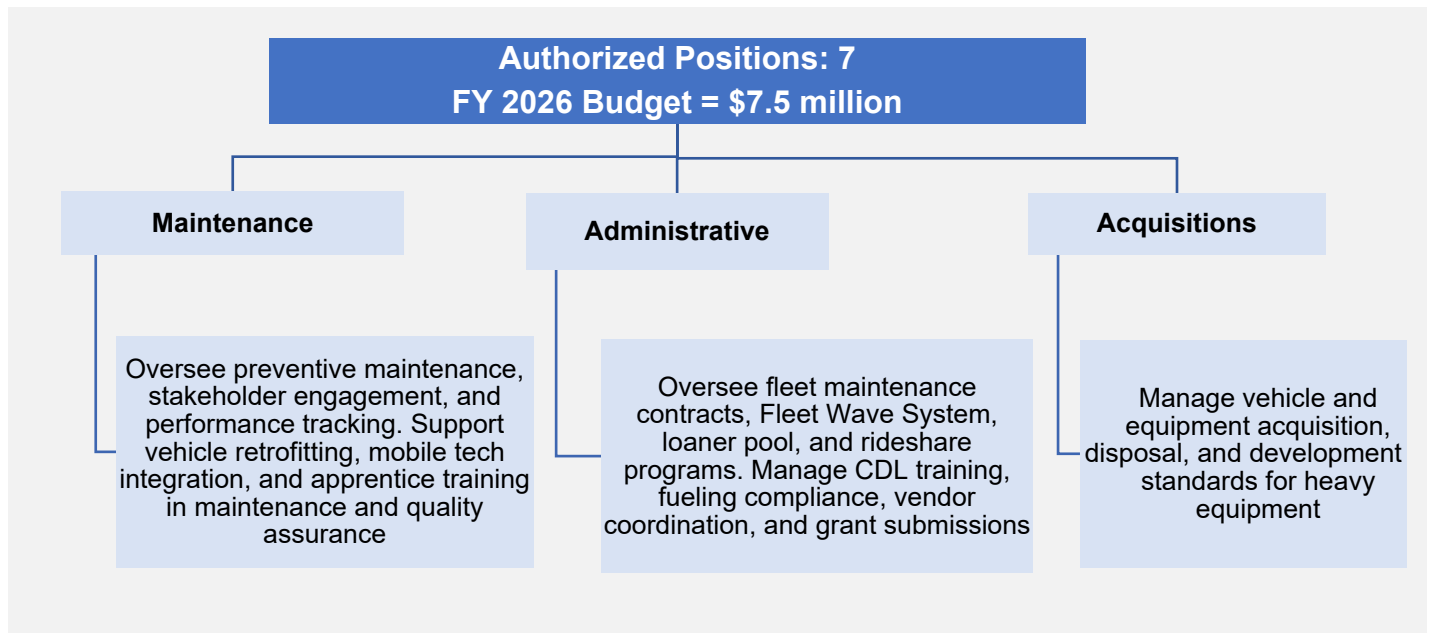
## CLUSTER: SHARED SERVICES

### 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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|  | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|--|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                  | Results | Results | Targets | Targets |  |
| Preventative Maintenance Completed on Schedule | 86%     | 85%     | 81%     | 81%     | Reliable   |
| Priority #1 Vehicles available for use         | 80%     | 84%     | 50-90%  | 50-90%  | Reliable   |

## DEPARTMENT: FLEET MANAGEMENT

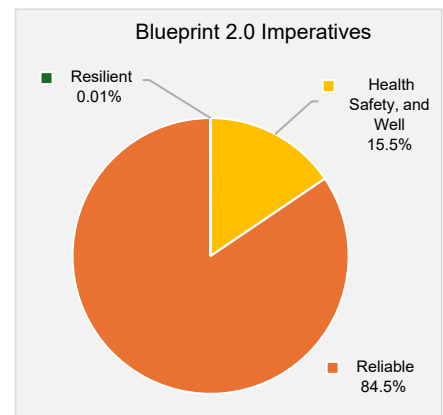
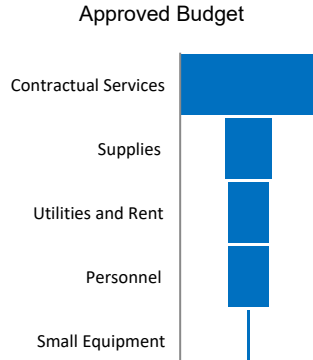
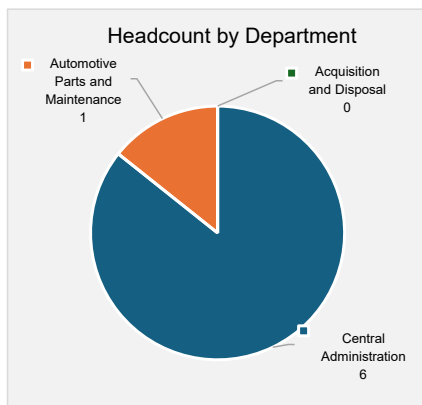
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel services:** Decreased slightly due to elimination of one vacant FTE, offset in part by increased salary adjustments

**Non-personnel services:** Increased in contractual services to support fleet vehicle maintenance, including parts and supplies

**Capital Equipment:** Covers purchase of the Authority's fleet vehicles and other major heavy-duty equipment

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %           |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|-------------|
| Headcount: Authorized             | 8                 | 8                 | 8                  | 7                   | 1                               | 13%         |
| Personnel Services                | \$ 1,273          | \$ 1,099          | \$ 1,213           | \$ 1,160            | \$ 54                           | 4%          |
| Contractual Services              | 3,773             | 4,496             | 3,303              | 3,864               | (562)                           | (17)%       |
| Chemicals and Supplies            | 300               | 752               | 1,317              | 1,333               | (16)                            | (1)%        |
| Utilities and Rent                | 1,140             | 1,136             | 1,283              | 1,161               | 122                             | 9%          |
| Small Equipment                   | 111               | 31                | 75                 | 25                  | 50                              | 67%         |
| Non Personnel Services            | 5,323             | 6,416             | 5,978              | 6,383               | (406)                           | (7)%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 6,596</b>   | <b>\$ 7,515</b>   | <b>\$ 7,191</b>    | <b>\$ 7,543</b>     | <b>\$ (352)</b>                 | <b>(5)%</b> |
| <b>Capital Equipment</b>          | <b>\$ 9,202</b>   | <b>\$ 8,361</b>   | <b>\$ 4,000</b>    | <b>\$ 4,001</b>     | <b>\$ (1)</b>                   | <b>0%</b>   |



#### ACCOMPLISHMENTS

- Streamline decommissioning and disposal of units and equipment to benefit from auctions and scrapping. This increased actions on Auctioning and disposing of Fleets units, tripling revenue from auctions the previous year
- Created a Performance based Metric for the Repair and Maintenance Contract
- Downsized Fleet by 10% as a result of underutilized vehicles

#### GOALS

- 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

#### CHALLENGES

- Ensure adequate Staffing and resources to accomplish the operational effectiveness

## DEPARTMENT: FLEET MANAGEMENT

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

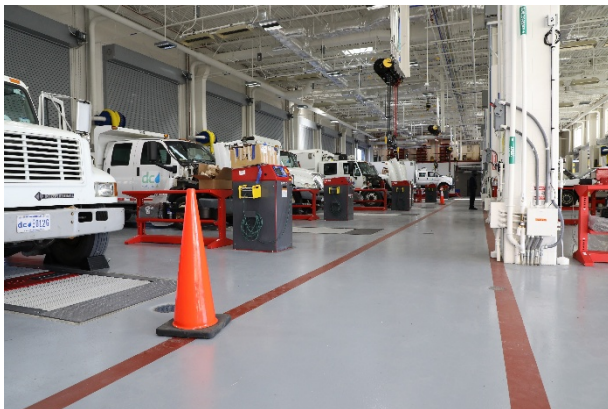
- Implement performance-based metrics for maintenance and repair contracts
- Upgrade Field Services Mobile Support Programs
- Utilize grants and collaborations for alternative fuel vehicle purchases
- Train and certify Fleet personnel

### IMPACT OF OPERATIONAL PROGRAMS

- Management and continuous improvement of metrics through 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

- Enhanced new facility allows operations and serviceability of vehicles in a climate-controlled environment
- Ability to perform certain tasks will be greatly enhanced and our vehicle downtimes will decrease under the services of a performance-based maintenance contract



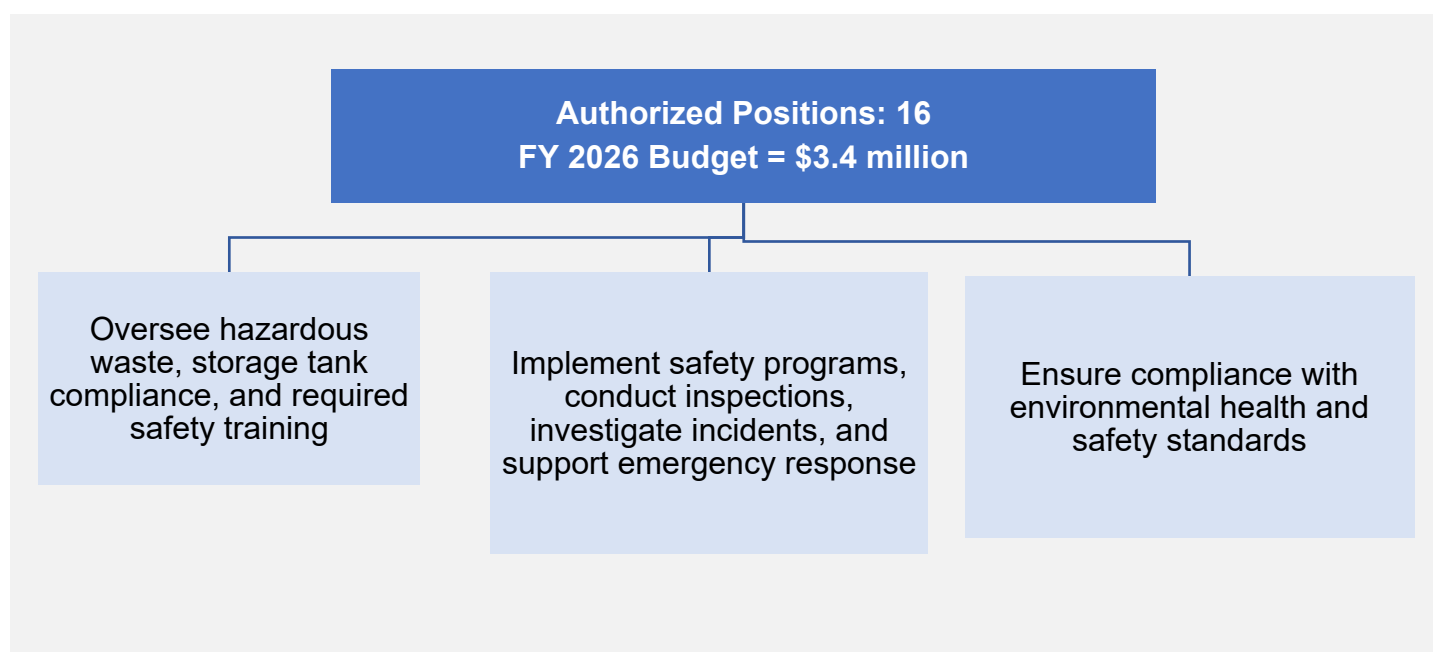
## CLUSTER: SHARED SERVICES

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                         | Results | Results | Targets | Targets |  |
| DC Water Employee Recordable Incident Rate (RIR) (CY) | 2.7     | 1.1     | <4.9    | <5.4    | Healthy, Safe, and Well                          |
| DC Water Employee Lost Time Incident (LTI) (CY)       | 1.9     | 0.69    | <1.7    | <2.1    | Healthy, Safe, and Well                          |
| Contractor/ROCIP Recordable Incident Rate (RIR) (CY)  | 2.4     | 0.68    | <2.5    | <2.4    | Healthy, Safe, and Well                          |
| Contractor/ROCIP Lost Time Incident (LTI) (CY)        | 0.3     | 0.16    | <1.1    | <1.0    | Healthy, Safe, and Well                          |



## DEPARTMENT: OCCUPATIONAL SAFETY AND HEALTH

### FY 2026 Operating Budget Overview

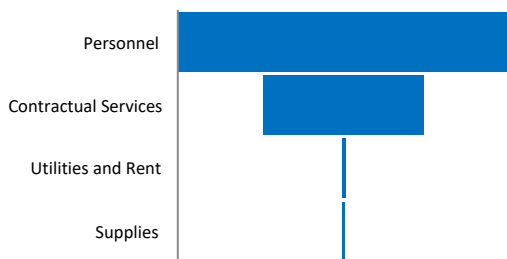
**Personnel Services:** Decrease reflects transfer of two positions to support other functions within the Administration cluster, offset in part by salary adjustments

**Non-Personnel Services:** Increase is for the Fire Life Safety function previously housed in the Security department

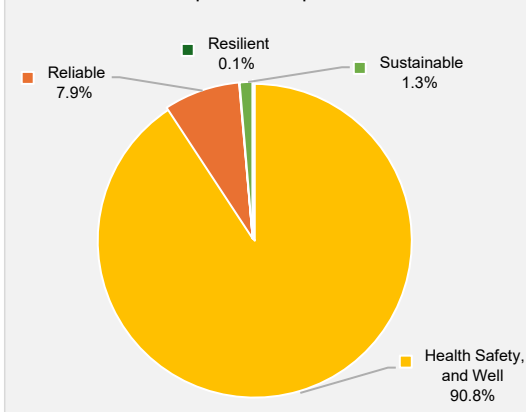
**Capital Equipment:** Funding for Fire Suppression activities

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|--------------|
| Headcount: Authorized             | 16                | 18                | 18                 | 16                  | 2                               | 11%          |
| Personnel Services                | \$ 1,817          | \$ 2,086          | \$ 2,359           | \$ 2,246            | \$ 113                          | 5%           |
| Contractual Services              | 377               | 490               | 465                | 1,087               | (622)                           | (134)%       |
| Chemicals and Supplies            | 33                | 26                | 4                  | 15                  | (11)                            | (255)%       |
| Utilities and Rent                | 29                | 40                | 29                 | 22                  | 7                               | 23%          |
| Small Equipment                   | 4                 | 6                 | 1                  | -                   | 1                               | 100%         |
| Non Personnel Services            | 442               | 562               | 500                | 1,124               | (625)                           | (125)%       |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 2,259</b>   | <b>\$ 2,647</b>   | <b>\$ 2,859</b>    | <b>\$ 3,370</b>     | <b>\$ (512)</b>                 | <b>(18)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | \$ 150              | \$ (150)                        |              |

Approved Budget



Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND CHANGES

- Develop and implement safety goals under Blueprint 2.0's Healthy Safe and Well Imperative
- Support the Rolling Owner Controlled Insurance Program (ROCIP) and Workers' Compensation Program
- Upgrade safety risk systems, including Origami and personal gas monitoring
- Enhance hazardous waste, fire, and life safety programs
- Recruit and onboard key staff positions
- Align DC Water's Occupational Health and Safety System with ISO-45001
- Improve safety and health training programs
- Strengthen safety communications with OMAC

### ACCOMPLISHMENTS

- Strengthened workplace safety and reduced accidents
- Improved compliance with health and safety standards
- Increased efficiency in risk management and safety monitoring
- Enhanced emergency preparedness and response
- Improved workforce training and engagement in safety initiatives

### GOALS

- 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

### CHALLENGES

- Delays in system upgrades and policy implementation
- Challenges in staff recruitment and retention
- Compliance risks if safety policies and programs are not effectively executed
- Potential gaps in safety communication and employee awareness

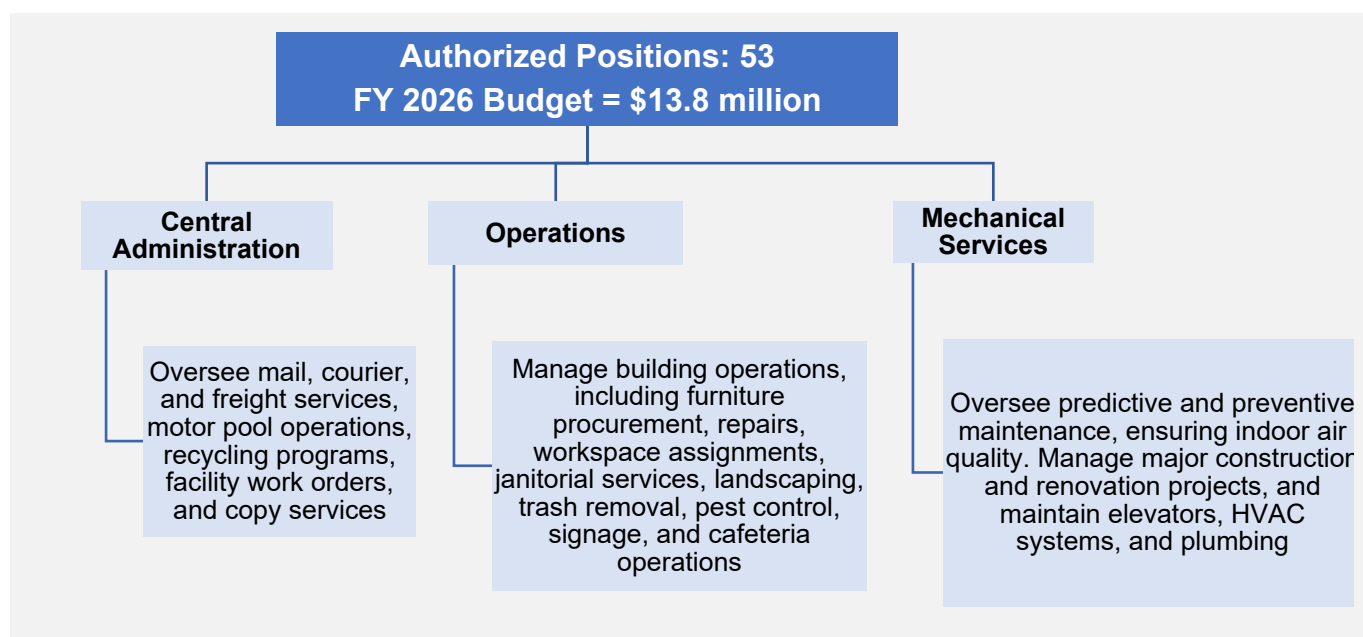
## CLUSTER: SHARED SERVICES

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                             | Results | Results | Targets | Targets |  |
| % of Facilities Service requests completed within 30 days | 54%     | 77%     | 90%     | 90%     | Reliable   |
| Preventative Maintenance Completed on Schedule            | 51%     | 76%     | 90%     | 90%     | Reliable   |

