

The Approved FY 2027 Budget & Proposed Two-Year Rates

Adopted by the Board of Directors on March 5, 2026

District of Columbia Water and Sewer Authority



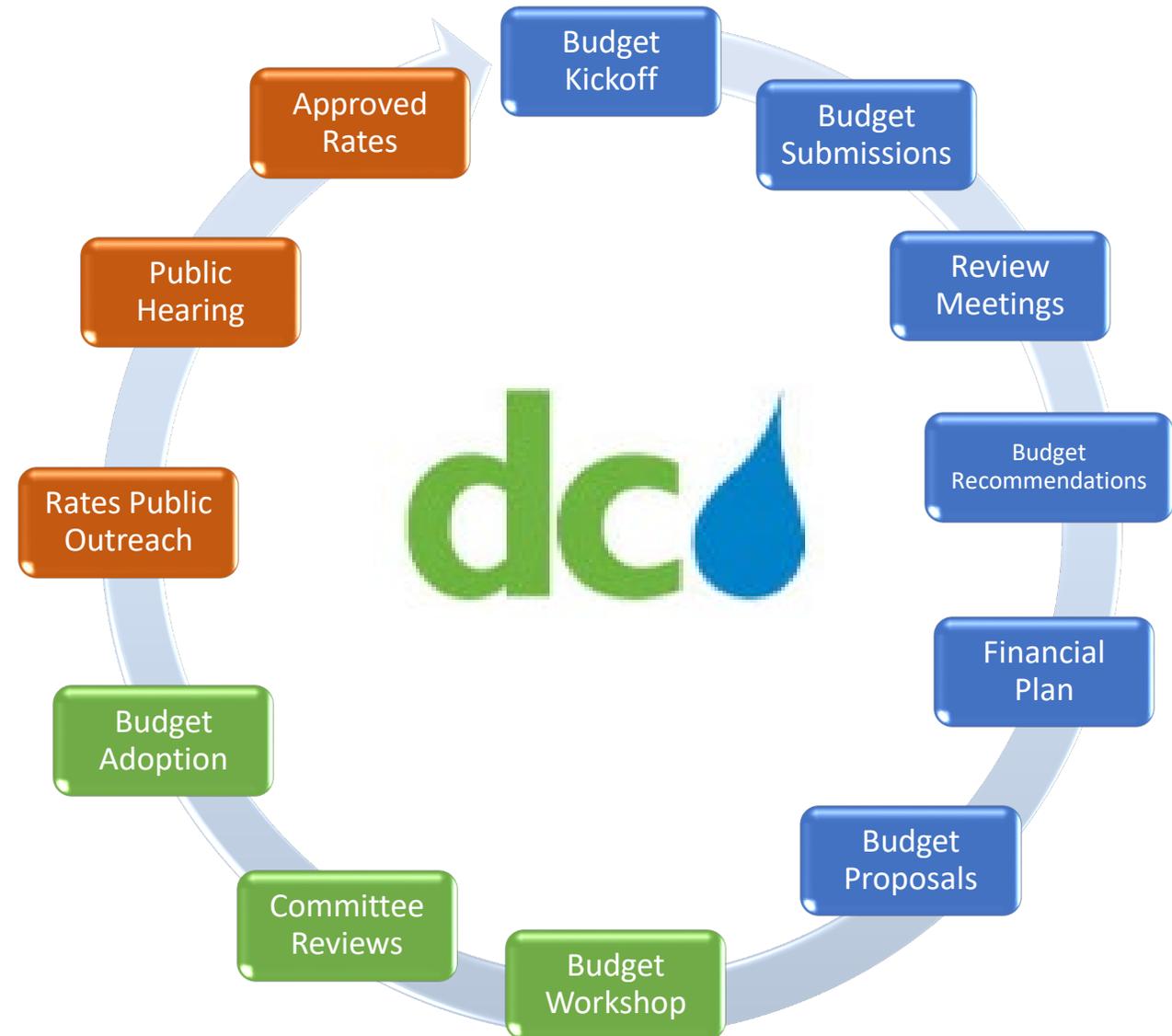
Blue Plains

💧 Executive Budget Summary.....	3
💧 Capital Improvement Program.....	11
💧 Operating Budget.....	16
💧 Operating Revenues, Rates and Fees	21
💧 Financial Plan.....	29
💧 Public Information.....	33

Executive Budget Summary

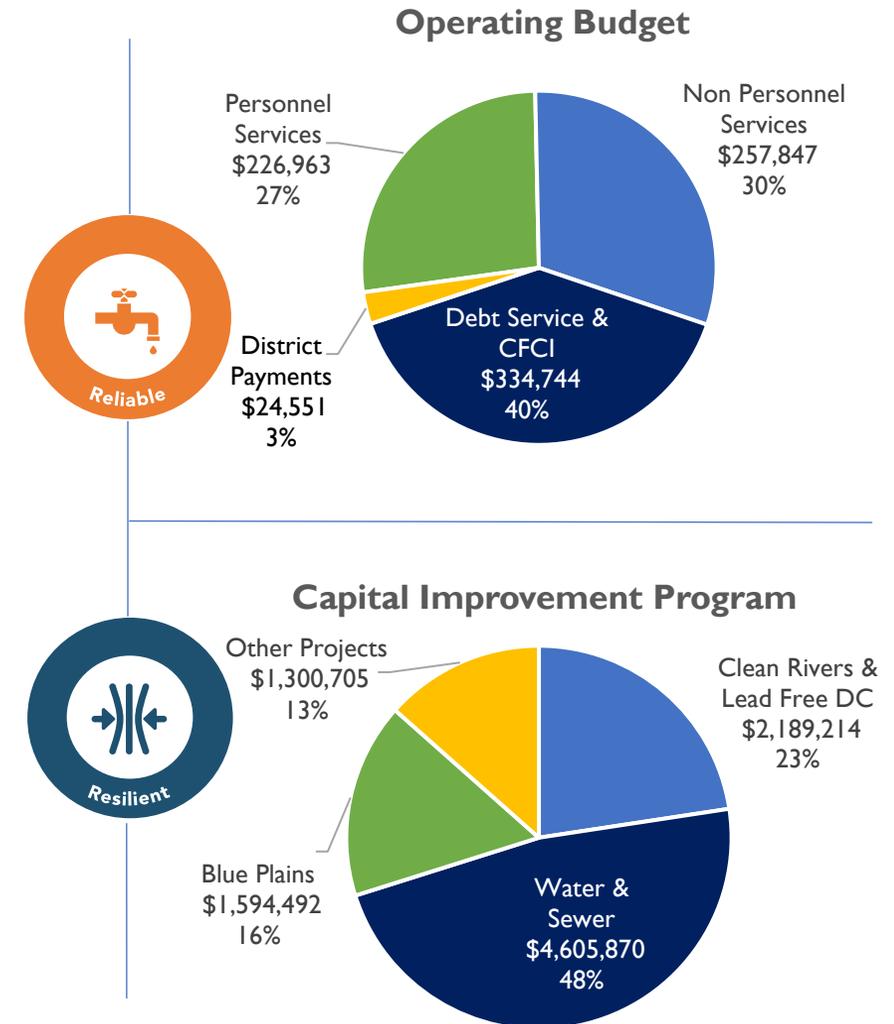
Board and Stakeholder Engagement

- 💧 **Preparation** of Proposed Budget
- 💧 Board review of proposals
 - Two months of detailed review by Finance and Budget, Environmental Quality and Operations, and Retail Rates Committees
- 💧 Customer **Briefings** and **Feedback**
 - Wholesale Customer Briefing
 - Office of People’s Counsel Budget Briefing
 - Stakeholder Alliance Briefing
- 💧 Board **Budget Adoption** on March 5, 2026
- 💧 **Town Halls** in Spring and **Public Hearing** on May 14
- 💧 **Board adoption** of rates on July 2
- 💧 Fiscal year begins on October 1, 2026 (FY 2027)



\$ in thousands

- Allocates \$844.1 million **operating budget to ensure reliability in core operations and maintenance**, including debt service and PAYGO for CIP
- Prioritizes a risk-based 10-year capital program of \$9.69 billion, with increased focus on sustainable **water and sewer programs**, totaling \$4.6 billion
- \$1.1 billion to **complete the Clean Rivers program**, including construction of the Piney Branch Tunnel by 2030
- Advances the **Lead Free DC program** at \$1.0 billion and leverages Federal Funds, including the Bipartisan Infrastructure Law for lead removal
- Accelerates the **meter replacement program** to address non-revenue water loss
- \$2.0 billion to advance the **rehabilitation of the major interceptors**
- The proposed rate increase for **the average residential customer is less than** previously forecasted in the financial plan
- Continues the **robust Customer Assistance Programs** that promote affordability



Approved Operating Expenditure Budget of \$844.1 million

- **Operations and Maintenance (O&M)** – \$484.8 million for personnel and non-personnel
- **Debt Service** – \$257.9 million and Cash Financed Capital Improvements (CFCI) of \$76.8 million
- **PILOT & ROW** – payments to the District of \$24.5 million

Approved 10-Year Capital Disbursement Budget of \$9.69 billion

- **Capital Projects** – \$8.76 billion for mandated projects, Lead Free DC program, Pure Water DC, rehabilitation of the Potomac Interceptor, equipment upgrades and rehabilitation at Blue Plains, and continued investments in the aging water and sewer infrastructure
- **Capital Equipment** – \$415.4 million for meter replacement, purchase of equipment including pumps, motors, backhoes, jet-vacs, catch basin trucks and other aged vehicles to meet operational needs. Reflects reallocation of Software Based Information Technology Agreements (SBITA) from operating budget starting FY2027 consistent with the new GASB requirement
- **Washington Aqueduct** – \$514.5 million for DC Water’s share of the Washington Aqueduct’s CIP



Multi-Year Rate Proposal for FY 2027 and FY 2028

Proposed rate changes:

