



DC Water Approved FY 2027 Budget

Adopted March 5, 2026 (Fiscal year starts on October 1)

Dr. Unique Morris-Hughes, Board Chair

David L. Gadis, Chief Executive Officer and GM

Matthew T. Brown, Chief Operating Officer and EVP

Lola Oyeyemi, Chief Financial Officer and EVP (Acting)



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





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.

BOARD OF DIRECTORS

PRINCIPAL MEMBERS

Dr. Unique Morris-Hughes, Board Chair, District of Columbia
Rachna Butani-Bhatt, District of Columbia
Anthony R. Giancola, District of Columbia
Howard C. Gibbs, District of Columbia
Richard Jackson, District of Columbia
Jed Ross, District of Columbia
Christopher Herrington, Fairfax County, VA
Dr. Samuel B. Moki, Prince George's County, MD
Kevin Stephen, Prince George's County, MD
Fariba Kassiri, Montgomery County, MD
Jennifer Macedonia, Montgomery County, MD

ALTERNATE MEMBERS

Robert Hawkins, District of Columbia
Dr. Alexander A. McPhail, District of Columbia
Dr. Jimmy Ortiz, District of Columbia
Sarah Mostch, Fairfax County, VA
Derrick Coley, Prince George's County, MD
Oluseyi Olugbenle, Prince George's County, MD
John Markovs, Montgomery County, MD
Amy Stevens, Montgomery County, MD

DC WATER MANAGEMENT TEAM

SENIOR EXECUTIVE TEAM

David L. Gadis, CEO and General Manager
Matthew T. Brown, Chief Operating Officer and Executive Vice President
Wayne Griffith, Chief of Staff and Executive Vice President
Wayne Griffith, Acting Chief Information Officer and Executive Vice President
Gregory A. Hope, Acting Chief Legal Officer and Executive Vice President, Government & Legal Affairs (Interim)
Amber Jackson, Chief People Officer & Executive Vice President
Lola Oyeyemi, Acting Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance
Kirsten Williams, Chief Administrative Officer and Executive Vice President

OFFICE OF THE SECRETARY (BOARD)

Michelle Rhodd, Board Secretary

SENIOR MANAGEMENT TEAM

ADMINISTRATION CLUSTER

Shannette Grant, Vice President, Stakeholder Engagement, Marketing & Communications
John Lisle, Vice President, Marketing & Communications, Marketing & Communications
Nija Ali, Director, Fleet Management
Emanuel Briggs, Director, Community Affairs, Marketing & Communications
Ivelisse Cassas, Director, Security
Brent Christ, Director, Facilities Management
Ecudemio Gutierrez, Jr., Director, Occupational Safety & Health Administration
Dusti Lowndes, Director, Emergency Management
Marcus McKenzie, Acting Director, Customer Care
Vacant, Director, Marketing and Production, Marketing & Communications

FINANCE, PROCUREMENT & COMPLIANCE

Ivan Boykin, Vice President, Finance
Korey Gray, Vice-President & Chief Procurement Officer
Syed Khalil, Vice President, Rates & Revenues
Lola Oyeyemi, Vice President, Budget
Gail Alexander-Reeves, Senior Advisor to the Chief Financial Officer
Kevin Bellamy, Director, Procurement, Capital Programs
Henok Getahun, Controller
Ramana Kanchetty, Director, ERP Systems & Controls
John T. Pappajohn, Director, Goods & Services

INFORMATION TECHNOLOGY

Aref Erfani, Director, Data and Analytics
Eric Euell, Director, IT Enterprise Solutions
Cheryl Jackson, Director, IT Customer Engagement Services
Dotun Olawunmi, Director, IT Infrastructure
Manoj Sharma, Director, IT Project Management Office
Vacant, Director, Cyber Security Services

PEOPLE AND TALENT

Shawn A. Brown, Vice President, Employment, Labor, and HR Compliance

OPERATIONS & ENGINEERING

Chris Collier, Vice President, Water & Sewer Operations
Nicholas Passarelli, Vice President, Wastewater Operations
Moussa Wone, Vice President, Engineering and Clean Rivers
Vacant, Vice President, Senior Technical Advisor
Dr. Haydee De Clippeleir, Director, Clean Water Quality and Technology
William Elledge, Director, Lead Free and Water Program
Paul Guttridge, Director, Shared Services and Asset Management
Elkin Hernandez, Director, Maintenance Services
Shawna Martinelli, Director, Operations & Process Engineering
Ogechi Okpechi, Director, Permit Operations
Alireza Parhami, Director, Digital Transformation
Chris Peot, Director, Resource Recovery and Interim President, Blue Drop
Jeffrey Peterson, Director, Clean Rivers
Maureen Schmelling, Director, Water Quality
Ryu Suzuki, Director, Wastewater Engineering

STRATEGY AND PERFORMANCE

Matt Ries, Vice President, Strategy & Performance
Robert Bornhofen, Director, Innovation
Dr. Rabia M. Chaudhry, Director, Water Supply Resilience
Francis Cooper, Director, Enterprise Program Management Office (EPMO)

GOVERNMENT AND LEGAL AFFAIRS

Meena Gowda, Vice President and Deputy General Counsel
Gregory Hope, Vice President and Deputy General Counsel
Webster Barnes, Director and Associate General Counsel
Kelly Fisher, Director and Associate General Counsel
Barbara Mitchell, Director and Associate General Counsel and Acting Director, Government Affairs
Vacant, Director and Associate General Counsel

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, Shared Services and Asset Management and the Office of Marketing & Communications for their hard work and dedication geared towards the publication of this document.

Lola Oyeyemi	Yolanda Camp
Ivan Boykin	Deborah Cole
Syed Khalil	Ted Coyle
Gail Alexander-Reeves	Yulkiana Delgado
Stacey Johnson	Elizabeth Dogbatsey
Shahid Khan	Michael Goddard
Masud Rahman	Ermon Green
Raymond Reyes	Prativa Gurung
Shirley Thomas	Rodea Hines
Pade Zuokemefa	Columbus F. McKinney
Paul Guttridge	Chike Okoye
Paul Laban	Dennis Samson
Abiye Abebe	Tarun Setty
Abiola Akala	Julie Solin

TABLE OF CONTENTS

Section I - Executive Budget Summary	8	FY 2028 Proposed vs. FY 2027 Proposed Operating Receipts	79
Executive Summary and Organizational Structure	9	Long Term Planning: Ten-Year Financial Plan.....	80
CEO Message	11	Operating Expenditures.....	81
Budget Overview.....	12	Capital Financing Program.....	83
CFO Message	13	Cash Position and Reserves.....	88
Budget At A Glance.....	14	Section IV - Rates and Revenue	90
Strategic Plan and Budget Process.....	15	DC Water Revenue Receipts.....	91
Ten Year Financial Outlook.....	17	Customer Categories and Accounts	94
Sources and Uses of Funds	18	Consumption.....	98
Operating Budget	19	Recent and Approved Rate and Fee Changes.....	99
Capital Improvement Program.....	21	Approved FY 2026 Rate and Fee Changes.....	110
Major Capital Investments.....	22	Proposed FY 2027 & FY 2028 Rate and Fee Changes.....	111
Operating Revenues, Rates, Fees, and Charges	23	Why Rate Increases Are Needed	124
Customer Assistance and Regional Demographics	25	Customer Assistance Programs.....	130
Section II - Budget Overview	28	Affordability of Retail Rates	131
History & Service Area	29	Section V - Capital Improvement Program	144
Facts at a Glance.....	30	CIP Overview and 10 Year Plan	145
Budgets, Rates and Fees.....	32	Prioritization Schedule	148
Comparative Capital & Operating Expenditures	33	Non-Process Facilities.....	150
Comparative Capital & Operating Revenues.....	34	Wastewater Treatment.....	156
Cash Flow Summary	35	Combined Sewer Overflow.....	161
DC Water History and Governance.....	36	Stormwater.....	165
Budget Calendar	40	Sanitary Sewer	169
Wastewater System Capacity.....	41	Water.....	176
Water System Capacity	42	Additional Capital Programs.....	185
Regional Demographics and Customer Demand.....	43	Section VI - Cash, Debt and Financing	190
Section III - Financial Plan	48	Ten-Year Sources of Capital	191
Financial Plan.....	49	Sources and Uses of Funds	192
Key Financial Policies.....	52	Debt Management Terms	198
Major Financial Accomplishments	56	Section VII - Department Summaries.....	200
Future Goals and Assumptions	69	Introduction to Operational and Administrative	
Revenues	75	Departments	201
FY 2027 Proposed vs. FY 2026 Revised Operating Receipts	77	DCW Organizational Chart.....	203

TABLE OF CONTENTS

Operating Expenditures Budget	204	Fleet Management	276
Programs and Services	206	Occupational Safety and Health.....	279
Operating Expenditures By Object.....	208	Facilities Management.....	281
Operating Expenditures by Department and Cluster	211	Security.....	284
Revised Budget by Department by Category	212	Secretary to the Board	287
Approved Budget by Department by Category.....	213	Office of the Chief Executive Officer	289
Filled and Vacant Positions.....	214	Internal Audit	291
Summary of Authorized Positions.....	215	Finance	293
Overtime Budget Summary	216	Procurement	296
Office of the Chief Operating Officer	217	Compliance and Business Development.....	299
Wastewater Treatment Operations.....	219	Non-Rate Payer Revenue Fund.....	301
Process Engineering.....	226	Marketing and Communication.....	302
Maintenance Services	229	People and Talent	304
Clean Water and Technology	232	Government and Legal Affairs.....	311
Resource and Recovery.....	235	Section VIII - Glossary, Acronyms & Resolutions	314
Water Operations	238	Resolutions	315
Pumping and Sewer Operations	243	Glossary.....	338
Wastewater Engineering	247	Acronyms.....	347
Permit Operations	249		
Clean Rivers	252		
Shared Services and Asset Management.....	256		
Water Program and Lead Free DC.....	259		
Office of the Chief Administration Officer	262		
Customer Care	264		
Information Technology	267		
Strategy and Performance.....	270		
Office of Emergency Management	273		

dc

Executive Budget Summary

Approved FY 2027 • Adopted March 5, 2026

(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 Operating Officer and Executive Vice President, Engineering and Operations (Former CFO & EVP)

Lola Oyeyemi, Chief Financial Officer and Executive Vice President, Finance, Procurement, and Compliance (Acting)

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 2027 budget and a standalone document that provides information about our budget priorities to our customers and diverse stakeholders. Additional information about our operating and capital budgets can be found in the detailed budget book and is also available online at www.dewater.com.

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

Blueprint 2.0 Imperatives



Vision

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

Mission

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

Imperatives

Healthy, Safe and Well
Is everybody we impact healthy, safe and well?

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

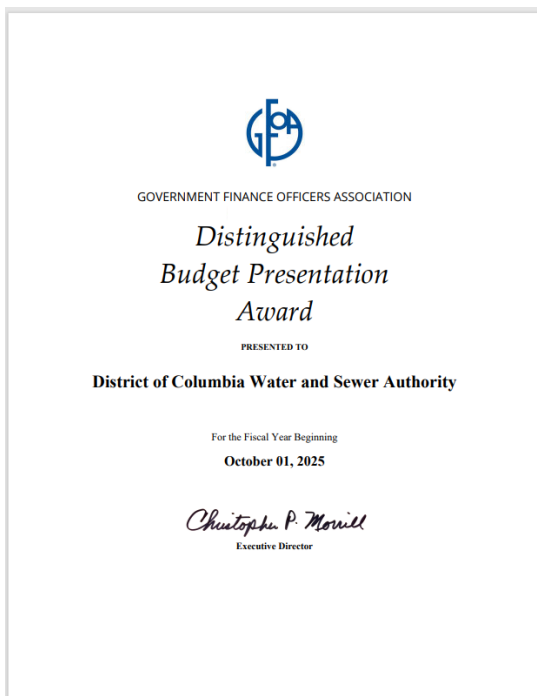
Resilient
Are we able to cope with and recover from disruption, anticipating shocks and stressors to maintain service?

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

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

Inside

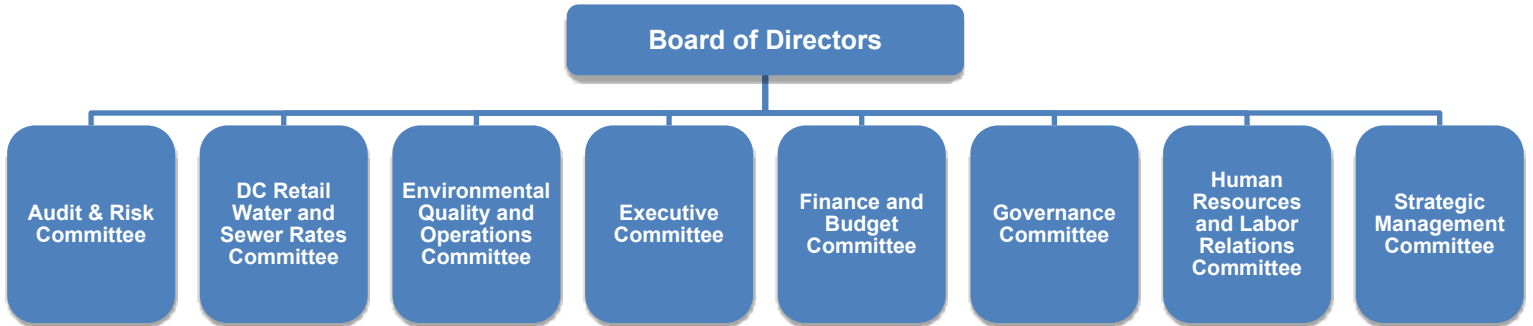
- 1 Executive Budget Summary
- 2 Organizational Governance and Structure
- 3 CEO / General Manager's Message
- 4 DC Water Budget Overview
- 5 CFO's Message
- 6 Budget at a Glance
- 7 Strategic Plan & Budget Process
- 9 Ten-Year Financial Outlook / Debt Management
- 10 Sources & Uses of Funds
- 11 Operating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



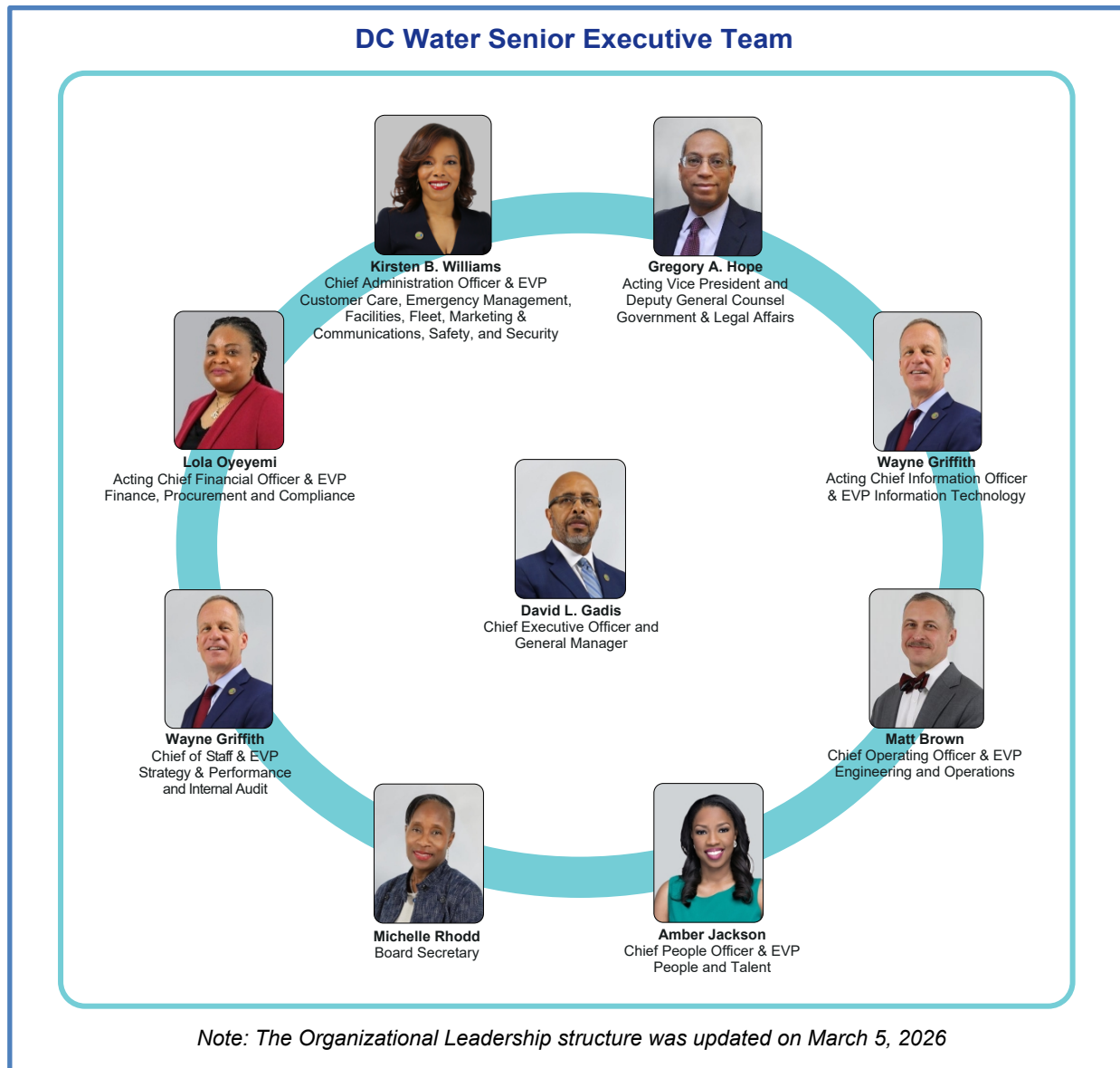
Organizational Governance and Structure

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

DC Water Board Committees



DC Water Senior Executive Team





I am pleased to present DC Water's Fiscal Year (FY) 2027 Budget and Two-Year Rates proposal.

This budget is guided by the theme "Smart Spending for a Resilient Tomorrow." It reflects our commitment to building resilient people, resilient systems, resilient operations and resilient communities ensuring the Authority remains strong in

the face of evolving challenges.

Investing in a Resilient Future for the District

This year's budget comes at a pivotal time. Like utilities nationwide, DC Water is navigating shifting federal funding priorities, tightening regulatory requirements, aging infrastructure, extreme weather risks, and the dual mandates to complete the Clean Rivers Program by 2030 and replace every lead service line by 2037. These pressures underscore a new reality: resilience is not achieved, it is built.

The FY 2027 budget reflects a utility transitioning from maintaining a legacy system to constructing a redundant, climate-ready water and wastewater network capable of supporting the region for generations.

Our multi-billion dollar ten-year capital program balance's reliability with responsibility to our customers, our workforce, and the communities we serve.

Addressing Water Resilience

For generations, the District has relied on a single source of water. In FY 2025, the need to establish a second source moved from a strategic goal to an operational necessity.

In response, we launched Pure Water DC, an initiative to advance water reuse and strengthen regional water supply resilience. This budget continues funding for the Pure Water DC Discovery Center, expected to open in 2027, to pilot new technologies, conduct research, and educate the community about the importance of a diversified water supply. This is an investment in the region's health and economic security.

We are also advancing our three-year Advanced Metering Infrastructure (AMI) program to improve real-time data transmission, reduce non-revenue water, and provide customers with more accurate and timely billing information.

Building Stronger Communities and Lasting Resilience

Looking ahead, we are accelerating the rehabilitation of

major sewer interceptors to ensure reliable service across the region.

The recent Potomac Interceptor collapse highlights the

vulnerabilities of infrastructure built in the 1960s and reinforces the urgency of sustained investment and the need for enhanced federal funding support for assets originally constructed by the federal government. These issues extend beyond utility operations and require regional advocacy and alignment to protect the Potomac River.

To deepen engagement and trust with our stakeholders, especially following the Potomac Interceptor incident, we reinstated the Stakeholder Alliance, strengthening our partnerships with community leaders, environmental groups, and river-reliant organizations.

Protecting Public Health and the Environment

Public health remains central to our mission. Through our Lead Free DC program, we have now replaced more than 11,000 lead service lines, and this budget maintains the aggressive pace needed to fully eliminate lead from the system by 2037.

Additionally, construction of the Potomac River and Piney Branch Tunnels represents the next major phase of the Clean Rivers Project. These investments will significantly reduce overflows and protect waterways across the region.

Advancing our Culture of Strong Financial Management

We remain committed to affordability. The overall bill increase for the average residential customer over the next two years is lower than previously forecasted. At the same time, we continue to invest in robust customer assistance programs that support those most in need.

These budgets reflect disciplined cost management and our commitment to reliable service, environmental responsibility, fiscal accountability, and operational continuity. They balance the weight of necessary capital improvements with the efficiency our customers and stakeholders expect.

I am grateful for the dedication of Team Blue, the strong partnership of the Senior Executive Team, the guidance of our Board of Directors, and the trust of the communities we serve. Together, we will continue building a resilient, innovative, and customer-focused utility for the future.

David L. Gadis
CEO & General Manager, DC Water

DC Water Budget Overview



DC Water Budget Overview

FY 2027 Approved Operating Budget of **\$844.1 million**

NON-OPERATIONAL



\$346.0 million
Other non-operational needs for debt service and Paygo for the capital program.



\$24.0 million
PILOT & ROW payments to the District.

CORE OPERATIONAL

\$88.4 million



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



\$5.0 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.



\$227.0 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.



\$1.5 million

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

\$152.2 million



Funds fixed and nondiscretionary costs for chemicals & supplies, water purchase, and utilities.



DC Water Budget Overview

FY2026-2035 Approved 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.



It is my honor to serve as the Acting Chief Financial Officer, and lead our Finance, Procurement and Business Compliance teams during this transition period. I am pleased to present DC Water's Fiscal Year 2027 approved budget and two-year rate proposal. This plan reflects disciplined financial stewardship and

strategic investment – advancing the resilience of our systems, protecting affordability for customers, and positioning DC Water for long-term stability.

Building a Sustainable Operational Budget

The approved FY 2027 Operating Budget of \$844.1 million reflects a disciplined response to ongoing cost pressures that continue to exceed available resources. The budget increase of \$6 million reflects careful prioritization, disciplined cost management, targeted reallocations, and a commitment to doing more with what we have. Rising expenses in the cost of purchasing drinking water, labor, chemicals, energy, and maintenance require constant vigilance and prudent management.

To support stability and maintain core services, we are holding authorized headcount steady for the second consecutive year. This approach reflects intentional vacancy management and improved operational efficiency, ensuring the right resources are in place while continuing to invest in our workforce.

Prioritizing Critical Capital Investments

The FY 2026–FY 2035 Capital Improvement Program (CIP) totals \$9.69 billion and remains tightly aligned with regulatory requirements, asset condition priorities, and affordability objectives. The program strengthens system reliability and prepares our infrastructure for the demands of a growing region.

This year's CIP dedicates \$2.1 billion to two mandated programs: Clean Rivers and Lead Free DC. As the Clean Rivers tunnel construction progresses towards completion in 2030, spending on mandated projects will decline to roughly 7 percent of the capital budget, creating future flexibility to reinvest in critical water and sewer assets. The Lead Free DC program is a critical initiative focused on the replacement of lead service lines throughout the District. This program supports the long-term well-being of the community and meets regulatory requirements for water quality and safety.

Beyond mandated work, DC Water's risk-based capital planning allocates \$7.59 billion to the highest-priority needs across our systems. This includes rehabilitation of major sewer interceptor, asset upgrades that ensure reliable water distribution, modernization efforts at Blue Plains and other facilities, capital equipment purchases and DC Water's share of the Washington Aqueduct's capital program.

Together, these investments strengthen system redundancy, reduce long-term risk, and balance near-term affordability with long-term sustainability.

Translating Credit Strength into Customer Value

DC Water's high bond ratings were reaffirmed by all three rating agencies. This reflects our commitment to disciplined financial management, sound governance, and long-range financial planning. These strong ratings lower our borrowing costs, support operational flexibility, and help limit rate pressures on customers in the years ahead.

The two-year rate proposal aligns with the cost-of-service study to cover the full costs necessary to deliver essential services and meet revenue requirements. The average residential bill is projected to increase by 6.6 percent in FY 2027 and 5.3 percent in FY 2028. These increases balance affordability with the need to maintain quality service and critical investment.

Looking Ahead

DC Water remains committed to stewarding a financial framework that is resilient, transparent, and responsive to the communities we serve. I want to thank Team Blue for their hard work, the Finance Department for their commitment, the Senior Executive Team for their partnership, and our Board of Directors for their engagement and oversight as we continue delivering essential services to the region today and for generations to come.

Lola Oyeyemi
Acting Chief Financial Officer & EVP

Budget at a Glance

Operating Expenditures (\$ in Thousands)

Category	FY 2021 Revised	FY 202 Approve
Authorized Headcount	128	128
Personnel Services	\$ 217,4	\$ 226,9
Chemicals	43,9	45,4
Supplies	13,4	14,7
Utilities	41,6	42,2
Contractual Services	102,2	99,9
Water Purchases	48,1	54,4
Small Equipment	1,5	1,0
Total Non-Personnel Services	\$ 251,1	\$ 257,8
Total Operations and Maintenance	\$ 468,5	\$ 484,8
Debt Service	247,4	257,8
PILOT & ROW	24,1	24,5
Payment in Lieu of Taxes	19,0	19,4
Right of Way	5,1	5,1
Cash Financed Capital Improvement	97,9	76,8
Total Debt Service/PILOT/ROW/CF	369,5	359,2
Total Operating Expenditure	\$ 838,1	\$ 844,1
Less: Capital Labor	(30,9)	(31,3)
Total Net Operating Expenditure	\$ 807,2	\$ 812,7

Operating Revenues (\$ in Thousands)

Category	FY 2026 Revised	FY 2027 Proposed
Residential	\$156,396	\$163,912
Commercial	242,767	254,435
Multi-family	183,802	192,668
Federal Government	99,339	106,618
Municipal & Housing	42,435	44,543
Water System Replacement Fee	42,717	42,717
Metering Fee	24,400	24,400
Wholesale	124,219	134,090
Rate Stabilization Fund	-	-
Other Revenue	92,119	105,991
Total Operating Revenue	\$1,008,194	\$1,069,374



Capital Disbursement (\$ in Thousands)

Service Areas	FY 202 Revise	FY 202 Approve
Non-Process Facilities	\$ 15,4	\$ 32,6
Wastewater Treatment	83,1	127,5
Clean Rivers	226,4	279,2
Combined Sewer	11,0	31,7
Stormwater	16,5	14,7
Sanitary Sewer	155,3	230,7
Water	186,7	274,5
Capital Projects	\$ 694,8	\$ 991,2
Capital Equipment	32,4	45,2
Washington Aqueduct	49,4	35,7
Additional Capital Programs	\$ 81,9	\$ 81,0
Total CIP	\$ 776,7	\$1,072,2

Capital Revenues (\$ in Thousands)

Source	FY 2026 Revised	FY 2027 Proposed
Wholesale Capital Payments	\$ 119,438	\$ 166,497
Federal Grants & CSO Appropriations	65,763	67,709
Interest Income on Bond Proceeds	5,850	2,385
Pay-Go Financing	269,013	314,279
Debt Proceeds	26,000	502,324
Curing Pad and Solar	30	29
System Availability Fee	5,700	5,700
Total Capital Revenue	\$ 491,794	\$ 1,058,923

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, plans are underway to update Blueprint 2.0. Detailed information about the strategic plan is available online at 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?

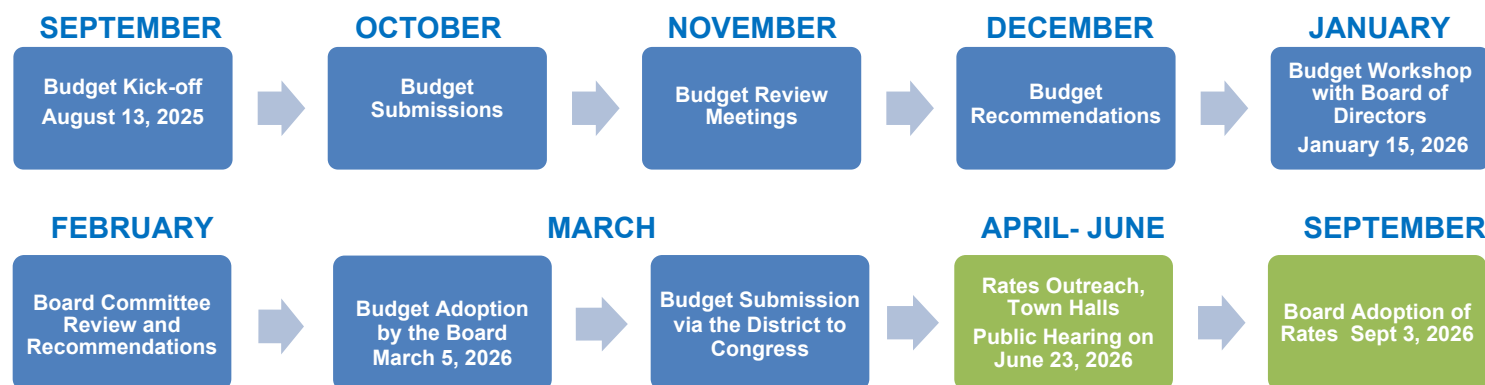
Resilient
Are we able to cope with and recover from disruption, anticipating shocks and stressors to maintain service?

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.

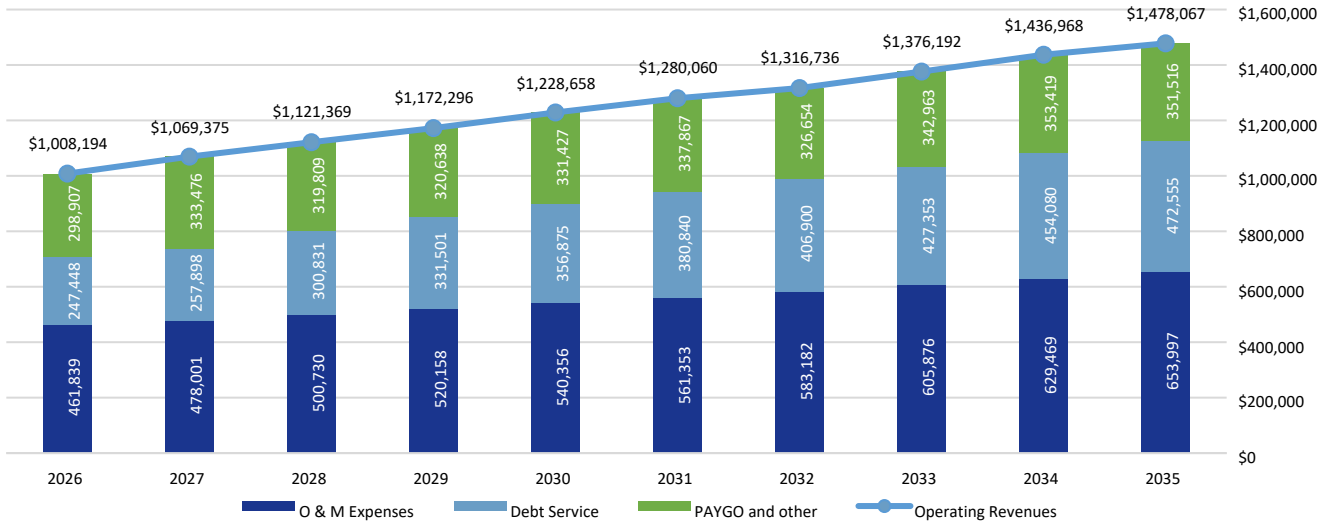
Blueprint 2.0 Imperatives	Program Description
	<p>Complete the Clean Rivers Program to reduce Combined Sewer Overflows (CSO) and meet the District’s water quality standard. Achieve 96 percent system-wide capture mandate for removal of trash, debris etc. from the Anacostia and Potomac Rivers and Rock Creek.</p>
	<p>Advance the Lead Free DC program to remove all lead lines in the District.</p>
	<p>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.</p>
	<p>Continue proactive and predictive maintenance programs to assure equipment availability and value-driven Asset Management Operator Driven Reliability program.</p>
	<p>Increase collaborative efforts between operations and engineering departments to ensure process enhancements and support the delivery of capital projects.</p>
	<p>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.</p>
	<p>Support development of high performing teams to increase resiliency and ensure safety of the operational crews that provide water and wastewater treatment services.</p>
	<p>Enhance preparedness for tackling contaminants of emerging concern through research and (regulatory driven) monitoring.</p>
	<p>Increase sales volume and revenue for both Bloom and renewable energy credits (RECs) and seek other non rate revenue sources.</p>
<p>Legend: Healthy, Safe and Well Reliable Resilient Equitable Sustainable</p>	



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 2026 - FY 2035 Financial Plan (\$ in Thousands)



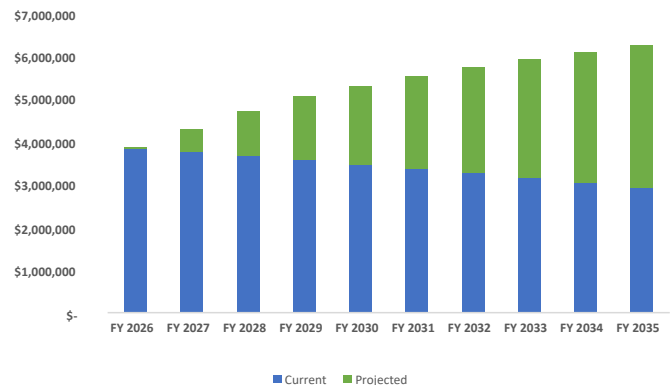
Debt Management

DC Water continues to maintain strong financial performance and bond ratings. In February 2026, 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

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 41.7 percent of the funding in the ten-year financial plan and 31.7 percent of the FY 2027 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, 2025, DC Water had an outstanding WIFIA loan amount of \$104.3 million. The Authority’s total long-term debt, including current maturities, was \$3.6 billion at the end of FY 2025, and is projected to increase over the next ten years primarily due to continuous investment in our aging infrastructure.

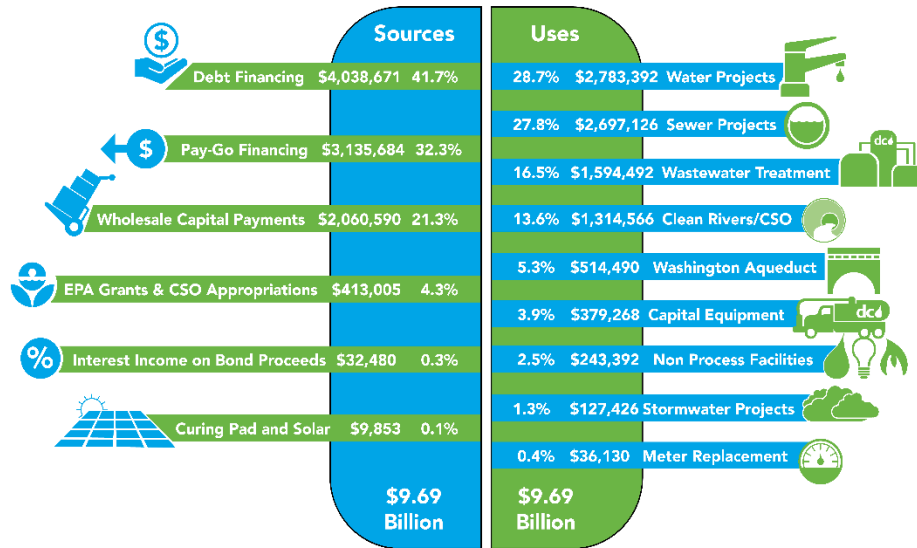
FY 2026 - FY 2035 Current and Projected Debt (\$ in Thousands)



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.

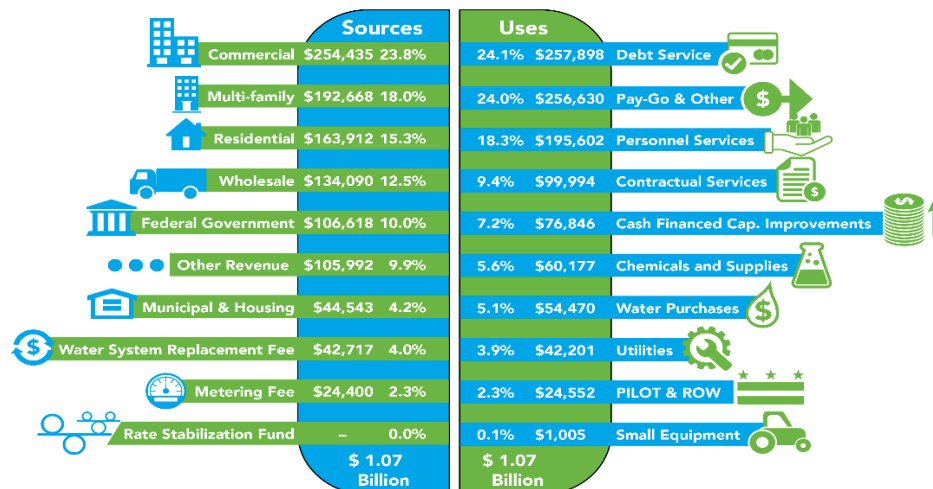
DC Water relies on several funding sources to finance its capital program and cash flow needs. Over the ten-year period, 74 percent is funded by debt and pay-go financing, 21.3 percent is capital payment from our Wholesale customers, 4.3 percent is from grant funding and federal appropriations, and the remaining 0.4 percent is from interest income and other available funds.

FY 2026 – FY 2035 CIP Sources & Uses of Funds (\$ in Thousands)



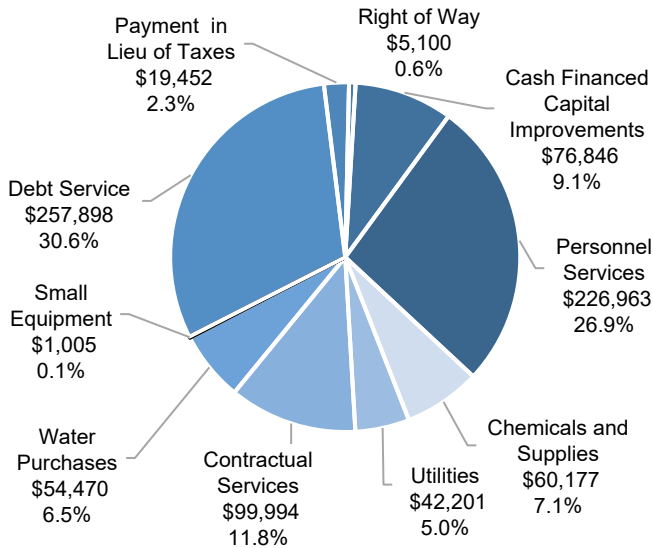
DC Water has a diverse customer base and thus receives cash from a variety of sources. This diversity mitigates reliance on any single customer category and provides a level of revenue stability. Our customers are classified as retail (residential, multi-family and non-residential) and wholesale customers 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 2027 Operating Sources & Uses of Funds (\$ in Thousands)



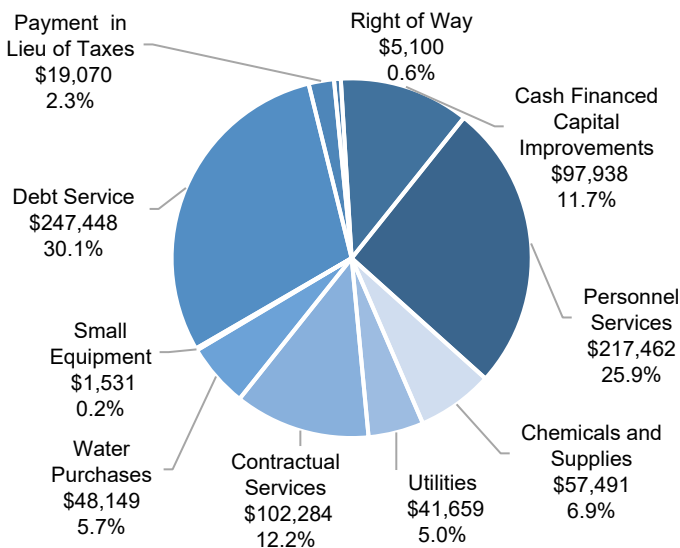
Approved FY 2027 Budget - \$844.1 Million

(\$ in Thousands)



Revised FY 2026 Budget - \$838.1 Million

(\$ in Thousands)



DC Water’s Approved FY 2027 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 2027 budget totals \$844.1 million, reflecting a \$5.9 million increase (0.7 percent) from the revised FY 2026 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 (\$9.5 million increase)** reflects adjustments for salaries, increased overtime, and employee health benefits. The authorized headcount remains at 1283 FTEs and reflects the reallocation of existing vacancies to support key initiatives
- **Chemicals (\$1.4 million increase)** reflects projected unit price increases for major chemicals used at the plant and other odor control facilities throughout the Authority
- **Supplies (\$1.2 million increase)** reflects inflationary cost pressures for critical parts and custodial materials
- **Utilities (\$0.5 million net increase)** higher electricity costs offset in part by reduced water usage in treatment activities and repaired leakages
- **Water Purchase (\$6.3 million increase)** driven by operating cost increases for the purchase of drinking water from the Washington Aqueduct
- **Contractual Services (\$2.3 million decrease)** reflects reallocation of Subscription-Based Information Technology Arrangement (SBITA) costs to capital equipment budget; offset by increase in various professional services
- **Small Equipment (\$0.5 million decrease)** reflects reduced rental of crane equipment
- **Debt Service (\$10.5 million increase)** for planned debt coverage between the projected senior and subordinate bond series
- **Cash Financed Capital Improvements (\$21.1 million decrease)** for PAYGO funding to reduce future borrowing costs
- **PILOT & ROW (\$0.4 million increase)** mainly for the PILOT payments to the District. ROW payment remains at the same level

Detailed descriptions of the Revised FY 2026 and Approved FY 2027 operating budgets are available online at 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 2026 Revised Budget	Department	FY 2027 Approved Budget	Authorized Headcount
3	\$1,033	Secretary to the Board	\$1,055	3
4	2,696	Office of the CEO	1,311	3
0	818	Internal Audit	864	0
7	\$4,547	Independent Offices	\$3,231	6
5	1,325	Office of the Chief Administration Officer	2,644	4
7	1,801	Office of Emergency Management	1,976	7
7	7,543	Fleet Management	9,891	8
14	3,370	Occupational Safety and Health	3,435	14
52	13,807	Facilities Management	13,484	52
9	10,866	Security	12,936	8
20	4,850	Marketing and Communications	5,255	20
83	17,130	Customer Care	15,071	83
197	\$60,694	Administration	\$64,692	196
37	\$12,155	Information Technology	\$12,345	36
115	\$38,084	Finance, Procurement and Compliance	\$37,436	115
31	\$10,262	People and Talent	\$11,051	31
14	\$8,369	Government and Legal Affairs	\$8,045	14
10	\$3,244	Strategy and Performance	\$4,044	10
0	21,382	Engineering and Technical Services	-	0
0	4,530	CIP Infrastructure Management	-	0
38	4,862	Wastewater Engineering	8,960	38
57	5,399	Permit Operations	8,902	47
9	3,974	Clean Rivers	4,118	9
65	-	Shared Services and Asset Management	15,075	76
11	-	Water Program and Lead Free DC	3,361	10
180	\$40,148	Engineering	\$40,416	180
3	2,059	Office of the Chief Operating Officer	1,350	3
259	150,613	Operations	153,752	260
251	92,346	Water Operations	101,798	253
179	46,056	Pumping and Sewer Operations	46,651	179
692	\$291,074	Operations	\$303,550	695
1283	\$468,576	Total Operations and Maintenance	\$484,810	1283
	247,448	Debt Service	257,898	
	24,170	PILOT and ROW	24,552	
	97,938	Cash Financed Capital Improvements	76,846	
	\$369,557	Total Debt Service, PILOT and ROW, CFCI	\$359,295	
1283	\$838,133	Total Operating Expenditure	\$844,105	1283
	(30,907)	Less: Capital Labor	(31,360)	
	\$807,226	TOTAL NET OPERATING EXPENDITURE	\$812,745	

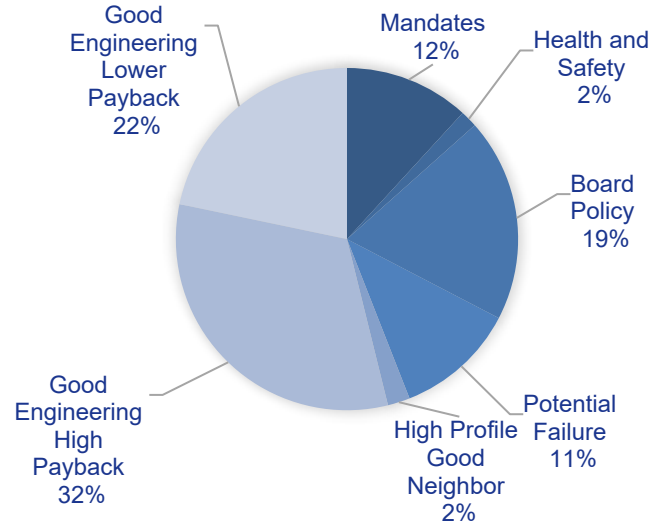


Capital Improvement Program (CIP)

FY 2026 – FY 2035 Capital Improvement Program (\$ in Thousands)

Service Area	Ten-Year Disbursement Plan	Total Lifetime Budget
Non-Process Facilities	\$243,392	\$412,191
Wastewater Treatment	1,594,492	2,670,477
DC Clean Rivers Program	1,148,507	3,560,771
Combined Sewer Overflow	166,059	201,679
Stormwater	127,426	190,536
Sanitary Sewer	2,697,126	4,215,274
Water	2,783,392	4,844,619
Capital Projects	\$8,760,394	\$16,095,547
Capital Equipment	415,398	415,398
Washington Aqueduct	514,490	514,490
Additional Capital Programs	\$929,888	\$929,888
Labor		415,976
Total Capital Budgets	\$9,690,281	\$17,441,411

MEASURE OF PRIORITY



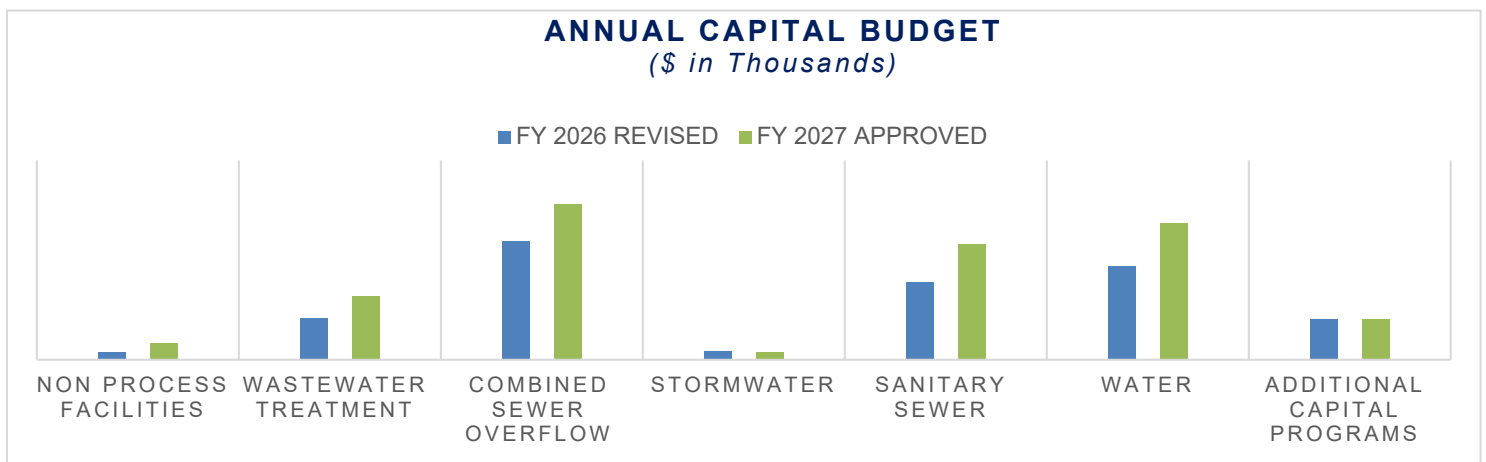
DC Water’s ten-year Capital Improvement Program (CIP) provides the framework for the development, prioritization, implementation, and measurement of the capital projects undertaken. The Board-approved FY 2026 – FY 2035 CIP disbursement budget of \$9.69 billion decreased by approximately \$66.7 million compared to the previous plan. The lifetime budget is \$17.44 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 1.75 percent per year in FY 2028 and beyond and 1.5% rehabilitation for small sewer lines per year in FY 2026 and beyond.

The FY 2026 and FY 2027 capital budgets total \$776.8 million and \$1.07 billion, 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.

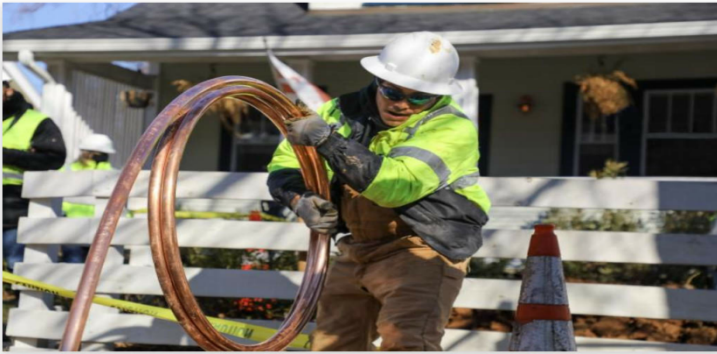
ANNUAL CAPITAL BUDGET (\$ in Thousands)



Major Capital Investments

LEAD FREE DC

The Lead Free DC program remains one of the Authority's largest systemwide investments, focused on removing all lead service lines across the District. The program includes block-by-block replacements, water main renewals, and private-property replacements through the Lead Pipe Replacement Assistance Program (LPRAP) and Voluntary Full Replacement Program (VFRP).



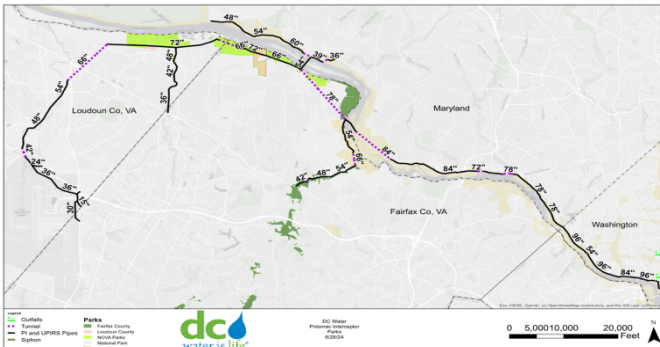
DC CLEAN RIVERS

The Potomac River Tunnel construction continues as the next major component of the Clean Rivers Program. This tunnel system, built from 2006–2030, will capture and store combined sewer overflows, reducing discharges to the Potomac River by 93 percent during a typical rainfall year. Clean Rivers remains a major portion of the FY 2027 CIP, even as its share of the total program gradually declines as tunnels approach completion.



POTOMAC INTERCEPTOR

The Potomac Interceptor (PI), which conveys approximately 60 million gallons per day of wastewater from Dulles International Airport to the Potomac Pump Station, continues to undergo major rehabilitation. The ten-year CIP includes repairs to deteriorated pipe segments, improvements to structural integrity, and upgrades that ensure reliable conveyance to Blue Plains. These investments reduce overflow risks, extend system life, and support regional wastewater capacity.



COMBINED SEWER SYSTEM

Combined sewer systems collect both stormwater runoff and sanitary wastewater from homes and businesses in a single pipeline. During dry weather conditions, sanitary wastewater is conveyed to the Blue Plains Advanced Wastewater Treatment Plant for treatment. During wet weather, stormwater also enters the system and, when conveyance capacity is exceeded, excess flows are discharged into the District's waterways to prevent surface flooding and basement backups. These discharges are known as Combined Sewer Overflows (CSOs).





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.

2025 Cost of Service Study

In FY 2025, 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 sixth multi-year rate proposal covering the periods of FY 2027 and FY 2028. The FY 2027 rates become effective October 1, 2026. 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 2027 is 6.6 percent as compared to 6.7 percent in the previous forecast and for FY 2028, it is 5.3 percent as compared to 5.7 percent in the previous forecast.

Operating Revenues (\$ in Thousands)

Category	FY 2026 Revised	FY 2027 Proposed
Residential	\$156,396	\$163,912
Commercial	242,767	254,435
Multi-family	183,802	192,668
Federal Government	99,339	106,618
Municipal & Housing	42,435	44,543
Water System Replacement Fee	42,717	42,717
Metering Fee	24,400	24,400
Wholesale	124,219	134,090
Rate Stabilization Fund	-	-
Other Revenue	92,119	105,991
Total Operating Revenue	\$1,008,194	\$1,069,375

Operating Revenues, Rates, Fees & Charges (continued)

FY 2026 - FY 2028 Retail Rates and Fees

Description of Fees	Units	FY 2026	FY 2027	FY 2028	FY 2026 vs FY 2027		FY 2027 vs FY 2028	
		Current	Proposed	Proposed	Incr. /(Decr.)		Incr. /(Decr.)	
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%	0.00	0.00%
High-Flow Filter Backwash	Ccf	3.54	3.54	3.54	0.00	0.00%	0.00	0.00%
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	0.00	0.00%	0.00	0.00%
DC Water System Replacement Fee	5/8"	6.30	6.30	6.30	0.00	0.00%	0.00	0.00%
District of Columbia PILOT Fee	Ccf	0.62	0.62	0.63	0.00	0.00%	0.01	1.61%
District of Columbia Right of Way Fee	Ccf	0.20	0.20	0.20	0.00	0.00%	0.00	0.00%
District of Columbia Inconvenience Fee ¹	Ccf	0.00	0.42	0.42	0.42	-	0.00	0.00%
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	0.00	0.00%	0.00	0.00%

*Rate impact in FY 2027 is 6.0% and 6.0% in FY 2028 and that has bill impact of 6.6% in FY 2027 and 5.3% in FY 2028. The shift in the balance between water and sewer rates has been determined by the recent cost of service study.

⁽¹⁾ Public Inconvenience Fee of \$0.42 effective October 1, 2026

Clean Rivers Impervious Area Charge (CRIAC)

The CRIAC is a separate sewer service fee established in FY 2009 to recover the \$3.56 billion cost of implementing the DC Clean Rivers Project (the District's CSO-Long Term Control Program). The proposed monthly CRIAC ranges from \$24.23 per Equivalent Residential Unit (ERU) in FY 2026 to \$28.11 per ERU in FY 2035. From 2011 until 2025, 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 \$311.5 million through Federal appropriations as of the end of March 2026.

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 (2025), 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:

DC WATER CARES

CAP
Provides monthly discounts to residential customers with household incomes less than \$163,900 (family of four)

Lifeline Rate
Provides a discount to residential customers on the first 2,992 gallons used each month

Payment Terms
DC Water provides flexible payment terms for customers to get back on track

One-Time Assistance
SPLASH provides one-time emergency assistance to customers

Leak Assessment Program
DC Water offers resources to CAP+, CAP and CAP2 customers leak assessment to help them identify the source of leaks and high usage

DC WATER CARES

CRIAC Non-Profit Relief
District-funded program to assist Non-profit organizations with Clean Rivers Impervious Area Charge (CRIAC)

<p>CAP+ \$39,642 (family of 4) 20% MFI Discount on the first 600 cubic ft. of water and sewer services + 75% reduction in the monthly CRIAC fee + WSRF waiver Effective Oct 1, 2024 \$130.68/month discount</p>	<p>CAP \$118,926 (family of 4) 60% SMI Discount on the first 400 cubic ft. of water and sewer services + 75% reduction in the monthly CRIAC fee + WSRF waiver \$100.95/month discount</p>	<p>CAP2 \$131,100 (family of 4) 80% MFI Discount on the first 300 cubic ft. of water and sewer services + 50% reduction in the monthly CRIAC fee \$67.02/month discount</p>	<p>CAP3 \$163,900 (family of 4) 100% MFI Discount of 75% off the monthly CRIAC fee \$18.17/month discount</p>
---	---	---	---

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.

Starting in 2025, the federal government has embarked on a major downsizing of the federal workforce, which has significant ramifications for the District's economy and finances. In April 2025, the District's Office of Revenue Analysis forecasted a loss of 40,000 federal jobs and a total of 32,000 jobs in the District over the next four years. The potential impact of these workforce reductions on DC Water's annual revenues is not material. The population of the District grew by more than 100,000 people from 2010 to 2024. 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 remained relatively high during a period of unprecedented challenges while retail vacancy rates dipped below national average in 2025. 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.

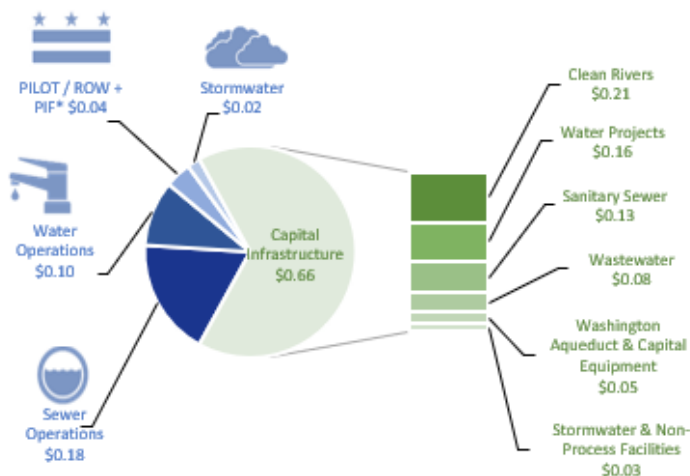
FY 2026 - FY 2028 Average Residential Customer Monthly Bill

DC WATER RATES AND FEES	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Water and Sewer Retail Rates ⁽¹⁾	\$101.77	\$107.86	\$114.36
DC Water Clean Rivers IAC ⁽²⁾	24.23	25.50	27.22
DC Water Customer Metering Fee	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	6.30	6.30	6.30
Subtotal DC Water Rates & Charges	\$140.05	\$147.41	\$155.63
DISTRICT OF COLUMBIA CHARGES			
District of Columbia PILOT Fee ⁽¹⁾	\$3.36	\$3.36	\$3.41
District of Columbia Right-of-Way Fee ⁽¹⁾	1.08	1.08	1.08
District of Columbia Public Inconvenience Fee ⁽⁵⁾	-	2.28	2.28
District of Columbia Stormwater Fee ⁽³⁾	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
Percent Increase in Total Bill	6.5%	6.6%	5.3%

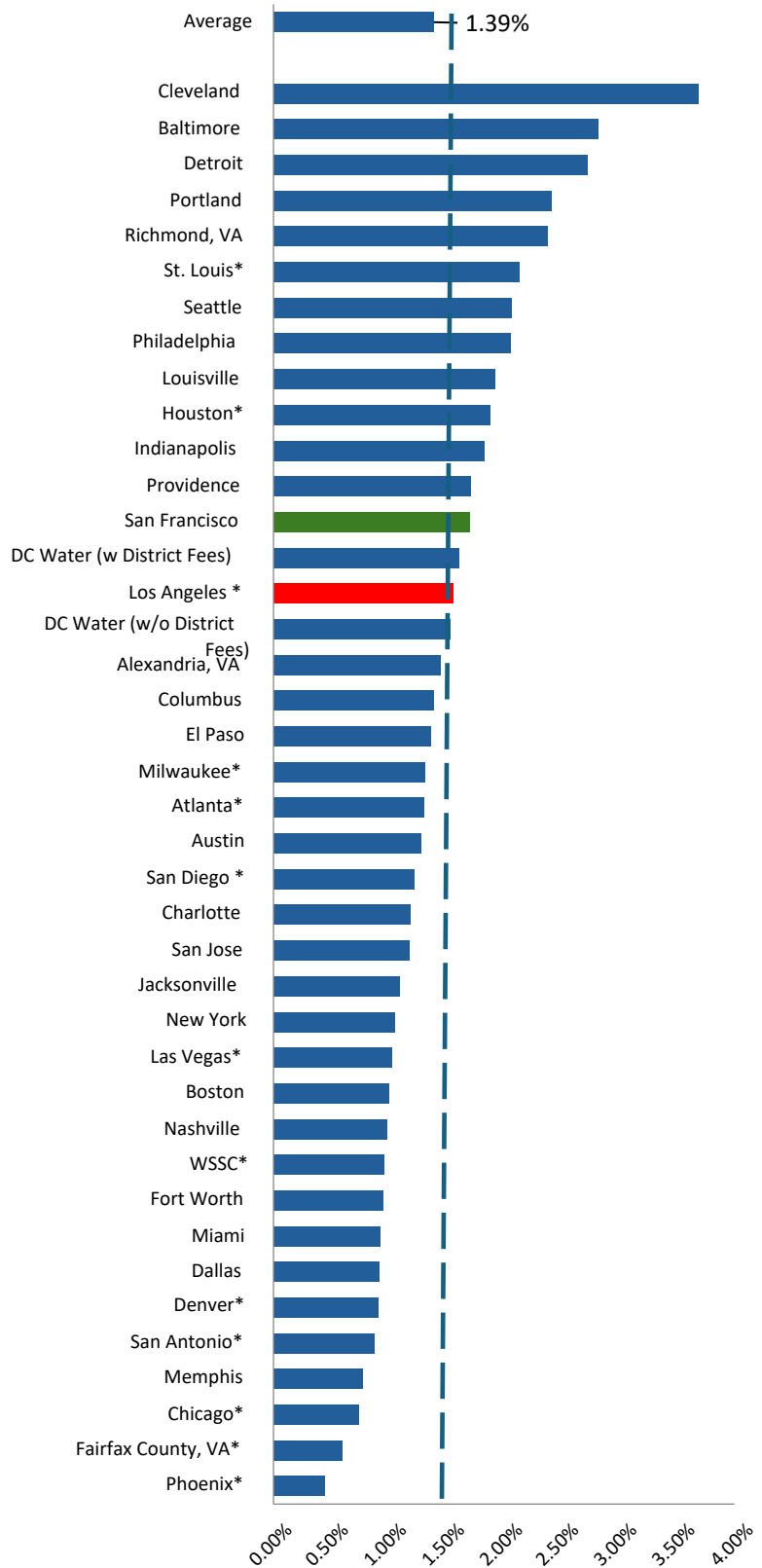
- ⁽¹⁾ Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)
- ⁽²⁾ Assumes average 1 Equivalent Residential Unit (ERU)
- ⁽³⁾ District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010
- ⁽⁴⁾ "Water System Replacement Fee " of \$6.30 for 5/8" meter size effective October 1, 2015
- ⁽⁵⁾ Public Inconvenience Fee of \$0.42 effective October 1, 2026

FY 2027: 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.



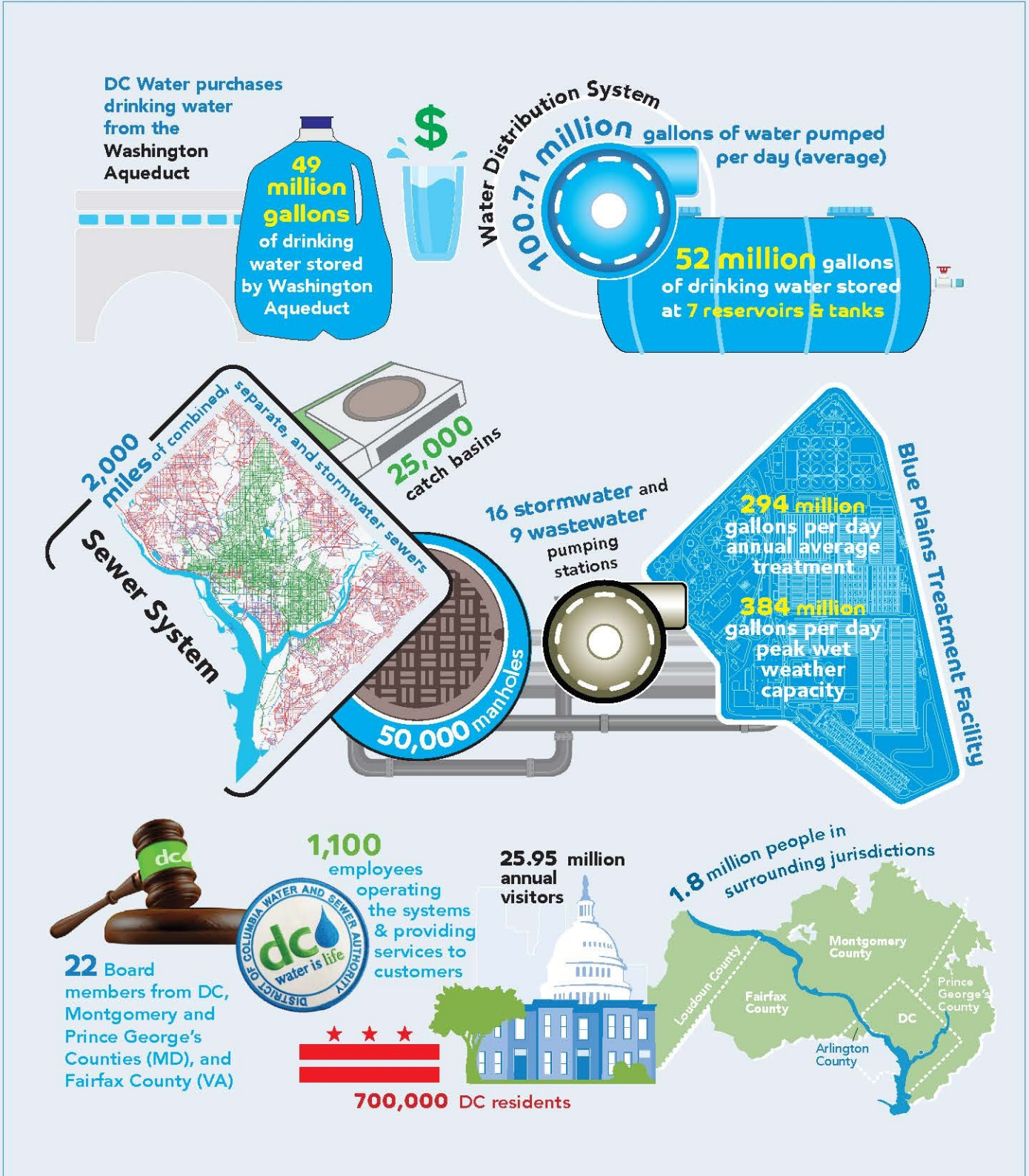
DC Water
1385 Canal Street, SE
Washington, DC 20003
www.dewater.com
Contact: info@dewater.com
contact@dewater.com



Approved FY 2027 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 100.706 million gallons of water pumped per day during FY 2025
- 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 one billion 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>

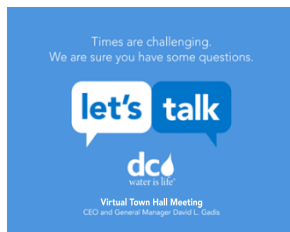
FACTS AT A GLANCE

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 costs in the long run.
- Reaffirmed 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 28th consecutive unqualified audit opinion of its financial statements
- Achieved the Government Finance Officers Association (GFOA) Triple Crown for 2nd consecutive year: 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)
- Received the 2nd consecutive "Special Recognition" award for its long-range financial plan





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

SUMMARY OF BUDGETS, RATES AND FEES

Description	Unit of Measure	FY 2026 Revised	FY 2027 Approved	Change		
				Increase (+) /Decrease (-)		
BUDGETS						
Total Operating Expenditure	\$ in thousands	\$838,133	\$844,105	\$5,972	-	-
Total Capital Disbursements	\$ in thousands	\$776,787	\$1,072,251	\$295,464	-	-
Total Operating Revenue	\$ in thousands	\$1,008,194	\$1,069,375	\$61,181	-	-
Wholesale Operating Revenues	\$ in thousands	\$124,219	\$134,090	\$9,871	-	-
RATES & FEES						
	Unit of Measure	FY 2026 Approved	FY 2027 Proposed	Change Increase (+) /Decrease (-)	FY 2028 Proposed	Change Increase (+) /Decrease (-)
Residential 0-4 Ccf (Lifeline) ²	Ccf	\$5.78	\$6.49	\$0.71	\$7.11	\$0.62
Residential - > 4 Ccf ²	Ccf	\$7.60	\$8.40	\$0.80	\$9.40	\$1.00
Multi-family / DC Housing ²	Ccf	\$6.47	\$7.21	\$0.74	\$7.98	\$0.77
Non-Residential	Ccf	\$7.84	\$8.66	\$0.82	\$9.71	\$1.05
DC Water Retail Rates – Sewer	Ccf	\$12.52	\$12.91	\$0.39	\$13.39	\$0.48
DC Water Clean Rivers IAC	ERU	\$24.23	\$25.50	\$1.27	\$27.22	\$1.72
DC Water Customer Metering Fee	5/8"	\$7.75	\$7.75	\$0.00	\$7.75	\$0.00
Water System Replacement Fee ¹	5/8"	\$6.30	\$6.30	\$0.00	\$6.30	\$0.00
PILOT Fee	Ccf	\$0.62	\$0.62	\$0.00	\$0.63	\$0.01
Right of Way Fee	Ccf	\$0.20	\$0.20	\$0.00	\$0.20	\$0.00
Public Inconvenience Fee ³	Ccf	-	\$0.42	-	\$0.42	\$0.00
Stormwater Fee	ERU	\$2.67	\$2.67	\$0.00	\$2.67	\$0.00

Ccf – hundred cubic feet or 748 gallons

- (1) DC WATER WSRF of \$6.30 effective October 1, 2015
- (2) Proposed Class-Based rates
- (3) Public Inconvenience Fee of \$0.42 effective October 1, 2026



Comparative Capital & Operating Expenditures

summary

overview

financial plan

rates & rev

capital

financing

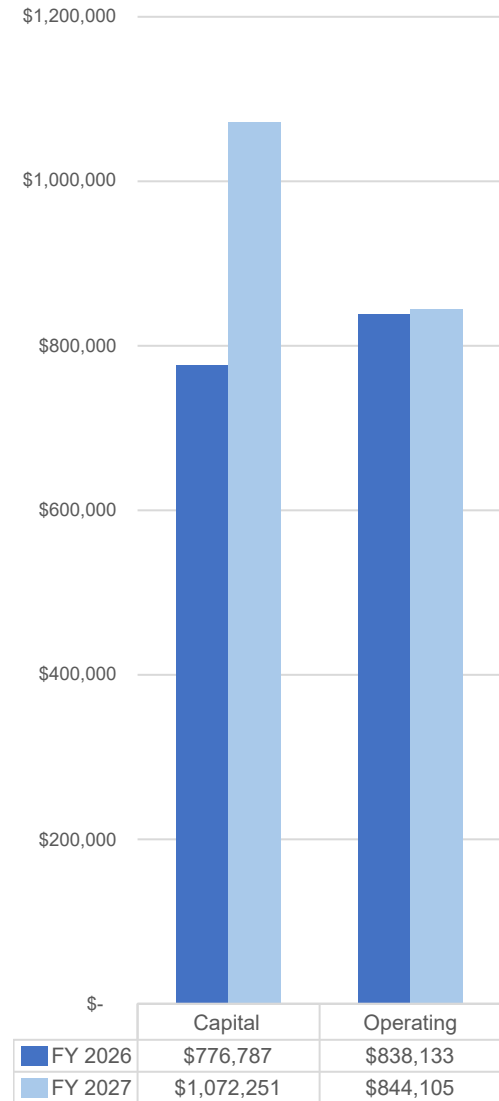
departmental

glossary

\$ in thousands

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

	REVISED FY2026	APPROVED FY2027
<u>CAPITAL (Cash Disbursements Basis)*</u>		
Wastewater Treatment	\$ 83,199	\$ 127,537
Sanitary Sewer	155,371	230,713
Combined Sewer Overflow	237,482	311,016
Stormwater	16,550	14,740
Water	186,757	274,558
Washington Aqueduct	49,480	35,770
Capital Equipment	32,481	45,248
Non Process Facilities	15,467	32,671
Total Capital	\$ 776,787	\$ 1,072,251
<u>OPERATING</u>		
Personnel Services	\$ 217,462	\$ 226,963
Contractual Services	102,284	99,994
Water Purchases	48,149	54,470
Chemicals and Supplies	57,491	60,177
Utilities	41,659	42,201
Small Equipment	1,531	1,005
Total O&M	468,576	484,810
Debt Service	247,448	257,898
Cash Financed Capital Improvements	97,938	76,846
Payment in Lieu of Taxes	19,070	19,452
Right of Way Fees	5,100	5,100
Subtotal Operating	838,133	844,105
Personnel Services charged to Capital Projects	(30,907)	(31,360)
Net Operating	\$ 807,226	\$ 812,745



*Reflects revision to FY 2026 capital disbursement budget during the FY 2027 cycle.



Comparative Capital & Operating Revenues

summary

overview

financial plan

rates & rev

capital

financing

departmental

glossary

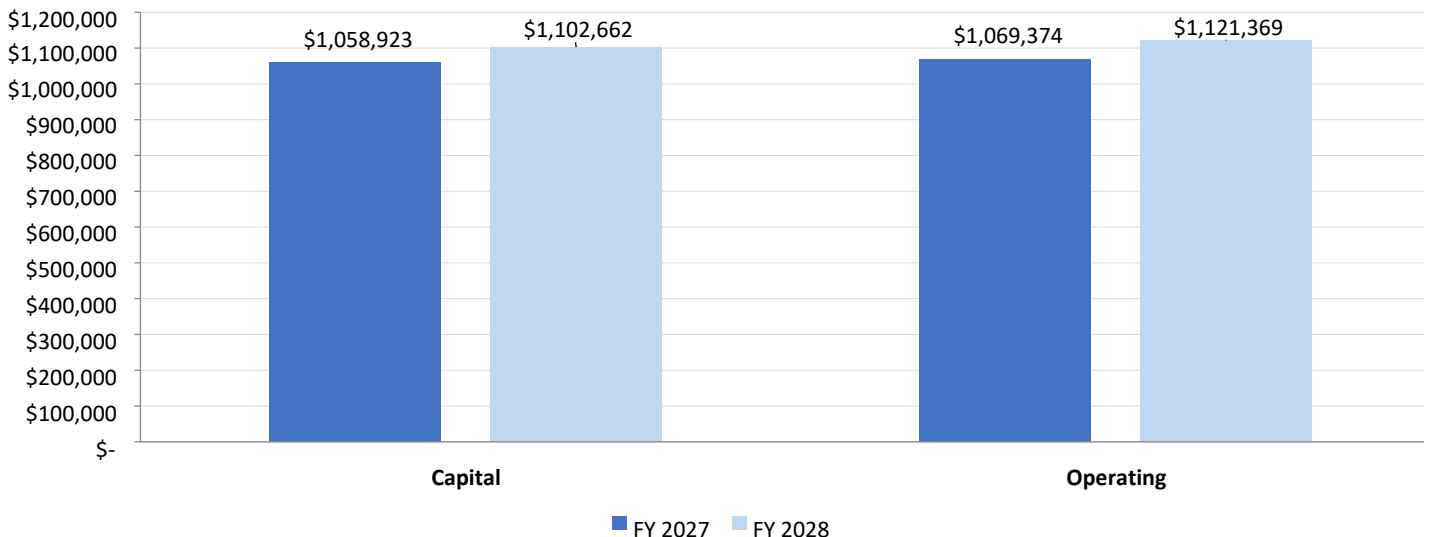
\$ in thousands

	FY 2026 Revised	FY 2027 Proposed	FY 2028 Proposed
CAPITAL			
Wholesale Capital Payments	\$ 119,438	\$ 166,497	\$ 222,655
Federal Grants & CSO Appropriations	65,763	67,709	68,177
Interest Income on Bond Proceeds	5,850	2,385	5,700
Pay-Go-Financing	269,013	314,279	286,109
Revenue Bonds/Commercial Paper/EMCP*	26,000	502,324	514,235
Curing Pad and Solar	30	29	87
System Availability Fee	5,700	5,700	5,700
Total Capital Revenue	\$ 491,794	\$ 1,058,923	\$ 1,102,662

OPERATING			
Residential	\$ 156,396	\$ 163,912	\$ 173,684
Commercial	242,767	254,435	269,590
Multi-Family	183,802	192,668	203,874
Federal Government	99,339	106,618	111,751
Municipal & Housing	42,435	44,543	47,197
Water System Replacement Fee (WSRF)	42,717	42,717	42,717
Metering Fee	24,400	24,400	24,400
Wholesale	124,219	134,090	140,055
Transfer from Rate Stabilization Fund	-	-	-
Other Revenue	92,119	105,991	108,101
Total Operating Revenue	\$ 1,008,194	\$ 1,069,374	\$ 1,121,369

* Extendable Municipal Commercial Paper

Capital and Operating Revenue





Cash Flow Summary

\$ in thousands

OPERATING BUDGET	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Revised	Proposed	Proposed
Operating Revenue				
Residential, Commercial & Multi-Family	496,395	494,676	519,409	548,799
Federal	71,183	76,861	81,657	85,690
Municipal	16,706	17,367	18,205	19,312
D.C. Housing Authority	13,832	13,711	14,386	15,130
Groundwater	-	5	5	5
Water System Replacement Fee (WSRF)	43,382	42,717	42,717	42,717
Metering Fee	24,479	24,400	24,400	24,400
Payment in Lieu of Taxes / Right of Way Fee	24,989	24,156	24,552	24,941
Clean Rivers IAC Revenue	111,976	122,119	128,515	137,160
Subtotal - Retail	802,943	816,012	853,845	898,154
Wholesale	114,341	124,219	134,090	140,055
Interest Earnings	14,758	13,049	12,548	12,288
Transfer from Rate Stabilization Fund	-	-	-	-
Other Operating Revenues ⁽¹⁾	46,357	54,583	68,557	70,546
Total Operating Revenue ⁽¹⁾	978,399	1,007,864	1,069,040	1,121,043
Operating Expenditures				
Personnel Services	170,592	186,555	195,602	203,426
Contractual Services	96,713	102,284	99,994	102,994
Chemicals & Supplies	80,580	57,491	60,177	63,982
Utilities & Rent	33,330	41,659	42,201	43,889
Water Purchases	43,595	48,149	54,470	60,462
Small Equipment	1,548	1,531	1,005	1,035
Subtotal - Operating Expenditures	426,358	437,669	453,449	475,789
Payment in Lieu of Taxes / Right of Way Fee	23,796	24,170	24,552	24,941
Debt Service	224,506	247,448	257,898	300,831
Cash Financed Capital Improvements/Defeasance	58,438	97,938	76,846	80,834
Total Operating Disbursements	733,098	807,226	812,745	882,394
Operating Surplus ⁽¹⁾	245	200,638	256,296	238,649
CAPITAL Disbursements (See Section VI for more details)	-	-	-	-
Sources of Capital Funds	757,004	491,794	1,058,923	1,106,912
Uses of Capital Funds	584,145	776,787	1,004,230	1,090,429
Capital Disbursements Overage / (Shortage)	172,859	(284,993)	54,694	16,483
CASH RESERVES	-	-	-	-
Beginning O&M Reserve Balance (Net of Rate Stabilization Fund)	320,513	333,716	341,600	354,600
Operating Surplus	245,301	200,638	256,296	238,649
Wholesale Customer Refunds/Payments for Prior Years	6,205	(3,000)	(3,000)	(3,000)
Project Billing Refunds	(3,127)	(2,000)	-	-
Federal Customer Refund/Payments for Prior Years	(11,049)	(11,310)	2,503	(7,000)
Interest Earned from Bond Reserve	110	331	334	326
Transfers to Rate Stabilization Fund	(5,000)	-	-	-
Pay-As-You-Go Capital Financing	(219,619)	(176,775)	(243,133)	(210,975)
Ending O&M Reserve Balance (Net of Rate Stabilization Fund)	333,334	341,600	354,600	372,600
Rate Stabilization Fund	\$40,644	\$40,644	\$40,644	\$40,644

(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.

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.