## DEPARTMENT: FACILITIES MANAGEMENT

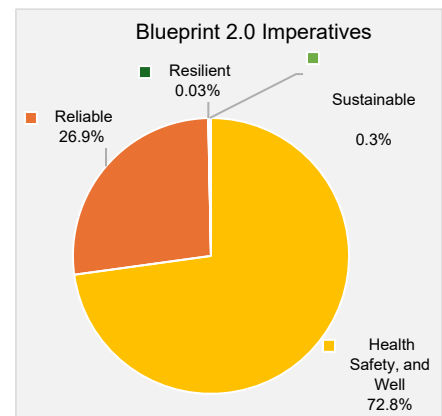
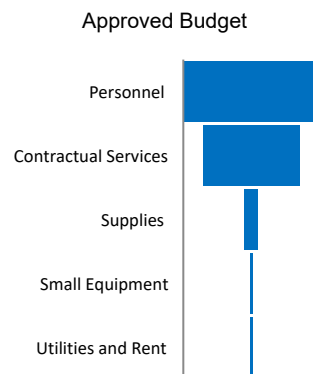
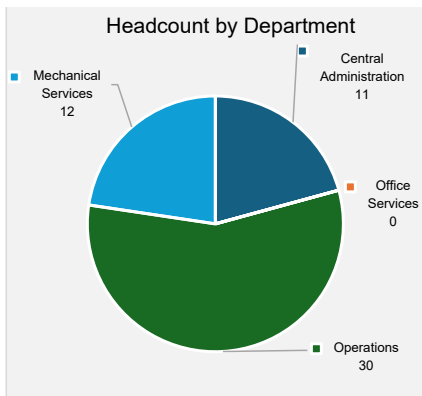
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increased due to adjustments for salaries, benefits, and the addition of one (1) FTE

**Non-personnel Services:** Increased in contractual services to cover the higher cost of the industrial cleaning contract, supplies, utilities, and small equipment

**Capital Equipment:** Increase for HVAC system replacements

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |              |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|--------------|
| Headcount: Authorized             | 50                | 52                | 52                 | 53                  | (1)                               | (2)%         |
| Personnel Services                | \$ 5,816          | \$ 6,655          | \$ 6,759           | \$ 7,508            | \$ (749)                          | (11)%        |
| Contractual Services              | 2,940             | 3,794             | 3,785              | 5,337               | (1,552)                           | (41)%        |
| Chemicals and Supplies            | 794               | 723               | 106                | 763                 | (657)                             | (620)%       |
| Utilities and Rent                | 85                | 86                | 77                 | 96                  | (19)                              | (25)%        |
| Small Equipment                   | 57                | 27                | 50                 | 103                 | (53)                              | (105)%       |
| Non Personnel Services            | 3,876             | 4,630             | 4,018              | 6,299               | (2,280)                           | (57)%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 9,691</b>   | <b>\$ 11,285</b>  | <b>\$ 10,778</b>   | <b>\$ 13,807</b>    | <b>\$ (3,029)</b>                 | <b>(28)%</b> |
| <b>Capital Equipment</b>          | <b>\$ 233</b>     | <b>\$ (6)</b>     | <b>\$ 1,692</b>    | <b>\$ 1,985</b>     | <b>\$ (293)</b>                   | <b>(17)%</b> |



| ACCOMPLISHMENTS   | GOALS   | CHALLENGES   |
|---|---|--|
| <ul style="list-style-type: none"> <li>Achieved LEED Gold certification for HQO building operations &amp; maintenance</li> <li>Supported Department moves and upgrades, completed roof repairs, mold remediation office restoration at Bryant Street Pump Station, completed office renovations at 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> floors of HQO</li> </ul> | <ul style="list-style-type: none"> <li>Implement eco-friendly practices, while operational efficiency is pursued through streamlined processes and the adoption of modern technologies</li> <li>Prioritizing infrastructure resilience</li> </ul> | <ul style="list-style-type: none"> <li>Optimizing resource allocation, integrating new technologies</li> <li>Addressing the impacts of climate change</li> </ul> |

## DEPARTMENT: FACILITIES MANAGEMENT

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Continue implementing Building Automation Program for HVAC systems, integrating sensor data, optimizing energy efficiency
- Continue to develop and manage proactive non-process facilities preventive and corrective maintenance program
- Support Matrix contributors with office furniture and 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 sustainable operations and efficient management of buildings
- Provide stakeholder support/coordination for building renovation by Non-Process Facilities Program

### IMPACT OF OPERATIONAL PROGRAMS

- Improved energy efficiency and system performance through HVAC automation
- Enhanced facility maintenance, reducing downtime and improving operational efficiency
- Ongoing renovations will modernize DC Water facilities and support future growth
- Increased sustainability and cost savings from new innovations and proactive maintenance
- Improved facility operations and employee workspace through support for renovations

### 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



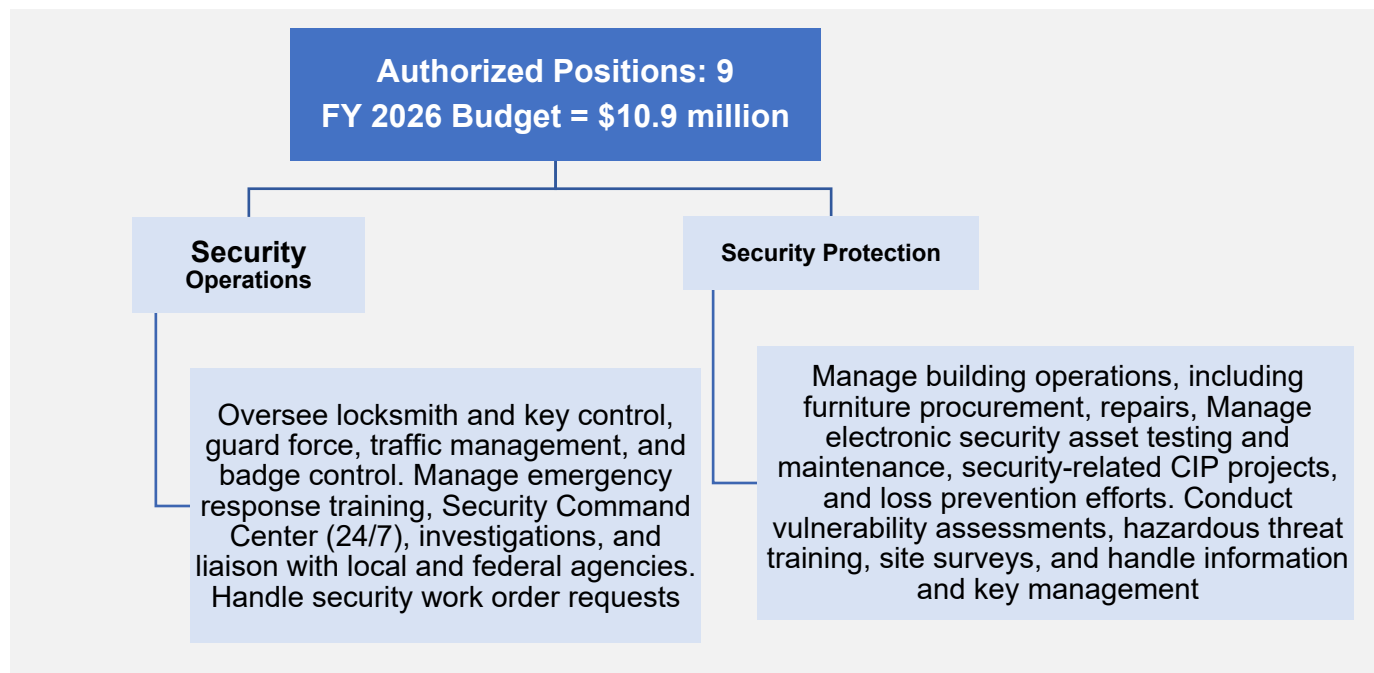
## CLUSTER: SHARED SERVICES

### 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; provide for public safety and maintain order during normal and emergency operations; inform and assist DC Water staff and visitors; and serve as ambassadors for the organization

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                               | Results | Results | Targets | Targets |  |
| Percent of security investigations completed within 21 days | 100%    | 100%    | 95%     | 95%     | Resilient  |
| Security Camera operational uptime (cannot go below 90%)    | 96%     | 96%     | 90%     | 90%     | Resilient  |
| Smart card readers operational uptime (cannot go below 90%) | 97%     | 97%     | 90%     | 90%     | Resilient  |

## DEPARTMENT: SECURITY

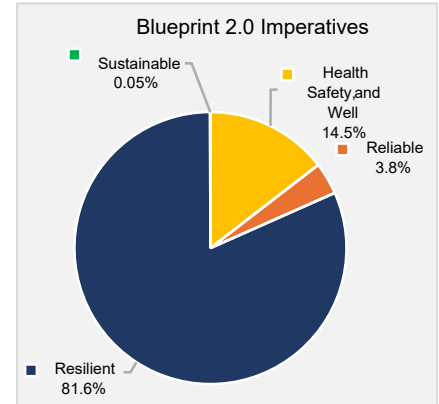
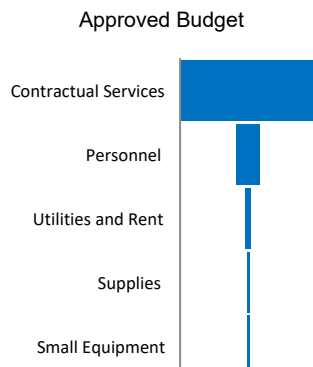
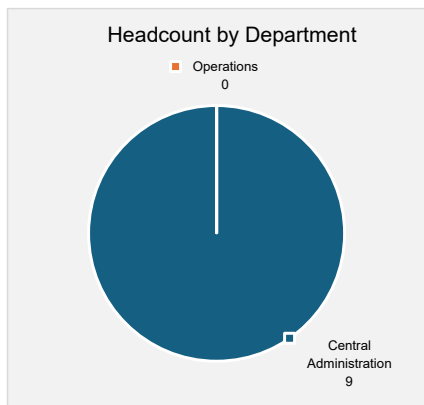
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel services:** Increase for adjustments in salaries and benefits, including one additional FTE

**Non-personnel:** Decrease reflects the fund transfer of the Fire Safety function to the Occupational Safety and Health department

**Capital Equipment:** Allocation supports electronic security equipment

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %         |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|-----------|
| Headcount: Authorized             | 7                 | 7                 | 8                  | 9                   | (1)                             | (13)%     |
| Personnel Services                | \$ 986            | \$ 1,183          | \$ 1,401           | \$ 1,548            | \$ (147)                        | (10)%     |
| Contractual Services              | 8,323             | 8,591             | 9,211              | 8,877               | 335                             | 4%        |
| Chemicals and Supplies            | 45                | 35                | 32                 | 44                  | (12)                            | (39)%     |
| Utilities and Rent                | 324               | 342               | 393                | 387                 | 6                               | 1%        |
| Small Equipment                   | 7                 | 6                 | 20                 | 10                  | 10                              | 50%       |
| Non Personnel Services            | 8,699             | 8,974             | 9,656              | 9,318               | 338                             | 3%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 9,686</b>   | <b>\$ 10,157</b>  | <b>\$ 11,057</b>   | <b>\$ 10,866</b>    | <b>\$ 191</b>                   | <b>2%</b> |
| <b>Capital Equipment</b>          | <b>\$ 0</b>       | <b>\$ 74</b>      | <b>\$ 600</b>      | <b>\$ 600</b>       | <b>\$ 0</b>                     | <b>0%</b> |



| ACCOMPLISHMENTS  | GOALS  | CHALLENGES  |
|--|--|---|
| <ul style="list-style-type: none"> <li>Established two new positions, Security Investigator and Security Specialist Operations, to support our objectives and goals</li> <li>Successfully launched the security incident report in Origami for internal use</li> </ul> | <ul style="list-style-type: none"> <li>Completed the Physical Security Assessment, Hazard Mitigation Plan, and Certified Information Systems Auditor (CISA) Infrastructure Survey</li> <li>Conducted penetration tests to identify and address security vulnerabilities, mitigating potential threats effectively</li> </ul> | <ul style="list-style-type: none"> <li>Provide security for DC Water events including Blue Drop coordinated events</li> <li>Unplanned/Unfunded costs related to Field Security for Crews</li> </ul> |



## DEPARTMENT: SECURITY

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Implement improvements based on the Physical Security Assessment/Hazard Mitigation Plan and CISA Security & Resilience Report
- Continue security enhancements at various DC Water locations
- Upgrade Blue Plains Operations cameras and integrate additional cameras at non-Blue Plains locations
- Develop and implement a training curriculum for Safety, Security & Emergency Management
- Analyze areas throughout the Authority for potential additional security or electronic improvements
- Integrate more departments into the asset protection program

### IMPACT OF OPERATIONAL PROGRAMS

- Enhanced security and resilience across DC Water locations
- Improved surveillance capabilities at key facilities
- Strengthened safety and security training for employees
- Better protection through expanded security improvements and asset protection programs

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Continuous security system improvements will reduce maintenance, enhance response times, and lower threat levels
- Mega-projects will need major security upgrades and more staff to support them fully



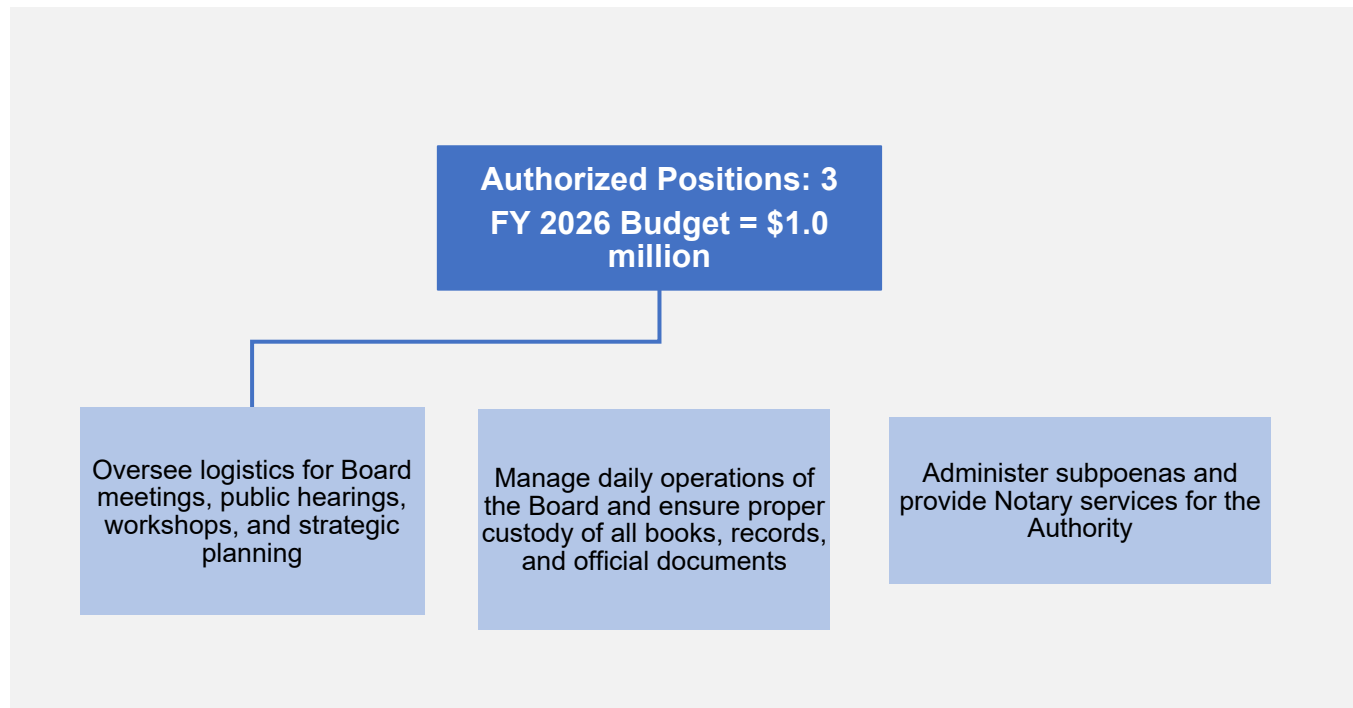
## CLUSTER: INDEPENDENT OFFICES

### 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)

#### Organization Structure



#### Key Performance Indicators (KPIs)

|  | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|--|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES  | Results | Results | Targets | Targets |  |
| Provide timely and accurate Board and Committee agendas, reports and minutes | 100%    | 100%    | 100%    | 100%    | Sustainable                                      |
| Follow-up and complete Board actions   | 100%    | 100%    | 100%    | 100%    | Sustainable                                      |