- Water and sewer rates increase by 6.0% each for FY 2027 and FY 2028
- Proposed CRIAC of \$25.50 per ERU in FY 2027 and \$27.22 per ERU in FY 2028
- PILOT Fee at \$0.62 per Ccf for FY 2027 and \$0.63 per Ccf for FY 2028
- Groundwater rate increased to \$3.90 per Ccf for FY 2027 and FY 2028

Rates and charges that remain the same:

- Right-of-Way Fee remains the same as FY 2026 at \$0.20 per Ccf for FY 2027 and FY 2028
- Customer Metering Fee at \$7.75 for 5/8” meters
- Water System Replacement Fee (WSRF) at \$6.30 for 5/8” meters
- High-Flow Filter Backwash rate at \$3.54 per Ccf

Proposed new rates

- Public Inconvenience Fee of \$0.42 per Ccf will be effective FY 2027 to recover the charges associated with occupancy permits when construction projects in public spaces extend beyond 30 days

Cost of Service Study aligned with rate proposal

Combined rate increases lower than last year’s forecast

Change in Average Household Charge	Fiscal Year	
	2027	2028
Recommendation	6.6%	5.3%
Previous Forecast	6.7%	5.7%

- 💧 DC Water offers some of the most financially supportive customer assistance programs in the nation
 - We know that some households cannot afford the vital service that we provide, so DC Water has implemented programs to help
 - Household incomes up to \$163,900 (household of four) may qualify