FY 2027 Budget Calendar

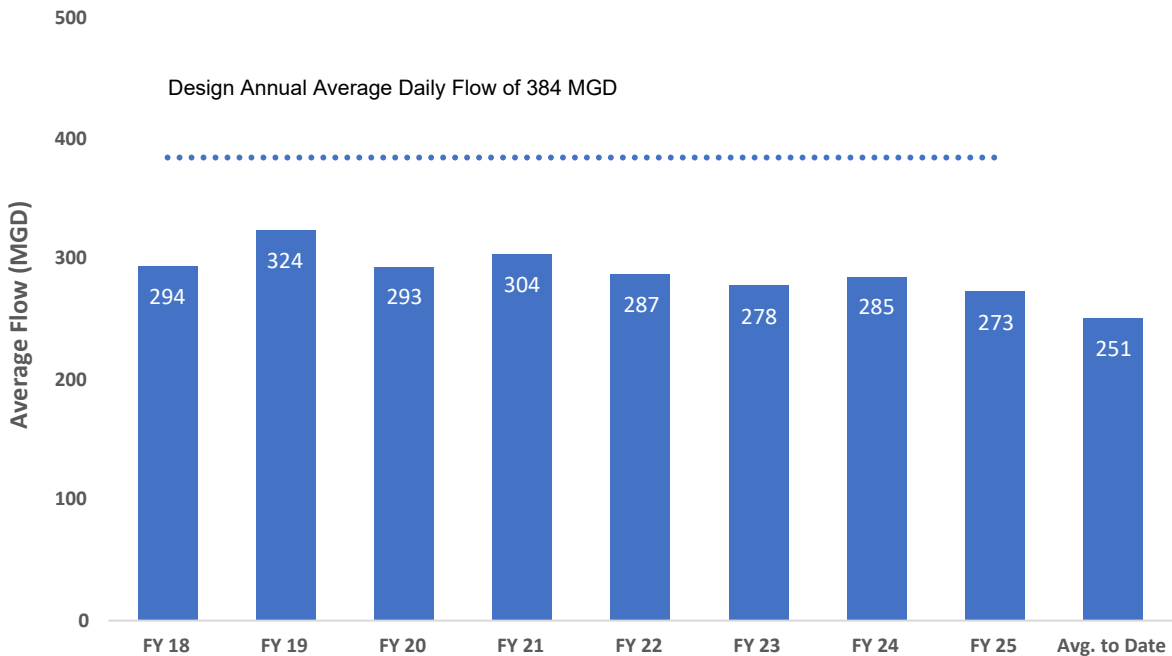
[summary](#)
[overview](#)
[financial plan](#)
[rates & rev](#)
[capital](#)
[financing](#)
[departmental](#)
[glossary](#)

Month	Activity
May- July	Centrally Managed and Matrix training and preparation
August	Establish Budget Prioritization, Scoring Criteria and Linkages to Strategic Plan (Blueprint 2.0) Develop Budget Manual & Guidelines and Provide Training for Departments
August 13	Chief Executive Officer & General Manager's Budget Kickoff Meeting
September 11	Departmental FY 2027 Budget Submission to Budget Office
September	Chief Financial Officer Briefing on Departmental Budget Requests
October	Departmental FY 2027 Operating and Capital Equipment Budget Reviews with the Chief Executive Officer, Chief Financial Officer, and the Budget Office
October	Senior Executive Team Briefing (Operating and Ten-Year Capital Improvement Program)
December	Finalize Ten-Year Financial Plan (Operating, Capital Program, Revenues, Rates & Fees) Transmit Final Budget Recommendation to Executives, Vice Presidents & Department Heads
January 15	Budget Workshop – Board Briefing of the CEO & GM's Proposed FY 2027 Budgets, Capital Improvement Program, Two-Year Rate Proposal and Financial Plan Publication of Proposed FY 2027 Budget Book
January	Budget Briefing to Wholesale Customers, Office of People's Counsel and Other Stakeholders
January February	Board Committees Conduct In-Depth Review of Budget Proposal: <ul style="list-style-type: none"> • Environmental Quality & Operations Committee Review of Capital Improvement Program • Joint session with the DC Retail Water & Sewer Rates and Finance & Budget Committees on the Operating Budget, Capital Improvement Program, and Financial Plan (including the Two-Year Rate Proposal conducted every two years)
February	Board Committees Forward Recommendations to Full Board for Deliberation/Action Budget Book Preparation & Production
March 5	Budget Adoption by Full Board Submission to the District of Columbia for onward transmission to U.S. Congress Publication of Approved Budget Book
April	Application for Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award
April – June	Rate-making Process, (conducted every two years) Public Outreach & Public Hearing Activities
July	Board Adoption of Rates (conducted every two years)
October 1	Fiscal Year Begins

Wastewater System Capacity Ensures Service Area Meets Needs Through 2040

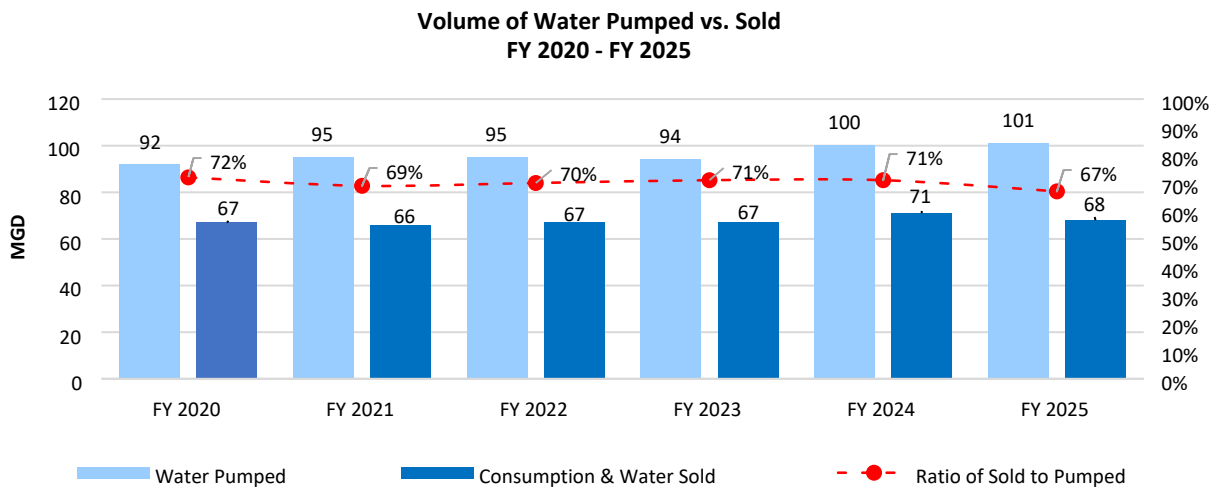
- Blue Plains is the world’s largest advanced wastewater treatment plant
 - Treats an average of approximately 292 million gallons per day (MGD) annually
 - Designed for average daily flow of 384 MGD and, with a peak design capacity to treat more than 780 MGD
- System comprises 1,950 miles of sanitary, 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 2025**



Water System Capacity Meets Service Area Needs

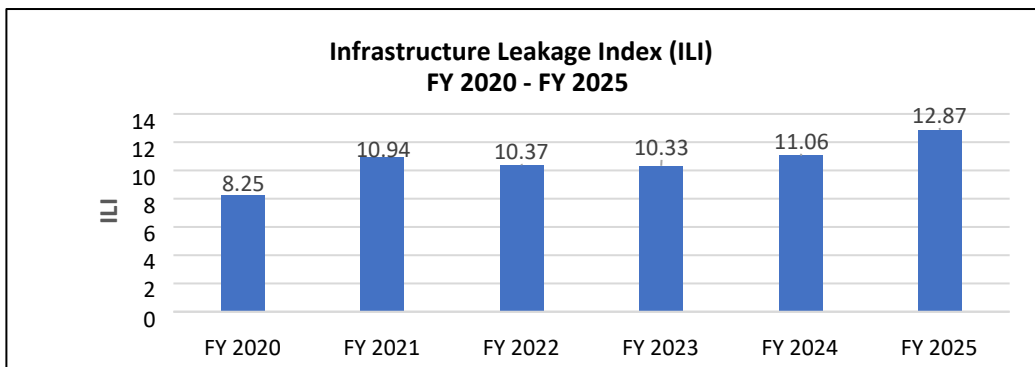
- Water is purchased from the Washington Aqueduct, owned and operated by the U.S. Army Corps of Engineers
- Four pumping stations provide adequate capacity to meet peak demand
 - Bryant Street, New Fort Reno, 16th and Alaska, Anacostia
- One Washington Aqueduct pumping station with capacity sufficient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



- System comprises 1,300 miles of interconnected pipes

Infrastructure Leakage Index (ILI)

The International Water Association (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.

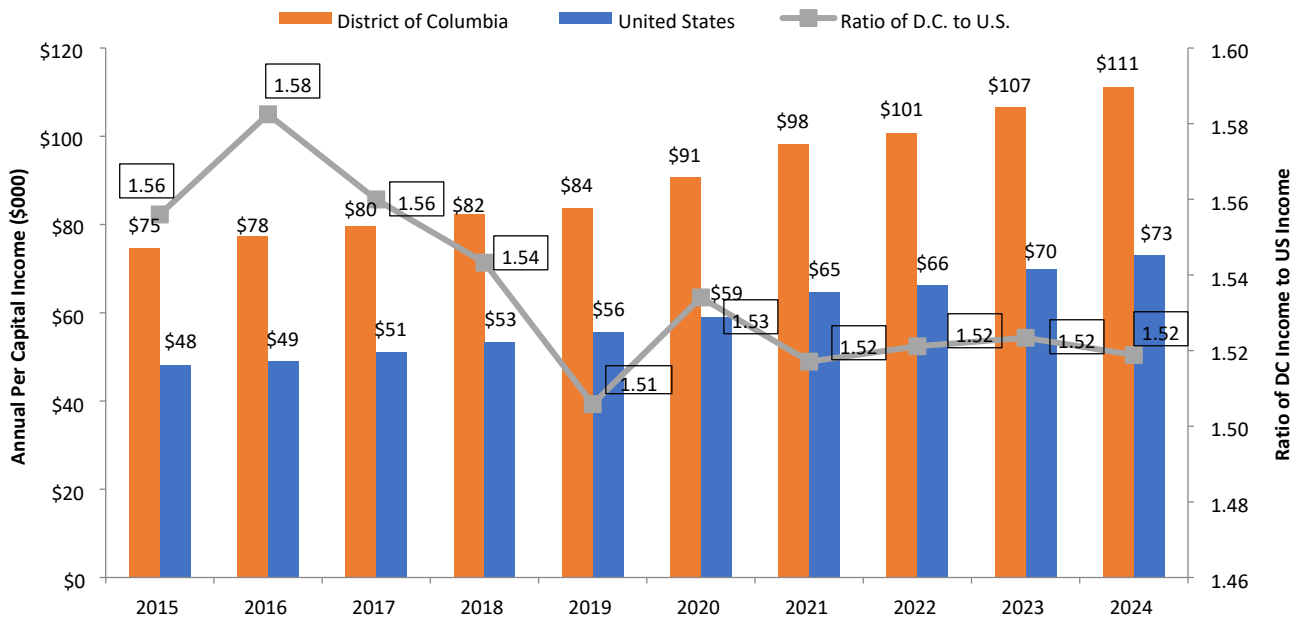
Regional Economy

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.

Starting in 2025, the federal government has embarked on a major downsizing of the federal workforce, which has significant ramifications for the District's economy and finances. In April 2025, the District's Office of Revenue Analysis forecasted a loss of 40,000 federal jobs and a total of 32,000 jobs in the District over the next four years. The potential impact of these workforce reductions on DC Water's annual revenues is not material. The population of the District grew by more than 100,000 people from 2010 to 2024. 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 remained relatively high during a period of unprecedented challenges while retail vacancy rates dipped below national average in 2025. 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.

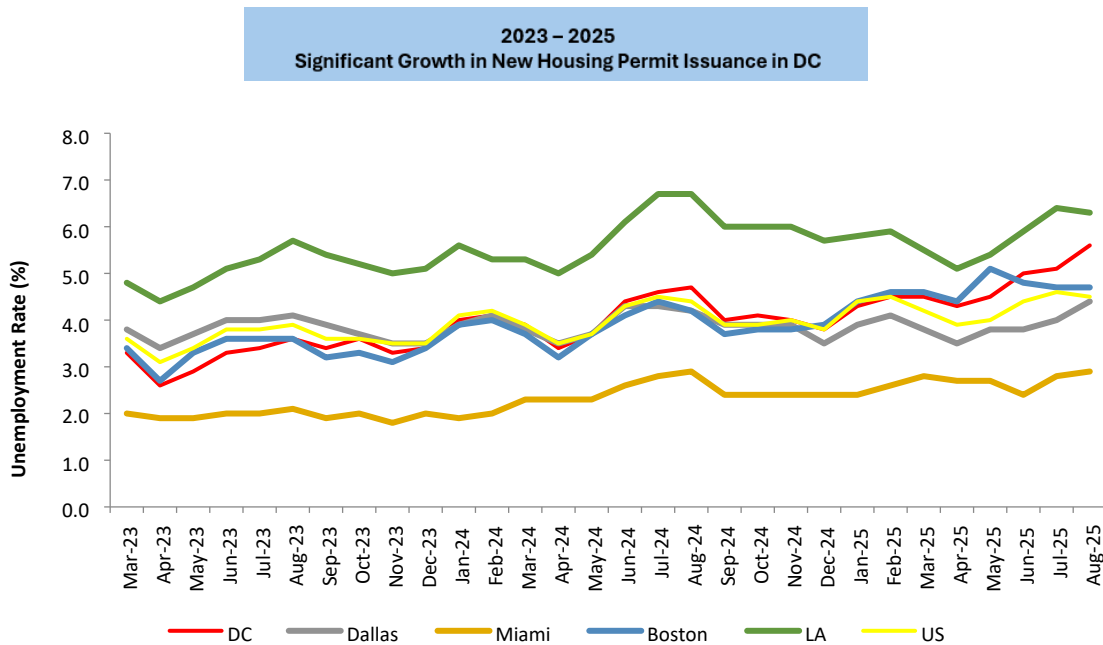


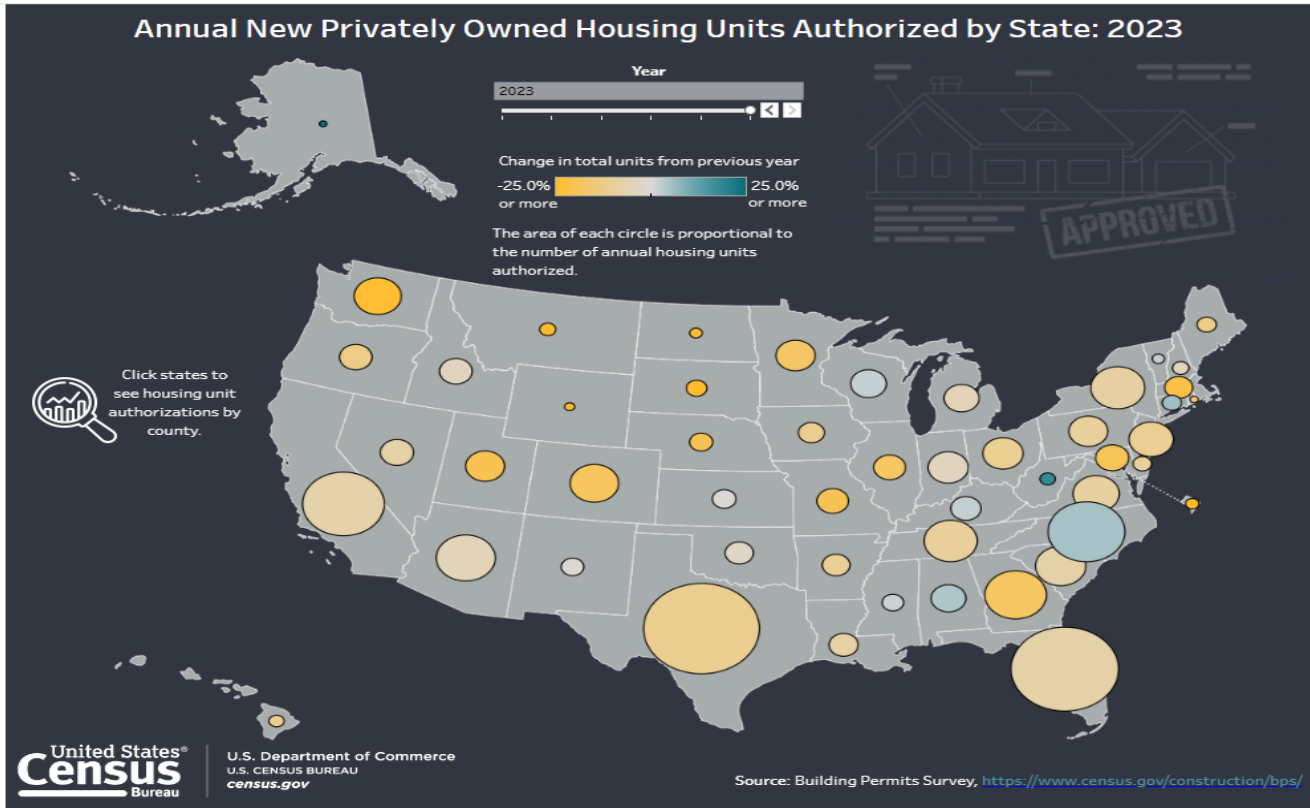
DC Per Capita Income is Higher Than US Average



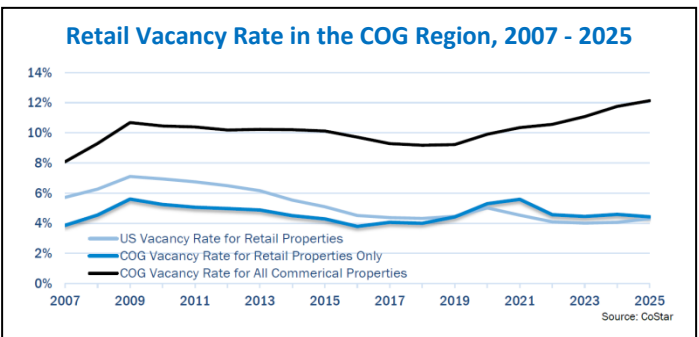
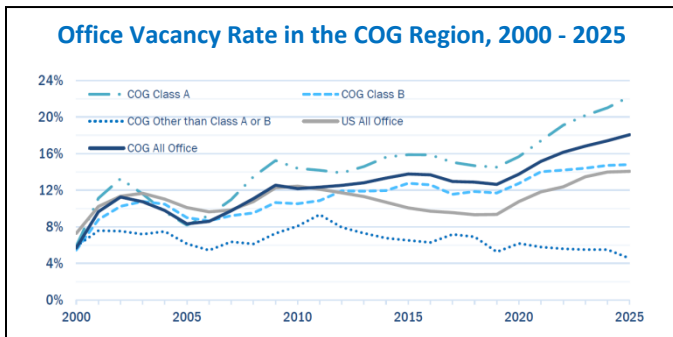
Source: Bureau of Labor Statistics

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



- 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

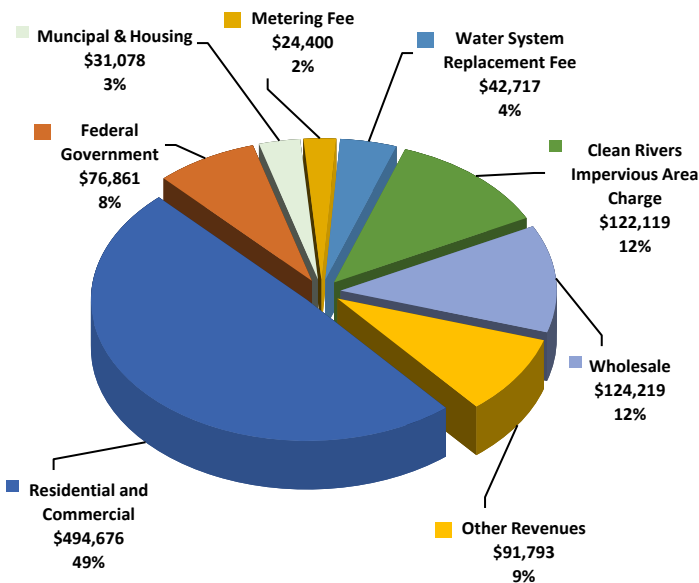
- About 23.01% of the projected FY 2026 revenues came from “AAA” rated entities and are received in advance of service from:
 - Federal Government
 - Fairfax County
 - Washington Suburban Sanitary Commission
 - Loudoun County Sanitation Authority
 - District of Columbia

Media reports reference the service area’s economic strength

□ “The Greater Washington's economy appears to be holding its own according to Coldwell Banker Richard Ellis, (CBRE's) REVIVE Real estate. The Regional Vibrancy Index rose 0.9% from the previous month's analysis, boosted by improved investor sentiment and continued increases in mobility and visitation scores. Mobility and visitation scores rose 4.7% month-over-month as Greater Washington hotel occupancy rates in May reached the highest levels for that month since 2019 and Metro ridership continues to grow.” According to Washington Business Journal, July 7, 2025.

□ "We see this region [District, Maryland, and Virginia, aka DMV] as a very strong place to live and work that is obviously struggling with some of the impacts of federal downsizing but nonetheless showing its resilience and strength.

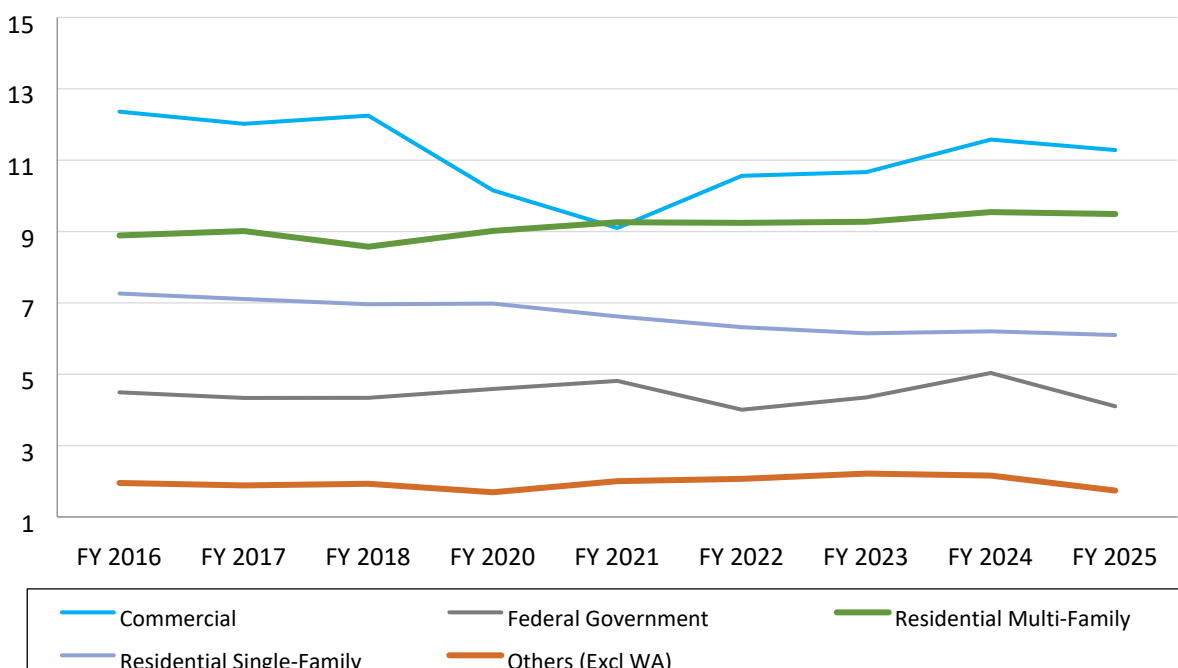
□ The DMV is one of the highest educated metros in the country, just behind San Jose and the Silicon Valley. Workers here have higher credit scores and are more credit worthy when it comes to lending, buying, and home ownership... it's really important to note... this region is still at a healthier baseline than several others of its peers.” Brookings Institute, October 16, 2025.



- Customer Demand: A reasonable degree of accuracy in forecasting water demand is important for sound financial planning and rate-setting. The FY 2016 - 2025 actual average decline in usage is 0.7% annually, excluding the Washington Aqueduct. FY 2016 – FY 2025 average annual rate of change in demand for the customer classes: Commercial -1.0%; Federal Government: -1.0%; Single Family: -1.9%; Multi-Family: 0.7%; and Other (include Exempt, DC Housing Authority, DC Municipal Government, and DC Water): -1.3%.

DC Water Consumption by Customer Type

FY 2016 - FY 2025 Annual Retail Water Consumption by Customer Type (Millions of Ccf)



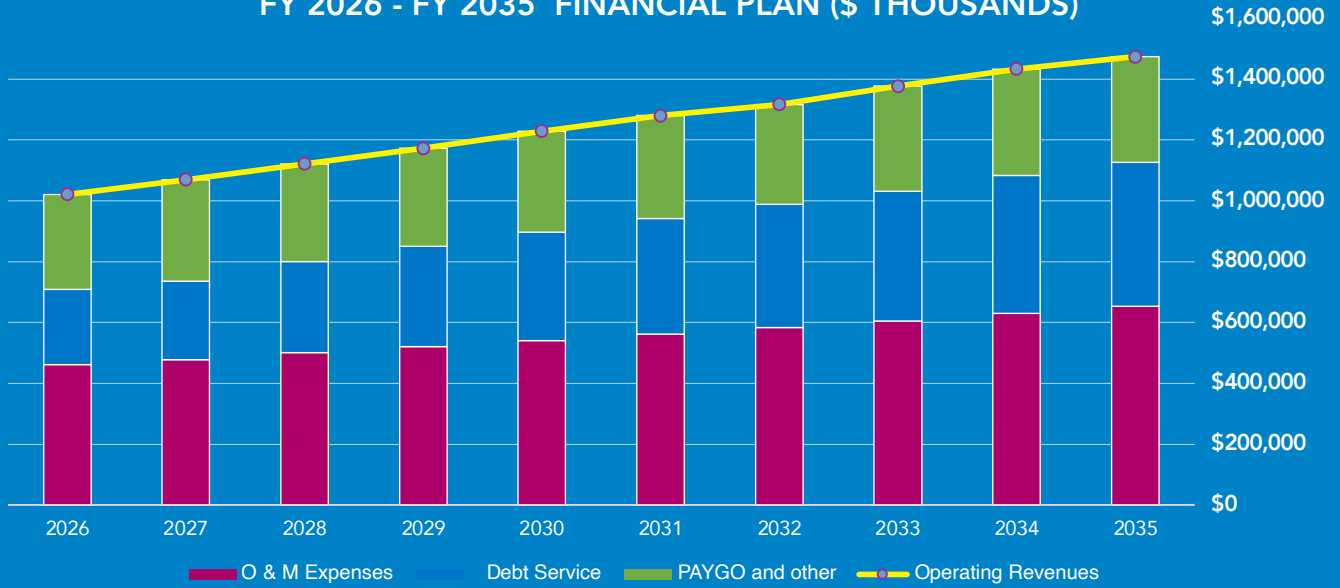
Source: DC Water

- FY 2025 consumption, excluding Washington Aqueduct, decreased 5.2% compared to the prior year.
- DC Water has typically assumed an annual reduction in water demand of 1.0% in line with historic averages. We believe that this estimate is prudent, consistent with peers such as New York and helps assure revenue sufficiency for the Authority.

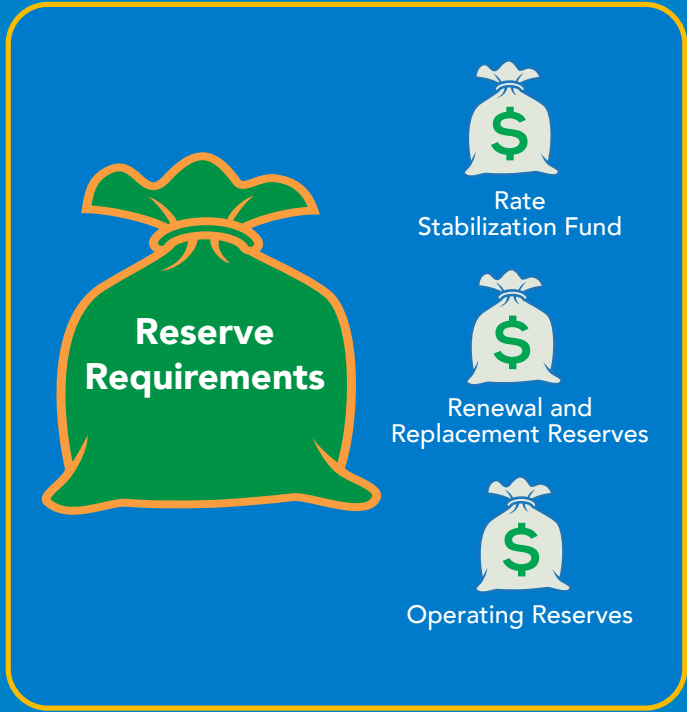


Approved FY 2027 Budgets Section III: Financial Plan

FY 2026 - FY 2035 FINANCIAL PLAN (\$ THOUSANDS)



BLUEPRINT 2.0



FY 2026 – FY 2035 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 February 2026. DC Water received stable outlooks by S&P, Moody’s, and Fitch with ratings maintained at AAA, Aa1, and AA+ respectively. During FY 2025, DC Water met or exceeded the goals set by Board policy and the FY 2025 – FY 2034 ten-year plan. This budget includes DC Water’s twenty sixth comprehensive ten-year financial plan, covering FY 2026 – FY 2035.

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, and 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 2026 - FY 2035 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 2026– FY 2035 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:



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 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 180 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. On July 3, 2025, the Board approved to transfer from the Net Projected Cash Surplus of \$17.5 million to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.
- FY 2025 actual consumption decreased by 5.2 percent. Assumed 1.0 percent decline in consumption in FY 2026 over FY 2025 actual. Assumed 1.0 percent conservation in FY 2027 and onwards. The COVID-19 had an impact on consumption. However, the overall consumption has recovered to the Pre-COVID-19 level. The FY 2025 Actual consumption of \$32.7 million Ccf is slightly higher than FY 2020 consumption of 32.4 million Ccf.
- FY 2025 Debt Service was lower as compared to budget due to refinancing benefits and deferred borrowing
- Assumed delinquencies will decrease in 2026 and onwards.
- Assumed higher miscellaneous fee revenue.
- Assumed slightly lower interest earnings that FY 2025 Actuals.
- Assumed higher collection of receipts for Late Fees.

FY 2026 – FY 2035 Financial Plan



FINANCIAL METRICS

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

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

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 282 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 2025, the balance in the RSF was \$40.64 million.
 - On July 3, 2025, the Board approved the transfer from the Net Projected Cash Surplus of \$17.5 million to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.

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 budget 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 maintain 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 maintain 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. The management’s target for Debt Service Coverage is 1.80X. 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.dewater.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.dewater.com.

Major Financial Accomplishments



Reliable And Predictable



Healthy, Safe and Well



Reliable

During FY 2025 DC Water met the financial goals set out by the Board and the FY 2025 – FY 2034 financial plan. DC Water successfully managed its finances through FY 2025, aligning expenditures to the revenue shortfall from the impacts of COVID. At the end of the year, revenues were above budget by \$26.6 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 required 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 240 percent in FY 2025 and is projected at 180 percent in FY 2035 greater than the board policy requirement. DC Water's senior debt service coverage in FY 2025 was at 963 percent, while maintaining the Board's rate setting and financial policies. The senior debt service coverage is expected to decrease to 8.56 percent by FY 2035 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 287 percent in FY 2025. 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.

Major Financial Accomplishments



Reliable And Predictable



Healthy, Safe and Well



Reliable

- **DC Water did not utilize the Rate Stabilization Fund (RSF) in FY 2025.** However, \$5.0 million was contributed to RSF. The Rate Stabilization Fund’s ending balance for FY 2025 was \$40.64 million.
- **DC Water continued its strong operating budget performance in FY 2025** – Actual cash receipts for FY 2025 were higher than the budget by \$26.6 million, or 2.8 percent. Actual operating expenditures were \$24.2 million or 5.3 percent lower than the total operating budget. DC Water experienced O&M underspending mainly to comply with the mandate that restricted spending at the FY2024 budget level. The areas of underspending include lower employee wages and benefits resulting from higher vacancy rates, lower-than-anticipated costs for water purchased from the Washington Aqueduct, and decreased spending on various professional services and fees Authority wide. These under spendings were partially offset by higher-than-budgeted costs for chemicals and supplies required for daily operations.
- **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 \$3.56 billion. See “Combined Sewer Overflow Long-Term Control Plan” in Section IV, Rates and Revenues for additional details on the projected rate impact of the plan.
- **DC Water implemented a retail water and sewer rate increase of 8.0 percent in FY 2025** to recover increased retail water and sewer revenue requirements of \$31.7 million. In FY 2025, 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 2025, PILOT fees at \$0.61 per Ccf and the ROW fee at \$0.19 per Ccf remain the same as in FY 2024. 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 has 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

Major Financial Accomplishments



Reliable And Predictable  Healthy, Safe and Well  Reliable

- **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, the COS 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 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 approved for FY 2025 and FY 2026.
- Independent Review of the Approved FY 2025 and FY 2026 Rates was conducted by consultants.
 - The review concluded that the rates have been reasonably developed, reflect the anticipated revenue requirements of the System, adhere to Board policy and are comparable to other utilities.
 - The affordability assistance provided by DC Water is robust compared to other utilities, providing a meaningful impact on a customer bill.
- For the twenty fifth consecutive year, DC Water received the Government Finance Officers’ Award for Distinguished Budget Presentation for its FY 2026 budget which was submitted in 2025. DC Water received its twenty eighth unqualified audit opinion for the fiscal year ended September 30, 2025, and received the twenty eighth GFOA Certificate of Achievement for Excellence in Financial Reporting. In addition, for the second consecutive year, 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 2025, DC Water successfully renewed all the Authority’s operations insurance policies at essentially the same terms down 0.7 percent from expiring costs than previous year. DC Water’s coverage is generally comparable to expiring.

Major Financial Accomplishments



Reliable And Predictable

Healthy, Safe and Well

Reliable

- DC Water completed its twenty first year ROCIP I (October 2004 to October 2009) of its rolling owner-controlled insurance program (ROCIIP); sixteenth year of ROCIP II (October 2009 to October 2012); thirteenth year of ROCIP III (October 2012 to October 2015); tenth year of ROCIP IV (November 2015 to October 2020); fifth year of ROCIP V (November 2020 to November 2023); second 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 2025, 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; 32 projects and 256 contractors are/were enrolled/verified in the ROCIP V program and 20 projects and 122 contractors enrolled in ROCIP VI and 49 contractors enrolled in our PRT OCIP. 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.



ROCIIP



DEBT POLICY & GUIDELINES



BUDGET OPTIMIZATION



COST SAVINGS



RISK MANAGEMENT



INVESTMENT STRATEGY



COMPLIANCE ACHIEVEMENTS

Major Financial Accomplishments



Reliable And Predictable

Healthy, Safe and Well

Reliable

Customer Assistance Programs (CAP)

In FY 2025, 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 600 cubic feet (4,500 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 \$122. Funded by DC Water and made possible through partnership with DOEE.
- 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 2025 is listed below:

Program	Assistance	Enrolled Customers
CAP, Cap+, CAP2,		
CAP (Original)	\$1,225,594	1,863
CAP+	\$1,537,636	2,174
CAP 2	\$102,654	238
CRIAC Residential Relief Program		
CAP 3	\$5,749	54
CRIAC Non Profit Relief Program		
Non Profit Relief	\$9,000,902	174

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 2025, DC Water received \$67,129 in contributions and distributed \$81,007, assisting 240 customers as of September 2025. CAP +, CAP, CAP2, and SPLASH, together in FY 2025, provided \$2,946,891 in assistance to approximately 4,515 low-income households in FY 2025, to help make their bills more affordable.

Major Financial Accomplishments

Customer Contacts

- **Payment Plan Incentive Program** was created in FY 2024 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 FY 2025, DC Water was able to assist 2,250 residential customers with credits that totaled \$601,461.
- **Leak Assessment and Repair Program** is a new initiative for CAP+, CAP, and CAP 2 customers who have received high usage alerts. This program launched in FY25 offering 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. In FY25 program provided free leak assessments totaling \$85,500 for 114 customers and covered repairs costs totaling \$104,910.
 - 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 2025, system enhancements were made to improve customer service experience:

- DC Water partners with 311 for inbound call support for Command Center. Through this partnership when emergencies occur that spike call volume increase and wait times, 311 is able to support the call overflow. This ensures DC Water meets established call metrics where every emergency is recorded and investigated timely.

Other Upcoming Projects

- Maintain the predictive dialer outbound calls to remind customers to pay before balances become unmanageable.
- 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
- New Field Work Management System

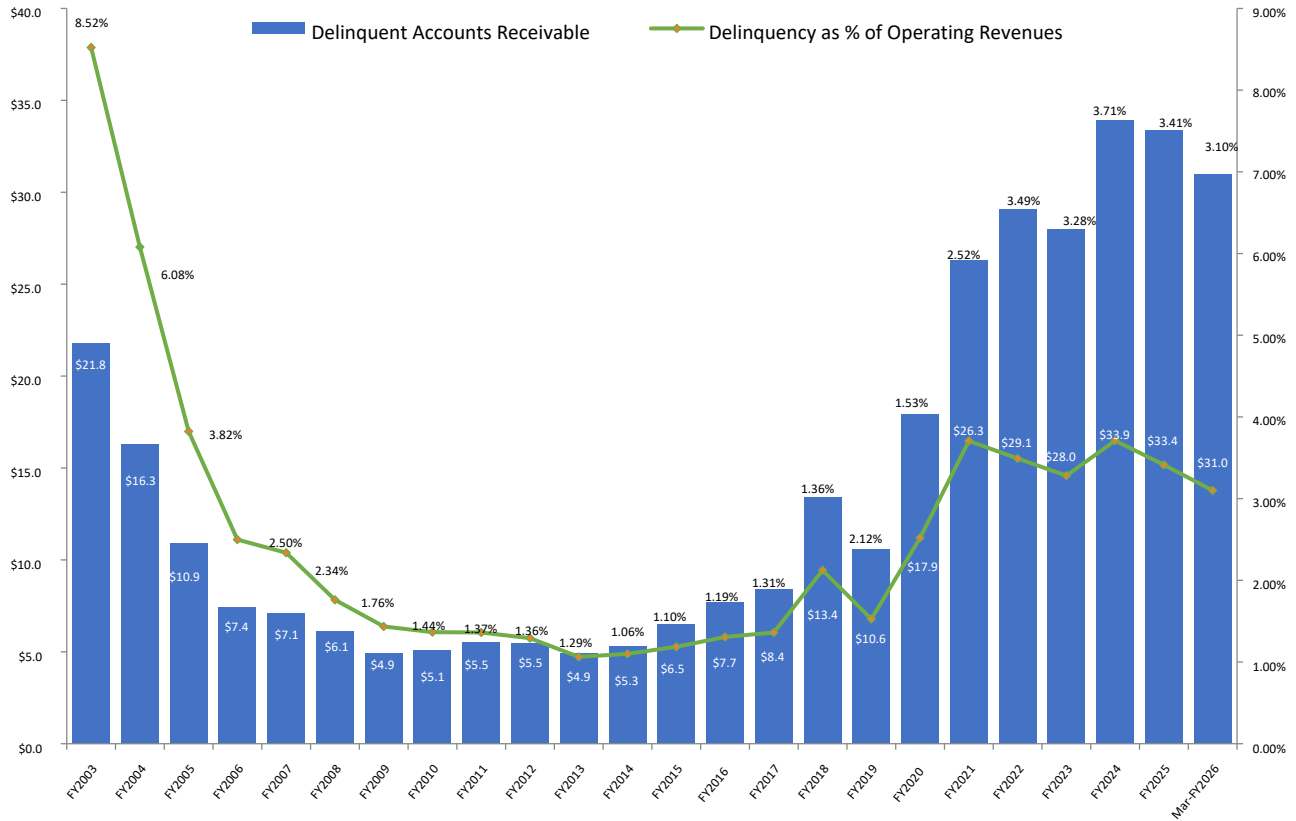
Expansion of Customer Assistance Programs:

In FY 2025, DC Water had 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.
- **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.dcwater.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 decreased to 3.41 percent in 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 on-going meter replacement projects through December of 2019 and following the on-set of the coronavirus public health emergency in March of 2020 and in anticipation of the second wave of COVID-19. However, DC Water resumed disconnection for Residential and Commercial categories effective from July 12, 2022. The resumption of charging late fees and disconnection was expected to result in a decrease in delinquencies. The delinquencies decreased by \$1.1 million from \$29.1 million in September 2022 to \$28.0 million in September 2023 but increased to \$33.4 million in September 2025 and decreased to \$31.0 million in March 2026.

Major Financial Accomplishments



Reliable And Predictable

 Healthy, Safe and Well

 Reliable

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:

- Consideration of rate impacts on low-income customers.
- Exploration of affordability alternatives for low-income customers; and
- 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 the COS. 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 COS 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



Reliable And Predictable  Healthy, Safe and Well  Reliable

- Based on the 2015 the COS, 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, the COS was conducted by the Independent Financial Consultants which provided several recommendations:

- Every three years DC Water conducted the COS 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 COS to align with the multi-year rate proposals, therefore both will be done every two years going forward. Previously, the COS 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



Reliable And Predictable

 **Healthy, Safe and Well**

 **Reliable**

- In FY 2022 the 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 the 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.
- In FY 2026 the COS was conducted by Independent Rate Consultants for establishing rate for FY 2027 and FY2028.

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 \$42.7 million per year from fiscal years 2026 through 2035. 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.

Major Financial Accomplishments



Reliable And Predictable



Healthy, Safe and Well



Reliable

Fire Protection Services 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 the COS was to assess the appropriate level of cost recovery required from the District government for this service.

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

In 2024, the Independent Financial Consultants performed a 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.

Major Financial Accomplishments



Reliable And Predictable

Healthy, Safe and Well

Reliable

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.

In FY 2026 a COS for SAF was conducted by independent rate consultant who proposed updating the fees due to increasing cost basis driven by increases in CSO / sewage improvement cost, and Washington Aqueduct cost. Independent Consultant's recommendation to replace the Reimbursable Fee to Fixed Fee. After the rate making process, the proposed SAF fee will be presented to the Board for approval in July 2026 and will be effective October 1, 2026.

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.

Major Financial Accomplishments



Reliable And Predictable

 Healthy, Safe and Well

 Reliable

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.
- On July 3, 2025, the Board approved the transfer of \$17.5 million from the Net Projected Cash Surplus to Ending Cash Balance to increase Days of Cash on Hand from 267 to 282 days.
- 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 COS 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	FY 2025 Actual	FY 2026 Revised	FY 2027 Projected	FY 2028 Projected
√	Senior Debt Service Coverage	120%	140%	963%	939%	1043%	1017%
√	Operating Cash Reserves	N/A	\$275 million	\$329.2 million	309.6 million	\$325.6 million	\$325.6 million
√	Short Term Investment Return Benchmark Merrill Lynch 3-Month Treasury Index	N/A	416 basis points	436 basis points	356 basis points	335 basis points	345 basis points
√	Long Term Investment Return Benchmark Merrill Lynch 1-3 Year Treasury Index	N/A	378 basis points	404 basis points	343 basis points	347 basis points	365 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	Same as Performance Target		
√	Rate Stabilization Fund (RSF)	N/A	Help to avoid spikes in rate increases for retail customers	FY 2025 year end RSF balance was \$40.64 million	The projected non-utilization of RSF in FY 2026 will leave a balance of \$40.64 million	The projected non-utilization of RSF in FY 2027 will leave a balance of \$40.64 million	The projected non-utilization of RSF in FY 2028 will leave a balance of \$40.64 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 2026 - FY 2035 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 \$8.99 billion capital improvement program (CIP). Based on historical results, it is assumed that DC Water will spend less than the authorized CIP (\$9.69 billion). All capital items have been factored at 90% except DC Clean Rivers, Combined Sewer Overflow, Capital Equipment, Meter Replacement/AMR, and Washington Aqueduct.
- Includes disbursements of \$1.15 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



Reliable And Predictable  Healthy, Safe and Well  Reliable

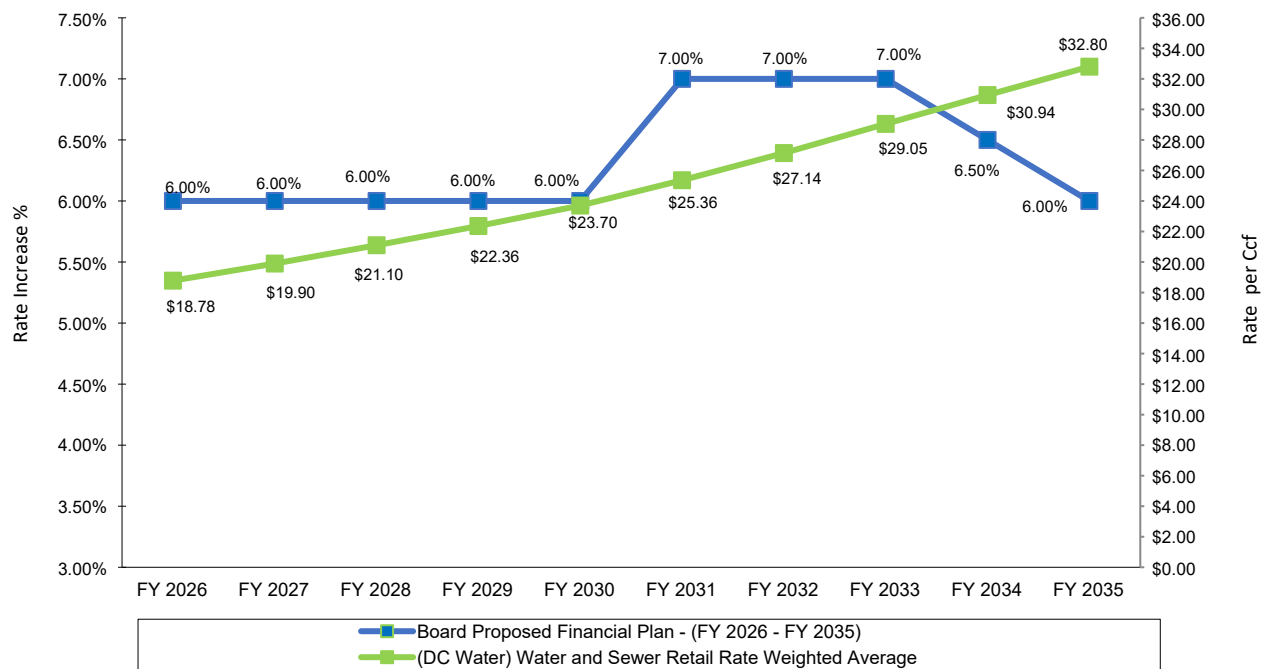
The Ten Year financial plan reflects the following major assumptions:

- 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 4.1 percent, primarily due to projected inflation.
- Payment-in-lieu-of-taxes (PILOT) to the District of Columbia for FY 2027 and FY 2028 will be at \$19.45 million and \$19.84 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. In July 2025 the Board approved to increase Days of Cash on Hand from 267 to 282 days.
- The Board's policy is to target combined coverage at 1.6X. The combined coverage for FY 2026 to FY 2035 range from 1.80 to 2.39. 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 24.4 percent and 27.1 percent of the total operating revenue in FY 2027 and FY 2028, respectively.
 - Interest on Variable debt assumed to be 2.5 percent in FY 2027, and FY 2028
 - Interest on Fixed debt assumed to be 6.0 percent in FY 2027 and FY 2028
 - 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 2026 – FY 2035 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 63.50 percent over the ten-year period compared to 81.50 percent projected in last year’s ten-year plan (FY 2025 – FY 2034).

**Projected Retail Rate Increase
FY 2026 – FY 2035**

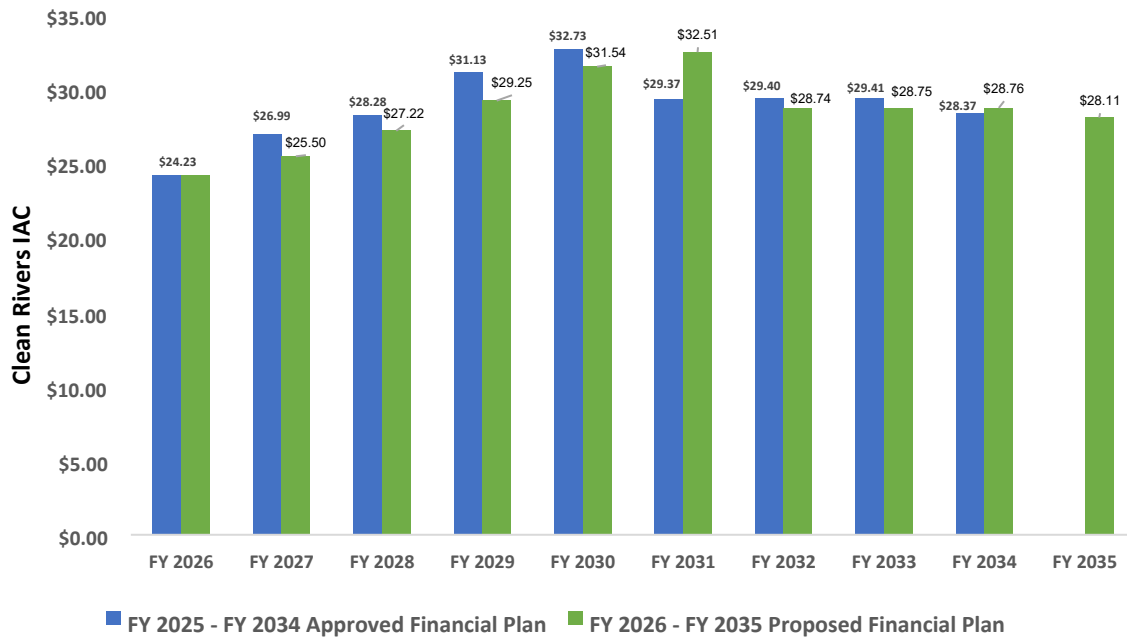


Rates shown above reflect weighted water and sewer rates for Residential customers’ category. The proposed retail water and sewer combined rate for FY 2027 is \$19.90 per Ccf and \$21.10 per Ccf for FY 2028. In addition, the combined Right-of-Way and PILOT Fees remain the same at \$0.82 per Ccf (\$1.10 per 1000 gallons) for FY 2027, whereas for FY 2028 the Proposed increase is \$0.01 per Ccf (\$0.01 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 2027 and FY 2028, which remains same at \$0.20 per Ccf (\$0.27 per 1,000 gallons).

The proposed increase for FY 2028 PILOT and Right-of-Way is \$0.01 per Ccf each, which will increase PILOT to \$0.63 per Ccf (\$0.84 per 1000 gallons) and Right-of-Way will remain same at \$0.20 per Ccf (\$0.27 per 1000 gallons). The proposed monthly Clean Rivers Project CRIAC charges for FY 2027 and FY 2028 are \$25.50 and \$27.22 respectively per ERU (Equivalent Residential Unit); increase of \$1.27 compared to the FY 2026 charge and increase of \$1.72 compared to the FY 2027 charge respectively.

Future Goals and Financial Assumptions

PROJECTED MONTHLY CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE (CRIAC) CHANGES FY 2026 – FY 2035



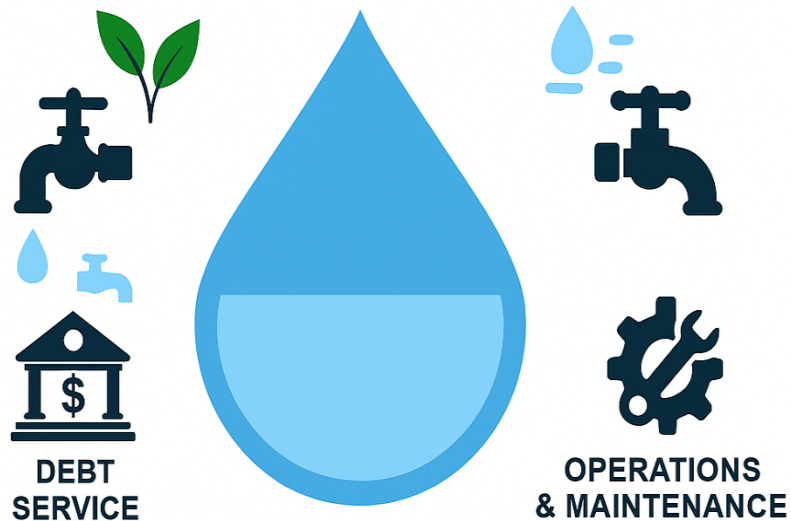
- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the thirty-year \$3.56 billion Clean Rivers Project, which includes the federally mandated CSO-LTCP and the nine- minimum controls program
- The annual Clean Rivers Project costs for the average Tier 2 residential customer (700 – 2,000 sq. ft. of impervious area) is projected to increase from \$25.50 per month in FY 2027 to \$28.11 per month in FY 2035
- 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 6.5 percent for FY 2026, 6.6 percent for FY 2027 and 5.3 percent for FY 2028. The CRIAC is projected to increase from \$24.23 to \$25.50 per ERU per month for FY 2027 and increase to 27.22 per ERU per month for FY 2028.

Future Goals and Financial Assumptions

The proposed rate and fee adjustments included in the FY 2026 – FY 2035 financial plan are driven by the following trends and initiatives:

- Assumed retail water consumption decline of 1.0 percent in FY 2027 compared to FY 2026 actual. In FY 2028 and onwards, a one percent decrease in consumption has been assumed due to conservation. The overall consumption has recovered to Pre-COVID-19 level.
- Increasing debt service expenditures, driven by DC Water’s \$8.99 billion capital improvement program (cash disbursements basis), which increases on average by 7.5 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 4.1 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

FUTURE GOALS: WATER CONSUMPTION DECLINE



Revenues

The Proposed FY 2027 operating receipts projection totals \$1,069.4 million, an increase of \$61.2 million as compared to the FY 2026 Revised. The Proposed FY 2028 operating receipts total \$1,121.4 million, an increase of \$52.0 million over the FY 2027 Proposed budget receipts.

Comparative Operating Receipts FY 2025– FY 2028

\$ in thousands

	FY 2025 Actual	FY 2026 Revised	FY 2027 Proposed	Increase / (Decrease)	Percent Change	FY 2028 Proposed	Increase / (Decrease)	Percent Change
Residential	\$ 153,322	\$ 156,396	\$ 163,912	\$ 7,516	4.8%	\$ 173,684	\$ 9,772	6.0%
Commercial	240,239	242,767	254,435	11,668	4.8%	269,590	15,155	6.0%
Multi-family	183,190	183,802	192,668	8,866	4.8%	203,874	11,206	5.8%
Sub-Total Residential, Commercial and Multi-family	576,751	582,965	611,015	28,050	4.8%	647,148	36,133	5.9%
Federal Government ⁽¹⁾	92,625	99,339	106,618	7,279	7.3%	111,751	5,133	4.8%
District Government	25,727	27,259	28,615	1,356	5.0%	30,422	1,807	6.3%
D.C. Housing Authority	14,990	15,176	15,928	752	5.0%	16,776	848	5.3%
Transfer from Rate Stabilization Fund	-	-	-	-	0.0%	-	-	0.0%
Water System Replacement Fee (WSRF)	43,382	42,717	42,717	-	0.0%	42,717	-	0.0%
Metering Fee	24,479	24,400	24,400	-	0.0%	24,400	-	0.0%
Total Retail	777,954	791,856	829,293	37,437	4.7%	873,213	43,920	5.3%
IMA Wastewater Charges	100,251	108,014	117,036	9,022	8.4%	122,458	5,422	4.6%
Potomac Interceptor Wastewater Charges	14,090	16,205	17,054	849	5.2%	17,597	543	3.2%
Total Wholesale	114,341	124,219	134,090	9,871	7.9%	140,055	5,965	4.4%
District Stormwater Revenue ⁽²⁾	992	1,008	1,107	99	9.8%	1,107	-	0.0%
Misc. Rev. (e.g. water tap installation, fire hydrant usage, etc.)	38,362	44,596	45,776	1,180	2.6%	47,765	1,989	4.3%
Washington Aqueduct Backwash - DC Water's pro rata share	3,293	3,086	3,043	(43)	-1.4%	3,043	-	0.0%
Washington Aqueduct Debt Service Revenue for Falls Church & Arlington	193	193	193	0	0.1%	193	-	0.0%
Interest Income (including interest on Bond Debt Service Reserve Fund)	14,868	13,380	12,883	(497)	-3.7%	12,614	(269)	-2.1%
System Availability Fee (SAF)	3,516	5,700	5,700	-	0.0%	5,700	-	0.0%
Public Inconvenience Fee		-	12,737	12,737	0.0%	12,737	-	0.0%
Right-of-Way (ROW) Fee	5,100	5,100	5,100	-	0.0%	5,100	-	0.0%
Payment-in-Lieu-of-Taxes (PILOT) Fee	19,889	19,056	19,452	396	2.1%	19,841	389	2.0%
Total Other	86,214	92,119	105,991	13,872	15.1%	108,101	2,109	2.0%
Total Operating Cash Receipts	\$ 978,509	\$ 1,008,194	\$ 1,069,375	61,181	6.1%	\$ 1,121,369	51,994	4.9%

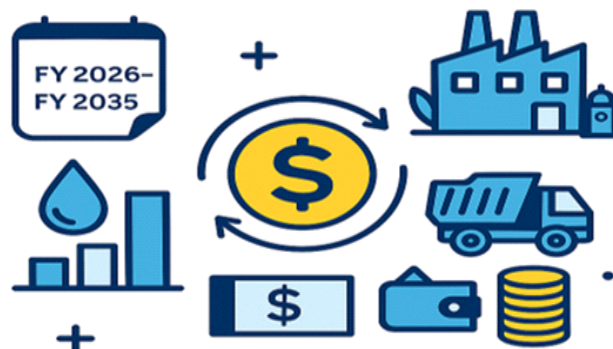
1. Historical actuals are presented on reference basis. Projected amounts shown are billed revenues. Actual Federal receipts are a combination of current year projected revenues and prior year adjustments, which are presented as reserve items.
2. Reflects District stormwater fee revenue that will fund 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.

Revenues

Major assumptions underlying the revenue projections contained in the FY 2026 – FY 2035 Financial Plan include:

- For FY 2027, 1.0 percent reduction in water sales is assumed over FY 2026 Revised for all customer categories, based on historical trends in consumption levels. For FY 2028 and onwards, 1.0 percent conservation is assumed for all categories.
- A 4.0 percent average revenue increase is projected between FY 2029 and FY 2035 for wholesale customers, in line with operating and maintenance expense increases for joint use facilities. However, the wholesale revenues are projected to increase by \$9.9 million or 7.9 percent for FY 2027 as compared to FY 2026 Revised and \$6.0 million or 4.4 percent for FY 2028 over FY 2027 proposed due to revised operations and maintenance expense projections. Revenue estimates are based on the most recent flow data.
- Based on the current interest rate environment, interest projections are conservatively assumed at 2.5 percent earnings rate in FY 2027. Interest rates for FY 2028 and onwards are assumed at 2.5 percent.
- The majority of other non-operating revenues, totaling \$55.8 million in FY 2027 are projected to increase within the ten-year plan, and include such items as:
 - Reimbursement from Arlington County and Falls Church for debt service issued for pre- 1997 Washington Aqueduct capital improvements - \$0.2 million.
 - Reimbursement from the Stormwater Enterprise Fund for services provided to DOEE under their MS4 permit - \$1.1 million.
 - Recovery of indirect costs from DC Water’s IMA partners - \$12.8 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 \$3.0 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) - \$21.1 million.

Revenues



FY 2027 Proposed vs FY 2026 Revised Operating Receipts

The Proposed FY 2027 receipts projection totals **\$1,069.4 million, approximately \$61.2 million higher than the FY 2026 Revised Budget.** The increase is primarily due to:

- **Residential, Commercial and Multi-Family Receipts** - Projections for FY 2027 reflect an increase of \$28.1 million, or 4.8 percent from FY 2026 Revised due to proposed retail rate increase of 6.0 percent (water and sewer volumetric rates) and an increase of \$1.27 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 2027 over FY 2026 projections has been assumed due to conservation.
- **Federal Revenues** - Proposed 2027 Federal revenues are projected to increase by \$7.3 million or 7.3 percent over FY 2026 Revised Budget. Under existing Federal billing legislation, Federal billings are prepared on an estimated basis eighteen months in advance of the start of the fiscal year (e.g., the FY 2027 billing was prepared in April 2025, 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, 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, the proposed FY 2027 federal revenues reflect the final billing sent to the federal government in April 2025 net of the adjustment for the prior-year (FY 2024) reconciliation.
- **Municipal & D.C. Housing Authority Receipts** - are projected to increase by \$2.1 million (or 5.0 percent) mainly due to proposed retail rate increases of 6.0 percent and increase of \$1.27 monthly ERU fee for the Clean Rivers IAC.
- **Rate Stabilization Fund Utilization** - The ten-year plan and near-term revenue projections assume no utilization of RSF in FY 2027. The RSF is also not utilized in FY 2028. There will be a balance of \$40.64 million by the end of FY 2035. 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 \$42.7 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 2025 Cost of Service study, there is no increase in the Customer Metering fees, which is projected to generate \$24.4 million in FY 2027 and onwards.

FY 2027 Proposed vs FY 2026 Revised Operating Receipts

- 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 2027 wholesale revenues are projected to increase by \$9.9 million or 7.9 percent to \$134.1 million mainly due to projected increase in operations and maintenance expenses.
- Stormwater** - DC Water's FY2027 receipts include \$1.1 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 2026 – FY 2035 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 2027 Proposed budget as compared to FY 2026 Revised budget, PILOT is projected to increase by \$0.4 million or 2.1 percent mainly due to higher consumption. ROW fee remains same at \$5.1 million.
- Other Revenues** - In FY 2027, Other Revenues are projected to increase by \$13.9 million or 15.1 percent as compared to FY2026 Revised 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, System Availability Fee, and a new District of Columbia 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. These changes increased the typical residential customer's total monthly bill by \$9.64 or 6.6 percent



FY 2028 Proposed vs FY 2027 Proposed Operating Receipts



Reliable And Predictable  Healthy, Safe and Well  Reliable

The Proposed FY 2028 receipts projection totals \$1,121.4 million, approximately \$52.0 million, or 4.9 percent higher than the Proposed FY 2027 projections. This increase is due primarily to:

- **Residential, Commercial & Multi-Family** - FY 2028 projections reflect an increase of \$36.1 million, or 5.9 percent from FY 2027 primarily due to proposed retail rate increases of 6.0 percent (water and sewer volumetric rates) and increase of \$1.72 monthly ERU fee for the Clean Rivers IAC (see Section IV- Rate and Revenues for detail on all rate and fee proposals).
 - One percent decrease in consumption over FY 2027 projections has been assumed for Residential, Commercial and Multi-family due to conservation in FY 2028.
- **Federal Revenues** - Proposed FY 2028 Federal revenues are projected to increase by \$5.1 million or 4.8 percent above the FY 2027 Proposed budget to \$111.8 million.
- **Municipal & D.C. Housing Authority Receipts** - are projected to increase by \$2.7 million (or 6.0 percent), mainly due to proposed retail rate increases of 6.0 percent and an increase of \$1.72 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 2028. There will be a balance of \$40.64 million by the end of FY 2035.
- **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 \$42.7 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 \$24.4 million in FY 2028.
- **Wholesale Receipts** - In FY 2028, Wholesale revenues are projected to increase by \$6.0 million or 4.4 percent to \$140.1 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 2028 budget is projected to increase by \$0.4 million or 2.0 percent as compared to the Proposed FY 2027 budget. The ROW fee remains the same at \$5.1 million.
- **Other Revenues** - In FY 2028, Other Revenues are projected to increase by \$2.1 million or 2.0 percent mainly due to Indirect Cost Recovery from Counties on Capital Projects and Miscellaneous Revenue.



Long-Term Planning: Ten-Year Financial Plan

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

(\$ in thousands)

OPERATING	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Retail	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
Wholesale	124,219	134,090	140,055	145,657	151,484	157,543	163,845	170,399	177,215	184,303
Other	67,963	81,440	83,160	84,536	88,174	84,233	86,575	89,609	95,076	86,040
RSF	-	-	-	-	-	-	-	-	-	-
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	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 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 Increases	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

Operating Expenditures

DC Water’s operating budget includes core operations and maintenance, payments to the District, debt service and cash financed capital improvement cost categories. Debt service is required to support DC Water’s \$8.99 billion Capital Improvement Program and continues to be the fastest-growing expenditure in the Ten-Year Financial Plan, growing at an average annual rate of 7.5 percent. All other operating expenditures are expected to grow at an average annual rate of 4.1 percent. The following chart below provides a comparison of the Revised FY 2026 and Approved FY 2027 operating expenditure budgets.

Comparative Operating Expenditures Budgets FY 2026 - FY 2028

	FY 2026 REVISED	FY 2027 APPROVED	Increase (Decrease)	Percentage Change	FY 2028 Estimated
Personnel Services	\$217,462	\$226,963	\$9,501	4.4%	\$236,041
Contractual Services	102,284	99,994	(2,290)	-2.2%	102,994
Water Purchases	48,149	54,470	6,321	13.1%	60,462
Chemicals and Supplies	57,491	60,177	2,686	4.7%	63,982
Utilities	41,659	42,201	542	1.3%	43,889
Small Equipment	1,531	1,005	(526)	-34.3%	1,035
Subtotal Operations & Maintenance	\$468,576	\$484,810	\$16,234	3.5%	\$508,404
Debt Service	247,448	257,898	10,450	4.2%	300,831
Cash Financed Capital Improvements	97,938	76,846	(21,092)	-21.5%	80,834
Payment in Lieu of Taxes	19,070	19,452	381	2.0%	19,841
Right of Way Fees	5,100	5,100	-	0.0%	5,100
Subtotal Debt Service, CFCI & PILOT/ROW	369,557	359,295	(10,261)	-2.8%	406,605
Total Operating Expenditures	\$838,133	\$844,105	\$5,973	0.7%	\$915,009
Personnel Services charged to Capital Projects	(30,907)	(31,360)	(454)	1.5%	(32,615)
Total Net Operating Expenditures	\$807,226	\$812,745	\$5,519	0.7%	\$882,394

The Revised FY 2026 budget reflects reprogramming of \$24 million from debt service, due to refinancing benefits and deferred borrowing, to CFCI for PAYGO to reduce future borrowing costs. The overall FY 2026 budget remains the same as the Board-approved level.

The Approved FY 2027 budget total of \$844.1 million is approximately 0.7 percent higher than the FY 2026 revised budget. The net increase is primarily due to increase in the operations and maintenance budget and debt service to support DC Water’s capital program. This increase is offset by a decrease in Cash Financed Capital Improvements. Specific information regarding each department is included in Section VII. A description of the major changes in each expenditure category follows.

Operating Expenditures

Personnel Services - increase of \$9.5 million or 4.4 percent above the FY 2026 budget. The increase is primarily due to adjustments for vacancies, merit, bonus payments, overtime, and other salary adjustments consistent with union agreements. It also provides funding for the apprenticeship and Summer Internship Programs.

Contractual Services – decrease of approximately 2.2 percent, primarily due to the reallocation of some of the Authority’s software subscription costs from the operating budget to the capital budget. This is a relatively new GASB requirement for the treatment of SBITA (Subscription-Based Information Technology Arrangement) related costs.

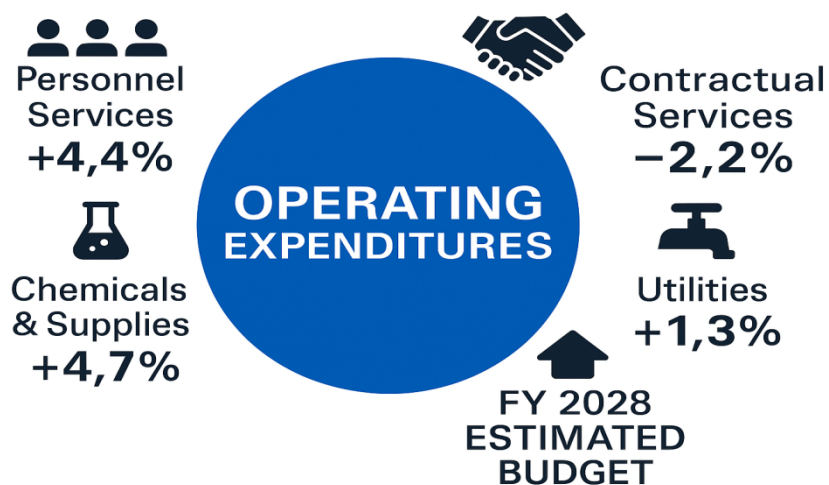
Water Purchase – increase of approximately \$6.3 million or 13.1 percent compared to the FY 2026 budget. This represents DC Water’s share of the Washington Aqueduct’s FY 2027 O&M budget and includes funding for DC Water’s proportionate cost of the dredging of the Little Seneca Reservoir. Washington Aqueduct’s rising FY 2027 costs are driven by higher chemical contract prices and escalating energy expenses.

Chemicals & Supplies – increase of approximately \$2.7 million or 4.7 percent compared to FY 2026, reflects inflationary pressures for critical parts, custodial materials, and chemicals used for operations in various treatment activities.

Utilities – slight increase of approximately \$0.5 million or 1.3 percent above the FY 2026 budget is due to anticipated increased capacity prices for electricity, with an offsetting reduction in natural gas and water usage in various treatment activities consistent with current trends. 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 – A decrease of approximately \$0.5 million or 34.3 percent below the approved FY 2026 level, reflects reduced reliance on rental equipment at Blue Plains.

FY 2028 Estimated Budget – Assumes 8.0 percent increase over the FY 2027 Proposed budget. This includes increases in Debt Service and Cash Financed Capital Improvements funds needed to support the increased Capital Improvement Program.



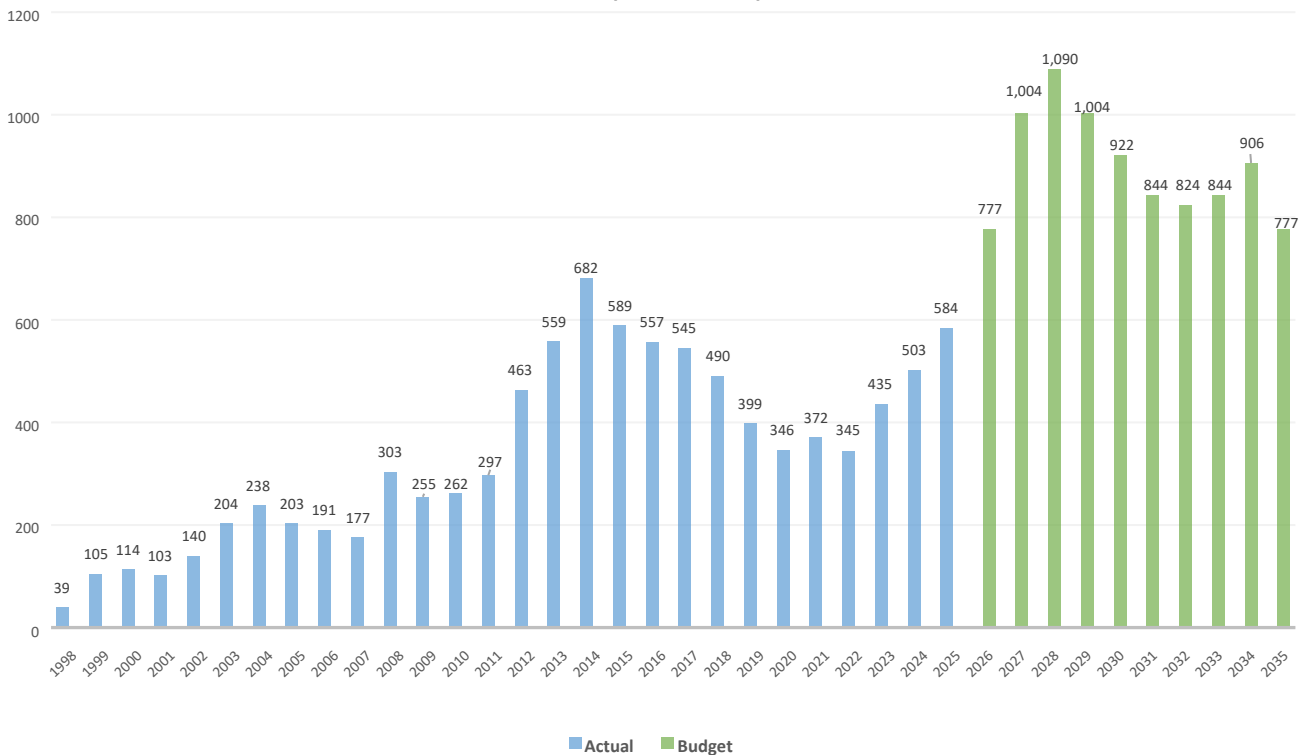
Capital Financing Program

The 8.99 Billion Ten-Year CIP Protects Our Assets While Leveraging Long-Term Debt

The FY 2026 - FY 2035 financial plan anticipates capital disbursements of \$8.99 billion. Based on historical results, it is assumed that DC Water will spend less than the authorized CIP (\$9.69 billion). All capital items have been factored at 90 percent except DC Clean Rivers, Combined Sewer Overflow, Capital Equipment, Meter Replacement/AMR, and Washington Aqueduct. Over the last 28 years, \$9.50 billion has been invested in DC Water’s system averaging approximately \$339.3 million per year. Projected annual spending ranges from \$776.8 million to nearly \$1.09 billion as shown in the chart below (or approximately \$899.1 million per year from FY 2026 - FY 2035). 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.

Historical and Projected Capital Spending
FY 1998 - FY 2035
(\$ in Million)





Capital Financing Program

Capital Improvement Plan Fiscal Year 2026 - 2035

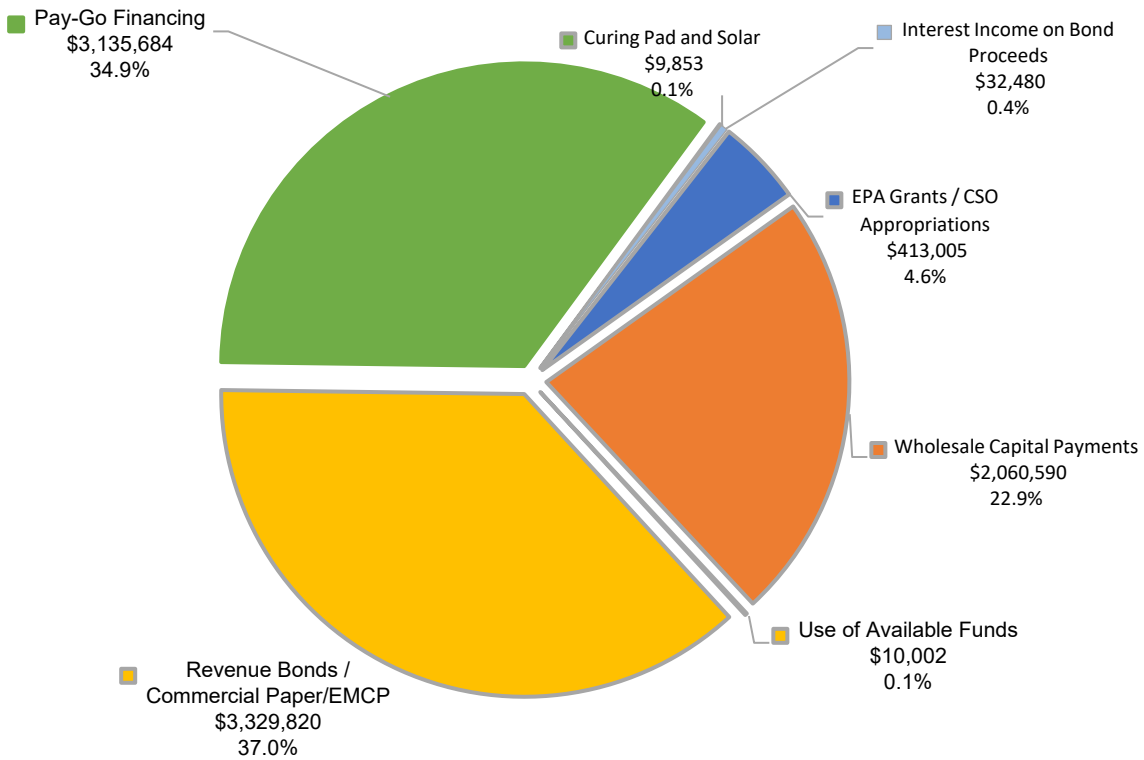
Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
BEGINNING BALANCE	\$ 411,766,075	\$ 96,772,916	\$ 121,466,546	\$ 107,949,517	\$ 102,803,251	\$ 102,075,184	\$ 102,108,988	\$ 97,914,343	\$ 101,832,124	\$ 101,797,974	\$ 1,346,486,919
SOURCES OF FUNDS:											
Proceeds from Rev. Bonds	\$ -	\$ 476,243,000	\$ 514,235,000	\$ 448,493,000	\$ 332,078,000	\$ 337,397,000	\$ 306,264,000	\$ 293,182,000	\$ 287,696,000	\$ 282,151,000	\$ 3,277,739,000
Proceeds from WIFIA Loan	\$ 26,000,000	\$ 26,081,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,081,218
Environmental Impact Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from CP/EMCP/Treasury Notes/Digesters Financing Option	-	-	-	-	-	-	-	-	-	-	-
Proceeds from CP/EMCP/Treasury Notes Pay-off	-	-	-	-	-	-	-	-	-	-	-
Capital Equipment Financing (for 4 yrs @ 3.25%)	-	-	-	-	-	-	-	-	-	-	-
Curing Pad and Solar	30,000	29,000	86,500	2,855,000	1,824,000	1,044,000	1,012,000	1,032,000	996,000	944,000	\$ 9,852,500
System Availability Fee (SAF)	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	\$ 57,000,000
Transfer from Operations - CRIAC	69,710,926	63,750,198	73,261,004	84,285,799	90,945,540	93,219,413	62,623,462	62,623,776	62,623,776	61,136,309	\$ 724,180,151
Transfer from Operations	\$ 199,302,301	\$ 250,528,549	\$ 212,847,700	\$ 216,651,867	\$ 219,781,301	\$ 221,947,539	\$ 242,330,269	\$ 258,339,473	\$ 267,095,158	\$ 265,679,330	\$ 2,354,503,487
Federal Grants - Infrastructure Funding	\$ 45,663,775	\$ 54,000,203	\$ 53,110,880	\$ 53,110,880	\$ 53,110,880	\$ 24,053,484	\$ 16,672,857	\$ 8,336,429	\$ -	\$ -	\$ 308,059,388
EPA Grants /FEMA Grants/DC Reimbursement	20,098,994	13,709,100	15,066,257	14,071,257	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	\$ 104,945,608
CSO Grants	-	-	-	-	-	-	-	-	-	-	\$ -
Wholesale Customer Capital Contributions	119,438,000	166,497,000	222,655,000	200,742,000	238,938,000	181,579,000	205,982,000	239,823,000	302,560,000	182,376,000	\$ 2,060,590,000
Interest Income	5,850,000	2,384,958	9,949,235	2,803,081	2,075,488	2,108,731	1,914,150	1,832,388	1,798,100	1,763,444	\$ 32,479,575
Total Sources	\$ 491,793,996	\$ 1,058,923,226	\$ 1,106,911,576	\$ 1,028,712,884	\$ 951,453,209	\$ 874,049,167	\$ 849,498,738	\$ 877,869,014	\$ 935,469,034	\$ 806,750,083	\$ 8,981,430,927
USES OF FUNDS:											
Add/Deduct CIP	-	-	-	-	-	-	-	-	-	-	\$ -
Water Projects	186,757,451	247,102,517	256,794,300	272,342,700	281,112,300	241,787,700	232,733,700	258,880,500	269,595,900	276,621,300	\$ 2,523,728,368
Blue Plains Projects	83,198,690	114,783,057	136,497,600	124,503,300	147,965,400	155,205,900	178,607,700	166,269,600	175,221,000	161,110,800	\$ 1,443,363,047
Sanitary Sewer Projects	155,371,350	207,641,313	240,144,300	200,911,500	270,590,400	259,551,900	265,723,200	279,950,400	324,041,400	239,024,700	\$ 2,442,950,463
Combined Sewer	11,046,810	31,779,192	35,442,000	17,484,000	19,225,000	7,984,000	11,098,000	10,000,000	11,000,000	11,000,000	\$ 166,059,002
Combined Sewer LTCP	226,435,207	279,236,588	286,250,500	246,763,230	75,191,760	34,630,000	-	-	-	-	\$ 1,148,507,284
Stormwater Projects	16,549,810	13,265,862	16,367,400	25,056,900	26,287,200	11,628,900	2,086,200	2,025,000	1,889,100	1,181,700	\$ 116,338,072
Non Process Facilities	15,466,992	29,403,524	39,181,500	39,463,200	24,770,700	20,129,400	20,049,300	13,123,800	9,738,000	9,272,700	\$ 220,599,116
Washington Aqueduct Division Projects	49,479,900	35,770,000	35,770,000	35,770,000	35,770,000	71,540,000	71,540,000	71,540,000	71,540,000	35,770,000	\$ 514,489,900
Capital Equipment	29,400,945	39,664,047	38,397,509	37,680,824	38,268,516	38,557,563	38,855,283	39,161,933	39,477,784	39,803,110	\$ 379,267,514
Meter Replacement / AMR / CIS / ERP	3,080,000	5,583,496	5,583,496	3,883,496	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	\$ 36,130,488
Reimbursement for Prior Capital Expend.	-	-	-	-	-	-	-	-	-	-	-
Total Uses	\$ 776,787,156	\$ 1,004,229,596	\$ 1,090,428,605	\$ 1,003,859,150	\$ 922,181,276	\$ 844,015,363	\$ 823,693,383	\$ 843,951,233	\$ 905,503,184	\$ 776,784,310	\$ 8,991,433,255
SOURCES MINUS USES	(284,993,160)	54,693,630	16,482,971	24,853,733	29,271,934	30,033,804	25,805,355	33,917,781	29,965,850	29,965,773	(10,002,328)
Capital Contingency Reserve for LTCP	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
SOURCES MINUS USES NET OF RESERVES	(314,993,160)	24,693,630	(13,517,029)	(5,146,267)	(728,066)	33,804	(4,194,645)	3,917,781	(34,150)	(34,227)	(40,002,328)
ENDING BALANCE	\$ 96,772,916	\$ 121,466,546	\$ 107,949,517	\$ 102,803,251	\$ 102,075,184	\$ 102,108,988	\$ 97,914,343	\$ 101,832,124	\$ 101,797,974	\$ 101,763,747	\$ 1,336,484,591
SUMMARY:											
Total CIP	\$ 776,787,156	\$ 1,072,251,404	\$ 1,166,982,505	\$ 1,077,445,550	\$ 1,005,595,276	\$ 920,493,563	\$ 901,382,283	\$ 923,978,933	\$ 992,223,784	\$ 853,141,110	\$ 9,690,281,564
Reduction in CIP	\$ -	\$ 68,021,808	\$ 76,553,900	\$ 73,586,400	\$ 83,414,000	\$ 76,478,200	\$ 77,688,900	\$ 80,027,700	\$ 86,720,600	\$ 76,356,800	\$ 698,848,308
CIP - Factored in Financial Plan	\$ 776,787,156	\$ 1,004,229,596	\$ 1,090,428,605	\$ 1,003,859,150	\$ 922,181,276	\$ 844,015,363	\$ 823,693,383	\$ 843,951,233	\$ 905,503,184	\$ 776,784,310	\$ 8,991,433,255

Note: All capital Items have been factored at 90 percent except DC Clean Rivers Program, Combined Sewer Overflow Program, Capital Equipment, Meter Replacement/AMR, and Washington Aqueduct

Capital Financing Program

FY 2026 – FY 2035 Capital Improvement Program Sources of Funds

	FY 2026 - FY 2035 Plan Total	Percent of Total
EPA Grants / CSO Appropriations	\$ 413,004,996	4.6
Wholesale Capital Payments	\$ 2,060,590,000	22.9
Use of Available Funds	\$ 10,002,328	0.1
Revenue Bonds / Commercial Paper/EMCP	\$ 3,329,820,218	37.0
Pay-Go Financing	\$ 3,135,683,638	34.9
Curing Pad and Solar	\$ 9,852,500	0.1
Interest Income on Bond Proceeds	\$ 32,479,575	0.4
TOTAL SOURCES	\$ 8,991,433,255	100.0



Capital Financing Program



Reliable And Predictable  Healthy, Safe and Well  Reliable

- EPA and CSO Grants – For FY 2026 – FY 2035**, EPA and CSO grants represent only 4.6 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 \$308.8 million in Congressional appropriations for the Clean Rivers Project (aka CSO LTCP) as of September 30, 2025.
- 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 22.9 percent of its capital funding will come from wholesale customers.
- Revenue Bonds/Commercial Paper/EMCP/WIFIA** - Currently debt financing represents only 37.0 percent of the funding in the ten-year capital program.
- Paygo (Internal) Financing** – ‘Paygo’ financing shall mean any cash financing of capital projects. The amount transferred from operations to the capital program each year shall be cash in excess of all operating requirements or restricted use. Approximately 34.9 percent of total funding for the FY 2026 – FY 2035 plan is projected to come from PAYGO financing, which strikes an appropriate balance between maintaining moderate debt levels and financing provided by current ratepayers. Paygo 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 2027 and FY 2028 Debt Issuance Plans & Debt Service Assumptions

DC Water plans to issue \$476 million in new bonds in the third quarter of FY2027 for Series 2027.