## DEPARTMENT: SECRETARY TO THE BOARD

### FY 2026 Operating Budget Overview

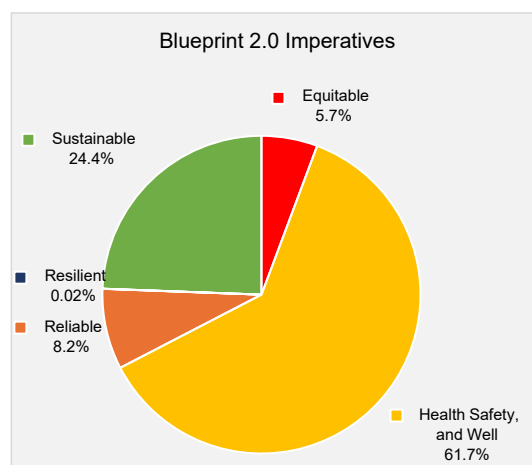
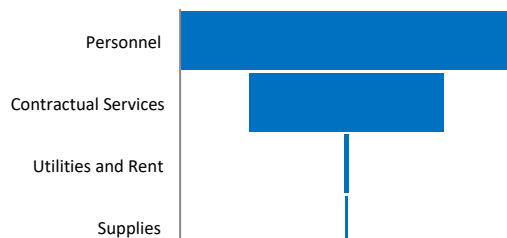
**Personnel Services:** Increases reflect adjustments for salaries and benefits

**Non-Personnel Services:** Increases are driven by administrative and office expenses

**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|--------------|
| Headcount: Authorized             | 3                 | 3                 | 3                  | 3                   | 0                               | 0%           |
| Personnel Services                | \$ 212            | -                 | \$ 532             | \$ 644              | \$ (112)                        | (21)%        |
| Contractual Services              | 167               | 4                 | 333                | 377                 | (44)                            | (13)%        |
| Chemicals and Supplies            | 1                 | -                 | 8                  | 3                   | 6                               | 69%          |
| Utilities and Rent                | 5                 | -                 | 2                  | 9                   | (7)                             | (327)%       |
| Non Personnel Services            | 173               | 4                 | 343                | 388                 | (45)                            | (13)%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 385</b>     | <b>\$ 4</b>       | <b>\$ 875</b>      | <b>\$ 1,033</b>     | <b>\$ (158)</b>                 | <b>(18)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                               | -            |

#### Approved Budget



#### MAJOR PLANNED ACTIVITIES AND CHANGES

- Draft and submit notices, agendas, and materials for Board meetings and public hearings per the Open Meetings Act
- Publish Board and Committee agendas, materials, and minutes on DC Water's website
- Coordinate logistics for the Board's Strategic Planning Session
- Manage the process for filling expired/vacant Board appointments
- Monitor follow-up requests from the Board for timely responses
- Enhance data dissemination using advanced technology to support the Board's Strategic Plan
- Manage recordkeeping to ensure accuracy and maintenance of Board documents
- Collaborate with IT to improve recording of Board meetings
- Continue enhancing processes and duties as needed

#### ACCOMPLISHMENTS

- Onboarded five new board members
- Facilitated governance training for board members and Senior Executive Team (SET)

#### GOALS

- Facilitate a training for staff on new board materials
- Implement Diligent Communities platform
- Work with the Mayor's Office of Talent and Acquisition to fill the six DC alternate vacant positions
- Partner with IT to upgrade Boardroom equipment

#### CHALLENGES

- Implementing Diligent Community platform
- Complying with Open Act mandates

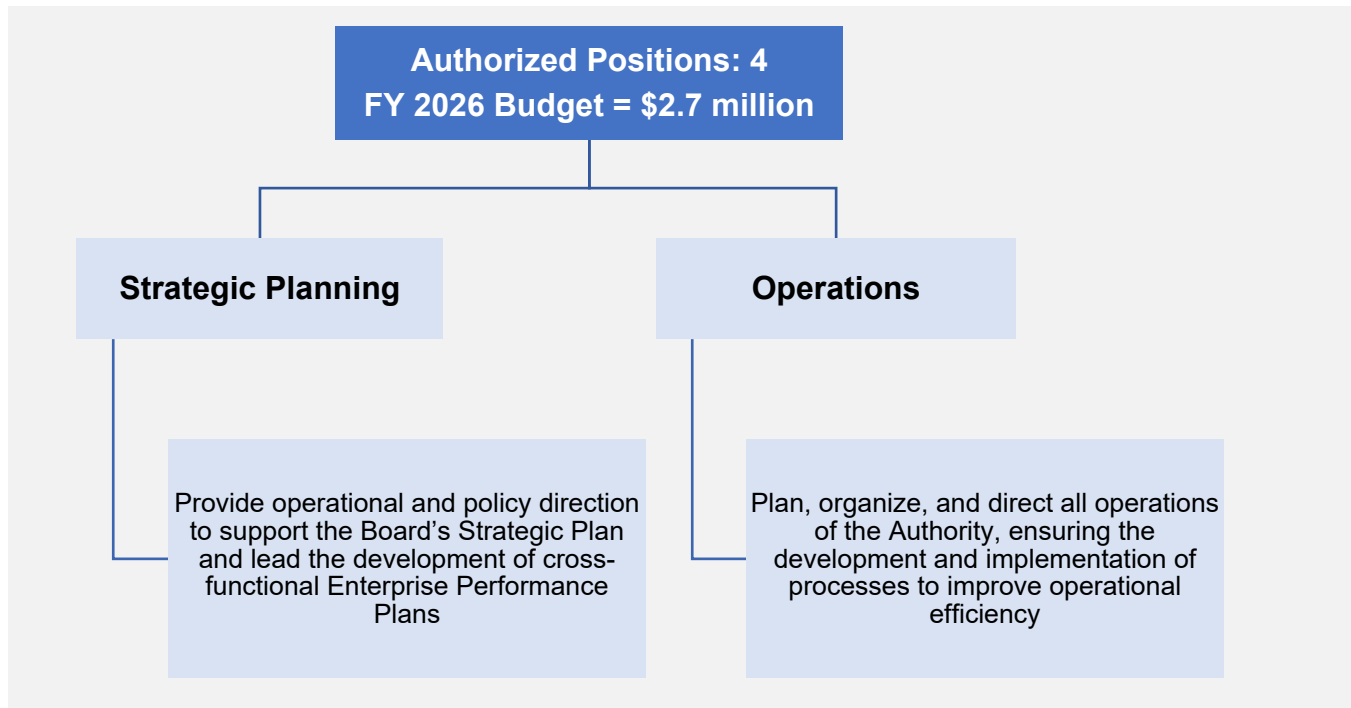
## CLUSTER: INDEPENDENT OFFICES

### 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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                                   | Results | Results | Targets | Targets |  |
| Implement all policies and directives of the Board of Directors | 100%    | 100%    | 100%    | 100%    | Equitable  |

## DEPARTMENT: OFFICE OF THE CHIEF EXECUTIVE OFFICER (CEO)

### FY 2026 Operating Budget Overview

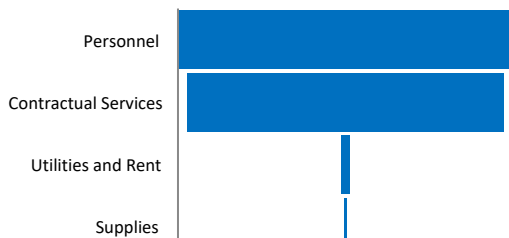
**Personnel Services:** Increases account for adjustments in salaries and benefits

**Non-Personnel Services:** The slight decrease is attributed to lower contractual services

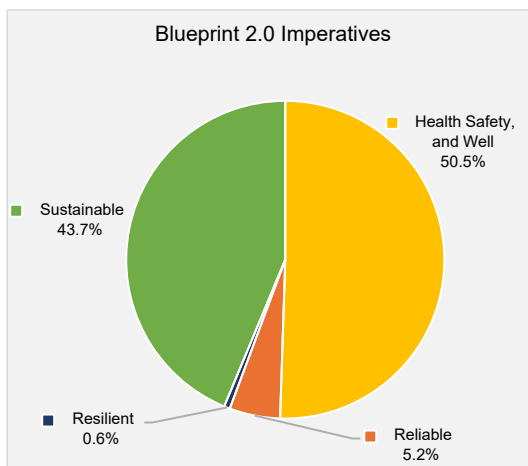
**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |           |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-----------|
| Headcount: Authorized             | 4                 | 4                 | 4                  | 4                   | 0                                 | 0%        |
| Personnel Services                | \$ 1,370          | \$ 1,380          | \$ 1,316           | \$ 1,362            | \$ (46)                           | (3)%      |
| Contractual Services              | 1,769             | 1,449             | 1,369              | 1,292               | 77                                | 6%        |
| Chemicals and Supplies            | 8                 | 3                 | 9                  | 7                   | 2                                 | 22%       |
| Utilities and Rent                | 30                | 34                | 17                 | 35                  | (18)                              | (102)%    |
| Non Personnel Services            | 1,807             | 1,487             | 1,395              | 1,334               | 61                                | 4%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 3,177</b>   | <b>\$ 2,866</b>   | <b>\$ 2,712</b>    | <b>\$ 2,696</b>     | <b>\$ 16</b>                      | <b>1%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -         |

Approved Budget



Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Develop and execute an efficient administrative system to support daily operations and data-driven decision-making across the Authority
- Continue improving labor management partnerships.
- Expand the Chief Executive's strategic direction by designing new support roles
- Support Board of Directors and Senior Executive Team (SET) relationships through joint engagement
- Continue watershed-based stakeholder engagement, including the Anacostia freshwater mussel project to improve water quality
- Support the planning of the annual national Women of Water event in the DC Region
- Engage with global industry leaders in the utility sector.
- Expand executive leadership and build a high-performing leadership team and culture
- Build a CEO forum for the African American CEO experience.
- Expand CEO and DC Water branding through an external marketing partner

### ACCOMPLISHMENTS

- 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

### GOALS

- Commence construction on the Rock Creek Green Infrastructure Project in 2025, as part of the efforts to enhance the city's water management systems

### CHALLENGES

- Maintaining high water quality standards and ensuring environmental compliance in a region heavily influenced by federal policies
- Need to secure a viable alternative water source for the District

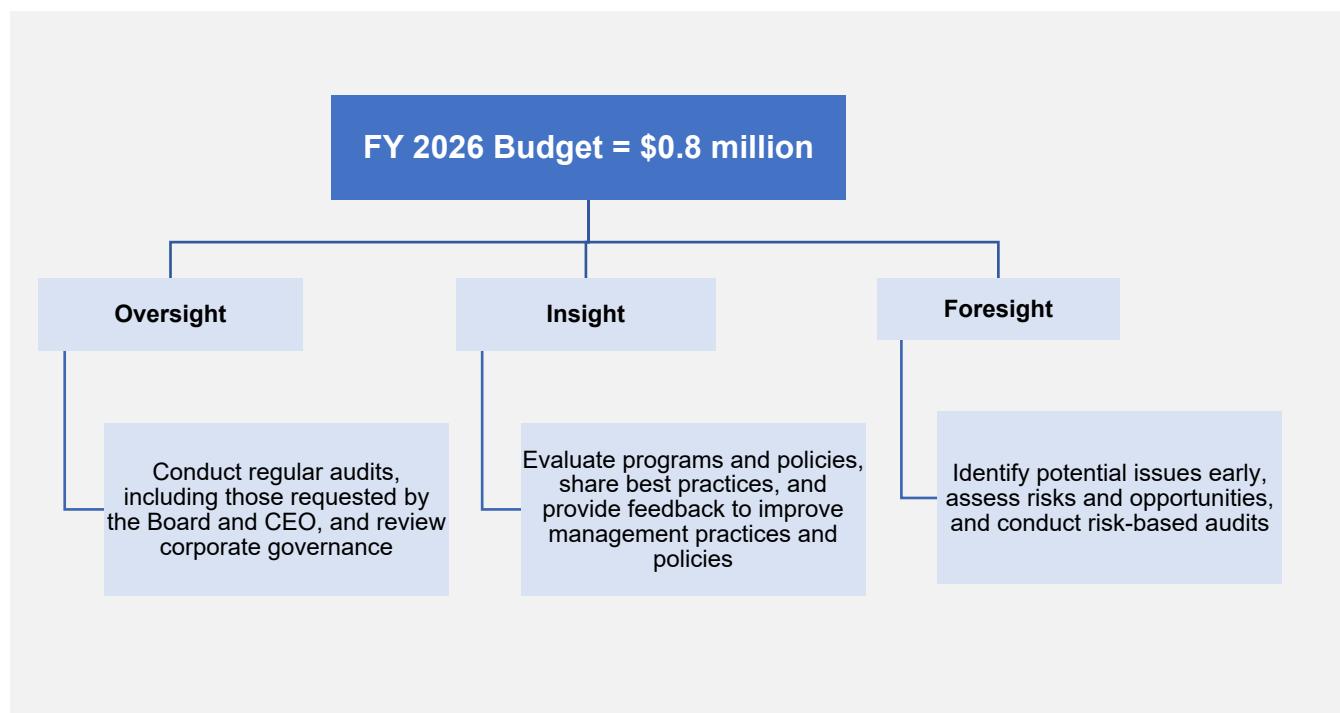
## CLUSTER: INDEPENDENT OFFICES

### 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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|                               | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|-------------------------------|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES | Results | Results | Targets | Targets |  |
| Internal Audit Work Planned   | 11      | 10      | 11      | 11      | Resilient  |



## DEPARTMENT: INTERNAL AUDIT

### FY 2026 Operating Budget Overview

**Non-Personnel Services:** Cost reduction anticipated with the appointment of a new auditor in FY 2025

**Capital Equipment:** No activity

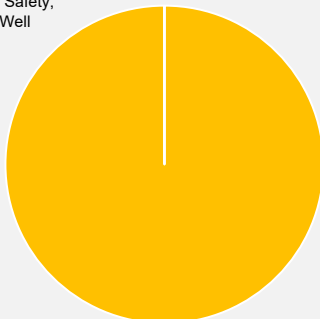
| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |           |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-----------|
| Headcount: Authorized             | 0                 | 0                 | 0                  | -                   | 0                                 | -         |
| Personnel Services                | -                 | -                 | -                  | -                   | -                                 | -         |
| Contractual Services              | 780               | 815               | 839                | 818                 | 22                                | 3%        |
| Non Personnel Services            | 780               | 815               | 839                | 818                 | 22                                | 3%        |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 780</b>     | <b>\$ 815</b>     | <b>\$ 839</b>      | <b>\$ 818</b>       | <b>\$ 22</b>                      | <b>3%</b> |
| Capital Equipment                 | -                 | -                 | -                  | -                   | -                                 | -         |

#### Approved Budget



#### Blueprint 2.0 Imperatives

Health Safety, and Well



#### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Update risk assessment and audit plan for DC Water, considering current trends and strategic initiatives
- Implement approved audit plans and execute audits and management assessments
- Report audit findings, management action plans, and the status of prior findings to the Audit and Risk Committee quarterly
- Follow up on audit findings and management action plans
- Manage and enforce DC Water's hotline protocols
- Identify improvement opportunities during management assessments

#### ACCOMPLISHMENTS

- Completion of internal audit work planned for FY 2024

#### GOALS

- Successful completion of audit work planned for FY 2025

#### CHALLENGES

- None



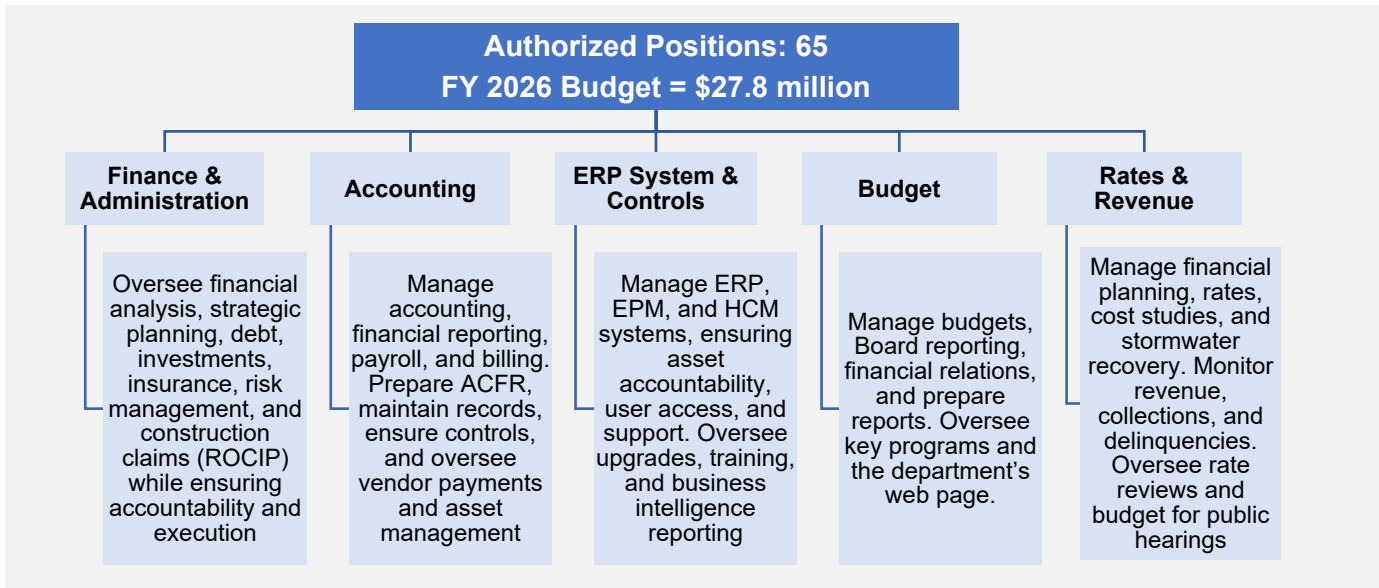
## CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023  | FY 2024  | FY 2025  | FY 2026  | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|----------|----------|----------|----------|--|
| TARGETED PERFORMANCE MEASURES   | Results  | Results  | Targets  | Targets  |  |
| Ensure revenue projections and O&M expenditures are within budget             | 101/98%  | 103%/97% | 99%/95%  | 95%/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 | 309/431  | 395/400  | 426/398  | 376/380  | Sustainable                                      |
| Manage financial operations to ensure 160% combined debt service coverage     | 217%     | 241%     | 195%     | 204%     | Sustainable                                      |
| Meet or exceed 250 days operating & maintenance expenses per fiscal year      | 267 days | 298 days | 267 Days | 269 days | Sustainable                                      |
| Issue Annual Comprehensive Financial Report in accordance with GAAP           | February | February | February | February | Sustainable                                      |
| Pay 97% of all undisputed invoices within 30 days                             | 97%      | 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