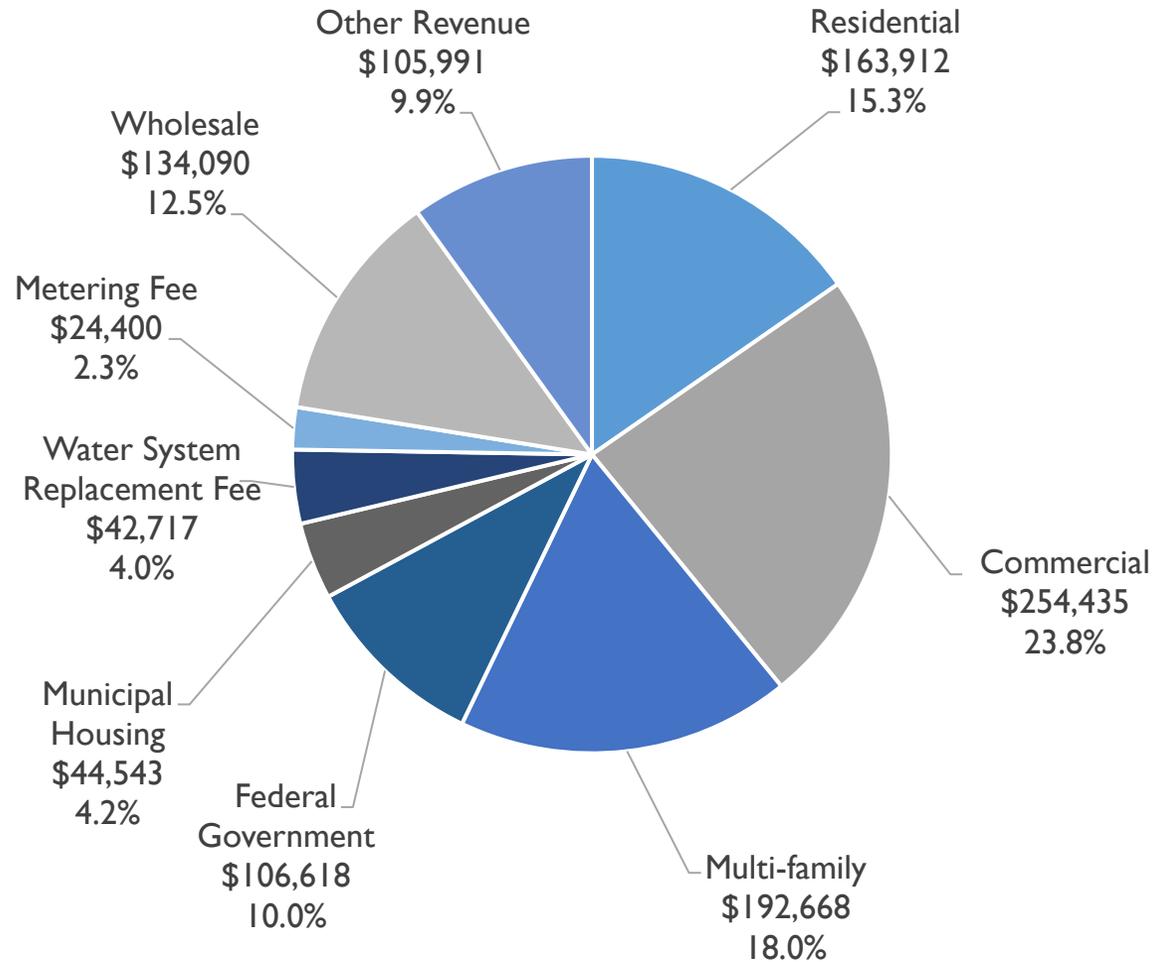


For more information, please see:
<https://www.dewater.com/customer-assistance>

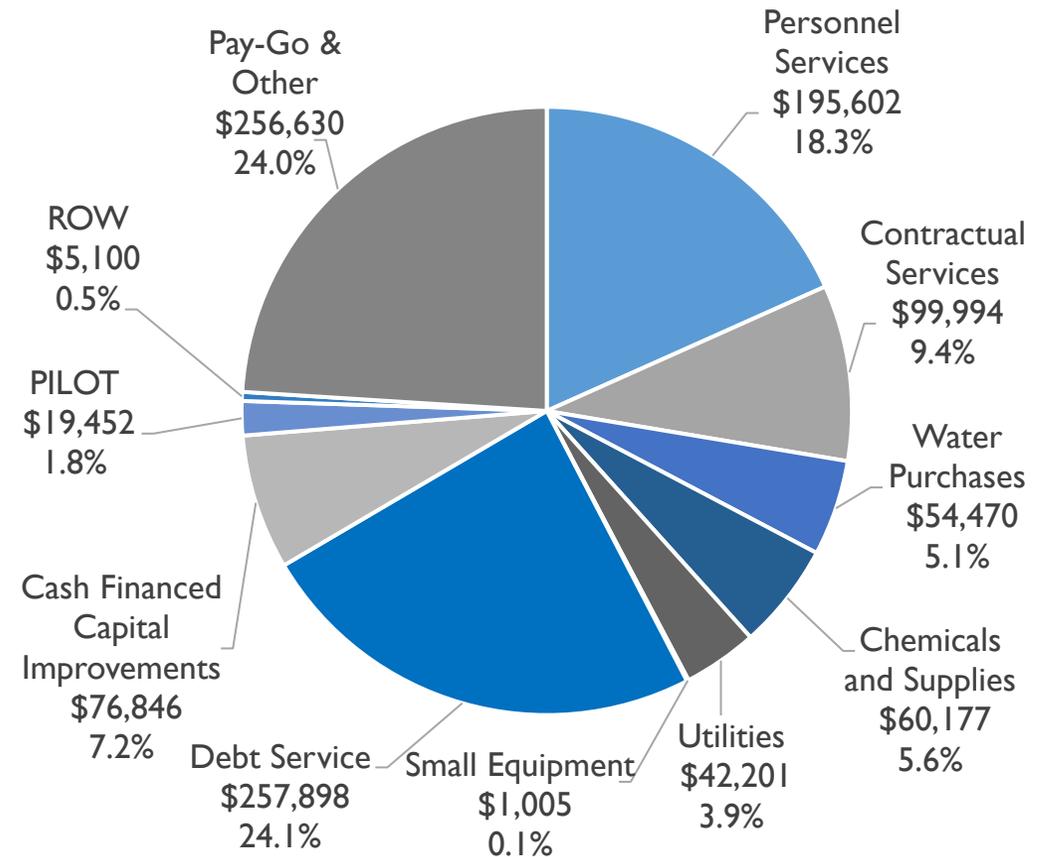


\$ in thousands

Sources - \$1.07 billion



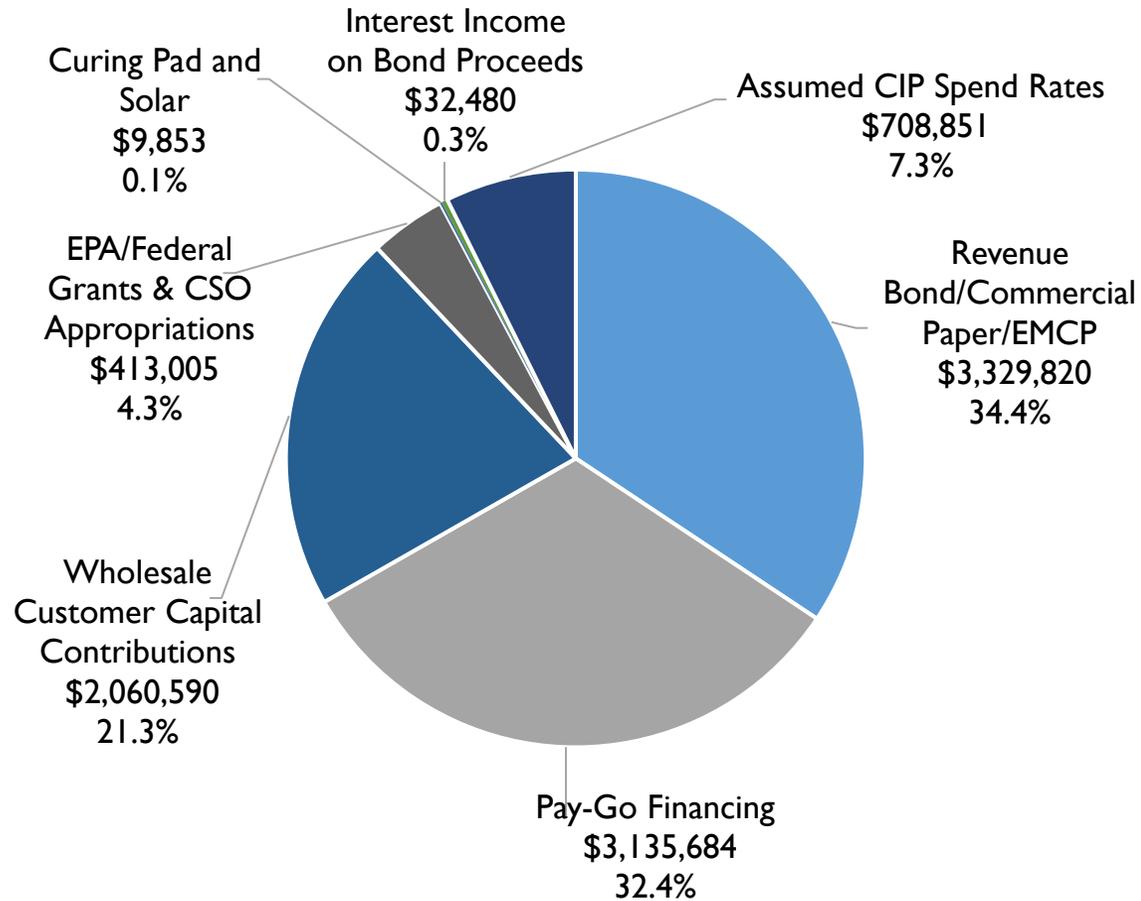
Uses - \$1.07 billion



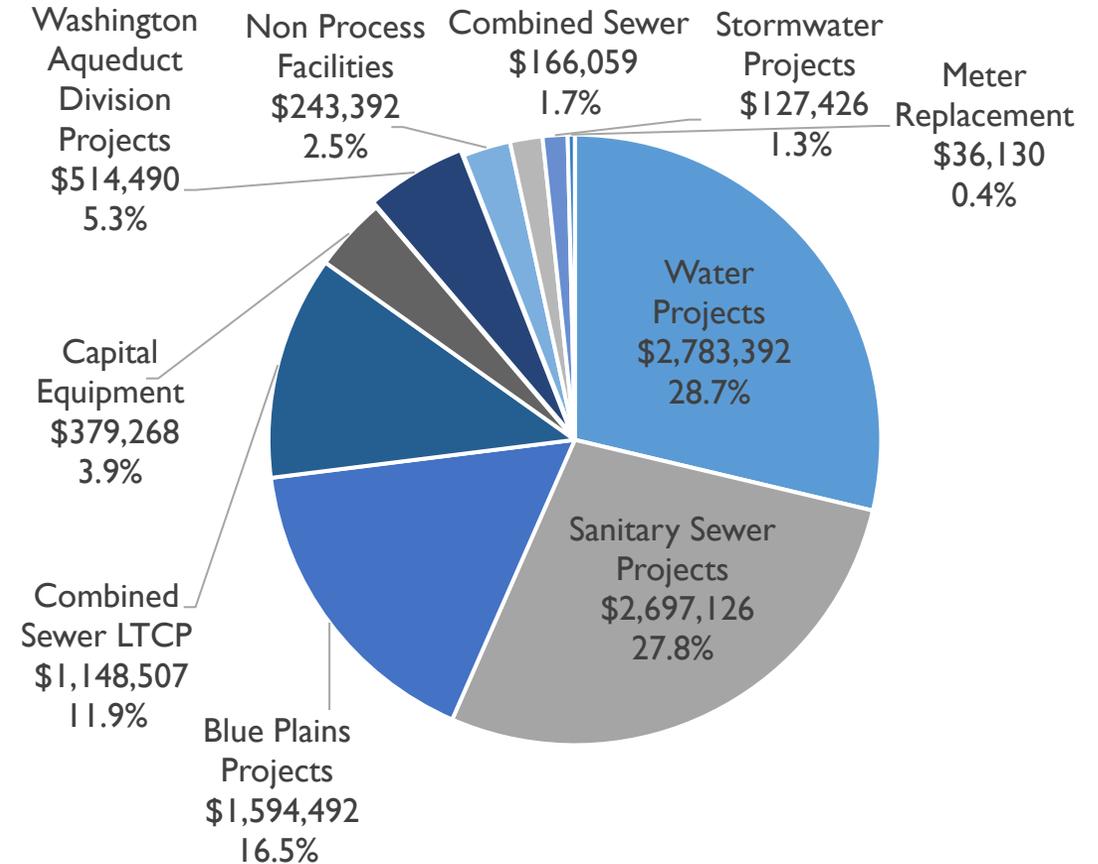
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$9.69 Billion



Uses - \$9.69 Billion



Note: Graphs may not total to 100% due to rounding to the nearest 0.1%

1: "Assumed CIP Spend Rates" is meant to represent the expectation that DC Water will spend less than the authorized CIP over the next 10 years, based on historical results

Acronyms: Environmental Protection Agency (EPA); Combined Sewer Overflow (CSO); Extendable Municipal Commercial Paper (EMCP)

Capital Improvement Program

💧 \$1.072 billion allocated in FY 2027 and \$9.69 billion over the 10-year period for Infrastructure Improvements

- Fully funds the Clean Rivers Program including completion of the Potomac River tunnel to meet the consent decree requirement by 2031
- Allocates funding for the Lead-Free DC program
- Funds more than 150 miles of small diameter water main replacement
- Invests \$4.6 billion in the aging water and sewer system infrastructure
- Directs \$1.6 billion for major rehabilitation and upgrades at Blue Plains
- Allocates \$514.5 million for DC Water's share of the Aqueduct's capital program
- Provides \$415.4 million for the purchase/replacement of vehicles, heavy-duty equipment, mechanical equipment, operational facilities, meters, office renovations, and IT projects





DC Water Budget Overview

FY2026-2035

Proposed
Capital

Investments
of **\$9.7 billion**

REGULATORY

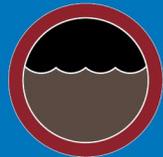


\$1.04 billion
Continue eliminating lead service lines and meet regulatory requirements.



\$1.15 billion
Fully funds DC Water Clean Rivers projects to meet Consent Decree requirements

RISK-BASED



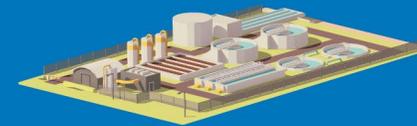
Sewer Infrastructure
\$2.86 billion

Rehab of high risk trunk sewers, pump stations and structures that control flow.



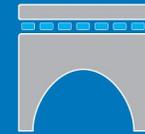
Water Infrastructure
\$1.74 billion

Rehab critical valves, large diameter transmission main assessments and resilience.



Blue Plains **\$1.59 billion**

Funds rehabilitation and upgrades including filters, primary treatment, and discovery center for Pure Water DC.



Washington Aqueduct
\$514 million

Invests in the Aqueduct's capital infrastructure for potable water treatment.



Capital Equipment
\$415 million

Invests in process equipment, specialized vehicles, IT and water meters.



Non-Process Facilities
\$243 million

Renovates Non-Process Facilities including at Blue Plains, Main Pump Station, and Bryant Street Pump Station.



Separate Stormwater
\$127 million

Rehab stormwater pump stations, address MS4 permit obligations.

The Capital Improvement Program

- ▶ The **approved ten-year CIP budget of \$9.69 billion** includes annual spending estimates for capital construction, capital equipment and DC Water’s share of the Aqueduct’s capital projects
 - This is a net decrease of \$66.7 million compared to the Board-approved CIP for the ten-year period, and a net decrease of \$136.6 million in FY 2026
- ▶ The **approved lifetime budget is \$17.4 billion** and covers the total project costs including commitments and labor, for active projects prior to, during, and beyond the ten-year window