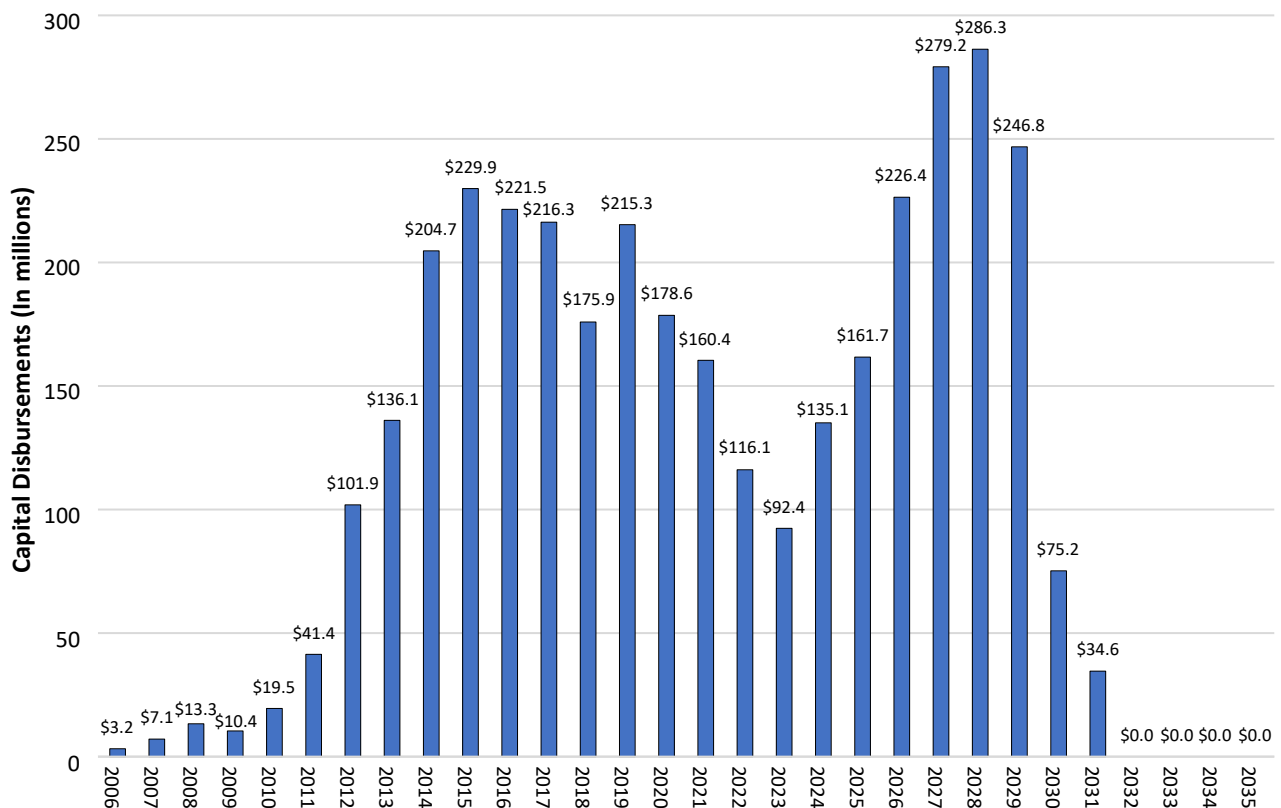
For financial planning, (1) we have assumed fixed rate, tax-exempt bonds at 6.0 percent for FY 2026. Similarly, for the remainder of the ten-year plan we have assumed issuing long-term bonds at 6.0 percent for FY 2026 to FY 2034; and 2) issue commercial paper/EMCP for interim financing. The ten-year plan assumes a variable interest rate of 2.5 percent in FY 2026 to FY 2028. 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 \$3.56 billion and this year’s approved ten-year plan includes \$1.15 billion of projected disbursements. Projected spending by fiscal year for the Clean Rivers Project is shown in the next chart.

In FY 2025, 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 CRIAC 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 CRIAC.



Cash Position and Reserves

Cash balances totaled \$375.4 million at the end of FY 2025. As detailed below, this includes \$40.64 million for rate stabilization. Over the next ten years, cash balances are projected to meet the Board required reserve level of 282 days of operating and maintenance expense budget, plus 160 percent combined coverage.

DC Water’s operating reserve includes the following components.

FY 2025 Year-End Cash

(\$ in thousands)

Cash Balance per Bank	\$375,360
Operating Reserve per Indenture (1)	66,423
Renewal & Replacement Reserve (Indenture Required) (2)	3,500
282 Days of Cash O&M Undesignated Reserve to meet Board Policy (3)	232,293
Ending Cash Balance	\$337,716
Rate Stabilization Fund Reserve	40,644
DC Insurance Reserve	1,000
Total Cash Balance and Reserve Funds	\$375,360

1. Two months of prior fiscal year's O&M expense, target balance \$66.4 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 \$66.4 million in FY 2025.
- **Renewal & Replacement Reserve** - In FY 2023 the Board reaffirmed the amount of \$35.0 million in the financing policy. In 2023, Independent Financial Consultant reviewed R&R Reserves and recommended to maintain it at \$35.0 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 \$232.3 million for FY 2025) 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 \$40.6 million as of September 2025. The year-end RSF balance is projected at \$40.6 million for FY 2026 and FY 2027. 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 \$40.6 million available at the end of FY 2035.
- **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 282 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 2027 Budgets

Section IV: Rates and Revenue

WHERE DOES YOUR MONEY GO? How does DC Water spend each dollar received from the average residential customers?

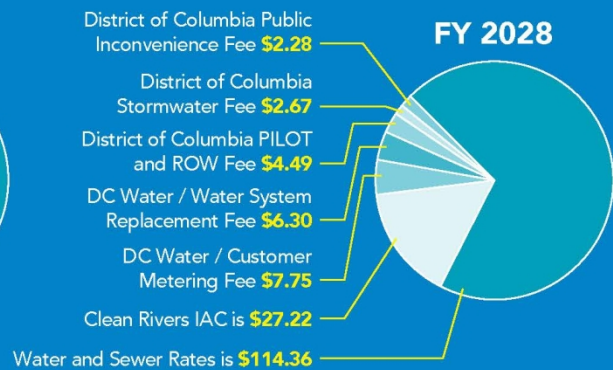
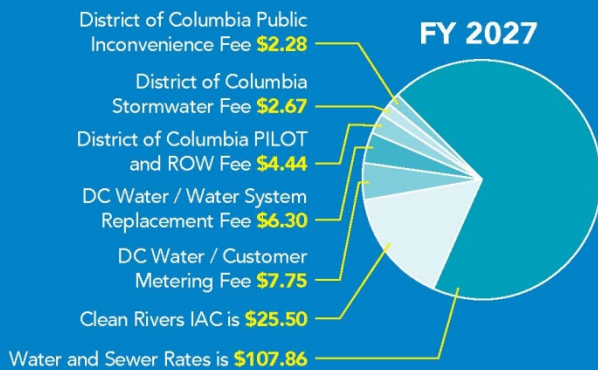


*Public Inconvenience Fee (PIF)

FY 2027 OPERATING SOURCES OF FUNDS

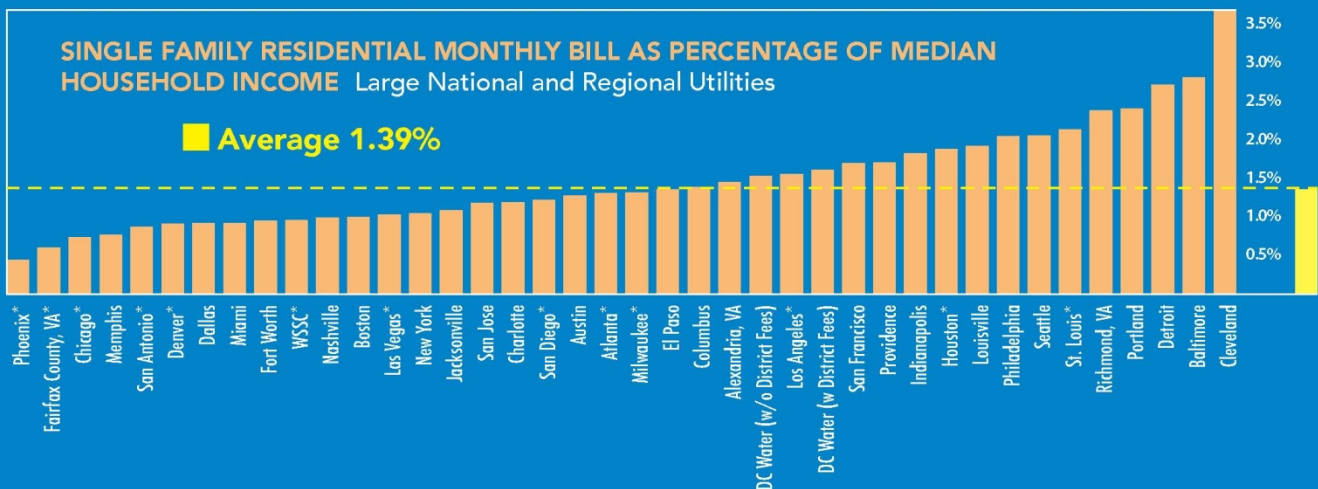
SOURCES		
Residential	\$163,912	15.3%
Commercial	\$254,435	23.8%
Multi-family	\$192,668	18.0%
Federal Government	\$106,618	10.0%
Municipal & Housing	\$44,543	4.2%
Rate Stabilization Fund	-	0.0%
Water System Replacement Fee	\$42,717	4.0%
Metering Fee	\$24,400	2.3%
Wholesale	\$134,090	12.5%
Other Revenue	\$105,992	9.9%

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



SINGLE FAMILY RESIDENTIAL MONTHLY BILL AS PERCENTAGE OF MEDIAN HOUSEHOLD INCOME

Large National and Regional Utilities



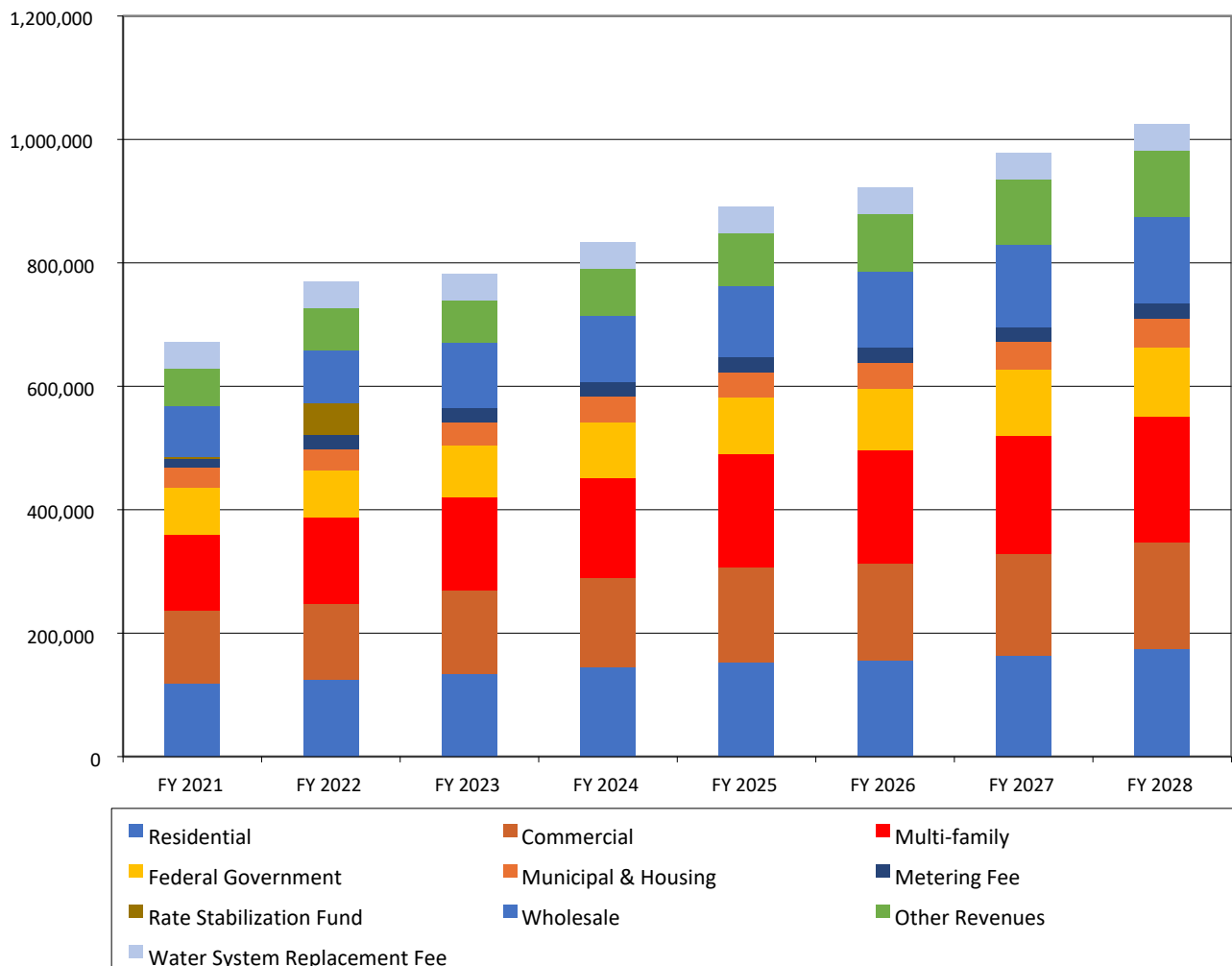
* These cities use property tax revenue or other revenues to pay for part of the cost of water, wastewater, or stormwater services.

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 Revised Budget for FY 2026 assumed revenue of \$1008.2 million from consumption of 32,488,000 Ccf. The proposed budget for FY 2027 assumed revenue of \$1,069.4 million from consumption of 32,163,000 Ccf. The revenue projections assume a 0.7 percent overall retail water consumption decline in FY 2026 over FY 2025 actual. For all categories of customers, one percent conservation is assumed for FY 2027 and onwards. The COVID-19 had an impact on consumption and revenue. However, the FY 2024 actual consumption recovered to 34,520,848 Ccf which, slightly exceeded the pre-COVID-19 consumption.

MAJOR ASSUMPTIONS

Healthy, Safe and Well

Reliable

Resilient

- Assumed delinquencies will decrease slightly in 2026 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.
- Assumed slightly lower interest earnings than FY 2025 actuals.

Pandemic Support Summary

 Delinquencies	 Late fees resumed Sept 1, 2021	 Service disconnections resumed July 12, 2022 Winter moratorium for residential customers Dec 19, 2024–Jan 3, 2025
 Emergency Relief partnership with the District	 Liens resumed June 13, 2022	 Slightly higher miscellaneous fees July 12, 2022

DC Water Revenue Receipts

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

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Actual	Actual	Revised	Proposed	Proposed
Residential	134,665	144,967	153,322	156,396	163,912	173,684
Commercial	205,401	226,365	240,239	242,767	254,435	269,590
Multi-family	150,756	160,824	183,190	183,802	192,668	203,874
Sub-Total Residential, Commercial and Multi-family	490,822	532,156	576,751	582,965	611,015	647,148
Federal Government (1)	83,839	91,338	92,625	99,339	106,618	111,751
District Government	21,495	24,739	25,727	27,259	28,615	30,422
D.C. Housing Authority	15,801	16,358	14,990	15,176	15,928	16,776
Transfer from Rate Stabilization Fund	-	-	-	-	-	-
Water System Replacement Fee (WSRF)	42,407	43,192	43,382	42,717	42,717	42,717
Metering Fee	24,104	24,439	24,479	24,400	24,400	24,400
Total Retail	678,468	732,222	777,954	791,856	829,293	873,213
IMA Wastewater Charges	91,713	93,434	100,251	108,014	117,036	122,458
Potomac Interceptor Wastewater Charges	13,537	13,323	14,090	16,205	17,054	17,597
Total Wholesale	105,250	106,757	114,341	124,219	134,090	140,055
District Stormwater Revenue (2)	1,038	1,008	992	1,008	1,107	1,107
Misc. Rev. (e.g. water tap installation, fire hydrant usage, etc.)	32,981	31,430	38,362	44,596	45,776	47,765
Washington Aqueduct Backwash - DC Water's prorata share	177	2,755	3,293	3,086	3,043	3,043
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)	6,381	12,303	14,868	13,380	12,883	12,614
System Availability Fee (SAF)	5,087	2,603	3,516	5,700	5,700	5,700
Right-of-Way Fee	5,253	5,573	5,100		12,737	12,737
Public Inconvenience Fee	-	-	-	5,100	5,100	5,100
PILOT Fee	18,506	20,027	19,889	19,056	19,452	19,841
Total Other	69,616	75,891	86,214	92,119	105,991	108,101
Total Operating Cash Receipts	853,333	914,871	978,509	1,008,194	1,069,375	1,121,369

(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, 2025, DC Water had 127,555 active, metered water and wastewater accounts. In addition, there are 5,262 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 2025 revenue receipts are actual as of September 30, 2025.

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 multi-family class including customers whose premises are 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 2026 by approximately \$6.2 million, or 1.1 percent, over the FY 2025 level due to:

- Board-approved volumetric retail rate (water and sewer) increases of 6.0 percent, effective October 1, 2025
- Board-approved Clean Rivers Project CRIAC rate increased from \$21.23 in FY 2025 to \$24.23 per ERU in FY 2026
- COVID-19 impacted Commercial consumption, which has recovered to pre-COVID-19 level.
- In FY 2025, DC Water’s collections on its retail receivables were impacted due to COVID-19, with accounts receivable over 90 days at \$33.4 million as of September 30, 2025, which is \$7.1 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 2026, Residential customers include 108,090 accounts that comprise of 15.5 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 2026, there are 9,093 accounts that comprise of 18.2 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 8,409 accounts and will comprise of 24.1 percent of the projected FY 2026 operating revenues. In FY 2027, they will comprise of 23.8 percent of the fiscal year operating revenue.

DC Water Revenue Receipts



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

FY 2026 projections for Residential, Multi-Family and Commercial customers reflect an increase of \$6.2 million, or 1.1 percent from FY 2025 primarily due to proposed retail rate increase of 6.0 percent (combined water and sewer volumetric rates) and an increase of \$3.00 monthly ERU fee for the Clean Rivers IAC. For FY 2027, the revenue increase is projected at \$28.1 million or 4.8 percent over FY 2026 due to the projected rate increase of 6.0 percent and an increase of \$1.27 monthly ERU for CRIAC. For FY 2028, the revenue increase is projected at \$36.1 million or 5.9 percent over FY 2027 due to the projected rate increase of 6.0 percent and an increase of \$1.72 monthly ERU for CRIAC. The revenue projections assume a 1.0 percent retail water consumption decline in FY 2026 over FY 2025 actual. In FY 2027 and onwards, one percent decrease in consumption has been assumed due to conservation.

The Federal customers' revised FY 2026 receipts are projected to total \$99.3 million; an increase of \$6.7 million, or 7.2 percent over FY 2025. In FY 2027, Federal revenues are projected to be \$106.6 million or 10.0 percent of the total operating revenues. The projected federal revenues will be higher by \$7.3 million or 7.3 percent in FY 2027 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 2026 billing was prepared in April 2024), 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 2026 estimated vs. actual consumption and rate increases will be included in the FY 2029 billing, to be prepared in April 2027). 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 2026 federal revenues reflect the final billing sent to the federal government in April 2024 net of the adjustment for the prior year (FY 2023) 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 2026 revised receipts from the District of Columbia government and the District of Columbia Housing Authority are projected at \$42.4 million, an increase of \$1.7 million or 4.2 percent over FY 2025. In FY 2027, receipts from these organizations are projected to total \$44.5 million, an increase of \$2.1 million, or 5.0 percent, mainly due to increases in retail volumetric rates.

- The Municipal customer group includes 517 accounts under the authority of the District of Columbia government. This includes offices and facilities for various government agencies and activities such as education, regulatory affairs and general government operations. This group will comprise of 2.7 percent of the FY 2026 revised budget, and 2.7 percent each of the proposed FY 2027 and FY 2028 budget. In FY 2028, the projected increase is \$2.7 million or 6.0 percent over FY 2027.
- The D.C. Housing Authority has 985 accounts that include public housing at various facilities throughout the District of Columbia. Their annual billings make up only 1.5 percent of the FY 2026 cash receipts and 1.5 percent each of the proposed FY 2027 and FY 2028 cash receipts.

Wholesale customer revenue - FY 2026 revenues are projected at \$124.2 million, an increase of \$9.9 million or 8.6 percent over FY 2025. In FY 2027, the Wholesale revenues are projected to increase by \$9.9 million or 7.9 percent to \$134.1 million. In FY 2028, the wholesale revenues are projected to increase by \$6.0 million or 4.4 percent to \$140.1 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 12.3 percent of total receipts in FY 2026 and 12.5 percent of the total receipts each in FY 2027 and FY 2028.

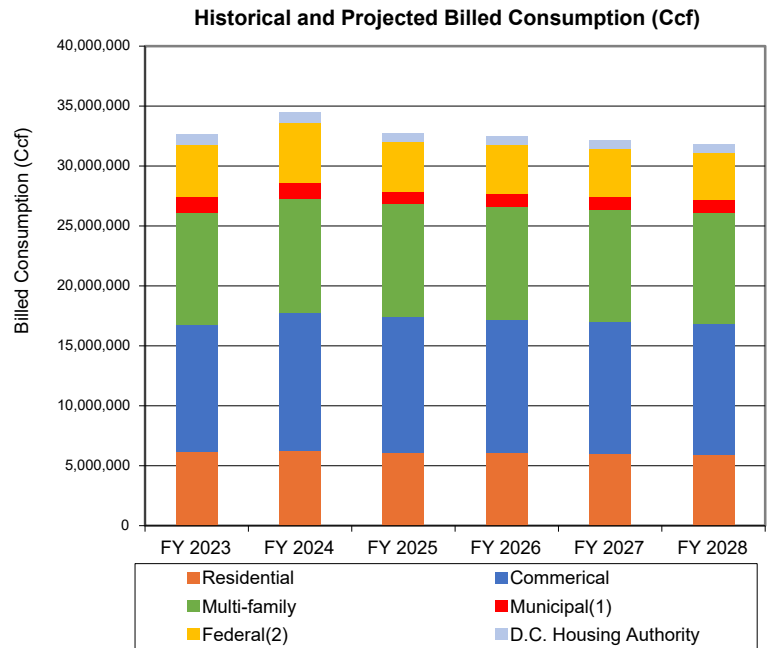
In FY 2017, DC Water began billing our wholesale customers for the operating and maintenance costs of MJUFs, which include twelve interceptors and four pumping stations that carry suburban wastewater to the Blue Plains Plant. Following each fiscal year, the Authority prepares a reconciliation that determines 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

Reliable And Predictable
Healthy, Safe and Well
Reliable

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 decreased by 5.2 percent in FY 2025. 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 0.7 percent decline in FY 2026 over FY 2025 Actual. Assumed 1.0 percent decline in FY 2027 and beyond for all categories of customers. The COVID-19 had an impact on consumption. However, the FY 2024 actual consumption of 34.5 million Ccf has slightly exceeded Pre-COVID-19 consumption.



Historical and Projected Billed Consumption (Ccf)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Actual	Actual	Projected	Projected	Projected
Residential	6,148,086	6,202,811	6,099,368	6,038,000	5,978,000	5,918,000
Commercial	10,665,543	11,577,290	11,284,191	11,171,000	11,059,000	10,948,000
Multi-family	9,274,129	9,544,963	9,490,956	9,396,000	9,302,000	9,209,000
Municipal⁽¹⁾	1,326,087	1,265,556	1,010,257	1,100,000	1,089,000	1,079,000
Federal⁽²⁾	4,350,621	5,035,575	4,101,985	4,061,000	4,020,000	3,980,000
D.C. Housing Authority	889,780	894,653	729,367	722,000	715,000	708,000
Total Retail	32,654,246	34,520,848	32,716,124	32,488,000	32,163,000	31,842,000

(1) Reflects consumption at District of Columbia Government facilities and DC Water facilities
 (2) Reflects consumption at Federal facilities and selected facilities at Soldiers' Home for FY 2020 and onwards
 (3) Ccf = hundred cubic feet or 748 gallons

Recent and Approved Rate and Fee Changes



Reliable And Predictable  Healthy, Safe and Well  Reliable

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 COS 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 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 FY 2016 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 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.

Recent and Approved Rate and Fee Changes

- The revenue collected from the Water System Replacement Fee (WSRF), originally designed to fund the annual costs of 1 percent of DC Water’s water service line renewal and replacement program, has been used in its entirety to offset the water utility’s revenue requirements, resulting in a decrease to all water volumetric charges.
- Although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Water customers will see only minimal changes to their bills.

In FY 2020, DC Water conducted a 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.

FY 2022, a COS Study was conducted by Independent Financial Consultants to establish the multiyear 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 approved for FY2025 and FY 2026.

Independent Review of the approved 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.

In FY 2025 – FY 2026, a COS study was conducted by an independent consultant to establish rates for FY 2027 and FY 2028. Raftelis consultant recommended to eliminate the Residential six-tiers and charge all Residential customers based on actual measured impervious area. The report was submitted in March 2026. Another consultant performed an independent review of Rates and Budget to ensure that the rates have been reasonably developed according to the Board Policy and industry standard.

Recent and Approved Rate and Fee Changes



Reliable And Predictable  Healthy, Safe and Well  Reliable

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 2026 to FY 2028 are listed below:

Water Volumetric	Class-Based (w/lifeline)		
	FY 2026	FY 2027	FY 2028
Residential - 0-4 Ccf	\$5.78	\$6.49	\$7.11
Residential - >4 Ccf	\$7.60	\$8.40	\$9.40
Multi-Family / DC Housing	\$6.47	\$7.21	\$7.98
Non-Residential	\$7.84	\$8.66	\$9.71

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 \$42.7 million per year from fiscal years 2026 through 2035. 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



Reliable And Predictable  Healthy, Safe and Well  Reliable

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 approval 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 5, 2026, DC Water's Board adopted a multi-year rate proposal for a sixth time covering the period FY 2027 and FY 2028.

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



Reliable And Predictable



Healthy, Safe and Well



Reliable

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 inch, 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.

In FY 2026 a COS for SAF was conducted by independent rate consultant who proposed updating the fees due to increasing cost basis driven by increases in CSO / sewage improvement cost, and Washington Aqueduct cost. After the rate making process the Proposed SAF fee will be presented to the Board for approval in July 2026 and will be effective October 1, 2026.

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 DWV system load remain the same.

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

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

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

Customer Metering Fee

The Metering Fee was established in 2003 to recover automated metering infrastructure capital costs. In 2012 the Metering Fee was reviewed and adjusted as part of the Cost of Service Study to include capital costs and a small increment of direct Customer Service cost associated with meter maintenance. Many utilities recover operating costs associated with both metering and billing in a fixed meter-based charge. The 2020 cost of service study adopted this more common industry approach by allocating some additional water costs to a Customer Service/Meters classification. The new cost recovery pool is divided by equivalent system meters to determine the cost for residential meter (5/8" or 3/4") then scale that up to reflect charges as meter size increases. As a result, cost recovery is shifted to the Metering Fee and away from the volumetric rate. DC Water chose to mitigate impacts by phasing in this methodology change over 2 years ending with FY 2022 rates. The changes in the Metering Fee are summarized below:

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

Recent and Approved Rate and Fee Changes

- 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 FY 2021 recovers \$15.4 million, all the debt service and coverage plus about half of the full Customer Service O&M allocation (\$4.96 for a 5/8" meter).
 - Proposed FY 2022 fee adds the additional half of Customer Service allocation for a total of about \$24.1 million (\$7.75 for a 5/8" meter).

Customers Metering Fees

Meter Size	FY 2020		FY 2021		FY 2022		FY 2023 - FY 2028	
5/8"	\$	3.86	\$	4.96	\$	7.75	\$	7.75
3/4"	\$	4.06	\$	5.22	\$	8.16	\$	8.16
1"	\$	4.56	\$	5.86	\$	9.16	\$	9.16
1x1.25"	\$	4.83	\$	6.21	\$	9.70	\$	9.70
1.5"	\$	6.88	\$	8.95	\$	13.82	\$	13.82
2"	\$	7.54	\$	9.69	\$	15.14	\$	15.14
2x1/2"	\$	8.00	\$	10.28	\$	16.07	\$	16.07
2x5/8"	\$	8.00	\$	10.28	\$	16.07	\$	16.07
3"	\$	76.98	\$	98.92	\$	154.56	\$	154.56
3x5/8"	\$	77.94	\$	100.16	\$	156.49	\$	156.49
3x3/4"	\$	77.94	\$	100.16	\$	156.49	\$	156.49
4"	\$	137.37	\$	176.52	\$	275.81	\$	275.81
4x3/4"	\$	138.15	\$	177.52	\$	277.38	\$	277.38
4x1"	\$	138.15	\$	177.52	\$	277.38	\$	277.38
4x2"	\$	138.15	\$	177.52	\$	277.38	\$	277.38
4x2x5/8"	\$	181.04	\$	232.64	\$	363.49	\$	363.49
6"	\$	268.14	\$	344.56	\$	538.37	\$	538.37
6x1"	\$	272.70	\$	350.42	\$	547.52	\$	547.52
6x1x1/2"	\$	272.70	\$	350.42	\$	547.52	\$	547.52
6x1/2"	\$	323.09	\$	415.17	\$	648.70	\$	648.70
6x3x3/4"	\$	323.09	\$	415.17	\$	648.70	\$	648.70
6x3"	\$	323.09	\$	415.17	\$	648.70	\$	648.70
8"	\$	323.29	\$	415.42	\$	649.10	\$	649.10
8x2"	\$	323.29	\$	415.42	\$	649.10	\$	649.10
8x4x1"	\$	358.26	\$	460.36	\$	719.31	\$	719.31
10"	\$	317.91	\$	408.51	\$	638.30	\$	638.30
10x2"	\$	403.62	\$	518.65	\$	810.38	\$	810.38
10x6x1"	\$	403.62	\$	518.65	\$	810.38	\$	810.38
10x6"	\$	403.62	\$	518.65	\$	810.38	\$	810.38
12"	\$	329.66	\$	423.61	\$	661.89	\$	661.89
12x6"	\$	329.66	\$	423.61	\$	661.89	\$	661.89
16"	\$	349.45	\$	449.04	\$	701.62	\$	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 credit 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 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.
- Clean Rivers Impervious Area Charge (CRIAC) six-tier residential rate structure is shown in the table below:

Tiers	Residential Impervious Area Range	ERU	Number of Properties	% of Total Properties
Tier 1	100 – 600 sq ft	0.6 ERU	18,759	17.1%
Tier 2	700 – 2,000 sq ft	1.0 ERU	81,617	74.4%
Tier 3	2,100 – 3,000 sq ft	2.4 ERU	6,252	5.7%
Tier 4	3,100 – 7,000 sq ft	3.8 ERU	2,834	2.6%
Tier 5	7,100 – 11,000 sq ft	8.6 ERU	150	0.1%
Tier 6	11,100 sq ft and more	13.5 ERU	71	0.1%
			109,683	100.0%

- 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 approved 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.

Proposed FY 2027 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, 2026:

- Water volumetric rates:
 - Residential customers: “Consumption of 0 – 4 Ccf” - water rate increase of \$0.71 per Ccf, {\$0.95 per 1,000 gallons} from \$5.78 per Ccf to \$6.49 per Ccf, {\$8.68 per 1,000 gallons}.
 - Residential customers: “Consumption greater than 4 Ccf” - water rate increase of \$0.80 per Ccf, {\$1.07 per 1,000 gallons} from \$7.60 per Ccf to \$8.40 per Ccf, {\$11.23 per 1,000 gallons}.
 - Multi-family customers: water rate increase of \$0.74 per Ccf, {\$0.99 per 1,000 gallons} from \$6.47 per Ccf to \$7.21 per Ccf, {\$9.64 per 1,000 gallons}.
 - Non-Residential customers: water rate increase of \$0.82 per Ccf, {\$1.10 per 1,000 gallons} from \$7.84 per Ccf to \$8.66 per Ccf, {\$11.58 per 1,000 gallons}.
- Sewer rate increase of \$0.39 per Ccf, {\$0.52 per 1,000 gallons} for all classes of customers from \$12.52 per Ccf to \$12.91 per Ccf, {\$17.26 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 \$1.27 from \$24.23 per ERU to \$25.50 per ERU.
- The Water System Replacement Fee (WSRF) recovers the cost of 1 percent renewal and replacement program for water service lines. There will be no increase in WSRF. The WSRF varies with meter size. WSRF for 5/8” meter size is \$6.30.
- PILOT and Right-of-Way fee – These fees are proposed to increase to recover the full cost of the PILOT and Right-of-Way fees charged to DC Water by the District of Columbia.
 - There is no increase in the PILOT fee, which remains same at \$0.62 per Ccf, {\$0.83 per 1000 gallons}
 - There is no increase in the Right-of-Way (ROW) fee, which remains same at \$0.20 per Ccf, {\$0.27 per 1,000 gallons}.
- A new District of Columbia 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.
- These charges increased the typical residential customer’s total monthly bill by \$9.64 or 6.6 percent.

Proposed FY 2028 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, 2027:

- Water volumetric rates:
 - Residential customers: “Consumption of 0 – 4 Ccf” - water rate increase of \$0.62 per Ccf, {\$0.83 per 1,000 gallons} from \$6.49 per Ccf to \$7.11 per Ccf, {\$9.51 per 1,000 gallons}.
 - Residential customers: “Consumption greater than 4 Ccf” - water rate increase of \$1.00 per Ccf, {\$1.34 per 1,000 gallons} from \$8.40 per Ccf to \$9.40 per Ccf, {\$12.57 per 1,000 gallons}.
 - Multi-family customers: water rate increase of \$0.77 per Ccf, {\$1.03 per 1,000 gallons} from \$7.21 per Ccf to \$7.98 per Ccf, {\$10.67 per 1,000 gallons}.
 - Non-Residential customers: water rate increase of \$1.05 per Ccf, {\$1.40 per 1,000 gallons} from \$8.66 per Ccf to \$9.71 per Ccf, {\$12.98 per 1,000 gallons}.
- Sewer rate increase of \$0.48 per Ccf, {\$0.64 per 1,000 gallons} for all classes of customers from \$12.91 per Ccf to \$13.39 per Ccf, {\$17.90 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 \$1.72 from \$25.50 per ERU to \$27.22 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 \$0.63 per Ccf, {\$0.84 per 1000 gallons}
 - There is no increase in the Right-of-Way (ROW) fee, which remains the same at \$0.20 per Ccf, {\$0.27 per 1,000 gallons}.
- A new District of Columbia 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.
- These changes increased the typical residential customer’s total monthly bill by \$8.27 or 5.3 percent.

Proposed FY 2027 & FY 2028 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 2026 – FY 2035) totaling 63.50 percent are driven primarily by capital spending for DC Water’s \$8.99 billion capital improvement program. The Ten-Year 63.50 percent rate increase is much less as compared to last year’s (FY 2025 – FY 2034) 81.50 percent.

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, advancing the Pure Water DC initiative for water reuse as a second source of water supply. Additionally, the CIP includes DC Water’s share of the Washington Aqueduct’s critical infrastructure, and various capital equipment projects.

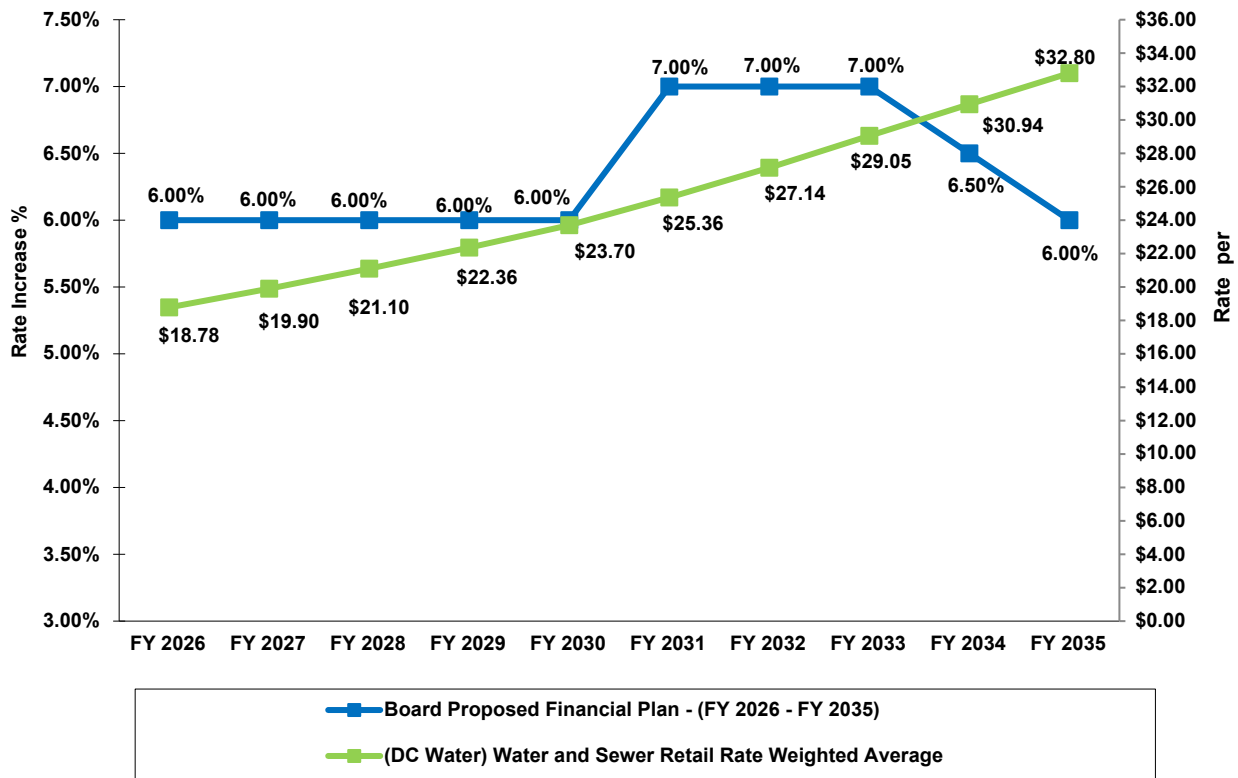
Based on feedback from the new Stakeholder Alliance and discussions with customers about the Clean Rivers Impervious Area Charge (CRIAC) that funds the Clean Rivers Program, the proposal was implemented for FY 2020 to shift 18 percent of the costs for the Clean Rivers program from the CRIAC to the sewer 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 approval for FY 2027 and FY 2028 will occur between March and June 2026. With the approval of the rates by DC Water Board, these changes would increase the typical residential customer’s monthly bill by \$9.64 or 6.6 percent in FY 2027 and \$8.27 or 5.3 percent in FY 2028 as shown on page 116.



Recent and Proposed Rate and Fee Changes

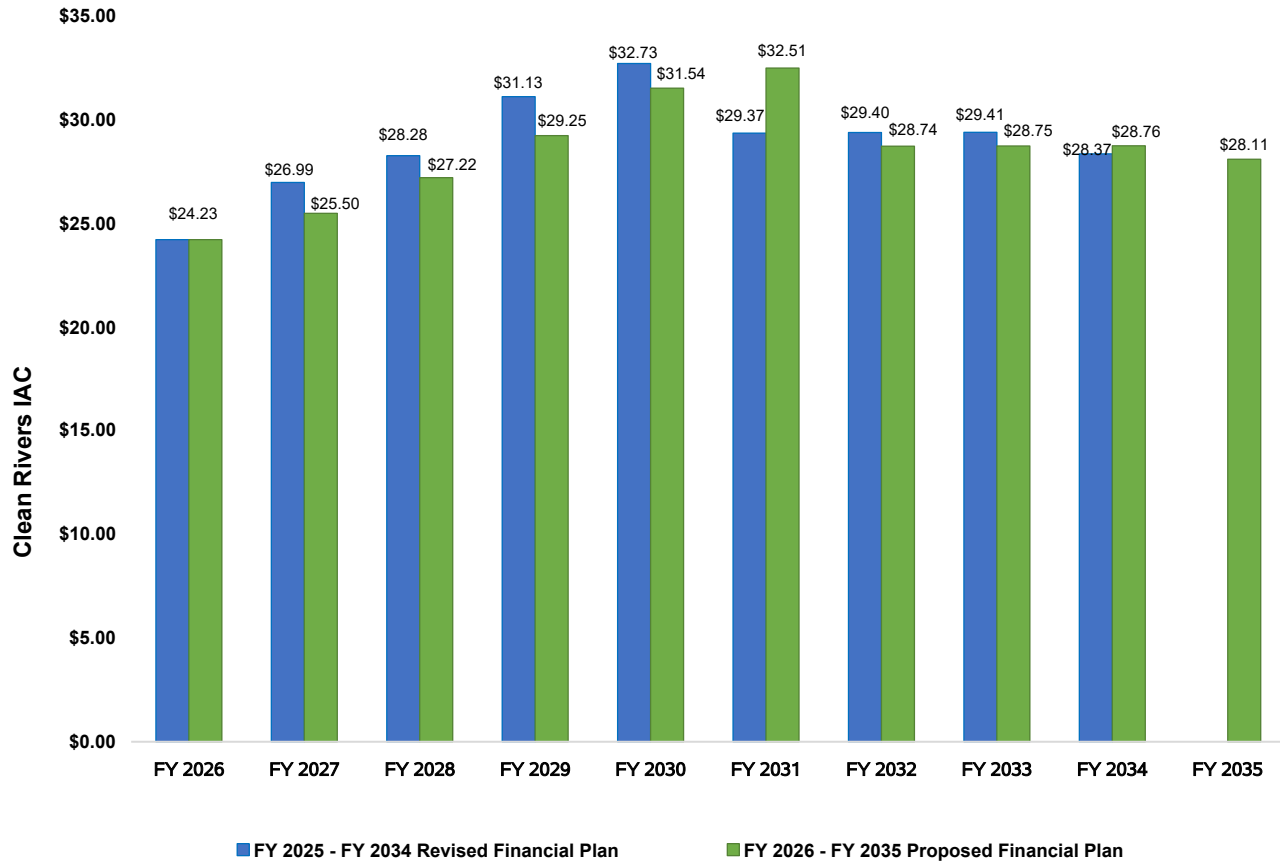
PROJECTED RETAIL WATER & SEWER RATE CHANGES FY 2026 – FY 2035



- (1) Rates shown above reflect weighted water and sewer rates for Residential customer category
- (2) In FY 2027 proposed water and sewer rate increase of \$1.12 per Ccf, (\$1.50 per 1,000 gallons)
 - Combined water and sewer rate increases from \$18.78 to \$19.90 per Ccf
- (3) In FY 2028 proposed water and sewer rate increase of \$1.20 per Ccf, (\$1.60 per 1,000 gallons)
 - Combined water and sewer rate increases from \$19.90 to \$21.10 per Ccf
- (4) Rate increase of 6.0 percent for FY 2027 and 6.00 percent for FY 2028

Recent and Proposed Rate and Fee Changes

PROJECTED MONTHLY CLEAN RIVERS IMPERVIOUS SURFACE AREA CHARGE (CRIAC) CHANGES FY 2026 – FY 2035



- The projected charges displayed in the chart above are primarily driven by anticipated debt service costs necessary to support the thirty-year \$3.56 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 \$306.00 in FY 2027 to \$337.32 in FY 2035.
- The CRIAC gradual shift to sewer volumetric with 18 percent in FY 2020, 28 percent in FY 2021 and 37 percent in FY 2022 and beyond helped to avoid rate shock to customers. With the shift the overall household charges increase by 6.6 percent in FY 2027 and 5.3 percent in FY 2028. The CRIAC will increase from \$24.23 to \$25.50 per ERU per month for FY 2027 and increase to \$27.22 per ERU per month for FY 2028.

Recent and Proposed Rate and Fee Changes

Average Residential Customer Monthly Bill FY 2023 - FY 2028

	Units	FY 2023	FY 2024	FY 2025	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC ⁽²⁾	ERU	18.14	21.86	21.23	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 118.26	\$ 124.94	\$ 131.21	\$ 140.05	\$ 147.41	\$ 155.63
Increase / Decrease		\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84	\$ 7.36	\$ 8.22
Percent Increase in DC Water Portion of Bill		6.2%	5.6%	5.0%	6.7%	5.3%	5.6%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.20	\$ 3.31	\$ 3.31	\$ 3.36	\$ 3.36	\$ 3.41
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.08	1.08	1.08
District of Columbia Public Inconvenience Fee ⁽⁵⁾	Ccf	-	-	-	-	2.28	2.28
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11	\$ 9.39	\$ 9.44
Total Amount on DC Water Bill		\$ 125.16	\$ 131.95	\$ 138.22	\$ 147.16	\$ 156.80	\$ 165.07
Increase / Decrease Over Prior Year		\$ 7.05	\$ 6.79	\$ 6.27	\$ 8.94	\$ 9.64	\$ 8.27
Percent increase in Total Bill		6.0%	5.4%	4.8%	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)

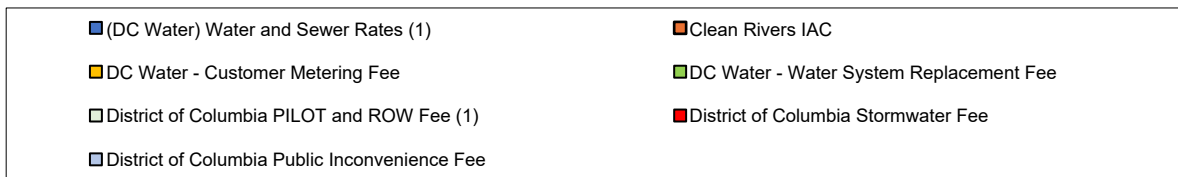
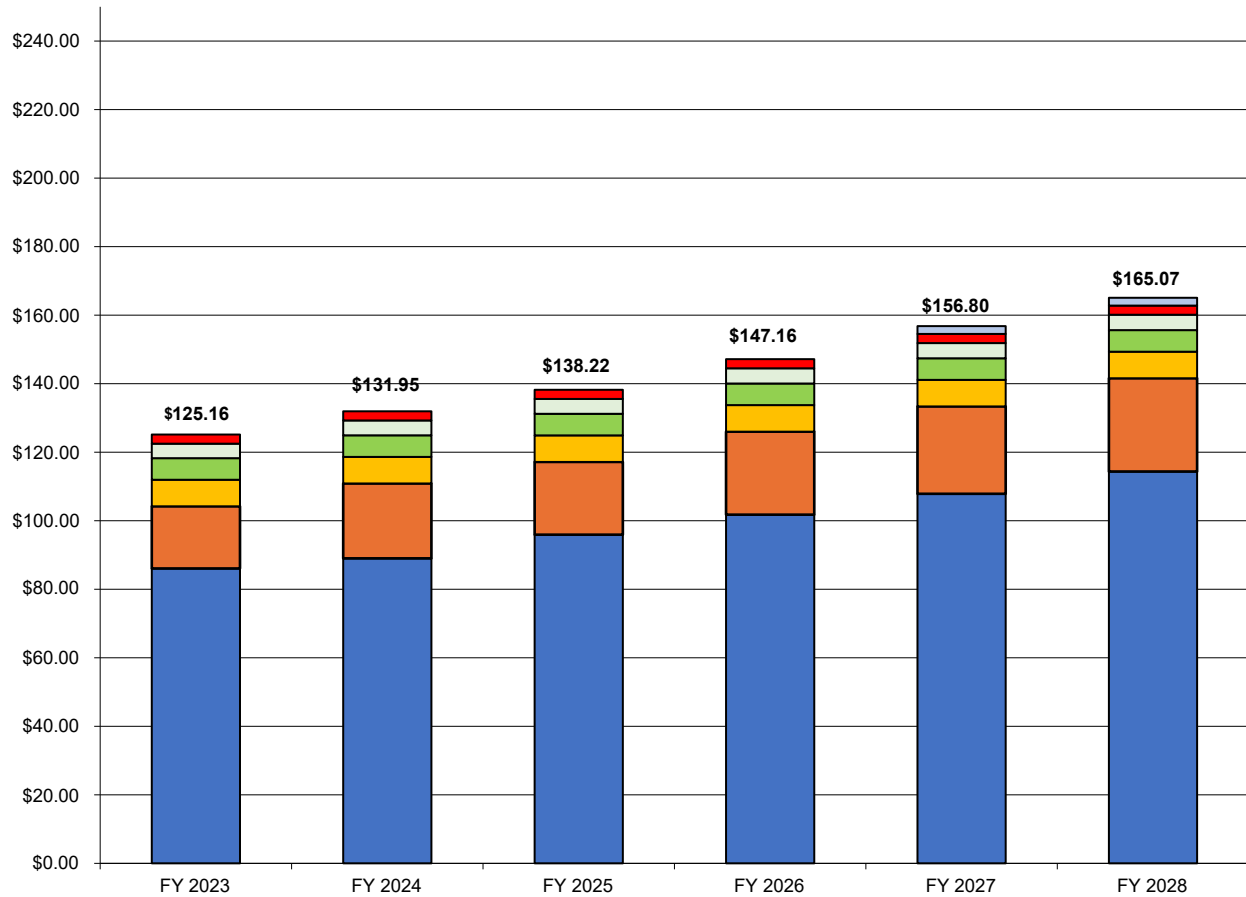
(3) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

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

(5) A new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf will be effective on October 1, 2026

Recent and Proposed Rate and Fee Changes

AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL FY 2023 – FY 2028



(1) Assumes average monthly consumption of 5.42 Ccf, or 4,054 gallons
 - FY 2027 cost per gallon is a little over \$0.02 (water and sewer rates only)

Recent and Proposed Rate and Fee Changes

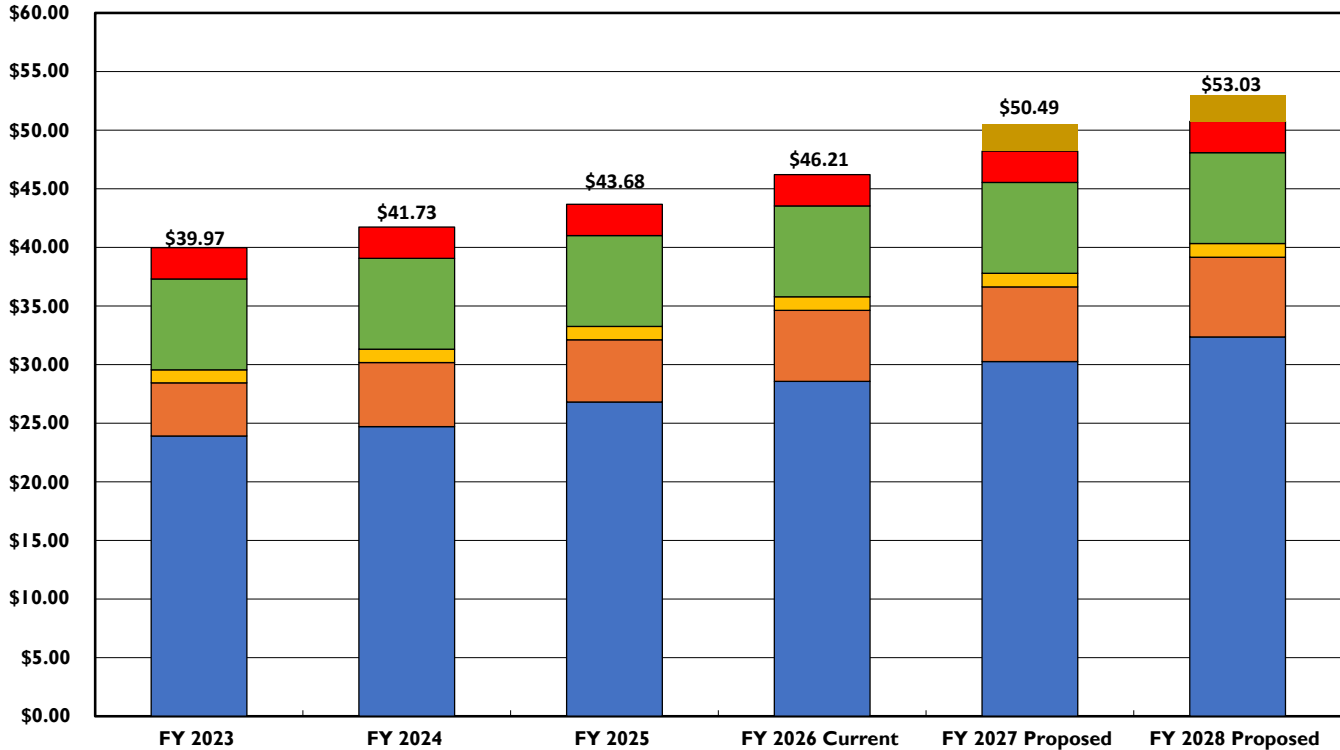
Average CAP Customer Monthly Bill FY 2023 - FY 2028

	Units	FY 2023	FY 2024	FY 2025	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC	ERU	18.14	21.86	21.23	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 118.26	\$ 124.94	\$ 131.21	\$ 140.05	\$ 147.41	\$ 155.63
Increase / Decrease		\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84	\$ 7.36	\$ 8.22
Percent Increase in DC Water Portion of Bill		6.2%	5.6%	5.0%	6.7%	5.3%	5.6%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.20	\$ 3.31	\$ 3.31	\$ 3.36	\$ 3.36	\$ 3.41
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.08	1.08	1.08
District of Columbia Public Inconvenience Fee ⁽⁶⁾	Ccf	-	-	-	-	2.28	2.28
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11	\$ 9.39	\$ 9.44
Total Amount		\$ 125.16	\$ 131.95	\$ 138.22	\$ 147.16	\$ 156.80	\$ 165.07
Less: CAP Discount (4 Ccf per month) ^{(1), (2)}		-65.28	-67.52	-72.32	-76.48	-80.88	-85.32
Water System Replacement Fee (WSRF) ⁽³⁾		(6.30)	(6.30)	(6.30)	(6.30)	(6.30)	(6.30)
Clean Rivers IAC ⁽⁵⁾		(13.61)	(16.40)	(15.92)	(18.17)	(19.13)	(20.42)
Total Amount Appearing on DC Water Bill		\$ 39.97	\$ 41.73	\$ 43.68	\$ 46.21	\$ 50.49	\$ 53.03
Increase / Decrease Over Prior Year		\$ 2.04	\$ 1.76	\$ 1.95	\$ 2.53	\$ 4.28	\$ 2.54
CAP Customer Discount as a Percent of Total Bill		-68.1%	-68.4%	-68.4%	-68.6%	-67.8%	-67.9%

- (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 75 percent discount for FY 2023 to FY 2028 for the Clean Rivers IAC
- (6) A new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf will be effective on October 1, 2026

Recent and Proposed Rate and Fee Changes

AVERAGE CAP CUSTOMER MONTHLY BILL FY 2023 – FY 2028



<ul style="list-style-type: none"> ■ DC Water Water and Sewer Retail Rates (1) ■ District of Columbia PILOT and ROW Fee (1) ■ DC Water Customer Metering Fee ■ District of Columbia Public Inconvenience Fee 	<ul style="list-style-type: none"> ■ Clean Rivers IAC ■ Water System Replacement Fee (2) ■ District of Columbia Stormwater Fee
---	--

- (1) Assumes average monthly consumption of 5.42 Ccf, or 4,054 gallons
 - FY 2027 & FY 2028 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 75 percent credit for FY 2023 to FY 2028 for the Clean Rivers Impervious Area Charge (CRIAC)

Recent and Proposed Rate and Fee Changes

Average CAP+ Customer Monthly Bill FY 2025 - FY 2028

	Units	FY 2025	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 95.93	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC	ERU	21.23	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 131.21	\$ 140.05	\$ 147.41	\$ 155.63
Increase / Decrease		\$ 6.27	\$ 8.84	\$ 7.36	\$ 8.22
Percent Increase in DC Water Portion of Bill		5.0%	6.7%	5.3%	5.6%
District of Columbia PILOT Fee ⁽¹⁾	Ccf	3.31	3.36	3.36	3.41
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.08	1.08	1.08
District of Columbia Right of Way / PILOT Fee		4.34	4.44	4.44	4.49
District of Columbia Public Inconvenience Fee ⁽⁵⁾	Ccf	-	-	2.28	2.28
District of Columbia Stormwater Fee ⁽⁴⁾	ERU	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 7.01	\$ 7.11	\$ 9.39	\$ 9.44
Total Amount		138.22	147.16	156.80	165.07
Less: CAP Discount (5.42 Ccf per month) ^{(1), (2)}		(100.27)	(106.21)	(112.30)	(118.86)
Water System Replacement Fee (WSRF) ⁽³⁾		(6.30)	(6.30)	(6.30)	(6.30)
Clean Rivers IAC ⁽⁴⁾		(15.92)	(18.17)	(19.13)	(20.42)
Total Amount Appearing on DC Water Bill		15.73	16.48	19.07	19.49
Increase / Decrease Over Prior Year		- \$	0.75 \$	2.59 \$	0.42
Percent increase in Total Bill		-88.6%	-88.8%	-87.8%	-88.2%

(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.

(5) A new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf will be effective on October 1, 2026

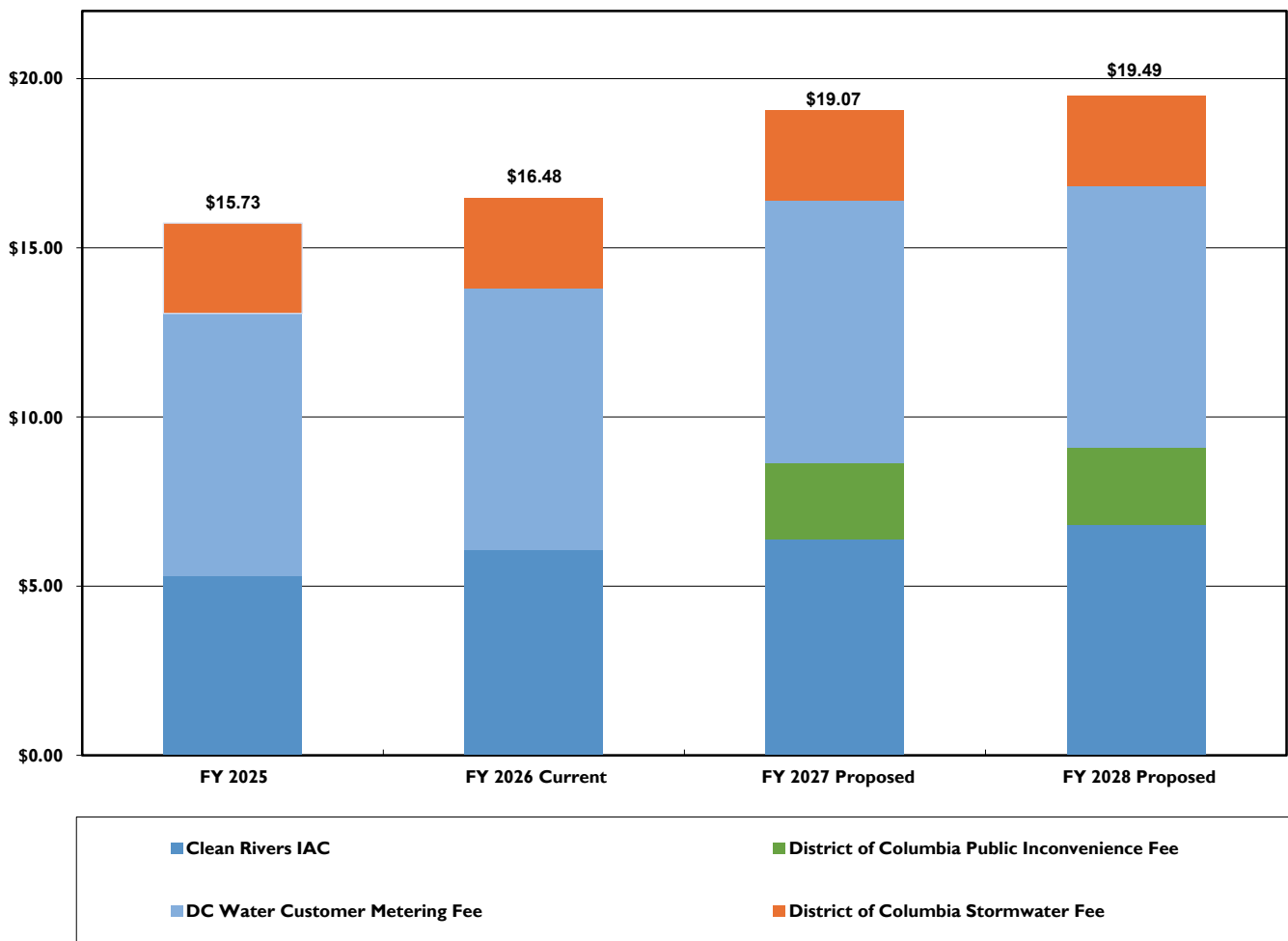
Recent and Proposed Rate and Fee Changes

Reliable And Predictable

 Healthy, Safe and Well

 Reliable

AVERAGE CAP+ CUSTOMER MONTHLY BILL FY 2025 – FY 2028



Recent and Proposed Rate and Fee Changes

Average CAP2 Customer Monthly Bill FY 2023 - FY 2028

		Current Proposed Proposed					
	Units	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC	ERU	18.14	21.86	21.23	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 118.26	\$ 124.94	\$ 131.21	\$ 140.05	\$ 147.41	\$ 155.63
Increase / Decrease		\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84	\$ 7.36	\$ 8.22
Percent Increase in DC Water Portion of Bill		6.2%	5.6%	5.0%	6.7%	5.3%	5.6%
District of Columbia PILOT Fee	Ccf	\$ 3.20	\$ 3.31	\$ 3.31	\$ 3.36	\$ 3.36	\$ 3.41
District of Columbia Right-of-Way Fee	Ccf	1.03	1.03	1.03	1.08	1.08	1.08
District of Columbia Public Inconvenience Fee ⁽⁴⁾	Ccf	-	-	-	-	2.28	2.28
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.90	\$ 7.01	\$ 7.01	\$ 7.11	\$ 9.39	\$ 9.44
Total Amount		125.16	131.95	138.22	147.16	156.80	165.07
Less: CAP2 Discount (3 Ccf per month) ⁽²⁾		(46.62)	(48.24)	(51.84)	(54.90)	(58.20)	(61.50)
Clean Rivers IAC ⁽³⁾		(9.07)	(10.93)	(10.62)	(12.12)	(12.75)	(13.61)
Total Amount Appearing on DC Water Bill		69.47	72.78	75.76	80.14	85.85	89.96
Increase / Decrease Over Prior Year		\$ 3.37	\$ 3.31	\$ 2.98	\$ 4.38	\$ 5.71	\$ 4.11
Customer Discount as a Percent of Total Bill		-44.5%	-44.8%	-45.2%	-45.5%	-45.2%	-45.5%

- (1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)
- (2) Expansion of CAP2 program in FY 2019 and onwards assumes discount to first 3 Ccf of Water and Sewer
- (3) Expansion of CAP2 program in FY 2019 and onwards assumes 50 percent discount for the Clean Rivers IAC
- (4) A new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf will be effective on October 1, 2026

Recent and Proposed Rate and Fee Changes

Average CAP3 Customer Monthly Bill FY 2023 - FY 2028

		Current	Proposed	Proposed			
	Units	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 86.07	\$ 89.03	\$ 95.93	\$ 101.77	\$ 107.86	\$ 114.36
DC Water Clean Rivers IAC	ERU	18.14	21.86	21.23	24.23	25.50	27.22
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee	5/8"	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 118.26	\$ 124.94	\$ 131.21	\$ 140.05	\$ 147.41	\$ 155.63
Increase / Decrease		\$ 6.89	\$ 6.68	\$ 6.27	\$ 8.84	\$ 7.36	\$ 8.22
District of Columbia PILOT Fee	Ccf	\$ 3.20	\$ 3.31	\$ 3.31	\$ 3.36	\$ 3.36	\$ 3.41
District of Columbia Right-of-Way Fee	Ccf	1.03	1.03	1.03	1.08	1.08	1.08
District of Columbia Public Inconvenience Fee ⁽³⁾	Ccf					2.28	2.28
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		6.90	7.01	7.01	7.11	9.39	9.44
Total Amount		\$ 125.16	\$ 131.95	\$ 138.22	\$ 147.16	\$ 156.80	\$ 165.07
Less: CAP3 Discount Clean Rivers IAC ⁽²⁾		(13.61)	(16.40)	(15.92)	(18.17)	(19.13)	(20.42)
Total Amount Appearing on DC Water Bill		111.55	115.55	122.30	128.99	137.67	144.65
Increase / Decrease Over Prior Year		\$ 7.24	\$ 4.00	\$ 6.75	\$ 6.69	\$ 8.68	\$ 22.35
Percent increase in Total Bill		-10.9%	-12.4%	-11.5%	-12.3%	-12.2%	-12.4%

(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

(3) A new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf will be effective on October 1, 2026

Why Rate Increases Are Needed

FY 2026 – FY 2035 FINANCIAL PLAN

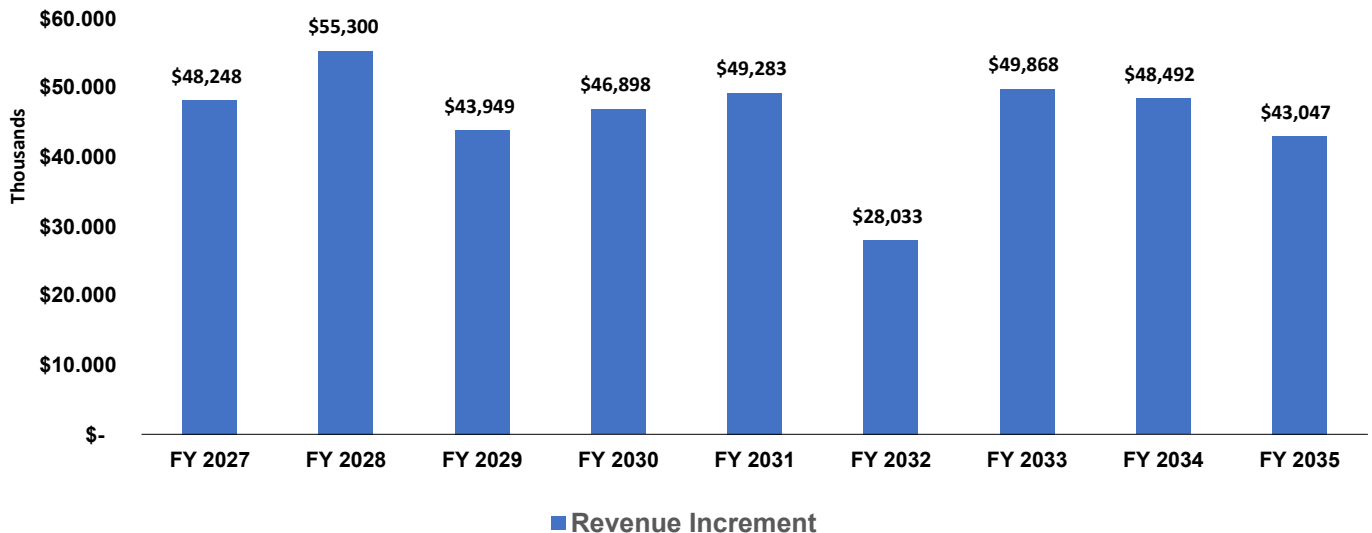
As shown in the chart below, incremental increases in retail revenues are projected to range from \$28.0 million to \$55.3 million in FY 2027 – FY 2035, due to:

- Average annual debt service increase of 7.5 percent
- Average annual O&M increase of 4.1 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:

- Proposed water and sewer rate increase of 6.0 percent in FY 2027 and 6.0 percent to 7.0 percent from FY 2028 to FY 2035.
- Proposed Clean Rivers Impervious Surface Area Charge (CRIAC) revenues ranging from \$25.50 to \$32.51 per ERU per month
- Proposed DC PILOT fee increases of 2 percent in accordance with the current MOU dated September 4, 2014, to recover the amount of PILOT payment obligation to the District of Columbia
- The ROW fee will remain the same at \$5.1 million per annum in accordance with the current MOU signed on October 2, 2014 to recover the amount of ROW payment obligation to the District of Columbia
- No Rate Stabilization Fund is projected to be utilized for FY 2027 to FY 2035 to offset retail rate increases.
- A new Public Inconvenience Fee will be effective October 1, 2026 (FY 2027) to recover the charges by the District Government to recover the fees associated with occupancy permits when construction projects in public spaces extend beyond 30 days.

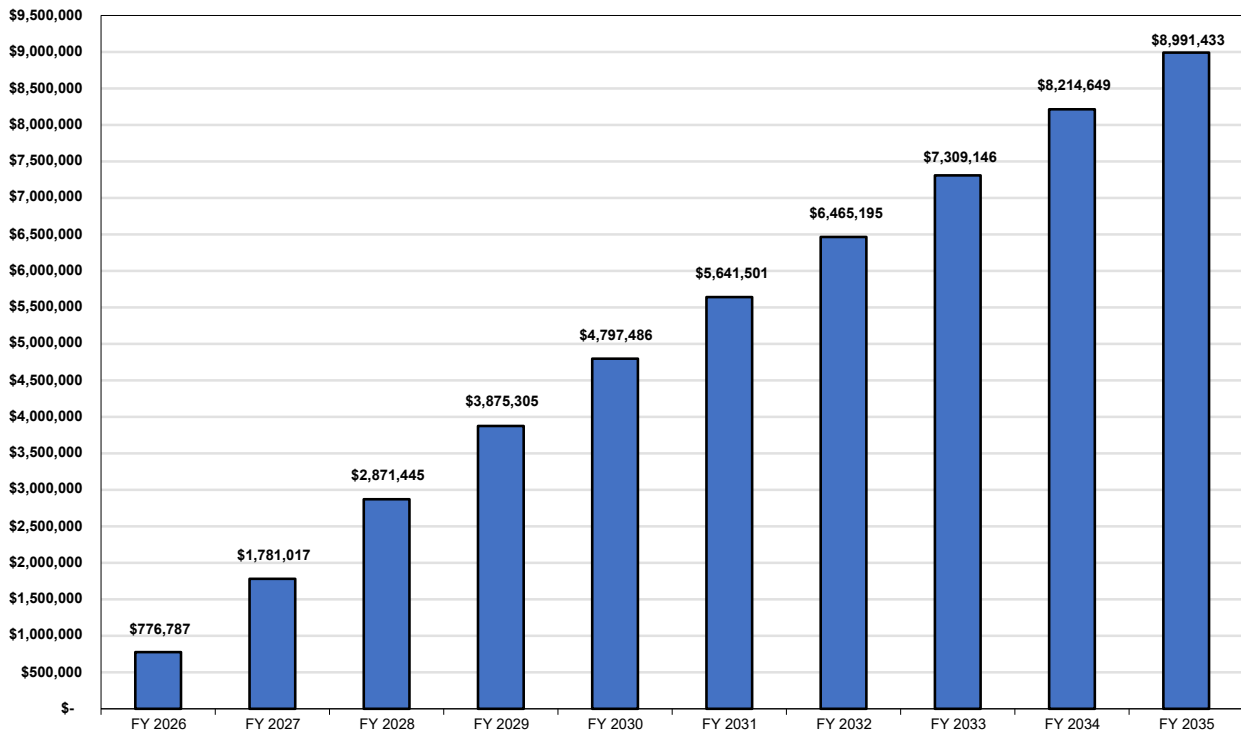
**INCREMENTAL INCREASE IN REVENUE
FY 2027 – FY 2035
(\$000's)**



Why Rate Increases Are Needed

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

CUMULATIVE CAPITAL SPENDING FY 2026 – FY 2035 (\$000’s)

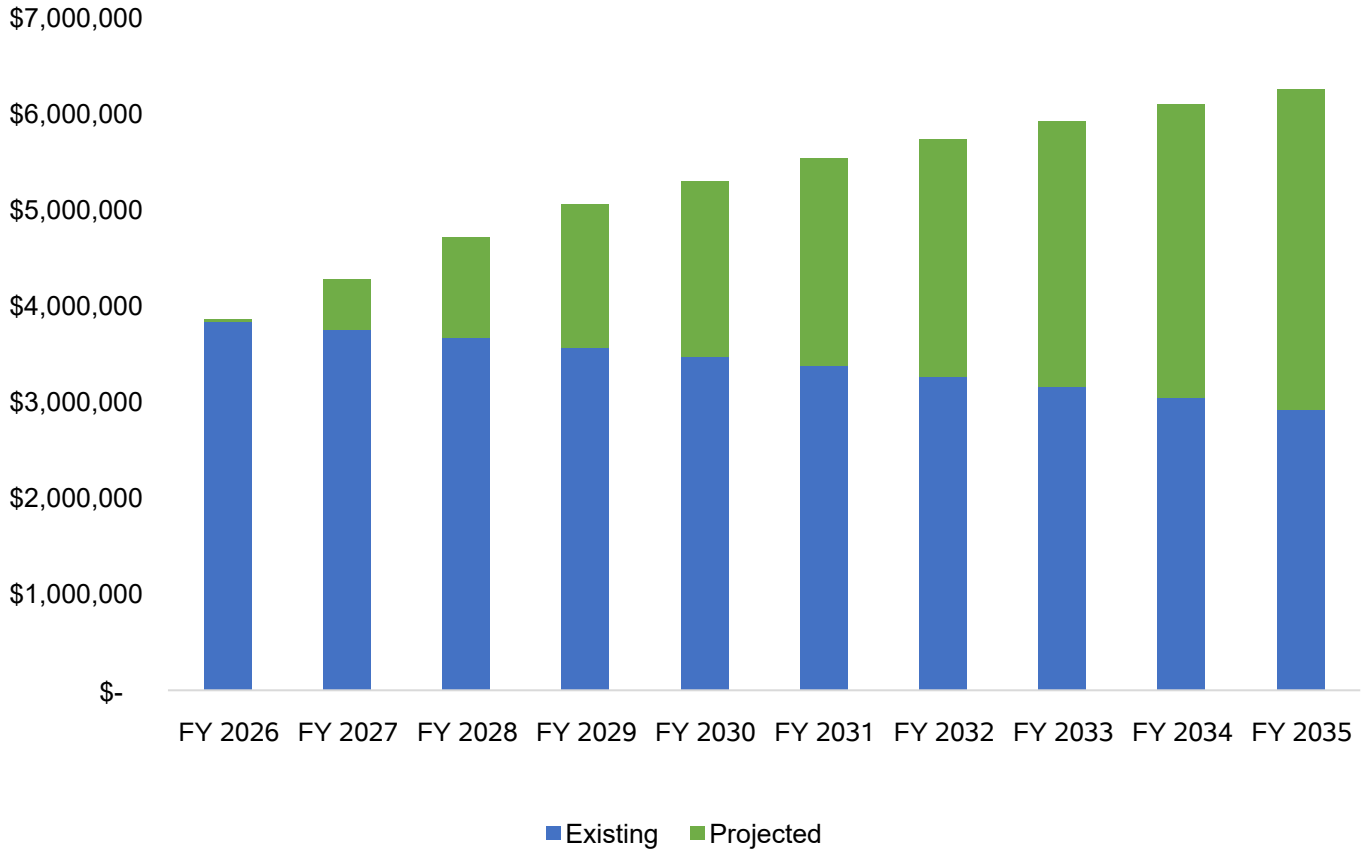


Note: All capital Items have been factored at 90 percent except DC Clean Rivers Program, Combined Sewer Overflow Program, Capital Equipment, Meter Replacement/AMR, and Washington Aqueduct

- DC Water’s ten-year capital improvement program totals \$8.99 billion, with annual spending ranging from \$776.80 million to \$1,090.43 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 \$1.15 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 2026 through FY 2035.