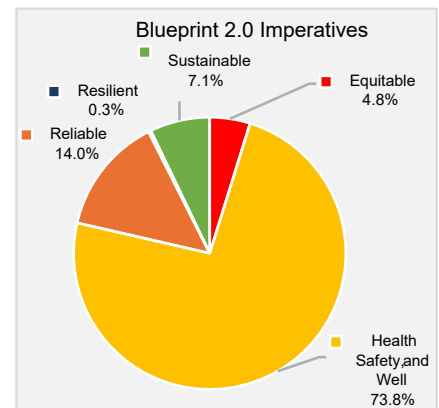
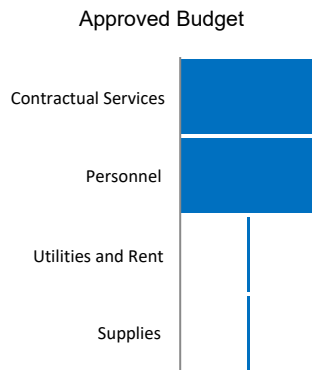
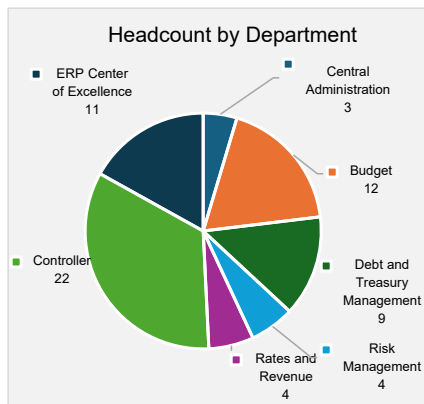
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increased for salaries, benefits, overtime, career advancement, and one position transferred from CIP Infrastructure to centralize grants management

**Non-Personnel Services:** Decreased mainly in contractual costs for strategic initiatives and temporary staffing

**Capital Equipment:** Increased for ERP Cloud Application improvements

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Proposed | (Increase)/Decrease<br>Variance | %         |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|-----------|
| Headcount: Authorized             | 60                | 64                | 65                 | 65                  | 0                               | 0%        |
| Personnel Services                | \$ 9,785          | \$ 11,164         | \$ 12,012          | \$ 13,781           | \$ (1,769)                      | (15)%     |
| Contractual Services              | 13,126            | 13,014            | 17,984             | 13,929              | 4,055                           | 23%       |
| Chemicals and Supplies            | 9                 | 6                 | 10                 | 10                  | 0                               | 0%        |
| Utilities and Rent                | 71                | 62                | 56                 | 43                  | 13                              | 24%       |
| Non Personnel Services            | 13,206            | 13,082            | 18,050             | 13,982              | 4,068                           | 23%       |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 22,991</b>  | <b>\$ 24,246</b>  | <b>\$ 30,062</b>   | <b>\$ 27,762</b>    | <b>\$ 2,299</b>                 | <b>8%</b> |
| <b>Capital Equipment</b>          | -                 | \$ 7              | \$ 4,700           | \$ 6,065            | \$ (1,365)                      | (29)%     |



#### ACCOMPLISHMENTS

- Succeeded in earning the coveted 'Triple Crown' award from GFOA (Certificate of Achievement for Excellence in Financial Reporting; Popular Annual Financial Report Award; Distinguished Budget Presentation Award)
- Successfully achieved favorable FY 2024 financial results
- Received the 26th consecutive unqualified audit opinion on financial statements

#### GOALS

- Maintained AAA, Aa1 and AA+ bond rating
- Continuously implement Cost of Service Studies to ensure proposed rates are equitable and that no cross subsidies exist between the various water and wastewater customer classes

#### CHALLENGES

- Balancing cost control with the need for investment in aging infrastructure
- Providing financial forecasts in an unpredictable economic environment

## DEPARTMENT: FINANCE

### MAJOR PLANNED ACTIVITIES AND CHANGES PLANNED

#### Finance

- Monitor cash reserves for liquidity
- Issue RFPs for financial services
- Implement Payment Gateway and ACH refunds
- Oversee debt compliance and Green Bond performance
- Manage insurance and track ESG metrics

#### Rates and Revenue

- Complete Cost of Service Studies for rates and reserves
- Implement multi-year rates for FY 2025-2026
- Work with consultants for rate and budget review

#### ERP Systems

- Support and enhance ERP, EPM, and HCM systems
- Automate processes and improve reporting

#### Accounting

- Coordinate audits and issue financial reports
- Minimize paper check payments

#### Budget

- Manage operating and CIP budgets (FY 2027 budget development and execution of the FY 2026 budgets)
- Streamline planning and improve budgeting systems

### IMPACT

- Improved financial management and transparency
- Stable and predictable rates for customers
- Enhanced system functionality and efficiency
- Strong audit performance and financial compliance
- Better alignment of budgets with organizational goals

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Improved real-time performance data and financial analytics
- Improved reporting and data visibility



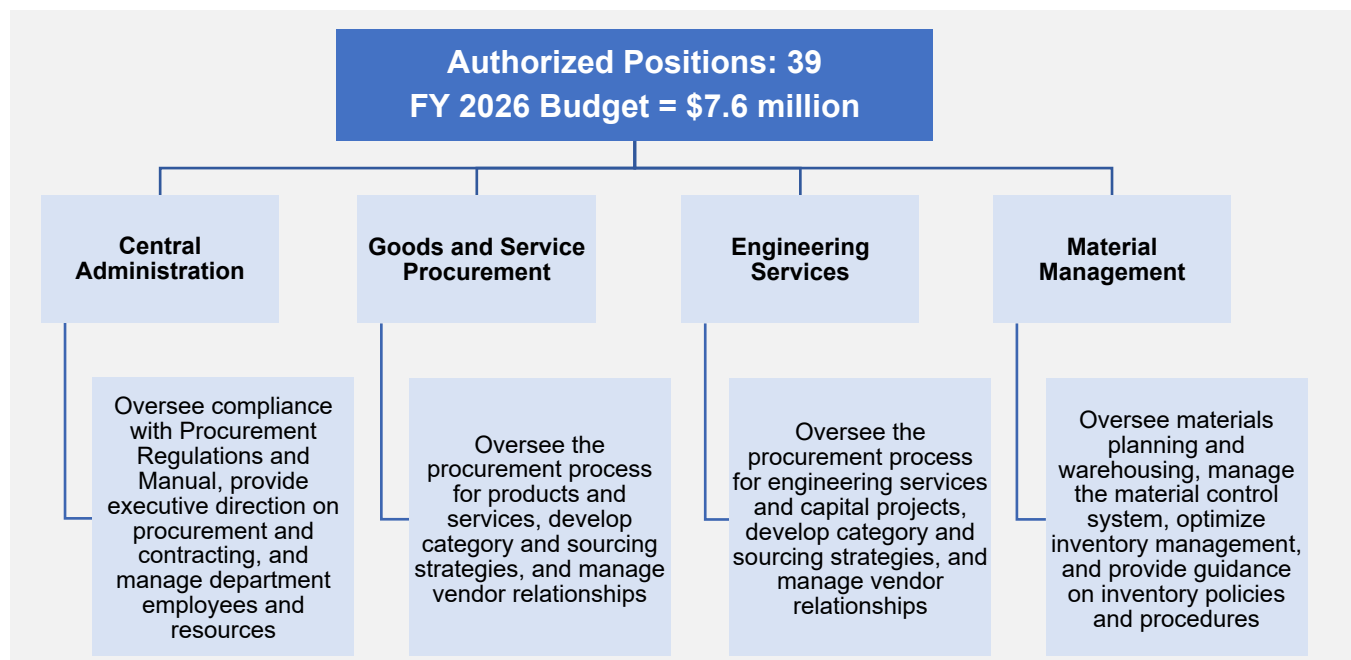
## CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES   | Results | Results | Targets | Targets |  |
| 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

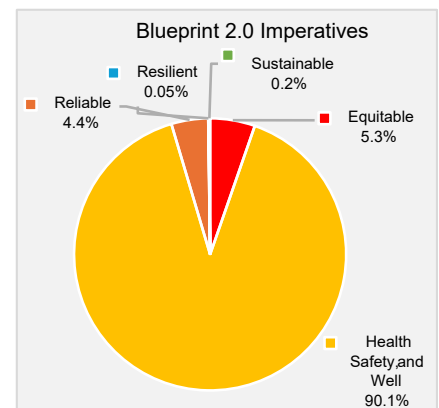
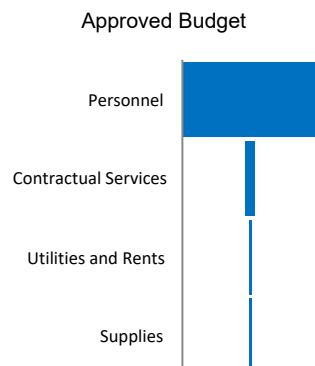
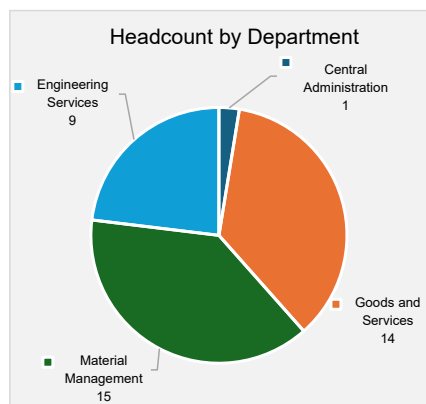
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** Increased for salaries, benefits, and overtime adjustments

**Non-personnel Services:** Decreased mainly from professional services cost adjustments in contractual services

**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %         |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|-----------|
| Headcount: Authorized             | 35                | 35                | 39                 | 39                  | 0                               | 0%        |
| Personnel Services                | \$ 6,063          | \$ 5,703          | \$ 6,903           | \$ 7,092            | \$ (189)                        | (3)%      |
| Contractual Services              | 531               | 721               | 642                | 494                 | 148                             | 23%       |
| Chemicals and Supplies            | 18                | 19                | 24                 | 11                  | 13                              | 55%       |
| Utilities and Rent                | 52                | 46                | 40                 | 49                  | (9)                             | (22)%     |
| Small Equipment                   | -                 | -                 | 3                  | 0                   | 3                               | 100%      |
| Non Personnel Services            | 601               | 786               | 708                | 553                 | 155                             | 22%       |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 6,664</b>   | <b>\$ 6,490</b>   | <b>\$ 7,611</b>    | <b>\$ 7,644</b>     | <b>\$ (33)</b>                  | <b>0%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                               | -         |



| ACCOMPLISHMENTS   | GOALS  | CHALLENGES  |
|---|--|---|
| <ul style="list-style-type: none"> <li>Purchased critical materials for Lead Free DC (LFDC) via the Integrated Supplier Service program, achieving 8% (\$25M) cost avoidance in FY 2024</li> <li>Awarded 4 LFDC and 2 Small Diameter Water Main Replacement (SDWMR) projects in 90 days, saving \$64M+ through MSA Programs</li> <li>Recipient in the "Community Leadership Award" category at the 2024 National Association of Clean Water Agencies Winter Conference</li> </ul> | <ul style="list-style-type: none"> <li>Continue to improve the newly launched Authority-wide Travel Program, new vendor scorecard program, and updated 440 program.</li> <li>Continuously expand the LFDC and SDWMR MSA pool of qualified contractors resulting in a competitive pool</li> </ul> | <ul style="list-style-type: none"> <li>A lack of sufficient proposers for a good competitive procurement</li> </ul> |



## DEPARTMENT: PROCUREMENT

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

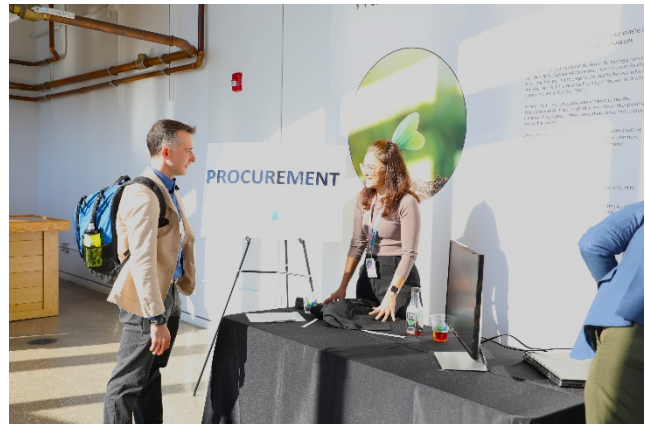
- Continue to update and implement advanced procurement methods like integrated supply chain management for capital projects and materials management
- Continue to conduct annual review of Procurement Regulations and Manual
- Continue to enhance efficiency and productivity of procurement process through 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 capital procurement resources and enhance the capital procurement process
- Continue to provide continuous training of procurement staff to improve vendor relationships and performance

### IMPACT OF OPERATIONAL PROGRAMS

- Generate cost savings and avoidance through competitive procurement and negotiation processes, and inventory optimization to prevent waste

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact



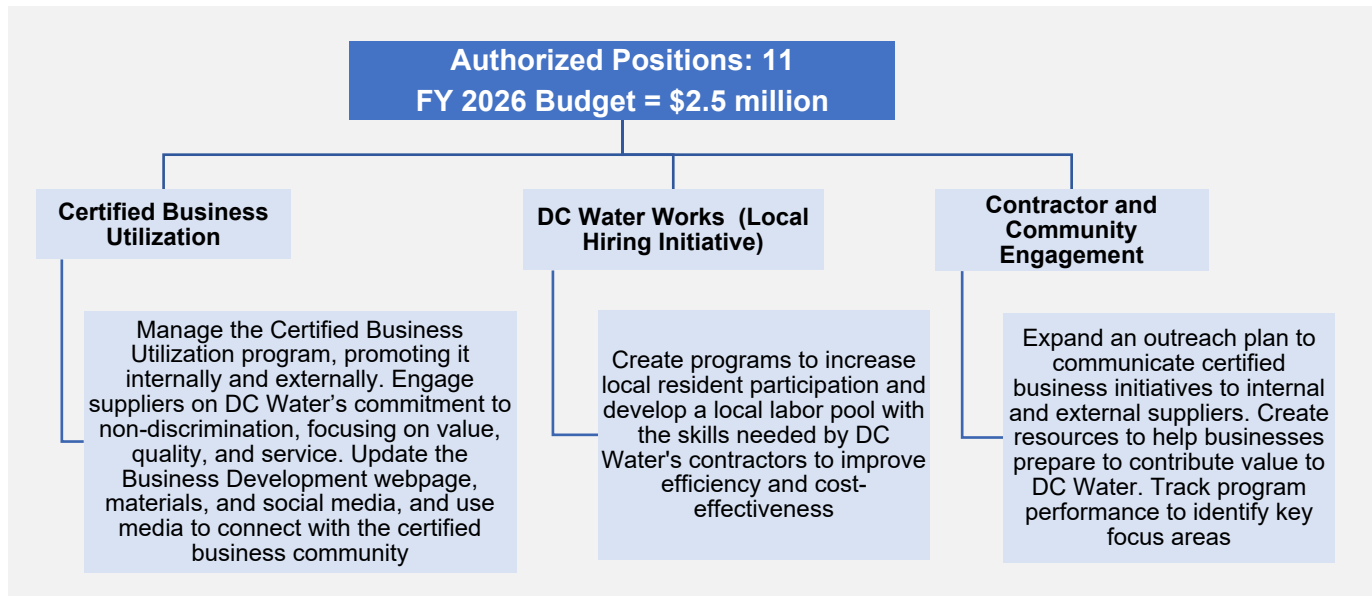
## CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

### 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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|   | FY 2023                               | FY 2024 | FY 2025                               | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------------------------------------|---------|---------------------------------------|---------|--|
| TARGETED PERFORMANCE MEASURES   | Results                               | Results | Targets                               | Targets |  |
| Increase Proportion of certified firm participation                             | 38%<br>(Combined LSBE, CBE, DBE, WBE) | 38.6    | 23%<br>(Combined LSBE, CBE, DBE, WBE) | 38      | Equitable  |
| Increase proportion of new jobs filled by local residents on DC Water projects  | 85%                                   | 85.7    | 80%                                   | 75      | Equitable  |
| Increase number of certified firm referrals that become successful contractors  | 2 Firms                               | 2 Firms | 6 Firms                               | 6 Firms | Equitable  |
| Increase percentage of trainees who successfully complete program to employment | 80%                                   | 80%     | 85%                                   | 88%     | Equitable  |

## COMPLIANCE AND BUSINESS DEVELOPMENT

### FY 2026 Operating Budget Overview

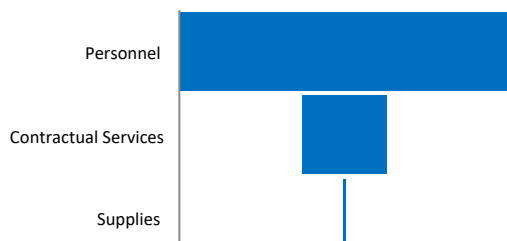
**Personnel Services:** Increased slightly due to salary adjustments

**Non-Personnel Services:** Increased mainly for community outreach programs and consulting services costs

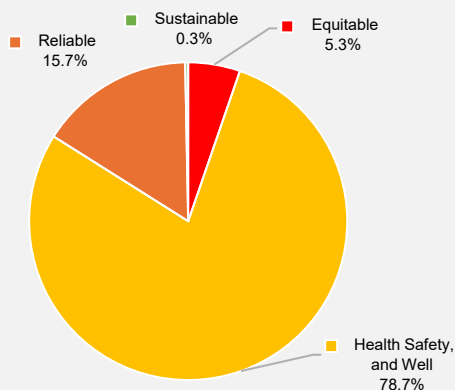
**Capital Equipment:** No activities

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %           |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|-------------|
| Headcount: Authorized             | 7                 | 8                 | 11                 | 11                  | 0                               | 0%          |
| Personnel Services                | \$ 878            | \$ 1,211          | \$ 1,907           | \$ 1,965            | \$ (59)                         | (3)%        |
| Contractual Services              | 245               | 472               | 397                | 502                 | (105)                           | (26)%       |
| Chemicals and Supplies            | 18                | 4                 | 9                  | 10                  | (1)                             | (9)%        |
| Utilities and Rent                | -                 | -                 | 5                  | 0                   | 5                               | 100%        |
| Non Personnel Services            | 263               | 476               | 411                | 512                 | (101)                           | (25)%       |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 1,141</b>   | <b>\$ 1,687</b>   | <b>\$ 2,318</b>    | <b>\$ 2,477</b>     | <b>\$ (159)</b>                 | <b>(7)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                               | -           |