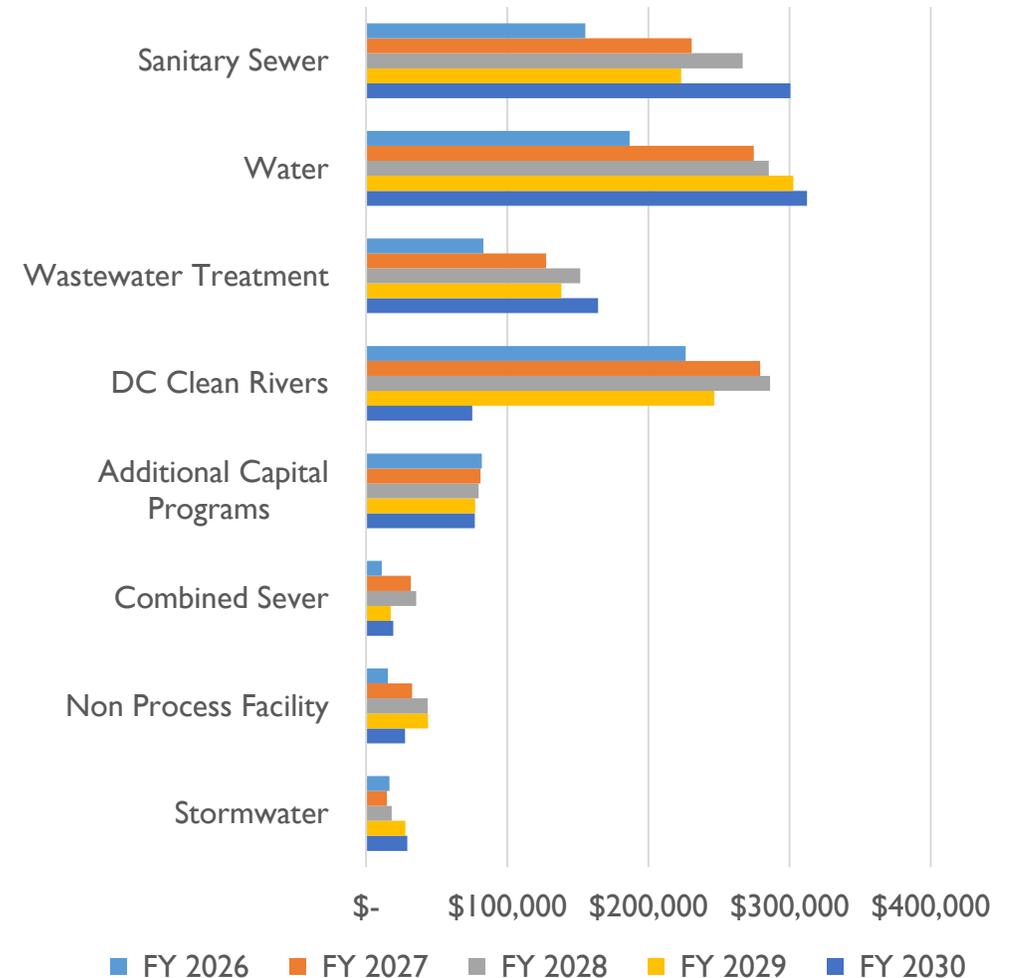
(Cash Disbursements \$ in thousands)	FY 2026 - FY 2035 Disbursement Plan											Last Years 10-yr	(Increase)/ Decrease	Lifetime Budget
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035				
NON PROCESS FACILITIES	\$ 15,467	\$ 32,671	\$ 43,535	\$ 43,848	\$ 27,523	\$ 22,366	\$ 22,277	\$ 14,582	\$ 10,820	\$ 10,303	\$ 243,392	\$ 213,052	\$ (30,339)	\$ 412,191
WASTEWATER TREATMENT	83,199	127,537	151,664	138,337	164,406	172,451	198,453	184,744	194,690	179,012	1,594,492	1,763,454	168,962	2,670,477
COMBINED SEWER OVERFLOW	237,482	311,016	321,693	264,247	94,417	42,614	11,098	10,000	11,000	11,000	1,314,566	1,139,051	(175,515)	3,762,450
STORMWATER	16,550	14,740	18,186	27,841	29,208	12,921	2,318	2,250	2,099	1,313	127,426	65,840	(61,586)	190,536
SANITARY SEWER	155,371	230,713	266,827	223,235	300,656	288,391	295,248	311,056	360,046	265,583	2,697,126	2,718,608	21,482	4,215,274
WATER	186,757	274,558	285,327	302,603	312,347	268,653	258,593	287,645	299,551	307,357	2,783,392	2,871,946	88,554	4,844,619
CAPITAL PROJECTS	694,826	991,234	1,087,232	1,000,111	928,557	807,396	787,987	810,277	878,206	774,568	8,760,394	8,771,952	11,558	16,095,547
CAPITAL EQUIPMENT	29,401	39,664	38,398	37,681	38,269	38,558	38,855	39,162	39,478	39,803	379,267	316,184	(63,083)	379,267
Meter Replacement/AMR/CIS/ERP	3,080	5,583	5,583	3,883	3,000	3,000	3,000	3,000	3,000	3,000	36,130	34,664	(1,466)	36,130
WASHINGTON AQUEDUCT	49,480	35,770	35,770	35,770	35,770	71,540	71,540	71,540	71,540	35,770	514,490	500,780	(13,710)	514,490
ADDITIONAL CAPITAL PROJECTS	81,961	81,018	79,751	77,334	77,039	113,098	113,395	113,702	114,018	78,573	929,888	851,628	(78,260)	929,888
LABOR														383,495
TOTAL CAPITAL BUDGETS	\$ 776,787	\$ 1,072,251	\$ 1,166,983	\$ 1,077,446	\$ 1,005,595	\$ 920,494	\$ 901,382	\$ 923,979	\$ 992,224	\$ 853,141	\$ 9,690,281	\$ 9,623,580	\$ (66,702)	\$ 17,408,930
Board Approved 10yr-CIP	913,396	938,159	1,117,568	1,116,264	1,015,118	954,815	946,479	951,815	952,221		9,623,580			
Delta (inc)/dec	136,609	(134,092)	(49,415)	38,818	9,523	34,321	45,097	27,837	(40,003)	(853,141)	(66,702)			

\$ in thousands

DC Water is proceeding with the increased investment in water and sewer projects as we advance the Lead-Free DC Program and approach the completion of the Clean Rivers tunneling program

- Spending on sewer projects will almost double from \$155 million in FY 2026 to \$301 million by FY 2030 mainly for the rehabilitation of the Potomac Inceptor
- Significant growth in water projects from \$187 million in FY 2026 to \$312 million by FY 2030 mainly for the Lead-Free DC program
- Critical rehabilitation and equipment upgrades at Blue Plains with spending growth from \$83 million in FY 2026 to \$164 million in FY 2030
- Clean Rivers program is anticipated at 29% of the overall CIP in FY 2026, but only 7% by FY 2030 when the remaining tunnels are completed
- Spending on additional capital programs covers capital equipment, software/hardware subscription arrangements and infrastructure improvements at the Aqueduct

Projected Capital Disbursements – Near term of 10-Year CIP (FY 2026 - FY 2030)