Why Rate Increases Are Needed

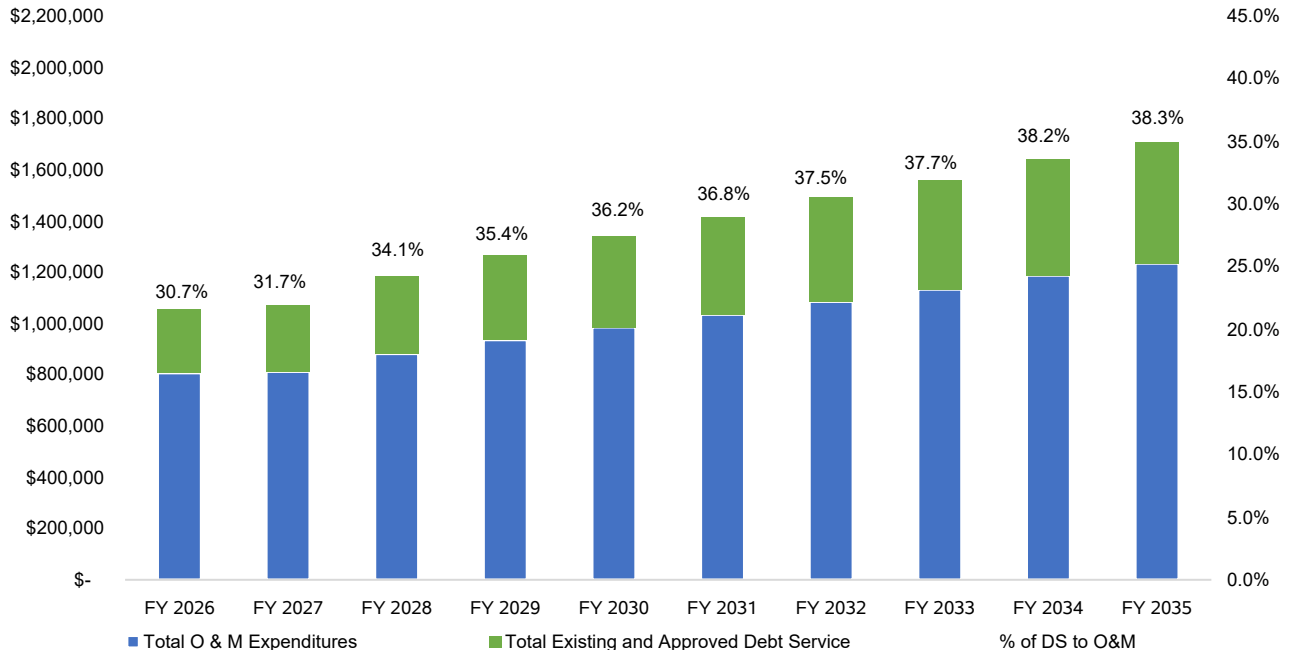
NEW & EXISTING DEBT OUTSTANDING FY 2026 - FY 2035 (\$000's)



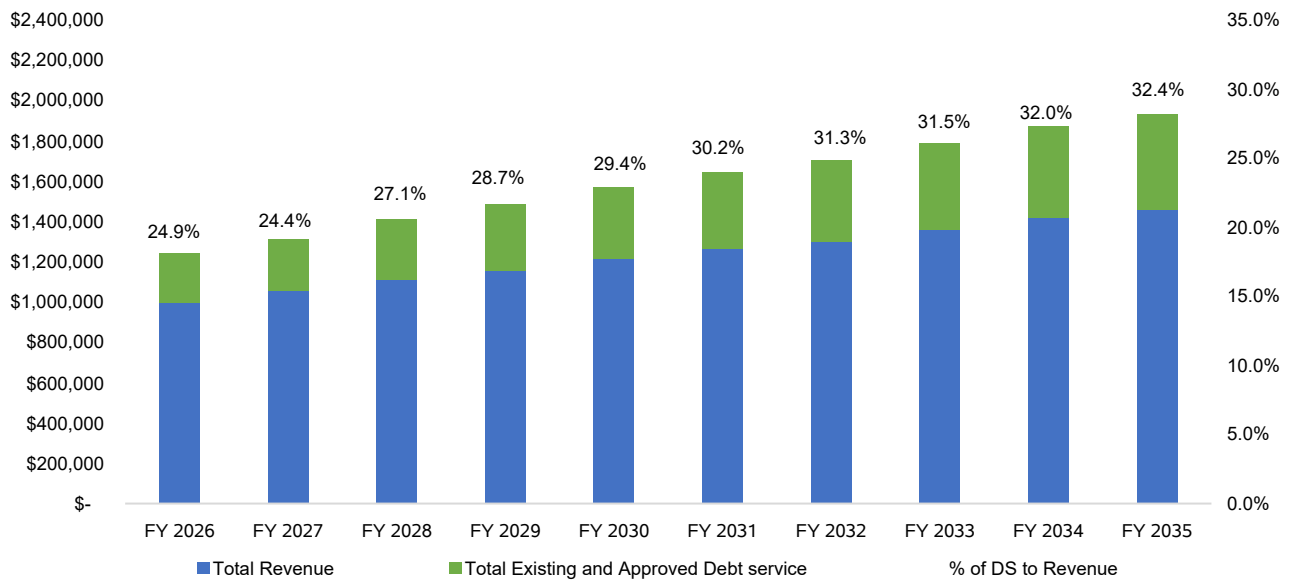
- The largest source of funding for DC Water’s capital program is debt.
- Over the next ten years, DC Water will issue approximately \$3.3 billion in new debt (which includes the funding of reserves and costs of issuance), increasing total debt outstanding to \$6.2 billion at the end of FY 2035.

Why Rate Increases Are Needed

DEBT SERVICE AS PERCENT OF TOTAL OPERATING & MAINTENANCE EXPENDITURES
FY 2026 – FY 2035
 (\$'000's)



DEBT SERVICE AS PERCENT OF TOTAL OPERATING REVENUES
FY 2026 – FY 2035
 (\$'000's)



Why Rate Increases Are Needed

OPERATING & DEBT SERVICE EXPENDITURES FY 2026 – FY 2035

Over the ten-year period, total expenditures increase on average by 5.4 percent annually

DC Water’s approved rate increases are primarily required to fund increasing debt service costs

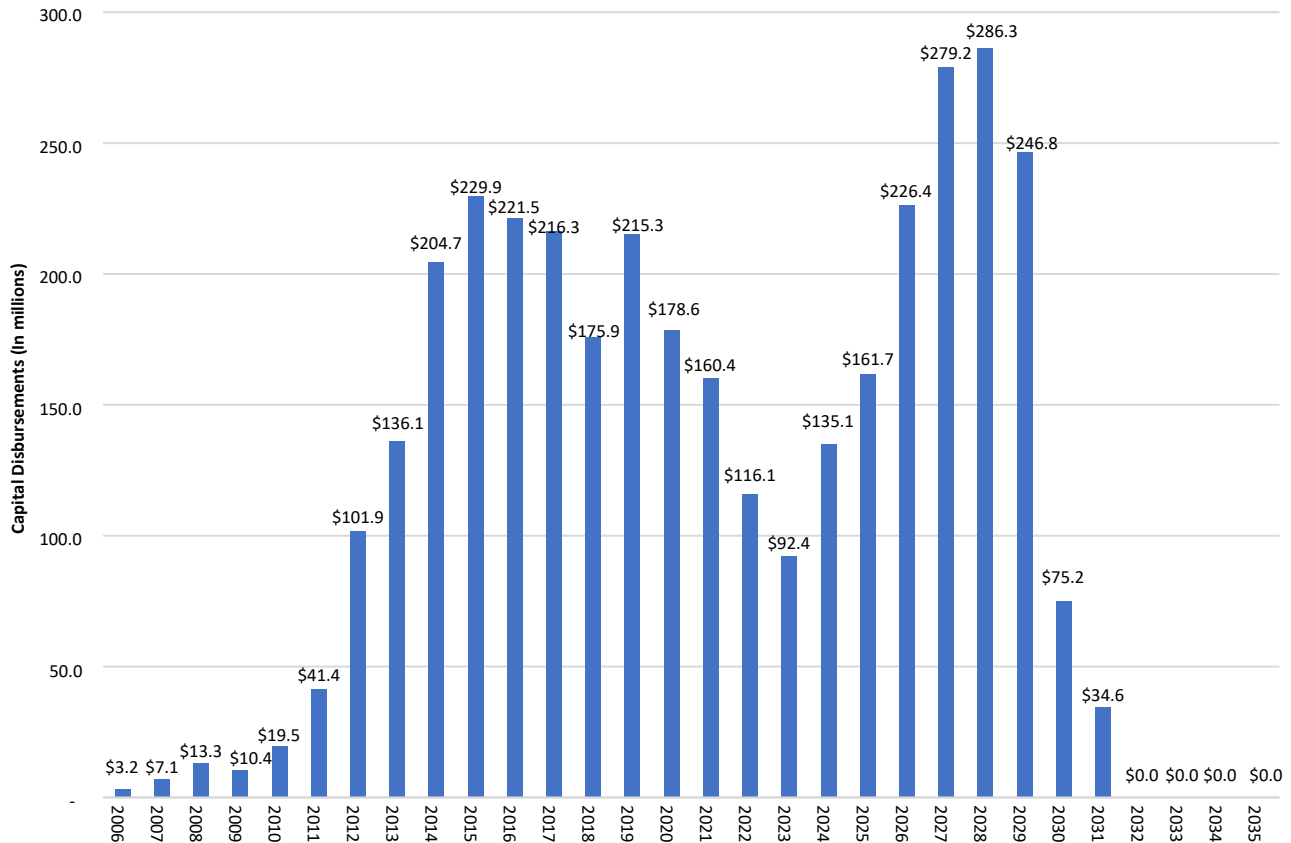
- Operations and maintenance expenditures (excluding the payment-in-lieu of taxes and right-of-way fee) increase on average by 4.1 percent annually
- Debt service expenditures grow at an annual average rate of 7.5 percent
- This year’s ten-year plan reflects increases in operating and maintenance and increases in debt service costs associated with DC Water’s Capital Improvement Program (CIP)



OPERATING & DEBT SERVICE

Why Rate Increases Are Needed

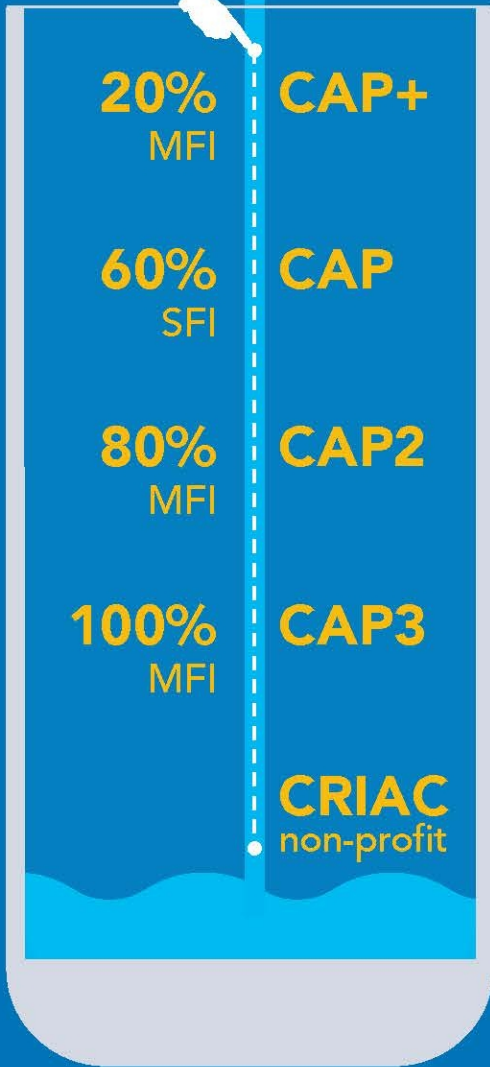
POTENTIAL IMPACT OF CSO LONG-TERM CONTROL PLAN ON RATES
Clean Rivers CSO LTCP Disbursement by Fiscal Year



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, 2025, \$308.8 million has been received through federal appropriations. Lifetime capital costs for the plan (exclusive of the nine–minimum controls program) total approximately \$3.56 billion, and this year’s approved ten-year plan includes \$1.15 billion of projected Clean Rivers Project disbursements.

CUSTOMER ASSISTANCE PROGRAMS (CAP)

Leak assessment program
(start 10/1/25)



- Discount on the first 600 cubic feet of water and sewer services
- 75% reduction in the monthly CRIAC + WSRF waiver
- \$130.68/month discount

- Discount on the first 400 cubic feet of water and sewer services
- 75% reduction in the monthly CRIAC + WSRF waiver
- \$100.95/month discount

- Discount on the first 300 cubic feet of water and sewer services
- 50% reduction in the monthly CRIAC
- \$67.02/month discount

- Discount of 75% off the monthly CRIAC
- \$18.17/month discount

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

Lifeline Rate

- Provides a discount to residential customers on the first 2,992 gallons used each month

Payment Plan Incentive Program

- 50% credit for on-time payments according to payment plans and the program rules

Leak Assessment Program

- DC Water offers resources to CAP+, CAP and CAP2 customers leak assessment to help them identify the source of leaks and high usage

SPLASH

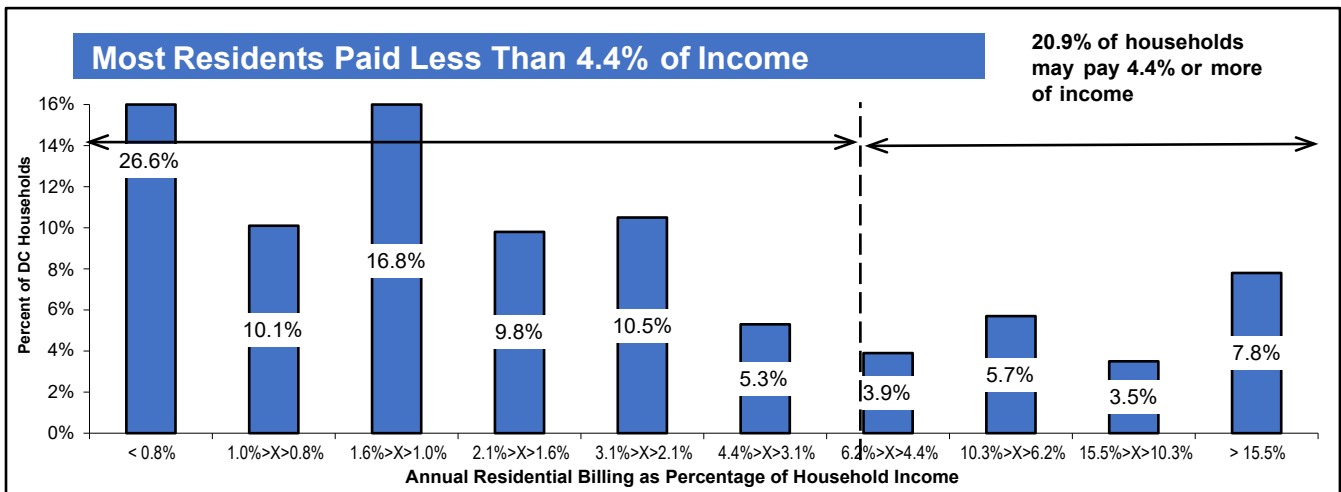
- \$350 payment towards bill
- Donations from customers, employees, Board Members and others

Affordability Of Retail Rates

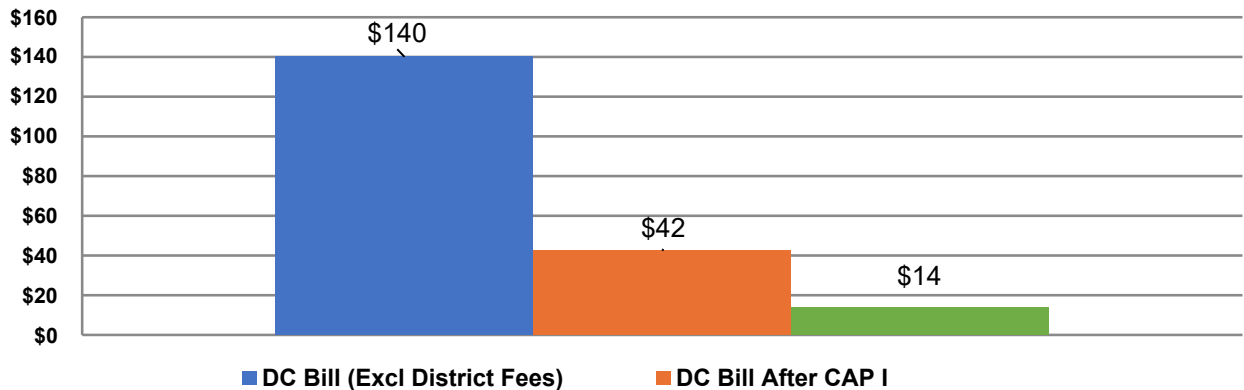
DC WATER CHARGES ARE STILL AFFORDABLE AND COMPETITIVE WITH OTHER

Median household income: The average DC Water charges are less than 4.4% of income for 79.1% 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



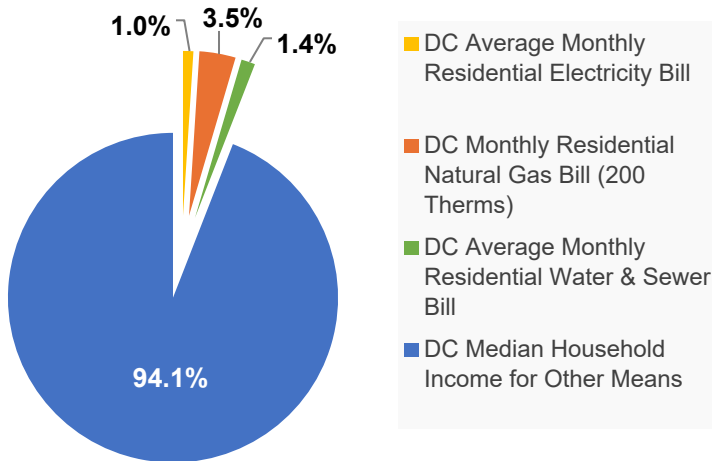
FY 2026 Single-Family Residential Average Monthly Bill with and Without CAP Credits



- A family of 4 at the 2025 Federal Poverty level spends 0.5% and 1.6% of income on DC Water bills, respectively, after CAP + and CAP I credits.

Affordability Of Retail Rates

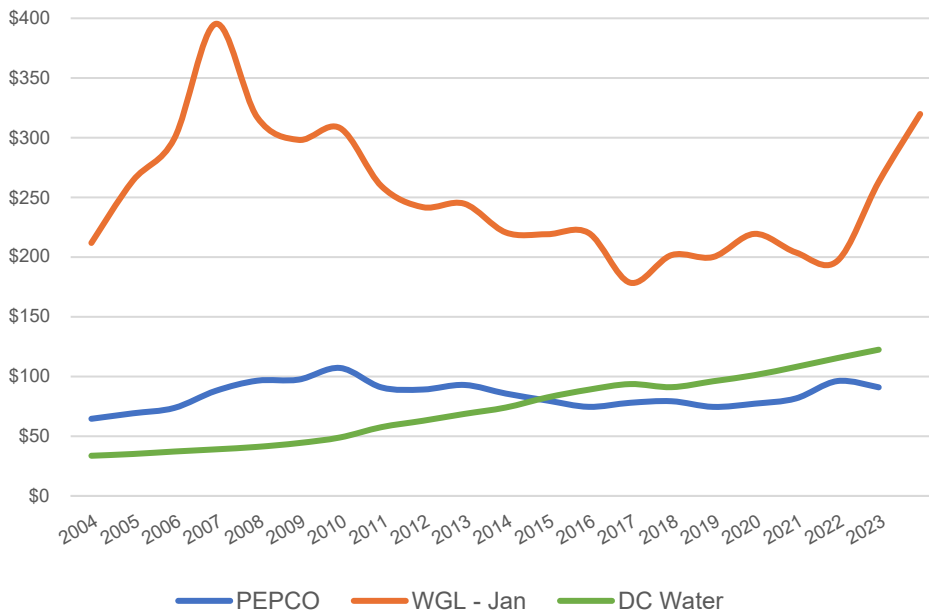
2023 Monthly DC Median Household Income



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 estimated natural gas bill and somewhat higher than the estimated 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 6.69 Ccf of water through 2015, 6.20 Ccf of water in 2016 and 2017, and 5.42 Ccf of water starting in 2018 and onward, WGL customer is assumed to use 200 Therms of natural gas for January.
- Average residential electricity usage was 586 kWh of electricity per month for PEPCO customers in 2023.

Source: District of Columbia Public Service Commission and DC Water

Affordability Of Retail Rates

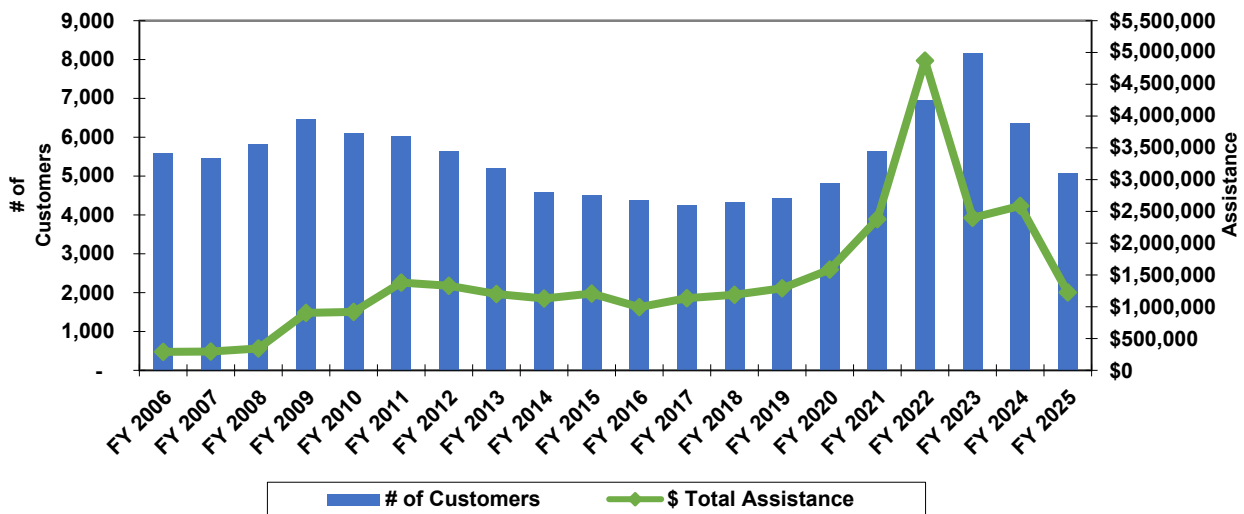
DC Water sponsors several programs to assist low-income customers in paying their water bills:

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 2025, CAP assisted 5,086 customers and provided \$1,225,594 in discounts to low-income customers.

A total number of 2,177 CAP+ customers enrolled in CAP+, which was introduced in FY 2025 with eligibility of 20% MHI, and received discounts of \$1,537,636.

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 greater than 20% up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS)). Eligible customers receive discount for 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 Plus (CAP+) – A new program started in FY 2025, which provides greater assistance to customers with 20% MHI. Eligible customers receive discount for first 6 Ccf of water and sewer, PILOT and ROW, 100 percent discount for Water System Replacement Fee and 75 percent discount for CRIAC. In FY 2025, CAP+ assisted 2,177 and provided \$1,537,636 in discounts to low-income customers.

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 greater than 60 percent 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 2025, CAP2 assisted 490 customers and provided \$102,654 in discounts.

Customer Assistance Program III (CAP3) – A 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 2025, CAP3 assisted 51 customers and provided \$5,749 in discounts.

CRIAC (Clean Rivers Impervious Area Charge) Non-profit Relief Program – A 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 2025, Nonprofit Relief Program assisted 193 non-profit organizations and provided \$900,902 in discounts.

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:

- \$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;
- \$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;
- The \$5.0 million held for FY 2022 targeted assistance for customers 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 onetime 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. The funding was exhausted in FY2024.

Residential Leak Assessment Assistance Program (RLAAP) - Offers resources to CAP+, CAP, CAP2 customers that have received usage alerts. The program offers private side leak assessments to help customers identify the source of the leaks and high usage. In FY2025 we spent \$217,500 and assisted 286 customers.

Residential Leak Repair Assistance Program (RLRAP) – Funded by the District and offered with the RLAAP, this program sends a licensed plumber to fix private-side leaks found during assessments. In FY 2025, RLRAP repaired leaks for 114 customers, costing \$104,910.

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. In FY 2026, the adjustment has been increased from 40% to 50%

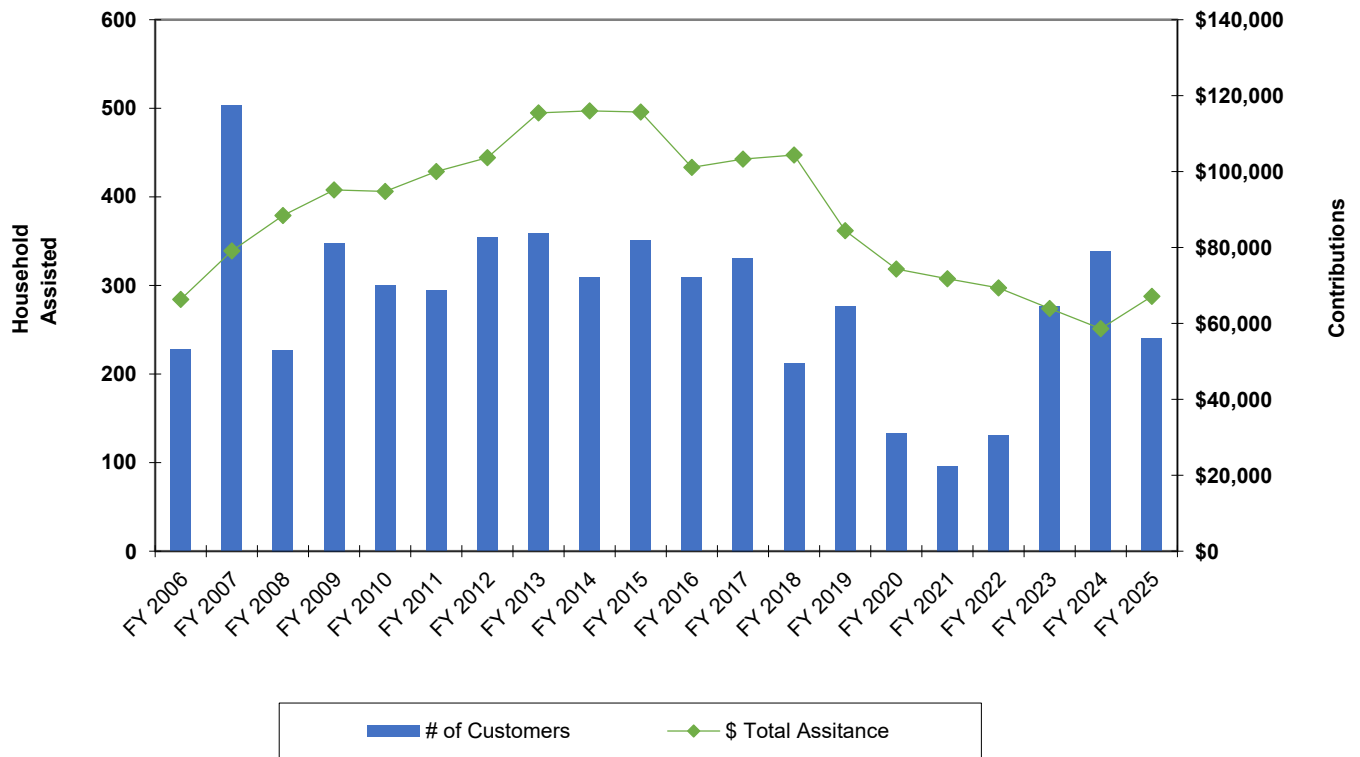
Affordability Of Retail Rates

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. This program ended in FY2022.

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.

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.

SPLASH Program

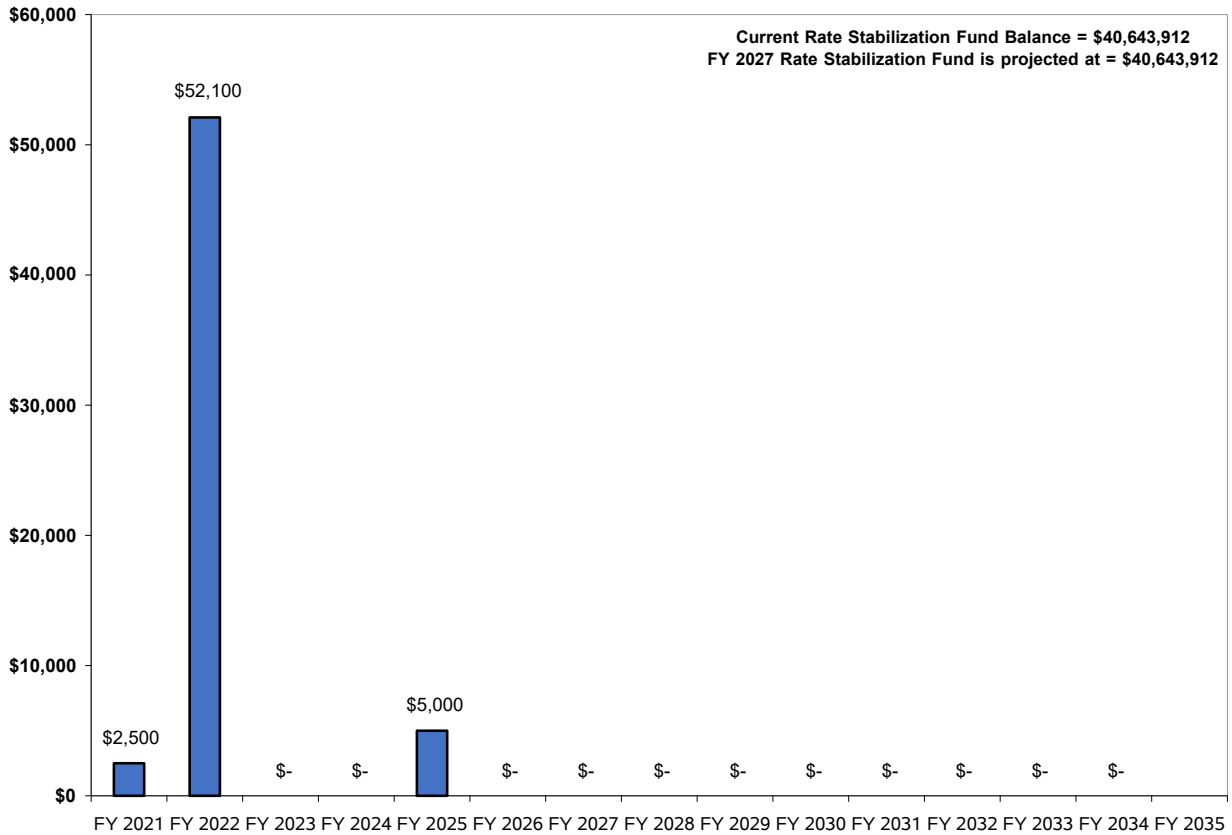


Serving People by Lending a Supporting Hand (SPLASH): The SPLASH program was implemented in FY 2001. Through the SPLASH program, DC Water offers assistance to families in need so that they can maintain critical water and sewer services until they get back on their feet. The program is administered by the Greater Washington Urban League. Every dollar received by DC Water is distributed to eligible customers. In FY 2025, SPLASH contributions received was \$67,129 and DC Water assisted 240 low-income households customers with \$81,007.

Affordability Of Retail Rates

RATE STABILIZATION FUND USAGE FY 2026 - FY 2035

(\$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 million 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.

In July 2025, the Board approved the transfer of \$5 million to RSF due to uncertainty of any consumption decline. This increased the RSF balance at the end of FY 2025 to \$40.64 million. No RSF is approved to be utilized from FY 2026 to FY 2035. RSF will have a balance of \$40.64 million at the end of FY 2035.

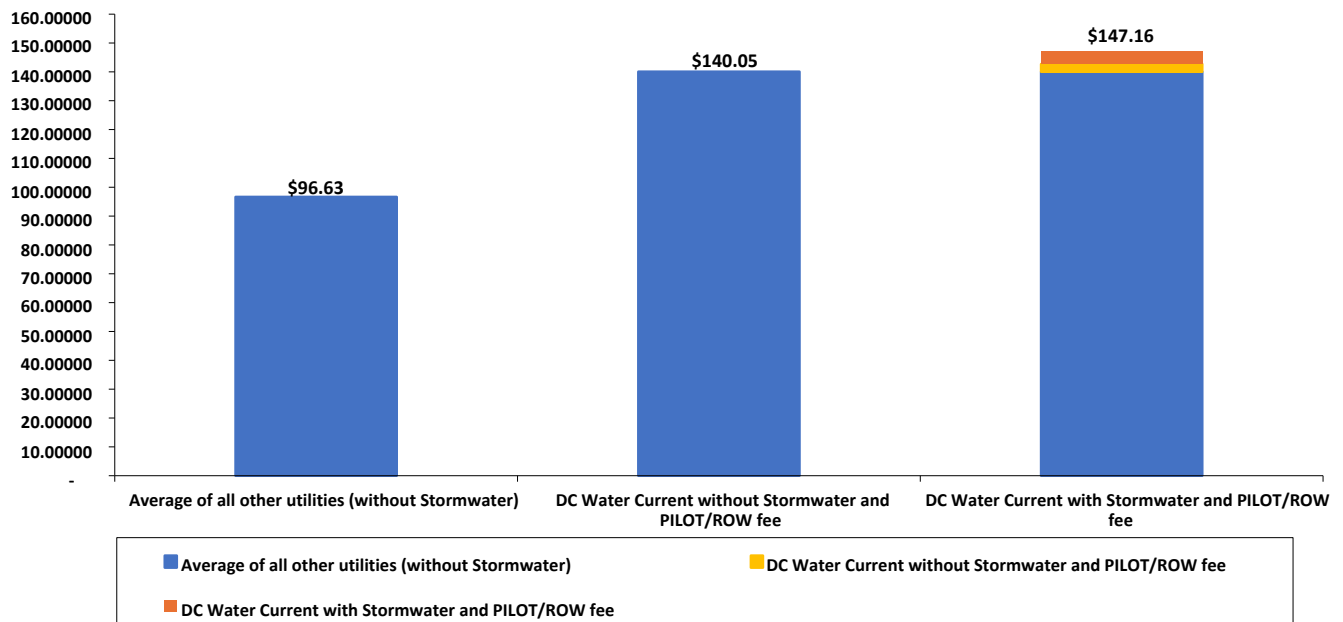
Affordability Of Retail Rates

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 2025, 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:

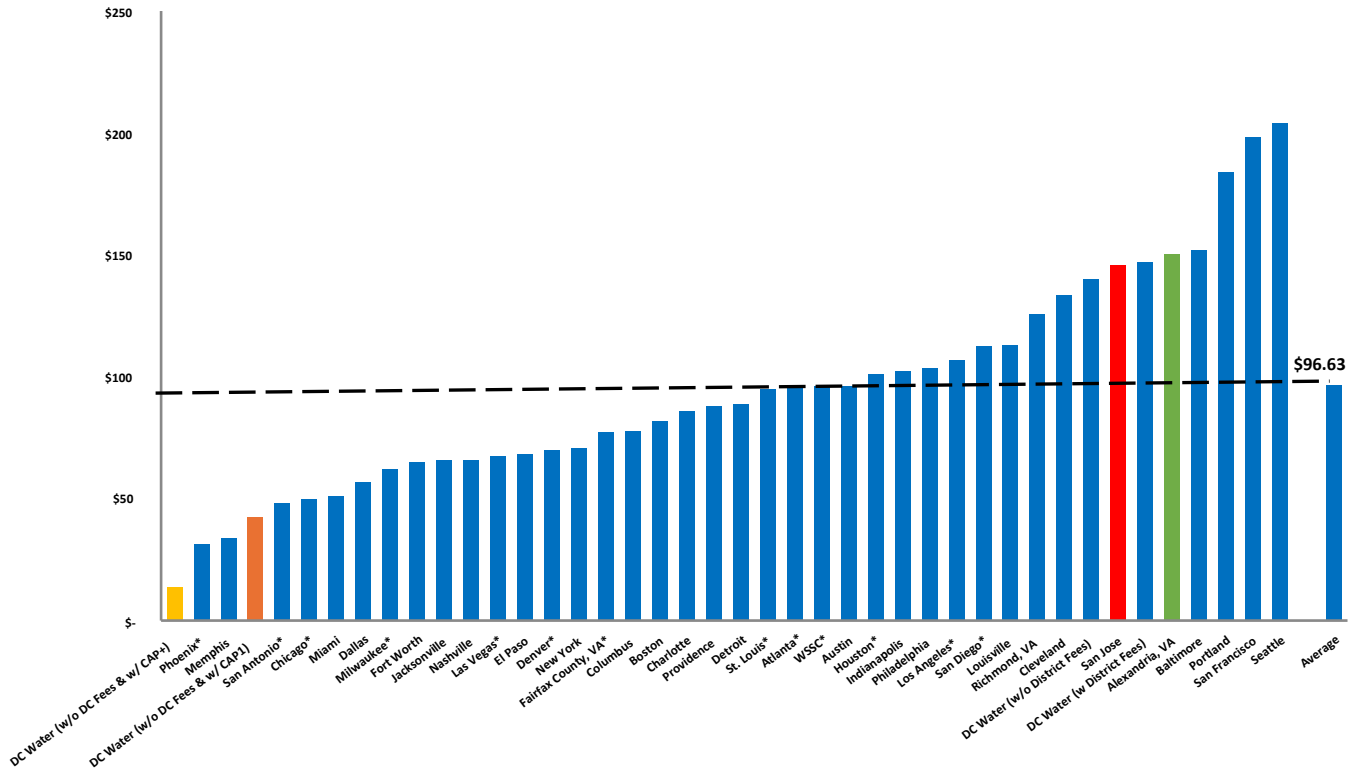
- Different patterns of water use (e.g., suburban jurisdictions can have different demands from urban centers)
- Revenues from taxes that reduce the revenues to be raised from water, sewer and stormwater rates (e.g., Milwaukee, St. Louis, Atlanta, Chicago, etc.)
- Available undeveloped areas supporting 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 FY 2026 Monthly Residential Bill
 vs.
Average Monthly Bill of Other Utilities in Effect Fall 2025



Affordability Of Retail Rates

DC Water Retail Rates Compared to Other Large Utilities (Based on Rates in effect Fall 2025)

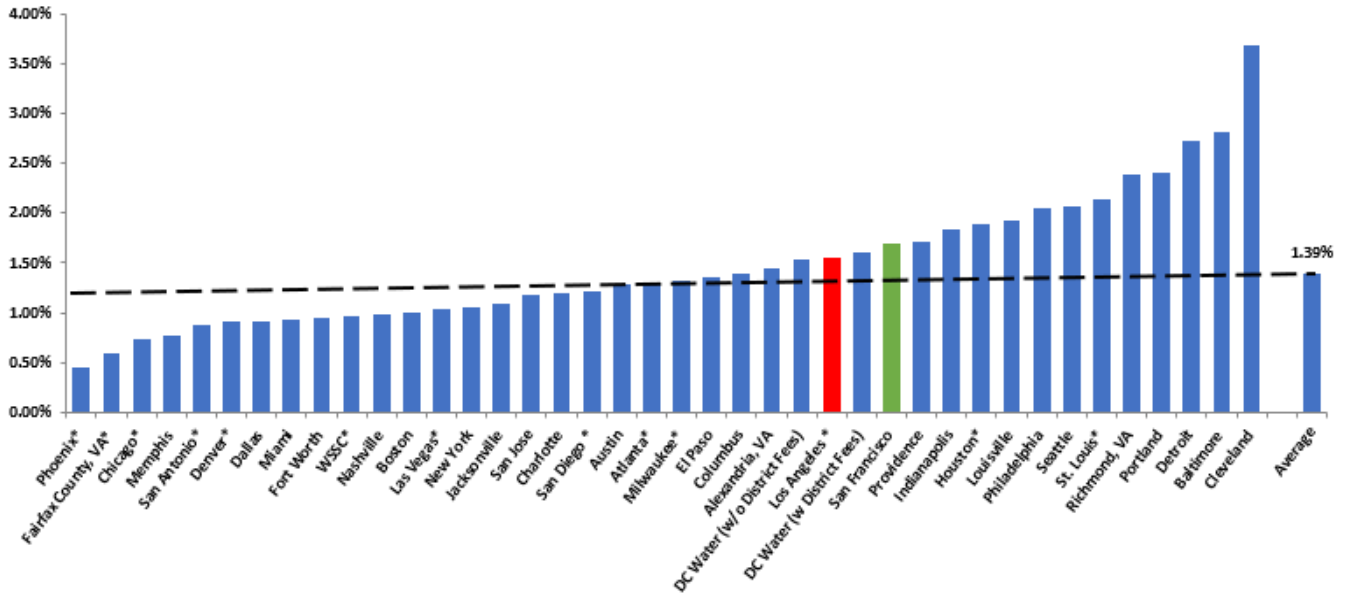


- (1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons
- (2) Reflects rates and fees in place as of November 1, 2025. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.82 per Ccf (effective October 1, 2025) 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.

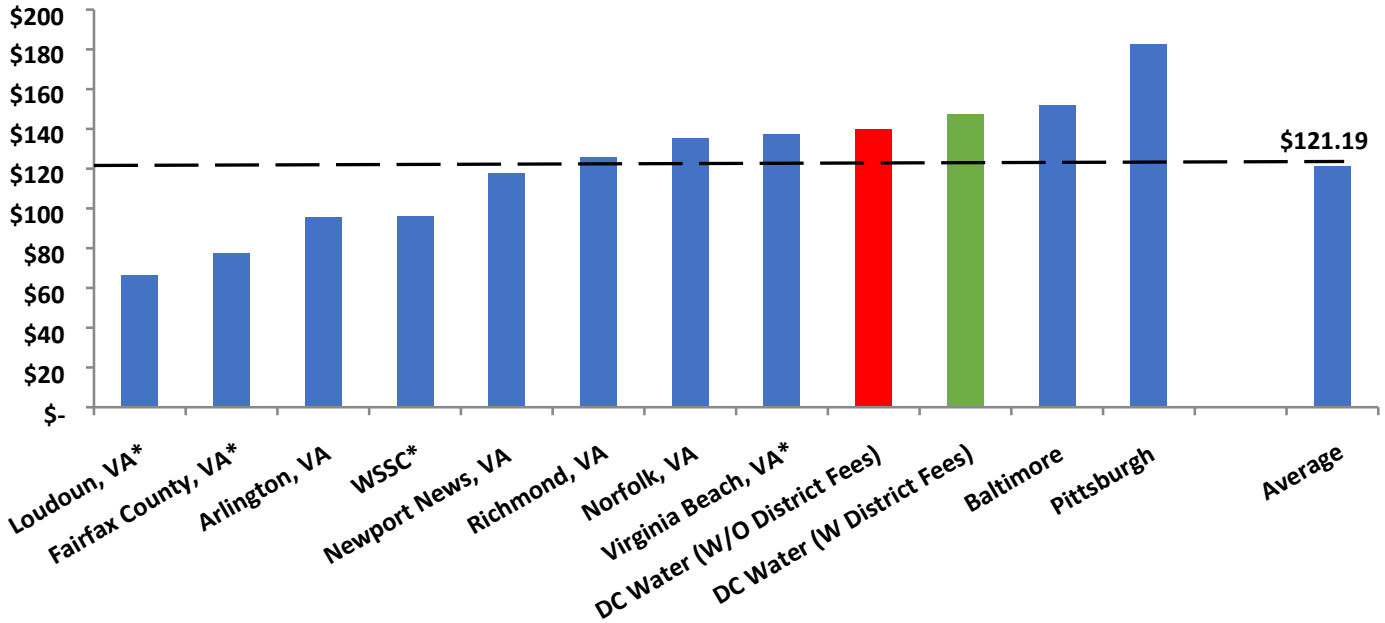
Single-Family Residential (SFR) Monthly Bill as a % of Median Household Income - Large National Utilities (Based on Rates Effective Fall 2025)



- (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, 2025. The Authority's rate includes the PILOT/ROW fee totaling \$0.82 per Ccf (effective October 1, 2025) 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

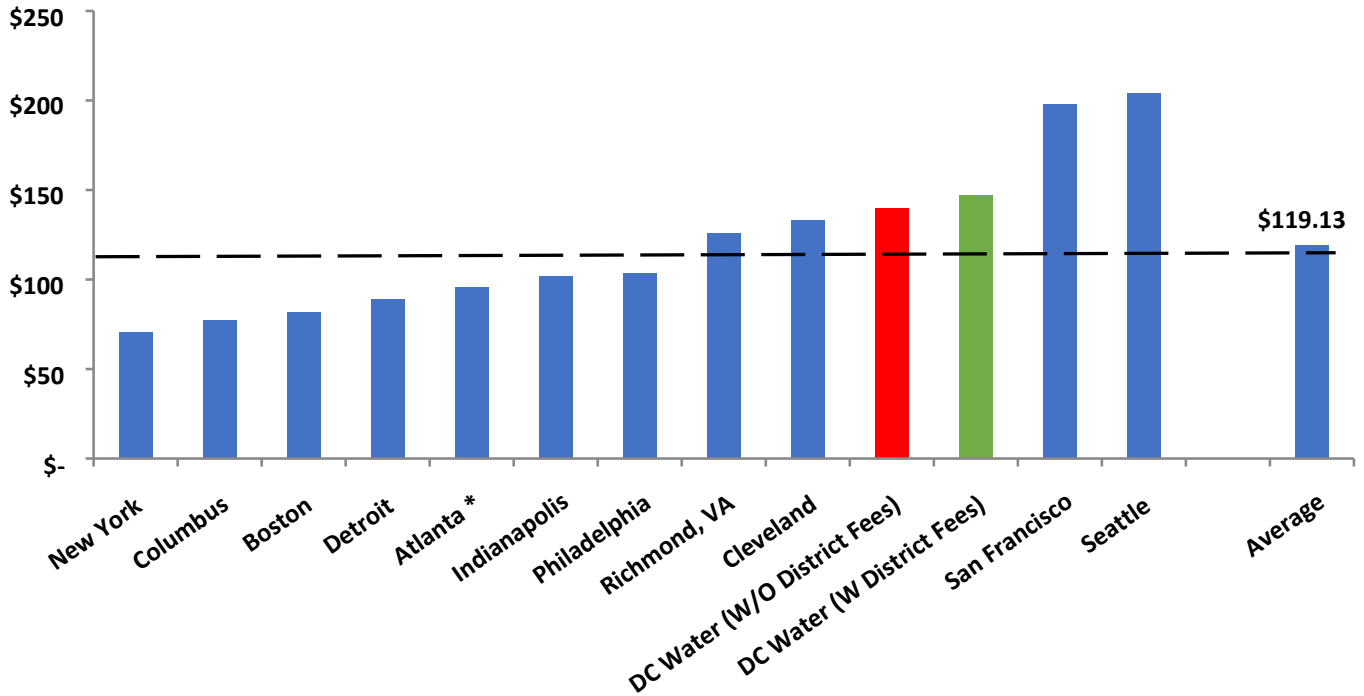
**DC Water Retail Rates Compared to Regional Utilities
(Based on Rates in effect Fall 2025)**



- (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, 2025. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.82 per Ccf and the DDOE 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

**DC Water Compared to CSO Communities
(Based on Rates in effect Fall 2025)**

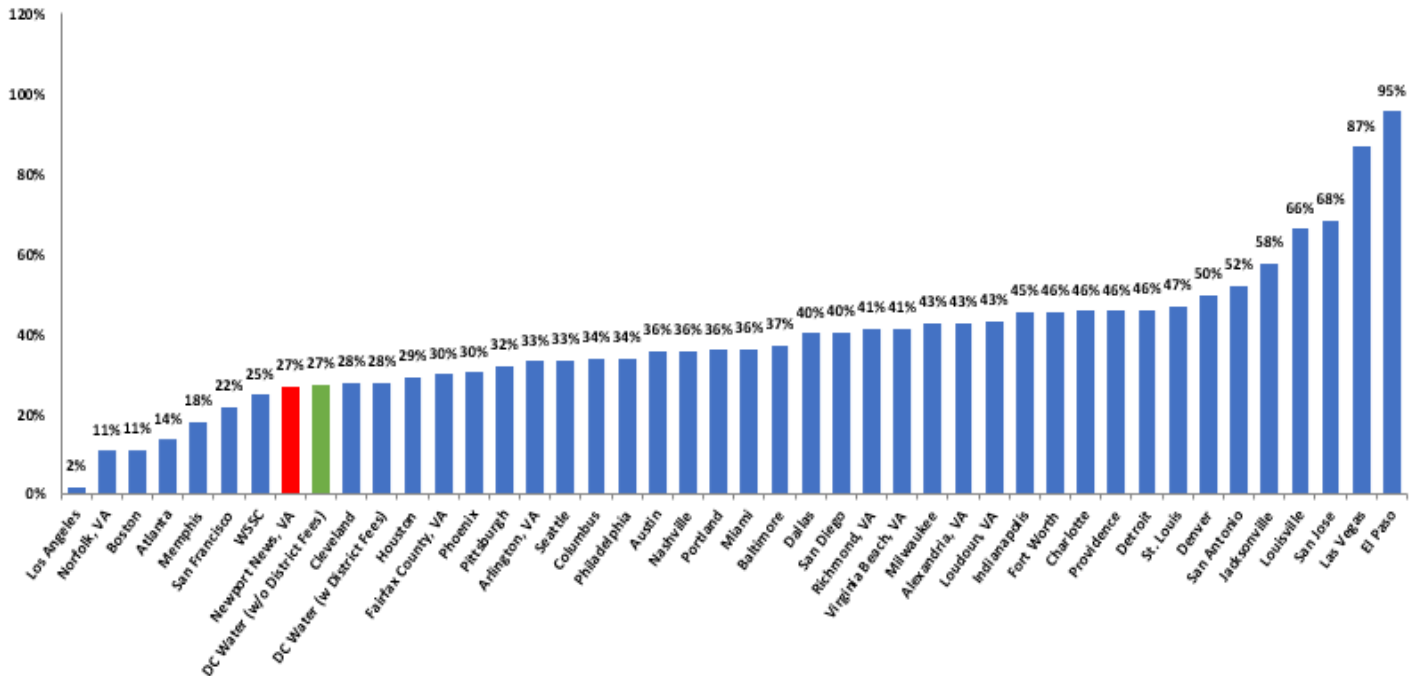


- (1) Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons.
- (2) Reflects rates and fees in place as of November 1, 2025. The Authority's charges with District fees include the PILOT/ROW fee totaling \$0.82 per Ccf and the DDOE residential 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.
- (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 2025)**

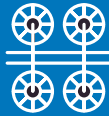


- (1) User Charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption, wastewater discharge, stormwater drainage area and other factors. Actual charges in each city will vary in accordance with local usage patterns. Some cities bill for 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, 2025. Whereas charges for all cities reflect rate schedules in effect November 1, 2025
- (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 2027 Budgets

Section V: Capital Improvement Program



Wastewater Treatment

- FY 2027 Budget **\$127.5M**
- 10-Year CIP total **\$1.6B**
- Major Project: Effluent Filter Upgrade **\$185.72M**



Combined Sewer Overflow

- FY 2027 Budget **\$311M**
- 10-Year CIP total **\$1.3B**
- Major Project: DC Clean Rivers **\$752.12M**



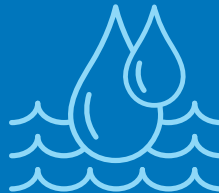
Non-Process Facilities

- FY 2027 Budget **\$32.67M**
- 10-Year CIP total **\$243.4M**
- Major Project: Bryant Street Pump Station Building Modifications - Field Ops Facility Central **\$38.5M**



Stormwater

- FY 2027 Budget **\$14.7M**
- 10-Year CIP total **\$127.4M**
- Major Project: Rehabilitation of Stormwater Pump Stations **\$65.45M**



DC Water FY 2027 Capital Improvement Program

FY 2027 Budget \$1.07B
10-Year CIP total \$9.69B



Capital Equipment

- FY 2027 Budget **\$45.25M**
- 10-Year CIP total **\$415.39M**
- Major Project: Heavy-duty equipment and vehicles **\$46M**



Sanitary Sewer

- FY 2027 Budget **\$230.7M**
- 10-Year CIP total **\$2.7B**
- Major Project: Potomac Interceptor Project (Rehab Phase 4) **\$663.5M**



Washington Aqueduct

- FY 2027 Budget **\$35.77M**
- 10-Year CIP total **\$514.5M** for DC Water's share of the Aqueduct's CIP



Water

- FY 2027 Budget **\$274.56M**
- 10-Year CIP total **\$2.78B**
- Major Project: Lead Free DC Program **\$1.04B**



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 2026 – FY 2035 is \$9.7 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 \$17.4 billion.





(\$ in thousands)	FY 2025 Actual	FY 2025 - FY 2035 Disbursement Plan										Lifetime	
		FY 2026	FY 2027	FY 2028	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	10-Yr Total	Budget
NON PROCESS FACILITIES													
Facility Land Use	\$5,186	\$15,467	\$32,671	\$43,535	\$43,848	\$27,523	\$22,366	\$22,277	\$14,582	\$10,820	\$10,303	\$243,392	\$412,191
Subtotal	\$5,186	\$15,467	\$32,671	\$43,535	\$43,848	\$27,523	\$22,366	\$22,277	\$14,582	\$10,820	\$10,303	\$243,392	\$412,191
WASTEWATER TREATMENT													
Liquid Processing	\$28,158	\$37,432	\$62,890	\$78,208	\$76,148	\$101,432	\$93,828	\$131,267	\$135,146	\$125,731	\$109,722	\$951,804	\$1,419,040
Plantwide	\$21,463	\$36,576	\$48,741	\$52,539	\$43,570	\$51,136	\$50,246	\$45,654	\$28,592	\$11,253	\$7,649	\$375,957	\$632,318
Solids Processing	\$15,023	\$8,944	\$15,905	\$20,917	\$18,619	\$11,838	\$28,377	\$21,532	\$21,006	\$57,706	\$61,641	\$266,485	\$427,942
Enhanced Nitrogen Removal Facilities	\$122	\$246	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$246	\$191,177
Subtotal	\$64,766	\$83,199	\$127,537	\$151,664	\$138,337	\$164,406	\$172,451	\$198,453	\$184,744	\$194,690	\$179,012	\$1,594,492	\$2,670,477
COMBINED SEWER OVERFLOW													
DC Clean Rivers Program	\$161,739	\$226,435	\$279,237	\$286,251	\$246,763	\$75,192	\$34,630	\$0	\$0	\$0	\$0	\$1,148,507	\$3,560,771
Combined Sewer Overflow Program	\$3,385	\$11,047	\$31,779	\$35,442	\$17,484	\$19,225	\$7,984	\$11,098	\$10,000	\$11,000	\$11,000	\$166,059	\$201,679
Subtotal	\$165,124	\$237,482	\$311,016	\$321,693	\$264,247	\$94,417	\$42,614	\$11,098	\$10,000	\$11,000	\$11,000	\$1,314,566	\$3,762,450
STORMWATER													
Storm Local Drainage Program	\$9	\$2,634	\$5,728	\$5,283	\$5,501	\$4,472	\$1,352	\$407	\$406	\$406	\$406	\$26,595	\$39,153
Storm On-Going Program	\$1,319	\$614	\$1,217	\$1,634	\$1,657	\$248	\$561	\$368	\$768	\$617	\$373	\$8,057	\$10,413
Storm Pumping Facilities	\$5,881	\$11,747	\$5,785	\$8,602	\$16,884	\$15,861	\$6,568	\$0	\$0	\$0	\$0	\$65,446	\$84,738
Stormwater Program Managemet	\$194	\$585	\$519	\$970	\$871	\$1,848	\$0	\$0	\$0	\$0	\$0	\$4,793	\$14,849
Stormwater Trunk/Force Sewers	\$23	\$969	\$1,491	\$1,697	\$2,928	\$6,779	\$4,440	\$1,543	\$1,076	\$1,076	\$534	\$22,534	\$41,383
Subtotal	\$7,427	\$16,550	\$14,740	\$18,186	\$27,841	\$29,208	\$12,921	\$2,318	\$2,250	\$2,099	\$1,313	\$127,426	\$190,536
SANITARY SEWER													
Sanitary Collection System	\$12,133	\$15,894	\$20,632	\$28,321	\$18,700	\$33,911	\$62,486	\$36,292	\$11,833	\$11,833	\$11,074	\$250,976	\$677,291
Sanitary On-Going Projectss	\$17,203	\$15,454	\$18,638	\$28,042	\$13,572	\$15,297	\$15,289	\$15,756	\$15,169	\$15,169	\$15,169	\$167,555	\$265,252
Sanitary Pumping Facilities	\$4,046	\$8,096	\$12,126	\$10,187	\$7,416	\$15,693	\$32,497	\$48,364	\$34,847	\$20,484	\$8,240	\$197,951	\$254,616
Sanitary Program Management	\$10,534	\$16,400	\$20,398	\$10,309	\$6,604	\$5,995	\$5,995	\$6,012	\$7,732	\$7,500	\$7,100	\$94,045	\$200,562
Interceptor/Trunk Force Sewers	\$65,453	\$99,526	\$158,919	\$189,968	\$176,943	\$229,760	\$172,124	\$188,824	\$241,475	\$305,060	\$224,000	\$1,986,599	\$2,817,552
Subtotal	\$109,368	\$155,371	\$230,713	\$266,827	\$223,235	\$300,656	\$288,391	\$295,248	\$311,056	\$360,046	\$265,583	\$2,697,126	\$4,215,274
WATER													
Water Distribution Systems	\$58,040	\$58,259	\$87,333	\$87,620	\$96,097	\$107,036	\$111,467	\$120,433	\$145,279	\$160,456	\$171,636	\$1,145,616	\$2,278,645
Water Lead Program	\$81,997	\$93,954	\$132,752	\$133,000	\$133,000	\$133,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$1,040,707	\$1,783,489
Water On-Going Projects	\$28,022	\$13,646	\$15,927	\$12,173	\$20,990	\$29,536	\$16,957	\$14,081	\$27,014	\$24,932	\$19,903	\$195,159	\$267,044
Water Pumping Facilities	\$3,251	\$2,070	\$8,076	\$7,221	\$5,125	\$4,203	\$3,625	\$3,569	\$3,560	\$3,560	\$3,072	\$44,081	\$95,809
Water Storage Facilities	\$5,628	\$2,807	\$16,608	\$32,201	\$40,294	\$31,430	\$45,231	\$28,736	\$20,046	\$18,857	\$21,000	\$257,210	\$272,759
Water Service Program Management	\$13,366	\$16,020	\$13,863	\$13,112	\$7,097	\$7,142	\$8,373	\$8,774	\$8,746	\$8,746	\$8,746	\$100,619	\$146,874
Subtotal	\$190,303	\$186,757	\$274,558	\$285,327	\$302,603	\$312,347	\$268,653	\$258,593	\$287,645	\$299,551	\$307,357	\$2,783,392	\$4,844,619
CAPITAL PROJECTS													
Capital Equipment Reporting	\$19,911	\$32,481	\$45,248	\$43,981	\$41,564	\$41,269	\$41,558	\$41,855	\$42,162	\$42,478	\$42,803	\$415,398	\$415,398
Washington Aqueduct Reporting	\$22,060	\$49,480	\$35,770	\$35,770	\$35,770	\$35,770	\$71,540	\$71,540	\$71,540	\$71,540	\$35,770	\$514,490	\$514,490
ADDITIONAL CAPITAL PROGRAMS													
LABOR	\$41,971	\$81,961	\$81,018	\$79,751	\$77,334	\$77,039	\$113,098	\$113,395	\$113,702	\$114,018	\$78,573	\$929,888	\$929,888
TOTAL CAPITAL BUDGETS	\$584,144	\$776,787	\$1,072,251	\$1,166,983	\$1,077,446	\$1,005,595	\$920,494	\$901,382	\$923,979	\$992,224	\$853,141	\$9,690,282	\$17,441,411

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 2035 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.

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 12 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

	1A	2A	2B	2C	2D	3A	3B	
Mandates	Health & Safety	Board Policy	Potential Failure	High Profile Good Neighbor	Good Engineering High Payback	Good Engineering Lower Payback		
Agreements, Regulatory standards, Court orders, issues and Permits requirements, Stipulated Agreements, Etc.	Required to address Public Safety	Undertaken as a result of the Board's commitment to outside agencies	Related to Facilities in danger of failing, or critical to meeting permit requirements	Address Public concerns	Need to fulfill Mission and upgrade Facilities	Lower priority Projects		
FY 2026	\$225,415	\$7,336	\$135,349	\$48,773	\$3,674	\$257,213	\$99,027	\$776,787
FY 2027	\$279,237	\$22,993	\$207,924	\$81,586	\$19,587	\$279,015	\$181,911	\$1,072,251
FY 2028	\$286,251	\$23,030	\$211,477	\$144,022	\$30,339	\$237,550	\$234,314	\$1,166,983
FY 2029	\$246,763	\$15,686	\$207,479	\$122,535	\$35,153	\$243,977	\$205,852	\$1,077,446
FY 2030	\$75,192	\$11,238	\$209,403	\$137,515	\$26,896	\$317,707	\$227,645	\$1,005,595
FY 2031	\$34,630	\$18,475	\$159,094	\$69,783	\$45,998	\$359,147	\$233,367	\$920,494
FY 2032	\$0	\$17,550	\$157,959	\$68,356	\$23,715	\$395,870	\$237,932	\$901,382
FY 2033	\$0	\$17,355	\$171,416	\$107,676	\$11,615	\$374,335	\$241,582	\$923,979
FY 2034	\$0	\$17,355	\$181,052	\$189,810	\$3,560	\$362,847	\$237,600	\$992,224
FY 2035	\$0	\$7,275	\$221,272	\$131,230	\$3,072	\$284,680	\$205,612	\$853,141
Total	\$1,147,487	\$158,293	\$1,862,425	\$1,101,285	\$203,609	\$3,112,342	\$2,104,840	\$9,690,282
% of Total	12%	2%	19%	11%	2%	32%	22%	

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

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 2025 Actual	FY 2026 Revised	FY 2027 Approved	10-Year Plan	Lifetime Budget
Facility Land Use	\$5,186	\$15,467	\$32,671	\$243,392	\$412,191
Total Non-Process Facilities CIP	\$5,186	\$15,467	\$32,671	\$243,392	\$412,191

(\$ 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. Residual projects include fencing along the west side of Canal St, which was completed in March 2025, a new pedestrian access point adjacent Yards Park Dog Park on Second St, and hardscape improvements around the redefined campus through FY 2025.
- Renovations to Blue Plains Central Operations Facility:** The Central Operations Facility has been assessed to identify fire, life and safety related improvement opportunities, and identified items are being addressed.

Key major projects include:

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



Project Name / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
HVAC and Roofing Projects (RV)	3A	2020	2035	\$22,934	\$30,988
Total				\$22,934	\$30,988

(\$ in thousands)

Major Accomplishments:

Roof Assessments of the buildings within Blue Plains were divided into seven (7) phases. As of FY 2025, all seven (7) phases have been completed. 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 2026.

Project Description: This project is meant to 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 (e.g. occupied versus non-occupied) and then developing remediation and renovation plans as identified by the assessment. Assessments started in FY 2022 and continue through FY 2026. An initial list of 15 HVAC systems were prioritized for replacement and solicited in FY 2025. A second list of 20 HVAC systems are prioritized for replacement in FY 2026. The phasing of assessments by the Non-Process Program team prioritizes HVAC and roofing projects with immediate needs and beyond will implement a 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, Lead Abatement of hazardous materials and procurement of construction were completed in FY 2025, and construction is planned for the first quarter of FY 2026.
- **Anacostia Pump Station Field Operations 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 procurement for 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 Design was completed in FY 2023 and approval for a design-build procurement is anticipated in FY 2026.

2026.

- 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. Designed to support the operational and safety training needs of staff, the facility will enhance workforce readiness and compliance. Planning for the project commenced in FY 2024 and is expected to continue through FY 2026. The total estimated project cost is \$9.5 million.

Key major projects include:

Solar Projects **Sustainable**

Project Description: This project encompasses the planning, design, and construction of solar energy systems across several DC Water campuses. Planned locations includes Bryant Street, Fort Reno, Main Pump Station, Anacostia Pump Station, and Potomac Pump Station. These installations are part of DC Water’s broader sustainability initiatives and are intended to enhance energy efficiency while supporting long-term rate stabilization efforts.

Project Name / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
Solar Projects (SF)	3A	2023	2034	\$13,124	\$23,942
Total				\$13,124	\$23,942



- 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 concept design is projected to start in FY 2026 and construction to start in FY 2027.
- Sewer Services Office and Garage Expansion:** This project involves evaluating options to expand the existing Sewer Services Facilities at Ames Place or at an alternative strategic location to be identified. The expansion is necessary to accommodate additional office and support spaces, as well as a temperature-controlled garage for approximately 25 fleet vehicles. A concept design outlining multiple options has been completed. The selection of a preferred option and initiation of design-build procurement is scheduled to begin in FY 2026. This project will provide a modern, functional field operations base to support the Sewer Operations team.
- Main Pump Station Building Modifications:** This project preserves the historic Main Pump Station

by restoring its exterior envelope and select interior areas to maintain structural integrity and extend the facility's service life. Because of its historic status, the work requires specialized planning, design, and construction by firms experienced in historic preservation. The project will involve standard Department of Buildings (DOB) permitting and coordination with the State Historic Preservation Office (SHPO) and the U.S. Commission of Fine Arts (CFA). A Condition Assessment Report was completed in FY 2024, and procurement for a design-build contract is planned for FY 2026.

- **Combined Water Quality & Wastewater Lab:** This project aims to renovate the existing wastewater laboratory at the Blue Plains facility to create a combined Wastewater and Water Quality Laboratory. The consolidation will enhance operational efficiency and support integrated water quality analysis. Concept design is scheduled to begin in FY 2026, with design-build procurement anticipated to commence in FY 2027.

ACCOMPLISHMENTS

- DC Water has achieved the WELL Health-Safety Rating from the International WELL Building Institute (IWBI), recognizing its commitment to prioritizing health, safety, and well-being across its facilities. This certification reflects the organization's proactive approach to creating environments that support employee wellness, operational resilience, and public trust.
- Completed the submission-ready package for Storm Water Pollution Prevention Plan (SWPPP) for the new Fleet Facility HQ.
- The east side of the HQO campus adjoins the Yards Park Dog Park; however, there is currently no gate providing direct access to DC Water premises. To address this, a gate installation design has been completed and is now undergoing permit review. Once approved and implemented, this enhancement will improve accessibility and connectivity between the campus and surrounding public spaces. Construction is planned for FY 2026.
- The design for the Headquarters Office (HQO) Terrace Improvement project, which includes the addition of a gazebo, has reached 100% completion and is currently under permit review. Construction is planned for FY 2026. This enhancement will contribute to employee wellness and provide a functional outdoor space aligned with DC Water's commitment to workplace quality and engagement.
- Task Order #1 under the Design Basic Ordering Agreement (BOA), which encompasses building envelope renovations at the Anacostia Pump Station, is nearing completion. The design phase has reached 100% completion and is currently undergoing permit review. This milestone marks significant progress toward enhancing facility resilience and operational reliability.
- Task Order #2 under the Design Basic Ordering Agreement (BOA), focused on parking modifications at the Bryant Street Pump Station, is progressing toward completion. The design phase is approximately 65% complete. Upon finalization, the project will optimize campus parking and incorporate infrastructure to support electric vehicle (EV) requirements, aligning with DC Water's sustainability and modernization goals.
- The Non-Process Facilities Program Manager is leading the update and development of DC Water's 10-Year Land Use Master Plan. This strategic initiative will provide recommendations for new facilities,

as well as renovations and modifications to existing assets, to meet the evolving needs of DC Water’s operations. The updated plan will align with Blueprint 2.0, recent compliance requirements, and other organizational initiatives introduced over the past decade. The project is currently underway and is scheduled to continue through Fiscal Year 2026.

OPERATIONAL IMPACT OF MAJOR CAPITAL PROGRAMS

Non-Process Facilities Program Management (NPFPM): This program supports all DC Water employees and visitors by providing a safe, healthy, equitable environment across support services and operational homebase locations. Its successful execution promotes a comfortable, engaged workforce capable of fulfilling DC Water’s mission to deliver safe drinking water and properly treated wastewater for the District and surrounding counties. By fostering a sustainable work environment, the program also strengthens reliable operations and resiliency during emergencies.

CHALLENGES

The program faces several challenges due to the broad range of scopes it supports across all DC Water departments. The diverse stakeholder group creates logistical and strategic difficulties—from scheduling meetings and workshops to addressing a wide range of operational needs and expectations. In addition, many DC Water facilities are historically significant and require review by the State Historic Preservation Office (SHPO), while publicly visible renovations also need approval from the U.S. Commission of Fine Arts (CFA). These regulatory requirements can restrict the scope and timing of improvements, adding complexity to project planning and execution.



NON PROCESS FACILITIES

Facility Land Use	Start	Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
DS New Headquarters Building	2008	Ongoing	\$543	\$579	\$10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$589	\$76,893	2027
HE Bryant Street Pump Station Building Modifications - Field Ops Facility Central	2018	Ongoing	\$112	\$595	\$4,394	\$5,374	\$5,709	\$4,426	\$3,714	\$3,530	\$3,626	\$3,626	\$3,542	\$38,536	\$40,575	2035
HF Fort Reno Pump Station - Field Ops Facility West	2022	Ongoing	\$3	\$182	\$1,123	\$1,071	\$1,792	\$1,894	\$0	\$0	\$0	\$0	\$0	\$6,062	\$6,297	2031
HH Main & O Redevelopment Efforts (Formerly New Fleet Management Facility)	2015	Ongoing	\$947	\$2,102	\$157	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,259	\$56,127	2028
HJ COF Renovations	2019	Ongoing	\$94	\$156	\$789	\$1,345	\$814	\$15	\$0	\$0	\$0	\$0	\$0	\$3,119	\$7,214	2030
HK CMF Renovations and Consolidation	2020	Ongoing	\$205	\$2,881	\$4,192	\$1,728	\$184	\$66	\$21	\$21	\$210	\$896	\$763	\$10,963	\$16,679	2035
NZ Floatable Debris Dock Replacement	2022	Ongoing	\$0	\$307	\$1,698	\$5,350	\$6,340	\$1,143	\$23	\$0	\$0	\$0	\$0	\$14,861	\$15,478	2031
RV Non-Process Area - HVAC And Roofing Projects	2021	Ongoing	\$248	\$3,237	\$3,038	\$2,307	\$3,024	\$1,889	\$1,812	\$1,815	\$1,812	\$2,000	\$2,000	\$22,934	\$30,988	2037
SA Anacostia Pump Station - Field Ops East	2022	Ongoing	\$554	\$419	\$485	\$1,658	\$2,556	\$0	\$0	\$0	\$0	\$0	\$0	\$5,118	\$5,714	2030
SB Bryant Street Parking Modifications	2022	Ongoing	\$510	\$254	\$1,228	\$2,243	\$488	\$0	\$0	\$0	\$0	\$0	\$0	\$4,213	\$4,992	2030
SC Main & O Seawall Restoration (Phase 2 HQO)	2022	Ongoing	\$0	\$1	\$2	\$272	\$101	\$1,925	\$10,969	\$10,939	\$3,643	\$0	\$0	\$27,853	\$28,930	2033
SD Main PS Building Modifications - Historic Restoration	2022	Ongoing	\$297	\$1,412	\$6,235	\$5,845	\$8,051	\$8,051	\$0	\$0	\$0	\$0	\$0	\$29,593	\$30,923	2031
SE Non-Process Facilities Program Management	2022	Ongoing	\$1,096	\$2,350	\$3,814	\$4,079	\$4,067	\$4,004	\$3,998	\$4,009	\$3,998	\$3,998	\$3,998	\$38,315	\$40,857	2035
SF Solar Projects	2022	Ongoing	\$31	\$154	\$1,093	\$2,017	\$2,186	\$2,289	\$1,829	\$1,963	\$1,293	\$300	\$0	\$13,124	\$23,942	2034
SG Sewer Services Office and Garage Expansion	2024	Ongoing	\$177	\$183	\$226	\$1,942	\$3,221	\$815	\$0	\$0	\$0	\$0	\$0	\$6,387	\$6,800	2030
SH Operation Training Facility	2024	Ongoing	\$235	\$256	\$515	\$5,529	\$2,993	\$0	\$0	\$0	\$0	\$0	\$0	\$9,292	\$9,500	2030
SJ Electric Vehicle Infrastructure	2024	Ongoing	\$63	\$103	\$2,797	\$1,656	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,556	\$4,584	2029
SK Annex Building 8 at McMillan Reservoir Rehab	2025	Ongoing	\$71	\$222	\$742	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,139	\$1,200	2028
SL Water Quality Lab	2026	Ongoing	\$0	\$74	\$132	\$944	\$2,322	\$1,006	\$0	\$0	\$0	\$0	\$0	\$4,477	\$4,500	2030
TOTAL FACILITY LAND USE AND BUDGET			\$5,186	\$15,467	\$32,670	\$43,535	\$43,848	\$27,523	\$22,366	\$22,277	\$14,582	\$10,820	\$10,303	\$243,392	\$412,191	
TOTAL NON PROCESS FACILITIES BUDGET			\$5,186	\$15,467	\$32,670	\$43,535	\$43,848	\$27,523	\$22,366	\$22,277	\$14,582	\$10,820	\$10,303	\$243,392	\$412,191	

(\$ 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 384 million gallons per day (MGD) and has a design capacity of 384 MGD, with a peak flow design capacity to treat 555 MGD. 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 2025 Actual	FY 2026 Revised	FY 2027 Approved	10-Year Plan	Lifetime Budget
Liquid Processing	\$28,158	\$40,674	\$62,890	\$951,804	\$1,419,040
Plantwide	\$21,463	\$50,884	\$48,741	\$375,957	\$632,318
Solids Processing	\$15,023	\$14,796	\$15,905	\$266,485	\$427,942
Enhanced Nitrogen Removal Facilities	\$122	\$0	\$0	\$246	\$191,177
Total Waste Water Treatment CIP	\$64,766	\$106,354	\$127,537	\$1,594,492	\$2,670,477

(\$ in thousands)



Key major

Project Description: This project focuses on rehabilitating or replacing effluent filters at the treatment facility. The scope includes filter bottoms, filter media, the air-water backwash system, associated appurtenances, and the control system to ensure efficient and reliable filtration performance.

Major Accomplishments: DC Water launched the Filter Underdrain and Backwash System (FUBS) Upgrades after failures in 2013, replacing block-type underdrains and dual-media with nozzle-type underdrains and mono-media to improve reliability and reduce energy costs. Pilot studies and CFD modeling optimized backwash design and media selection. Eight filter cells were rehabilitated under the High Priority Rehabilitation Program (HPRP) to restore capacity and test configurations.

Project Name / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
Effluent Filter Upgrade (IY)	3A	1994	2036	\$185,724	\$233,659
Total				\$185,724	\$233,659

(\$ in thousands)



Key major projects include:

Nitrification Reactor/Sedimentation - 20 year rebuild

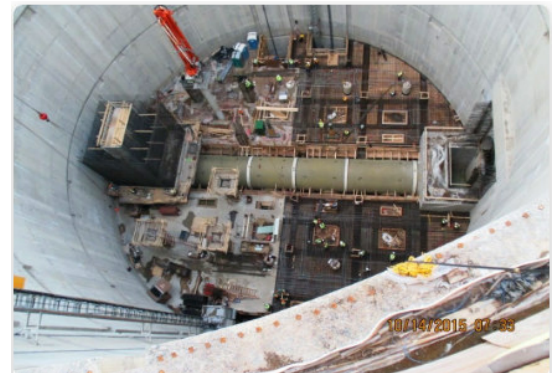


Project Name / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
Effluent Filter Upgrade (IY)	3A	2017	2031	\$185,724	\$233,659
Nitrification Reactor/ Sedimentation - 20 Year Rebuild (LF)	3B	2023	2029	\$133,296	\$139,980
Secondary East and West -20 Year Rebuild (JC)	3B	2027	2034	\$88,243	\$96,000
Total				\$407,263	\$469,639

(\$ 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. 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. Miscellaneous Facilities Upgrades Phase 8 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 photovoltaic (PV) rehabilitation throughout Blue Plains facility stations. Headworks Influent and Effluent Structural Rehabilitation include rehabilitation of the East Influent Sewer feeding Raw Wastewater Pump Station1 downstream of improvements done under the Blue Plains Influent Sewer 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 within Blue Plains.