Approved Budget



Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND CHANGES

- Design and implement new capacity building initiatives for the CIP
- Expand Certified Firms listing with capability and performance info
- Work with local banks to establish credit lines or loan-loss reserves for contractors
- Create a public outreach program for continuous feedback from Certified Firms
- Enhance compliance monitoring process using eComply (Online Compliance Database)
- Launch Collaborative Delivery Lunch & Learn Series
- Establish Contractor Award & Recognition Program
- Provide continuous training to staff and stakeholders to improve vendor relationships and performance

### ACCOMPLISHMENTS

- In FY 2024, over 120 certified firms worked on DC Water A/E, Construction, and Service projects.
- 21 certified firms obtained their first contract/ subcontract with DC Water in FY 2024
- 10 certified firms were prime contractors with DC Water

### GOALS

- Continue implementing a successful certified business utilization and local hiring program consistent with applicable laws and regulations

### CHALLENGES

- Ensuring the certified business community is prepared and positioned to be successful with DC Water's procurement opportunities

## 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.

### FY 2026 Operating Budget Overview

**Non-Personnel Services:** Reduced based on historical spending

| \$000's                           | FY 2023 | FY 2024 | FY 2025       | FY 2026       | (Increase)/Decrease |            |
|-----------------------------------|---------|---------|---------------|---------------|---------------------|------------|
| Description                       | Actual  | Actual  | Revised       | Approved      | Variance            | %          |
| Headcount: Authorized             | 0       | 0       | 0             | -             | 0                   | -          |
| Personnel Services                | -       | -       | -             | -             | -                   | -          |
| Contractual Services              | -       | -       | 500           | 200           | 300                 | 60%        |
| Non Personnel Services            | -       | -       | 500           | 200           | 300                 | 60%        |
| <b>Total O&amp;M Expenditures</b> | -       | -       | <b>\$ 500</b> | <b>\$ 200</b> | <b>\$ 300</b>       | <b>60%</b> |
| Capital Equipment                 | -       | -       | -             | -             | -                   | -          |



Bloom Greenhouse at Blue Plains



Stoddert Elementary School Garden, grown with Bloom





**Town Hall Meetings**  
**Please join us!**

let's

talk

- water rates
- clean rivers
- drinking water
- infrastructure

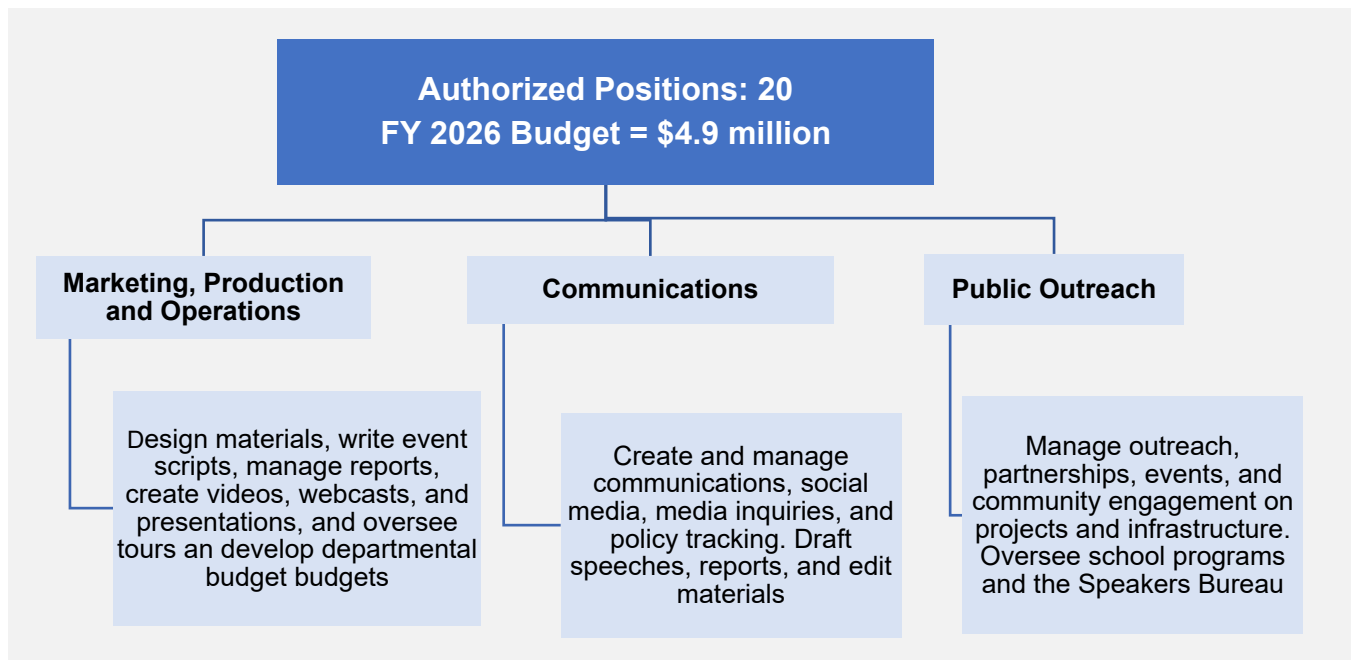
## CLUSTER: MARKETING AND COMMUNICATIONS

### 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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                                       | Results | Results | Targets | Targets |  |
| Publication of DC Water’s Annual Report                             | 1       | 1       | 1       | 1       | Healthy, Safe, and Well                          |
| Publication of Customer Newsletter                                  | 4       | 4       | 4       | 4       | Reliable   |
| Publication of Clean Rivers' Update                                 | 2       | 2       | 2       | 2       | Sustainable                                      |
| Publication of Employee Newsletter                                  | 11      | 11      | 6       | 6       | Resilient  |
| Publication of Water Quality Report                                 | 1       | 1       | 1       | 1       | Healthy, Safe, and Well                          |
| Community meetings outreach re: lead, rates, CSO CIP projects, etc. | 114     | 115     | 100     | 100     | Reliable   |

## DEPARTMENT: MARKETING AND COMMUNICATIONS

### FY 2026 Operating Budget Overview

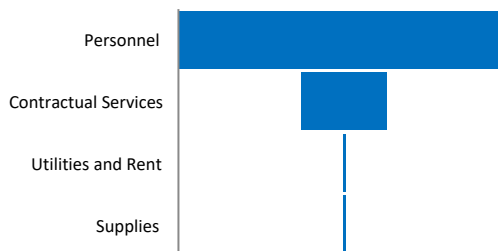
**Personnel Services:** Increase reflects adjustments to salaries and benefits

**Non-Personnel Service:** Remained relatively flat, with no significant increases

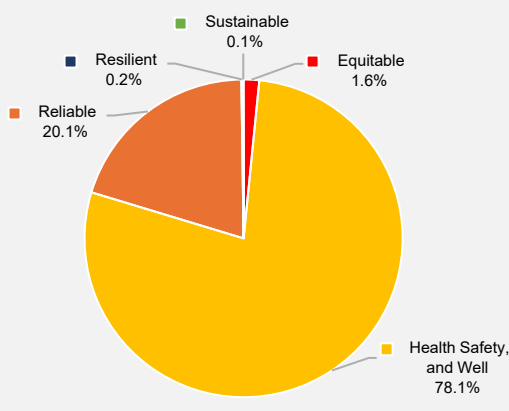
**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance | %            |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|---------------------------------|--------------|
| Headcount: Authorized             | 14                | 19                | 20                 | 20                  | 0                               | 0%           |
| Personnel Services                | \$ 2,397          | \$ 2,714          | \$ 3,271           | \$ 3,825            | \$ (554)                        | (17)%        |
| Contractual Services              | 668               | 1,146             | 1,044              | 988                 | 57                              | 5%           |
| Chemicals and Supplies            | 6                 | 6                 | 8                  | 7                   | 1                               | 13%          |
| Utilities and Rent                | 32                | 24                | 17                 | 30                  | (13)                            | (82)%        |
| Small Equipment                   | -                 | -                 | 9                  | -                   | 9                               | 100%         |
| Non Personnel Services            | 705               | 1,176             | 1,078              | 1,025               | 53                              | 5%           |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 3,102</b>   | <b>\$ 3,891</b>   | <b>\$ 4,349</b>    | <b>\$ 4,850</b>     | <b>\$ (501)</b>                 | <b>(12)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                               | -            |

#### Approved Budget



#### Blueprint 2.0 Imperatives



### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Continue to implement a Strategic Communications Plan to support Blueprint 2.0, DC Water's strategic plan
- Work with the DC Clean Rivers Project team to engage with residents, businesses, and commuters impacted by construction on the Northeast Boundary Tunnel Project
- Oversight of the Lead-Free DC program to remove lead from service lines in the District

### ACCOMPLISHMENTS

- Hosted and/or attended approximately 184 outreach events and community meetings  
Oversaw the extensive marketing and public engagement effort to build awareness of the Lead Free DC program and boost participation
- Managed public outreach for high visibility construction projects including the Potomac Interceptor Rehabilitation Project and the Soapstone Valley Park Sewer Rehabilitation Project

### GOALS

- Continue communications initiatives and programs in support of DC Water's Strategic Plan and Imperatives
- Tell our story to strengthen the DC Water brand by being transparent and proactive in our engagement with customers, while also working to improve communication internally and help boost employee engagement and satisfaction

### CHALLENGES

- New regulatory requirements
- Staffing vacancies



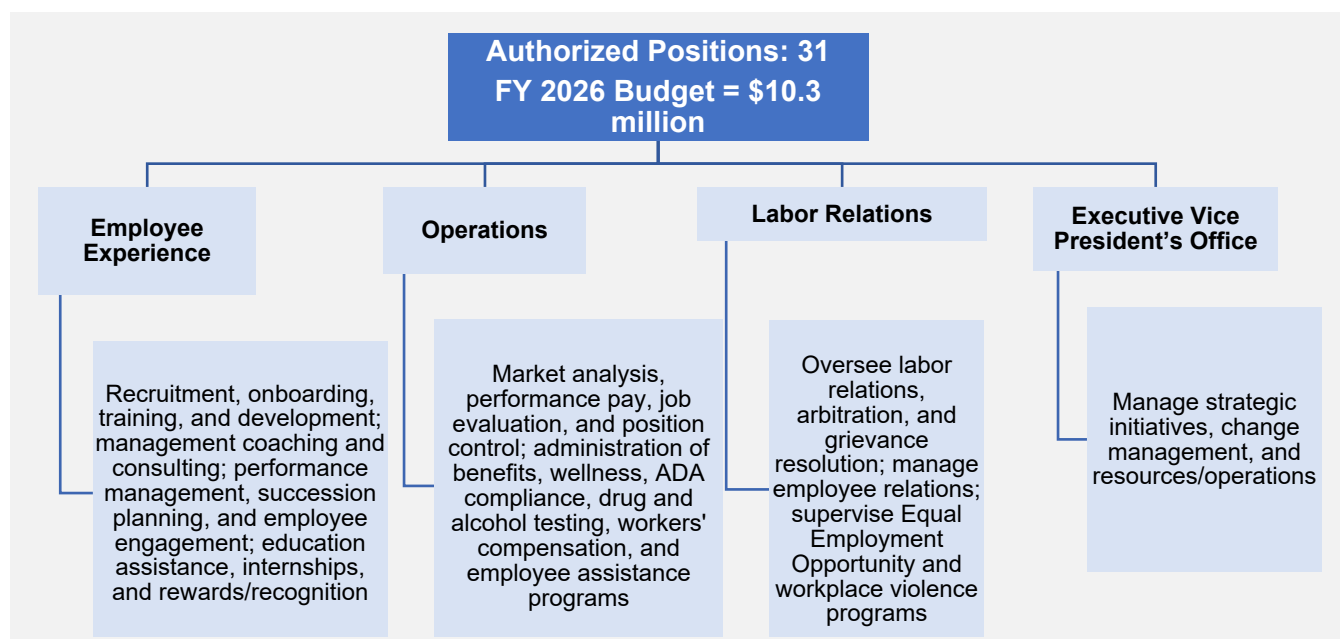
## CLUSTER: PEOPLE AND TALENT

### 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

### Organization Structure



### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES   | Results | Results | Targets | Targets |  |
| An average of 60 days from job posting to offer acceptance            | 58      | 75      | 60      | 60      | Reliable   |
| Under the CBA we have 45 days to initiate disciplinary action         | 97%     | 98%     | 95%     | 95%     | Equitable  |
| Number of FTE employees contributing to 457(b) retirement plan        | 926     | 936     | 976     | 976     | Reliable   |
| Number of employees contributing 5% or more to 457(b) retirement plan | 738     | 748     | 788     | 788     | Reliable   |
| Average mandatory training hours per Non-union FTE                    | N/A     | 5       | 5       | 5       | Sustainable                                      |
| Average mandatory training hours per Union FTE                        | N/A     | 1.5     | 1.5     | 2       | Sustainable                                      |
| Average DC Water Non-Union Employee Compensation vs Mid-Point Range   | 104%    | 104.60% | 100%    | 100%    | Equitable  |

## DEPARTMENT: PEOPLE AND TALENT

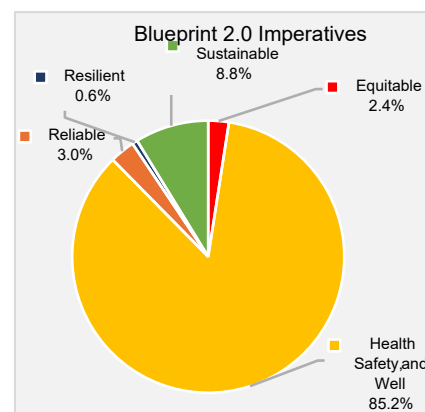
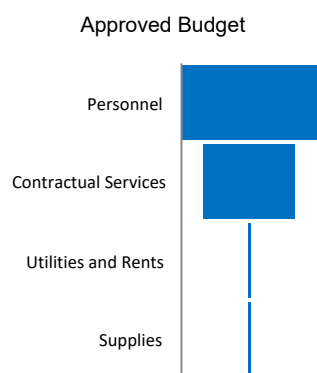
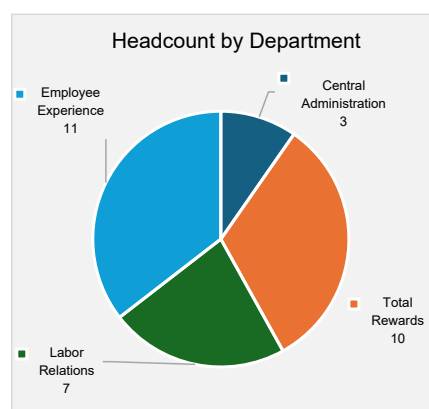
### FY 2026 OPERATING BUDGET OVERVIEW

**Personnel Services:** The increase reflects salary and benefit adjustments, partly offset by the elimination of two (2) vacant positions

**Non-Personnel Service:** Reductions in contractual services are primarily due to decreased reliance on external HR consultants and service providers

**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |             |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-------------|
| Headcount: Authorized             | 34                | 33                | 33                 | 31                  | 2                                 | 6%          |
| Personnel Services                | \$ 5,252          | \$ 4,973          | \$ 5,302           | \$ 6,113            | \$ (811)                          | (15)%       |
| Contractual Services              | 2,885             | 4,792             | 4,354              | 4,112               | 243                               | 6%          |
| Chemicals and Supplies            | 2                 | 333               | 4                  | 5                   | (1)                               | (25)%       |
| Utilities and Rent                | 30                | 30                | 24                 | 32                  | (8)                               | (33)%       |
| Non Personnel Services            | 2,917             | 5,155             | 4,383              | 4,149               | 234                               | 5%          |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 8,169</b>   | <b>\$ 10,128</b>  | <b>\$ 9,685</b>    | <b>\$ 10,262</b>    | <b>\$ (577)</b>                   | <b>(6)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -           |



| ACCOMPLISHMENTS  | GOALS  | CHALLENGES  |
|--|--|---|
| <ul style="list-style-type: none"> <li>Finalized and executed Master Compensation Agreement with unions</li> <li>Implementation of new Performance Management Process</li> </ul> | <ul style="list-style-type: none"> <li>Ensure adequate funding for employee salaries, health insurance, retirement plans, and bonuses</li> <li>Implement wellness programs aimed at reducing stress-related illnesses and absenteeism</li> <li>Ensure Legal Compliance by updating policies to reflect changes in legislation</li> </ul> | <ul style="list-style-type: none"> <li>Adapting to business need due to sudden increases in hiring or the need for new programs</li> <li>Developing strategies to retain and engage employees require significant investment</li> </ul> |

## DEPARTMENT: PEOPLE AND TALENT

### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Refining 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
- Organize open season benefit fairs and site visits
- Continue negotiations with 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
- Review and Update DC Water Policies and Procedures

### IMPACT OF OPERATIONAL PROGRAMS

- Expand Wellness Programs focused on Healthy, Safe, and Well imperative

### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact



## DEPARTMENT: PEOPLE AND TALENT

### FY 2025 AND FY 2026 LEARNING & DEVELOPMENT PLAN

#### LEARNING & DEVELOPMENT OVERVIEW

At DC Water, our talent is our people, Team Blue. Learning & 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 Blueprint 2.0. Our fundamental priority 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 2025 AND FY 2026 LEARNING & 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 2024 ACCOMPLISHMENTS

In FY 2024, 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 100% 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 43 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. 82 critical positions were identified with 164 high performers on a succession plan that were identified as ready now, ready in 1-2 years or ready in 3-5 years. 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.