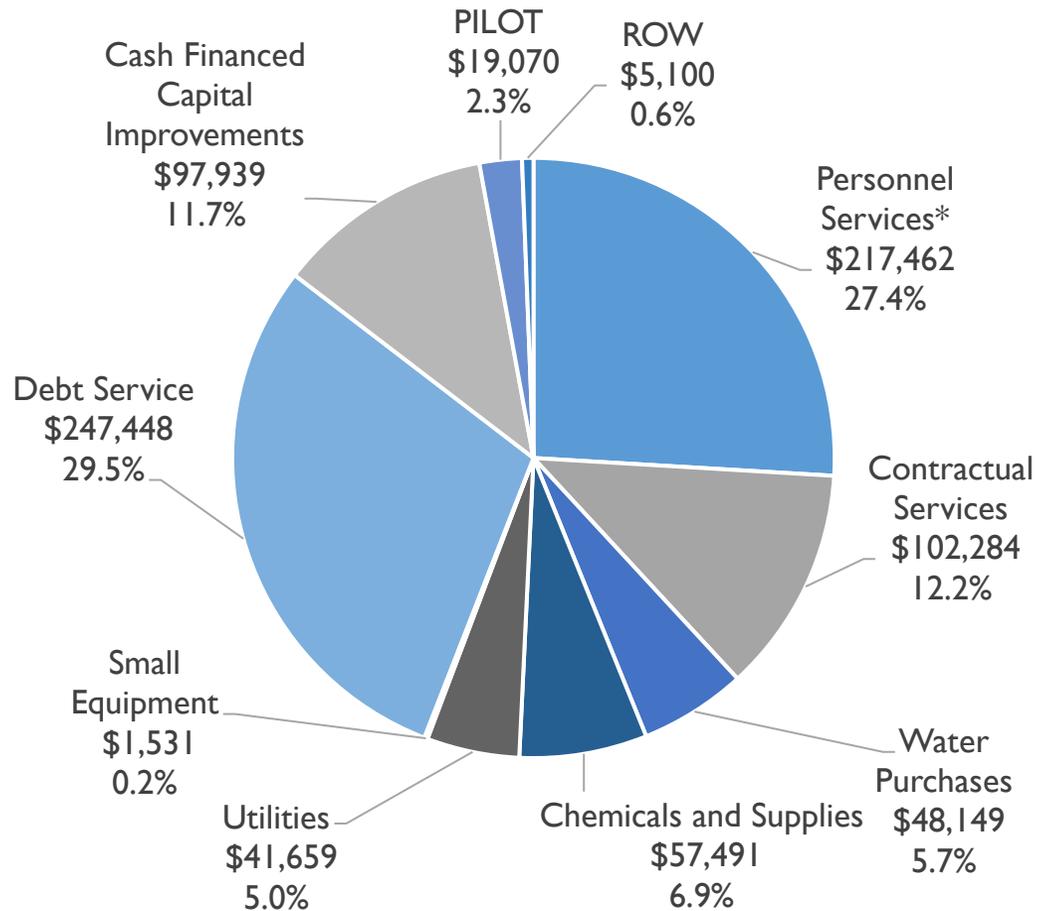


Operating Budget

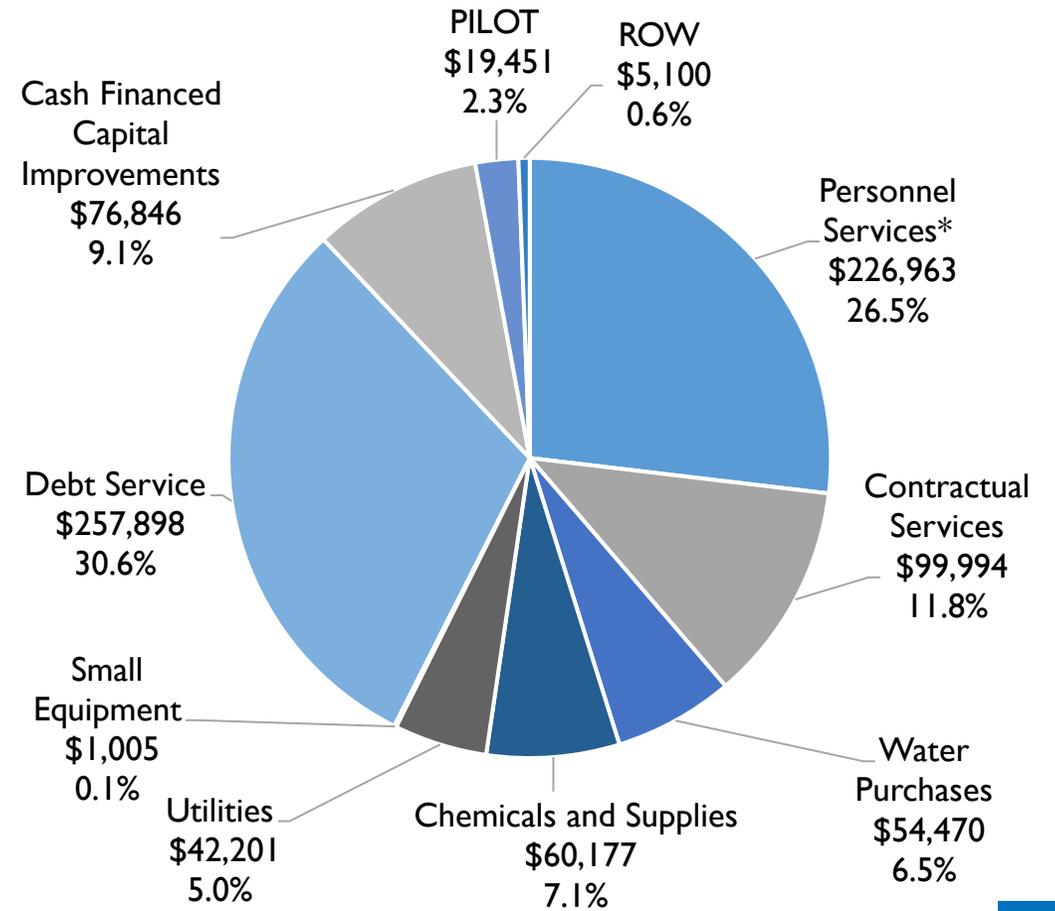
FY 2026 vs. FY 2027 Expenditure Budgets

\$ in thousands

Revised FY 2026 \$838,133



Approved FY 2027 \$844,105



* Personnel Services include capital labor charges

Operating Budget Comparison by Cost Category

- 💧 **FY 2026** – Revised budget reflects reprogramming of \$24.0 million from debt service to CFCI
 - Reduces future borrowing costs
 - No changes to the overall adopted budget

- 💧 **FY 2027** – Approved operating budget is \$844.1 million, an increase of \$6.0 million
 - Operations & Maintenance (O&M) covers the resources necessary to provide clean water and treatment services and maintain DC Water’s critical assets
 - Debt Service and Paygo supports DC Water’s capital program
 - PILOT & ROW payments to the District

(\$000's)	FY 2026	FY 2027	(Increase)/ Decrease	
	Revised Budget	Approved Budget	\$	%
Regular Pay	\$ 159,348	\$ 167,504	\$ (8,156)	-5.1%
Benefits	46,914	47,193	(279)	-0.6%
Overtime	11,200	12,265	(1,065)	-9.5%
Total Personnel Services	217,462	226,963	(9,501)	-4.4%
Chemical and Supplies	57,491	60,177	(2,686)	-4.7%
Utilities	41,659	42,201	(542)	-1.3%
Contractual Services	102,284	99,994	2,290	2.2%
Water Purchases	48,149	54,470	(6,321)	-13.1%
Small Equipment	1,531	1,005	526	34.3%
Total Non-Personnel Services	251,114	257,847	(6,733)	-2.7%
Total Operations & Maintenance	\$ 468,576	\$ 484,810	\$ (16,234)	-3.5%
Debt Service	247,448	257,898	(10,450)	-4.2%
PILOT & ROW	24,170	24,551	(381)	-1.6%
Cash Financed Capital Improvements (CFCI)	97,939	76,846	21,093	21.5%
Total Non-O&M	369,557	359,295	10,262	2.8%
Total Operating Expenditure	\$ 838,133	\$ 844,105	\$ (5,972)	-0.7%
Capital Labor Charges	(30,907)	(32,228)	1,321	-4.3%
Net Operating Expenditure	\$ 807,226	\$ 811,877	\$ (4,651)	-0.6%

FY 2026 vs FY 2027 Budget Variances

Personnel Services

Non-Personnel Services

Debt Service & Paygo

District Payments

- 💧 **Personnel:** \$9.5 million increase for salary adjustments and overtime, with a 5% vacancy rate and 1283 FTEs.
- 💧 **Water Purchase:** \$6.3 million increase reflecting DC Water’s 75% share of the Washington Aqueduct’s O&M budget
- 💧 **Chemicals:** \$1.4 million increase due to higher methanol and chemical prices; energy market may affect future costs
- 💧 **Supplies:** \$1.3 million increase due to inflation impacting costs of critical parts and custodial materials
- 💧 **Utilities:** \$0.5 million net increase, mainly electricity, offset by reduced water usage in treatment processes
- 💧 **Contractual Services:** \$2.3 million net decrease due to reallocation of \$7.3 million from software maintenance to capital equipment, consistent with the Governmental Accounting Standards Board (GASB) requirement for Subscription-Based Information Technology Agreement (SBITA). Areas of cost increases include maintenance, insurance, industrial cleaning, DDOT fees, security, etc.
- 💧 **Small Equipment:** \$0.5 million decrease for reduced crane rental at Blue Plains
- 💧 **Debt Service:** \$10.4 million increase for planned debt issuance to support the CIP
- 💧 **Cash Financed Capital Improvements:** \$21.1 million decrease in PAYGO funding
- 💧 **PILOT & ROW:** \$0.4 million increase in PILOT fees; ROW payment steady at \$5.1 million



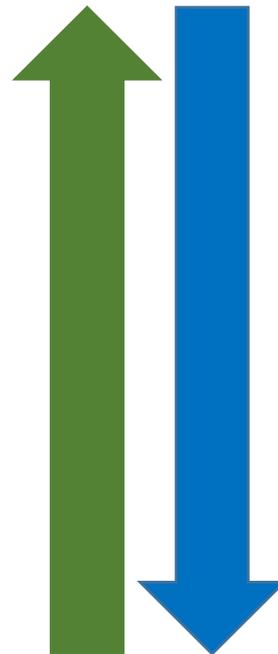
- 💧 Budget for Cash Financed Capital Improvements (CFCI) serves as a contingency
 - Budgeted funds are used as pay-as-you-go (PAYGO) capital funding
 - If operating costs exceed budget, CFCI is reprogrammed out and PAYGO is reduced
 - If operating costs are less, unspent (O&M and debt service) budget will be reprogrammed to CFCI and used as PAYGO, reducing debt service costs for all customers

Chemicals and Energy

- Market volatilities and increased capacity energy prices based on peak demand
- Onsite energy optimization, solar project output, & timeline, rain events and process optimization

Contractual Services

- Litigation & Insurance - Impacts of unanticipated legal cases, insurance policy requirements and workers compensation claims
- Impact of inflation on professional services e.g. cleaning, locate and mark utility, biosolids hauling



Personnel Costs

- Overtime during emergencies
- Increased healthcare cost
- Lower than anticipated vacancy rate

Equipment & Facilities

- Impact of inflation on critical parts, equipment and maintenance requirement for tunnels and various facilities

Debt Services

- Impact on tax-exempt refunding bonds if market conditions worsen where interest rates grow higher than financial plan projections reducing overall debt service savings

Operating Revenues, Rates and Fees

- ▶ DC Water recovers only the funds necessary to fund the Operating and Capital Budgets through rates

- ▶ One of the fastest growing expenditure category is debt service for the capital program, which has grown an average of 5.3% a year since 2016

- ▶ As part of the budget, DC Water presents the rates, charges and fees required to support the CIP and forecasted operating expenditures
 - Rates, charges & fees are reviewed and approved by the Board the DC Water Board every two years
 - The financial plan, including the forecast of rates, is proposed to the Board for consideration

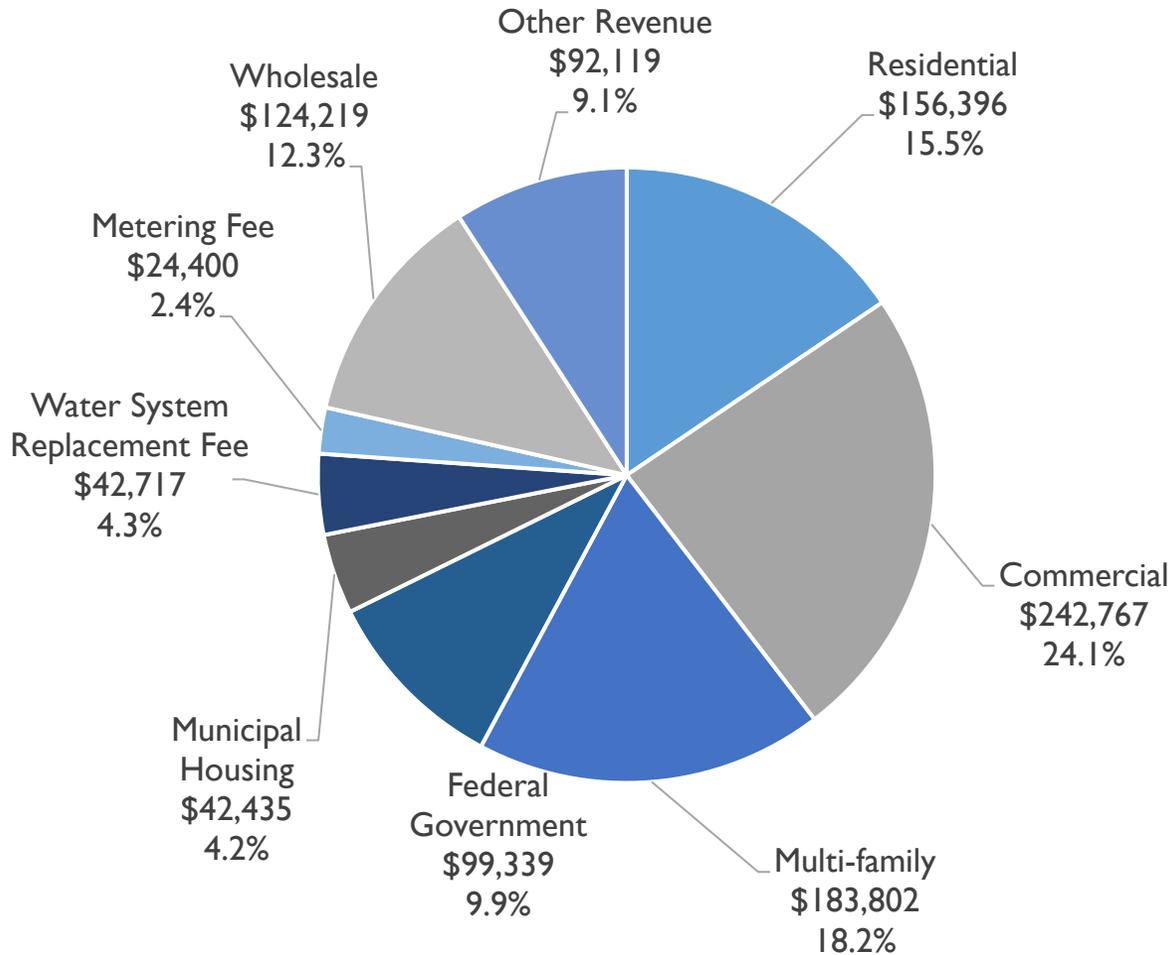
- ▶ Customer Assistance Programs provide discounts for residential customers
 - Income requirements for those programs every year
 - In FY 2021 the CRIAC discount was increased to 75% for customers in the CAP program to ensure that rates comprised a lower portion of household income
 - Continue programs for FY 2027; CAP+, Payment Incentive, Leak Assessments