WASTEWATER TREATMENT

Liquid Processing		Start Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
A2	Liquid Processing Program Management	2001 Ongoing	\$2,526	\$66	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66	\$23,636	2026
B6	Primary Sedimentation Tank Covers	2036 Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,368	2042
B7	Primary Sedimentation Tank Odor Scrubblers	2036 Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,568	2042
BC	Headworks Influent Structures	2017 Ongoing	\$5,554	\$12,655	\$12,139	\$5,369	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,162	\$42,411	2028
BQ	Grit and Screenings and Primary	2018 Ongoing	\$384	\$1,345	\$7,333	\$13,164	\$23,416	\$29,729	\$23,737	\$13,253	\$15,062	\$281	\$0	\$127,320	\$139,798	2033
BR	Nitrification/Denitrification Fac	2006 Ongoing	\$976	\$761	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$761	\$55,404	2028
BT	Filtration/Disinfection Fac PH II	2008 Ongoing	\$0	\$14	\$0	\$0	\$1	\$981	\$1,470	\$118	\$0	\$0	\$0	\$2,584	\$24,695	2032
BV	RWWPS No. 2 Upgrades	2013 Ongoing	\$0	\$174	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$174	\$47,740	2026
FG	Secondary Treatment Upgrades for TN	2013 Ongoing	\$0	\$5	\$0	\$0	\$183	\$2,666	\$927	\$12	\$1,975	\$20,074	\$18,252	\$44,094	\$57,392	2039
I4	Grit Removal Facilities - 20 year rebuild	2034 Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,858	\$36,868	\$51,726	\$54,226	2035
I5	Raw Water Pump Stations 1 & 2 - 20 year rebuild	2025 Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2029
I7	Primary Treatment - 20 year Rebuild	2023 Ongoing	\$662	\$2,573	\$7,485	\$1,905	\$5,604	\$20,086	\$35,314	\$31,847	\$16,030	\$11,241	\$0	\$132,085	\$136,100	2034
IY	Effluent Filter Upgrade	2017 Ongoing	\$4,793	\$12,331	\$27,679	\$52,432	\$42,516	\$32,426	\$9,604	\$5,719	\$3,016	\$0	\$0	\$185,724	\$233,659	2033
IZ	Replace/Upgrade Influent Screens	2016 Ongoing	\$1	\$10	\$0	\$0	\$0	\$0	\$254	\$2,721	\$5,065	\$14,663	\$25,149	\$47,862	\$82,325	2037
J2	Replace/Upgrade Primary Treatment Mechanisms	2018 Ongoing	\$4,375	\$1,589	\$149	\$783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,521	\$30,607	2029
J6	Deammonification Project	2013 Ongoing	\$5,202	\$1,434	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,434	\$6,142	2027
JC	Secondary East and West - 20 year rebuild	2029 Ongoing	\$0	\$0	\$0	\$0	\$1,254	\$10,121	\$12,339	\$18,965	\$21,996	\$18,793	\$4,775	\$88,243	\$96,000	2036
LF	Nitrification Reactor/Sedimentation - 20 year rebuild	2024 Ongoing	\$405	\$348	\$248	\$154	\$0	\$227	\$3,618	\$56,485	\$58,572	\$12,544	\$1,100	\$133,296	\$139,980	2035
OZ	Grit Chambers 1 & 2 Upgrades	2017 Ongoing	\$1	\$706	\$1,115	\$916	\$1,762	\$1,910	\$1,210	\$878	\$150	\$0	\$0	\$8,646	\$15,568	2033
PE	Nitrification Reactor/Sedimentation Upgrades	2017 Ongoing	\$1,962	\$435	\$2,306	\$2,369	\$983	\$647	\$455	\$305	\$67	\$0	\$0	\$7,566	\$15,750	2033
RN	Liquids Processing Rehabilitation	2024 Ongoing	\$672	\$1,999	\$4,436	\$1,116	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,551	\$9,387	2029
RW	Long-term Concrete Rehabilitation Projects	2025 Future	\$0	\$0	\$0	\$0	\$429	\$2,639	\$4,900	\$964	\$13,213	\$33,277	\$8,578	\$64,000	\$67,820	2035
UC	504J1 - FILTRATION/DISINFECTION FACILITIES	2000 Ongoing	\$446	\$972	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$972	\$97,416	2026
UF	Dual Purpose Sed Area Facilities 20-yr Upgrade	2033 Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,165	2037
UJ	FIP Wall Pipe Replacement	2024 Ongoing	\$199	\$16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$15,016	\$4,884	2026
TOTAL LIQUID PROCESSING			\$28,158	\$37,432	\$62,890	\$78,208	\$76,148	\$101,432	\$93,828	\$131,267	\$135,146	\$125,731	\$109,722	\$951,804	\$1,419,040	



Plantwide		Start Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
AL	Plantwide Project Program Management	2001 Ongoing	\$10,353	\$18,137	\$18,228	\$16,754	\$17,688	\$20,205	\$7,868	\$3,446	\$2,808	\$2,115	\$0	\$107,249	\$150,942	2034
BY	Additional Chemical Systems PH III	2025 New	\$0	\$0	\$39	\$320	\$1,521	\$1,120	\$0	\$0	\$0	\$0	\$0	\$3,000	\$3,822	2031
CW	Security at Blue Plains	2005 Ongoing	\$320	\$60	\$66	\$261	\$61	\$0	\$0	\$0	\$0	\$0	\$0	\$448	\$8,597	2029
EI	Plantwide Painting of Steel Pipes	2012 Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,570	2029
GW	Control Systems Replacement	2023 Ongoing	\$0	\$0	\$0	\$0	\$3,938	\$3,938	\$3,938	\$3,949	\$3,938	\$3,938	\$3,938	\$27,577	\$37,000	2037
HL	DWT - Process and Operations Jobs	2011 Ongoing	\$415	\$138	\$47	\$472	\$133	\$0	\$0	\$0	\$0	\$0	\$0	\$790	\$9,933	2029
IC	Electrical Monitoring Systems	2015 Ongoing	\$0	\$52	\$304	\$286	\$0	\$0	\$2,989	\$13,429	\$4,645	\$580	\$580	\$22,864	\$27,458	2036
IT	Hauled Waste Receiving Facility	2020 Ongoing	\$0	\$19	\$0	\$87	\$26	\$251	\$2,365	\$686	\$0	\$0	\$0	\$3,434	\$5,000	2035
IU	Solar Photovoltaic System	2020 Ongoing	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$960	2024
IV	Blue Plains IT Backbone FOC Tubes	2016 Ongoing	\$509	\$781	\$15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$797	\$8,778	2027
JF	Construction of Flood Seawall	2019 Ongoing	\$0	\$7,404	\$13,014	\$11,632	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,050	\$40,947	2028
LS	Misc. Facilities Projects FY2013	2013 Ongoing	\$732	\$3,563	\$2,025	\$599	\$295	\$295	\$295	\$76	\$0	\$0	\$0	\$7,148	\$23,577	2032
LX	Process Control System Upgrade	2021 Ongoing	\$0	\$266	\$1,078	\$178	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,522	\$4,828	2028
OD	Plantwide Paving	2015 Ongoing	\$0	\$0	\$45	\$1,272	\$2,469	\$1,708	\$768	\$0	\$0	\$0	\$0	\$6,262	\$8,240	2031
OE	Plantwide Drainage & Runoff	2016 Ongoing	\$353	\$1,331	\$1,938	\$2,691	\$3,092	\$498	\$0	\$0	\$0	\$0	\$0	\$9,551	\$19,126	2030
OG	City Water & Sewer Upgrades at WWTP	2022 Ongoing	\$0	\$0	\$101	\$508	\$340	\$83	\$0	\$0	\$0	\$0	\$0	\$1,032	\$1,403	2030
OH	Plantwide Demolition	2027 Future	\$0	\$0	\$102	\$1,283	\$2,756	\$3,100	\$2,068	\$1,440	\$356	\$0	\$0	\$11,105	\$11,100	2033
OQ	Plantwide Roofing Upgrades	2023 Ongoing	\$155	\$8	\$0	\$536	\$540	\$1,326	\$1,333	\$1,336	\$1,333	\$1,333	\$1,333	\$9,078	\$10,000	2036
OS	Plantwide Lighting Upgrades	2017 Ongoing	\$446	\$267	\$642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$909	\$3,661	2028
PF	Chemical System/Building Upgrades	2015 Ongoing	\$796	\$526	\$1,687	\$5,256	\$2,031	\$1,913	\$1,963	\$1,356	\$269	\$0	\$0	\$15,001	\$27,371	2033
TZ	504I6 - ELEC POWER SYS - SWITCH GEAR	2001 Ongoing	\$1,717	\$760	\$630	\$2,057	\$2,032	\$6,258	\$15,878	\$9,150	\$3,696	\$0	\$0	\$40,461	\$85,974	2033
U2	Wastewater Thermal Energy	2029 Ongoing	\$0	\$0	\$0	\$0	\$144	\$1,402	\$1,851	\$3,295	\$4,427	\$3,016	\$1,798	\$15,933	\$18,430	2036
US	Main Substation Hardening	2026 Future	\$0	\$0	\$397	\$521	\$1,565	\$3,977	\$748	\$0	\$0	\$0	\$0	\$7,208	\$9,279	2031
V1	MFU8 - Rehabilitation and Emergency Response VIII	2024 Ongoing	\$5,475	\$2,445	\$2,094	\$1,991	\$1,097	\$609	\$0	\$0	\$0	\$0	\$0	\$8,236	\$13,293	2030
V2	MFU8 - Rehabilitation and Emergency Response IX	2023 New	\$119	\$245	\$2,918	\$2,309	\$1,721	\$746	\$88	\$0	\$0	\$0	\$0	\$8,028	\$10,280	2031
V3	MFU8 - Rehabilitation and Emergency Response - Plantwide X	2023 Future	\$0	\$327	\$2,464	\$813	\$408	\$387	\$151	\$0	\$0	\$0	\$0	\$4,550	\$5,120	2031
WS	Truck Scales Upgrade	2025 Ongoing	\$0	\$0	\$576	\$2,427	\$1,584	\$429	\$0	\$0	\$0	\$0	\$0	\$5,016	\$5,000	2030
XP	Solar Project - Phase 2	2028 Ongoing	\$0	\$0	\$0	\$0	\$0	\$2,781	\$7,550	\$6,869	\$6,700	\$0	\$0	\$23,900	\$25,000	2033
YD	700D5 - MISCELLANEOUS PROJECTS	1997 Ongoing	\$72	\$246	\$330	\$286	\$129	\$110	\$393	\$622	\$420	\$271	\$0	\$2,808	\$51,630	2034
TOTAL PLANTWIDE			\$21,463	\$36,576	\$48,741	\$52,539	\$43,570	\$51,136	\$50,246	\$45,654	\$28,592	\$11,253	\$7,649	\$375,957	\$632,318	



Solids Processing		Start Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
AM	Solids Processing Program Management	2001 Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,865	2036
BX	Gravity Thickener Upgrades Ph II	2010 Ongoing	\$342	\$179	\$324	\$1,748	\$1,865	\$356	\$0	\$0	\$0	\$0	\$0	\$4,472	\$91,353	2030
I3	Biosolids Blending Development Center	2015 Ongoing	\$9,467	\$2,782	\$242	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,024	\$14,139	2027
LD	Pre-Dewatering Additional Centrifuges	2020 Ongoing	\$92	\$2,330	\$5,089	\$3,382	\$614	\$0	\$0	\$0	\$0	\$0	\$0	\$11,415	\$14,051	2027
LE	High Strength Waste Receiving Facility (Includes FOG)	2028 Future	\$0	\$0	\$0	\$100	\$46	\$495	\$1,105	\$1,161	\$1,245	\$678	\$451	\$5,281	\$6,008	2035
RM	Biosolids Rehabilitation	2024 Ongoing	\$1,244	\$2,710	\$7,693	\$12,609	\$9,737	\$7,686	\$20,048	\$12,315	\$539	\$0	\$0	\$73,337	\$79,996	2033
SN	GT Fermenter Conversion	ClosedClosed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Closed
TH	THP/Digestion Facilities 20 yr Upgrade	2030 Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,852	\$9,490	\$13,749	\$25,091	\$34,084	2037
TL	Renewable Natural Gas Capital Modification	2024 Ongoing	\$1,289	\$390	\$70	\$64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$524	\$2,870	2029
V4	MFU8- Rehabilitation and Emergency Response - Biosolids X	2023 Future	\$0	\$0	\$1,066	\$1,099	\$1,094	\$1,086	\$185	\$0	\$0	\$30,000	\$30,000	\$64,530	\$65,120	2031
XA	New Digestion Facilities	ClosedClosed	\$24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	closed
XD	Rehabilitation of Dewatered Sludge Loading Facility	2023 New	\$0	\$0	\$0	\$268	\$4,527	\$2,160	\$7,039	\$8,056	\$4,349	\$0	\$0	\$26,399	\$29,100	2034
XY	DAF Facility 20yr Upgrade	2032 Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,021	\$17,538	\$17,441	\$48,000	\$50,000	2038
XZ	Solids Processing Building / DSLF	1999 Ongoing	\$2,567	\$554	\$1,420	\$1,647	\$736	\$55	\$0	\$0	\$0	\$0	\$0	\$4,412	\$25,357	2030
TOTAL SOLIDS PROCESSING			\$15,025	\$8,944	\$15,905	\$20,917	\$18,619	\$11,838	\$28,377	\$21,532	\$21,006	\$57,706	\$61,641	\$266,485	\$427,942	
Enhanced Nitrogen Removal Facilities		Start Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
E8	Enhanced Clarification Facilities	2009 Ongoing	\$122	\$246	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$246	\$191,177	2030
TOTAL ENHANCED NITROGEN REMOVAL FACILITIES			\$122	\$246	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$246	\$191,177	
TOTAL WASTEWATER TREATMENT BUDGET			\$64,768	\$83,199	\$127,537	\$151,664	\$138,337	\$164,406	\$172,451	\$198,453	\$184,744	\$194,690	\$179,012	\$1,594,492	\$2,670,477	

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 2025 Actual	FY 2026 Revised	FY 2027 Approved	10-Year Plan	Lifetime Budget
DC Clean Rivers	\$161,739	\$226,435	\$279,237	\$1,148,507	\$3,560,771
Combined Sewer	\$3,385	\$11,047	\$31,779	\$166,059	\$201,679
Total Combined Sewer CIP	\$165,124	\$237,482	\$311,016	\$1,314,566	\$3,762,450

(\$ 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 Name / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
Potomac Long Term Control Plan Projects (CZ)	1A	2010	2030	\$930,186	\$1,159,181
Total				\$930,186	\$1,159,181

(\$ 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:

- Received, on site, all components of the North Tunnel Boring Machine (Potomac River Tunnel)
- Started Construction on CSO 022 site (Potomac River Tunnel)
- Started Construction on CSO 028 site (Potomac River Tunnel)
- Issued NTP for work on the CSO 029 slope stabilization, to be performed by DC Water Emergency Contractor
- Started excavation of the starter tunnels at West Potomac Park (Potomac River Tunnel)

ACCOMPLISHMENTS

- Issued NTP for the Rock Creek Tunnel Early Works Package on August 8, 2025
- Issued NTP for the Rock Creek Green Infrastructure Project C on February 26, 2025
- 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 September 2025, the Anacostia River Tunnel System captured approximately 19.4 billion gallons of

combined sewer overflows and 12,260 tons of trash, debris, and other solids. With the addition of the Northeast Boundary Tunnel and First Street Tunnel, the system is achieving 98% reduction in CSOs in an average year of rainfall. The tunnel system improves 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)).



(Potomac River)



COMBINED SEWER OVERFLOW																	
DC CLEAN RIVERS PROGRAM			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
CY	Anacostia LTCP Projects	2005	Ongoing	\$6,948	\$6,462	\$866	\$743	\$500	\$449	\$0	\$0	\$0	\$0	\$0	\$9,021	\$1,907,095	2030
CZ	Potomac LTCP Projects	2010	Ongoing	\$139,895	\$185,127	\$210,266	\$168,403	\$102,635	\$53,624	\$32,066	\$0	\$0	\$0	\$0	\$752,121	\$1,159,485	2031
DZ	Rock Creek CSS LTCP Project	2010	Ongoing	\$14,895	\$34,847	\$68,104	\$117,104	\$143,628	\$21,118	\$2,564	\$0	\$0	\$0	\$0	\$387,365	\$494,192	2031
TOTAL DC CLEAN RIVERS PROGRAM				\$161,739	\$226,435	\$279,237	\$286,251	\$246,763	\$75,192	\$34,630	\$0	\$0	\$0	\$0	\$1,148,507	\$3,560,771	
COMBINED SEWER OVERFLOW PROGRAM			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
BA	DC Water Low Impact Development Projects	2002	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,870	2026	
EK	Long Term Rehab-Main & O Pump Sta	2022	Ongoing	\$175	\$2,352	\$8,154	\$18,542	\$12,758	\$19,225	\$7,984	\$1,098	\$0	\$0	\$0	\$70,113	\$83,725	2032
EQ	Potomac Pumping Station-PH IV Rehab	2022	Ongoing	\$170	\$692	\$1,117	\$653	\$401	\$0	\$0	\$0	\$0	\$0	\$2,863	\$3,216	2030	
FQ	Main & O St. PS Intermediate Upgrade	2010	Ongoing	\$587	\$2,785	\$6,905	\$6,860	\$2,893	\$0	\$0	\$0	\$0	\$0	\$19,442	\$46,186	2030	
AV	CSO Program Management	2001	Ongoing	\$999	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2031	
FZ	Tiber Creek Sewer Lining -Ph 1	2014	Ongoing	\$339	\$114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$114	\$1,000	2026	
G7	Combined Sewers Under Buildings	2009	Ongoing	\$54	\$2,278	\$7,912	\$1,572	\$0	\$0	\$10,000	\$10,000	\$11,000	\$11,000	\$53,762	\$23,554	2029	
IH	Combined Sewer Rehabilitation 2	2013	Ongoing	\$133	\$1,852	\$5,981	\$4,701	\$1,432	\$0	\$0	\$0	\$0	\$0	\$13,967	\$34,454	2029	
OB	Inflatable Dams Replacement FY24	2022	Ongoing	\$927	\$974	\$1,710	\$3,114	\$0	\$0	\$0	\$0	\$0	\$0	\$5,797	\$6,675	2028	
TOTAL COMBINED SEWER OVERFLOW PROGRAM				\$3,385	\$11,047	\$31,779	\$35,442	\$17,484	\$19,225	\$7,984	\$11,098	\$10,000	\$11,000	\$11,000	\$166,059	\$201,679	
TOTAL COMBINED SEWER OVERFLOW BUDGET				\$165,124	\$237,482	\$311,016	\$321,693	\$264,247	\$94,417	\$42,614	\$11,098	\$10,000	\$11,000	\$11,000	\$1,314,566	\$3,762,450	

(\$ 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 2025 Actual	FY 2026 Revised	FY 2027 Approved	10-Year Plan	Lifetime Budget
Stormwater Local Drainage	\$9	\$2,634	\$5,728	\$26,595	\$39,153
Stormwater On-Going	\$1,319	\$614	\$1,217	\$8,057	\$10,413
Stormwater Pumping Facilities	\$5,881	\$11,747	\$5,785	\$65,446	\$84,738
Stormwater Program Management	\$194	\$585	\$519	\$4,793	\$14,849
Stormwater Interceptor Trunk/Force Sewers	\$23	\$969	\$1,491	\$22,534	\$41,383
TOTAL Stormwater CIP	\$7,427	\$16,550	\$14,740	\$127,426	\$190,536

(\$ 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 / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
Stormwater Pumping Station Rehabilitation (NG)	2C	2017	2031	\$65,446	\$84,738
Total				\$65,446	\$84,738

(\$ in thousands)



Bryant Street Pumping Station

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 Supervisory Control and Data Acquisition (SCADA) upgrades have been completed on 12 stormwater pump stations.

Major Accomplishments:

- Design for Storm Sewer Rehab and Repair Phase 11 is underway

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

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

ACCOMPLISHMENTS

- Construction contracts have started for several stormwater pump stations, including 1st and D Stormwater Pump Station, Kenilworth Stormwater Pump Station, 12th and Maine Street SW Stormwater Pump Station, and Portland Street Stormwater Pump Station.
- 69 MS4 outfalls were inspected.
- Completed inspections of 1.76 miles of very large storm sewers (>= 60-inches in diameter) and 25 manholes under the Local Sewers Program.

- Completed design for Storm Sewer Rehab and Repair Phase 11 is underway.
- Coordinated with DC Department of Energy and Environment (DOEE) the restoration of MS4 outfalls in Reservation 630, Northeast corridor, and New York Avenue, and shared illicit discharge inspection data on Broad Branch.

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		Start	Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
GY	Storm Sewer Rehab @ Various Location	2013	Ongoing	\$0	\$963	\$3,062	\$596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,621	\$6,647	2028	
IE	Storm Sewer Rehabilitation 3	2022	Ongoing	\$9	\$425	\$707	\$671	\$2,283	\$1,258	\$0	\$0	\$0	\$0	\$0	\$5,344	\$6,271	2030	
RR	Local Storm Sewer Assessment 2	2023	New	\$0	\$1,247	\$1,959	\$4,016	\$3,218	\$3,214	\$1,352	\$407	\$406	\$406	\$406	\$16,631	\$17,645	2035	
ZJ	Local Storm Sewer Assessment 1	2031	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,591	2034	
TOTAL STORM LOCAL DRAINAGE PROGRAM				\$9	\$2,635	\$5,728	\$5,283	\$5,501	\$4,472	\$1,352	\$407	\$406	\$406	\$406	\$26,596	\$39,153		
Storm On-Going Program		Start	Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
LO	FY2021 - DSS Stormwater Projects	2021	Ongoing	\$0	\$47	\$23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69	\$923	2028	
MG	FY2023 - DSS Stormwater Projects	2023	Ongoing	\$0	\$4	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7	\$845	2027	
NV	FY2024 - FY2026 DSS Stormwater Projects	2024	Ongoing	\$1,319	\$563	\$911	\$550	\$370	\$0	\$0	\$0	\$0	\$0	\$0	\$2,394	\$2,689	2030	
T7	FY2028 - DSS Stormwater Projects	2028	Future	\$0	\$0	\$0	\$501	\$380	\$0	\$0	\$0	\$0	\$0	\$0	\$881	\$979	2029	
T9	FY2027 - DSS Stormwater Projects	2027	Future	\$0	\$0	\$280	\$583	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$863	\$950	2028	
U6	FY2029 - DSS Stormwater Project	2029	Future	\$0	\$0	\$0	\$0	\$907	\$0	\$0	\$0	\$0	\$0	\$0	\$907	\$1,008	2029	
U8	FY2030 - DSS Stormwater Project	2030	Future	\$0	\$0	\$0	\$0	\$0	\$248	\$561	\$368	\$768	\$617	\$373	\$2,935	\$3,020	2035	
TOTAL STORM ON-GOING PROGRAM				\$1,319	\$614	\$1,217	\$1,634	\$1,657	\$248	\$561	\$368	\$768	\$617	\$373	\$8,056	\$10,413		
Storm Pumping Facilities		Start	Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
NG	Stormwater Pump Stations Rehabilitation	2017	Ongoing	\$5,881	\$11,747	\$5,785	\$8,602	\$16,884	\$15,861	\$6,568	\$0	\$0	\$0	\$0	\$65,446	\$84,738	2031	
TOTAL STORM PUMPING FACILITIES				\$5,881	\$11,747	\$5,785	\$8,602	\$16,884	\$15,861	\$6,568	\$0	\$0	\$0	\$0	\$65,446	\$84,738		
Storm Program Management		Start	Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
AT	Stormwater Program Management	2001	Ongoing	\$194	\$585	\$458	\$249	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,292	\$11,349	2029	
RQ	Storm Water Program Management	2027	Future	\$0	\$0	\$61	\$721	\$719	\$0	\$0	\$0	\$0	\$0	\$0	\$1,501	\$1,500	2029	
ZT	Stormwater PM Phase 3	2029	Future	\$0	\$0	\$0	\$0	\$152	\$1,848	\$0	\$0	\$0	\$0	\$0	\$2,000	\$2,000	2030	
TOTAL STORM PROGRAM MANAGEMENT				\$194	\$585	\$519	\$970	\$871	\$1,848	\$0	\$0	\$0	\$0	\$0	\$0	\$4,793	\$14,849	
Stormwater Trunk/Force Sewers		Start	Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
BO	Future Stormwater Projects	2005	Ongoing	\$0	\$139	\$465	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604	\$18,183	2028	
WV	MS4 Outfall Storm Rehab 1	2025	New	\$0	\$0	\$0	\$1,192	\$1,852	\$5,703	\$3,364	\$464	\$0	\$0	\$0	\$12,575	\$13,200	2032	
XS	Inspection of Stormwater Trunk Sewers	2023	Ongoing	\$22	\$830	\$1,026	\$505	\$1,076	\$1,076	\$1,076	\$1,079	\$1,076	\$1,076	\$534	\$9,355	\$10,000	2035	
TOTAL STORMWATER TRUNK/FORCE SEWERS				\$22	\$969	\$1,491	\$1,697	\$2,928	\$6,779	\$4,440	\$1,543	\$1,076	\$1,076	\$1,076	\$534	\$22,534	\$41,383	
TOTAL STORMWATER BUDGET				\$7,425	\$16,550	\$14,740	\$18,186	\$27,841	\$29,208	\$12,921	\$2,318	\$2,250	\$2,099	\$1,313	\$127,425	\$190,536		

(\$ 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, 55,000 manholes, 26,000 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 2025 Actual	FY 2026 Revised	FY 2027 Approved	10-Year Plan	Lifetime Budget
Sanitary Collection System	\$12,133	\$15,894	\$20,632	\$250,976	\$667,291
Sanitary On-Going	\$17,203	\$15,454	\$18,638	\$167,555	\$265,252
Sanitary Pumping Facilities	\$4,046	\$8,096	\$12,126	\$197,951	\$254,616
Sanitary Program Management	\$10,534	\$16,400	\$20,398	\$94,045	\$200,562
Sanitary Interceptor/Trunk Mains/Force Sewers	\$65,453	\$99,526	\$158,919	\$1,986,599	\$2,817,552
TOTAL Sanitary Sewer CIP	\$109,368	\$155,371	\$230,713	\$2,697,126	\$4,215,274

(\$ 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 **Reliable**

Project Name / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
Local Sewer Rehab 5 (QS)	3A	2022	2029	\$26,142	\$30,189
Local Sewer Rehab 6 (QT)	3A	2025	2029	\$57,399	\$60,869
Local Sewer Rehab 7 (QU)	3A	2026	2031	\$59,999	\$63,000
Local Sewer Rehab 8 (QW)	3A	2024	2035	\$13,653	\$180,600
Local Sewer Rehab 11 (UR)	3A	2030	2035	\$0	\$76,918
Total				\$157,193	\$411,576

(\$ in thousands)

Project Description:

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

ACCOMPLISHMENTS

- Construction for Normanstone Sewer rehabilitation project is substantially complete as of September 2025
- Construction for Piney Branch Sewer Rehabilitation project is ongoing, 95% complete.
- Construction for Northeast Boundary Trunk Sewer Rehabilitation project is substantially complete as of September 2025.
- 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
- Other major sewer projects currently in design include:
 - Spring Place Sewer Rehabilitation
 - Glover Archbold Park Sewer Rehabilitation
 - Rock Creek Main Interceptor and Beach Drive Sewers Rehabilitation
 - Oxon Run Sewer Rehabilitation
 - Upper East Side Interceptor Rehabilitation Phase 1
 - Creekbed Sewer Rehabilitation Oregon Ave at St. Johns
 - Creekbed Sewer Rehabilitation Rock Creek Sherill Drive & Beach Drive
 - Mill Creek Sewer Rehabilitation
 - Potomac Force Main Rehabilitation
 - Anacostia Force Main High Priority Rehabilitation

- Local sewer projects currently in design:
 - Service Life Restoration Program Phase 4 and 5
 - Local Sewer Rehab 5-3
 - Local Sewer Rehab 5-4
 - Local Sewer Rehab 6

- Large and very large sewer condition assessment projects completed or in progress:
 - Rock Creek Main Interceptor completed 5.3 miles, inspections continue into FY25
 - Rock Creek Main Interceptor Relief Sewer, completed 1.5 miles
 - Upper Potomac Interceptor, completed 0.71 miles
 - West Rock Creek Diversion Sewer, completed 0.27 miles
 - Tiber Creek Trunk Sewer, completed 0.89
 - Anacostia Force Main (Drone Inspection) completed 0.28 miles
 - Little Falls Trunk Sewer (portions previously inaccessible / uninspected), 0.09 miles
 - Very Large Sewers (VLS), completed 16.3 miles, including 1.24 miles of inspections in support of the 2025 Military Day Parade

- Completed inspection of 44.7 miles of local sewers (>12-inch and <60-inch diameter) and 1850 manholes under the Local Sewer Inspection Program and 0 miles of heavy cleaning local sewer inspections under the Heavy Cleaning Program, for a total of 44.7 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 723 sewer pipes and 532 manholes, and the Post-Rainfall Creek Bed Inspection included 88 sewer pipes 2.1 miles and 57 manholes.

- Heavy cleaning projects completed or in progress:
 - West Outfall Sewer ~0.40 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
 - Application for a construction permit from CSX for sewer replacement adjacent to railroad facilities
 - Coordination with DDOT to ensure that DC Water facilities are adequately monitored and protected both during and after construction

- Reviewed over 90 designs for 3rd party utility projects varying in size, complexity, and design to avoid conflicts with DC Water Infrastructure and to identify and establish agreements to rehabilitate and/or replace sewer mains through project participation where necessary.

- Completed the following:
 - FY 2025 InfoAsset Planner™ Model Results for the Sewer System Updates
 - Specifications and Design Standard gap analysis and peer review evaluation
 - Condition Assessment Report – Anacostia Force Main
 - Condition Assessment Report – East Side Force Main
 - Condition Assessment Report – Sewers Under Buildings (2025 Inspections)
 - Condition Assessment Report – West Rock Creek Diversion Sewer
 - Department of Sewer Operations Hotlist: Root Cause Analysis Phase II
 - Inspection and Database Processing Tool – tool procurement on-going

- Corrosion Mitigation Technical Memorandum and Workshops
 - Re-thinking of Pipe Condition Assessment – Technical Memorandum and Workshops
 - Hydraulic Model Update – on-going
 - Sewer Emergency Containment Plan – Rock Creek Main Interceptor
 - Sewer Emergency Containment Plan – Rock Creek Main Interceptor Relief Sewer
 - Sewer Emergency Containment Plan – Anacostia Force Main
 - Sewer Emergency Containment Plan – Upper Potomac Interceptor
 - Combined and Separate Sanitary Sewer System Schematic
- Provided operations support for the following:
 - 10 separate local sewer emergency investigation and repair incidents
 - East and West Outfall Relief Sewer emergency rehabilitation
 - Northwest Boundary Trunk Sewer emergency rehabilitation (22nd St NW and Q St NW)
 - Northeast Boundary Trunk Sewer emergency rehabilitation (1st St NE and V St NE)
 - Upper Potomac Interceptor (UPI) Emergency Rehabilitation (Clara Barton Parkway, north of Chain Bridge)
 - Tiber Creek Manhole Emergency Rehabilitation (3rd & F St NE)
 - 14TH St & K St NW Sewer Abandonment
 - 5th St NW and O St NW emergency Rehabilitation
 - Suitland Parkway emergency repair (near Stanton Rd SE)
 - Rock Creek Main Interceptor high priority project (at Pennsylvania Avenue)
 - Anacostia Force Main emergency rehabilitation (at Kenilworth Aquatic Gardens)
 - SLRAT inspection following root control
 - Standard Operating Procedure – MS4 Inspections
 - Standard Operating Procedure – Traffic Control
 - Standard Operating Procedure – Some Testing
 - Standard Operating Procedure – Inspection of Large Sewers using Drone
 - Optimization of smart cover sensors in the collection system



Potomac Pumping Station

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 and other very large sewers, 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			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
J3	Sewer Upgrade - City Wide	2000	Ongoing	\$53	\$234	\$363	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,217	21,043	2027	
JX	Sanitary Sewer Rehabilitation 10	2000	Ongoing	\$6,585	\$7,310	\$10,002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,312	23,148	2027	
Q8	Local Sewer Rehab 5	2022	Ongoing	\$25	\$364	\$4,217	\$10,235	\$786	\$743	\$5,178	\$3,393	\$0	\$0	\$26,142	30,183	2032	
QT	Local Sewer Rehab 6	2025	Ongoing	\$0	\$322	\$148	\$1,633	\$3,093	\$2,701	\$28,046	\$21,336	\$0	\$0	\$57,339	60,863	2032	
QU	Local Sewer Rehab 7	2026	New	\$0	\$0	\$0	\$4,877	\$4,546	\$20,793	\$22,361	\$7,422	\$0	\$0	\$53,939	63,000	2032	
QW	Local Sewer Rehab 8	2024	Ongoing	\$26	\$325	\$1,163	\$1,005	\$987	\$1,162	\$1,833	\$1,838	\$1,833	\$1,833	\$1,074	\$13,653	180,600	2038
QX	Local Sewer Assessment - Engineering and Tech. Serv	2024	Ongoing	\$3,153	\$2,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,721	12,212	2028	
QY	Local Sewer Assessment - Linear Asset Mgmt Branch	2020	Ongoing	\$1,555	\$2,739	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,739	5,200	2026	
QZ	Local Sewer Assessment 3	2023	Ongoing	\$728	\$0	\$4,118	\$10,511	\$3,288	\$8,512	\$5,068	\$1,637	\$0	\$0	\$33,134	39,416	2033	
RG	Local Sewer Rehab 3	2026	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	78,345	2033	
UR	Local Sewer Rehab 10	2028	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	50,274	2034	
UR	Local Sewer Rehab 11	2030	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	76,318	2035	
VQ	Local Sewer Assessment 4	2031	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$30,000	30,078	2034	
TOTAL SANITARY COLLECTION SYSTEM				\$12,133	\$15,894	\$20,632	\$28,321	\$18,700	\$33,311	\$62,486	\$36,292	\$11,833	\$11,833	\$11,074	\$250,976	\$677,291	
Sanitary On-Going Projects			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
J1	FY2020 - DSS Sanitary Sewer Projects	2020	Closed	\$664	\$371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$371	12,568	2026	
M9	FY2022 - DSS Sanitary Sewer Projects	2021	Ongoing	\$2,025	\$736	\$329	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,126	13,335	2027	
MF	FY2023 - DSS Sanitary Sewer Projects	2021	Ongoing	\$1,264	\$205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205	14,247	2026	
NW	FY2024-FY2026 - DSS Sanitary Sewer Projects	2023	Ongoing	\$13,250	\$14,068	\$8,207	\$3,366	\$0	\$0	\$0	\$0	\$0	\$0	\$25,641	45,065	2028	
T8	FY2027 - FY2029 DSS Sanitary Sewer Projects	2026	New	\$0	\$15	\$10,102	\$24,676	\$13,564	\$0	\$0	\$0	\$0	\$0	\$48,357	48,071	2029	
U9	FY2030 DSS Sewer Sanitary Projects	2029	Future	\$0	\$0	\$0	\$0	\$8	\$15,289	\$0	\$0	\$0	\$0	\$15,297	16,397	2030	
UH	FY2031 DSS Sewer Sanitary Projects	2030	Future	\$0	\$0	\$0	\$0	\$0	\$8	\$15,289	\$0	\$0	\$0	\$15,297	16,397	2031	
V5	FY2032 DSS Sewer Sanitary Projects	2032	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$15,756	\$0	\$0	\$0	\$15,756	15,756	2034	
Y2	Cleanout Installation	2029	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,169	\$15,169	\$15,169	\$45,507	82,215	2034	
TOTAL SANITARY ON-GOING PROJECTS				\$17,203	\$15,454	\$18,638	\$28,042	\$13,572	\$15,297	\$15,289	\$15,756	\$15,169	\$15,169	\$15,169	\$167,555	\$265,252	
Sanitary Pumping Facilities			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
GZ	Sewer Instrumentation & Control	2012	Ongoing	\$363	\$700	\$478	\$465	\$436	\$425	\$123	\$0	\$0	\$0	\$2,627	12,303	2031	
LY	Sewer Facilities Security Upgrades	2020	Ongoing	\$0	\$0	\$1,319	\$141	\$0	\$0	\$0	\$0	\$0	\$0	\$1,460	2,000	2028	
MB	3rd Street & Constitution Ave NW - Pumping Station	2014	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	7,501	2032	
MC	Additional Sewer SCADA System Sites	2015	Ongoing	\$590	\$1,484	\$748	\$195	\$0	\$0	\$0	\$0	\$0	\$0	\$2,427	8,604	2028	
PM	East Side Pumping Station	2019	Ongoing	\$38	\$683	\$332	\$425	\$314	\$309	\$0	\$0	\$0	\$0	\$2,662	6,216	2028	
PT	Existing Sewer Facilities Building Optimization	2020	Ongoing	\$0	\$43	\$647	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$637	705	2026	
RH	Sewer Pump Stations Upgrades	2020	Ongoing	\$824	\$2,275	\$1,873	\$306	\$0	\$0	\$0	\$0	\$0	\$0	\$4,454	8,095	2029	
RS	Sewer Pump Station Upgrades 2	2025	New	\$8	\$352	\$346	\$1,729	\$2,542	\$8,503	\$21,717	\$35,066	\$26,308	\$18,887	\$8,240	\$123,630	133,585	2037
RT	Sewer Pump Station Upgrades 3	2025	Ongoing	\$134	\$45	\$288	\$816	\$1,370	\$2,931	\$6,706	\$6,813	\$2,991	\$32	\$21,992	24,671	2034	
RU	Sewer Pump Station Upgrades - Pumps & VFDs	2022	Ongoing	\$1,464	\$2,508	\$5,496	\$5,810	\$2,675	\$3,197	\$2,710	\$3,375	\$3,557	\$1,208	\$0	\$30,535	35,350	2034
SS	Sewer SCADA Replacement	2028	Future	\$0	\$0	\$0	\$300	\$79	\$328	\$1,241	\$3,110	\$1,991	\$357	\$0	\$7,406	8,380	2034
TOTAL SANITARY PUMPING FACILITIES				\$4,046	\$8,096	\$12,126	\$10,187	\$7,416	\$15,693	\$32,497	\$48,364	\$34,847	\$20,484	\$8,240	\$197,951	\$254,616	



Sanitary Program Management			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
AU	Sanitary Sewer Program Management	2001	Ongoing	\$3,017	\$12,938	\$8,335	\$5	\$0	\$0	\$0	\$0	\$6,500	\$7,500	\$7,100	\$42,378	76,337	2027
AV	CSD Program Management	2001	Ongoing	\$0	\$358	\$788	\$568	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$2,364	46,840	2031
DN	Sewer Inspection Program	2010	Ongoing	\$1,517	\$1,682	\$1,395	\$112	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,189	31,585	2028
QH	Sanitary Sewer Program Management FY26-30	2026	New	\$0	\$821	\$3,879	\$9,624	\$789	\$0	\$0	\$0	\$0	\$0	\$0	\$21,114	20,800	2029
ZV	Combined Sewer Prog Mgt FY31 and 32			\$0	\$0	\$0	\$0	\$5,765	\$5,995	\$5,995	\$6,012	\$1,232	\$0	\$0	\$24,999	25,000	2033
TOTAL SANITARY PROGRAM MANAGEMENT				\$10,534	\$16,400	\$20,398	\$10,309	\$6,604	\$5,995	\$5,995	\$6,012	\$7,732	\$7,500	\$7,100	\$94,045	\$200,562	
Interceptor/Trunk Force Sewers			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion	
A4	Future Sewer System Upgrades	2004	Ongoing	\$3,633	\$1,480	\$3,128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,609	46,641	2027	
FW	Rehab Piney Branch Trunk Sewer	2011	Ongoing	\$8,607	\$1,239	\$41	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,280	34,744	2028	
G2	Sewer Structure Rehabilitation (1)	2010	Ongoing	\$108	\$727	\$274	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,001	9,120	2027	
G5	Sewer Rehab Near Creek Beds	2010	Ongoing	\$4,388	\$4,657	\$10,205	\$11,897	\$12,090	\$10,081	\$15,209	\$17,550	\$17,355	\$17,355	\$7,275	\$123,674	191,347	2035
G6	Sanitary Sewers Under Buildings 1	2012	Ongoing	\$0	\$331	\$2,783	\$419	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,134	8,342	2027
GH	Large Sewer Rehab 3	2012	Ongoing	\$15,562	\$8,612	\$5,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,384	39,499	2026
HS	Rehabilitation of Influent Sewers	2022	Ongoing	\$157	\$235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$235	3,000	2026
HT	Rehabilitation of Anacostia Force Main	2012	Ongoing	\$0	\$13,140	\$36,489	\$5,789	\$7,419	\$10,259	\$12,723	\$13,526	\$10,757	\$6,646	\$5,272	\$122,021	151,799	2035
IK	Potomac Force Main Rehabilitation	2012	Ongoing	\$6	\$41	\$504	\$1,205	\$219	\$0	\$0	\$0	\$0	\$0	\$0	\$1,969	6,091	2029
IL	Creekbed Sewer Rehabilitation 2	2013	Ongoing	\$241	\$748	\$5,310	\$5,309	\$2,500	\$1,157	\$3,266	\$0	\$0	\$0	\$0	\$19,490	66,041	2031
IM	Creekbed Sewer Rehabilitation 3	2013	Ongoing	\$414	\$1,139	\$5,269	\$821	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,229	9,483	2029
IN	Upper East Side Trunk Sewer Rehabilitation	2012	Ongoing	\$173	\$71	\$114	\$907	\$1,046	\$5,152	\$8,819	\$0	\$0	\$0	\$0	\$16,109	19,986	2031
J0	B St/New Jersey Ave Trunk Sewer Reha	2004	Ongoing	\$135	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	18,168	2025
LZ	Potomac Interceptor Projects - Rehab Phase 2	2015	Ongoing	\$10,723	\$13,662	\$7,340	\$5,842	\$147	\$0	\$0	\$0	\$0	\$0	\$0	\$26,991	88,220	2032
PI	Potomac Interceptor Projects - Rehab Phase 4	2024	Ongoing	\$889	\$19,989	\$43,769	\$94,942	\$94,502	\$115,711	\$35,054	\$29,403	\$72,115	\$140,945	\$17,089	\$663,518	662,526	2035
PJ	Re-Activation of Anacostia Force Main/GM as Relief to AFM	2015	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	601	2025
RA	Major Sewer Assessment and Heavy Cleaning 1	2021	Ongoing	\$2,306	\$5,557	\$2,035	\$350	\$821	\$453	\$0	\$0	\$0	\$0	\$0	\$3,216	16,371	2030
RB	Major Sewer Assessment and Heavy Cleaning 2	2024	Ongoing	\$949	\$2,574	\$962	\$4,946	\$352	\$0	\$0	\$0	\$0	\$0	\$0	\$8,834	13,515	2029
RC	Major Sewer Rehab 1	2021	Ongoing	\$7,680	\$13,370	\$667	\$448	\$2,742	\$3,101	\$3,140	\$4,503	\$5,976	\$5,511	\$3,927	\$49,385	87,230	2035
RD	Major Sewer Rehab 2	2023	Ongoing	\$0	\$9	\$3,429	\$31,793	\$16,394	\$18,801	\$15,829	\$37,120	\$62,014	\$86,993	\$91,389	\$369,770	558,353	2036
RE	Major Sewer Rehab 3	2023	Ongoing	\$8,302	\$4,765	\$12,414	\$6,320	\$21,890	\$43,648	\$64,141	\$74,199	\$60,230	\$37,219	\$28,764	\$353,590	423,067	2035
RJ	Creekbed Sewer Rehabilitation 4	2022	Ongoing	\$401	\$306	\$1,052	\$3,943	\$1,270	\$0	\$0	\$0	\$0	\$0	\$0	\$6,571	8,126	2029
W1	Major Sewer Rehab 4	2025	Ongoing	\$0	\$717	\$5,560	\$11,389	\$11,229	\$11,075	\$10,901	\$10,757	\$10,627	\$10,391	\$10,284	\$92,930	98,672	2035
WP	Major Sewer Assessment and Heavy Cleaning 3	2026	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	21,736	2034
WQ	Major Sewer Assessment	2026	New	\$0	\$462	\$1,811	\$3,048	\$4,322	\$4,322	\$3,042	\$1,766	\$2,401	\$0	\$0	\$21,173	21,875	2033
X2	Major Sewers 5	2029	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	168,000	2038	
X6	Emergency Sewer Rehab	2025	Ongoing	\$779	\$5,096	\$3,390	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$68,486	45,000	2035
TOTAL INTERCEPTOR/TRUNK FORCE SEWERS				\$65,452	\$99,526	\$158,919	\$189,968	\$176,943	\$229,760	\$172,124	\$188,824	\$241,475	\$305,060	\$224,000	\$1,986,599	\$2,817,552	
TOTAL SANITARY SEWER BUDGET				\$109,368	\$155,371	\$230,712	\$266,827	\$223,235	\$300,656	\$288,391	\$295,248	\$311,056	\$360,046	\$265,583	\$2,697,126	\$4,215,274	

(\$ 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.



O Street Pumping Station

Program Areas	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	10-Year Plan	Lifetime Budget
Water Distribution Systems	\$58,040	\$58,259	\$87,333	\$1,145,616	\$2,278,645
Lead Free DC Program	\$81,997	\$93,954	\$132,752	\$1,040,707	\$1,783,489
Water On-Going Projects	\$28,022	\$13,646	\$15,927	\$195,159	\$267,044
Water Pumping Facilities	\$3,251	\$2,070	\$8,076	\$44,081	\$95,809
Water Storage Facilities	\$5,628	\$2,807	\$16,608	\$257,210	\$272,759
Water Service Program Management	\$13,366	\$16,020	\$13,863	\$100,619	\$146,874
Total Water CIP	\$190,303	\$186,757	\$274,558	\$2,783,392	\$4,844,619

(\$ 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



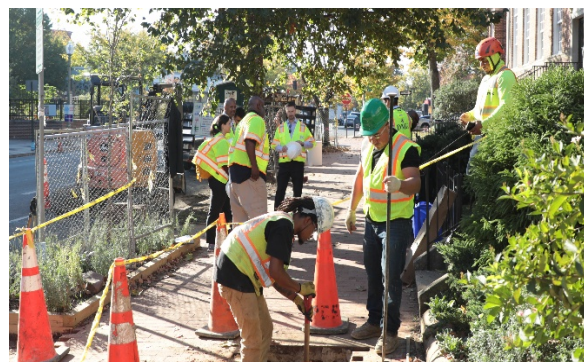
Project Name / ID	Measure of Priority	Start	Finish	10-Year Plan	Lifetime Project
Lead Free DC Program (BW)	2B	2003	2033	\$4,016	\$212,642
Lead Free DC Project (ST)	2B	2022	2035	\$1,036,690	\$1,570,846
Total				\$1,040,706	\$1,783,488

(\$ 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 and we anticipate that by the start of FY2027 more than 13,000 of those will have already been replace as part of the capital program. Visit <https://www.dewater.com/resources/lead> to view details of the Lead-Free DC Program including the inventory map and construction dashboard.

Major Accomplishments:

- LFDC completed 3,163 lead line replacements in FY 2025 and our District and federal funds saved customers \$28 million to date by providing free replacements.
- LFDC has 9 active construction packages.
- LFDC completed the 10,000th program replacement at the end of FY 2025.



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.
- Renewed 6.72 miles of small diameter water mains in FY 2025 from 8 active construction packages.
- Started the first progressive Design-Build (PDB) procurement for small diameter water mains. Complete selection of the contract for \$212M contract value of 45 miles of small diameter water main renewal.
- 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:
 - Water Main on Bridges Repair Contract 1
 - Water Main on Bridges II
- The following major projects are in construction:
 - Critical Valve Replacement, Year 2, Batch 1
 - Critical Valve Replacement, Year 2, Batch 2
 - Dead End Elimination
 - Soldiers Home 48-in Steel Main on 1st St. NW
 - Rehabilitation of the 66-in Steel Main 8th Street Low Service Main
- Started first progressive Design-Build (PDB) procurement for linear transmission mains and critical valves. Ongoing procurement activities focused on industry interest and collaboration. The project portfolio includes:
 - Critical Valve Replacement, Year 3
 - 16-inch Rock Creek Park Transmission Main
 - 16-inch Reservoir Road Transmission Main
 - Large Diameter Water Main Renewal
- Also evaluated project delivery methods and determined projects for Construction Manager at risk (CMAR) in FY26 to include:
 - Three WSSC Interconnections Projects with a booster pump station in 4th High Reno
 - Booster pump station in 4th High Reno Pressure Zone
- Conducted ninety (90) design reviews for the forty-seven DDOT Public Space projects varying in size complexity, and design phase in FY 2025. Reviewed twelve projects to identify DC Water betterment work and/or cost sharing opportunities and establish commitments to replace water mains through participation in DDOT projects. In FY 2025, DC Water committed to 7,020 linear feet of water main betterment and/or relocation to be constructed once DDOT bids the project.
- Completed the following reports:
 - Anacostia 30" PCCP Main Break – Post Incident Report

- Anacostia 30" PCCP Main Break – SWOT Analysis
- Anacostia 30" PCCP Main Break – Tech Memo
- Washington Hospital Campus – Tech Memo
- Project Selection Criteria for small diameter water mains and large diameter water mains



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
- The following major projects are in design:
 - Ft Reno PS Upgrades
 - Fort Reno elevated tank no.2 abandonment
 - Fort Reno pumping station upgrades
 - East and West Venturi Meter – Bryant St PS
- Started the procurement of the first vertical facilities progressive design build contract, which encompassed 7 pumping stations and storage facilities projects. In FY26, the design-build team will be selected, and negotiations will be finalized for \$18.4M contract value to perform Phase 1 Pre-Construction Services for:
 - Replacement of Fort Stanton Reservoirs 1 and 2
 - BSPS Improvements Phase III
 - Anacostia Pumping Station Major Upgrade
 - Anacostia 3rd High Pressure Zone Improvement
 - Anacostia Tank 1 Upgrades
 - Anacostia Tank 2 Upgrades
- Completed the following reports
 - Fort Reno Power Outage - Post Incident Report
 - Fort Reno Power Outage - Tech Memo
 - Anacostia Pump Failure Report - Tech Memo
 - Anacostia Tank 1 Inspection Report
 - Soldiers Home Reservoir Inspection Report
 - Project Selection Criteria for Pumping Stations and Storage Facilities



Digesters

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.
- Address the lack of redundancies within the distribution network.



WATER

Water Distribution Systems	Start	Status	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
C9 Large Diameter Water Mains 1	2014	Ongoing	\$1,077	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,715	2025
DE Small Diameter Water Main Rehab 12	2014	Ongoing	\$265	\$353	\$49	\$6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$409	\$46,474	2028
F1 Small Diameter Water Main Rehab 13	2016	Ongoing	\$45	\$19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19	\$40,975	2026
F2 Small Diameter Water Main Rehab 14	2017	Ongoing	\$4,217	\$1,637	\$793	\$1,192	\$768	\$524	\$0	\$0	\$0	\$0	\$0	\$4,913	\$62,149	2031
F6 Steel Water Main Rehab -Phase I	2009	Ongoing	\$923	\$702	\$894	\$601	\$853	\$1,012	\$1,012	\$255	\$0	\$0	\$0	\$5,329	\$12,148	2032
FT Water Mains Rehab Phase II	2014	Ongoing	\$2,178	\$5,943	\$7,103	\$2,075	\$1,119	\$1,209	\$1,209	\$301	\$0	\$0	\$0	\$18,959	\$36,073	2032
GQ Fire Hydrant Replacement Program - Phase II	2010	Ongoing	\$3,653	\$159	\$14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$173	\$29,143	2031
GR Small Diameter Water Main Rehab 15	2018	Ongoing	\$13,472	\$34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34	\$61,533	2028
HX Small Diameter Water Main Rehab 16	2018	Ongoing	\$20,711	\$11,938	\$8,012	\$2,501	\$22	\$0	\$0	\$0	\$0	\$0	\$0	\$22,473	\$82,307	2029
I8 Large Valve Replacement (Contract 11-013)	2012	Ongoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,100	2024
JZ Large Dia Water Main Repl 3 - 4 & 5	2020	Ongoing	\$1,343	\$10,804	\$3,532	\$3,499	\$5,443	\$4,911	\$1,530	\$161	\$0	\$0	\$0	\$29,880	\$72,997	2032
K7 Large Diameter Water Main Replacement 6 - 7 & 8	2022	Ongoing	\$0	\$1,775	\$342	\$2,047	\$7,578	\$10,134	\$15,927	\$21,394	\$28,098	\$20,569	\$4,163	\$112,026	\$128,894	2035
K8 Large Diameter Water Main Replacement 9 - 10 & 11	2030	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$465	\$7,642	\$8,254	\$24,800	\$18,064	\$59,225	\$76,400	2036
K9 Large Diameter Water Main Replacement 12 - 13 & 14	2027	Future	\$0	\$0	\$0	\$0	\$3,033	\$9,946	\$12,550	\$12,584	\$12,550	\$12,550	\$9,387	\$72,600	\$83,480	2036
KD Large Valve Replacement Contracts 29 - 30 & 31	2030	Future	\$0	\$0	\$0	\$0	\$0	\$417	\$2,290	\$3,137	\$7,961	\$4,485	\$1,750	\$20,040	\$22,970	2035
KE Small Diameter Water Main Rehab 18	2020	Ongoing	\$6,294	\$12,040	\$25,352	\$18,589	\$6,534	\$389	\$144	\$0	\$0	\$0	\$0	\$63,048	\$79,638	2031
KF Small Diameter Water Main Rehab 19	2021	Ongoing	\$795	\$4,262	\$17,137	\$20,651	\$13,706	\$4,406	\$0	\$0	\$0	\$0	\$0	\$60,162	\$71,087	2031
KG Small Diameter Water Main Rehab 20	2022	Ongoing	\$929	\$4,525	\$17,485	\$25,210	\$31,023	\$35,814	\$24,722	\$8,699	\$4,067	\$0	\$0	\$151,545	\$162,752	2033
KH Small Diameter Water Main Rehab 21	2022	Ongoing	\$2,049	\$2,755	\$1,610	\$1,893	\$12,754	\$27,208	\$38,855	\$39,101	\$45,502	\$68,335	\$129,006	\$367,019	\$391,593	2035
KI Small Diameter Water Main Rehab 22	2025	Ongoing	\$0	\$187	\$642	\$1,865	\$3,112	\$1,787	\$6	\$0	\$0	\$0	\$0	\$7,599	\$8,658	2031
KJ Small Diameter Water Main Rehab 23	2024	Ongoing	\$0	\$278	\$1,054	\$1,458	\$1,457	\$1,473	\$7,401	\$21,975	\$31,397	\$24,153	\$8,016	\$98,662	\$104,270	2035
KK Small Diameter Water Main Rehab 24	2024	Ongoing	\$0	\$128	\$566	\$852	\$549	\$374	\$0	\$0	\$0	\$0	\$0	\$2,469	\$41,530	2041
KL Small Diameter Water Main Rehab 25	2026	New	\$0	\$0	\$0	\$0	\$0	\$1,008	\$1,353	\$1,612	\$2,513	\$2,513	\$771	\$9,770	\$117,476	2040
KM Small Diameter Water Main Rehab 26	2027	Future	\$0	\$30	\$1,284	\$3,506	\$3,473	\$1,915	\$178	\$0	\$0	\$0	\$0	\$10,385	\$86,873	2034
KN Small Diameter Water Main Rehab 27	2031	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$843	\$846	\$1,514	\$1,566	\$232	\$5,001	\$121,666	2036
KP Small Diameter Water Main Rehab 28	2032	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$913	\$2,458	\$1,382	\$247	\$5,000	\$120,435	2037
MV Small Diameter Water Main Rehab 3	2006	Ongoing	\$2	\$504	\$986	\$754	\$1,081	\$1,026	\$952	\$0	\$0	\$0	\$0	\$5,303	\$19,697	2028
ND Small Diameter Water Main Rehab 30	2030	Future	\$0	\$0	\$0	\$0	\$0	\$479	\$1,640	\$1,813	\$965	\$103	\$0	\$5,000	\$146,443	2034
QF District Metering	2023	Ongoing	\$0	\$189	\$477	\$921	\$3,592	\$3,004	\$390	\$0	\$0	\$0	\$0	\$8,573	\$9,930	2031
SU Small Diameter Water Main Rehab 31		closed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	closed
U5 WSSC Interconnection Project		closed	\$84	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,242	closed
TOTAL WATER DISTRIBUTION SYSTEMS			\$58,040	\$58,259	\$87,333	\$87,620	\$96,097	\$107,036	\$111,467	\$120,433	\$145,279	\$160,456	\$171,636	\$1,145,616	\$2,278,645	

(\$ in thousands)



Lead Free DC Program			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
BW	Lead Free DC Program	2003 Ongoing	\$8,454	\$2,541	\$781	\$695	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,016	\$212,642	2029
ST	Lead Free DC Project	2021 Ongoing	\$73,543	\$91,414	\$131,971	\$132,305	\$133,000	\$133,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$1,036,690	\$1,570,846	2039
TOTAL LEAD FREE DC PROGRAM			\$81,997	\$93,954	\$132,752	\$133,000	\$133,000	\$133,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$1,040,707	\$1,783,489	

Water Storage Facilities			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
FA	Water Storage Facility Upgrades	2009 Ongoing	\$315	\$57	\$44	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$201	\$38,031	2029
HW	Rehabilitation of Elevated Water Tanks	2022 Ongoing	\$300	\$69	\$23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92	\$3,127	2028
MA	St. Elizabeth Water Tank	closed closed	\$73	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	closed
MQ	2MG 4th High Storage Tank	2004 Ongoing	\$163	\$14	\$322	\$873	\$539	\$0	\$0	\$0	\$0	\$0	\$0	\$1,748	\$9,898	2029
QG	Anacostia First and Second High Storage	2019 Ongoing	\$22	\$2,588	\$16,147	\$30,917	\$39,665	\$31,091	\$43,989	\$25,626	\$18,055	\$18,500	\$21,000	\$247,578	\$210,774	2036
SW	Water SCADA Replacement	2028 Future	\$0	\$0	\$0	\$300	\$79	\$328	\$1,241	\$3,110	\$1,991	\$357	\$0	\$7,406	\$8,380	2034
MR	2nd High Water Storage	2008 Ongoing	\$0	\$79	\$72	\$11	\$11	\$11	\$1	\$0	\$0	\$0	\$0	\$185	\$2,548	2030
TOTAL WATER STORAGE FACILITIES			\$873	\$2,807	\$16,608	\$32,201	\$40,294	\$31,430	\$45,231	\$28,736	\$20,046	\$18,857	\$21,000	\$257,210	\$272,759	

Water Service Program Management			FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total	Lifetime Budget	Completion
KV	Water Program Mgt. Services 2F	2020 Ongoing	\$4,774	\$4,067	\$510	\$367	\$32	\$0	\$0	\$0	\$0	\$0	\$0	\$4,976	\$31,060	2029
LB	Water Program Mgt. Services 2G	2025 Ongoing	\$13,342	\$4,092	\$5,934	\$5,611	\$3,547	\$1,769	\$0	\$0	\$0	\$0	\$0	\$20,953	\$35,480	2031
ME	Water System Program Management Services	1999 Ongoing	\$5	\$339	\$97	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$436	\$19,854	2028
NU	Water Program Management Services 2H	2030 Ongoing	\$0	0	\$0	\$0	\$0	\$5,373	\$5,373	\$5,387	\$5,373	\$5,373	\$5,373	\$32,252	\$35,480	2035
S8	Second Source Feasibility Study and Demonstration Facility	2026 New	\$0	\$7,521	\$7,323	\$7,134	\$3,518	\$0	\$3,000	\$3,387	\$3,373	\$3,373	\$3,373	\$42,001	\$25,000	2035
TOTAL WATER SERVICE PROGRAM MANAGEMENT			\$18,121	\$16,020	\$13,863	\$13,112	\$7,097	\$7,142	\$8,373	\$8,774	\$8,746	\$8,746	\$8,746	\$100,619	\$146,874	
TOTAL WATER BUDGET			\$190,303	\$186,757	\$274,558	\$285,327	\$302,603	\$312,347	\$268,653	\$258,593	\$287,645	\$299,551	\$307,357	\$2,783,392	\$4,844,619	

(\$ in thousands)

(\$ 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 45% 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 2026 - FY 2035 is \$514.5 million. The increased investments funds Washington Aqueduct’s risk-based asset management CIP, except the following projects: Federally Owned Water Mains, Travilah Quarry Acquisition Outfitting, and Advanced Treatment.

Program Areas	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	10-Year Plan
Wastewater Operations	\$3,215	\$6,845	\$6,030	\$24,935
Water Operations	\$132	\$4,380	\$6,478	\$40,115
Pumping and Sewer Operations	\$1,665	\$2,265	\$2,100	\$8,651
Engineering	\$0	\$25	\$25	\$100
Finance & Procurement	\$94	\$6,065	\$7,922	\$170,122
Customer Care	\$399	\$0	\$0	\$0
Information Technology	\$5,361	\$6,165	\$14,552	\$111,866
Shared Services	\$9,044	\$6,736	\$8,140	\$59,609
Total Capital Equipment	\$19,911	\$32,481	\$45,247	\$415,398
Washington Aqueduct	\$22,060	\$49,480	\$35,770	\$514,490
Total Additional Capital Programs	\$41,971	\$81,961	\$81,018	\$929,888

(\$ 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. These activities also support the enhancements, replacements and upgrades of residential and commercial water meters.
- **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.
- **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. Starting FY 2027, capital equipment includes the reallocation of Subscription-Based Information Technology Arrangement (SBITA), software related costs from operating budget. This is consistent with the new Government Accounting Standard Board (GASB) requirement.
- **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.
- **Customer Care:** The activities/purchases that support the enhancements, replacements, and upgrades of residential and commercial water meters have been relocated to Water Operations.

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	\$514,490
Total	\$514,490

(\$ in thousands)

Project Description: DC Water’s share of Washington Aqueduct’s infrastructure improvements to achieve established service levels for FY 2026 – FY 2035 is \$514.5 million. The increased investments funds Washington Aqueduct’s risk-based asset management CIP, except the following projects: Federally Owned Water Mains, Travilah Quarry Acquisition Outfitting, and Advanced Treatment.



Washington Aqueduct



Additional Capital Projects												
	FY 2025 Actual	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	10-Year Total
WASTEWATER OPERATIONS												
810600 Clean Water Quality & Technology	\$60	\$80	\$40	\$40	\$40	\$0	\$0	\$0	\$0	\$0	\$0	\$200
810006 Wastewater Operations	\$19	\$50	\$40	\$40	\$40	\$0	\$0	\$0	\$0	\$0	\$0	\$170
812003 Wastewater Process Engineering	\$954	\$775	\$850	\$850	\$850	\$0	\$0	\$0	\$0	\$0	\$0	\$3,325
811003 Maintenance	\$2,182	\$5,940	\$5,100	\$5,100	\$5,100	\$0	\$0	\$0	\$0	\$0	\$0	\$21,240
Subtotal	\$3,215	\$6,845	\$6,030	\$6,030	\$6,030	\$0	\$0	\$0	\$0	\$0	\$0	\$24,935
WATER OPERATIONS												
813003 Water Operations	\$132	\$1,300	\$895	\$895	\$895	\$0	\$0	\$0	\$0	\$0	\$0	\$3,985
813021 AMI Assessment	\$0	\$0	\$2,550	\$2,550	\$850	\$0	\$0	\$0	\$0	\$0	\$0	\$5,950
813021 On-Going Replacement	\$0	\$3,080	\$3,033	\$3,033	\$3,033	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$30,180
Subtotal	\$132	\$4,380	\$6,478	\$6,478	\$4,778	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$40,115
PUMPING AND SEWER OPERATIONS												
815000 Pumping Services	\$1,226	\$1,765	\$1,600	\$1,662	\$1,624	\$0	\$0	\$0	\$0	\$0	\$0	\$6,651
814000 Sewer Operations	\$439	\$500	\$500	\$500	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
Subtotal	\$1,665	\$2,265	\$2,100	\$2,162	\$2,124	\$0	\$0	\$0	\$0	\$0	\$0	\$8,651
SHARED SERVICES and Asset Management												
805000 Shared Services and Asset Management	\$0	\$25	\$25	\$25	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$100
Subtotal	\$0	\$25	\$25	\$25	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$100
FINANCE & PROCUREMENT												
300003 Finance, Accounting & Budget	\$94	\$600	\$305	\$200	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,305
300003 Reserve Fund	\$0	\$5,465	\$7,617	\$7,117	\$6,817	\$23,634	\$23,634	\$23,634	\$23,634	\$23,634	\$23,634	\$168,817
Subtotal	\$94	\$6,065	\$7,922	\$7,317	\$7,017	\$23,634	\$23,634	\$23,634	\$23,634	\$23,634	\$23,634	\$170,122
CUSTOMER CARE												
600018 On-Going Replacement	\$399	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
600018 SDWM Meter Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$399	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INFORMATION TECHNOLOGY												
601003 IT Infrastructure	\$2,040	\$2,020	\$2,190	\$2,100	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$8,310
601SB1SBITA	\$0	\$0	\$8,817	\$9,082	\$9,354	\$9,635	\$9,924	\$10,222	\$10,528	\$10,844	\$11,170	\$89,576
601012 IT Project Management	\$3,321	\$4,145	\$3,545	\$3,145	\$3,145	\$0	\$0	\$0	\$0	\$0	\$0	\$13,980
Subtotal	\$5,361	\$6,165	\$14,552	\$14,327	\$14,499	\$9,635	\$9,924	\$10,222	\$10,528	\$10,844	\$11,170	\$111,866
SHARED SERVICES												
204000 Facilities Management	\$1,795	\$1,985	\$3,268	\$2,776	\$2,341	\$0	\$0	\$0	\$0	\$0	\$0	\$10,370
205003 Security	\$410	\$600	\$500	\$550	\$550	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200
202006 Fleet Management	\$6,805	\$4,001	\$3,972	\$3,916	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$45,889
203000 Occupational Safety	\$33	\$150	\$350	\$350	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,050
201006 Office of Emergency Management	\$0	\$0	\$50	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100
Subtotal	\$9,044	\$6,736	\$8,141	\$7,642	\$7,091	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$59,609
TOTAL CAPITAL EQUIPMENT	\$19,911	\$32,481	\$45,248	\$43,981	\$41,564	\$41,269	\$41,558	\$41,855	\$42,162	\$42,478	\$42,804	\$415,398
WASHINGTON AQUEDUCT	\$22,060	\$49,480	\$35,770	\$35,770	\$35,770	\$35,770	\$71,540	\$71,540	\$71,540	\$71,540	\$35,770	514,490
TOTAL ADDITIONAL CAPITAL PROGRAMS	\$41,971	\$81,961	\$81,018	\$79,751	\$77,334	\$77,039	\$113,098	\$113,395	\$113,702	\$114,018	\$78,573	\$929,888



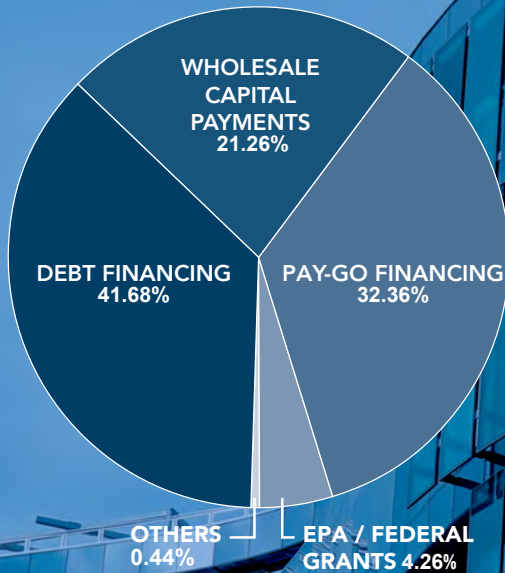
this page intentionally left blank



Approved FY 2027 Budgets

Section VI: Cash and Debt Financing

TEN YEAR SOURCES OF FUNDS



SENIOR BOND RATINGS (As of February 2026)

AAA

STANDARD & POOR'S

Aa1

MOODY'S INVESTORS SERVICE

AA+

Fitch Ratings

ASSET VALUE AND OUTSTANDING DEBT FY 2026



Net Asset
\$9.2B



Outstanding Debt
\$4.1B

DEBT SERVICE COVERAGE	DEBT LEVEL	SENIOR	SUBORDINATE	COMBINED
	MASTER INDENTURE		120x	100x
BOARD RESOLUTION		140x	100x	160x
MANAGEMENT PRACTICE		140x	100x	160x
TEN YEAR PLAN (average)		914x	231x	202x

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 34.36 percent of DC Water’s Capital Program is funded by debt, 32.36 percent is funded by Pay-Go, 21.26 percent of the funds are contributed by the wholesale capital payments, 4.26 percent is funded by EPA/Federal Grants and the remaining estimated 0.44 percent comes from other available funds.

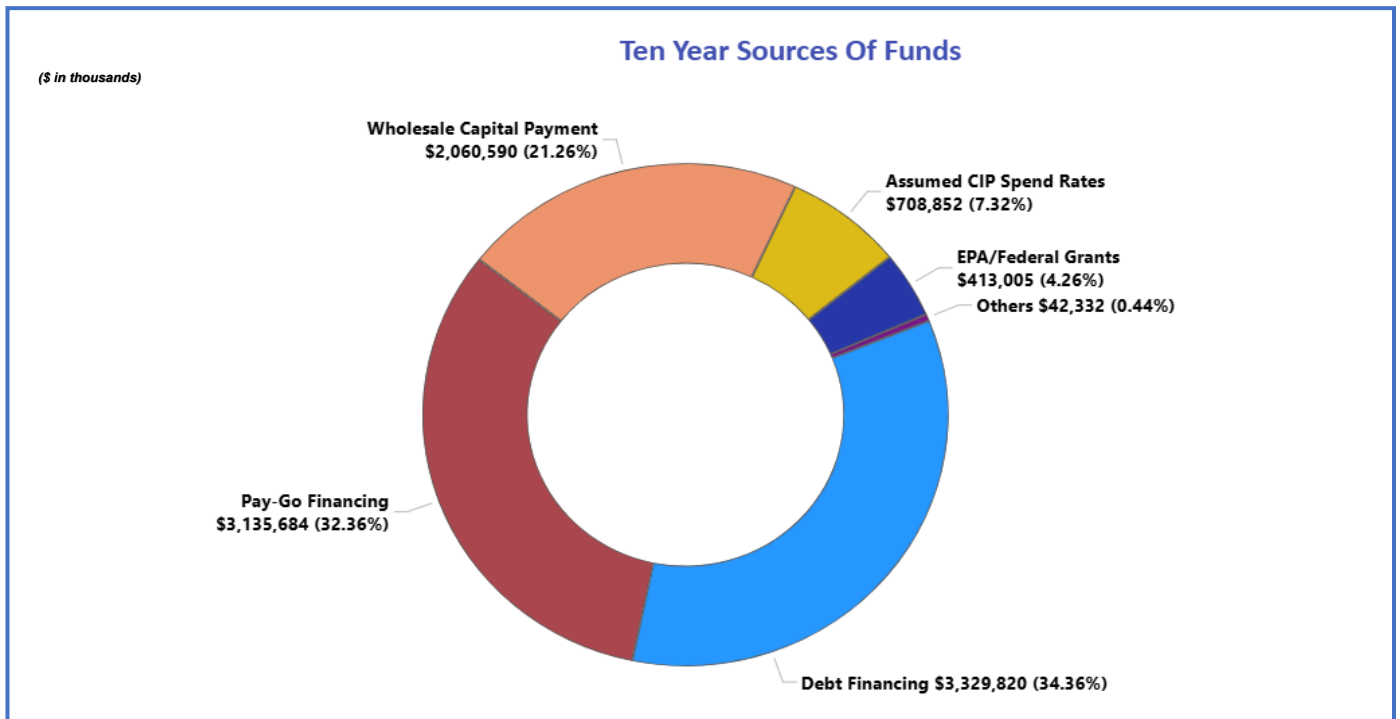
Below is the list of various funding sources and the percentage contribution to DC Water’s overall CIP needs.

(\$ in thousands)

Ten-Year Sources of Funds	Amount (\$)
Debt Financing	3,329,820
Pay-Go Financing	3,135,684
Wholesale Capital Payment	2,060,590
EPA/Federal Grants	413,005
Others	42,332
Subtotal-Financial Plan	8,981,431
Assumed CIP Spend Rates (1)	708,852
Total	9,690,283

- 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.

(1) From FY2027-FY2035, the cash needs for certain capital items have been reduced by 10% to account for expected differences between planned and expected capital spending, the following categories are assumed to required 100% of the planned amounts: Combined Sewer LTCP (Clean Rivers Project), Combined Sewer Overflow Projects, Capital Equipment, Meter Replacement/AMR/CIS/ERP, and Washington Aqueduct Projects.



\$ in thousands

Sources and Uses Of Fund

Particulars	FY 2025 Actual	FY 2026 Approved	FY 2026 Revised	FY 2027 Approved
Sources				
Beginning Balance	\$ 238,907	\$ 269,051	\$ 411,766	\$ 96,773
New Debt Proceeds / Commercial Paper / EMCP ⁽¹⁾	350,673	486,620	26,000	571,320
Curing Pad and Solar	-	1,000	30	29
System Availability Fee (SAF)	3,516	7,700	5,700	5,700
Clean Rivers Impervious Area Charge (CRIAC)	60,977	69,711	69,711	63,750
Pay-Go Financing	213,564	170,335	199,302	250,529
Federal Grants - Infrastructure Funding	26,207	37,036	45,664	54,000
EPA Grants	23,690	13,461	20,099	13,709
CSO Appropriation	8,087	-	-	-
Wholesale Customer Capital Contributions	68,830	137,800	119,438	166,497
Interest Income	1,460	9,244	5,850	2,385
Total Sources	\$ 757,004	\$ 932,908	\$ 491,794	\$ 1,127,919
Uses				
Water Projects	190,303	270,680	186,757	272,377
Blue Plains Projects	64,766	106,353	83,199	129,493
Sanitary Sewer Treatment	109,368	148,796	155,371	216,218
Combined Sewer & LTCP Projects	165,124	250,386	237,482	327,179
Stormwater Projects	7,427	17,360	16,550	14,345
Non-Process Facilities	5,186	51,570	15,467	31,622
Washington Aqueduct	22,060	35,770	49,480	35,770
Capital Equipment	19,511	29,401	29,401	39,664
Meter Replacement / AMR/ CIS	399	3,080	3,080	5,583
Total Uses	\$ 584,145	\$ 913,396	\$ 776,787	\$ 1,072,252
Capital Contingency Reserve for LTCP	30,000	30,000	30,000	30,000
Ending Balance	\$ 411,766	\$ 258,563	\$ 96,773	\$ 122,440

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

\$ in thousands

Cash Reserve Summary

Particulars	FY 2025 Actual	FY 2026 Approved	FY 2026 Revised	FY 2027 Approved
Beg. O&M Reserve Balance (Net of Rate Stabilization Fund)	\$ 320,513	\$ 309,600	\$ 333,716	\$ 341,600
Operating Surplus	245,301	203,758	200,638	256,296
Wholesale Customer Refunds/Payments for Prior Years	6,205	(3,000)	(3,000)	(3,000)
Federal Customer Refund/Payments for Prior Years	(11,049)	(11,310)	(11,310)	2,503
Transfer to Rate Stabilization	(5,000)			
AP Voided Checks/ACH Return for Previous Years	382			
Interest Earned from Bond Reserve	110	401	331	334
Pay-As-You-Go Capital Financing	(219,619)	(173,849)	(176,775)	(243,133)
Project Billing Refunds	(3,127)		(2,000)	-
Ending O&M Reserve Balance (Net of Rate Stabilization Fund)	\$ 333,716	\$ 325,600	\$ 341,600	\$ 354,600
Rate Stabilization Fund	\$ 40,644	\$ 33,644	\$ 40,644	\$ 40,644

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

Between July and August 2025, DC Water successfully issued Subordinate Lien Revenue Refunding Bond Series 2025 A, Subordinate Lien Revenue and Revenue Refunding Bond Series 2025 B (Green Bonds) and Subordinate Lien Multimodal Revenue Bond Series 2025 C. This strategic move resulted in interest savings of approximately \$7 million in FY 2025.

Details	2025 A	2025 B	2025 C
Par	\$55 M	\$160 M	\$175 M
Maturity	10/1/2044	10/1/2045	10/1/2060
Int Rate	5%	5%	Variable-Daily

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

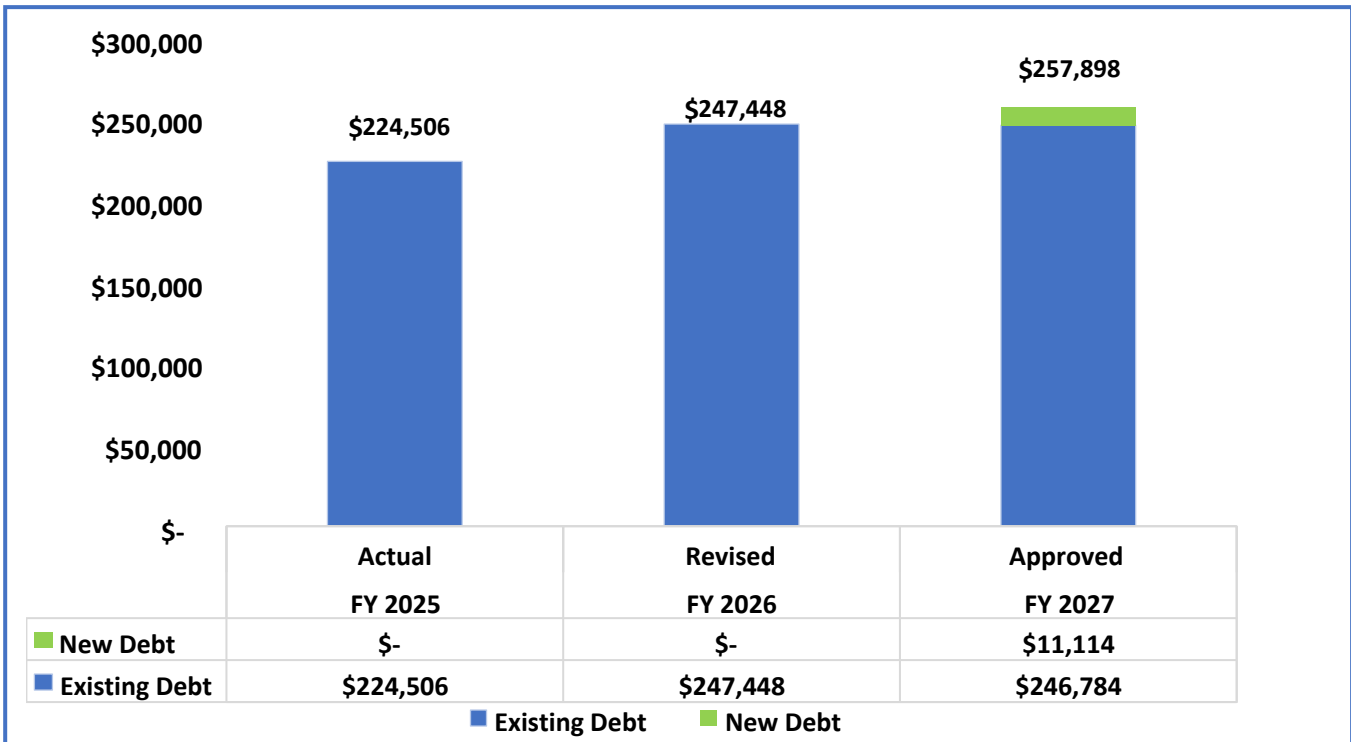
Minimize the cost of capital

Increase operational flexibility

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

\$ in thousands

Debt Service FY 2025-2027



Bond Ratings (February 2026)

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

Debt Service FY 2025-FY 2027

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

\$ in thousands

Bond Series	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved
Senior Lien			
Series 1998	7,630	8,114	8,114
Series 2014A	16,677	16,849	16,849
Series 2017A&B	13,840	14,604	14,607
Series 2018A&B	16,148	16,529	16,530
WIFIA Loan	1,715	2,924	2,924
Total Senior Lien	\$ 56,010	\$ 59,020	\$ 59,024
Subordinate Lien			
Series 2010A	17,283	15,162	15,259
Series 2014B	2,845	4,000	4,000
Series 2014C	1,477	2,747	2,747
Series 2015A&B	13,561	1,043	1,043
Series 2016	11,567	11,638	11,638
Series 2019A&B	10,960	11,049	11,049
Series 2019C	(156)	-	-
Series 2019D	10,014	9,105	9,004
Series 2022A	27,920	28,568	25,689
Series 2022B	3,846	3,979	3,979
Series 2022C-1	8,921	8,921	8,921
Series 2022C-2	177	177	177
Series 2022D	9,408	9,413	9,676
Series 2022E	2,861	2,891	2,891
Series 2024A	42,150	43,928	46,851
Series 2024 B1,B2	2,726	3,982	3,982
Series 2025 A	-	3,145	2,775
Series 2025 B	-	17,948	17,348
Series 2025 C1,C2	701	7,038	7,038
Extendable Municipal Commercial Paper	1,430	2,890	2,889
Jennings Randolph Bond	805	805	805
Total Subordinate Lien	\$ 168,496	\$ 188,428	\$ 187,760
Planned Debt Service	-		\$ 11,114
Total Debt Service	\$ 224,506	\$ 247,448	\$ 257,898

Debt Service Coverage

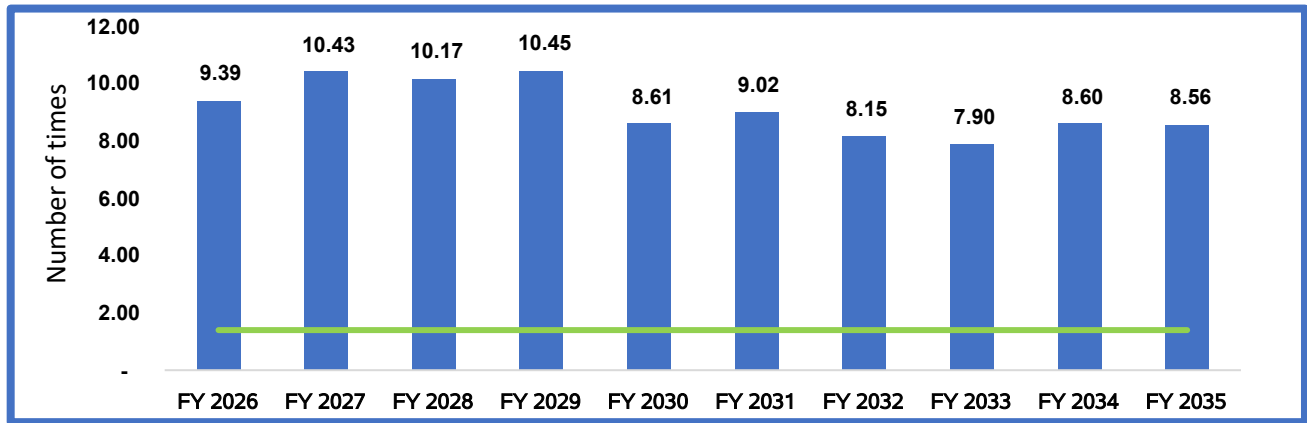
Debt Service Coverage (FY 2026-FY 2035)

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

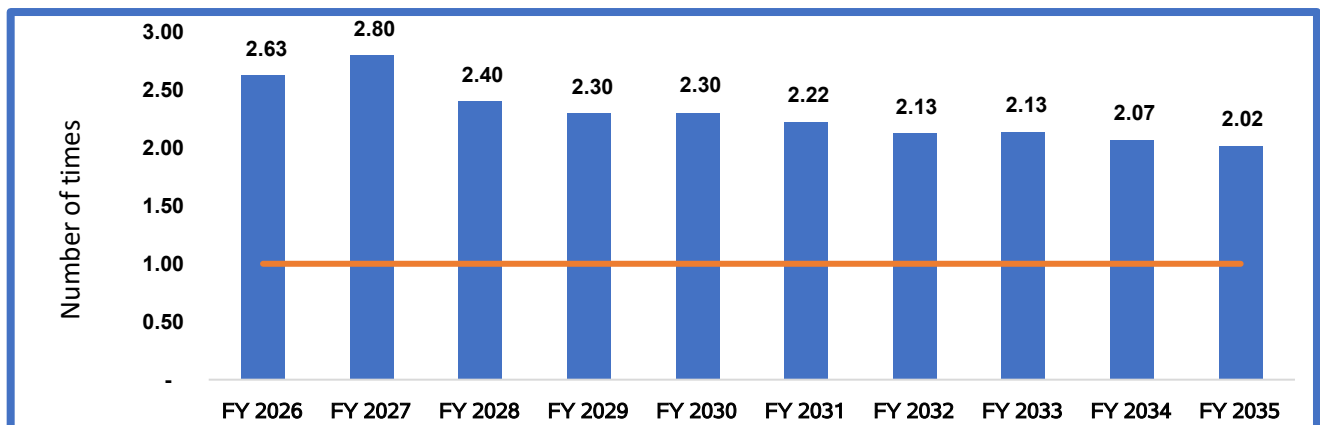
Senior Debt Service Coverage

Senior Debt Service Coverage (Management target = 140x)



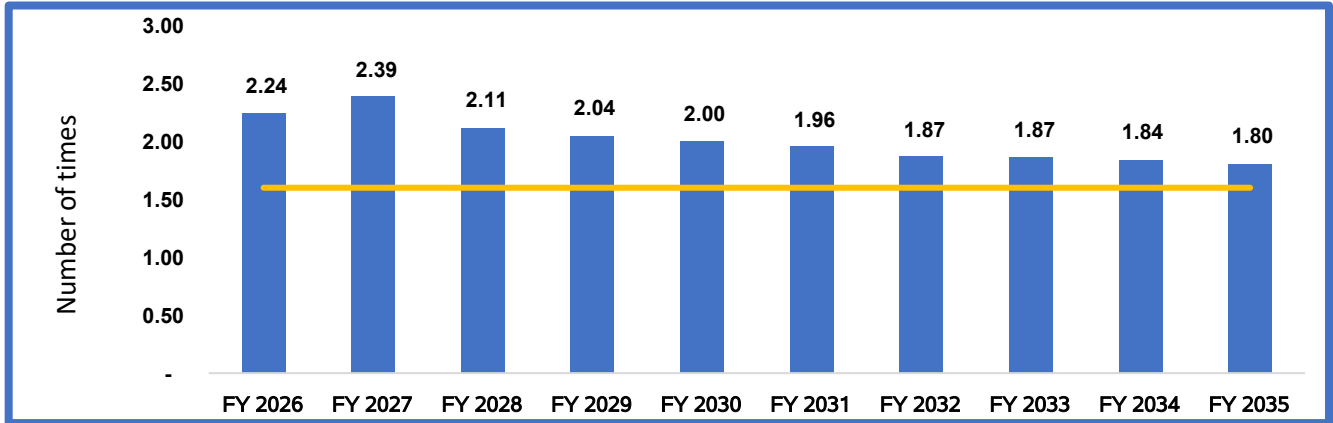
Subordinate Debt Service Coverage

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



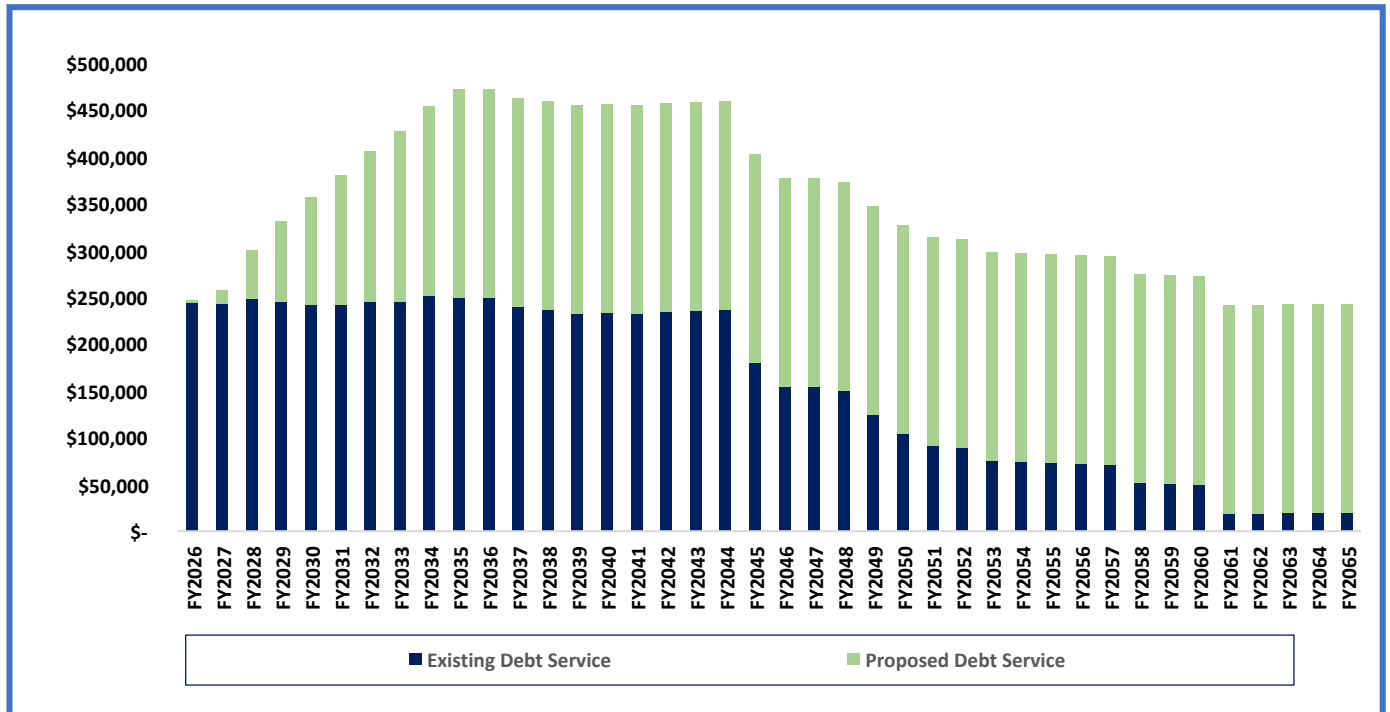
Combined Debt Service Coverage

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



\$ in thousands

Total Outstanding & Proposed Debt Service

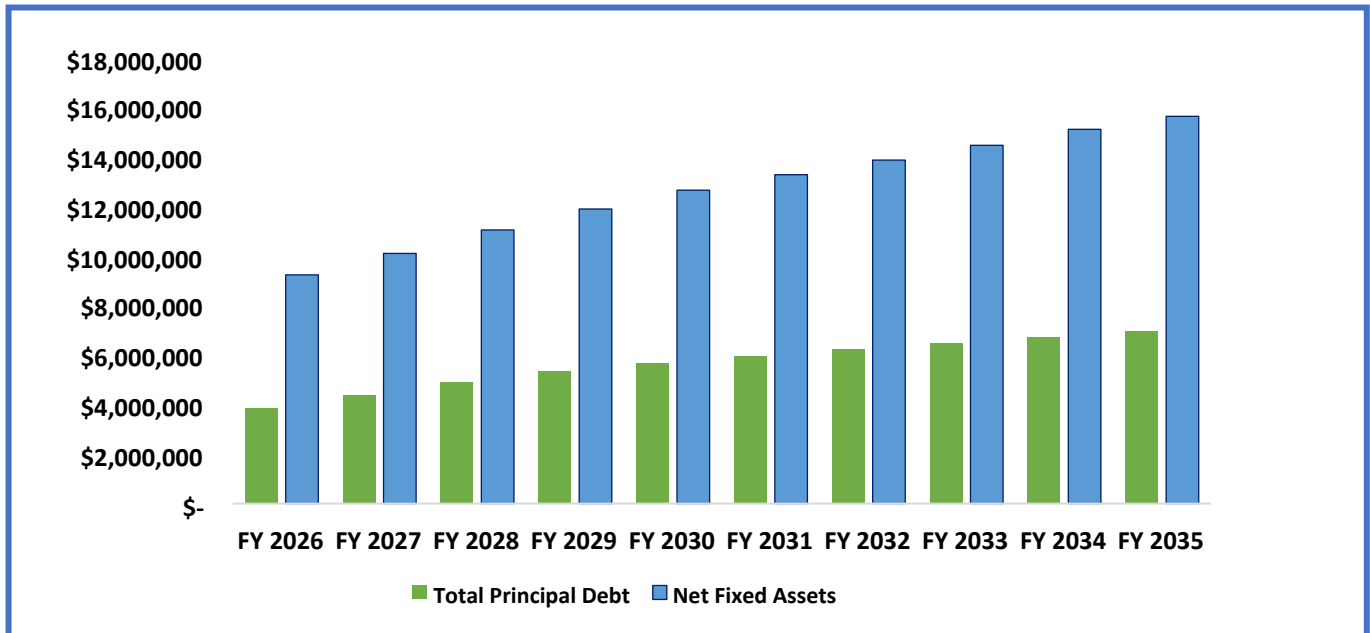


Note: 40-year debt service schedule above assumes no new debt issuances after FY 2035

Over the next 10 years, DC Water plans to disburse \$9.69 billion for its capital program. As of FY 2026, its net fixed assets total \$9.2 billion, with projections reaching \$15.64 billion by FY 2035. To support these investments, DC Water anticipates issuing approximately \$3.9 billion in new debt over the next 10 years. Outstanding debt stands at \$4.1 billion in FY 2026 and is expected to grow to \$6.9 billion by FY 2035.