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 2024, our employees continued to pursue critical certifications in various areas such as Professional Engineering, Program Management, and other degree-seeking programs. Lastly, in FY 2024, a total of 160 employees participated in the Education and Tuition Assistance Reimbursement benefit program. DC Water provided \$352,370 to assist employees with their continued education programs.

### FY 2025 AND FY 2026 LEARNING & DEVELOPMENT BUDGET

The approved FY 2026 training budget remains unchanged from FY 2025 at \$1.7 million. The Learning & Development branch of the 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 Learning & Development branch. Leading the charge in the creation of a high-performing organization.



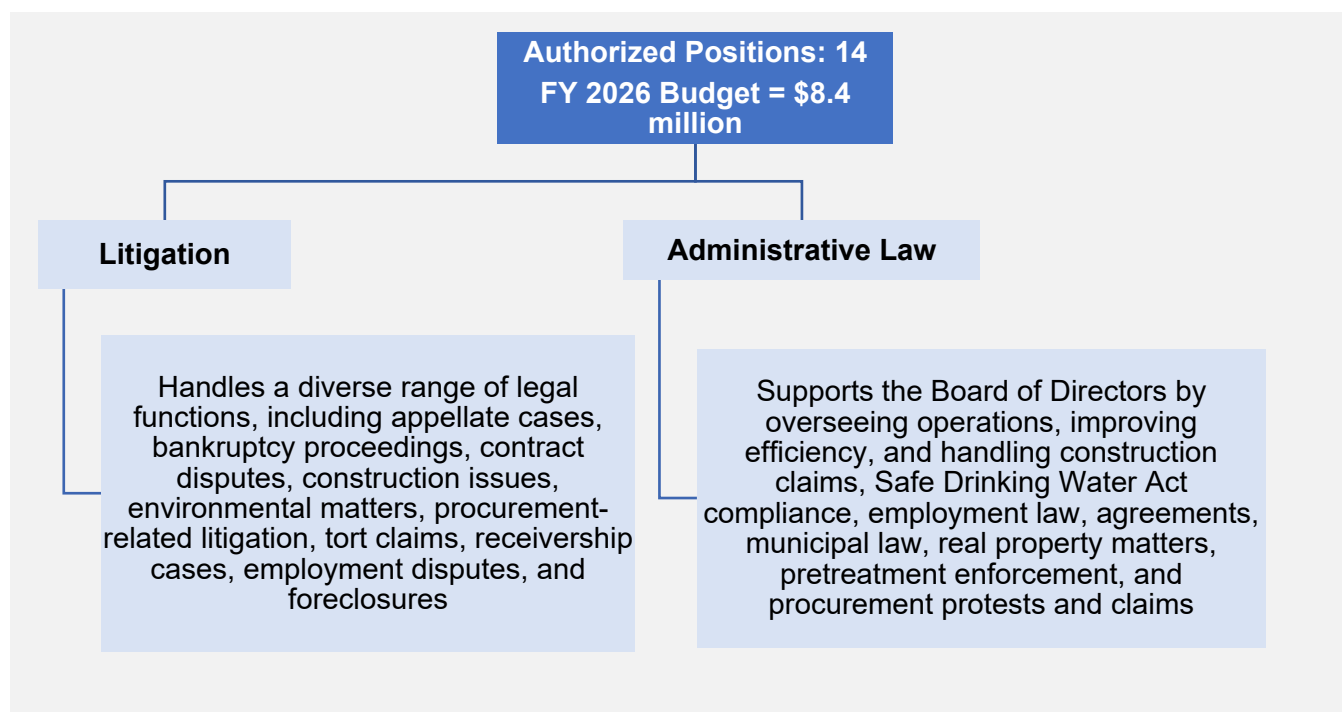
## CLUSTER: GOVERNMENT AND LEGAL AFFAIRS

### DEPARTMENT: GOVERNMENT AND LEGAL AFFAIRS

**Purpose:** The Government Affairs Department at DC Water ensures regulatory compliance, manages government relations, and monitors policy impacts. It supports key initiatives, fosters transparency, and strengthens partnerships to advance DC Water’s mission

**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

#### Organization Structure



#### Key Performance Indicators (KPIs)

|   | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Blueprint 2.0<br>(Strategic Plan)<br>Imperatives |
|---|---------|---------|---------|---------|--|
| TARGETED PERFORMANCE MEASURES                     | Results | Results | Targets | Targets |  |
| Hours of employee time spent on direct work 1,700 | 1700    | 1700    | 1700    | 1700    | Equitable  |

## DEPARTMENT: GOVERNMENT AND LEGAL AFFAIRS

### FY 2026 Operating Budget Overview

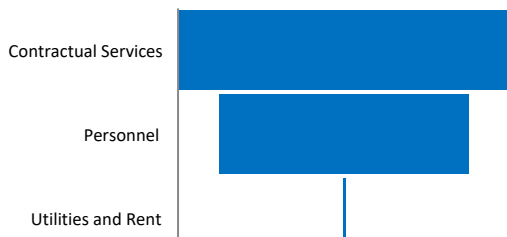
**Personnel Services:** Increase reflects salary and benefit adjustments

**Non-Personnel Services:** Reductions in contractual services expenditures are primarily attributable to decreased reliance on external legal counsel

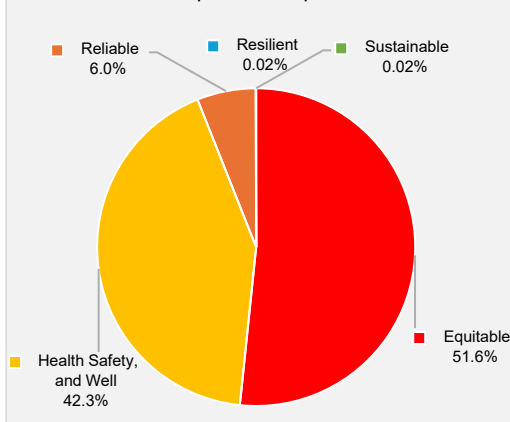
**Capital Equipment:** No activity

| \$000's<br>Description            | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Revised | FY 2026<br>Approved | (Increase)/Decrease<br>Variance % |             |
|-----------------------------------|-------------------|-------------------|--------------------|---------------------|-----------------------------------|-------------|
| Headcount: Authorized             | 14                | 14                | 14                 | 14                  | 0                                 | 0%          |
| Personnel Services                | \$ 3,231          | \$ 3,207          | \$ 3,264           | \$ 3,580            | \$ (315)                          | (10)%       |
| Contractual Services              | 5,688             | 2,697             | 5,017              | 4,759               | 258                               | 5%          |
| Chemicals and Supplies            | 1                 | 1                 | 7                  | -                   | 7                                 | 100%        |
| Utilities and Rent                | 31                | 28                | 24                 | 30                  | (6)                               | (26)%       |
| Non Personnel Services            | 5,720             | 2,727             | 5,048              | 4,789               | 259                               | 5%          |
| <b>Total O&amp;M Expenditures</b> | <b>\$ 8,951</b>   | <b>\$ 5,934</b>   | <b>\$ 8,312</b>    | <b>\$ 8,369</b>     | <b>\$ (56)</b>                    | <b>(1)%</b> |
| <b>Capital Equipment</b>          | -                 | -                 | -                  | -                   | -                                 | -           |

#### Approved Budget



#### Blueprint 2.0 Imperatives



#### MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Manage and support complex litigation matters
- Support Clean Rivers Project and other long-term Capital Improvement Program (CIP) projects
- Provide legal support for Green Infrastructure activities
- Support innovative initiatives
- Assist with environmental permits such as National Pollutant Discharge Elimination System (NPDES), Total Maximum Daily Load (TMDL), Municipal Separate Storm Sewer System (MS4)
- Review and revise regulations
- Support Anacostia Sediment litigation by applying Comprehensive Environmental Response, Compensation, and Liability Act, (CERCLA)
- Enforce actions to collect delinquent revenues
- Develop and strengthen internal and external Government Affairs teams
- Provide legal and strategic support for Per- and polyfluoroalkyl substances (PFAS) issues
- Maintain governance oversight on the DC Water Board

#### IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Provide legal support for environmental and financial issues in DC Water projects
- Assist with litigation on the Long-Term Control Plan, Green Infrastructure, and Total Maximum Daily Load

#### ACCOMPLISHMENTS

- Meeting Environment Compliance

#### GOALS

- To mitigate legal and legislative risks and to support the achievement of the Authority's goals

#### CHALLENGES

- Complying with anticipated changes in Federal Regulations





# Approved FY 2026 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 111<sup>th</sup> 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):** DC 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 dewater 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

**ACFR:** Annual Comprehensive Financial Report

**ADA:** Americans with Disability Act

**AED:** Automated External Defibrillator

**AFV:** Alternative Fueled Vehicle

**AHU:** Affordable Housing Units

**AI:** Artificial Intelligence

**AMI:** Advanced Metering Infrastructure

**AMR:** Automatic Meter Reading

**AMSA:** Association of Metropolitan Sewerage Agencies

**ANC:** Advisory Neighborhood Commission

**ARPA:** American Rescue Plan Act of 2021

**ART:** Advanced Research Testing

**ASA:** American Shotcrete Association

**AV:** Audio Visual

**AWACS:**

**AWWTP:** Advanced Wastewater Treatment Plant

**BABs:** Build America Bonds

**BIL:** Bipartisan Infrastructure Law

**BOA:** Basic Ordering Agreement

**BOD:** Biochemical Oxygen Demand

**BP:** Blue Plains

**BPISR:** Blue Plains Influent Sewers Rehabilitation

**BPAWWTP:** Blue Plains Advanced Wastewater Treatment Plant

**CAP:** Customer Assisted Program

**CCF:** Hundred Cubic Feet

**CCTV:** Closed Circuit TV

**CERCLA:** Comprehensive Environmental Response, Compensation, and Liability Act

**CEO:** Chief Executive Officer

**CFA:** Commission of Fine Arts

**CFO:** Chief Financial Officer

**CFCI:** Cash Financed Capital Improvements

**CHP:** Combined Heat and Power

**CIP:** Capital Improvement Program



## ACRONYMS

**CIPP:** Critical Infrastructure Protection Plan

**CIS:** Customer Information System

**CISA:** Certified Information Systems Auditor

**CMAR:** Construction Manager At Risk

**CMF:** Central Maintenance Facility

**CMOM:** Capacity Management Operation and Maintenance

**COBRA:** The Consolidated Omnibus Budget Reconciliation Act Of 1985

**COF:** Central Operations Facility

**COG:** Metropolitan Washington Council of Governments

**COOP:** Continuity of Operations Plan

**COO:** Chief Operating Officer

**COS:** Cost of Service

**CP:** Commercial Paper

**COTR:** Contracting Officer's Technical Representative

**CRIAC:** Clean Rivers Impervious Area Charge

**CSO:** Combined Sewer Overflows

**CSO LTCP:** Combined Sewer Overflow Long-Term Control Plan

**CSP:** Comprehensive Safety Program

**CSRS:** Civil Service Retirement System

**CSS LTCP:** Combined Sewer System Long-Term Control Plan

**CWA:** Clean Water Act

**CWSFR:** Clean Water State Revolving Fund

**DCFEMS:** DC Fire and Emergency Medical Services

**DCHA:** DC Housing Authority

**DCRA:** District of Columbia Department of Consumer and Regulatory Affairs

**DDOT:** District of Columbia Department of Transportation

**DEI:** Diversity, Equity and Inclusion

**DEMON:** De-ammonification Process

**DRBCP:** Disaster Recovery and Business Continuity Plan

**DETS:** Department of Engineering and Technical Services

**DMRQA:** Discharge Monitoring Report Quality Assurance

**DOB:** Department of Buildings

**DOEE:** District of Columbia Department of Energy & Environment

**DPSO:** Department of Pumping and Sewer Operations

## ACRONYMS

**DSL**F: Dewatered Sludge Loading Facility

**EOL**: Estimated Operating Life

**DWE**: Department of Wastewater Engineering

**EPA**: Environmental Protection Agency

**DWO**: Department of Water Operations

**EPM**: Enterprise Performance Management

**DWV**: Drainage, Waste, and Vent

**EPSF**: East Process Screens Facility

**EA**: Environmental Assessment

**ERDMS**: Enterprise Records and Document Management System

**EBU**: Equivalent Billing Unit

**ERP**: Enterprise Resource Planning System

**ECF**: Enhanced Clarification Facility

**ERRP**: Emergency Residential Relief Program

**EDMC**: Engineering Document Management and Control

**ERU**: Equivalent Residential Unit

**EEOC**: Equal Employment Opportunity Commission

**ESC**: Executive Steering Committee

**EIS**: Environmental Impact Statement

**ESF**: Emergency Support Function

**ELO**: Emergency Liaison Officer

**ESG**: Environmental, Social, and Governance

**EMA**: Emergency Management Agency

**ETL**: Extract, Tool, Load

**EMAP**: Emergency Management Accreditation Program

**EV**: Electric Vehicle

**EMCP**: Extendable Municipal Commercial Paper Program

**EVP**: Electric Vehicle Program

**EMS**: Enterprise Management System

**FCPA**: Foreign Corruption Practices Act

**ENRF**: Enhanced Nitrogen Removal Facilities

**FEMA**: Federal Emergency Management Agency

**EOC**: Emergency Operations Center

**FOC**: Fiber Optic Cable

## ACRONYMS

**FONSI:** Finding of No Significant Impact

**HQO:** Head Quarters Office

**FROG:** Fats, Rags, Oil, and Grease

**HUNA:** High Usage Notification Application

**FTE:** Full Time Employee

**HVAC:** Heating Ventilation and Air Conditioning

**FTF:** Filtrate Treatment Facility

**I&C:** Instrumentation and Controls

**FUBS:** Filter Underdrain and Backwash System Upgrades

**I&I:** Infiltration and Inflow

**GB1:**

**IAC:** Impervious Area Charge

**GFOA:** Government Finance Officers Association

**IFB:** Invitation for Bid

**GI:** Green Infrastructure

**IIP:** Internal Improvement Plan

**GHG:** Green House Gas

**IMA:** Inter-Municipal Agreement

**GICD:** Green Infrastructure Consent Decree

**IOT:** Internet of Things

**GIS:** Geographical Information System

**IRA:** Inflation Reduction Act

**GMP:** Guaranteed Maximum Price

**IR&R:** Infrastructure Repair & Replacement

**GWUL:** Greater Washington Urban League

**IT:** Information Technology

**HAF:** Homeowner Assistance Fund

**ITA:** International Tunnelling Association

**HCM:** Human Capital Management

**IVR:** Interactive Voice Response

**HPEV:** Hybrid Plug-In Vehicle

**JBAB:** Joint Base Anacostia-Bolling

**HPRP:** High Priority Rehabilitation Program

**JUDD:** Joint Utility Discount Day

## ACRONYMS

**KPI:** Key Performance Indicators

**MOU:** Memorandum of Understanding

**LDWMR:** Large Diameter Water Main Rehabilitation

**MPT:** Main Process Train

**LID: Low Impact Development**

**MS4:** Municipal Separate Storm Sewer System

**LIDAR:** Light Detection and Ranging

**MTBF:** Meantime Between Failures

**LIHWAP:** Low Income Household Water Assistance Program

**MTTR:** Meantime to Repair

**LIMS:** Laboratory Information Management System

**MTU:** Meter Transmission Units

**LOTO:** Log Out Tag-Out

**MW:** Mega Watt

**LSC:** Local Steering Committee

**NACWA:** National Association of Clean Water Agencies

**LSDBE:** Local Small Disadvantaged Business Enterprise

**NEB:** North East Boundary

**LSR:** Lead Service Replacement

**NEBT:** North East Boundary Tunnel

**LTCP:** Long Term Control Plan

**NELAP:** National Environmental Laboratory Accreditation Program

**MAP:** Multi-Family Assistance Program

**NEPA:** National Environmental Policy Act

**MBE:** Minority Business Enterprise

**NGICP:** National Green Infrastructure Certification Program

**MGD:** Million Gallons Per Day

**NFPA:** National Fire Protection Agency

**MIFF:** Miscellaneous Improvements to Filtration Facility

**NHPA:** National Historic Preservation Act

**MJUF:** Multi-Jurisdictional Use Facility

**NIMS:**

**MOCRS:** Mayor's Office of Community Relations and Services

**NMC:** Nine Minimum Controls

## ACRONYMS

**NPDES:** National Pollutant Discharge Elimination System

**NPFMP:** Non-Process Facilities Master Plan

**NPFPM:** Non-process Facilities Program Management

**NRRF:** Non-Ratepayer Revenue Fund

**NWBSO:** Northwest Boundary Sewer Overflow

**O&M:** Operations & Maintenance

**OCIP:** Owner Controlled Insurance Program

**ODR:** Operator Driven Reliability

**OEM:** Original Equipment Manufacturer

**OIT:** Operator Interface Terminal

**OMAC:** Office of Marketing and Communications

**OMB:** Office of Management and Budget

**OPC:** Office of the People's Counsel

**OSHA:** Occupational Safety and Health Administration

**PAY-GO:** Pay-as-you-GO

**PBS:** Public Broadcasting Service

**PCA:** Pipe Condition Assessment

**PCCP:** Prestressed Concrete Cylinder Pipe

**PCCS:** Process Computer Control System

**PCS:** Process Control System

**PDB:** Progressive Design Build

**PDMS:** Payables Document Management Systems

**PdNA:** Post-Disaster Needs Assessment

**PEV:** Plug-In Electric Vehicle

**PFAS:** Perfluoroalkyl and Polyfluoroalkyl Substances

**PFOS:** Perfluorooctane Sulfonate

**PI:** Potomac Interceptor

**PILOT:** Payment In Lieu of Taxes

**PLC:** Program Logic Control

**PM:** Preventive Maintenance

**PMO:** Project Management Office

**PPA:** Power Purchase Agreement

**PPE:** Personal Protective Equipment

**PPM:** Parts Per Million

## ACRONYMS

**PRT:** Potomac River Tunnel

**ROW:** Right of Way

**PRV:** Pressure Release Valve

**RSF:** Rate Stabilization Fund

**PS:** Pumping Station

**RWWP:** Raw Wastewater Pump Station

**PSA:** Public Service Announcement

**RWWPS2:** Raw Wastewater Pump Station 2

**PSIM:** Physical Security Information Management

**S&P:** Standard & Poor's

**PSSDB:** Primary Scum Screening De-grating Building

**SAF:** System Availability Fee

**PSW:** Process Service Water System

**SB-1:** Supply Building One

**PZIP:** Pressure Zone Increase Project

**SCADA:** Supervisory Control and Data Acquisition

**QMS:** Quality Management System

**SDWA:** Safe Drinking Water Act

**RAP:** Repair Assistance Programs

**SDWM:** Small Diameter Water Main Replacement

**RCM:** Reliability Centered Maintenance

**SDWMR:** Small Diameter Water Main Replacement

**REC:** Renewable Energy Credit

**SEP:** Supplemental Environmental Project

**RFE:** Reclaimed Final Effluent

**SET:** Senior Executive Team

**RFP:** Request for Proposal

**SFR:** Single Family Residence

**RFQ:** Request for Quotation

**SHPO:** State Historic Preservation Office

**RLRAP:** Leak Assessment and Repair Assistance Programs

**SOP:** Standard Operating Procedure

**ROCIP:** Rolling Owner Controlled Insurance Program

**SOX:** Sarbanes Oxley Act



## ACRONYMS

**SPLASH:** Serving People by Lending a Supporting Hand

**SSO:** Sanitary Sewer Overflow

**STAY:** Stronger Together Assisting You

**TCFD:** Taskforce on Climate Related Financial Disclosures

**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

**UPI:** Upper Potomac Interceptor

**USACE:** U.S. Army Corps of Engineers

**VAV:** Variable Air Volume

**VEP:** Valve Exercise Program

**VFD:** Variable Frequency Drive

**VFRP:** Voluntary Full Replacement Program or Lead Pipe Replacement Assistance Program (LPRAP)

**VIT:** Vehicle Information Transmitter

**WAD:** Washington Aqueduct

**WaSSP:** Water and Sewer Sensor Program

**WBE:** Women Business Enterprise

**WIFIA:** Water Infrastructure Finance and Innovation Act

**WSRF:** Water System Replacement Fee

**WSSC:** Washington Suburban Sanitary Commission

**WWTP:** Wastewater Treatment Plant

**Presented and Adopted: March 6, 2025**

**Subject: Approval to Amend Fiscal Year 2025 Operating Budget**

**#25-08  
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 6, 2025, 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 to approve the Amended Fiscal Year 2025 Operating Budget.