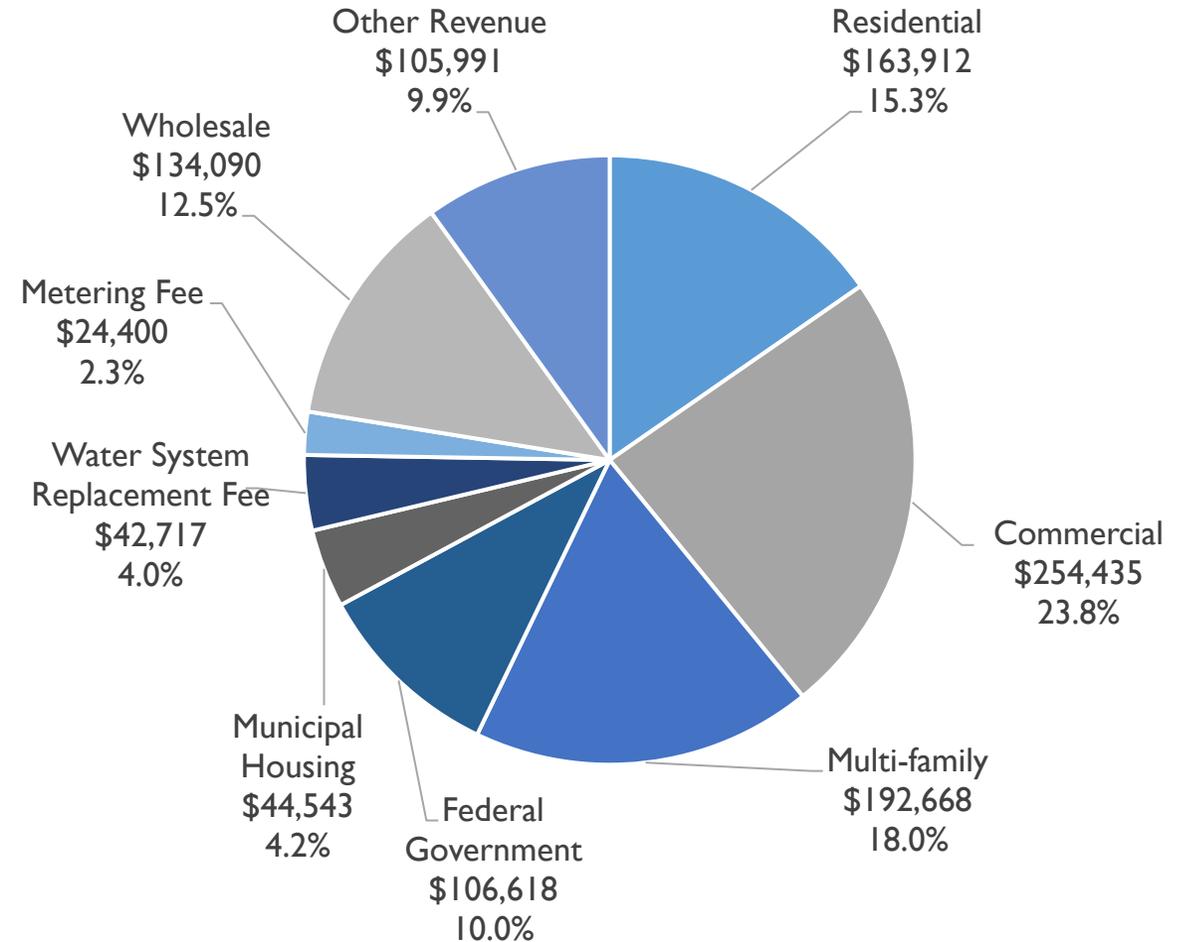
FY 2026 vs. FY 2027 Operating Revenues

\$ in thousands

Revised FY 2026 \$1.01 billion



Proposed FY 2027 \$1.07 billion



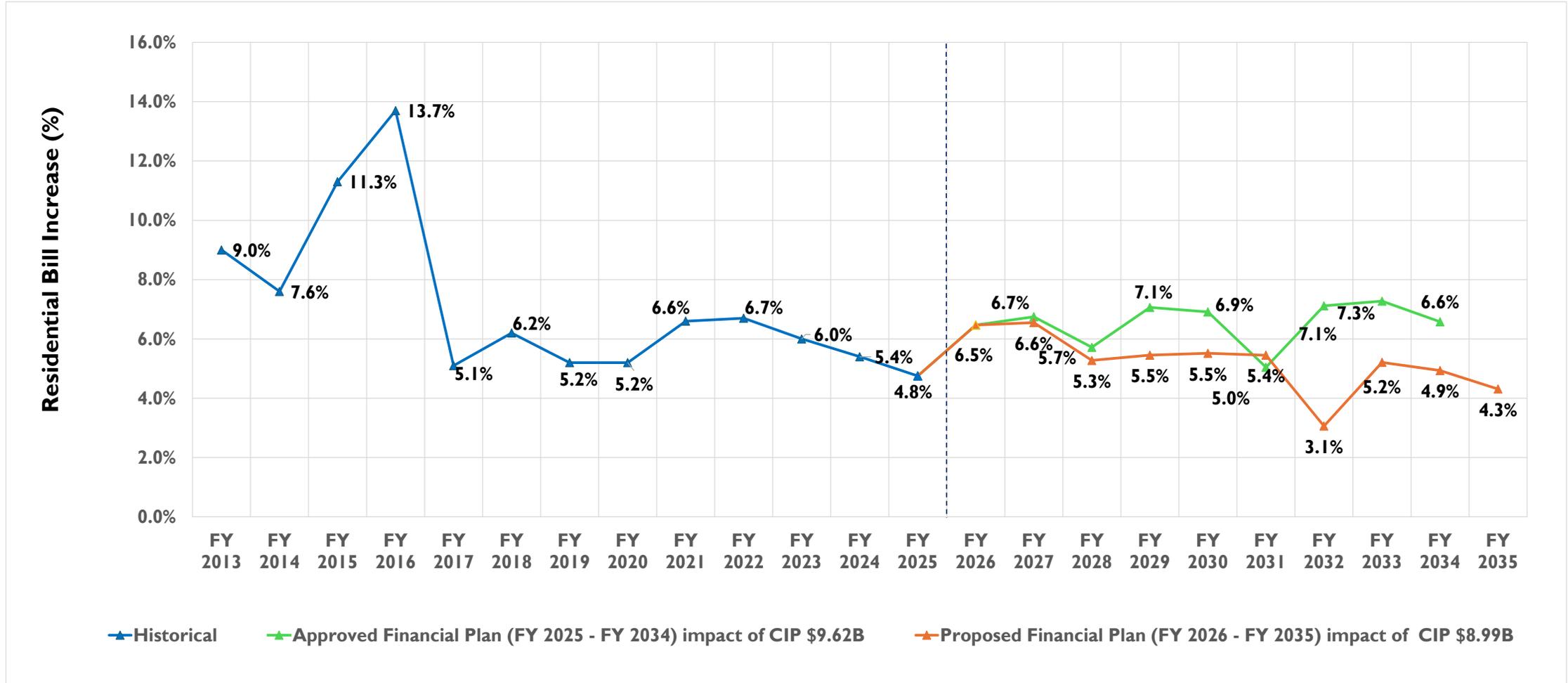
Revenue Comparison by Customer Class

- Total revenue for FY 2026 includes proposed net reduction of \$3.2 million mainly to align with projected consumption for Federal category and reduced SAF and indirect cost reimbursement, with increases in higher interest earnings and wholesale revenue attributable to PI costs
- Total revenue is projected to increase by \$61.2 million or 6.1% for FY 2027 and \$52.0 million or 4.9% for FY 2028 mainly due to rate increase
 - Retail Revenue – Increase by \$37.4 million or 4.7% in FY 2027 and \$43.9 million or 5.3% in FY 2028
 - Wholesale Revenue – Increase by \$9.9 million or 7.9% in FY 2027 and \$6.0 million or 4.4% in FY 2028 due to increase in indirect cost rate from 20% to 25% and operations and maintenance expense projection . Revenue estimates are based on most recent flow data