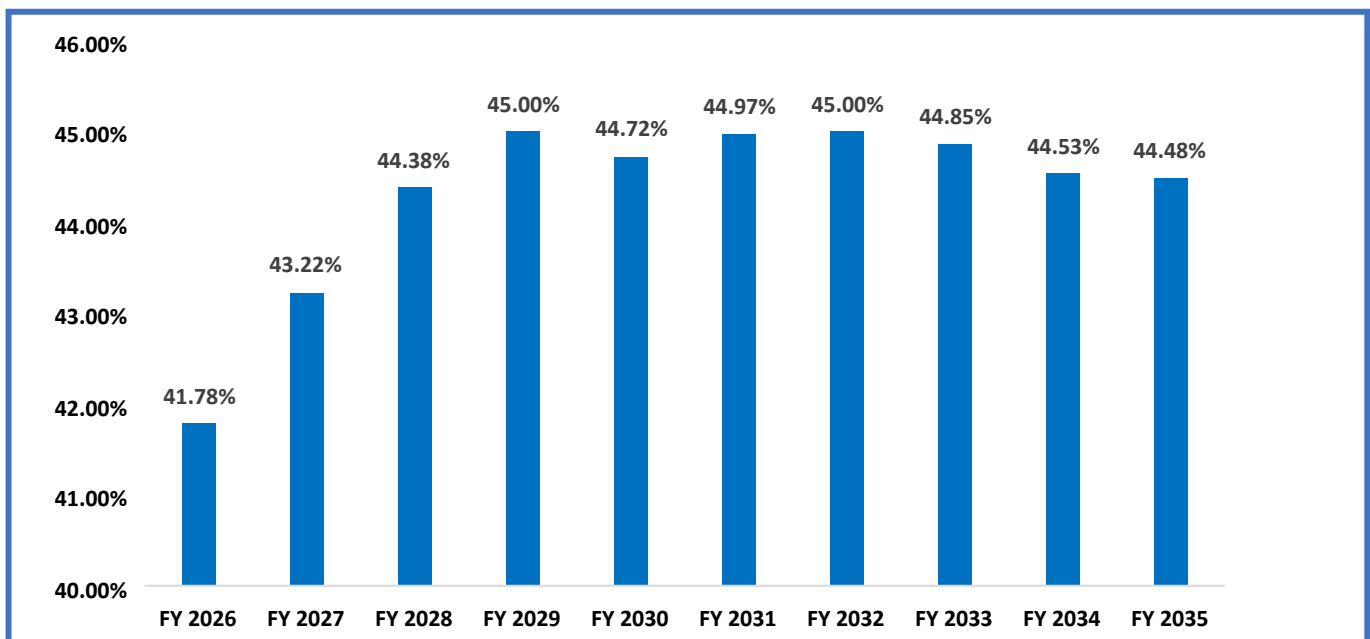
\$ in thousands

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; 12) Series 2022E; 13) Series 2025B; 14) Series 2025C

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); 10) Series 2025A (full refunded 2015B) ; 11) Series 2025B (Partially refunded 2015 A)

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 DC Water is authorized to issue up to \$ 250 million. The CP program includes Series D (tax exempt) and (taxable). In August 2024, 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.dcwater.com.



this page intentionally left blank



Approved FY 2027 Budgets

Section VII: FY 2027 Operating Expenditure

\$227M

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:

\$158.1M Core operational departments – 955 FTEs

\$68.9M Administration and support departments – 328 FTEs

\$16M

SUPPLIES AND SMALL EQUIPMENT

\$11.7M **Buy** replacement pipes, valves, pumps, meters, vehicle parts, and other equipment for routine maintenance and upkeep

\$3.1M **Purchase** of laboratory supplies, custodial supplies, office supplies, uniforms, personal protective equipment (PPE) and other consumables

\$1.0M **Rent** machinery, cranes, vehicles and other specialized equipment

\$100M

CONTRACTUAL SERVICES

\$29.5M **Provide** support for information technology, legal, security, engineering, financial advisory, strategic, research and temporary staffing services

\$24.6M **Maintain** buildings, electrical equipment, HVAC, elevators, vehicles, green infrastructure, fire systems, digesters, combined heat and power facility

\$17.7M **Pay** for hauling and disposal of hazardous materials and biosolids, odor control, janitorial, industrial cleaning, reservoir, wet well and catch basin cleaning services

\$8.9M **Leverage** cutting-edge software technology to optimize operations and business processes

\$11.5M **Meet** obligations for insurance premiums, audit, claims and litigation

\$3.7M **Invest** in education, professional development, conferences, memberships and support events for 1,283 employees

\$2.2M **Foster** stakeholder engagement, community outreach and regional programs

\$2.0M **Pay** for printing and postage of customer bills, advertisement of contract solicitations, promotional items, storage and material transportation charges

\$54M

WATER PURCHASES

\$54.5M **Purchase** drinking water from the Washington Aqueduct

\$88M

CHEMICALS AND UTILITIES

\$83.6M **Fund** chemicals, energy and water used for collection, distribution and treatment activities and buy fuel used in vehicles and heavy-duty equipment

\$2.9M **Connect** employees, customers and stakeholders through uninterrupted telecommunication services (telephone, cellphone and radios)

\$1.1M **Lease** office space for sewer operations and other storage services

\$359M

NON-OPERATIONS AND MAINTENANCE

\$257.9M **Fund** debt service costs to support the capital program

\$76.8M **Allocate** funding for paygo financing

\$24.6M **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 31 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 capital management, 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 services are delivered efficiently.

Structural Changes: During FY 2025, the Authority underwent the following reorganization that reassigned personnel and related budgets across multiple departments and clusters.

- The departments of Engineering & Technical Services and CIP Infrastructure Management were reorganized into a newly established departments of Water Program & Lead-Free DC and Shared Services & Asset Management. The Engineering cluster now comprises the departments of Clean Rivers, Permits Operations, Wastewater Engineering, Water Program & Lead-Free DC and Shared Services & Asset Management.
- The Strategy & Performance department was separated from the Administration cluster.
- The Meter Operations business unit under the Customer Care department was reassigned to Water Operations to improve operational efficiency.
- The Administration cluster was expanded to include the Office of Marketing and Communication, Shared Services departments (Fleet Management, Facilities, Security, Occupational Safety and Health, Office of Emergency Management), and Customer Care department.

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 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 Authority’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 protecting the environment and complying with regulatory requirements.

Reporting and Accountability:

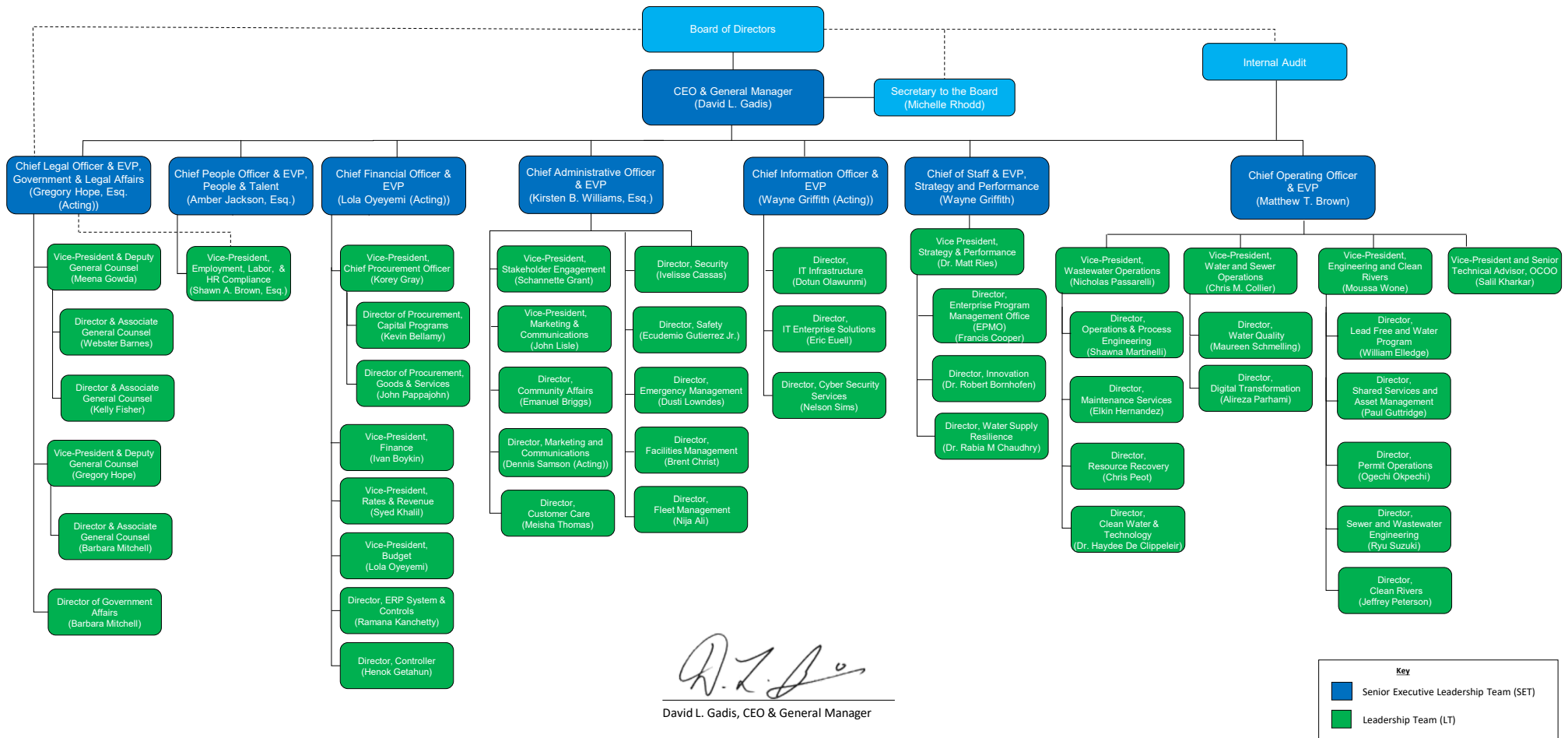
- The Senior Executive Team (SET) members overseeing each cluster are responsible for ensuring that their departments meet the organization’s service delivery standards and performance metrics. This structure promotes accountability and ensures that departments are aligned with DC Water’s overall mission 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)



DC WATER LEADERSHIP TEAM



Operating Expenditures Budget Linkage to Blueprint 2.0

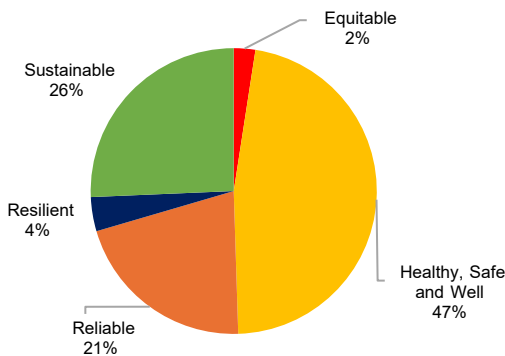
DC Water’s five-year strategic plan, called Blueprint 2.0, includes five interconnected imperatives and lays out defined outcomes essential to achieving the strategic goals over the next five years and beyond. Detailed information about the strategic plan is available online at www.dewater.com/strategic-plan.



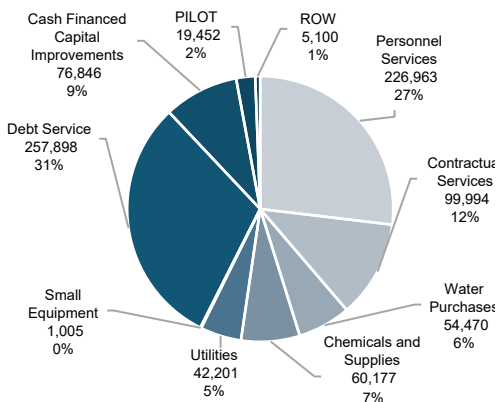
- Healthy, Safe and Well**
Is everybody we impact healthy, safe and well?
- Sustainable**
Are we able to meet the needs of the present without compromising the ability of future generations to meet their own needs?
- Reliable**
Can we deliver our agreed service level in an efficient and effective manner?
- 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 2027 operating budget advances DC Water’s strategic plan and aligns it with the five imperatives of the Blueprint 2.0.

FY 2027 Operations & Maintenance Budget Breakdown by Blueprint 2.0



FY 2027 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

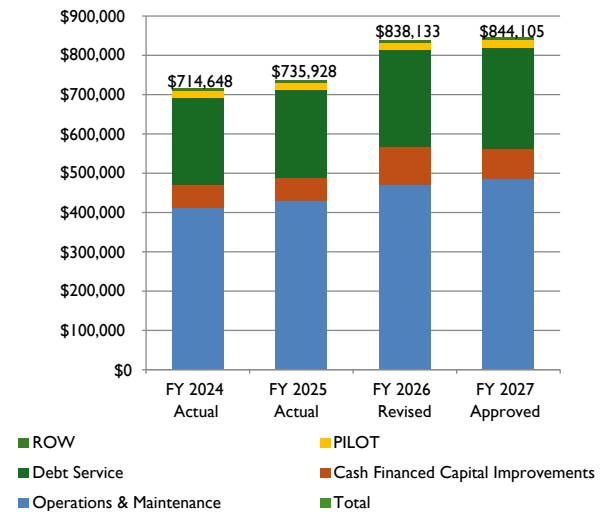
The Revised FY 2026 budget includes an amendment of \$24.0 million from debt service to the cash financed capital improvement fund due to the structure of new debt and refinancing. The overall operating expenditure budget for FY 2026 remains at the Board-adopted level.

The Approved FY 2027 operating budget is \$844.1 million, an increase of \$5.9 million or 0.7% compared to FY 2026 level.

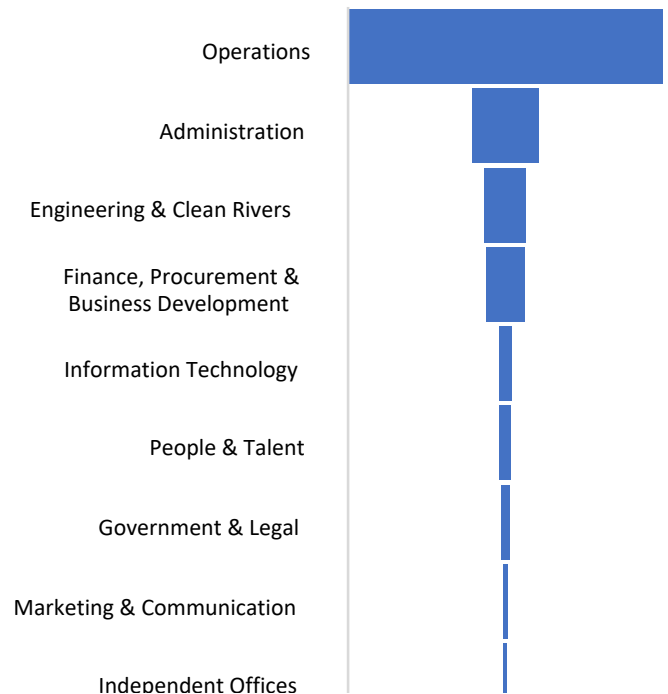
Approved FY 2027 Operating Budget Changes

- **Personnel Services** (\$9.5 million increase): reflects adjustments for salaries, increased overtime, and employee health benefits. The authorized headcount remains at 1283 FTEs and reflects the reallocation of existing vacancies to support key initiatives
- **Chemicals** (\$1.4 million increase): reflects projected unit price increases for major chemicals used at the plant and other odor control facilities throughout the Authority
- **Supplies** (\$1.2 million increase): reflects inflationary cost pressures for critical parts and custodial materials
- **Utilities** (\$0.5 million net increase): higher electricity costs offset by reduced water usage in treatment activities
- **Water Purchase** (\$6.3 million increase): driven by operating cost increases for the purchase of drinking water from the Washington Aqueduct
- **Contractual Services** (\$2.3 million decrease) reflects reallocation of Subscription-Based Information Technology Arrangement (SBITA) costs to capital equipment budget; offset by increase in various professional services
- **Small Equipment** (\$0.5 million decrease) reflects reduced rental of crane equipment at Blue Plains
- **Debt Service** (\$10.5 million increase): for planned debt coverage between the projected senior and subordinate bond series
- **Cash Financed Capital Improvements** (\$21.1 million decrease): PAYGO funding to reduce future borrowing costs
- **PILOT & ROW** (\$0.4 million increase): mainly for the PILOT payments to the District. ROW payment remains at the same level

Historical and Projected Operating Expenditures



FY 2027 Operations & Maintenance Budget by Cluster












Budget Breakdown by Service

The Approved FY 2027 O&M budget is strategically allocated to deliver safe, reliable, and sustainable water and wastewater services across 9 Essential Services.

The (O&M) budget: The budget is divided into three primary allocations:

- Workforce Investment (47%): The largest share is designated for salaries, benefits, and overtime compensation related to services provided by Team Blue, ensuring a skilled workforce maintains all operations.
- Core Operational Resource (28%): This covers fixed expenses critical to the treatment process, including Drinking Water Purchase, Chemical Acquisitions, and Energy and Water Usage.
- Essential Support (25%): This allocation is necessary for asset maintenance, critical parts and equipment, insurance coverage, claims, technology, and other vital support services.

Allocation Across 9 Essential Services: These O&M funds are deployed across the following nine services, representing a comprehensive investment in DC Water's mission and strategic priorities:

Services	FY 2026	FY 2027	Description
	\$150,613,459	\$153,751,546	Wastewater Treatment Services: Focused on high-quality and compliant wastewater processing
	\$130,845,601	\$145,883,125	Distribution & Collection Services: Dedicated to the efficient transport of water (inflow and outflow) across the Authority's network
	\$63,556,954	\$65,141,148	Infrastructure & Sustainability Services: Strategic investment in the long-term integrity and environmentally responsible modernization of assets
	\$38,083,836	\$37,435,531	Finance & Procurement Services: Ensures fiscal prudence and responsible management of resources
	\$26,818,830	\$20,326,799	Customer & Community Engagement Services: Supports transparent communication and responsiveness to the needs of customers and the District
	\$16,038,245	\$18,347,138	Preparedness & Protection Services: Builds and maintains robust safety, security, and emergency response capabilities
	\$17,484,717	\$17,963,814	Strategic & Governance Services: Drives long-term planning, performance oversight, and corporate compliance
	\$14,872,076	\$14,909,982	Technology & Digital Services: Modernizes and maintains the crucial digital infrastructure and systems supporting all operations
	\$10,262,203	\$11,050,760	Employee Support Services: Prioritizes workforce training, development, health, and well-being

The FY 2027 budget is a targeted investment that balances immediate operational requirements with strategic improvements across all nine foundational services, assuring continued excellence and stewardship of resources.

FY 2027 Approved Budget Overview by Services

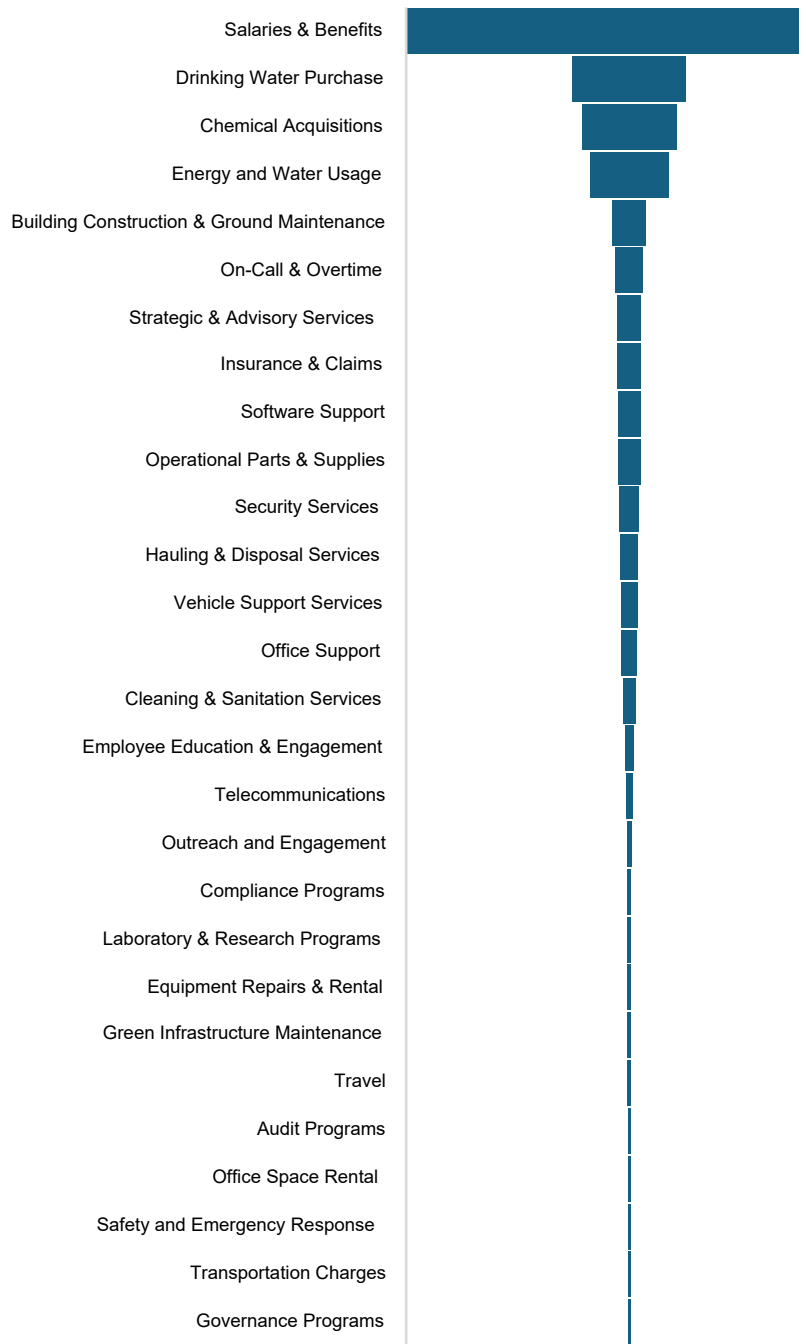
The Approved FY 2027 budget supports DC Water’s mission to deliver safe, reliable, and sustainable water and wastewater services while advancing strategic priorities under Blueprint 2.0. This budget funds a wide range of services and directs resources toward sustaining core operations while expanding capacity in critical areas.

DC Water’s core operations and maintenance budget comprises of various essential activities (depicted in the graph to the right) provided by all departments. These operational activities are grouped into nine (9) major services (depicted in the graph below) to better justify requests, allocate resources based on outcomes and guide decision-making.

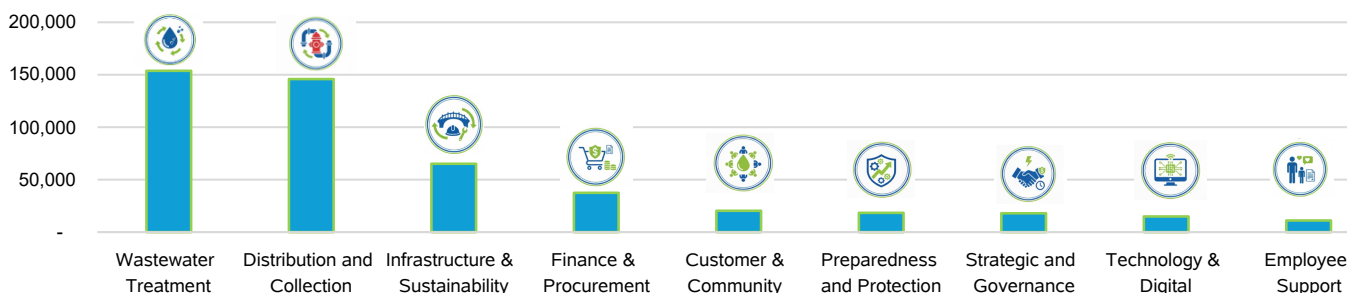
The largest share of the O&M budget, 47% for salaries, benefits and overtime, reflects the Authority’s commitment to maintaining a skilled workforce. Fixed expenses at 28% covers the purchase of drinking water, energy use and chemicals which are critical to daily water and wastewater operations. The remainder of 25% is necessary for asset maintenance, critical parts and equipment, insurance coverage, claims, technology, and other essential services. These include security, hauling & disposal, strategic & advisory services, office support, cleaning & sanitation, compliance, research, customer outreach, training, audits, safety and emergency response activities. These investments reinforce regulatory alignment, innovation, community trust, and resilience.

Overall, the FY 2027 budget balances immediate operational needs with strategic long-term priorities, ensuring continued service reliability and responsible stewardship of resources.

Breakdown of O&M Activities



FY 2027 O&M Breakdown of Services



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.

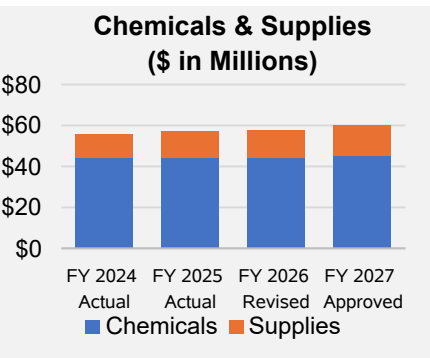
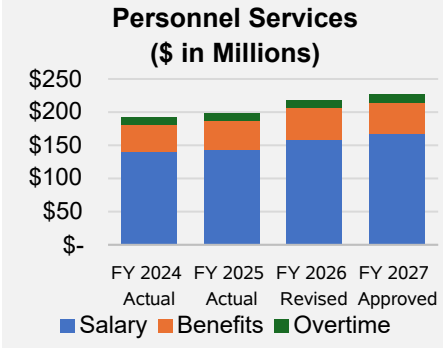
The Approved FY 2027 budget for Operations expenditures is \$844.1 million, which is an increase of 0.7% from the Revised FY 2026 budget. The operations and maintenance expenses are categorized into six major expenditure types: Personnel Services, Chemicals & Supplies, Contractual Services, Utilities & 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.

<i>\$ in thousands</i>	FY 2024 Year-End Actual	FY 2025 Year-End Actual	FY 2026 Revised Budget	Approved Budget	FY 2027 Change	% Budget
Personnel Services	\$ 192,994	\$ 197,802	\$ 217,462	\$ 226,963	\$ (9,501)	-4.4%
Chemicals & Supplies	55,596	56,834	57,491	60,177	(2,686)	-4.7%
Contractual Services	89,276	90,012	102,284	99,994	2,290	2.2%
Utilities and Rent	34,202	39,731	41,659	42,201	(542)	-1.3%
Water Purchases	38,904	43,498	48,149	54,470	(6,321)	-13.1%
Small Equipment	1,599	1,311	1,531	1,005	526	34.3%
Total O&M Expenditures	\$ 412,570	\$ 429,188	\$ 468,576	\$ 484,810	\$ (16,234)	-3.5%
Debt Service	220,073	224,506	247,448	257,898	(10,450)	-4.2%
Cash Financed Capital Improvements	58,576	58,438	97,938	76,846	21,092	21.5%
Payment in Lieu of Taxes	18,330	18,696	19,070	19,452	(381)	-2.0%
Right of Way Fees	5,100	5,100	5,100	5,100	-	0.0%
Total Operating Expenditures	\$ 714,648	\$ 735,928	\$ 838,133	\$ 844,105	\$ (5,973)	-0.7%
Personnel Services Charged to Capital Projects	(26,699)	(25,789)	(30,907)	(31,360)	454	-1.5%
Net Operating	\$ 687,949	\$ 710,140	\$ 807,226	\$ 812,745	\$ (5,519)	-0.7%

PERSONNEL SERVICES

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

Total costs for FY 2027 are estimated at \$227.0 million, or 21.2% of total operating budget and reflect a \$9.5 million or 4.4% increase from prior year. The increase in employee salaries and benefits is designed to enhance workforce retention amid a highly competitive labor market



CHEMICALS & SUPPLIES

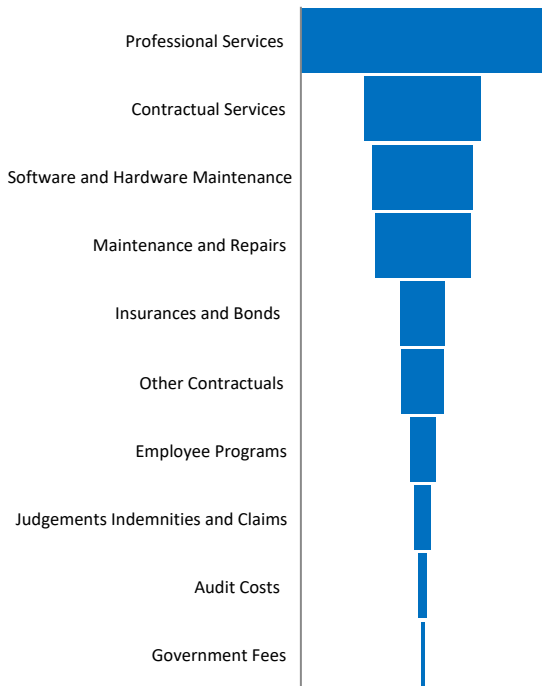
These include the various chemicals (Methanol, Polymer, Ferric Chloride, Etc.) used in the treatment processes, office supplies, custodial supplies including spare parts for maintaining critical assets, uniforms for operational and technical employees, etc.

The Approved FY 2027 budget is estimated at \$60.2 million, or 5.6% of total operating budget and reflect a 4.7% increase from prior year budget. The \$2.7 million increase is mainly due to higher costs for chemicals and supplies

FY 2027 Contractual Services



CONTRACTUAL SERVICES



The Approved FY 2027 contractual services budget is \$100 million, representing 9.4% of the total operating budget and reflects a 2.2% net decrease compared to the prior year.

MAJOR CONTRACTUAL SERVICES

- **Professional Services:** Provides support for security and traffic services, legal contingency and general litigation, Combined Heat & Power (CHP) facility, consulting, strategic, legal, financial advisory, temporary staffing, research and development
- **Contractual Services:** Supports Hauling and disposal of waste materials, industrial cleaning, odor control, janitorial, fire systems, reservoir, fats, rags, oil and grease (FROG) management and root foaming
- **Software and Hardware Maintenance:** a portion of the Software subscriptions costs are reallocated to the capital budget based on new reporting requirement, and technical support
- **Maintenance and Repairs:** Electrical, vehicles, heavy-duty equipment, HVAC, elevator systems, green infrastructure
- **Employee Programs:** These includes tuition assistance, training, and conferences
- **Insurance Services:** These are premiums for liability and property coverage
- **Other Contracts:** Storage, printing, advertising, material transportation, and regional services



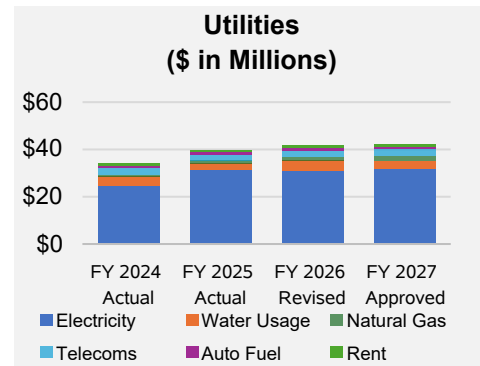
UTILITIES



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

Total utilities for FY 2027 are \$42.2 million, or 4.0% of total operating budget, and reflect a 1.3% increase from prior year budget

Electricity – A projected \$0.9 million increase is based on anticipated increase in capacity charges. Energy is used for various treatment activities at Blue Plains, Pump Stations and various facilities. Onsite 7MW generation from the Combined Heat & Power Facility and solar energy mitigates cost growth and reduces reliance on the power grid

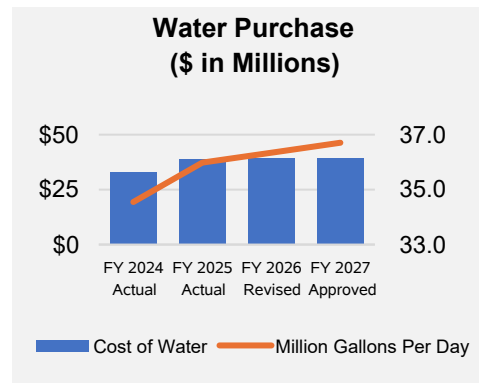


WATER PURCHASE



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 budget for FY 2027 is \$54.5 million, or 11.2% of the total in operating budget and reflect a 13.1% increase from prior year budget. The \$6.1 million increase is driven by an increase in the Washington Aqueduct's budget

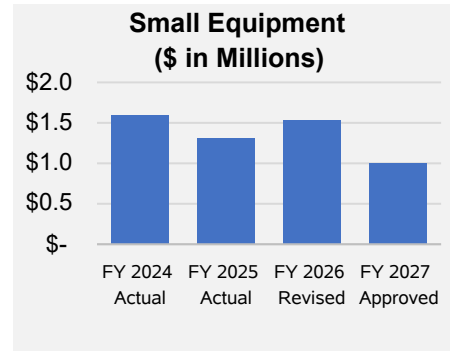




SMALL EQUIPMENT Healthy, Safe and Well Reliable Resilient

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

Total costs for FY 2027 are estimated at \$1 million, with approximately \$0.5 million decrease due to reduced reliance on rental equipment at Blue Plains



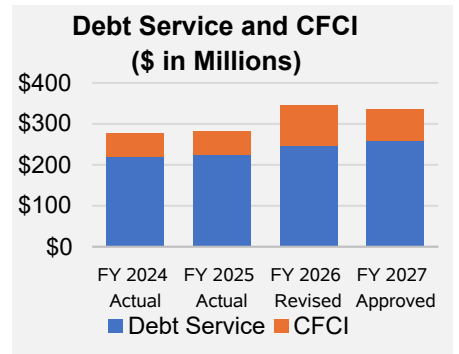
DEBT SERVICE & CFCI Healthy, Safe and Well Reliable Resilient

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-Way (ROW) fees

Debt service refers to the repayment of principal and interest on debt issued for the capital program. The total debt service is planned at \$247.5 million in FY 2026 and \$257.9 million in FY 2027

The FY 2026 revised budget reflects reprogramming of \$24.0 million from debt service to CFCI for paygo to reduce future borrowing costs

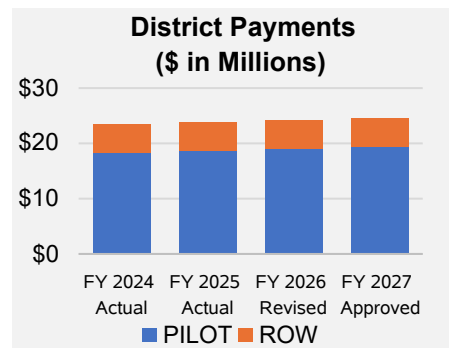
CFCI serves dual purpose as an Operations and Maintenance budget contingency, and provides sufficient debt service coverage/paygo



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)

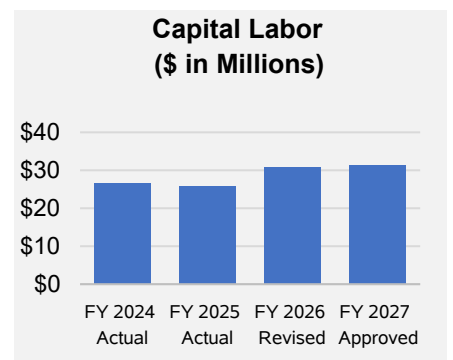
The PILOT is for \$19.4 million and increased by 2%, and the ROW fee is \$5.1 million, no change from the prior year



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 2027 budget is \$31.3 million, an increase of \$0.4 million mainly due to increase in our capital improvement program



Operating Expenditures by Department and Cluster

(\$ in thousands)

Departments & Clusters	FY 2024 ACTUAL	FY 2025 ACTUAL	FY 2026 REVISED	FY 2027 APPROVED
OPERATIONS	\$ 255,976	\$ 273,526	\$ 291,074	\$ 303,550
Office of the Chief Operating Officer	1,585	2,759	2,059	1,350
Wastewater Treatment Operations	92,889	99,532	101,362	104,331
Process Engineering	6,432	7,776	8,468	9,118
Maintenance Services	24,233	23,230	26,945	26,914
Clean Water and Technology	3,878	3,871	5,486	5,063
Resource Recovery	6,833	7,570	8,354	8,325
Water Operations	78,534	84,646	92,346	101,798
Pumping and Sewer Operations	41,593	44,142	46,056	46,651
ENGINEERING	\$ 37,204	\$ 35,422	\$ 40,148	\$ 40,416
Engineering & Technical Services	23,128	16,905	21,382	
CIP Infrastructure Management	1,514	827	4,530	
Wastewater Engineering	4,202	5,251	4,862	8,960
Permit Operations	4,946	5,878	5,399	8,902
Clean Rivers	3,415	3,551	3,974	4,118
Shared Services and Asset Management		2,733		15,075
Water Program and Lead Free DC		277		3,361
ADMINISTRATION	\$ 52,453	\$ 55,154	\$ 60,694	\$ 64,692
Office of the Chief Administration Officer	491	794	1,325	2,644
Customer Care	14,908	15,771	17,130	15,071
Marketing and Communication	3,891	4,354	4,850	5,255
Office of Emergency Management	1,560	1,677	1,801	1,976
Fleet Management	7,515	7,033	7,543	9,891
Occupational Safety & Health	2,647	3,528	3,370	3,435
Facilities Management	11,285	11,412	13,807	13,484
Security	10,157	10,585	10,866	12,936
INFORMATION TECHNOLOGY	\$ 11,037	\$ 11,232	\$ 12,155	\$ 12,345
Information Technology	11,037	11,232	12,155	12,345
INDEPENDENT OFFICES	\$ 4,490	\$ 4,308	\$ 4,547	\$ 3,231
Secretary to the Board	808	845	1,033	1,055
Office of the Chief Executive Officer	2,866	2,690	2,696	1,311
Internal Audit (outsourced)	815	772	818	864
FINANCE & PROCUREMENT	\$ 32,423	\$ 30,901	\$ 38,084	\$ 37,436
Finance	24,246	22,944	27,762	26,981
Procurement	6,490	6,654	7,644	8,086
Compliance and Business Development	1,687	1,304	2,477	2,169
Non-Ratepayer Revenue Fund	-	-	200	200
STRATEGY AND PERFORMANCE	\$ 2,925	\$ 2,755	\$ 3,244	\$ 4,044
Strategy and Performance	2,925	2,755	3,244	4,044
PEOPLE AND TALENT	\$ 10,128	\$ 9,124	\$ 10,262	\$ 11,051
People and Talent	10,128	9,124	10,262	11,051
GOVERNMENT AND LEGAL AFFAIRS	\$ 5,934	\$ 6,765	\$ 8,369	\$ 8,045
Government and Legal Affairs	5,934	6,765	8,369	8,045
Subtotal O & M Expenditures	\$ 412,570	\$ 429,188	\$ 468,576	\$ 484,810
Debt Service	220,073	224,506	247,448	257,898
Cash Financed Capital Improvements	58,576	58,438	97,938	76,846
Payment in Lieu of Taxes	18,330	18,696	19,070	19,452
Right of Way Fees	5,100	5,100	5,100	5,100
Total Operating Expenditures	\$ 714,648	\$ 735,928	\$ 838,133	\$ 844,105
Personnel Services charged to Capital Projects	(26,699)	(25,789)	(30,907)	(31,360)
Total Net Operating Expenditures	\$ 687,949	\$ 710,140	\$ 807,226	\$ 812,745

FY 2026 Revised Budget by Department by Category

(\$ in thousands)

	Auth Pos	Pay	Fringe	Overtime	Personnel Services	Supplies	Chemicals	Utilities	Contracts	Biosolids	Water Purchases	Equipment	Total Non-Personnel Services	Total Operating
810ZZZ-Wastewater Treatment Operations	105	11,780	3,930	1,538	17,249	346	43,955		11,180	-	-	74	84,113	101,362
812ZZZ-Process Engineering	36	4,772	1,498	28	6,298	579	-		1,558	-	-	-	2,169	8,468
811ZZZ-Maintenance Services	94	10,644	3,168	906	14,718	5,919	-		5,152	-	-	1,010	12,227	26,945
813ZZZ-Water Operations	251	25,440	8,007	3,613	37,059	1,628	39		4,902	-	48,149	123	55,286	92,346
600ZZZ-Customer Care	83	8,807	2,475	283	11,565	2	-		5,182	-	-	-	5,566	17,130
801ZZZ-Engineering and Technical Services	0	13,798	3,941	938	18,677	150	-		2,214	-	-	20	2,705	21,382
802ZZZ-CIP Infrastructure Management	0	3,547	915	7	4,469	10	-		52	-	-	-	62	4,530
803ZZZ-Wastewater Engineering	38	3,130	810	1	3,941	2	-		919	-	-	-	921	4,862
800ZZZ-Clean Rivers	9	1,788	461	-	2,250	5	-		1,657	-	-	-	1,724	3,974
804ZZZ-Permit Operations	57	3,466	1,034	65	4,566	19	-		792	-	-	-	834	5,399
814ZZZ-Pumping and Sewer Operations	179	19,697	6,166	2,904	28,768	1,727	0		5,828	-	-	142	17,288	46,056
810YYY-Resource Recovery	9	1,182	385	154	1,721	7	-		804	5,821	-	-	6,633	8,354
810XXX- Clean Water and Technology	15	1,851	495	100	2,446	856	-		2,182	-	-	-	3,040	5,486
Subtotal Operations	952	\$109,903	\$33,286	\$10,537	\$153,726	\$11,250	\$43,995	\$39,561	\$42,421	\$5,821	\$48,149	\$1,369	\$192,566	\$346,293
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	-	-	-	-	-	-	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	3	1,135	280	-	1,415	2	-	2	627	-	-	13	644	2,059
105ZZZ-Office of Chief Administration Officer	5	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	14	1,770	473	3	2,246	15	-	22	1,087	-	-	-	1,124	3,370
204ZZZ-Facilities Management	52	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	-	-	-	-	-	-	0	200	-	-	-	200	200
303ZZZ-Compliance & Business Development	11	1,527	438	-	1,965	10	-	0	502	-	-	-	512	2,477
400ZZZ-Strategy and Performance	10	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
Subtotal Administration	331	\$49,444	\$13,629	\$663	\$63,736	\$2,246	-	\$2,098	\$54,041	-	-	\$162	\$58,547	\$122,283
Subtotal O & M Expenditures	1,283	\$ 159,348	\$ 46,914	\$ 11,200	\$ 217,462	\$ 13,496	\$ 43,995	\$ 41,659	\$ 96,462	\$ 5,821	\$ 48,149	\$ 1,531	\$ 251,114	\$ 468,576
Debt Service														247,448
Cash Financed Capital Improvements														97,938
Payment in Lieu of Taxes														19,070
Right of Way														5,100
Total OPERATING EXPENDITURES														838,133
Personnel Services charged to Capital Projects														(30,907)
TOTAL NET OPERATING EXPENDITURES														\$807,226

(\$ in thousands)

FY 2027 Approved Budget by Department by Category

	Auth Pos	Pay	Fringe	Overtime	Personnel Services	Supplies	Chemicals	Utilities	Contracts	Biosolids	Water Purchases	Equipment	Total Non-Personnel Services	Total Operating
810ZZZ-Wastewater Treatment Operations	105	11,671	3,376	1,800	16,847	384	45,385	28,917	12,702	-	-	95	87,484	104,331
812ZZZ-Process Engineering	36	4,682	1,677	56	6,415	914	-	43	1,731	-	-	14	2,703	9,118
811ZZZ-Maintenance Services	95	10,755	3,391	908	15,054	6,108	-	156	4,905	-	-	691	11,860	26,914
813ZZZ-Water Operations	253	27,143	7,998	4,100	39,242	2,132	19	732	5,142	0	54,470	62	62,556	101,798
600ZZZ-Customer Care	83	9,142	2,609	275	12,026	2	-	170	2,874	-	-	-	3,045	15,071
801ZZZ-Engineering and Technical Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
802ZZZ-CIP Infrastructure Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
803ZZZ-Wastewater Engineering	38	6,273	1,572	5	7,849	33	-	0	1,078	-	-	-	1,111	8,960
800ZZZ-Clean Rivers	9	1,828	443	-	2,271	5	-	89	1,754	-	-	-	1,847	4,118
804ZZZ-Permit Operations	47	6,072	1,848	400	8,321	17	-	65	500	-	-	-	581	8,902
810XXX- Clean Water and Technology	15	1,822	509	100	2,430	740	-	29	1,863	-	-	-	2,633	5,063
810YYY-Resource Recovery	9	1,239	374	90	1,703	4	-	9	789	5,819	-	-	6,622	8,325
814ZZZ-Pumping and Sewer Operations	179	20,655	5,718	3,300	29,673	1,957	-	9,454	5,483	-	-	83	16,977	46,651
805ZZZ-Shared Services and Asset Manage	76	10,455	2,973	600	14,028	138	-	0	908	-	-	-	1,047	15,075
806ZZZ-Water Program and Lead Free DC	10	1,727	487	6	2,219	30	-	296	816	-	-	-	1,142	3,361
Subtotal Operations	955	\$113,464	\$32,975	\$11,640	\$158,078	\$12,464	\$45,405	\$39,961	\$40,546	\$5,819	\$54,470	\$945	\$199,609	\$357,687
100ZZZ-Secretary to the Board	3	534	103	-	636	9	-	5	405	-	-	-	419	1,055
101ZZZ-Office of Chief Executive Officer	3	789	182	-	971	8	-	19	313	-	-	-	341	1,311
102ZZZ-Internal Audit	-	-	-	-	-	-	-	0	864	-	-	-	864	864
103ZZZ-Marketing and Communication	20	3,365	885	3	4,253	7	-	21	974	-	-	-	1,002	5,255
104ZZZ-Office of Chief Operating Officer	3	812	194	-	1,006	2	-	3	339	-	-	-	344	1,350
105ZZZ-Office of Chief Administration Officer	4	1,560	314	0	1,873	3	-	5	763	-	-	-	770	2,644
201ZZZ-Office of Emergency Management	7	1,054	294	5	1,353	24	-	19	576	-	-	5	623	1,976
202ZZZ-Fleet Management	8	2,016	579	4	2,599	1,407	-	1,343	4,515	0	-	28	7,292	9,891
203ZZZ-Occupational Safety	14	1,949	529	5	2,482	31	-	29	890	-	-	3	953	3,435
204ZZZ-Facilities Management	52	5,631	1,592	475	7,698	733	-	133	4,914	-	-	6	5,786	13,484
205ZZZ-Security	8	2,390	545	3	2,938	41	-	316	9,636	-	-	5	9,998	12,936
300ZZZ-Finance	65	10,921	3,032	40	13,993	7	-	64	12,917	-	-	-	12,988	26,981
301ZZZ-Procurement	41	5,813	1,736	85	7,634	13	-	44	394	-	-	-	452	8,086
302ZZZ-Non-Ratepayer Revenue Fund	-	-	-	-	-	-	-	0	200	-	-	-	200	200
303ZZZ-Compliance & Business Development	9	1,304	370	-	1,674	9	-	0	486	-	-	-	495	2,169
400ZZZ-Strategy and Performance	10	1,920	477	-	2,397	2	-	3	1,641	-	-	-	1,647	4,044
500ZZZ-People and Talent	31	4,905	1,171	-	6,076	5	-	28	4,942	-	-	-	4,975	11,051
601ZZZ-Information Technology	36	6,329	1,528	6	7,863	3	-	186	4,280	-	-	13	4,482	12,345
700ZZZ-Government and Legal Affairs	14	2,750	688	-	3,438	5	-	25	4,578	-	-	-	4,607	8,045
Subtotal Administration	328	\$54,040	\$14,218	\$626	\$68,884	\$2,308	-	\$2,241	\$53,629	\$0	-	\$61	\$58,239	\$127,123
Subtotal O & M Expenditures	1,283	\$ 167,504	\$ 47,193	\$ 12,265	\$ 226,963	\$ 14,772	\$ 45,405	\$ 42,201	\$ 94,175	\$ 5,819	\$ 54,470	\$ 1,005	\$ 257,847	\$ 484,810
Debt Service														257,898
Cash Financed Capital Improvements														76,846
Payment in Lieu of Taxes														19,452
Right of Way														5,100
Total OPERATING EXPENDITURES														844,105
Personnel Services charged to Capital Projects														(32,228)
TOTAL NET OPERATING EXPENDITURES														\$811,877

Summary of Authorized Positions by Department

DC Water continues to focus 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 2025, the approved headcount was revised from 1325 to 1280, resulting in the elimination of 45 vacant positions identified as hard-to-fill positions across the Authority
- In FY 2026, the Authority approved and established three new positions aimed at addressing critical infrastructure and operational needs, enhancing organizational resilience, and driving innovation across key programs

Impact on Workforce:

- The authorized headcount decreased by approximately 1.9% from FY 2024 to FY 2027, reflecting the organization’s commitment to efficiency and achieving a lower single digit vacancy rate than historical trends. Specialized positions were created to strengthen resilience, support critical infrastructure, address operational priorities, and build future-focused capabilities

Major FY 2027 Position Changes

Overview of FY 2027:

- The Authority maintained its FY 2026 staffing levels while strategically refining its workforce approach to better align with evolving business priorities and market conditions. This effort included the targeted elimination of long-standing vacant positions—redirected without active recruitment—and the selective addition of a minimal number of new roles to ensure continued responsiveness to emerging operational demands

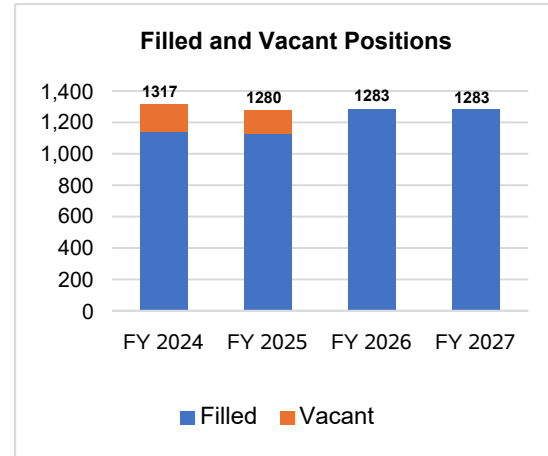
Changes in FY 2027:

- **New Positions:** Introduction of 6 new positions in key areas such as operations, fleet services, and human resources
- **Headcount Adjustments:** Elimination of vacant positions to maintain a balanced workforce, ensuring that the organization remains nimble and optimizes resource utilization

Rationale for Changes:

- **Strategic Alignment:** DC Water remains committed to aligning its workforce with long-term organizational goals, ensuring that talent and capabilities directly support strategic priorities
- **Operational Efficiency:** Human resources are being optimized to streamline operations, eliminate redundancies, and enhance overall productivity across departments
- **Market Adaptation:** By investing in high-impact areas, DC Water is proactively adapting to shifting market trends and evolving customer expectations to strengthen service delivery and accelerate business growth

These position changes underscore management’s forward-thinking approach to workforce planning—ensuring the organization remains agile, strategically staffed, and well-prepared to navigate future challenges and seize emerging opportunities.



Authorized Positions

	FY 2024		FY 2025		FY 2026	FY 2026	FY 2027
	Authorized	Year -End Filled	Authorized	Year -End Filled	Authorized	Revised	Authorized
Wastewater Treatment Operations	106	101	105	97	105	105	105
Process Engineering	36	29	36	27	36	36	36
Maintenance Services	102	91	94	92	97	94	95
Water Operations	248	227	251	225	247	251	253
Customer Care	84	75	83	74	83	83	83
Pumping and Sewer Operations	185	163	179	162	178	179	179
Engineering and Technical Services	120	104	0	0	104	0	0
Water Program and Lead Free DC	0	0	11	6	0	11	10
Wastewater Engineering	27	16	38	35	18	38	38
CIP Infrastructure Management	27	23	0	0	23	0	0
Shared Services and Asset Management	0	0	53	49	0	65	76
Clean Rivers	9	6	9	6	9	9	9
Permit Operations	29	26	47	43	28	57	47
Resource Recovery	8	8	9	9	9	9	9
Clean Water and Technology	12	12	15	11	14	15	15
Subtotal	993	881	930	836	951	952	955
Office of the Chief Executive Officer	4	4	3	3	4	4	3
Office of the Chief Operating Officer	5	4	25	18	5	3	3
Office of the Chief Administration Officer	2	1	5	1	2	5	4
Strategy and Performance	9	6	10	9	9	10	10
Office of the Secretary	3	2	3	3	3	3	3
Internal Audit (outsourced)	-	-	-	-	-	-	-
Government and Legal Affairs	14	13	14	12	14	14	14
Marketing and Communication	19	12	20	18	20	20	20
People and Talent	33	21	31	25	31	31	31
Information Technology	37	32	36	32	37	37	36
Procurement	35	27	39	30	39	39	41
Compliance and Business Development	8	7	11	7	11	11	9
Finance	64	57	65	57	65	65	65
Office of Emergency Management	6	6	6	6	7	7	7
Facilities Management	52	47	52	45	53	52	52
Security	7	7	9	8	9	9	8
Occupational Safety and Health	18	9	14	12	16	14	14
Fleet Management	8	5	7	6	7	7	8
Subtotal	324	260	350	292	332	331	328
Total Positions	1,317	1,141	1,280	1,128	1,283	1,283	1,283

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

Position Highlights

- The approved FY 2027 headcount is maintained at the FY 2026 approved level of 1,283
- Includes the addition of 6 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 5% in FY 2026 and in FY 2027. Historically, the Authority has faced a double-digit vacancy rate, with the vacancy rate based on active recruitment standing at 6.2% at the close of FY 2025 and 12.0% based on the authorized headcount
- Aligns with the strategic plan, Blueprint 2.0, to set priorities and strengthen operations, ensuring alignment with long-term goals and enhancing overall efficiency

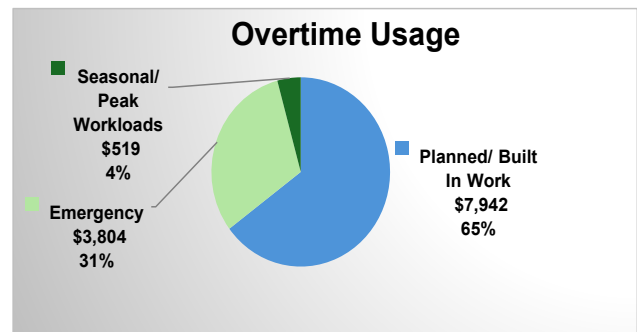
Summary of Overtime

(\$ 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 response to emergencies impacting customers. An automated Overtime Justification system was implemented to streamline overtime entry and approval across Operations. The system captures detailed information on work type, reason codes, impacted areas, and approvers, enabling improved transparency and data-driven decision-making. Collected data is used to support analysis of spending trends and operational needs, helping identify areas for efficiency and resource optimization. The system also integrates with existing financial platforms for enhanced reporting and oversight.

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

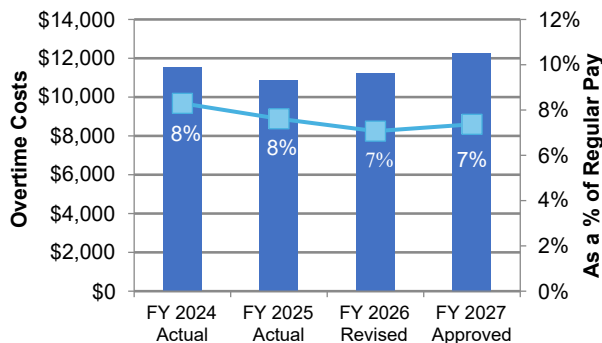
- Planned/Built-in Work:** This includes overtime that is scheduled in advance to cover regular, ongoing tasks that cannot be completed within standard working hours. It ensures that essential services are maintained without interruption.
- Emergency Work:** This type of overtime is used to respond to 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 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved
Wastewater Treatment Operations	\$ 1,451	\$ 1,539	\$ 1,538	\$ 1,800
Resource Recovery	145	120	154	90
Clean Water and Technology	92	69	100	100
Process Engineering	27	47	28	56
Maintenance Services	855	693	906	908
Engineering and Technical Services	877	621	938	-
Water Program and Lead Free DC	-	1	-	6
CIP Infrastructure Management	6	8	7	-
Shared Services and Asset Management	-	112	-	600
Wastewater Engineering	0	0	1	5
Permit Operations	57	94	65	400
Water Operations	3,942	4,066	3,613	4,100
Pumping and Sewer Operations	3,144	2,787	2,904	3,300
Customer Care	324	216	283	275
Information Technology	6	3	6	6
Office of Emergency Management	-	-	-	5
Fleet Management	3	3	4	4
Occupational Safety and Health	2	4	3	5
Facilities Management	448	366	475	475
Security	2	2	2	3
Strategy and Performance	0	-	-	-
Office of the Chief Operating Officer	-	20	-	-
Finance	32	20	45	40
Procurement	101	62	120	85
Marketing and Communication	2	1	3	3
People and Talent	2	-	3	-
Government and Legal Affairs	1	-	2	-
Total	\$ 11,521	\$ 10,854	\$ 11,200	\$ 12,265

Annual Overtime Trend



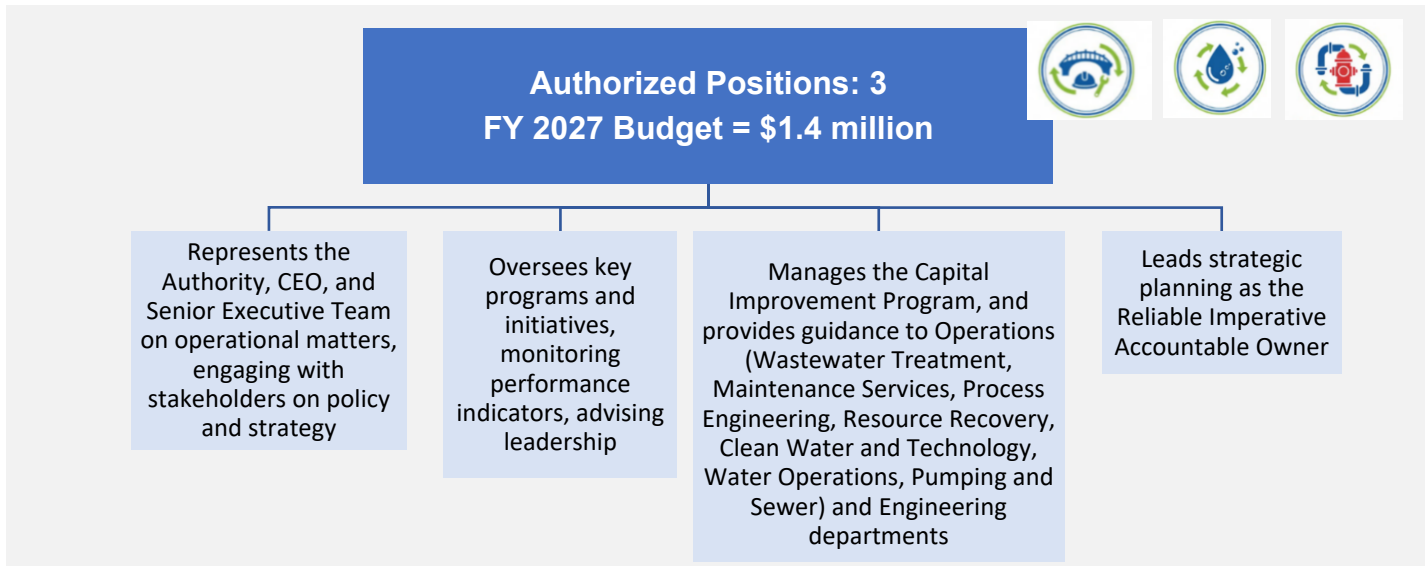
CLUSTER: OPERATIONS

DEPARTMENT: OFFICE OF THE CHIEF OPERATING OFFICER (OCCO)

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 for day-to-day operations and critical infrastructure

Organization Structure



The Cambi Thermal Hydrolysis Process (THP) at the Blue Plains Advanced Wastewater Treatment Plant

DEPARTMENT: OFFICE OF THE CHIEF OPERATING OFFICER (OCCO)

FY 2027 Operating Budget Overview

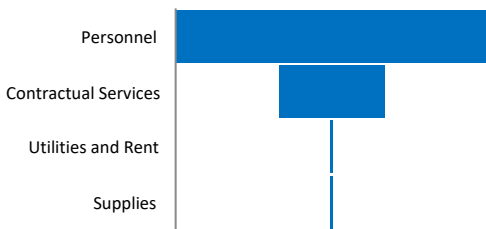
Personnel Services: The decrease reflects organizational restructuring and realignment of staff

Non-Personnel Services: Decrease primarily reflects adjustments to historical trends

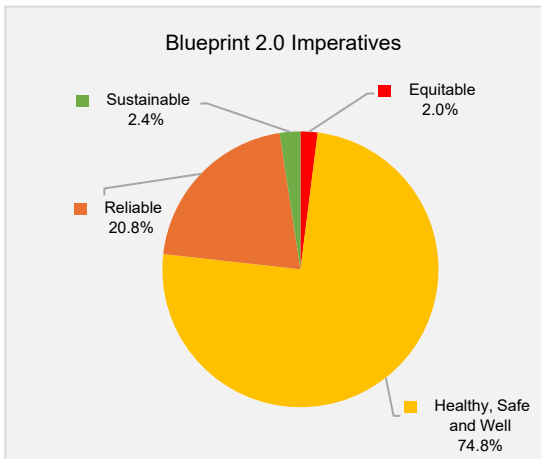
Capital Equipment: No Activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	5	25	3	3	0	0%
Personnel Services ALL	\$ 1,267	\$ 2,242	\$ 1,415	\$ 1,006	\$ 409	29%
Contractual Services	155	369	627	339	288	46%
Chemicals and Supplies	-	1	2	2	0	(4)%
Utilities and Rent	-	1	2	3	(1)	(26)%
Small Equipment	164	146	13	-	13	100%
Non Personnel Services	318	517	644	344	300	47%
Total O&M Expenditures	\$ 1,585	\$ 2,759	\$ 2,059	\$ 1,350	\$ 709	34%
Capital Equipment	-	-	-	-	-	-

Approved Budget



Blueprint 2.0 Imperatives



MAJOR PLANNED ACTIVITIES AND CHANGES

- Potomac Interceptor structural rehabilitation and Environmental remediation and monitoring
- Oversee the construction of the Potomac River Tunnel and the Piney Branch Tunnel as part of the Clean Rivers Program – emphasizing sustainable infrastructure development
- Advancing system reliability improvements, and operational enhancements at the Blue Plains

ACCOMPLISHMENTS

- Expanded Pressure monitoring program by deploying 120 remote pressure sensors on hydrants, enabling real time monitoring of system pressure
- Inspected 75 outfalls in FY25 with over 270 inspections completed in the past three years

GOALS

- Implement AI-driven failure prediction, maintenance optimization, and capacity resiliency
- Provide strategic leadership to ensure adherence to the EPA-mandated 2030 timeline for the successful completion of the Clean Rivers Project



Strategic Plan - Blueprint 2.0 Imperatives Legend:

Healthy, Safe and Well
Reliable
Resilient
Equitable
Sustainable

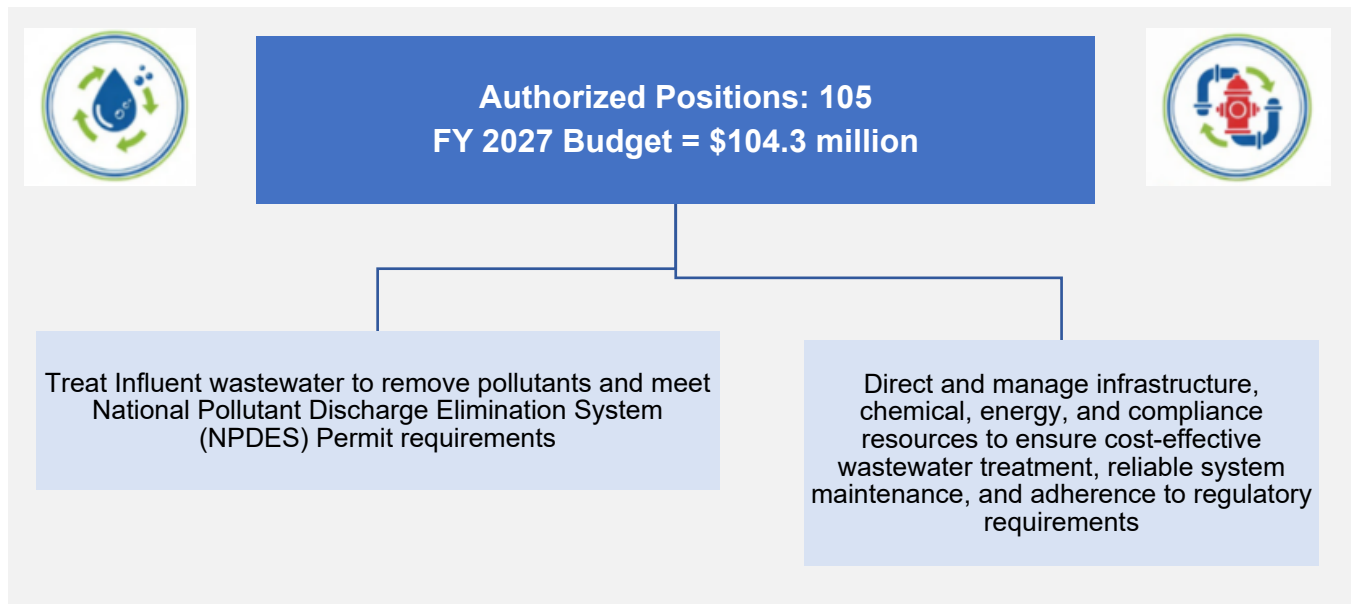
CLUSTER: OPERATIONS

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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

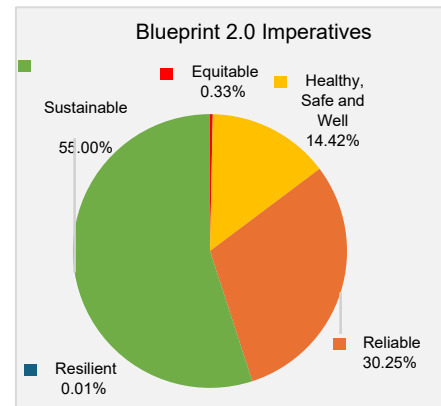
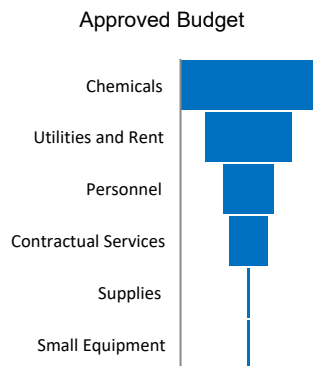
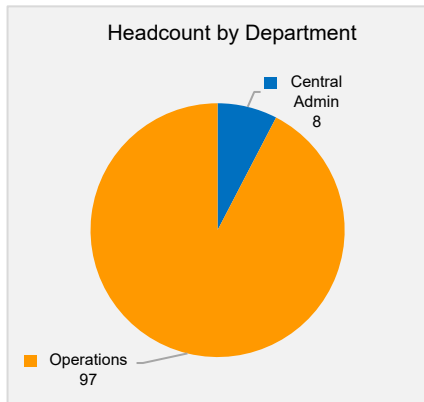
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Decrease reflects projected current staffing assumptions

Non-personnel Services: Increase covers the higher cost of chemicals, industrial cleaning services, and energy

Capital Equipment funds the automatic sampling and refrigeration equipment

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	106	105	105	105	0	0%
Personnel Services ALL	\$ 16,347	-	\$ 17,249	\$ 16,847	\$ 402	2%
Contractual Services	9,929	245	11,180	12,702	(1,522)	(14)%
Chemicals and Supplies	43,392	-	44,301	45,769	(1,468)	(3)%
Utilities and Rent	23,158	-	28,557	28,917	(360)	(1)%
Small Equipment	63	-	74	95	(21)	(28)%
Non Personnel Services	76,542	245	84,113	87,484	(3,371)	(4)%
Total O&M Expenditures	\$ 92,889	\$ 245	\$ 101,362	\$ 104,331	\$ (2,969)	(3)%
Capital Equipment	-	\$ 19	\$ 50	\$ 40	\$ 10	20%



ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> ▪ 13th consecutive receipt of Platinum National Association of Clean Water Agencies Award ▪ Delivered a successful overhaul of operator training program, enhancing knowledge retention and operational readiness 	<ul style="list-style-type: none"> ▪ Achieve Platinum National Association of Clean Water Agencies ▪ Continue strengthening work force knowledge and skills with new training platforms and training room/resources 	<ul style="list-style-type: none"> ▪ Fluctuating costs of chemicals and utilities due to volatility in markets ▪ Potential impacts of tariffs and changes in federal policy ▪ Potential impacts of changing regulations due to emerging contaminants of concerns (PFAS, etc.)