**WHEREAS**, on March 7, 2024, through Resolution #24-09, the Board approved the Fiscal Year 2025 Operating Budget that totaled \$788,241,048; and

**WHEREAS**, during the Fiscal Year 2026 Budget Workshop on January 13, 2025, the Chief Executive Officer and General Manager and Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, briefed the Board on the proposed amendment of DC Water’s Fiscal Year 2025 Operating Budget to reallocate \$5,526,217 from debt services to Cash Financed Capital Improvements (CFCI) and maintain the Approved Fiscal Year 2025 Operating Budget of \$788,241,048; and

**WHEREAS**, on January 28, 2025, 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 2025 Operating Budget, to reallocate \$5,526,217 from debt service, due to structure of new debt and refinancing, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2025 Operating Budget of \$788,241,048; and

**WHEREAS**, on February 27, 2025, the Finance and Budget Committee was further briefed on the proposed amendment of DC Water’s FY 2025 Operating Budget, to reallocate \$5,526,217 from debt service due to structure of new debt and refinancing, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2025 Operating Budget at \$788,241,048; and

**WHEREAS**, on February 27, 2025, the Finance and Budget Committee, after further consideration and discussion, recommended Board approval of the proposed amendment of DC Water’s FY 2025 Operating Budget as presented by management.

**NOW THEREFORE BE IT RESOLVED THAT:**

The Board hereby approves the amended DC Water's Fiscal Year 2025 Operating Budget to reallocate \$5,526,217 from Debt Service to the Cash Financed Capital Improvements Fund for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2025 Operating Budget at \$788,241,048

This resolution is effective immediately.

*Michelle Rhodd*

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Secretary to the Board of Directors

**Presented and Adopted: March 6, 2025**  
**Subject: Approval of Proposed Fiscal Year 2026 Operating Budget**

**#25-09**  
**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 6, 2025, 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 to approve the Proposed Fiscal Year 2026 Operating Budget.

**WHEREAS**, during the Fiscal Year 2026 Budget Workshop on January 13, 2025, 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 briefed the Board on the Proposed Fiscal Year 2026 Operating Budget that totaled \$838,132,575; and

**WHEREAS**, on January 28, 2025, the Finance and Budget Committee, in a joint session with the Retail and Rates Committee, reviewed the budget proposal and discussed in detail, the budget drivers, budget assumptions and risks; and

**WHEREAS**, on February 27, 2025, 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 that the Board approve the Proposed Fiscal Year 2026 Operating Budget that totals \$838,132,575, including \$25,000 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 2026 Operating Budget totaling \$838,132,575, including \$25,000 for representation and \$15,000 for official meetings, and as further detailed in the Chief Executive Officer and General Manager’s Proposed Fiscal Year 2026 Budget and accompanying materials presented on January 13, 2025.

This resolution is effective immediately.

  
Secretary to the Board of Directors

**Presented and Adopted: March 6, 2025**  
**Subject: Approval to Amend FY 2025 and FY 2026 Revenue Budget**

**#25-10**  
**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 on March 6, 2025, 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 Revised FY 2025 and FY 2026 Revenue Budget.

**WHEREAS**, on March 7, 2024, through Resolution #24-10, the Board approved the Fiscal Year 2024-2033 Ten Year Financial Plan, which included the FY 2025 and FY 2026 Revenue Budget (Operating Receipts) of \$926,260,890 and \$977,455,194 respectively; and

**WHEREAS**, on January 28, 2025, the Finance & Budget Committee and Retail Water and Sewer Rate Committee met to consider revisions to the FY 2025 and FY 2026 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 FY 2025 and FY 2026 Revenue Budget (as shown below) for approval by the Board due to increases in Retail Revenue based on projected higher consumption and increases in Other Revenue as reflected in the Financial Plan for FY 2025-2034.

**FY 2025**

|                                      | <b>Approved<br/>Budget FY 2025</b> | <b>Revised<br/>FY 2025</b> | <b>Increase/<br/>(Decrease)</b> |
|--------------------------------------|------------------------------------|----------------------------|---------------------------------|
| Retail Revenue                       | \$ 731,642,502                     | \$ 747,813,983             | \$ 16,171,481                   |
| Wholesale Revenue                    | \$ 114,248,146                     | \$ 114,248,146             | \$ -                            |
| Other Revenue                        | \$ 78,370,242                      | \$ 87,800,909              | \$ 9,430,667                    |
| Rate Stabilization Fund (RSF)        | \$ 2,000,000                       | \$ 2,000,000               | \$ -                            |
| <b>Total Revised FY 2025 Revenue</b> | <b>\$ 926,260,890</b>              | <b>\$ 951,863,038</b>      | <b>\$ 25,602,148</b>            |

**FY 2026**

|                                      | <b>Approved<br/>Budget FY 2026</b> | <b>Revised<br/>FY 2026</b> | <b>Increase/<br/>(Decrease)</b> |
|--------------------------------------|------------------------------------|----------------------------|---------------------------------|
| Retail Revenue                       | \$ 775,093,838                     | \$ 796,922,810             | \$ 21,828,972                   |
| Wholesale Revenue                    | \$ 120,904,781                     | \$ 122,611,848             | \$ 1,707,067                    |
| Other Revenue                        | \$ 81,456,575                      | \$ 91,850,242              | \$ 10,393,667                   |
| Rate Stabilization Fund (RSF)        | \$ -                               | \$ -                       | \$ -                            |
| <b>Total Revised FY 2026 Revenue</b> | <b>\$ 977,455,194</b>              | <b>\$ 1,011,384,900</b>    | <b>\$ 33,929,706</b>            |

**WHEREAS**, on February 27, 2025, the Finance & Budget Committee met to consider the final proposal to amend the FY 2025 and FY 2026 year-end forecasts and recommended the Board approve the amendments to the FY 2025 and FY 2026 Revenue Budget to \$951,863,038 and \$1,011,384,900 respectively.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board hereby approves and adopts the Revised FY 2025 and FY 2026 Revenue Budget to increase to \$951,863,038 and \$1,011,384,900 respectively as presented in the Fiscal Year 2025-2034 Ten Year Financial Plan.
2. This resolution is effective immediately.

  
Secretary to the Board of Directors



**Presented and Adopted: March 6, 2025**  
**Subject: Approval of Proposed Fiscal Year 2025 - 2034 Capital Improvement Program**

**#25-11**  
**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 its meeting on March 6, 2025, 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 approval of the Fiscal Year 2025 - 2034 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 7, 2024, through Resolution #24-06, the Board approved the Proposed Fiscal Year (FY) 2024 - 2033 Capital Improvement Program, which includes the FY 2024 - 2033 Capital Disbursement Plan and related Lifetime Budget; and

**WHEREAS**, on January 13, 2025, during the FY 2026 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 2025 - 2034 Capital Improvement Program, which includes the proposed Revised FY 2025 CIP Disbursement Budget of \$717,745,010, the proposed 10-Year Disbursement Plan totaling \$9,623,579,854 and the proposed Lifetime Budget of \$17,809,198,492 and

**WHEREAS**, on January 16, 2025, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the budget, budget drivers, budget assumptions, grants available for eligible projects and programs, and risks; and

**WHEREAS**, on January 28, 2025, 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, budget drivers, budget assumptions, grants available for eligible projects and programs, risks, and customer impacts; and

**WHEREAS**, on February 21, 2025, the Environmental Quality and Operations Committee, reviewed the budget proposals, and discussed in detail the budget drivers, grants available for eligible projects and programs, and risks, and recommended that the Board approve and adopt the FY 2025 - 2034 Capital Improvement Program, which

includes the proposed Revised FY 2025 CIP Disbursement Budget of \$717,745,010, proposed 10-Year Capital Disbursement Plan totaling \$9,623,579,854, and related Lifetime Budget, totaling \$17,809,198,492; and

**WHEREAS**, on February 25, 2025, the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail the budget drivers, budget assumptions, and customer impacts; and

**WHEREAS**, on February 27, 2025, the Finance & Budget Committee, reviewed the budget proposals and discussed in detail the budget drivers and budget assumptions, and recommended that the Board approve and adopt the FY 2025 - 2034 Capital Improvement Program, which includes the proposed Revised FY 2025 CIP Disbursement Budget of \$717,745,010, proposed 10-Year Capital Disbursement Plan totaling \$9,623,579,854, and related Lifetime Budget, totaling \$17,809,198,492, as provided in Attachment A-1; and authorize the identification, application and expenditure of grant funds to implement the CIP.

**NOW THEREFORE, BE IT RESOLVED THAT:**

The Board hereby approves and adopts DC Water's FY 2025 - 2034 Capital Improvement Program, which includes the Revised FY 2025 CIP Disbursement Budget of \$717,745,010, Fiscal Year 2025 – 2034 Capital Improvement Program Disbursement Plan totaling \$9,623,579,854, and related Lifetime Budget totaling \$17,809,198,492, as provided in Attachment A-1; and authorizes the identification, application and expenditure of grant funds to implement the CIP, as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2026 Budget and accompanying materials presented on January 13, 2025.

This resolution is effective immediately.

  
Secretary to the Board of Directors

# Capital Improvement Program Proposed Budget

# Attachment A-1

|                                      | FY 2025 - FY 2034 CIP Disbursement Plan |                |                |                  |                  |                  |                |                |                |                | 10-yr Total      | Lifetime Budget   |
|--------------------------------------|---|----------------|----------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|-------------------|
|                                      | Revised Budget                          |                |                |                  |                  |                  |                |                |                |                |                  |                   |
| (\$ in thousands)                    | FY25                                    | FY26           | FY27           | FY28             | FY29             | FY30             | FY31           | FY32           | FY33           | FY34           |                  |                   |
| <b>NON PROCESS FACILITIES</b>        |   |                |                |                  |                  |                  |                |                |                |                |                  |                   |
| Facility Land Use                    | 18,181                                  | 51,570         | 36,149         | 16,630           | 13,006           | 12,169           | 16,339         | 16,393         | 16,616         | 16,000         | 213,053          | 414,629           |
| Subtotal                             | 18,181                                  | 51,570         | 36,149         | 16,630           | 13,006           | 12,169           | 16,339         | 16,393         | 16,616         | 16,000         | 213,053          | 414,629           |
| <b>WASTEWATER TREATMENT</b>          |   |                |                |                  |                  |                  |                |                |                |                |                  |                   |
| Liquid Processing                    | 28,574                                  | 40,674         | 59,430         | 114,602          | 115,967          | 144,038          | 147,596        | 134,848        | 131,382        | 133,696        | 1,050,807        | 1,758,612         |
| Plantwide                            | 28,284                                  | 50,884         | 43,954         | 69,654           | 47,347           | 36,874           | 28,755         | 28,111         | 34,618         | 34,235         | 402,716          | 679,450           |
| Solids Processing                    | 10,758                                  | 14,796         | 8,274          | 11,314           | 25,379           | 40,519           | 46,646         | 52,966         | 51,553         | 47,059         | 309,264          | 1,046,727         |
| Enhanced Nitrogen Removal Facilities | 666                                     | -              | -              | -                | -                | -                | -              | -              | -              | -              | 666              | 386,916           |
| Subtotal                             | 68,282                                  | 106,354        | 111,658        | 195,570          | 188,693          | 221,431          | 222,997        | 215,925        | 217,553        | 214,990        | 1,763,453        | 3,871,705         |
| <b>COMBINED SEWER OVERFLOW</b>       |   |                |                |                  |                  |                  |                |                |                |                |                  |                   |
| DC Clean Rivers Program              | 220,365                                 | 245,686        | 235,003        | 186,380          | 117,403          | 66,731           | -              | -              | -              | -              | 1,071,568        | 3,290,812         |
| Combined Sewer Overflow Program      | 3,467                                   | 4,700          | 2,346          | 10,716           | 21,122           | 19,181           | 5,953          | -              | -              | -              | 67,485           | 131,053           |
| Subtotal                             | 223,832                                 | 250,386        | 237,349        | 197,096          | 138,525          | 85,912           | 5,953          | -              | -              | -              | 1,139,053        | 3,421,865         |
| <b>STORMWATER</b>                    |   |                |                |                  |                  |                  |                |                |                |                |                  |                   |
| Storm Local Drainage Program         | 849                                     | 3,915          | 2,564          | 2,448            | 2,226            | 2,226            | 1,238          | 1,811          | 2,054          | 1,102          | 20,432           | 38,640            |
| Storm On-Going Program               | 372                                     | 640            | 613            | 1,490            | 1,287            | 935              | 500            | 500            | 500            | 500            | 7,337            | 11,233            |
| Storm Pumping Facilities             | 5,814                                   | 10,959         | 11,638         | 1,522            | -                | -                | -              | -              | -              | -              | 29,933           | 59,501            |
| Stormwater Program Management        | 744                                     | 694            | 461            | -                | 27               | 1,970            | -              | -              | -              | -              | 3,896            | 13,349            |
| Stormwater Trunk/Force Sewers        | 431                                     | 1,152          | 1,164          | 1,495            | -                | -                | -              | -              | -              | -              | 4,242            | 28,977            |
| Subtotal                             | 8,210                                   | 17,360         | 16,440         | 6,955            | 3,540            | 5,131            | 1,738          | 2,311          | 2,554          | 1,602          | 65,840           | 151,698           |
| <b>SANITARY SEWER</b>                |   |                |                |                  |                  |                  |                |                |                |                |                  |                   |
| Sanitary Collection System           | 15,875                                  | 21,009         | 26,210         | 57,118           | 91,767           | 86,810           | 93,050         | 96,012         | 92,495         | 104,917        | 685,264          | 880,985           |
| Sanitary On-Going Projects           | 15,152                                  | 17,100         | 16,795         | 18,418           | 26,725           | 26,474           | 81,466         | 86,964         | 82,933         | 84,964         | 456,991          | 525,764           |
| Sanitary Pumping Facilities          | 6,047                                   | 9,880          | 9,122          | 8,387            | 12,187           | 26,724           | 28,453         | 32,578         | 31,733         | 25,370         | 190,481          | 265,605           |
| Sanitary Program Management          | 11,510                                  | 9,702          | 9,060          | 10,883           | 645              | -                | -              | -              | -              | -              | 41,800           | 171,900           |
| Interceptor/Trunk Force Sewers       | 98,317                                  | 91,105         | 109,744        | 250,797          | 267,833          | 163,334          | 98,729         | 87,043         | 92,153         | 85,017         | 1,344,072        | 1,901,434         |
| Subtotal                             | 146,901                                 | 148,796        | 170,931        | 345,603          | 399,157          | 303,342          | 301,698        | 302,597        | 299,314        | 300,268        | 2,718,608        | 3,745,688         |
| <b>WATER</b>                         |   |                |                |                  |                  |                  |                |                |                |                |                  |                   |
| Water Distribution Systems           | 46,536                                  | 84,530         | 97,092         | 96,785           | 117,873          | 133,358          | 153,427        | 152,544        | 161,608        | 168,836        | 1,212,587        | 2,230,246         |
| Lead Free DC Program                 | 100,747                                 | 133,460        | 133,000        | 133,000          | 133,000          | 133,000          | 83,000         | 83,000         | 83,000         | 83,000         | 1,098,207        | 1,783,056         |
| Water On-Going Projects              | 15,362                                  | 14,759         | 16,006         | 15,150           | 16,014           | 21,501           | 20,779         | 22,623         | 20,404         | 20,404         | 183,002          | 307,845           |
| Water Pumping Facilities             | 5,903                                   | 8,716          | 7,049          | 8,305            | 5,870            | 5,128            | 2,250          | -              | -              | -              | 43,221           | 84,652            |
| Water Storage Facilities             | 3,726                                   | 18,404         | 30,600         | 18,253           | 22,955           | 16,208           | 32,925         | 37,377         | 37,057         | 33,412         | 250,917          | 374,296           |
| Water Service Program Management     | 12,821                                  | 10,810         | 14,063         | 16,626           | 4,691            | 5,000            | 5,000          | 5,000          | 5,000          | 5,000          | 84,011           | 188,394           |
| Subtotal                             | 185,095                                 | 270,679        | 297,810        | 288,119          | 300,403          | 314,195          | 297,381        | 300,544        | 307,069        | 310,652        | 2,871,945        | 4,968,489         |
| <b>CAPITAL PROJECTS</b>              | <b>650,499</b>                          | <b>845,145</b> | <b>870,337</b> | <b>1,049,973</b> | <b>1,043,325</b> | <b>942,179</b>   | <b>846,106</b> | <b>837,770</b> | <b>843,106</b> | <b>843,512</b> | <b>8,771,952</b> | <b>16,574,075</b> |
| <b>CAPITAL EQUIPMENT</b>             | <b>24,532</b>                           | <b>29,401</b>  | <b>28,972</b>  | <b>28,745</b>    | <b>34,089</b>    | <b>34,089</b>    | <b>34,089</b>  | <b>34,089</b>  | <b>34,089</b>  | <b>34,089</b>  | <b>316,184</b>   | <b>316,184</b>    |
| Meter Replacement/AMR/CIS/ERP        | 6,944                                   | 3,080          | 3,080          | 3,080            | 3,080            | 3,080            | 3,080          | 3,080          | 3,080          | 3,080          | 34,664           | 34,664            |
| WASHINGTON AQUEDUCT                  | 35,770                                  | 35,770         | 35,770         | 35,770           | 35,770           | 35,770           | 71,540         | 71,540         | 71,540         | 71,540         | 500,780          | 500,780           |
| <b>ADDITIONAL CAPITAL PROJECTS</b>   | <b>67,246</b>                           | <b>68,251</b>  | <b>67,822</b>  | <b>67,595</b>    | <b>72,939</b>    | <b>72,939</b>    | <b>108,709</b> | <b>108,709</b> | <b>108,709</b> | <b>108,709</b> | <b>851,628</b>   | <b>851,628</b>    |
| <b>LABOR</b>                         |   |                |                |                  |                  |                  |                |                |                |                |                  | <b>383,495</b>    |
| <b>TOTAL CAPITAL BUDGETS</b>         | <b>717,745</b>                          | <b>913,396</b> | <b>938,159</b> | <b>1,117,568</b> | <b>1,116,264</b> | <b>1,015,118</b> | <b>954,815</b> | <b>946,479</b> | <b>951,815</b> | <b>952,221</b> | <b>9,623,580</b> | <b>17,809,199</b> |