\$ in thousands	Revised FY 2026	Proposed FY 2027	Proposed FY 2028	Revised FY 2026 vs Proposed FY 2027		Proposed FY 2027 vs Proposed FY 2028	
				Incr/(Decr)		Incr/(Decr)	
				\$	%	\$	%
				Retail Revenue	\$791,856	\$829,293	\$873,213
Wholesale Revenue							
Potomac Interceptor (PI)	5,154	5,154	5,154	-	0.0%	-	0.0%
Loudoun County Sanitation Authority (LCSA)	11,051	11,900	12,443	849	7.7%	543	4.6%
Washington Suburban Sanitary Commission (WSSC)	86,411	93,707	98,056	7,296	8.4%	4,349	4.6%
Fairfax County	21,603	23,330	24,402	1,727	8.0%	1,072	4.6%
Total Wholesale Revenue	\$124,219	\$134,091	\$140,055	9,872	7.9%	5,964	4.4%
Other Revenue	92,119	105,991	108,101	13,872	15.1%	2,110	2.0%
Rate Stabilization Fund (RSF)	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$1,008,194	\$1,069,375	\$1,121,369	\$61,181	6.1%	\$51,994	4.9%

Historical and Projected Combined Rate Increases

- From FY 2027 and beyond, forecasted rates (including the Public Inconvenience Fee) are lower than previously estimated – CIP \$8.99B



Proposed FY 2027 & FY 2028 Rates, Charges & Fees

- Starting FY 2027, a new Public Inconvenience Fee of \$0.42 per Ccf will be effective to recover the charges associated with occupancy permits when construction projects in public spaces extend beyond 30 days

	Units	Current FY 2026	Proposed FY 2027	Proposed FY 2028	Incr. /(Decr.) FY 2026 vs FY 2027		Incr. /(Decr.) FY 2027 vs FY 2028	
					\$	%	\$	%
					DC Water Retail Rates – Water:			
Residential – Lifeline (0- 4 Ccf)	Ccf	\$5.78	\$6.49	\$7.11	\$0.71	12.28%	\$0.62	9.55%
Residential – (> 4 Ccf)	Ccf	7.60	8.40	9.40	0.80	10.53	1.00	11.90
Multi-family	Ccf	6.47	7.21	7.98	0.74	11.44	0.77	10.68
Non-Residential	Ccf	7.84	8.66	9.71	0.82	10.46	1.05	12.12
DC Water Retail Rates – Sewer	Ccf	12.52	12.91	13.39	0.39	3.12	0.48	3.72
Groundwater	Ccf	3.76	3.90	3.90	0.14	3.72	-	-
High-Flow Filter Backwash	Ccf	3.54	3.54	3.54	-	-	-	-
DC Water Clean Rivers IAC	ERU	24.23	25.50	27.22	1.27	5.24	1.72	6.75
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	-	-	-	-
DC Water System Replacement Fee	5/8"	6.30	6.30	6.30	-	-	-	-
District of Columbia PILOT Fee	Ccf	0.62	0.62	0.63	-	-	0.01	1.61
District of Columbia Right of Way Fee	Ccf	0.20	0.20	0.20	-	-	-	-
District of Columbia Inconvenience Fee	Ccf	-	0.42	0.42	0.42	-	-	-
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	-	-	-	-

*Rate impact in FY2027 is 6.0% and 6.0% in FY2028 and that has bill impact of 6.6% in FY2027 and 5.3% in FY2028. The shift in the balance between water and sewer rates has been determined by the recent cost of service study.

Average Residential Customer Monthly Bill

	Units	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Water and Sewer Retail Rates (1)	Ccf	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC (2)	ERU	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee (4)	5/8"	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 140.05	\$ 147.41	\$ 155.63
Increase / Decrease		\$ 8.84	\$ 7.36	\$ 8.22
Percent Increase in DC Water Portion of Bill		6.74%	5.26%	5.58%
District of Columbia PILOT Fee (1)	Ccf	3.36	3.36	3.41
District of Columbia Right-of-Way Fee (1)	Ccf	1.08	1.08	1.08
District of Columbia Right of Way / PILOT Fee		4.44	4.44	4.49
District of Columbia Public Inconvenience Fee	Ccf	-	2.28	2.28
District of Columbia Stormwater Fee (3)	ERU	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 7.11	\$ 9.39	\$ 9.44
Total Amount Appearing on DC Water Bill		\$ 147.16	\$ 156.80	\$ 165.07
Increase / Decrease Over Prior Year		\$ 8.94	\$ 9.64	\$ 8.27
Percent increase in Total Bill		6.5%	6.6%	5.3%

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

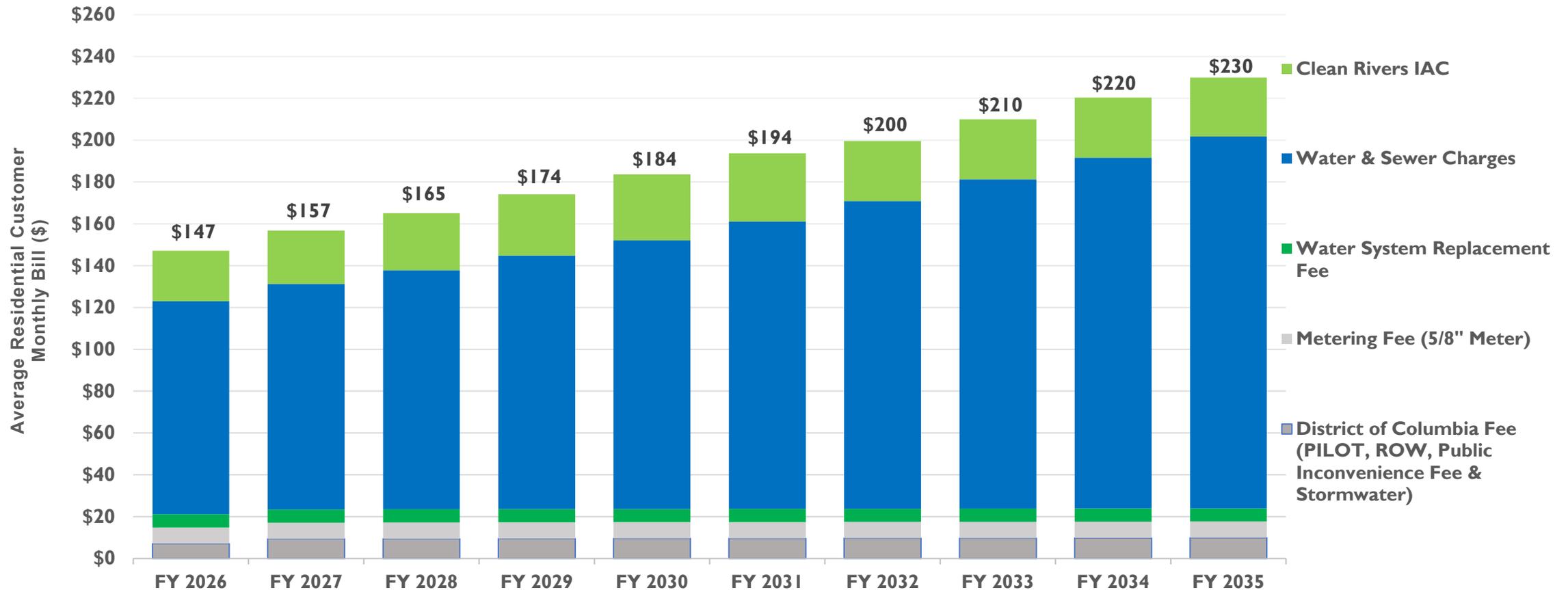
(2) Assumes average 1 Equivalent Residential Unit (ERU)

(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

Projected Average Residential Customer Bill

Projected average monthly residential customer bill ranges from \$147 in FY 2026 to \$230 in FY 2035, which is lower than projected in previous financial plan (\$138 in FY 2025 to \$245 in FY 2034)



* Assumes average residential consumption of 5.42 Cct, or 4,054 gallons, per month. Cct = hundred cubic feet, or 748 gallons

Financial Plan

- Maintain Debt Service as a percentage of revenue equal to 33.0 percent or less
- Maintain combined coverage of 160 percent
- Maintain 282 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 2025 actual consumption declined by 5.4 percent. Assumed 0.7 percent conservation for FY 2026 and 1.0 percent conservation for FY 2027 and onwards
- FY 2025 Debt Service was lower as compared to budget due to refinancing benefits and deferred borrowing
- Assume CIP spend rate of 90 percent based on historical results, except for the mandated Clean Rivers program, Capital Equipment and the Washington Aqueduct

Metrics	Indenture Requirements	Board Policy	Management Target	Financial Plan
Days of Cash on Hand (excluding RSF)	60 Days	250 Days, or goal of 350 days by 2032	–	282 – 283 Days
Combined Coverage Ratio	–	1.6X	1.8X	1.80X – 2.39X
Senior Coverage	1.2X	–	–	7.90X – 10.45X
Subordinate Coverage	1.0X	–	–	2.02X – 2.80X
Debt Service as a % of Revenue	–	–	33% of Revenue or Less	24.4% - 32.4%
Rate Stabilization Fund (RSF)	–	Establish a targeted balance of 5% of retail revenues	–	\$40.6 million

- *Board of Directors added to the cash balance at the end of FY2023 to reach 267 Days of Cash and increase it to 350 days by FY2032. On July 3, 2025, the Board approved to transfer from the net Projected Cash Surplus \$17.5 million to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.*

DISTRICT OF COLUMBIA WATER & SEWER AUTHORITY
FY 2026 - FY 2035 FINANCIAL PLAN
(In 000's)