DEPARTMENT: WASTEWATER TREATMENT OPERATIONS

MAJOR PLANNED ACTIVITIES AND CHANGES PLANNED

- Support ongoing Computerized Maintenance Management System (CMMS) Selection or Upgrade 🛠️
- Optimization of new capital projects and support for planned CIP projects (e.g., Headworks Influent and Effluent Structure Rehab, Headworks Electrical Upgrades, Primary Clarifier Upgrade and the Filter and Disinfection Upgrades, 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

- Improved equipment reliability and operational efficiency
- Enhanced workforce skills and career growth opportunities
- Better project execution, CIP commissioning and optimization
- Increased safety culture, retention of workforce and operational effectiveness
- Streamlined asset and work order management through CMMS

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Potential operational disruptions due to coordination of large-scale process outages during construction of the Headworks Influent and Effluent Structure Rehab, Headworks Electrical Upgrades, Primary Clarifier Upgrade and Filter and Disinfection Upgrade Projects
- 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 as tunnel construction continues into 2030

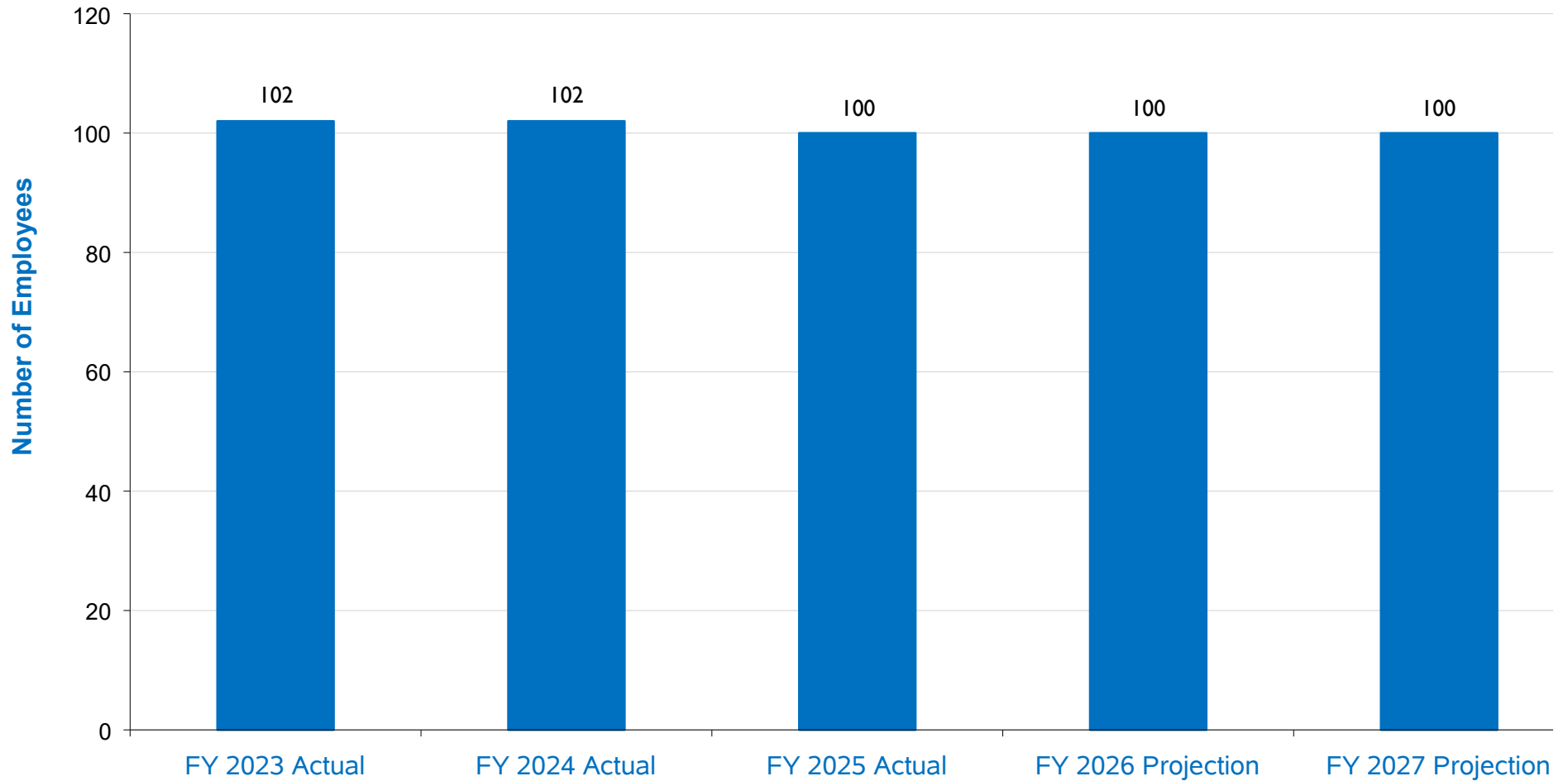


Left Image: Wastewater Treatment Operations Control Center - Right Image: Blue Plains Wastewater Treatment Plant Effluent Flow

Strategic Plan - Blueprint 2.0 Imperatives Legend:

Healthy, Safe and Well
Reliable
Resilient
Equitable
Sustainable

Wastewater Treatment Certified Operators* FY 2023 - FY 2027

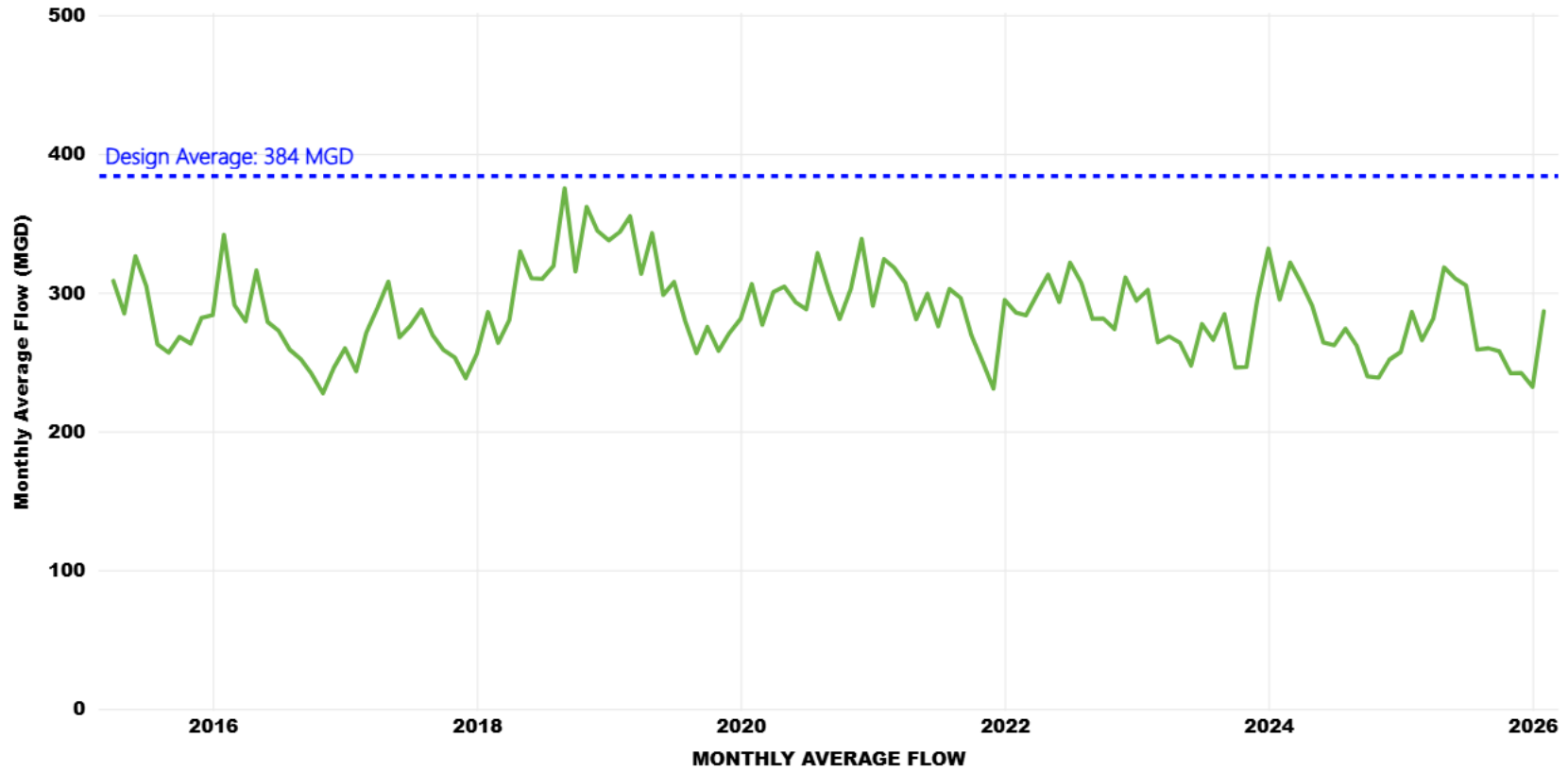


PLAINS WASTEWATER TREATMENT

PLANT EFFLUENT FLOW

January 2016 – January 2026

Complete Treatment Flow – Outfall 002 (MGD)



BLUE PLAINS WASTEWATER TREATMENT PLANT

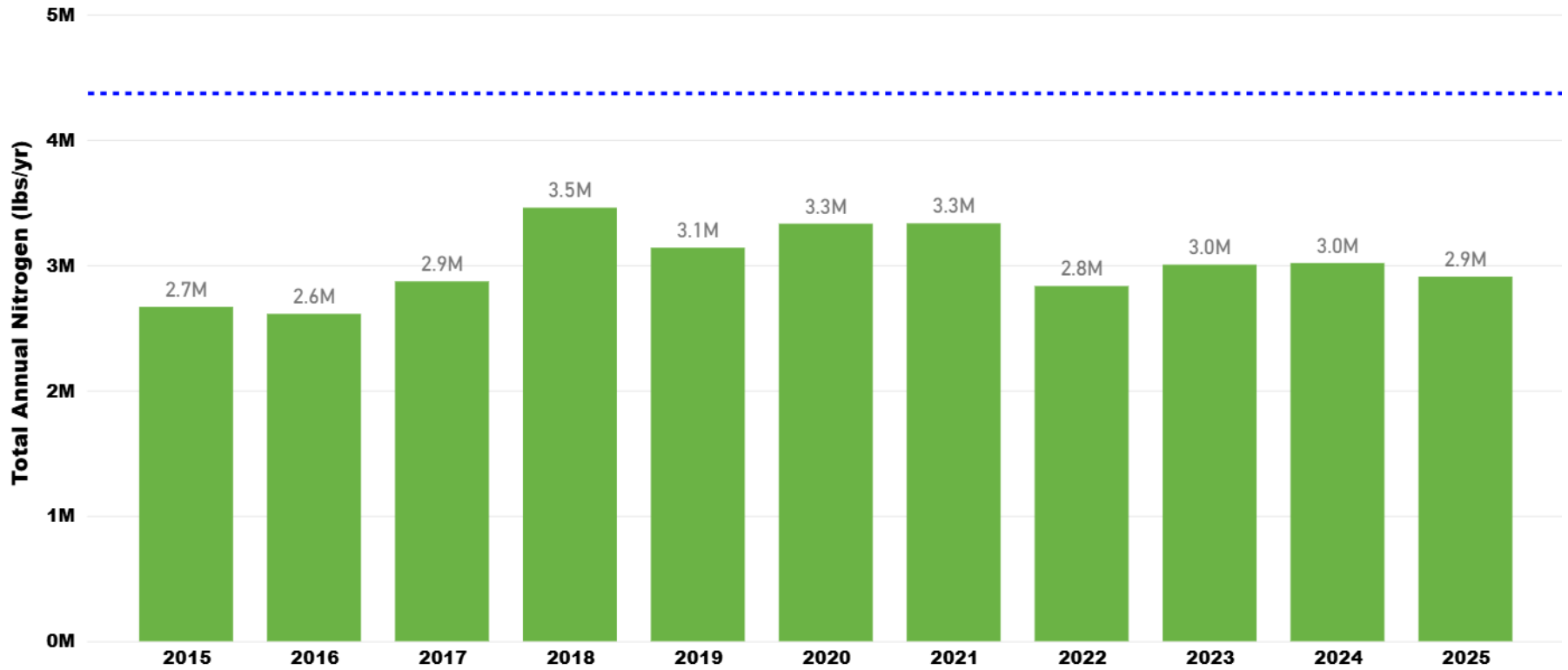
ANNUAL TOTAL NITROGEN LOAD

2015 - 2025

Total Annual Nitrogen (million lbs/yr)

Calendar Year

Annual Permit Limit (effective 2015): 4.37 M

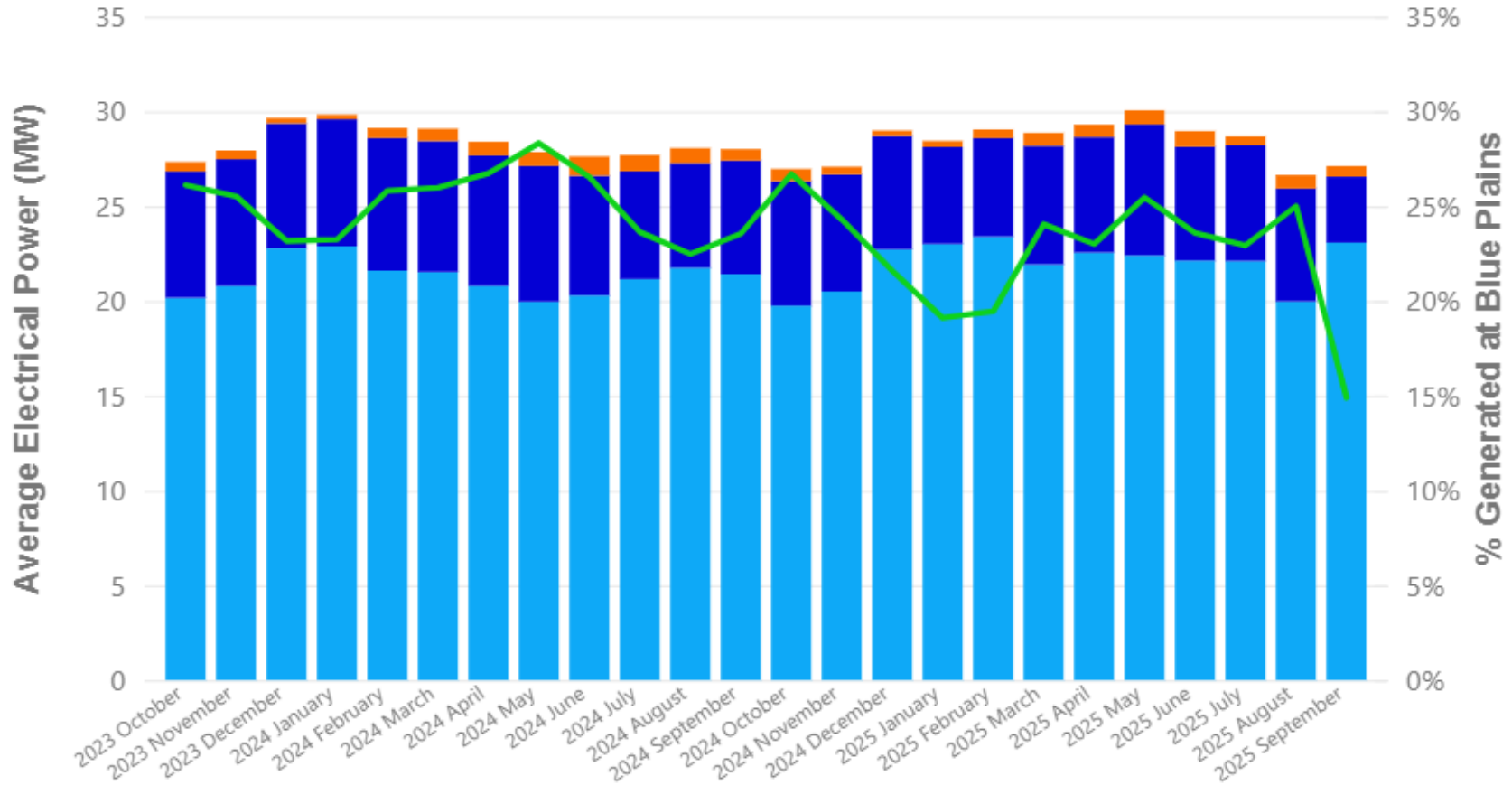


BLUE PLAINS ELECTRICITY REPORT

October 2023 – September 2025

Blue Plains Electrical report

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



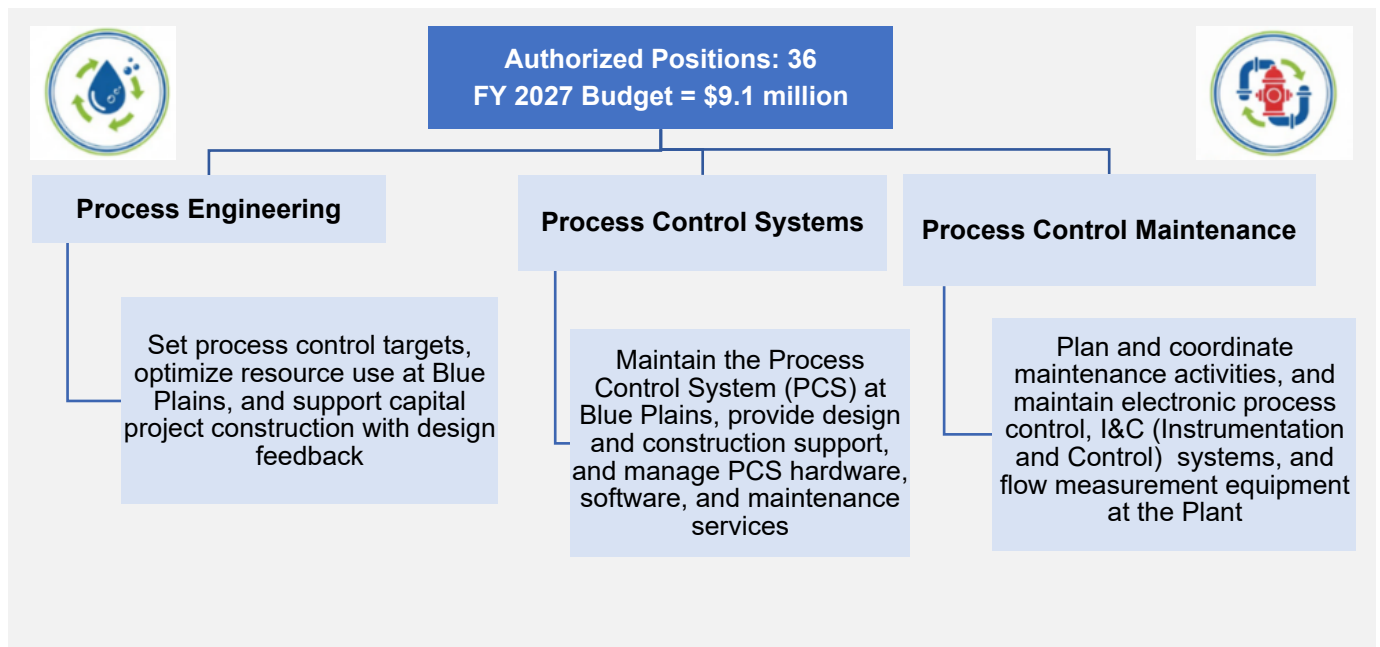
CLUSTER: OPERATIONS

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 Distributed Control System 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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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

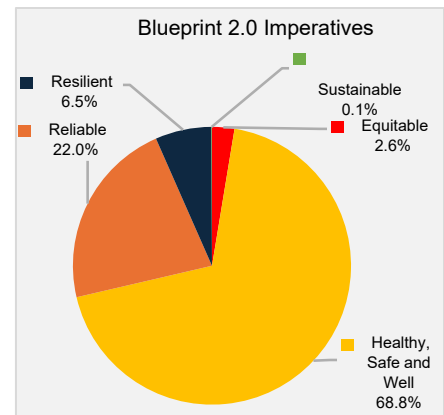
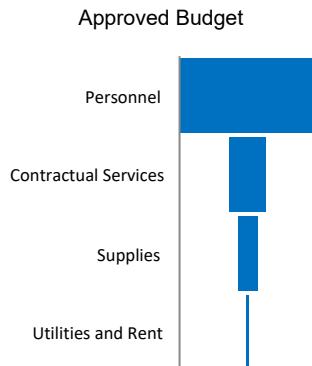
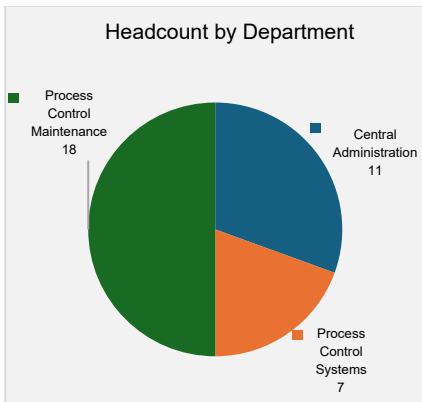
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increase for salaries, and benefits adjustments

Non-Personnel Services: Increase in parts and supplies, electrical maintenance and repairs

Capital Equipment: Purchase of annual actuator, parts for sensor calibration. Increase due to the enhancement and replacement of process probes and sensors

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	36	36	36	36	0	0%
Personnel Services ALL	\$ 4,883	-	\$ 6,298	\$ 6,415	\$ (117)	(2)%
Contractual Services	1,064	80	1,558	1,731	(173)	(11)%
Chemicals and Supplies	469	-	579	914	(336)	(58)%
Utilities and Rent	31	-	32	43	(11)	(34)%
Small Equipment	(14)	-	-	14	(14)	-
Non Personnel Services	1,549	80	2,169	2,703	(534)	(25)%
Total O&M Expenditures	\$ 6,432	\$ 80	\$ 8,468	\$ 9,118	\$ (651)	(8)%
Capital Equipment	\$ 971	\$ 1,854	\$ 775	\$ 850	\$ (75)	(10)%



ACCOMPLISHMENTS

- 13th consecutive receipt of Platinum National Association of Clean Water Agencies
- Completed upgrade of PCS Network 2
- Completed upgrade of critical process control probes in the tertiary treatment area

GOALS

- Achieve Platinum National Association of Clean Water Agencies
- Sustain Critical Equipment availability of more than 95% (monthly average)
- Complete upgrade of PCS Network 1, finalize upgrades on all 4 networks

CHALLENGES

- Fluctuating cost of chemicals and utilities due to volatility in markets
- Increasing costs of equipment, parts, tools, and services

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 Processes
- Complete ongoing Process Control System (PCS) upgrades
- Support key CIP projects, including electrical, structural, and equipment upgrades
- Conduct process design reviews for capital projects
- Optimize Plant processes to enhance permit compliance, reliability, and treatment performance, including Class A Biosolids
- Fine-tune and monitor key performance indicators in Process Engineering, and Process Control Systems
- 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 improve data tracking
- Strengthens cybersecurity posture
- Boosts treatment performance and efficiency

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Preventive maintenance costs increased due to aging equipment and delayed upgrades.
- Increased effort for training and commissioning of new facilities
- Potential operational disruptions due to coordination of large-scale process outages from the Headworks Influent and Effluent Structure Rehab, Headworks Electrical Upgrades, Primary Clarifier Upgrade and the Filter and Disinfection Upgrades CIP Projects

Strategic Plan - Blueprint 2.0 Imperatives Legend:



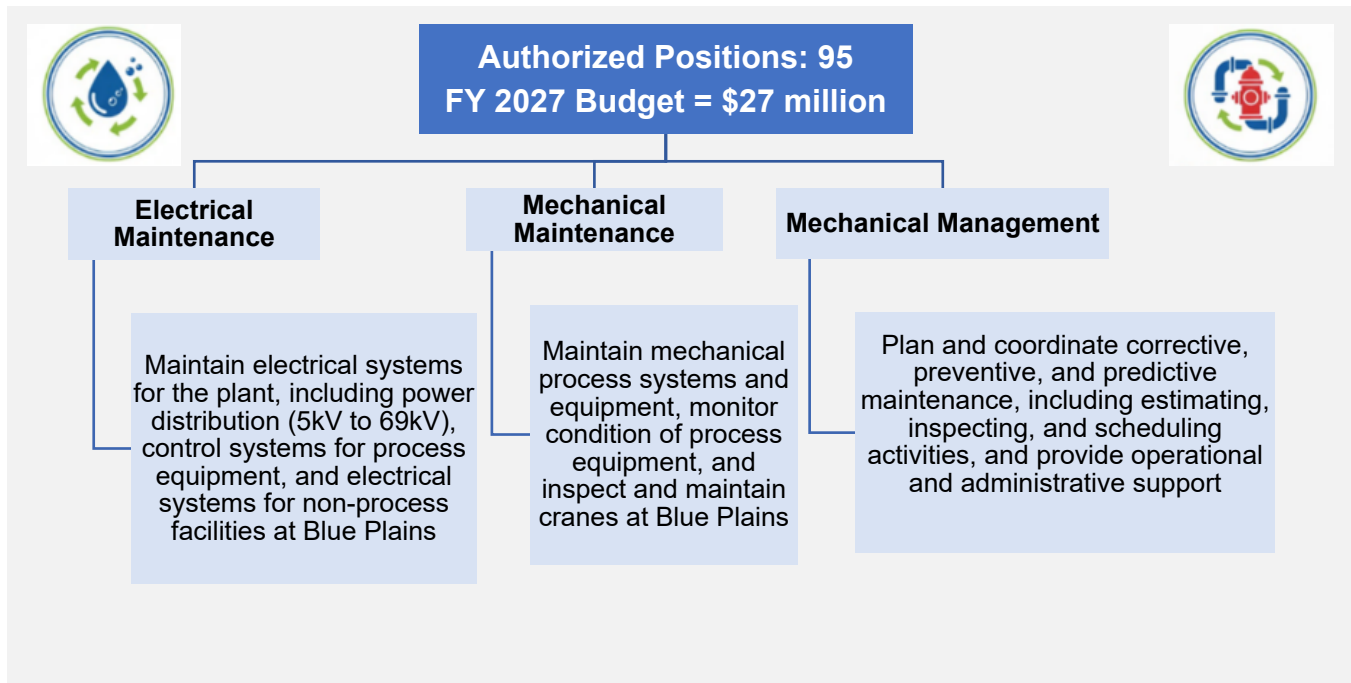
CLUSTER: OPERATIONS

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Critical Equipment Availability 97%	98%	96%	greater than 95%	greater than 95%	Reliable

DEPARTMENT: MAINTENANCE SERVICES

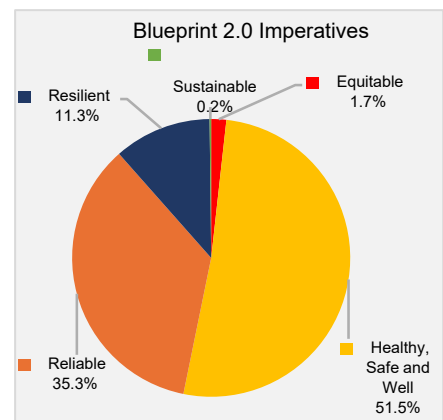
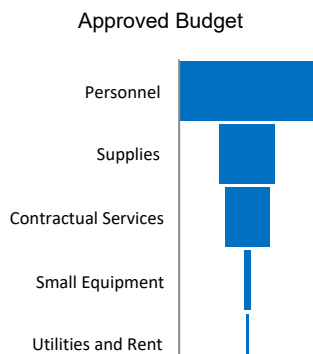
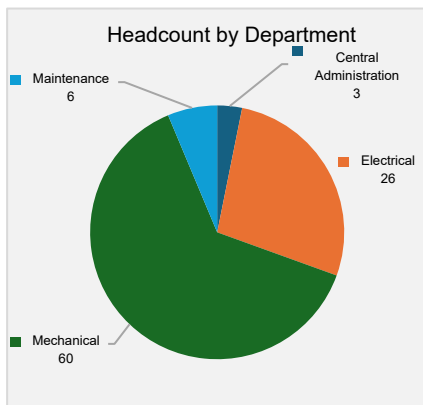
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increase reflects adjustment in salaries and benefits

Non-personnel Services: Decrease reflects reduced spend in software and hardware maintenance and crane rental at Blue Plains, partly offset by increase in supplies

Capital Equipment: Covers pump rehabilitation, motor repairs, process equipment, and facility maintenance, plus a condition monitoring system at Blue Plains; the FY 2027 decrease reflects a one-time FY 2026 purchase to implement a monitoring system for critical assets

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	102	94	94	95	(1)	(1)%
Personnel Services ALL	\$ 13,346	-	\$ 14,718	\$ 15,054	\$ (337)	(2)%
Contractual Services	4,095	196	5,152	4,905	246	5%
Chemicals and Supplies	5,702	-	5,919	6,108	(189)	(3)%
Utilities and Rent	138	-	146	156	(10)	(7)%
Small Equipment	953	-	1,010	691	320	32%
Non Personnel Services	10,887	196	12,227	11,860	367	3%
Total O&M Expenditures	\$ 24,233	\$ 196	\$ 26,945	\$ 26,914	\$ 31	0%
Capital Equipment	\$ 5,025	\$ 5,403	\$ 5,940	\$ 5,100	\$ 840	14%



ACCOMPLISHMENTS	GOALS	CHALLENGES
-----------------	-------	------------

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ▪ The critical equipment availability target was met every month during FY 2025, with an annual monthly average of 96% ▪ Continued training initiatives to improve the technical and safety skills of frontline employees | <ul style="list-style-type: none"> ▪ Sustain Critical Equipment availability of more than 95% (monthly average) ▪ Maintain an ongoing commitment to provide training aimed at cultivating and perpetuating skills essential for the adoption and implementation of optimal maintenance practices ▪ Continuing initiatives and programs aimed at improving the effectiveness and efficiency of Preventive and Predictive Maintenance Optimization | <ul style="list-style-type: none"> ▪ Increasing costs of equipment, parts, tools, and maintenance services ▪ Equipment aging: Biosolids facilities (Cambi, Digesters) |
|--|---|---|

DEPARTMENT: MAINTENANCE SERVICES

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Overhaul of filter belt presses
- Continue improvement of skills to support best maintenance practices, identify and implement new training initiatives
- Continue implementation of online vibration monitoring program
- Continuing rehabilitation of major process equipment (Nitrification Blowers and pumps)
- 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)



The picture shows DC Water staff aligning a large stainless-steel mechanical component part of wastewater treatment solids-processing equipment inside a maintenance facility. This highlights the heavy-duty equipment and precision mechanical work required to maintain DC Water's process engineering operations

Strategic Plan - Blueprint 2.0 Imperatives Legend:

- | | | | | |
|-------------------------------|-----------------|------------------|------------------|--------------------|
| Healthy, Safe and Well | Reliable | Resilient | Equitable | Sustainable |
|-------------------------------|-----------------|------------------|------------------|--------------------|

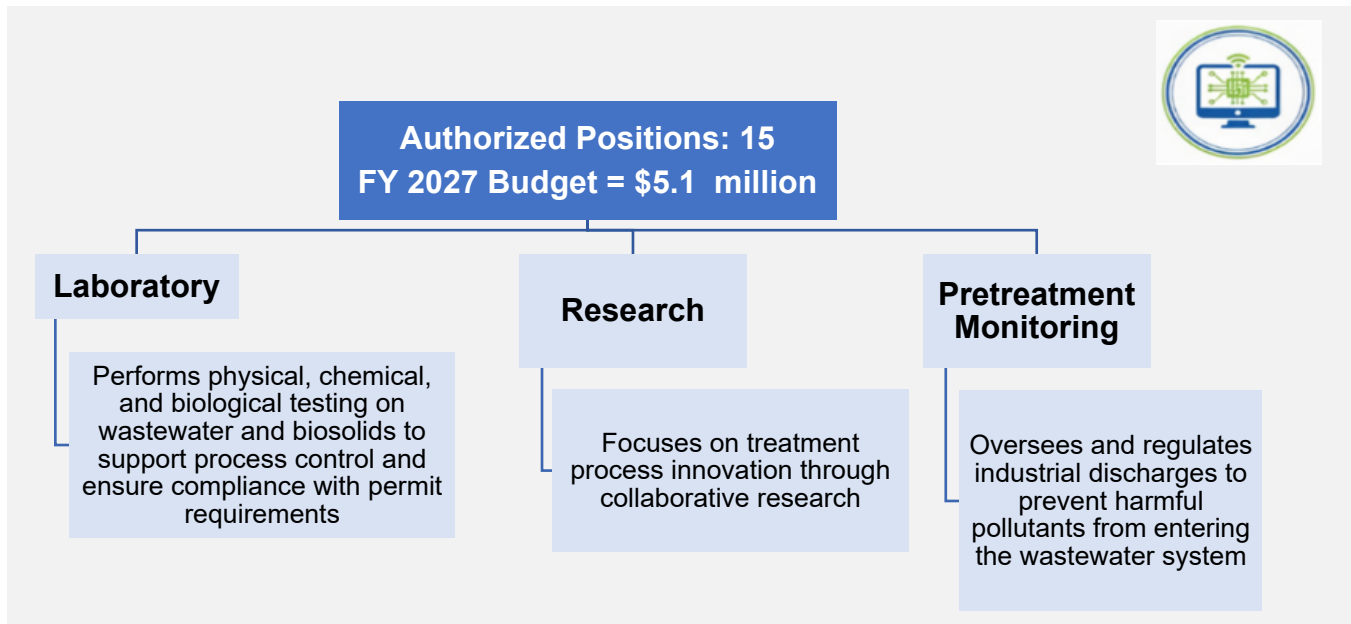
CLUSTER: OPERATIONS

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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 2027 OPERATING BUDGET OVERVIEW

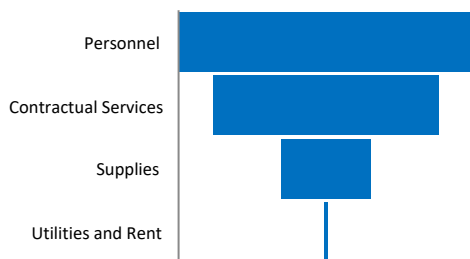
Personnel Services: Relatively flat

Non-personnel Services: Decrease reflects reduction in professional services fees, contracts and laboratory supplies, offset in part by increase in utilities

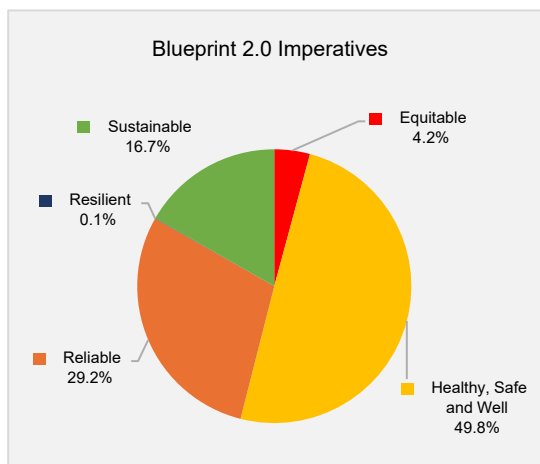
Capital Equipment: Covers laboratory equipment

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	12	15	15	15	0	0%
Personnel Services ALL	\$ 1,945	\$ 1,781	\$ 2,446	\$ 2,430	\$ 16	1%
Contractual Services	1,331	1,522	2,182	1,863	319	15%
Chemicals and Supplies	601	548	856	740	116	14%
Utilities and Rent	0	12	1	29	(28)	(2,542)%
Small Equipment	-	8	-	-	-	-
Non Personnel Services	1,933	2,090	3,040	2,633	407	13%
Total O&M Expenditures	\$ 3,878	\$ 3,871	\$ 5,486	\$ 5,063	\$ 423	8%
Capital Equipment	\$ 172	\$ 69	\$ 80	\$ 40	\$ 40	50%

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



DC Water bench-scale experimental setup used to test and evaluate wastewater treatment processes

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 🏠 ➡

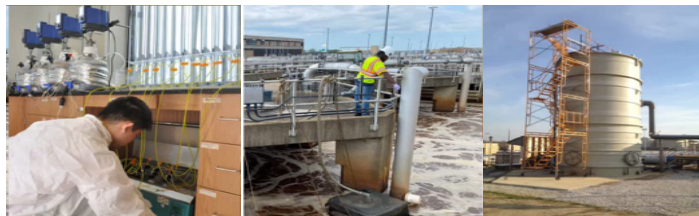


IMPACT OF OPERATIONAL PROGRAMS

- 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



Left image: DC Water Laboratory-scale experimental testing - Middle image: Inspections of wastewater treatment - left image: vertical process tank supporting advance treatment testing, storage & system performance evaluation

Strategic Plan - Blueprint 2.0 Imperatives Legend:

- 🏠 Healthy, Safe and Well
- 🏠 Reliable
- ➡ Resilient
- 👥 Equitable
- 🌱 Sustainable

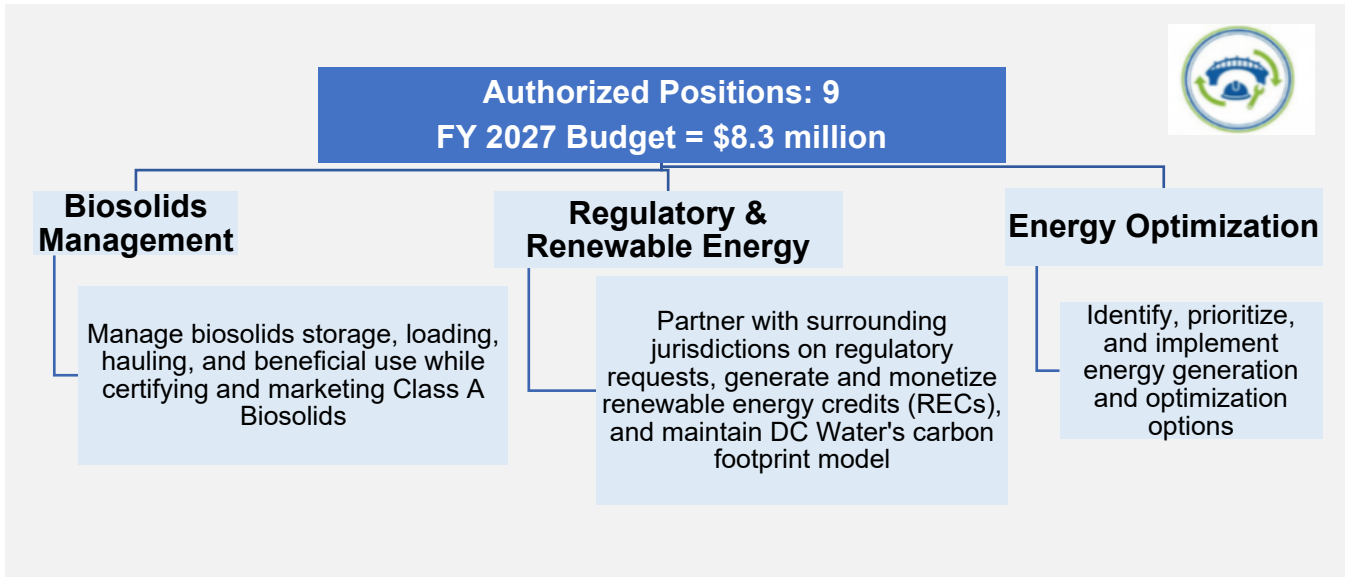
CLUSTER: OPERATIONS

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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 2027 Operating Budget Overview

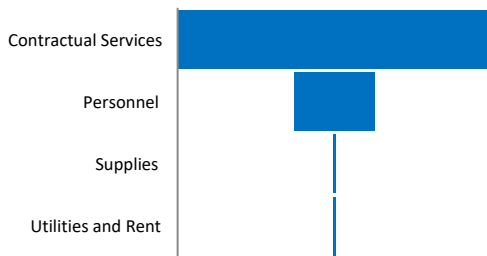
Personnel Services: Relatively flat

Non-Personnel Services: Relatively flat

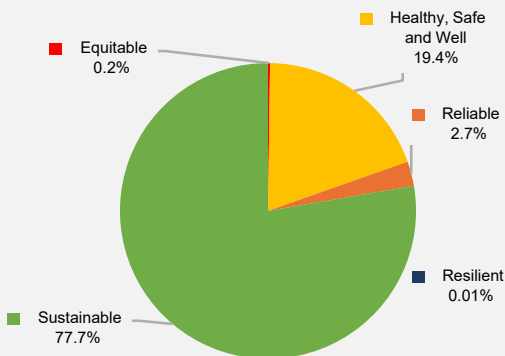
Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	8	9	9	9	0	0%
Personnel Services ALL	\$ 1,271	\$ 1,361	\$ 1,721	\$ 1,703	\$ 17	1%
Contractual Services	5,559	6,197	6,625	6,609	16	0%
Chemicals and Supplies	2	3	7	4	3	38%
Utilities and Rent	0	9	1	9	(8)	(774)%
Non Personnel Services	5,561	6,209	6,633	6,622	11	0%
Total O&M Expenditures	\$ 6,833	\$ 7,570	\$ 8,354	\$ 8,325	\$ 28	0%
Capital Equipment	-	-	-	-	-	-

Approved Budget



Blueprint 2.0 Imperatives



MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Complete the Ft. Reno solar design-build project
- 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

ACCOMPLISHMENTS

- Achieved 40% revenue growth in FY 2025
- Achieved three record months of inventory sales in the fall, showing new markets emerging
- Achieved \$3M savings over conventional contract costs, exceeding our goal by 10%
- Registered one new source for REC generation

GOALS

- Increase Bloom sales of 65,000 tons
- Bloom Savings Target: \$3M
- REC sales Target: \$4.75M

CHALLENGES

- Searching for land for additional Bloom storage & understaffed

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

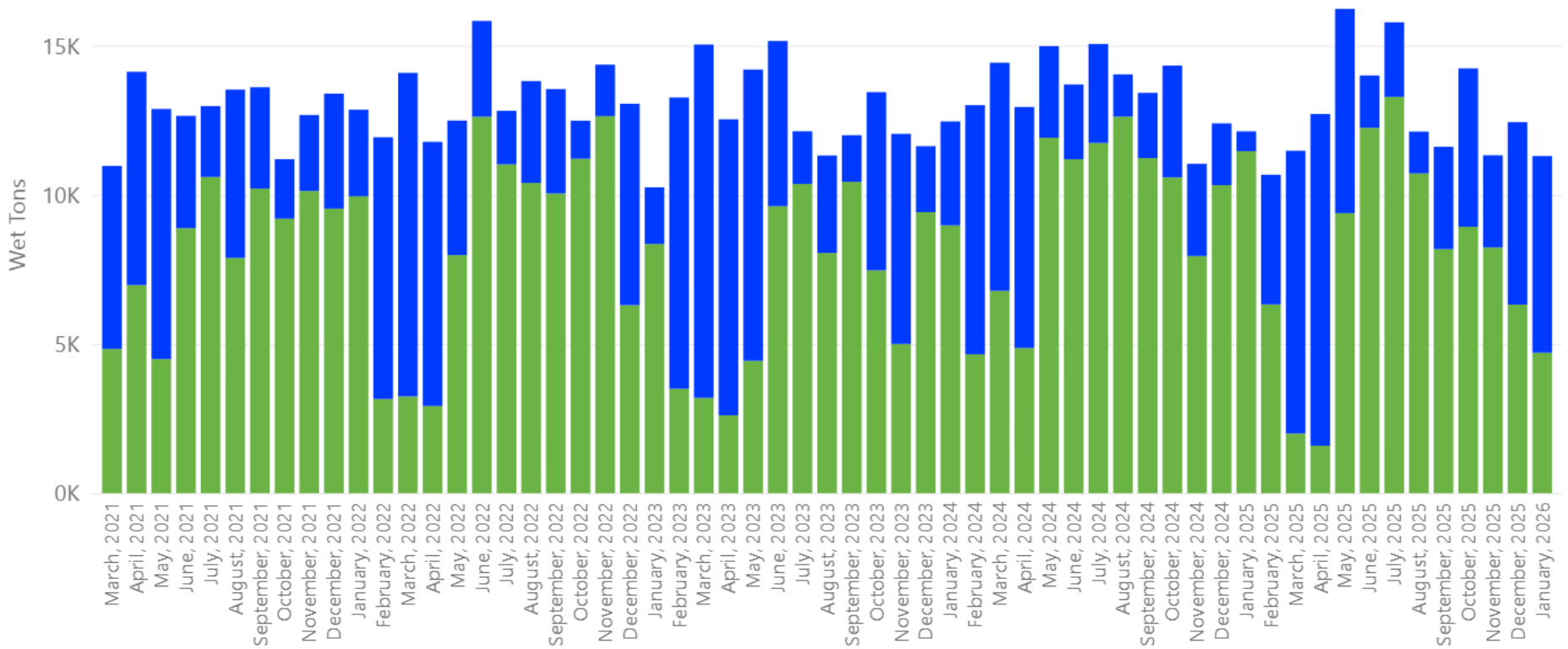
Strategic Plan - Blueprint 2.0 Imperatives Legend:



BLUE PLAINS WASTEWATER TREATMENT PLANT BIOSOLIDS PRODUCTION

March 2021 – January 2026

● Land Application ● Marketing as Bloom



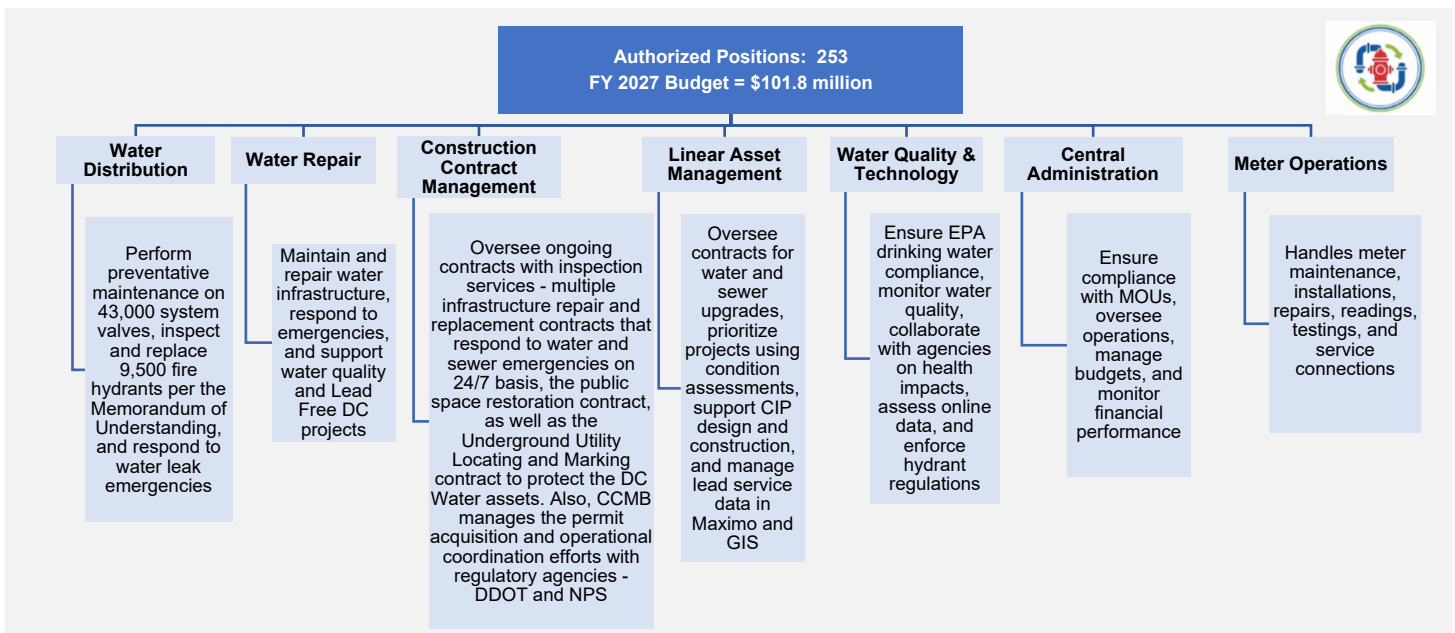
CLUSTER: OPERATIONS

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Maintain Safe Drinking Water Act standards. Coliform results less than 5%	0.13%	-0.37%	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	100%	100%	90%	90%	Reliable
Number of water main breaks per 100 miles of pipe	40.56	46.95	25	25	Resilient

DEPARTMENT: WATER OPERATIONS

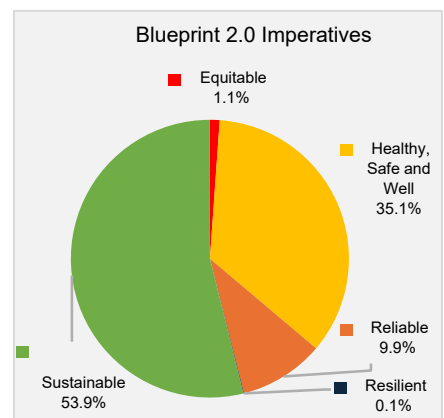
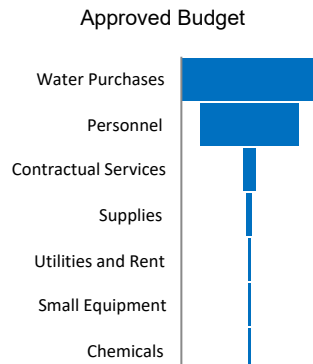
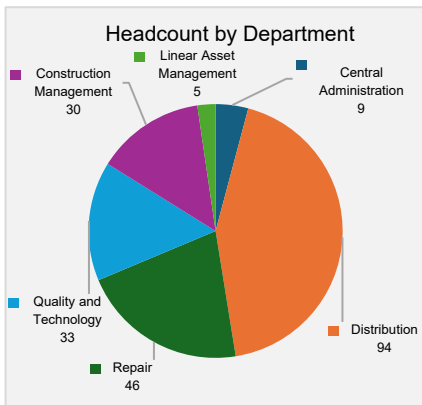
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: The increase is attributable to higher salaries, benefits, and overtime costs

Non-personnel Services: Increase reflects higher costs of chemicals and supplies, contractual services (locate and mark utilities), and potable water purchases from the Washington Aqueduct

Capital Equipment: Covers a Water Pipe Loop Rig Project, water cathodic protection assessment, database upgrades, Surface 4 Hub for water quality trailer, AMI program to improve billing efficiency

\$000's Description	FY 2024	FY 2025	FY 2026	FY 2027	(Increase)/Decrease	
	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	248	251	251	253	(2)	(1)%
Personnel Services ALL	\$ 33,466	\$ 34,499	\$ 37,059	\$ 39,242	\$ (2,182)	(6)%
Contractual Services	4,121	4,196	4,902	5,142	(241)	(5)%
Chemicals and Supplies	1,491	2,005	1,668	2,151	(483)	(29)%
Utilities and Rent	384	387	445	732	(286)	(64)%
Water Purchases	38,904	43,498	48,149	54,470	(6,321)	(13)%
Small Equipment	167	62	123	62	61	50%
Non Personnel Services	45,068	50,148	55,286	62,556	(7,270)	(13)%
Total O&M Expenditures	\$ 78,534	\$ 84,646	\$ 92,346	\$ 101,798	\$ (9,452)	(10)%
Capital Equipment	\$ 1,364	\$ 3,983	\$ 4,380	\$ 6,478	\$ (2,098)	(48)%



ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Successfully deployed leak detections technology to locate 15 hard-to-find leaks Expanded Pressure monitoring program by deploying 120 remote pressure sensors on hydrants, enabling real time monitoring of system pressure Implemented an online justification form for overtime tracking, reporting, and analysis 	<ul style="list-style-type: none"> Maintain critical pumping and conveyance infrastructure to support system reliability and reduce operational disruptions Support capital improvement initiatives by coordinating operational needs with ongoing infrastructure upgrades and system expansions Improve the department's ability to respond to emergencies and maintain system resiliency during extreme events 	<ul style="list-style-type: none"> Managing rising operating costs, including energy, equipment maintenance, and contractual services required to support continuous system operations Replacing aging water meters to ensure accurate measurement of customer consumption and revenue protection Newly assessed DDOT inspection and inconvenience fees

DEPARTMENT: WATER OPERATIONS

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Expand Advanced Metering Infrastructure (AMI) deployment to improve meter data accuracy and system visibility
- Enhance digital field operations through expanded use of mobile tools and real-time reporting capabilities
- Support Lead and Copper Rule Improvements (LCRI) through service line inventory management, monitoring, and coordination with Lead-Free DC initiatives
- Strengthen asset management practices to improve prioritization of maintenance, rehabilitation, and replacement activities
- Expand system monitoring programs, including pressure monitoring, leak detection, and valve exercising, to improve reliability and reduce water loss
- Enhance operational dashboards and analytics tools to support performance monitoring and data-driven decision-making
- Strengthen cross-connection control and backflow prevention programs to protect the drinking water system
- Continue condition assessments of critical water infrastructure, including assets located on bridges and other high-risk locations

IMPACT OF OPERATIONAL PROGRAMS

- Improved operational efficiency through expanded use of digital tools and analytics
- Strengthened compliance with federal and local regulatory requirements
- Enhanced infrastructure reliability through proactive monitoring and maintenance programs
- Improved operational visibility to support timely and informed decision-making

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Deployment of AMI (Advanced Metering Infrastructure) and digital systems will increase software, hardware, and data management requirements
- Increased capital construction activity may require additional operational coordination and field support
- Newly commissioned infrastructure assets will increase ongoing maintenance and operational needs

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.

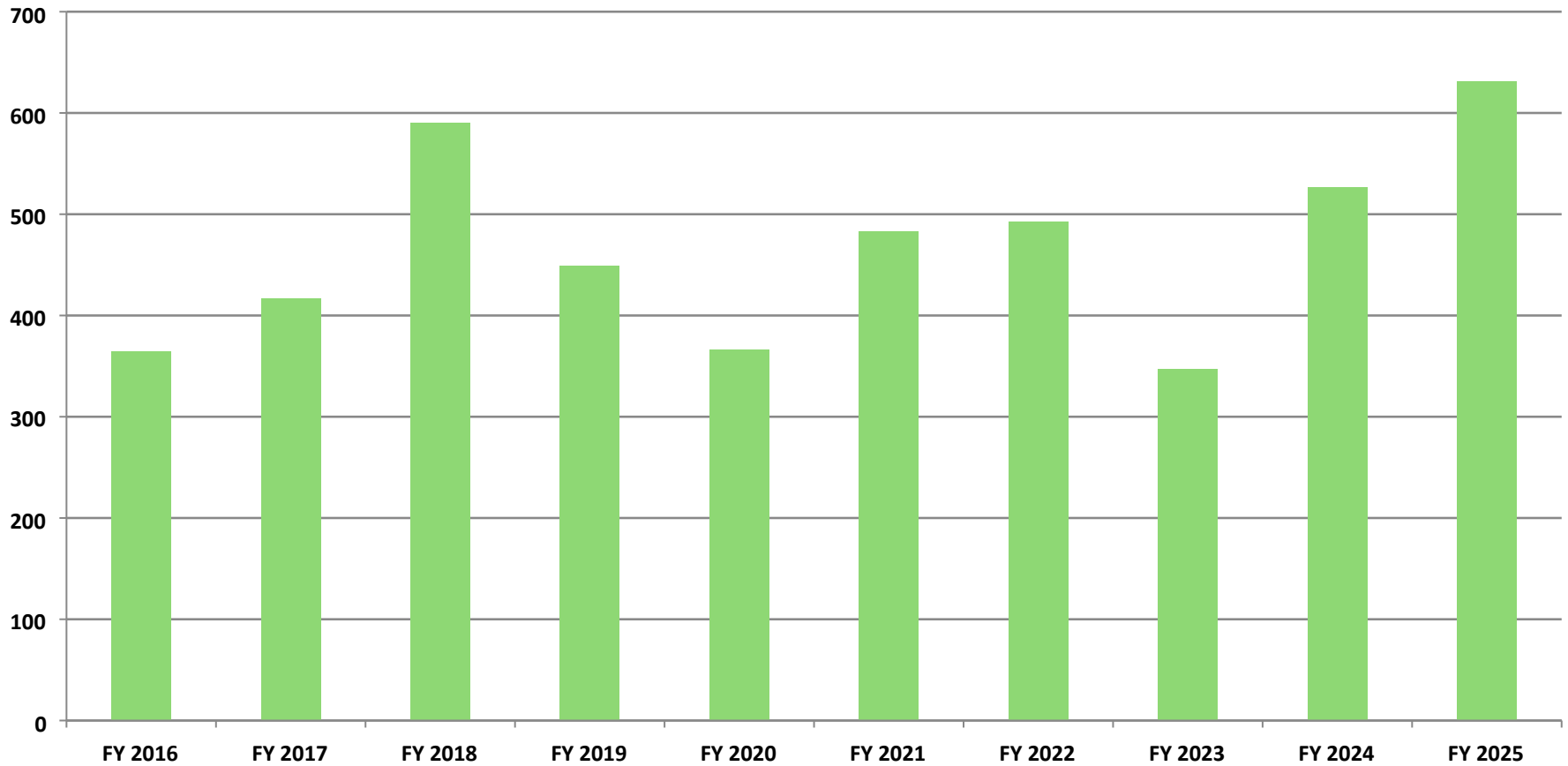
Plastic – White, rigid pipe.

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

Strategic Plan - Blueprint 2.0 Imperatives Legend:

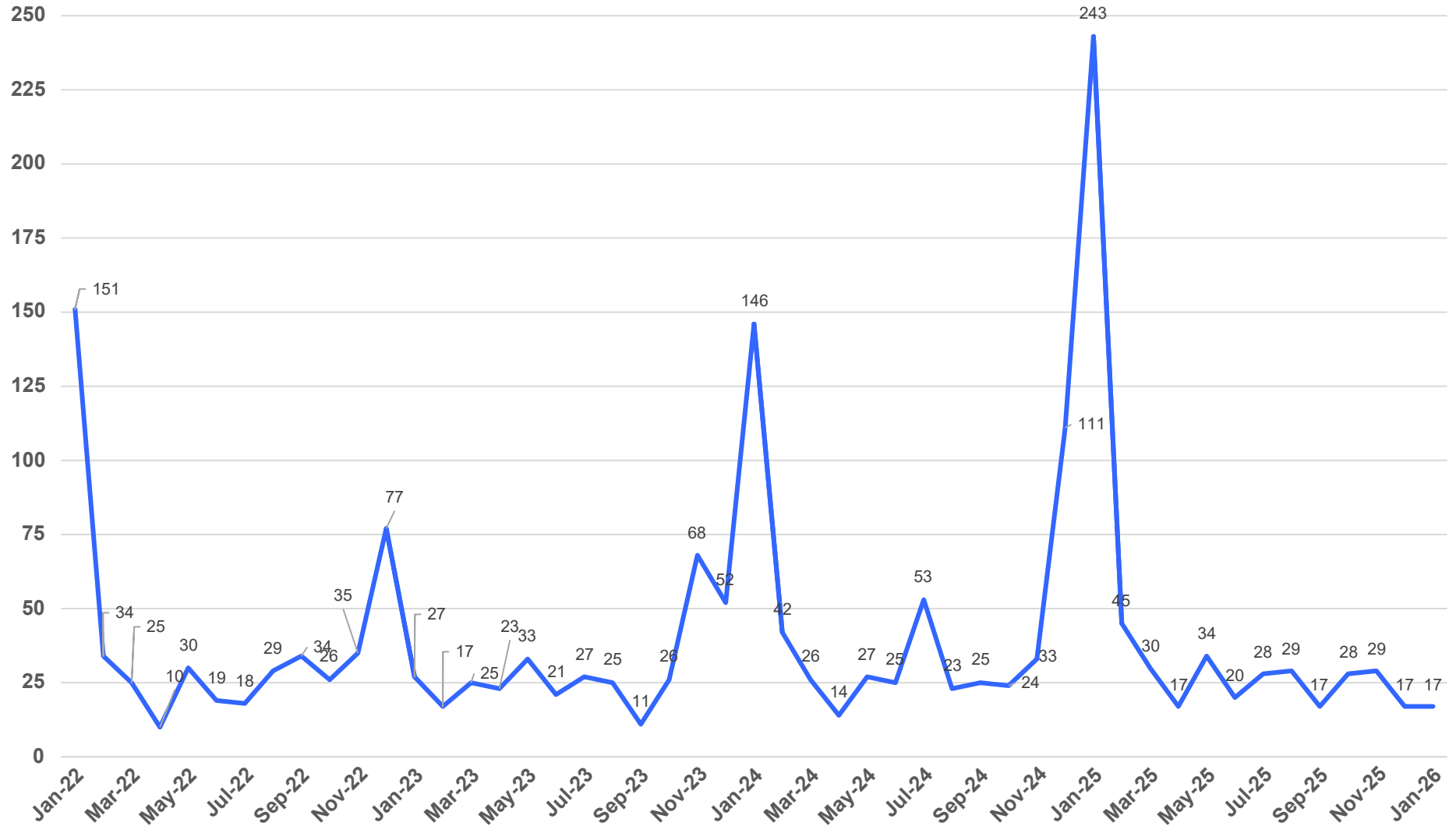


Historical Water Main Breaks FY 2016 through FY 2025



Number of Water Main Breaks Reported FY 2016 - FY 2025

Historical Monthly Main Breaks January 2022 through January 2026



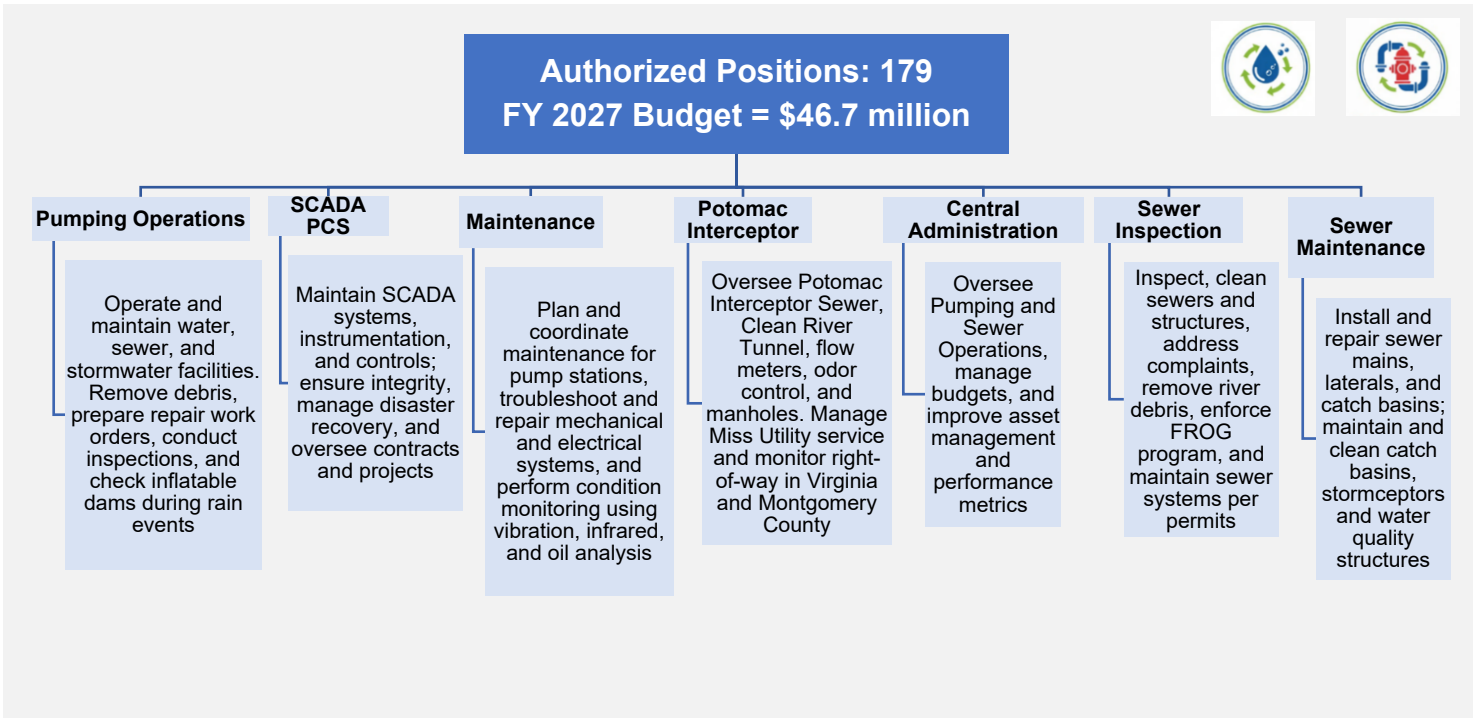
CLUSTER: OPERATIONS

DEPARTMENT: PUMPING AND SEWER OPERATIONS

Purpose: Ensuring safe, reliable, and efficient sewer conveyance and pumping operations to support wastewater collection and system integrity

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

Organization Structure:



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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	160	175	0	0	Reliable
Odor Complaints Sewer Overflows for Potomac Interceptor Area	3	4	0	0	Reliable

DEPARTMENT: PUMPING AND SEWER OPERATIONS

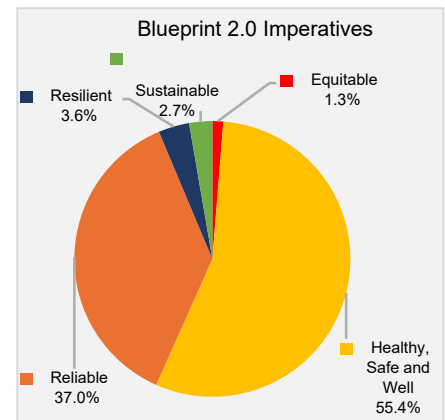
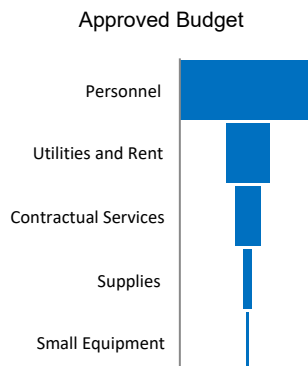
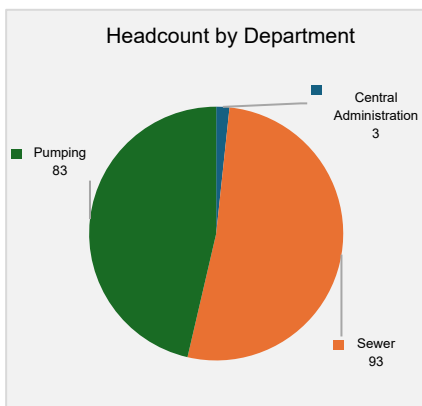
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increase reflects adjustment in salaries and benefits

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

Capital Equipment: The decrease is driven by the completion of previously funded infrastructure and system improvement initiatives

\$000's Description	FY 2024	FY 2025	FY 2026	FY 2027	(Increase)/Decrease	
	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	185	179	179	179	0	0%
Personnel Services ALL	\$ 27,552	\$ 27,717	\$ 28,768	\$ 29,673	\$ (905)	(3)%
Contractual Services	4,257	5,345	5,828	5,483	345	6%
Chemicals and Supplies	1,888	1,715	1,727	1,957	(229)	(13)%
Utilities and Rent	7,726	9,269	9,591	9,454	137	1%
Small Equipment	169	96	142	83	59	41%
Non Personnel Services	14,041	16,425	17,288	16,977	311	2%
Total O&M Expenditures	\$ 41,593	\$ 44,142	\$ 46,056	\$ 46,651	\$ (595)	(1)%
Capital Equipment	\$ 1,947	\$ 1,854	\$ 2,265	\$ 2,100	\$ 165	7%



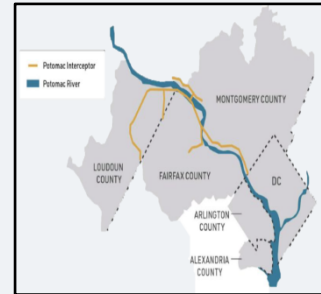
ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Reduced the corrective maintenance backlog to an average of 75 work orders Achieved 80% on-time completion of preventive maintenance and inspections 	<ul style="list-style-type: none"> Strengthen Infrastructure Reliability Prioritize interceptor and large sewer rehabilitation projects Improve preventative maintenance strategies 	<ul style="list-style-type: none"> Aging Infrastructure and Asset Failures Risk of system failures and environmental incidents High emergency repair costs and overtime

DEPARTMENT: PUMPING AND SEWER OPERATIONS

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

PUMPING

- Operate water pumping stations, reservoirs, and storage tanks in compliance with the requirements of the Safe Drinking Water Act and DC Water operational standards 🧑🧑🧑💓
- Upgrade and replace critical pumping infrastructure, including Variable Frequency Drives (VFDs), valves, programmable logic controllers (PLCs), operator interface terminals (OITs), instrumentation, and other control systems 💓🧑🧑🧑
- Coordinate with the Department of Water and Wastewater Engineering to support the design, construction, and commissioning of capital improvements at pumping facilities 💓
- Support billing and coordination activities related to the Multi-Jurisdictional Use Facility (MJUF) associated with Potomac Interceptor operations 🧑🧑🧑
- Continue implementation of long-term corrosion prevention initiatives to extend the life of critical infrastructure 💓🧑🧑🧑
- Maintain and rehabilitate Potomac Interceptor linear and vertical assets, including odor control facilities and associated infrastructure 💓🌱



IMPACT OF OPERATIONAL PROGRAMS

- Improved operational efficiency through expanded use of digital monitoring tools and data-driven maintenance practices
- Improved reliability of pumping and interceptor infrastructure through preventative maintenance and condition monitoring programs
- Enhanced public health protection and environmental stewardship through reliable system operations
- Improved operational visibility and performance tracking through expanded data analytics and reporting tools

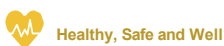


IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Major capital projects, including Potomac Interceptor rehabilitation and pumping station upgrades, will increase operational coordination and support requirements in the near term
- Aging infrastructure and legacy equipment may create challenges in sourcing replacement parts, which could impact equipment reliability and maintenance costs



Strategic Plan - Blueprint 2.0 Imperatives Legend:



DEPARTMENT: PUMPING AND SEWER OPERATIONS

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

SEWER

- Expand the Small Local Sewer Inspection Program to improve condition assessments and support proactive maintenance planning for small-diameter sewer assets 📊🔧
- Enhance the catch basin inspection and maintenance program, including updates to the catch basin application to improve field data collection and reporting 📊🔧
- Continue implementation of the Local and Small Sewer Inspection and Maintenance Program to strengthen system monitoring and preventative maintenance efforts 📊🔧
- Update Sewer Emergency Operations Response procedures for critical sewer assets to improve emergency preparedness and response coordination. 📊🔧
- Implement root cause analysis practices and training to improve incident investigations and reduce recurring sewer system failures 📊🔧
- Expand inspection and monitoring efforts for critical sewer infrastructure to improve system reliability and reduce the risk of sewer overflows 📊🔧🌍
- Continue a targeted outreach initiative to increase public awareness of proper disposal of fats, rags, oils, and grease (FROG) 🌍

IMPACT OF OPERATIONAL PROGRAMS

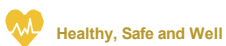
- Strengthened emergency preparedness through updated sewer emergency response procedures and incident analysis practices

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Coordination with ongoing sewer rehabilitation projects may require additional operational support during design, construction, and commissioning phases



Strategic Plan - Blueprint 2.0 Imperatives Legend:



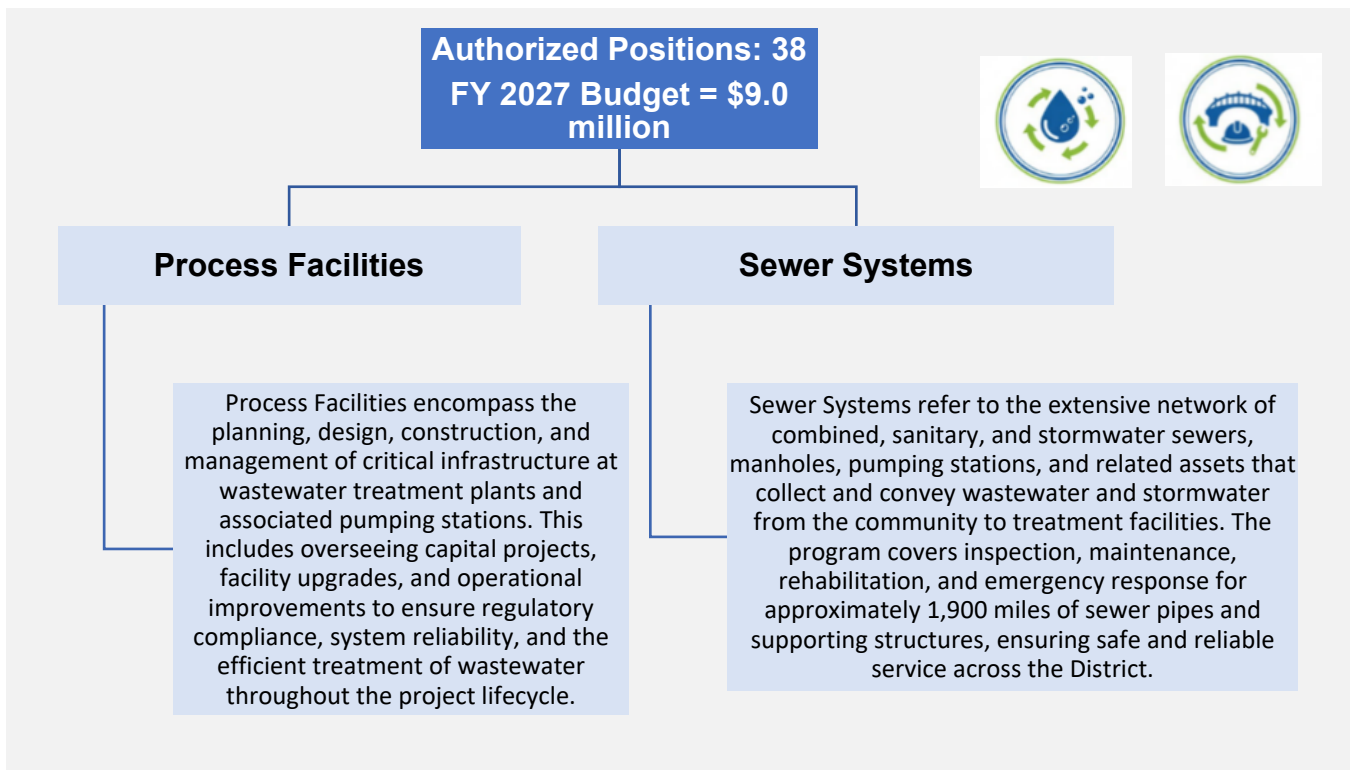
CLUSTER: ENGINEERING

DEPARTMENT: WASTEWATER ENGINEERING

Purpose: Oversee the construction and rehabilitation of process facilities and sewer systems 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 enables DC Water to efficiently meet regulatory standards and deliver high-quality service to the community.

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Design Start	N/A	N/A	2	2	Reliable
Construction Start	N/A	N/A	3	3	Reliable
Construction Substantial Completion	N/A	N/A	2	2	Resilient

DEPARTMENT: WASTEWATER ENGINEERING

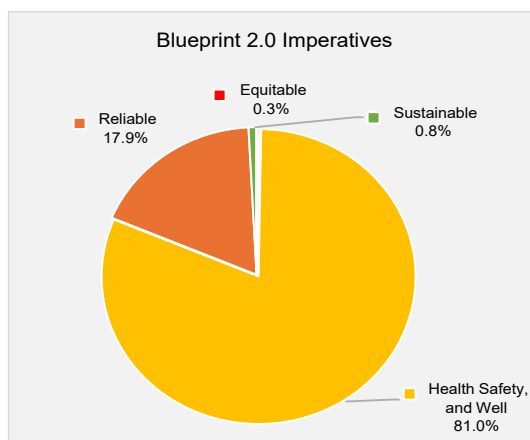
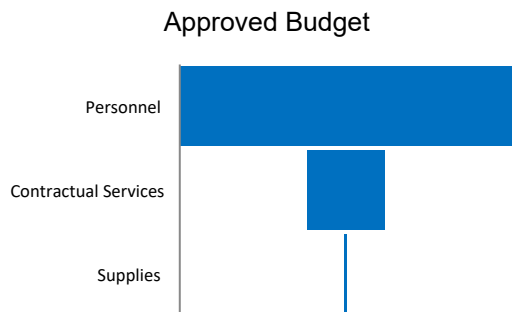
FY 2027 Operating Budget Overview

Personnel Services: The change is due to realignment within the cluster. The personnel services (PS) budget for FY 2026 has not yet been updated to reflect the transfers and reassignments within the department

Non-Personnel Services: The realignment within the cluster led to a corresponding increase in non-personnel budget for Contractual Services and Chemical and Supplies

Capital Equipment: No activity

\$000's Description	FY 2024	FY 2025	FY 2026	FY 2027	(Increase)/Decrease	
	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	27	38	38	38	0	0%
Personnel Services ALL	\$ 3,387	\$ 4,563	\$ 3,941	\$ 7,849	\$ (3,908)	(99)%
Contractual Services	815	688	919	1,078	(159)	(17)%
Chemicals and Supplies	0	-	2	33	(31)	(1,565)%
Non Personnel Services	815	688	921	1,111	(190)	(21)%
Total O&M Expenditures	\$ 4,202	\$ 5,251	\$ 4,862	\$ 8,960	\$ (4,098)	(84)%
Capital Equipment	-	-	-	-	-	-



MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

Process Facilities

- Refine spending forecasts and project milestones 🗓️
- Continue to enhance asset management, risk modeling and emergency response capabilities 🌱
- Onboard a new Process Facilities Program Manager to oversee the full lifecycle of CIP Project 🌱

Sewer Facilities

- Inspect and assess over 72 miles of sewer and 1,979 manholes, with a focus on high-risk segments 🚧
- Responded to emergency and high-priority needs, such the Anacostia Force Main, Rock Creek Main Interceptor and Little Falls Trunk Sewer 🌱

IMPACT CAPITAL PROJECTS ON OPERATING BUDGET

- Allocation of capital funding for priority projects may impact operating budget thresholds to maintain established goals and KPIs
- Completion of rehabilitation and replacement projects will affect budget priorities
- Construction and maintenance activities related combined sewer overflow and stormwater programs will influence budget allocation

GOALS AND CHALLENGES

- Continue to advance major rehabilitation contracts and system reliability improvements
- Complete SCADA upgrades for Stormwater Pump Stations
- Deliver major rehabilitation, including, Trunk Sewer Rehabilitation (piney Branch) and Emergency Sewer Rehab

ACCOMPLISHMENTS

- Achieved project milestones for key process facilities, including Headworks Electrical upgrades, Filtration and Disinfection upgrades, and Floodwall Segments
- Maintained alignment with NPDES and consent decree requirements though targeted investment and project delivery

Strategic Plan - Blueprint 2.0 Imperatives Legend:



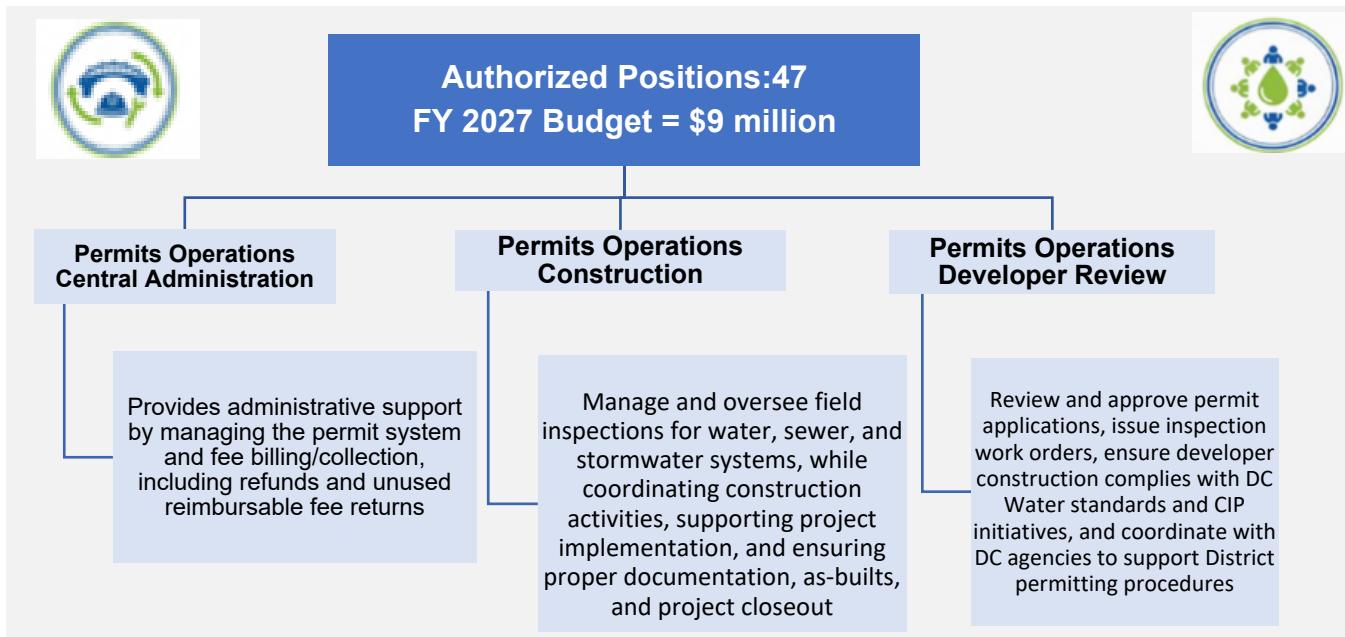
CLUSTER: ENGINEERING

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



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Process permit applications within service level agreement timeframe of 85%	93%	97%	90%	90%	Equitable

DEPARTMENT: PERMITS OPERATIONS

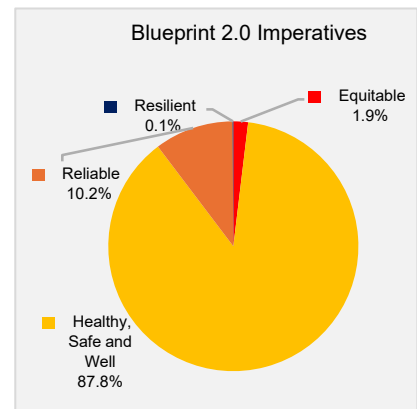
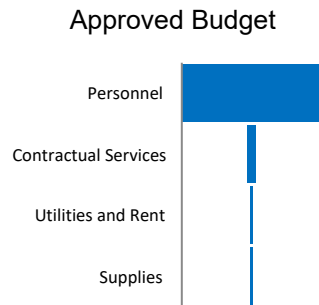
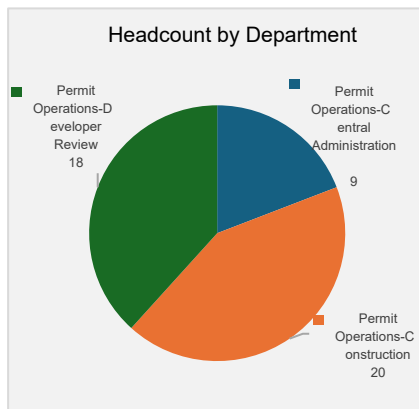
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: The change reflects position transfers driven by cluster realignment and reorganization. Currently, FY 2027 headcount does not reflect transfers completed in FY 2026.