**Presented and Adopted: March 6, 2025**

**SUBJECT: Approval of Fiscal Year 2025-2034 Ten-Year Financial Plan**

**#25-12  
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 6, 2025, 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 2025-2034 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 Revised FY 2025 and FY 2026 Operating and Capital Budgets; and

**WHEREAS**, the Revised Fiscal Year 2025-2034 Ten Year Financial Plan is consistent with projections in the attached Schedules A, B and C of this Resolution; and

**WHEREAS**, on February 24, 2025, and February 27, 2025, the DC Retail Water and Sewer Rates Committee and the Finance and Budget Committee, respectively, met, reviewed and recommended the Board adopt the Fiscal Year 2025-2034 Ten Year Financial Plan as recommended by the General Manager.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board hereby adopts and approves the Revised Fiscal Year 2025-2034 Ten Year Financial Plan that is consistent with the projections in the attached Schedule A, B and C and the Revised FY 2025 and FY 2026 Operating and Capital Budgets.
2. This resolution is effective immediately.

*Michelle Rhodd*  
Secretary to the Board of Directors

**District of Columbia Water & Sewer Authority**  
**FY 2025 – FY 2034 Financial Plan**  
*(In 000's)*

| <b>OPERATING</b>  | <b>FY 2025</b> | <b>FY 2026</b> | <b>FY 2027</b> | <b>FY 2028</b> | <b>FY 2029</b> | <b>FY 2030</b> | <b>FY 2031</b> | <b>FY 2032</b> | <b>FY 2033</b> | <b>FY 2034</b> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Retail</b>   | 771,627        | 821,079        | 871,854        | 917,377        | 976,477        | 1,039,404      | 1,089,189      | 1,161,642      | 1,240,043      | 1,319,977      |
| <b>Wholesale</b>  | 114,248        | 122,612        | 127,516        | 132,617        | 137,922        | 143,439        | 149,176        | 155,143        | 161,349        | 167,803        |
| <b>Other</b>  | 63,988         | 67,694         | 75,672         | 89,764         | 91,171         | 86,119         | 79,886         | 78,649         | 79,403         | 80,347         |
| <b>RSF</b>  | 2,000          | 0              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Operating Receipts</b>                                 | \$ 951,863     | \$ 1,011,385   | \$ 1,075,042   | \$ 1,139,758   | \$ 1,205,569   | \$ 1,268,962   | \$ 1,318,252   | \$ 1,395,433   | \$ 1,480,795   | \$ 1,568,127   |
| <b>Operating Expenses</b>                                 | 444,223        | 461,839        | 479,727        | 498,324        | 517,656        | 537,753        | 558,646        | 580,367        | 602,948        | 625,648        |
| <b>Debt Service</b>                                       | 243,969        | 271,489        | 297,953        | 328,582        | 358,445        | 385,465        | 415,209        | 449,344        | 478,494        | 508,147        |
| <b>Cash Financed Capital Improvement</b>                  | \$ 65,963      | \$ 73,897      | \$ 78,467      | \$ 82,564      | \$ 87,883      | \$ 93,546      | \$ 98,027      | \$ 104,548     | \$ 111,604     | \$ 118,798     |
| <b>Net Revenues After Debt Service</b>                    | \$ 197,709     | \$ 204,159     | \$ 218,895     | \$ 230,289     | \$ 241,586     | \$ 252,197     | \$ 246,369     | \$ 261,174     | \$ 287,749     | \$ 315,534     |
| <b>Operating Reserve-Beg Balance</b>                      | 320,513        | 309,600        | 325,600        | 338,600        | 351,600        | 366,600        | 380,600        | 395,600        | 411,600        | 428,100        |
| <b>Other Misc (Disbursements)/Receipts</b>                |                |                |                |                |                |                |                |                |                |                |
| Wholesale/Federal True Up                                 | (14,049)       | (14,310)       | (10,000)       | -              | -              | -              | -              | -              | -              | -              |
| Project Billing Refunds                                   | (2,000)        | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Transfers to RSF  |                |                |                |                |                |                |                |                |                |                |
| Pay-Go Financing  | (192,573)      | (173,849)      | (195,895)      | (217,289)      | (226,586)      | (238,197)      | (231,369)      | (245,174)      | (271,249)      | (298,934)      |
| <b>Operating Reserve - Ending Balance</b>                 | \$ 309,600     | \$ 325,600     | \$ 338,600     | \$ 351,600     | \$ 366,600     | \$ 380,600     | \$ 395,600     | \$ 411,600     | \$ 428,100     | \$ 444,700     |
| <b>Rate Stabilization Fund Balance RSF <sup>(2)</sup></b> | \$ 33,644      | \$ 33,644      | \$ 33,644      | \$ 33,644      | \$ 33,644      | \$ 33,644      | \$ 33,644      | \$ 33,644      | \$ 33,644      | \$ 33,644      |
| <b>Senior Debt Service Coverage</b>                       | 873%           | 744%           | 668%           | 704%           | 696%           | 656%           | 683%           | 629%           | 635%           | 701%           |
| <b>Combined Debt Service Coverage</b>                     | 211%           | 206%           | 205%           | 203%           | 199%           | 196%           | 189%           | 187%           | 189%           | 191%           |
| <b>Actual/Projected Water/Sewer Rate Increases</b>        | 8.00%          | 6.00%          | 7.00%          | 7.00%          | 7.50%          | 8.50%          | 9.50%          | 9.50%          | 9.50%          | 9.00%          |
| <b>Operating Receipts \$ Increase/Decrease</b>            |                |                |                |                |                |                |                |                |                |                |
| Retail  | 13,804         | 49,451         | 50,776         | 45,523         | 59,100         | 62,927         | 49,785         | 72,452         | 78,401         | 79,934         |
| Wholesale   | 7,491          | 8,364          | 4,904          | 5,101          | 5,305          | 5,517          | 5,738          | 5,967          | 6,206          | 6,454          |
| <b>Operating Receipts % Increase/Decrease</b>             |                |                |                |                |                |                |                |                |                |                |
| Retail  | 1.8%           | 6.4%           | 6.2%           | 5.2%           | 6.4%           | 6.4%           | 4.8%           | 6.7%           | 6.7%           | 6.6%           |
| Wholesale   | 7.0%           | 7.3%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           |

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

<sup>(2)</sup> \$2.0 million withdrawal from Rate Stabilization Fund in FY2025 for new Payment Plan Incentive Program, leaving a balance of 33.644 million



**District of Columbia Water & Sewer Authority  
Average Residential Customer Monthly Bill  
FY 2025 - 2034**

|  | Units | Current<br>FY 2025 | Approved<br>FY 2026 | FY 2027          | FY 2028          | FY 2029          | FY 2030          | FY 2031          | FY 2032          | FY 2033          | FY 2034          |
|--|-------|--------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| DC Water Water and Sewer Retail Rates <sup>(1)</sup> | Ccf   | \$ 95.93           | \$ 101.77           | \$ 108.89        | \$ 116.52        | \$ 125.29        | \$ 135.92        | \$ 148.82        | \$ 162.94        | \$ 178.44        | \$194.52         |
| DC Water Clean Rivers IAC <sup>(2)</sup>             | ERU   | 21.23              | 24.23               | 26.99            | 28.28            | 31.13            | 32.73            | 29.37            | 29.40            | 29.41            | 28.37            |
| 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             |
| DC Water Water System Replacement Fee <sup>(4)</sup> | 5/8"  | 6.30               | 6.30                | 6.30             | 6.30             | 6.30             | 6.30             | 6.30             | 6.30             | 6.30             | 6.30             |
| <b>Subtotal DC Water Rates &amp; Charges</b>         |       | <b>\$ 131.21</b>   | <b>\$ 140.05</b>    | <b>\$ 149.93</b> | <b>\$ 158.85</b> | <b>\$ 170.47</b> | <b>\$ 182.70</b> | <b>\$ 192.24</b> | <b>\$ 206.39</b> | <b>\$ 221.90</b> | <b>\$ 236.94</b> |
| <b>Increase / Decrease</b>                           |       | <b>\$ 6.27</b>     | <b>\$ 8.84</b>      | <b>\$ 9.88</b>   | <b>\$ 8.92</b>   | <b>\$ 11.62</b>  | <b>\$ 12.23</b>  | <b>\$ 9.54</b>   | <b>\$ 14.15</b>  | <b>\$ 15.51</b>  | <b>\$ 15.04</b>  |
| <b>Percent increase in Total Bill</b>                |       | <b>5.0%</b>        | <b>6.7%</b>         | <b>7.1%</b>      | <b>5.9%</b>      | <b>7.3%</b>      | <b>7.2%</b>      | <b>5.2%</b>      | <b>7.4%</b>      | <b>7.5%</b>      | <b>6.8%</b>      |
| District of Columbia PILOT Fee <sup>(1)</sup>        | Ccf   | 3.31               | 3.36                | 3.41             | 3.47             | 3.52             | 3.58             | 3.63             | 3.69             | 3.74             | 3.79             |
| District of Columbia Right-of-Way Fee <sup>(1)</sup> | Ccf   | 1.03               | 1.08                | 1.08             | 1.08             | 1.14             | 1.14             | 1.14             | 1.14             | 1.14             | 1.14             |
| District of Columbia Right of Way / PILOT Fee        |       | 4.34               | 4.44                | 4.49             | 4.55             | 4.66             | 4.72             | 4.77             | 4.83             | 4.88             | 4.93             |
| District of Columbia Stormwater Fee <sup>(3)</sup>   | ERU   | 2.67               | 2.67                | 2.67             | 2.67             | 2.67             | 2.67             | 2.67             | 2.67             | 2.67             | 2.67             |
| <b>Subtotal District of Columbia Charges</b>         |       | <b>\$ 7.01</b>     | <b>\$ 7.11</b>      | <b>\$ 7.16</b>   | <b>\$ 7.22</b>   | <b>\$ 7.33</b>   | <b>\$ 7.39</b>   | <b>\$ 7.44</b>   | <b>\$ 7.50</b>   | <b>\$ 7.55</b>   | <b>\$ 7.60</b>   |
| <b>Total Amount Appearing on DC Water Bill</b>       |       | <b>\$ 138.22</b>   | <b>\$ 147.16</b>    | <b>\$ 157.09</b> | <b>\$ 166.07</b> | <b>\$ 177.80</b> | <b>\$ 190.09</b> | <b>\$ 199.68</b> | <b>\$ 213.89</b> | <b>\$ 229.45</b> | <b>\$ 244.54</b> |
| <b>Increase / Decrease Over Prior Year</b>           |       | <b>\$ 6.27</b>     | <b>\$ 8.94</b>      | <b>\$ 9.93</b>   | <b>\$ 8.98</b>   | <b>\$ 11.73</b>  | <b>\$ 12.29</b>  | <b>\$ 9.59</b>   | <b>\$ 14.21</b>  | <b>\$ 15.56</b>  | <b>\$ 15.09</b>  |
| <b>Percent increase in Total Bill</b>                |       | <b>4.75%</b>       | <b>6.47%</b>        | <b>6.7%</b>      | <b>5.7%</b>      | <b>7.1%</b>      | <b>6.9%</b>      | <b>5.0%</b>      | <b>7.1%</b>      | <b>7.3%</b>      | <b>6.6%</b>      |

(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 - 2026**

|                                       | <b>Units</b> | <b>Current<br/>FY 2025</b> | <b>Approved<br/>FY 2026</b> |
|---------------------------------------|--------------|----------------------------|-----------------------------|
| DC Water Retail Rates – Water:        |              |                            |                             |
| Residential – Lifeline (0- 4 Ccf)     | Ccf          | \$5.21                     | \$5.78                      |
| Residential – (> 4 Ccf)               | Ccf          | 6.81                       | 7.60                        |
| Multi-family                          | Ccf          | 5.82                       | 6.47                        |
| Non-Residential                       | Ccf          | 7.03                       | 7.84                        |
| DC Water Retail Rates – Sewer         | Ccf          | 12.07                      | 12.52                       |
| DC Water Clean Rivers IAC             | ERU          | 21.23                      | 24.23                       |
| DC Water Customer Metering Fee        | 5/8"         | 7.75                       | 7.75                        |
| DC Water System Replacement Fee       | 5/8"         | 6.30                       | 6.30                        |
| District of Columbia PILOT Fee        | Ccf          | 0.61                       | 0.62                        |
| District of Columbia Right of Way Fee | Ccf          | 0.19                       | 0.20                        |
| District of Columbia Stormwater Fee   | ERU          | 2.67                       | 2.67                        |

**Presented and Adopted: March 6, 2025**

**SUBJECT: Approval of Official Intent to Reimburse Fiscal Year 2025  
and 2026 Capital Expenditures with Proceeds of a  
Borrowing**

**#25-13  
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 6, 2025, 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 2025 and 2026 Capital Expenditures with Proceeds of a Borrowing.

**WHEREAS**, on February 27, 2025, the Finance and Budget Committee met to consider the proposed Original Intent to Reimburse FY 2025 and FY 2026 capital expenditures from proceeds of a borrowing; and

**WHEREAS**, the General Manager presented the proposal for the Original Intent to Reimburse DC Water for “Costs of the System” as defined in the Master Indenture, which is approved, would allow DC Water to reimburse itself for capital expenditures with debt proceeds; and

**WHEREAS**, United States Treasury Regulations §1.150-2 (the Reimbursement Regulations) prescribe conditions under which proceeds of bonds, notes or other obligations (Bonds) used to reimburse advances made for capital and certain expenditures (Original Expenditures) paid before the issuance of such Bonds will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the Code), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

**WHEREAS**, for purposes of this Resolution, “Reimbursement” or “reimburse” means the restoration to DC Water of money temporarily advanced from its other funds and spent for Original Expenditures before the issuance of the Bonds, evidenced in writing by an allocation on the books and records of DC Water that shows the use of the proceeds of the Bonds to restore the money advanced for the Original Expenditures. “Reimbursement” or “reimburse” generally does not include the refunding or retiring of Bonds previously issued and sold to, or borrowings from, unrelated entities; and

**WHEREAS**, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original Expenditures expected to be reimbursed from proceeds of Bonds, and that the reimbursement occur within certain prescribed time periods after an Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; 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**, plans for the Projects have advanced and DC Water expects to advance its own funds to pay capital expenditures related to the Projects herein to be considered Original Expenditures) prior to incurring indebtedness and to receive reimbursement for such Original Expenditures from proceeds of Bonds, or both; and

**WHEREAS**, on February 27, 2025, the Finance and Budget Committee further reviewed the Projects and intended Original Expenditures and recommended the Board adopt the proposed Official Intent.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. DC Water currently intends to utilize the proceeds of Bonds in an amount not currently expected to exceed \$785,000,000 to pay costs of the Projects.
2. The Board approves the CEO and General Manager’s “Official Intent” to use the proceeds of the Bonds to reimburse Original 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 Original Expenditures with the proceeds of the Bonds.
3. Each Original 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 Original 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 CEO and 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 Original Expenditure, no later than 18 months after the later of the date on which the Original 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 Original 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 DC Water’s “Official Intent” within the meaning of the Reimbursement Regulations.
6. This Resolution is effective immediately.

*Michelle Rhodd*  
Secretary to the Board of Directors

## **Exhibit A – Description of Projects**

Costs of the System, including costs related to the improvement of the following:

- 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