OPERATING	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
<i>Retail</i>	816,012	853,845	898,154	942,103	989,001	1,038,284	1,066,317	1,116,185	1,164,677	1,207,724
<i>Wholesale</i>	124,219	134,090	140,055	145,657	151,484	157,543	163,845	170,399	177,215	184,303
<i>Other</i>	67,963	81,440	83,160	84,536	88,174	84,233	86,575	89,609	95,076	86,040
<i>RSF</i>	0	-	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 1,008,194	\$ 1,069,375	\$ 1,121,369	\$ 1,172,296	\$ 1,228,658	\$ 1,280,060	\$ 1,316,736	\$ 1,376,192	\$ 1,436,968	\$ 1,478,067
Operating Expenses	461,839	478,001	500,730	520,158	540,356	561,353	583,182	605,876	629,469	653,997
Debt Service	247,448	257,898	300,831	331,501	356,875	380,840	406,900	427,353	454,080	472,555
Cash Financed Capital Improvement	\$ 97,938	\$ 76,846	\$ 80,834	\$ 84,789	\$ 89,010	\$ 93,446	\$ 95,968	\$ 100,457	\$ 104,821	\$ 108,695
Net Revenues After Debt Service	\$ 200,968	\$ 256,630	\$ 238,975	\$ 235,848	\$ 242,417	\$ 244,421	\$ 230,685	\$ 242,507	\$ 248,598	\$ 242,820
Operating Reserve-Beg Balance	333,716	341,600	354,600	372,600	386,600	401,600	418,600	434,600	450,900	468,900
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(14,310)	(497)	(10,000)	-	-	-	-	-	-	-
Project Billing Refunds	(2,000)	-	-	-	-	-	-	-	-	-
Transfers to RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(176,775)	(243,133)	(210,975)	(221,848)	(227,417)	(227,421)	(214,685)	(226,207)	(230,598)	(223,820)
Operating Reserve - Ending Balance	\$ 341,600	\$ 354,600	\$ 372,600	\$ 386,600	\$ 401,600	\$ 418,600	\$ 434,600	\$ 450,900	\$ 468,900	\$ 487,900
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ 40,644									
Senior Debt Service Coverage	939%	1043%	1017%	1045%	861%	902%	815%	790%	860%	856%
Combined Debt Service Coverage	224%	239%	211%	204%	200%	196%	187%	187%	184%	180%
Actual/Projected Water/Sewer Rate Incr	6.00%	6.00%	6.00%	6.00%	6.00%	7.00%	7.00%	7.00%	6.50%	6.00%
Operating Receipts \$ Increase/Decrease										
Retail	13,069	37,833	44,309	43,949	46,898	49,283	28,033	49,868	48,492	43,047
Wholesale	9,878	9,871	5,965	5,602	5,826	6,059	6,302	6,554	6,816	7,089
Operating Receipts % Increase/Decrease										
Retail	1.6%	4.6%	5.2%	4.9%	5.0%	5.0%	2.7%	4.7%	4.3%	3.7%
Wholesale	8.6%	7.9%	4.4%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

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

⁽²⁾ FY 2026 - FY 2035 planned transfer of \$0.0 million to Rate Stabilization Fund and \$0.0 million utilization will keep the total fund balance at 40.644 million

Public Outreach and Public Information

💧 DC Water will hold multiple Town Hall Meetings in Spring, in advance of the public hearing, to:

- Inform customers about the proposed FY 2027 and FY 2028 rates
- Discuss the Capital Improvement Program, and
- Promote all of the existing customer assistance programs

💧 Public Hearing on May 14

💧 The meetings will be widely publicized through numerous channels, including:

- Councilmember Offices
- Advisory Neighborhood Commissions (ANCs)
- DCWater.com website
- X.com (*Twitter*), Facebook, Instagram and BlueSky
- Nextdoor
- Paid digital and print advertising

- Rates and Impervious Area Calculators are available on DC Water website to understand the approximate impact of the Proposed FY 2027 and FY 2028 rates on your monthly bill

Enter Values from Bill

Customer Type:	Residential
Meter Size: ?	Select A Residential Meter Size
Monthly Consumption: ?	0
Premise ERUs: ?	0
<input type="button" value="Compare Rates"/>	



Account Number:
 Service Address:
 Square/Suffix/Lot:
 Impervious Sq. Ft.: 1,100

FY 2025 Sample Bill

Questions/Preguntas: (202) 354-3600
 Emergencies/Emergencia: (202) 612-3400
 Visit Us Online: DCWater.com

Meter Number	Meter Size	Prior Read Date	Current Read Date	Number of Days	Prior Read	Current Read	Usage (CCF)	Usage (Gallons)	Read Type
	5/8"	1/27/25	2/27/25	32	16,144	16,717	5.73	4286.04	ACT

BILL SUMMARY

Bill Date	2/27/25
Previous Balance	\$121.02
Payments as of 2/27/25	\$121.02 CR
Outstanding Amount Due	\$0.00
Other Charges and Credits	\$0.00
Current Charges	\$132.69
Total Amount Due by 3/23/25	\$132.69

CURRENT CHARGES - RESIDENTIAL

Metering Fee 5/8"	\$7.75
Water System Replacement Fee 5/8"	\$6.30
Water Services 4.00 CCF X \$5.21	\$9.21
Water Services 1.73 CCF X \$6.81	\$11.78
Sewer Services 5.73 CCF X \$12.07	\$69.16
Clean Rivers IAC 1.00 ERU X \$21.23	\$21.23
DC GOVERNMENT FEES	
DC Government PILOT Fee 5.73 CCF X \$0.61	\$3.50
DC Government ROW Fee 5.73 CCF X \$0.19	\$1.09
DC Govt Stormwater Fee 1.00 ERU X \$2.67	\$2.67

Dispute Deadline for Current Bill: 3/18/25

FY 2025 Sample Bill

Total Current Charges	\$132.69
TOTAL CURRENT BILL	\$132.69

- Rate Calculator is available online at: <https://serviceinfo.dwater.com/comparison/>
- Impervious Area Rate Calculator is available at: https://serviceinfo.dwater.com/iab_details/

Complete Budget Briefing available online at <https://www.dewater.com/budget-and-rate-review-documents-0>

Workzone Alerts Report a Problem Search DC Water

About DC Water | Projects | Resources | What's Going On | Work With Us | Customer Center

Home » About DC Water » Finance » Ratemaking Process

Ratemaking Process

The Board's Strategic Plan and 10-year financial plan provide the framework for the formulation, prioritization, implementation and monitoring of the annual budget process.

The annual budget process typically begins with planning in June and official kickoff in July of each year for the Operating and Capital Budgets. Plans and budgets are prepared at an appropriate level of detail for each management level. Assumptions inherent in the plans and budgets reflect the entity's historical experience, current conditions and Executive Team's directives. Once decisions are finalized for the operating and capital budgets, management develops the financial plan and rate model including various scenarios to ensure a balanced budget for recovery of costs. Further review is undertaken with independent consultants including benchmarking our proposed rates with peers in the industry. DC Water develops two-year rate proposals. The benefits of multi-year rates include greater revenue certainty, increased budget discipline and better alignment between revenues and expenditures.

The proposed budgets are finalized during the fall of each year, and introduced to the Board during the Budget Workshop typically in January. The Committees then submit their recommendations to the full Board for adoption and DC Water's adopted budget is included in the District of Columbia's budget submission to U.S. Congress.

DC Water's adopted budget and proposed rates are communicated via various news and media outlets as well as town hall meetings in each ward and a public hearing to provide customers the opportunity to comment on the changes. Once the budgets are appropriated by Congress and the final rates approved by the Board, they become effective on October 1st of each year.

Online Tools

Rate Comparison Tool Impervious Area Calculator

In This Section

- FY 2027 Proposed Budget
- FY 2026 Approved Budget
- Approved FY 2025 and FY 2026 Rates
- Budget & Rate Review Documents
- Town Hall Meetings

DEVELOPMENT	REVIEW	RECOMMENDATION	BOARD	PUBLIC REVIEW (RATE MAKING)	BOARD APPROVAL
<ul style="list-style-type: none"> - Operating - Capital - Rates and Revenue - Financial Plan 	<ul style="list-style-type: none"> - Departments - Management - Executive Team 	<ul style="list-style-type: none"> - Annual Operating Budget - 10 Year Capital Budget - 10 Year Financial Plan - Operating Revenue - Proposed Multi-Year Rates 	<ul style="list-style-type: none"> - Reviews - Recommendation - Adoption 	<ul style="list-style-type: none"> - Publish Notice of Proposed Rulemaking (NOPR) in D.C. Register for Proposed Rates - Outreach and Public Comment Period - Public Hearing 	<ul style="list-style-type: none"> - Board approves NOFR for Rates, Charges & Fees - Publish NOFR in D.C. Register to Amended Rates - Amended Rates, Charges and Fees Go-Live

Workzone Alerts Report a Problem Search DC Water

About DC Water | Projects | Resources | What's Going On | Work With Us | Customer Center

Home » About DC Water » Finance » Ratemaking Process » Budget and Rate Review Documents

Budget And Rate Review Documents

[Budget Review Documents](#)

Date	Title
February 23, 2026	DC Retail Water & Sewer Rates Committee The Proposed FY 2027 and FY 2028 Rates, Charges and Fees
February 19, 2026	Environmental Quality and Operations Committee Proposed FY 2026 - FY 2035 Capital Improvement Program
January 27, 2026	Joint DC Retail Water & Sewer Rates and Finance & Budget Committees The Proposed FY 2027 Budget & Two-Year Rates
January 23, 2026	Briefing to the Office of People's Counsel DC Water's Proposed FY 2027 Budget & Two-Year Rates
January 22, 2026	Environmental Quality and Operations Proposed FY 2026 - FY 2035 Capital Improvement Program
January 16, 2026	Wholesale Customer Briefing DC Water's Proposed FY 2027 Budget & Two-Year Rates
January 15, 2026	Budget Workshop with the Board FY 2027 Proposed Budget & Two-Year Rates



Are You In The Know?

Board of Directors meetings are held the first Thursday of every month and are open to the public. Join us in person or watch online.

[READ MORE](#)

- 
DC Water’s FY 2027 Operating Expenditure Budget delivers on reliability, resilience, and affordability for all customers
- 
Major capital investments in infrastructure, workforce, and sustainability will ensure safe, clean water and robust service for the future
- 
Average residential bills remain lower than previously forecasted reflecting responsible financial planning and a commitment to customer affordability
- 
Customer Assistance Programs continue to provide vital support for those in need
- 
Ongoing engagement with stakeholders and the public ensures transparency and accountability
- 
Looking ahead: DC Water remains focused on smart spending, innovation, and equitable outcomes for all communities