Non-Personnel Service: The variance is due to a reduction in contractual services and a slight increase Utilities and rent associated with the recent realignment and reorganization within the cluster

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance %	
Headcount: Authorized	29	47	57	47	10	18%
Personnel Services ALL	\$ 4,078	\$ 5,226	\$ 4,566	\$ 8,321	\$ (3,755)	(82)%
Contractual Services	817	621	792	500	292	37%
Chemicals and Supplies	13	4	19	17	2	12%
Utilities and Rent	38	26	22	65	(42)	(188)%
Non Personnel Services	868	651	834	581	252	30%
Total O&M Expenditures	\$ 4,946	\$ 5,878	\$ 5,399	\$ 8,902	\$ (3,502)	(65)%
Capital Equipment	-	-	-	-	-	-



ACCOMPLISHMENTS

- Developed the new fixed fee structure for the new rates starting in FY2026
- Improved the payment process by ensuring payments have fully processed before releasing requested services, resulting in a significant reduction in non-sufficient fund (NSF) transactions.
- Developed the meter close-out process in collaboration with Customer Service and Meter Operations to determine missing meters during the construction inspection refund process which reduces non-water revenue

GOALS








- Continue optimizing processes to enhance operational efficiency.
- Continue to improve customer satisfaction by process permit applications within service level agreement timeframe.
- Implementation of electronic permit management system which includes electronic payment

CHALLENGES

- Adapting to business need due to sudden increases staff from the realignment
- Developing strategies to retain and engage employees require significant investment

DEPARTMENT: PERMITS OPERATIONS

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Development of an electronic permit management system 
- Continue processing construction inspection refund backlog  
- Continue to improve developer relationships by outreach and better communication 
- Developer Construction/As-Built – continue to improve the function of this group 
- Renew the DC Department of Consumer and Regulatory Affairs (DCRA)/DC Water Permit
- Review Memorandum of Agreement (MOA)  

IMPACT OF OPERATIONAL PROGRAMS

- Completed 1,946 design reviews and 11,665 ProjectDox reviews
- Closed 11,084 work orders and 2,682 projects for construction inspections
- Restructured Permit Operations into three departments by aligning business units to core functions to improve operational efficiency, customer experience and accountability



Strategic Plan - Blueprint 2.0 Imperatives Legend:

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

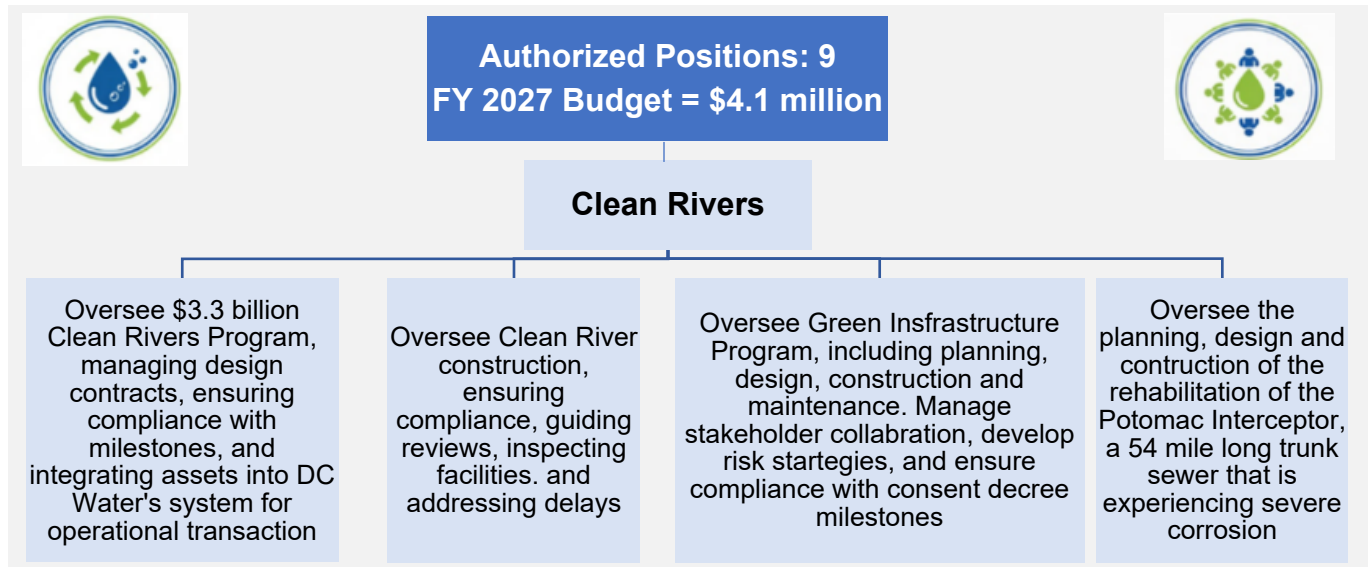
CLUSTER: ENGINEERING

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. In addition, to manage the planning, design, procurement, and construction of the rehabilitation of the Potomac Interceptor, a 54-mile trunk sewer constructed in the 1950s that is experiencing severe corrosion

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. And to develop, design, construct and implement the rehabilitation of the Potomac Interceptor

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Meet all CSO LTCP consent decree milestones	100%	100%	100%	100%	Sustainable

DEPARTMENT: CLEAN RIVERS

FY 2027 OPERATING BUDGET OVERVIEW

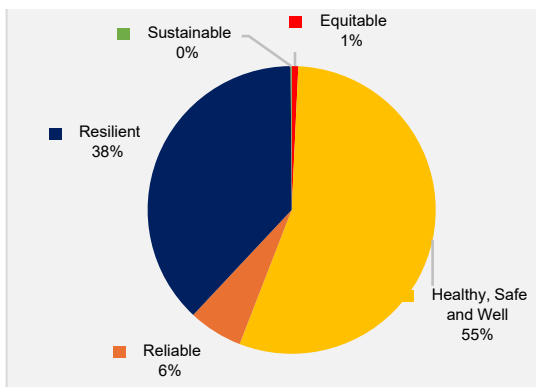
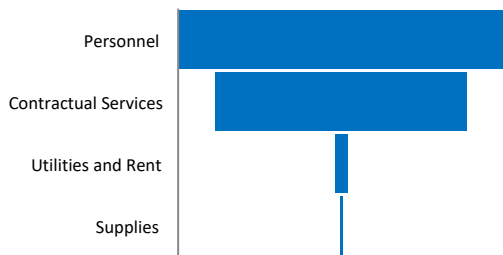
Personnel Services: Increased slightly due to salaries and benefits adjustments

Non-Personnel Services: Increased slightly due to expansion of Green Infrastructure project maintenance (GI Maintenance) scope and telecommunications

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	9	9	9	9	0	0%
Personnel Services ALL	\$ 1,785	\$ 1,723	\$ 2,250	\$ 2,271	\$ (21)	(1)%
Contractual Services	1,550	1,761	1,657	1,754	(97)	(6)%
Chemicals and Supplies	2	0	5	5	0	(4)%
Utilities and Rent	77	67	63	89	(26)	(41)%
Non Personnel Services	1,630	1,828	1,724	1,847	(123)	(7)%
Total O&M Expenditures	\$ 3,415	\$ 3,551	\$ 3,974	\$ 4,118	\$ (144)	(4)%
Capital Equipment	-	-	-	-	-	-

Approved Budget



ACCOMPLISHMENTS

- December 2025 - Piney Branch Tunnel GMP (Guaranteed Minimum Price) approved at December 2025 Board Meeting for construction of Piney Branch Tunnel
- December 2025 - Completed Potomac Interceptor High Priority Slip lining Repairs
- November 2025: Started Early Work for Piney Branch Tunnel including tree removal, temporary road relocation, and SOE (Support of Excavation) design
- October 2025 – Completed post construction monitoring and modeling and submitted report to EPA for Rock Creek Green Infrastructure Project B
- Advanced construction of the Potomac River Tunnel (shafts, secant piles, site setup, trail and road relocations, and slope stabilization)
- July 2025 – Awarded Early Work Package for Piney Branch Tunnel

GOALS

- Complete transfer of Northeast Boundary Tunnel (NEBT) assets to DC Water Operations
- Meet all Consent Decree deadlines for Rock Creek C, Rock Creek D, and Potomac and Piney Branch Tunnel projects
- Manage risks related to stakeholder approvals, material costs and sourcing uncertainty, and skilled labor/staffing for the program
- Procure Potomac Interceptor -01 (10,800 LF geopolymer rehab) for the Potomac Interceptor

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) 🏠🌿🌱
- Continue construction of Rock Creek Project C Green Infrastructure (GI) 🏠🌿🌱
- Continue Construction of the Piney Branch Tunnel 🏠🌿🌱
- Perform planning and design for Rock Creek Project D Green Infrastructure 👤👤
- Continue 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
- Continue the maintenance of GI facilities 🏠👤👤
- Regulatory requirements compliance 👤👤
- Complete Permitting and advance design for Potomac Interceptor -01 🏠🌿🌱
- Advance procurement for Potomac Interceptor-01, 02, and 03 (anticipated MSA approach) 👤👤

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 between now and the end of the Clean Rivers Project in 2030

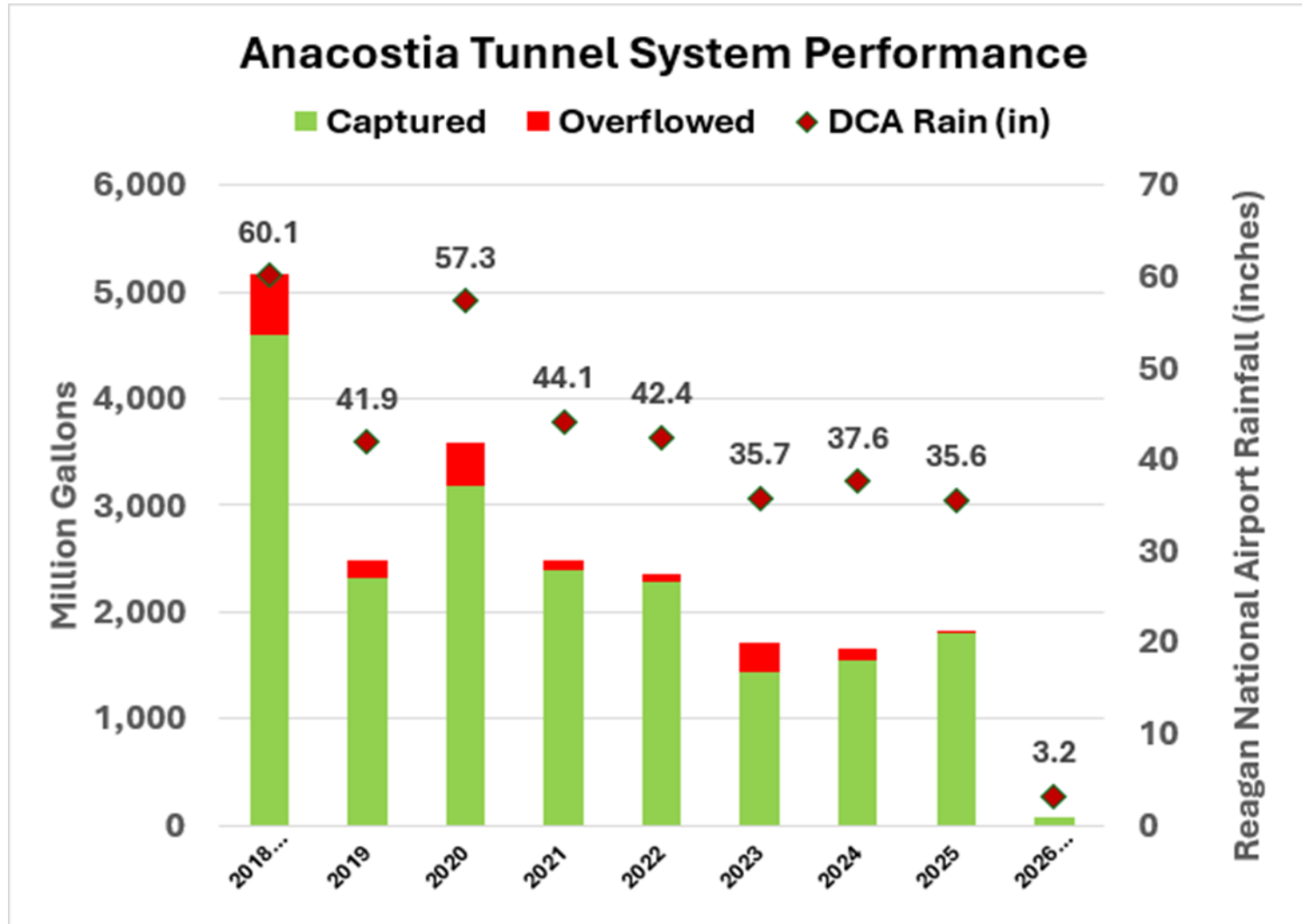


SET Members at “Mary” Tunnel Boring Machine

Strategic Plan - Blueprint 2.0 Imperatives Legend:

- 🏠 Healthy, Safe and Well
- 🏠 Reliable
- 🌿 Resilient
- 👤 Equitable
- 🌱 Sustainable

CLEAN RIVERS TUNNEL PERFORMANCE
Tunnel Capture Volume (MG)
(FY 2018 – FY 2025)



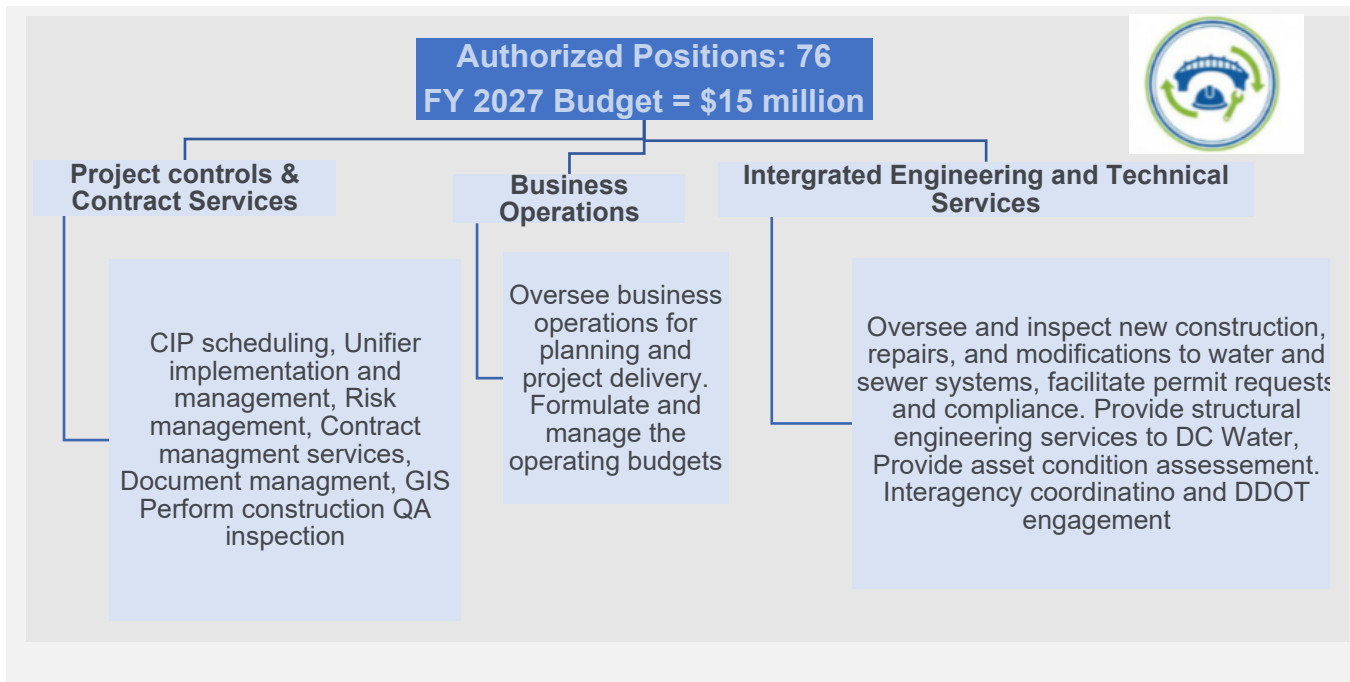
CLUSTER: ENGINEERING

DEPARTMENT: SHARED SERVICES AND ASSET MANAGEMENT

Purpose: To serve as a central support and a custodian of Engineering and CIP Project Delivery Methodology consisting of policies, SOPs, processes, cost estimating and scheduling standards, document and data management standards, change and risk management standards, Purchase Order and contract administration, associated training, and Quality Assurance/Quality Control

Mission: To provide the CIP management tools, analysis, oversight and leadership to ensure that DC Water Capital and Operating CIP 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

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Inspection of Major Sewers Annually - 12 miles	N/A	N/A	100%	100%	Reliable
Inspection of Water transmission mains annually - 5 miles	N/A	N/A	100%	100%	Reliable
Inspection of Local sewers >12 inch diameter to <60 inch diameter annually - 40	N/A	N/A	100%	100%	Reliable

DEPARTMENT: SHARED SERVICES AND ASSET MANAGEMENT

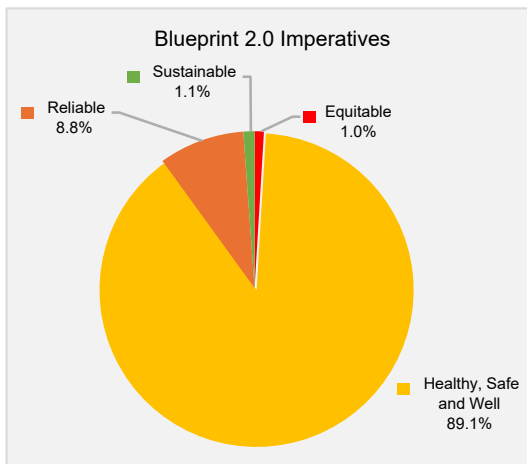
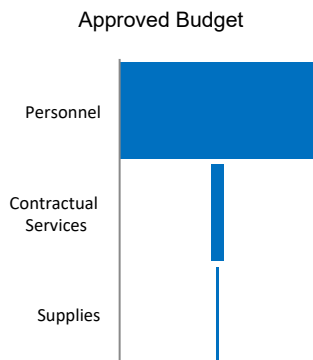
FY 2027 Operating Budget Overview

Personnel Services: The decrease is due to position transfers related to realignment and reorganization within the cluster.

Non-Personnel Service: The decrease is due to a reduction in contractual services and other expenses associated with the recent realignment and reorganization within the cluster

Capital Equipment: Remained flat

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	120	53	104	76	28	27%
Personnel Services ALL	\$ 21,007	\$ 17,279	\$ 18,677	\$ 14,028	\$ 4,649	25%
Contractual Services	1,696	1,967	2,214	908	1,306	59%
Chemicals and Supplies	113	120	150	138	12	8%
Utilities and Rent	299	273	320	0	320	100%
Small Equipment	12	0	20	0	20	100%
Non Personnel Services	2,121	2,360	2,705	1,047	1,658	61%
Total O&M Expenditures	\$ 23,128	\$ 19,638	\$ 21,382	\$ 15,075	\$ 6,307	29%
Capital Equipment	\$ 25	\$ 0	\$ 25	\$ 25	\$ 0	0%



GOALS

- Continue communications initiatives and programs in support of DC
- Continue adapting Oracle Primavera Unifier for Construction Manager at Risk (CMAR) and Progressive Design-Build (PDB)
- Addressing paper archive backlog in the Technical Information Center
- Enhanced presentation of project delivery health metrics and KPIs
- Enhancing tools, processes, and training for collaborative delivery Progressive Design-Build (PDB) & Construction Manager at Risk (CMAR)
- Meet pipeline and linear asset condition assessment goals to support asset management, and long-term capital planning
- Establish and mature a centralized specifications and standards function to improve consistency, quality, and efficiency across engineering and construction activities
- Reestablish a full complement of administrative and support staff to sustain department operations and capital delivery demands

CHALLENGES

- Ongoing adaptation to the shift from Design Bid Build to Collaborative Delivery
- Contractor availability for capital program delivery
- Balancing increased demand for centralized project controls, inspections, and technical services with available staffing and resources
- Continuing to improve data quality and system integration while operating multiple enterprise tools and legacy processes

DEPARTMENT: SHARED SERVICES AND ASSET MANAGEMENT

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Investigate use of Artificial Intelligence in CIP development and prioritization
- Continue creating standards and procedures for transitioning to a collaborative delivery model
- Continue setting up tools (Unifier & P6) for the collaborative delivery model
- Continue enhancing tools, standards, and procedures for efficient capital program delivery
- Using standards and procedures, manage and reduce CIP risk consistently
- Track and control CIP project execution using established metrics and KPIs and present information in dashboard format
- Continue enhancing centralized tools, standards, and procedures for tracking all projects, including collaborative delivery
- Perform preparatory GIS transition before full Utility Network implementation
- Establish MOU with DDOT for water and wastewater
- Investigate blanket permitting MOU with the National Park Service
- Continue providing resources where needed for emergency response, not limited to inspection and structural engineering
- Procure a contractor to facilitate access for systems assessment
- Collaborate with DDOT to ensure alignment with DDOT invoicing and DC Water expectations

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 of processes

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Increase in operating costs due to increased inspection and assessment of Linear and vertical assets
- Increase in Capital Projects will require additional staff and/or consultant support

Strategic Plan - Blueprint 2.0 Imperatives Legend:



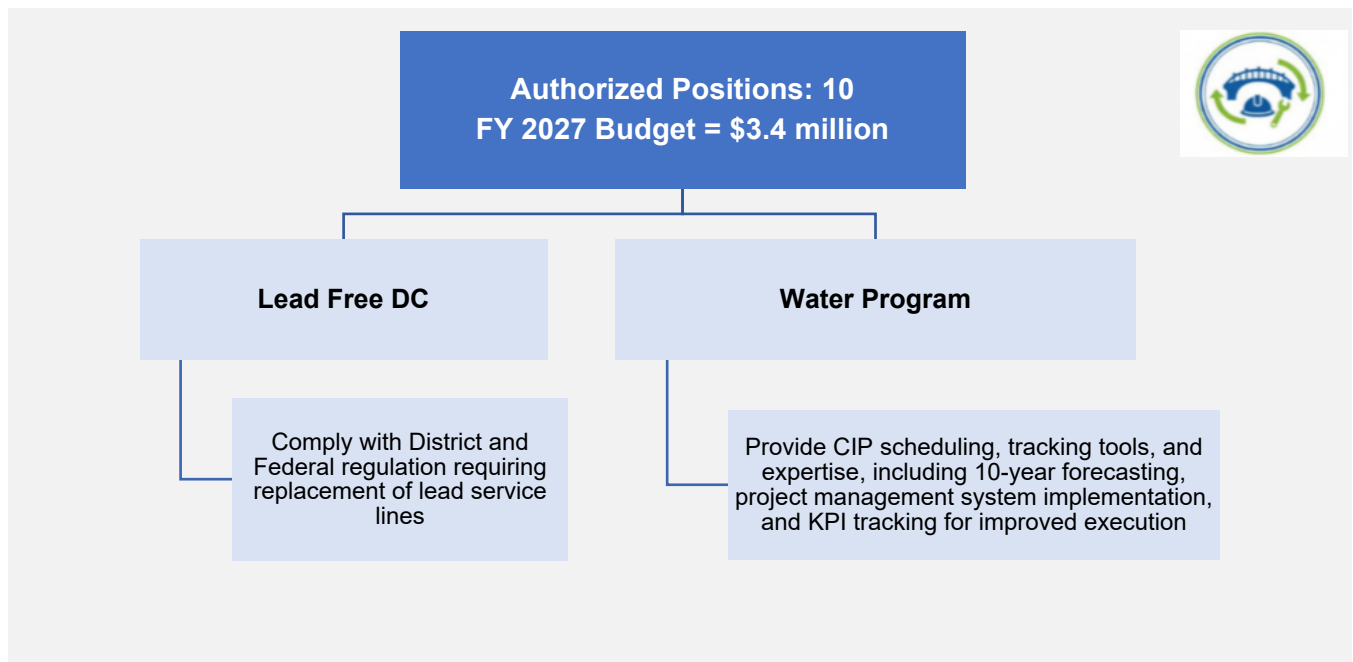
CLUSTER: ENGINEERING

DEPARTMENT: WATER PROGRAM AND LEAD FREE DC

Purpose: The Department of Water Program and Lead Free DC is responsible for delivering the capital program for all drinking water assets at DC Water including tanks, reservoirs, pumps stations, transmission mains, small diameter watermains, and Lead Free DC

Mission: To sustainably deliver capital projects in the District of Columbia to provide safe and reliable drinking water to our customers

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Percentage of KPI's Completed	N/A	N/A	100%	100%	Reliable
Use 100% of Safe Drinking Water Act grant funds	N/A	N/A	100%	100%	Resilient

DEPARTMENT: WATER PROGRAM AND LEAD FREE DC

FY 2027 Operating Budget Overview

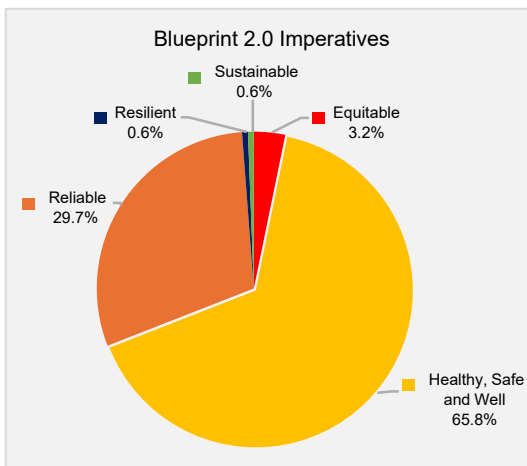
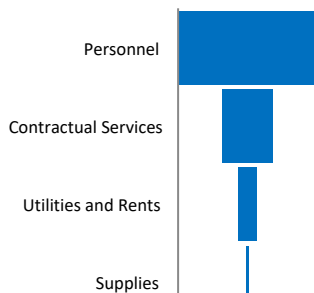
Personnel Services: The decrease is due to position transfers related to realignment and reorganization within the cluster.

Non-Personnel Service: Increased due to higher Utilities and Contractual Services, driven by cost shifts resulting from recent realignment and reorganization within the cluster

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	27	11	23	10	13	57%
Personnel Services ALL	\$ 1,446	\$ 1,072	\$ 4,469	\$ 2,219	\$ 2,250	50%
Contractual Services	56	28	52	816	(764)	(1,469)%
Chemicals and Supplies	11	3	10	30	(20)	(200)%
Utilities and Rent	0	0	0	296	(296)	
Non Personnel Services	67	32	62	1,142	(1,080)	(1,742)%
Total O&M Expenditures	\$ 1,514	\$ 1,104	\$ 4,530	\$ 3,361	\$ 1,169	26%
Capital Equipment	\$ 110	\$ 102	\$ 0	\$ 0	\$ 0	

Approved Budget



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 🌱🚧
- Completed 100,000 program replacement 🚧
- Completed 3,163 lead lines replacements 🌱🚧

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: WATER PROGRAM AND LEAD FREE DC

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
- Advance planning, design, and construction of capital projects
- Digitize over 11 million records in DC Water’s archive
- 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
- 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 increased availability of Lead Pipe service replacement
- Increase interests by private sector
- Continue to build and strengthen the department to align required resources with core functions. Areas of focus are Project Management Information Services, Document Management, and administrative functions



Strategic Plan - Blueprint 2.0 Imperatives Legend:

Healthy, Safe and Well
 Reliable
 Resilient
 Equitable
 Sustainable

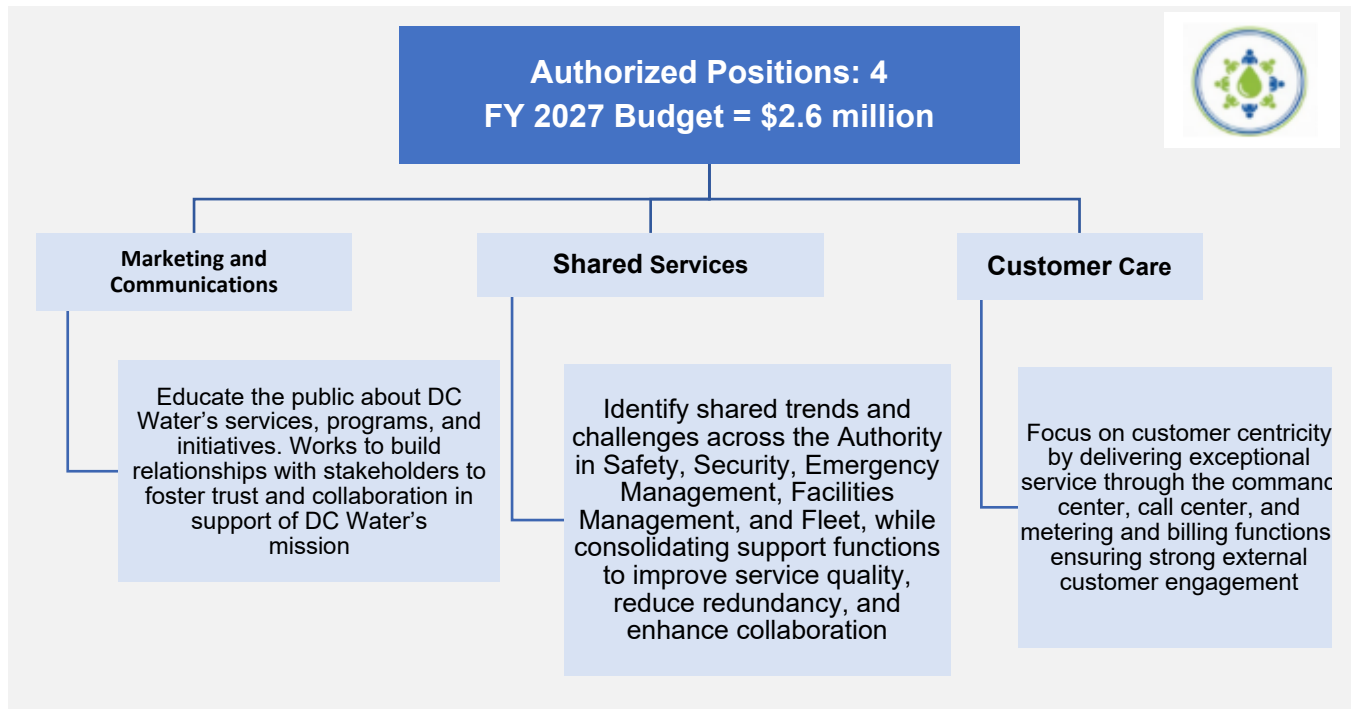
CLUSTER: ADMINISTRATION

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 and 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, Marketing and Communications and Customer Care

Organization Structure



DEPARTMENT: OFFICE OF THE CHIEF ADMINISTRATION OFFICER (CAO)

FY 2027 Operating Budget Overview

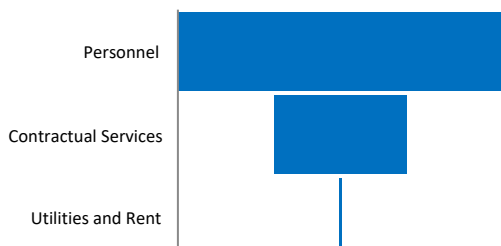
Personnel Services: Increased due to salary adjustments, and includes elimination of one vacant position

Non-Personnel Services: Relatively flat

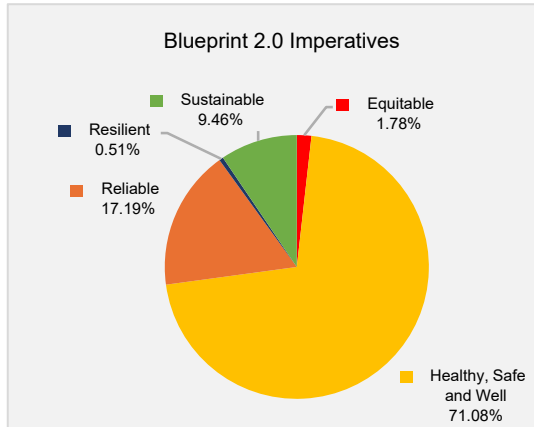
Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	2	5	5	4	1	20%
Personnel Services ALL	\$ 412	\$ 466	\$ 557	\$ 1,873	\$ (1,317)	(237)%
Contractual Services	79	320	765	763	2	0%
Chemicals and Supplies	0	7	-	3	(3)	-
Utilities and Rent	-	-	3	5	(1)	(34)%
Small Equipment	-	1	-	-	-	-
Non Personnel Services	79	328	769	770	(1)	0%
Total O&M Expenditures	\$ 491	\$ 794	\$ 1,325	\$ 2,644	\$ (1,318)	(99)%
Capital Equipment	-	-	-	-	-	-

Approved Budget



Blueprint 2.0 Imperatives



MAJOR PLANNED ACTIVITIES AND CHANGES

- Key planned activities include aligning and strengthening the vision and direction of Customer Care and Facilities Management under a unified strategy for a better service delivery.
- Continuing efforts with the CAO Performance Dashboard

ACCOMPLISHMENTS

- Successfully launched the CAO performance dashboard for Customer Care and Facilities Management
- Emphasizing financial outcomes, managing external stakeholders, and fostering partnerships and support from authorities

GOALS

- Continued Implementation and use of the CAO dashboard
- Implement Reimagining Customer Care and Facilities a strategic initiative to strengthen operational efficiencies and modernize service delivery

CHALLENGES

- Changing budget priorities may impact strategic initiatives and defer progress

Strategic Plan - Blueprint 2.0 Imperatives Legend:

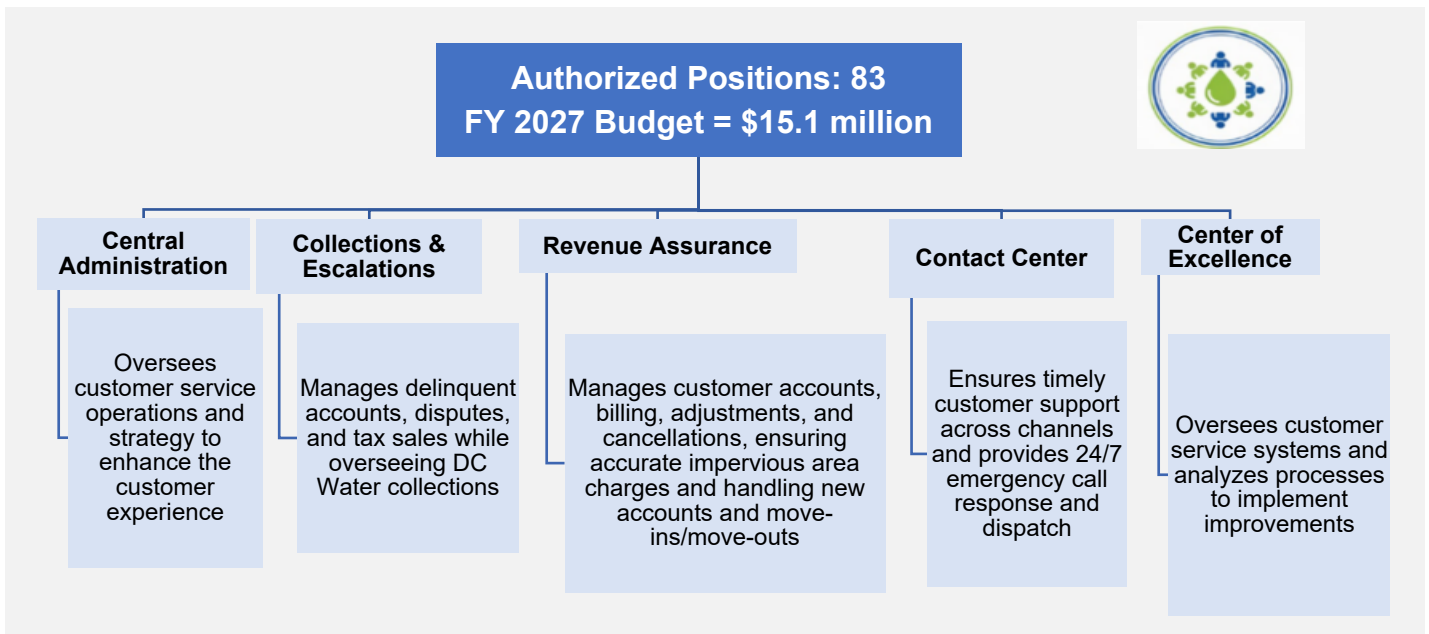


CLUSTER: ADMINISTRATION
DEPARTMENT: CUSTOMER CARE

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)

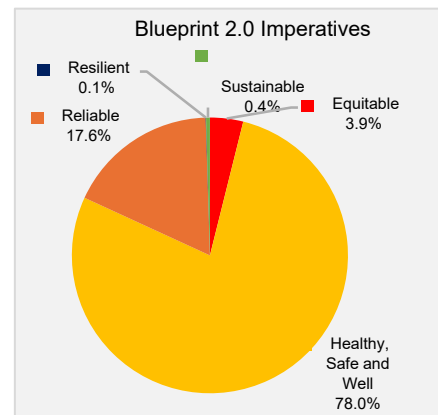
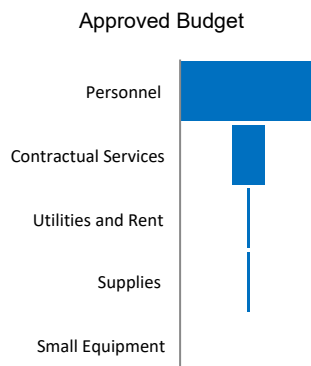
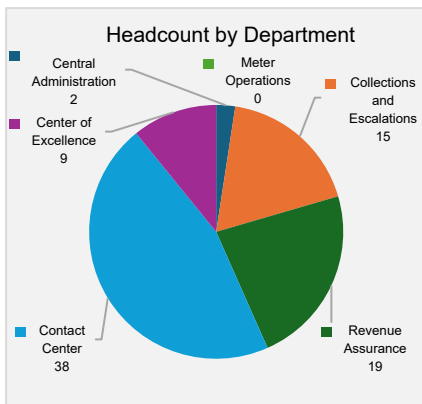
	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
% of Bills issued on time (w/in 5 days)	98%	99.1%	98%	98%	Reliable
Estimated bills as a percent of meters read	4.3%	4.88%	4%	4.3%	Reliable
Unbilled at the end of the month	1.4%	0.5%	2%	2%	Reliable

DEPARTMENT: CUSTOMER CARE

FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increase reflects personnel adjustment for salaries, benefits and overtime
Non-personnel Services: Decrease in contractual services due to reallocation of Hardware and Software subscription costs to Capital Equipment and utilities due to the reallocation of meter operations from Customer Care to Water Operations department.

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	84	83	83	83	0	0%
Personnel Services ALL	\$ 9,893	\$ 10,512	\$ 11,565	\$ 12,026	\$ (461)	(4)%
Contractual Services	4,705	4,936	5,182	2,874	2,309	45%
Chemicals and Supplies	3	2	2	2	0	6%
Utilities and Rent	307	322	382	170	212	55%
Non Personnel Services	5,015	5,259	5,566	3,045	2,520	45%
Total O&M Expenditures	\$ 14,908	\$ 15,771	\$ 17,130	\$ 15,071	\$ 2,059	12%
Capital Equipment	-	-	-	-	-	-



ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Launched the Payment Plan Incentive Program, helping 470 residents pay off outstanding balances Met 100% compliance with response time requirements and exceeded emergency dispatch goals, achieving a 100% rate within 10 minutes (goal: 92%) Promoted over 42% of hires internally in FY2024 Expanded customer assistance with CAP+ for financially vulnerable customers and a Leak Assessment and Repair Program, both launching in FY2025 	<ul style="list-style-type: none"> Improve customer experience through policy updates, training, and succession planning Expand AI tools like chatbots and automated phone support for personalized service 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 & RLRAP) Reduce printing and postage costs by promoting online billing and the account management portal 	<ul style="list-style-type: none"> Managing post-pandemic impacts and government layoffs affecting usage and delinquencies Encouraging customers to use self-service options Increasing participation in assistance programs Promoting online bill management to reduce mailing costs Securing specialized training to boost employee performance and customer satisfaction

DEPARTMENT: CUSTOMER CARE

MAJOR PLANNED ACTIVITIES AND CHANGES

- Continue the implementation of the Leak Assessment and Repair Program in partnership with the District 🛠️
- Expand 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 Program 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 Program Enrollment (Helps more customers access assistance programs)
- Bill Redesign (Improves billing transparency and customer understanding)

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- None

Strategic Plan - Blueprint 2.0 Imperatives Legend:



Healthy, Safe and Well



Reliable



Resilient



Equitable



Sustainable

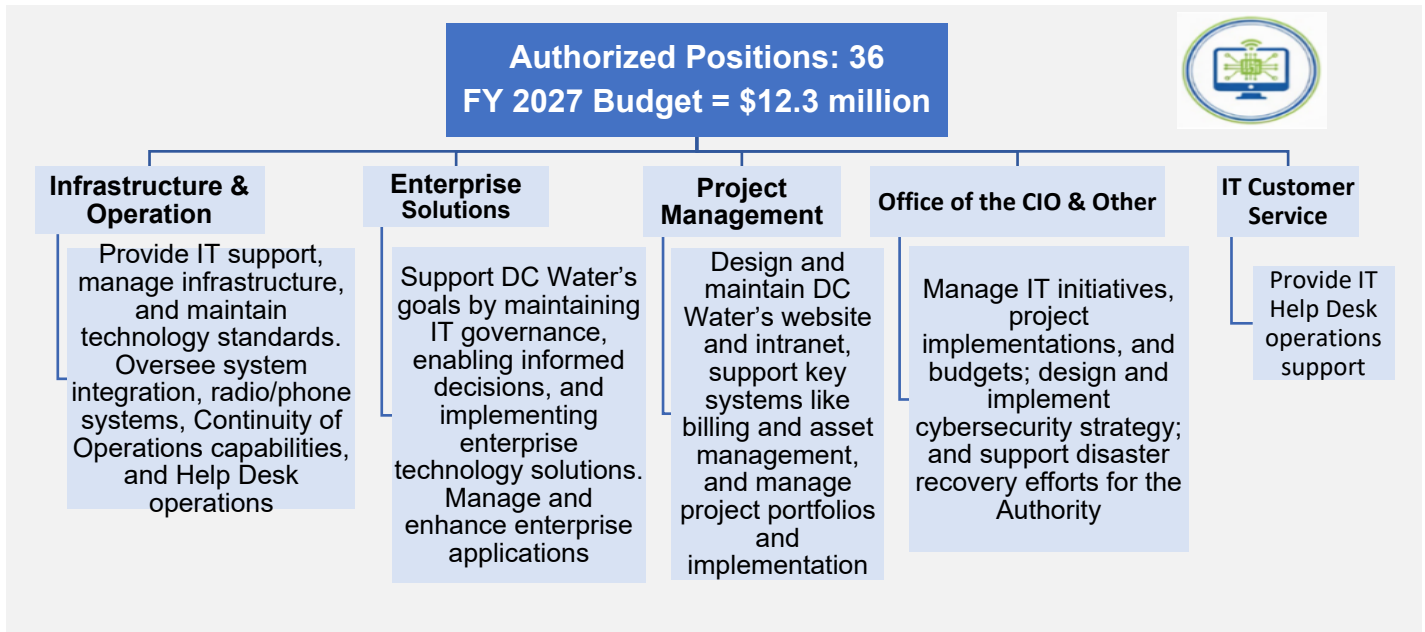
CLUSTER: INFORMATION TECHNOLOGY

DEPARTMENT: INFORMATION TECHNOLOGY

Purpose: To identify, define, develop, and support an integrated set of solutions that leverages people, process, and technology to improve reliability, increase efficiency, reduce cost, drive innovation, and improve the employee and customer experience

Mission: To provide a safe and reliable state-of-the-art information technology platform capable of adapting to the changing needs of our internal and external customers. To ensure that the Authority's mission is supported by state-of-the-art technology with an infrastructure capable of accommodating all traffic and connectivity demands, and a computing environment that encourages the development of efficient business

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Unplanned Outage incident with DC Water Systems (Target <=1 per year)	-	1	1	1	Reliable
96% of high priority tickets completed within 4 hours	98.8%	99%	98%	99%	Reliable
60% Tickets closed by Tier 1 support	70%	60%	65%	60%	Reliable
50% of Projects Completed on-time	91%	94%	90%	90%	Reliable
Unplanned Outage from an external provider related incident (Target <=1 per year)	-	0	1	1	Reliable

DEPARTMENT: INFORMATION TECHNOLOGY

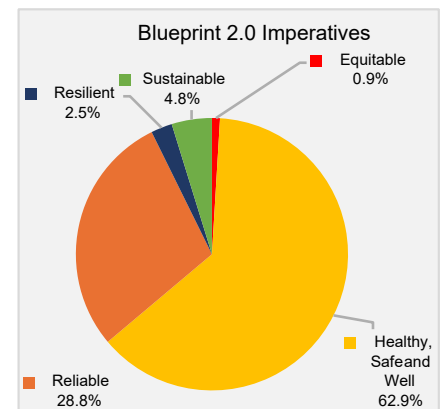
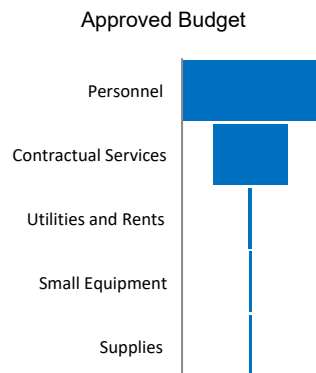
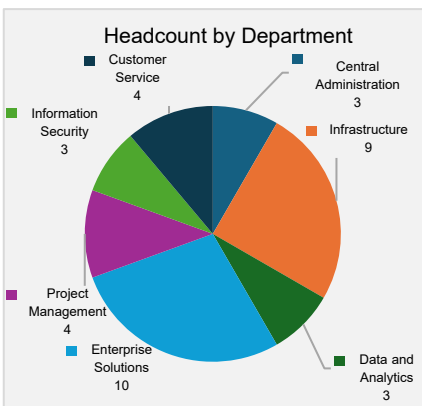
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increased due to adjustments for salaries and benefits

Non-personnel Services: Decrease, mainly in contractual services for the reallocation of Subscription Based Information Arrangement (SBITA) to capital equipment

Capital Equipment: Covers cabling supplies, IT infrastructure, telephony, computer and laptop replacements, and SBITA.

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	37	36	37	36	1	3%
Personnel Services ALL	\$ 6,347	\$ 6,942	\$ 7,430	\$ 7,863	\$ (433)	(6)%
Contractual Services	4,514	4,132	4,517	4,280	237	5%
Chemicals and Supplies	(20)	6	16	3	14	84%
Utilities and Rent	189	149	180	186	(5)	(3)%
Small Equipment	7	3	11	13	(3)	(24)%
Non Personnel Services	4,690	4,290	4,725	4,482	243	5%
Total O&M Expenditures	\$ 11,037	\$ 11,232	\$ 12,155	\$ 12,345	\$ (190)	(2)%
Capital Equipment	\$ 4,363	\$ 4,839	\$ 4,665	\$ 14,552	\$ (9,887)	(212)%



ACCOMPLISHMENTS	GOALS	CHALLENGES
-----------------	-------	------------







- Implementation: AlertUs (Phase2) with enhanced security and emergency communication
- Replacements: OpenText (Livelink) to SharePoint Migration, 3PP to Acquia (SaaS Application) BPA module, IT Project Management Office (PMO) Tool
- Systems Enhancements: Impervious Area Upgrade, CIPM SharePoint Migration, MS SQL Server 2019 Upgrade, DC Water Website Upgrade
- Advancing system implementations such initiatives like Power Apps and MS Co-Pilot

- Implement Enterprise Data Strategy
- Keep IT projects on time and within budget (>90%)
- Establish IT AI Governance group.
- Expand data warehouse, AI, and predictive analytics
- Conduct annual Disaster Recovery (DR) exercise
- Strengthening data protection and sharing policies

- We are getting Year on Year (YoY) operating budget cuts while the number of projects and demands continues to rise
- DC Water IT Policy enforcements (e.g. Shadow IT)
- The organization supports planning and resource allocations (projects post-go-live) and prioritization initiatives
- Predicting Price Escalation Clauses due to market trends with our service providers

DEPARTMENT: INFORMATION TECHNOLOGY

MAJOR PLANNED ACTIVITIES AND CHANGES

- Implement Artificial Intelligence (AI) Roadmap initiatives, Translation Technology, Permits Payment System. 
- Modernize and replace legacy systems: Kona systems replacement, Migration of Enterprise Asset Management (Maximo) application migration, and completion of the remaining Third Party-Processing Platform (3PP) modules 
- Enhance critical enterprise Systems: VertexOne Enhancements, Website & Mobile App Enhancements, Genesys enhancements 
- Major Systems Infrastructure Upgrades: MS SQL 2025, Impervious Area Toolset, Network Infrastructure, Tunnel Wi-Fi 
- Advancing system implementations such as the Custom Read Portal, SharePoint Forms, and Power Apps  

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

- AI Roadmap initiatives and Translation Technology will reduce operational costs via improving productivity
- Optimizing telecom circuits will lower 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 services costs for FY 2025



Strategic Plan - Blueprint 2.0 Imperatives Legend:



Healthy, Safe and Well



Reliable



Resilient



Equitable



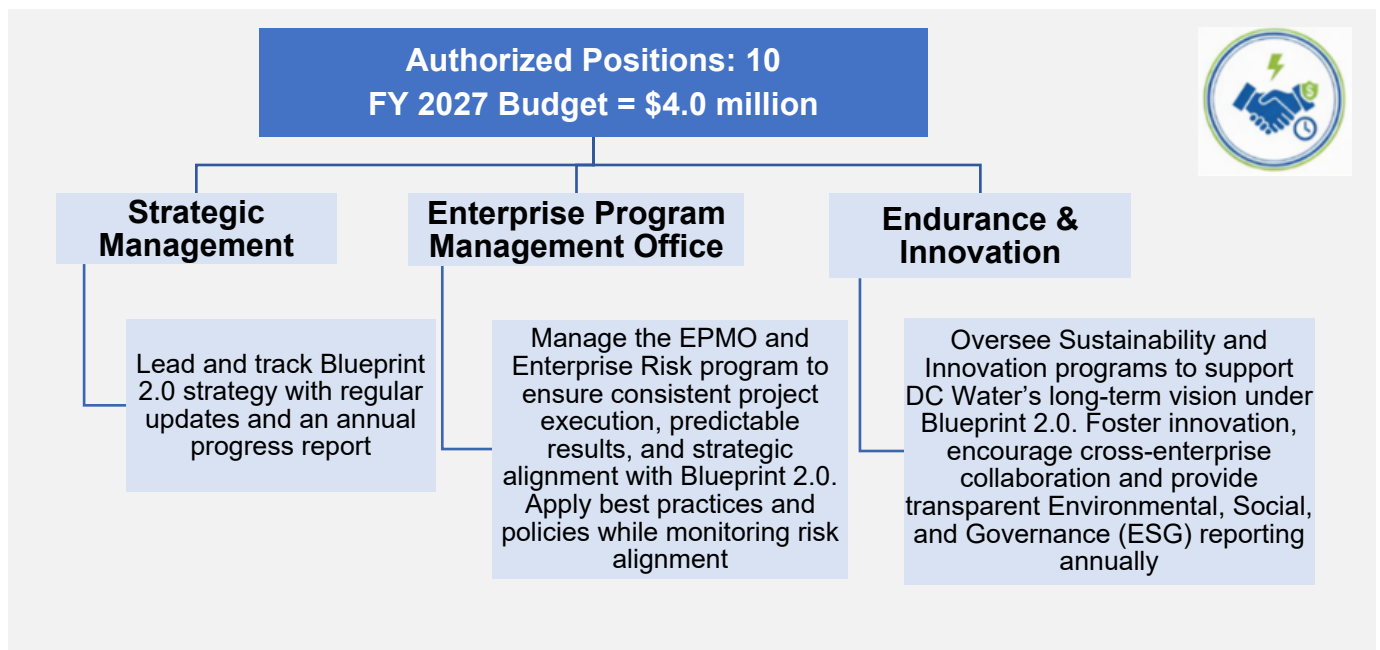
Sustainable

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 (EPMO), Sustainability, Innovation, and Enterprise Risk Management

Mission: To enable the Senior Leadership Team effectively develop, manage, monitor, and execute the Authority’s Strategy Plan, Blueprint 2.0

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Develop and implement Strategic Management (maturity scale 1-5)	2.9	2.9	3.4	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	3.22	3	3.5	Reliable

DEPARTMENT: STRATEGY AND PERFORMANCE

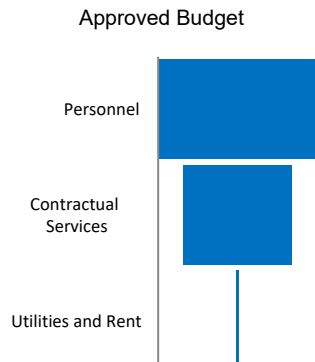
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increased due to salaries and benefits adjustments

Non-Personnel Services: Increased to provide contracted support for Water Supply Resilience Strategy initiatives

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	9	10	10	10	0	0%
Personnel Services ALL	\$ 1,624	\$ 1,923	\$ 2,222	\$ 2,397	\$ (175)	(8)%
Contractual Services	1,299	828	1,020	1,641	(622)	(61)%
Chemicals and Supplies	0	1	-	2	(2)	-
Utilities and Rent	-	3	2	3	(1)	(43)%
Small Equipment	2	1	-	-	-	-
Non Personnel Services	1,301	832	1,022	1,647	(625)	(61)%
Total O&M Expenditures	\$ 2,925	\$ 2,755	\$ 3,244	\$ 4,044	\$ (800)	(25)%
Capital Equipment	-	-	-	-	-	-



ACCOMPLISHMENTS

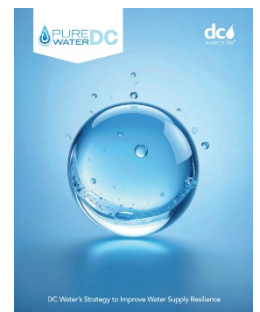
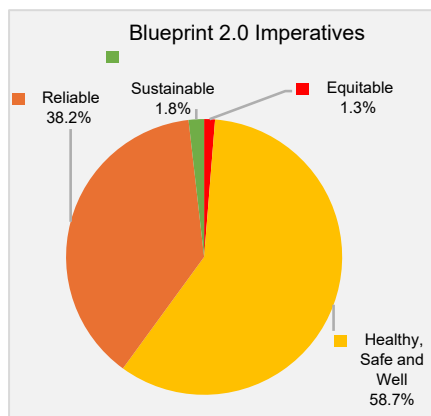
- Established a Strategic Management framework, improving to a maturity scale of 3.0/5.0
- Rebranded and published DC Water's Impact & Resilience Report for the year
- Successfully launched the Pure Water DC project, advancing the Authority's long-term water sustainability and resilience goals

GOALS

- Continue to improve the Strategic Management framework, aiming for a maturity scale of 3.1/5.0
- Enhance the impact and reach of DC Water's Impact & Resilience report in future publications

CHALLENGES

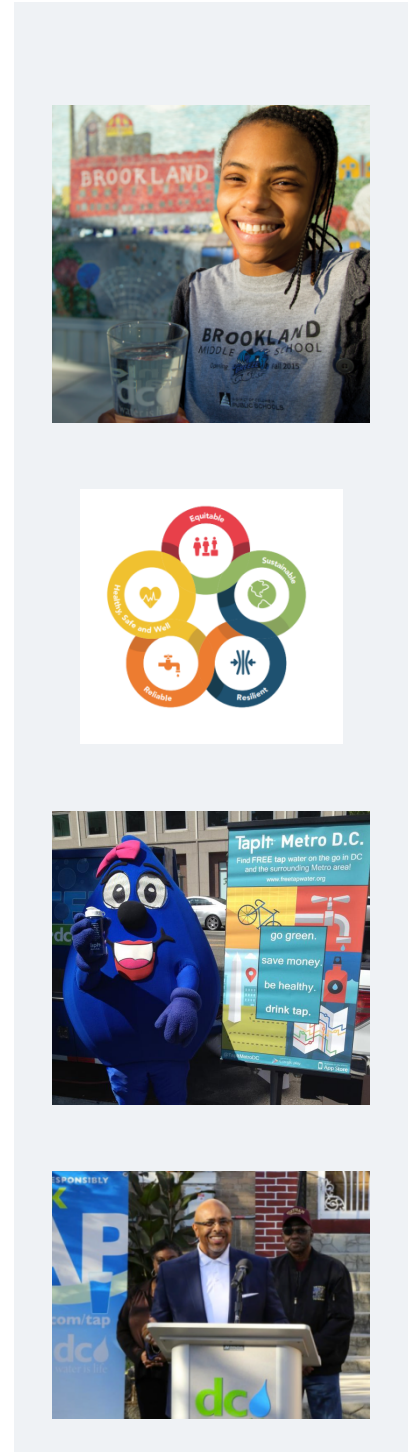
- Resourcing an increasing interest and organizational priority for enterprise-level programs (e.g. Pure Water DC, AI/data governance, non-revenue water, etc.)



DEPARTMENT: STRATEGY AND PERFORMANCE

MAJOR PLANNED ACTIVITIES AND CHANGES

- Provide board and leadership updates on Blueprint 2.0 progress (biannual board updates and triannual status updates) 🛠️
- Refine Blueprint 2.0 goals and workstreams 🛠️
- Advance the Enterprise Program Management Office to ensure program delivery 🛠️
- Advance components the enterprise executive dashboard 🛠️
- Refine indices for monitoring innovation and sustainability to include ROI (Return on Investment) 🛠️
- Advance the Generative AI Community of Practice 🛠️ 👥
- Leverage ESG (Environmental, Social, and Governance) structure and publish FY25 Impact & Resilience Report 🌍
- Advance enterprise approach to non-revenue water management (including baselining and dashboard creation), leveraging ERM (Enterprise Risk Management) processes 🛠️
- Create and deliver the Pure Water DC vision document 🛠️
- Procure contractor and break ground on the Pure Water DC Discovery Center 🛠️ 👥



IMPACT OF OPERATING PROGRAMS

- Deliver mission-critical enterprise programs efficiently and strengthen cross-enterprise collaboration on priority programs
- Strengthen enterprise compliance and internal audit functions
- Improve enterprise risk management through grassroots risk identification
- Enhance transparency through Impact and Resilience reporting and promote innovation and sustainability aligned to Blueprint 2.0 goals

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- Pure Water DC will begin the needed capital funding for the Discovery Center contract to be awarded in FY 2026

Strategic Plan - Blueprint 2.0 Imperatives Legend:

Healthy, Safe and Well
 Reliable
 Resilient
 Equitable
 Sustainable

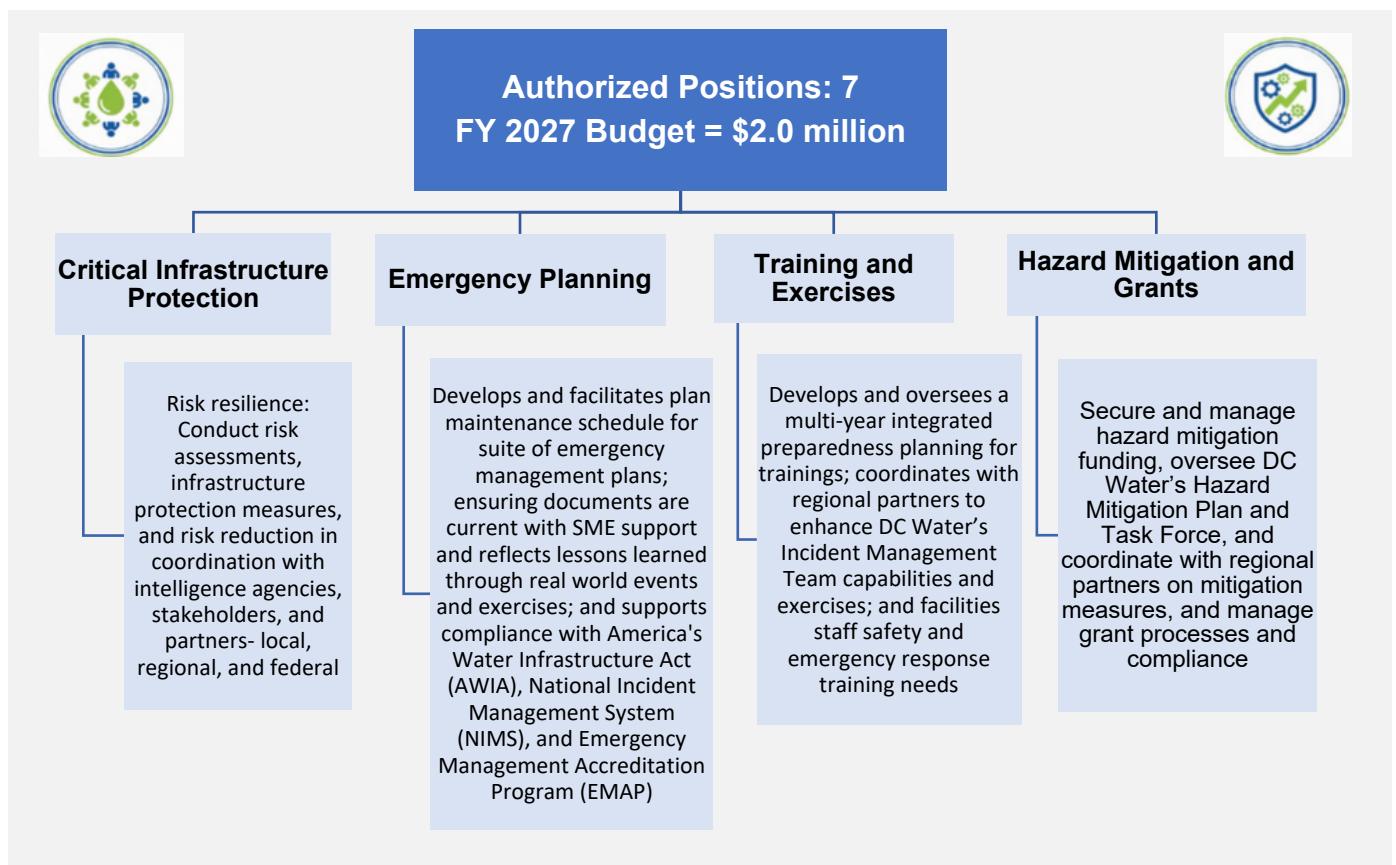
CLUSTER: SHARED SERVICES

DEPARTMENT: OFFICE OF EMERGENCY MANAGEMENT

Purpose: To provide planning and operational support to the entire Authority in preparation and response to emergencies while ensuring DC Water’s resilience, hazard mitigation, and compliance with the American Water Infrastructure Act (AWIA)/SDWIS Section 1433 and Emergency Management Accreditation Program (EMAP)

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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

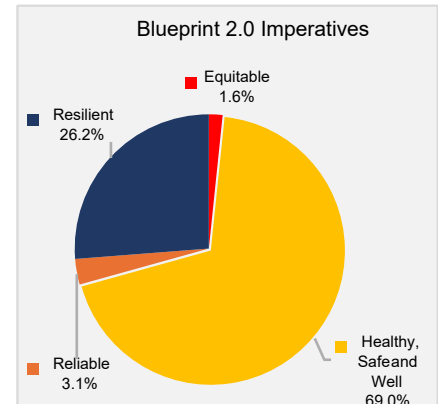
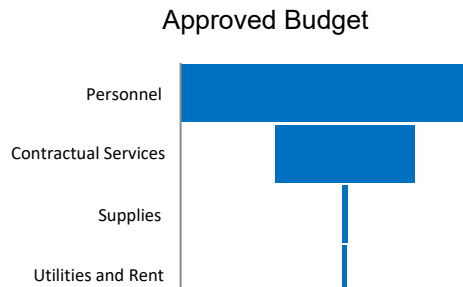
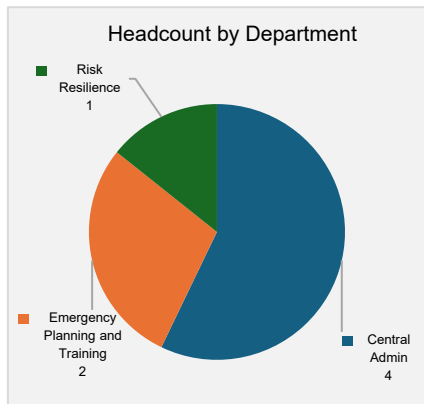
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increase reflects salaries and benefits adjustments

Non-personnel Services: Increase is primarily contractual services for emergency management planning

Capital Equipment: Increase for vehicle upgrades

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	6	6	7	7	0	0%
Personnel Services ALL	\$ 1,085	\$ 1,261	\$ 1,287	\$ 1,353	\$ (66)	(5)%
Contractual Services	438	388	479	576	(97)	(20)%
Chemicals and Supplies	17	7	21	24	(3)	(12)%
Utilities and Rent	15	11	14	19	(4)	(29)%
Small Equipment	6	9	-	5	(5)	-
Non Personnel Services	475	416	514	623	(109)	(21)%
Total O&M Expenditures	\$ 1,560	\$ 1,677	\$ 1,801	\$ 1,976	\$ (174)	(10)%
Capital Equipment	-	-	\$ 0	\$ 50	\$ (50)	-



Blueprint

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Awarded 2 grants - Blue Plains Floodwall Phase 1 and Hazard Mitigation Plan revision: managing 9 grants Coordinated 8 Incident Management Team activations Completed 11 after-actions, addressed 21 improvements Coordinated the Authority-wide backup power assessment with the US Army 249th Battalion Received reaccreditation through the Emergency Management Accreditation Program (EMAP); 73 ANSI standards 	<ul style="list-style-type: none"> To maintain a high performing and knowledgeable department that supports and maintains emergency management planning, training, exercises, hazard mitigation, critical infrastructure protection risk assessments, and coordinates incident management team activations for a robust, resilience, and compliance water and wastewater utility 	<ul style="list-style-type: none"> A significant increase in the number and duration of incidents throughout the Authority and significant events throughout the region, thus leading to additional after-action reports, training needs, and follow-up that require support and coordination Operational adjustments, initiatives, and emerging threats impact budget and capacity

DEPARTMENT OFFICE OF EMERGENCY MANAGEMENT

MAJOR PLANNED ACTIVITIES AND CHANGES PLANNED

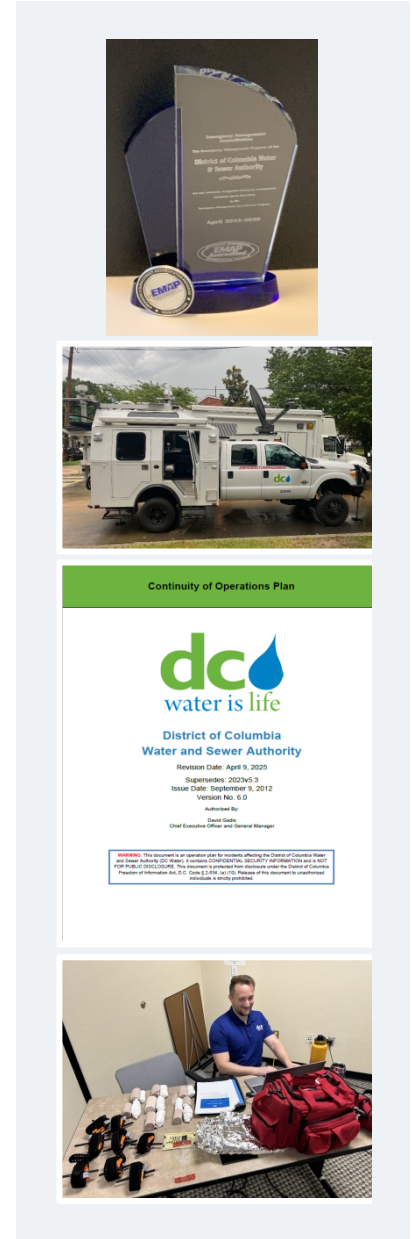
- Implement: Managing compliance and reporting of grants while continuing to apply for additional grants. Develop an Authority wide Power Resilience Plan
- Establish: Incident Command Post facilities and training location. IMT management and documentation software and virtual solution for quicker emergency notifications, tasks, documentations, and plan references
- Facilitate: Conduct full revisions of Recovery Plan and All Hazard Initial Response Plan and Playbook. Support risk mitigation measures recommended in revised Hazard Mitigation Plan, District Plan needs, and from emerging threats
- Continue: Compliance with American Water Infrastructure Act (AWIA) and Emergency Management Accreditation (EMAP) through plan updates, training and exercises, response capabilities, hazard mitigation, gap improvements, partnerships with local and regional emergency management agencies, and critical infrastructure protection measures

IMPACT OF OPERATIONAL PROGRAMS

- Continue efforts to demonstrate and illustrate to rate payers, bond ratings, insurance carrier, ESG report documents, and response partners that DC Water is resilient through continuous risk assessment efforts, hazard mitigation measures, emergency management planning and training, and has a robust team of trained incident management staff
- Manage and implement for compliance with AWIA 2018/ Safe Drinking Water Information System (SDWIS) Section 1433 Risk and Resilience Assessments and Emergency Response Plans, Federal Emergency Management Agency - National Incident Management System (NIMS), and EMAP
- Facilitate the tracking of risks and resilience measures for hazard mitigation and risk reduction through assessments, planning, task force coordination, and grant applications and management

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

- No direct impact



Strategic Plan - Blueprint 2.0 Imperatives Legend:

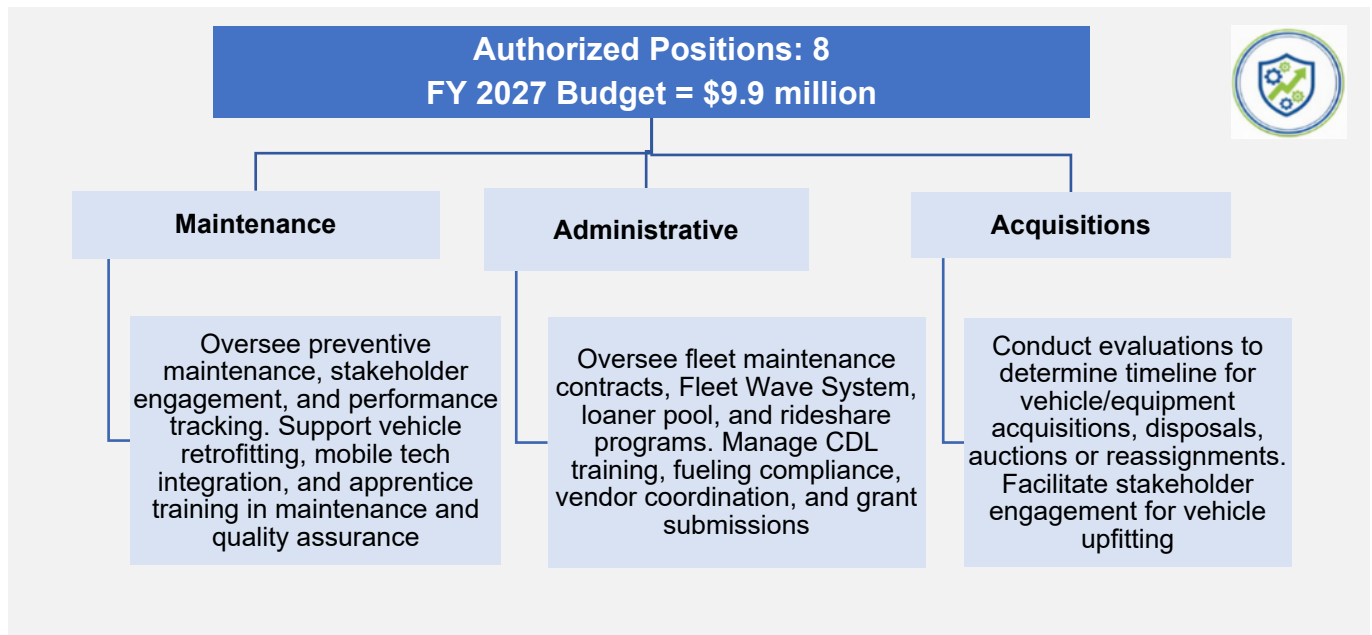
- Healthy, Safe and Well**
Reliable
Resilient
Equitable
Sustainable

CLUSTER: 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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Preventative Maintenance Completed on Schedule	85%	79%	81%	81%	Reliable
Priority #1 Vehicles available for use	84%	61%	50-90%	50-90%	Reliable

DEPARTMENT: FLEET MANAGEMENT

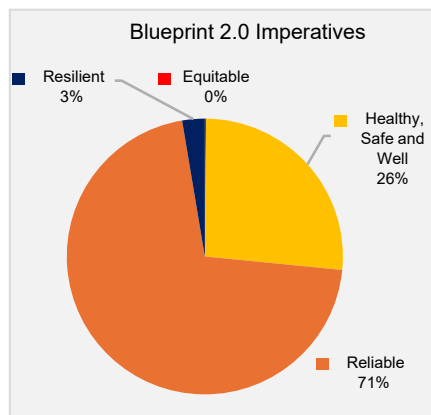
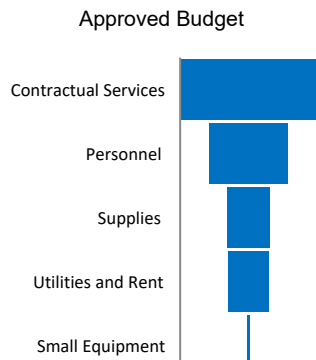
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Reflects salary adjustments and addition of one Quality Assurance Technician

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 Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	8	7	7	8	(1)	(14)%
Personnel Services ALL	\$ 1,099	\$ 1,103	\$ 1,160	\$ 2,599	\$ (1,439)	(124)%
Contractual Services	4,496	3,331	3,864	4,515	(651)	(17)%
Chemicals and Supplies	752	1,350	1,333	1,407	(74)	(6)%
Utilities and Rent	1,136	1,235	1,161	1,343	(181)	(16)%
Small Equipment	31	14	25	28	(3)	(10)%
Non Personnel Services	6,416	5,930	6,383	7,292	(909)	(14)%
Total O&M Expenditures	\$ 7,515	\$ 7,033	\$ 7,543	\$ 9,891	\$ (2,348)	(31)%
Capital Equipment	\$ 8,500	\$ 7,203	\$ 4,001	\$ 3,972	\$ 28	1%



MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Begin Transition to the Electric Vehicle (EV) infrastructure: training maintenance and operation
- Upgrade Field Services Mobile Support Programs

ACCOMPLISHMENTS

- Generated FY 25 Total Revenue of \$436,496 through vehicle auction sales and grant proceeds
- Implemented performance-based metric for the Repair and Maintenance Contract
- Downsized Fleet 10% by identifying underutilized vehicles

GOALS

- Implement vehicle replacement strategy
- Maintain a centralized loaner pool to support continuity of operations by repurposing underutilized units
- Improve KPIs through scheduled maintenance to minimize vehicle downtime and increase availability

CHALLENGES

- Adequate staffing to accomplish the operational responsibilities
- Departmental collaboration and ownership for initiatives that have authority-wide impact, i.e. compliance, risk management, tickets, moving violations, accidents
- Fueling costs & tariffs

DEPARTMENT: FLEET MANAGEMENT

IMPACT OF OPERATIONAL PROGRAMS

- Implementation of scanners for vehicles to identify drivers
- 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

- Build out EV infrastructure and procurement of EV vehicles



Strategic Plan - Blueprint 2.0 Imperatives Legend:

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

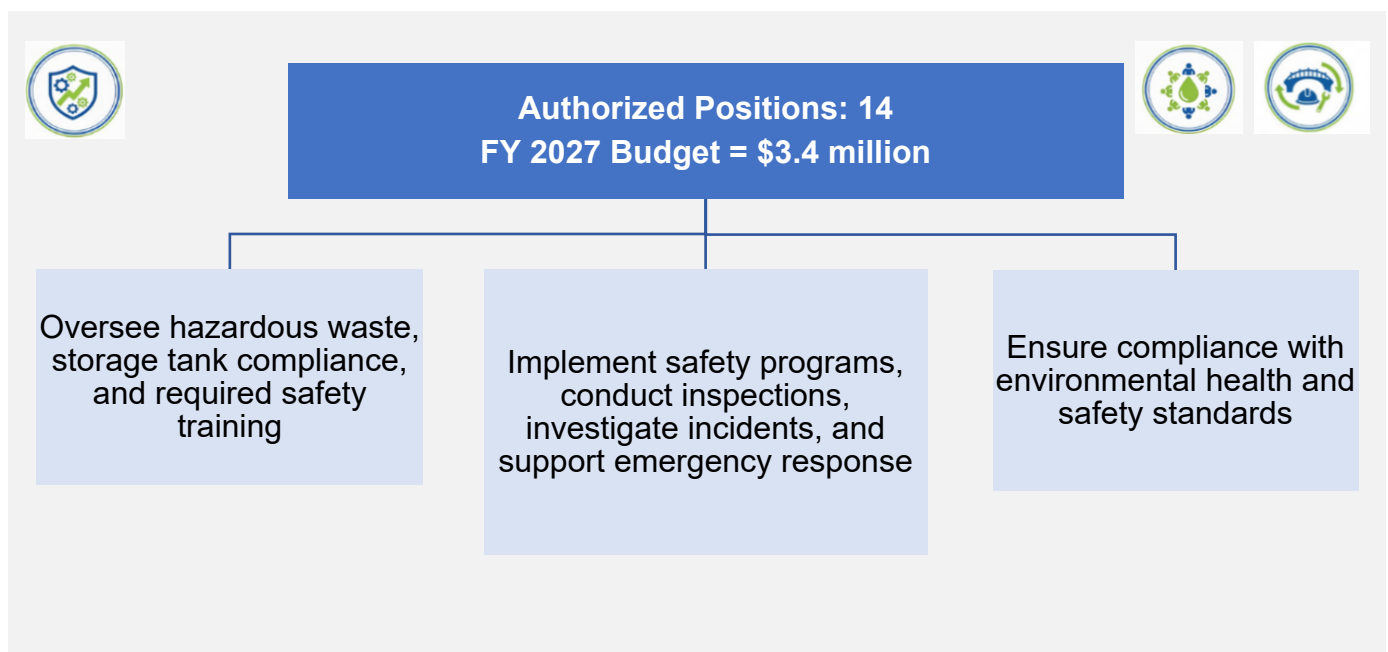
CLUSTER: SHARED SERVICES

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
DC Water Employee Recordable Incident Rate (RIR) (CY)	1.1	2.26	<5.4	<5.4	Healthy, Safe, and Well
DC Water Employee Lost Time Incident (LTI) (CY)	0.69	1.47	<2.1	<2.1	Healthy, Safe, and Well
Contractor/ROCIP Recordable Incident Rate (RIR) (CY)	0.68	1.40	<2.4	<2.4	Healthy, Safe, and Well
Contractor/ROCIP Lost Time Incident (LTI) (CY)	0.16	0.36	<1.0	<1.0	Healthy, Safe, and Well

* CY = Calendar Year

DEPARTMENT: OCCUPATIONAL SAFETY AND HEALTH

FY 2027 Operating Budget Overview

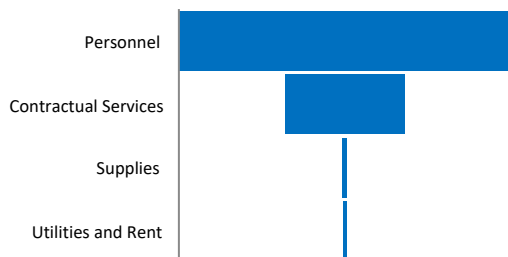
Personnel Services: Increase reflects salaries and benefits adjustments

Non-Personnel Services: Decrease is due to the reduction in temporary staffing and software and hardware maintenance

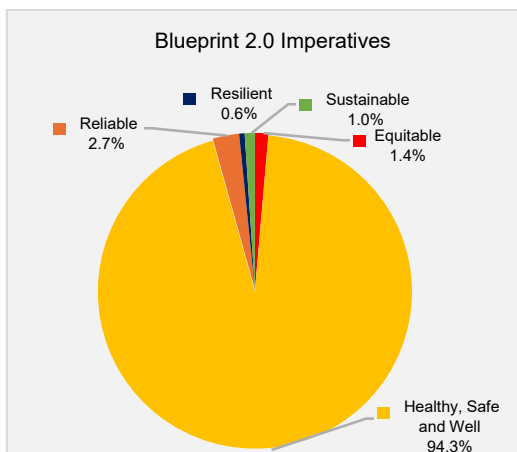
Capital Equipment: Funding for fire suppression activities

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	18	14	14	14	0	0%
Personnel Services ALL	\$ 2,086	\$ 2,378	\$ 2,246	\$ 2,482	\$ (236)	(11)%
Contractual Services	490	1,075	1,087	890	197	18%
Chemicals and Supplies	26	39	15	31	(16)	(103)%
Utilities and Rent	40	27	22	29	(7)	(30)%
Small Equipment	6	8	-	3	(3)	-
Non Personnel Services	562	1,149	1,124	953	171	15%
Total O&M Expenditures	\$ 2,647	\$ 3,528	\$ 3,370	\$ 3,435	\$ (65)	(2)%
Capital Equipment	-	\$ 249	\$ 150	\$ 350	\$ (200)	(133)%

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
- Adopt the Rolling Owner Controlled Insurance Program (ROCIP) staffing for contractor oversight
- Upgrade fire, life & safety systems, including AED use sensors and industrial hygiene monitoring
- Enhance environmental, industrial hygiene and training
- Recruit and onboard key staff positions
- Align DC Water's Occupational Health and Safety to Federal regulations
- Move forward with a DC Water training facility
- Strengthen effective safety communications with the Authority

ACCOMPLISHMENTS

- Updated 16 Safety policies in alignment with OSHA
- Improved data tracking and KPI management
- Enhanced several areas and equipment for fire, life and safety
- Enhanced the personal gas monitoring program
- Improved engagement in safety initiatives

GOALS

- Continue Recruitment and Onboarding of Key Staff Positions
- Increase the efficiency of the safety training program
- Increase Employee and Department Engagement through the "Change 1 Thing" recognition program

CHALLENGES

- Delays in system upgrades and safety policy approvals
- Upgrading ppe to more efficient/effective
- Challenges in staff adoption for the ROCIP
- Compliance risks if equipment upgrades are not effectively executed
- Potential gaps in safety communication and employee awareness

Strategic Plan - Blueprint 2.0 Imperatives Legend:

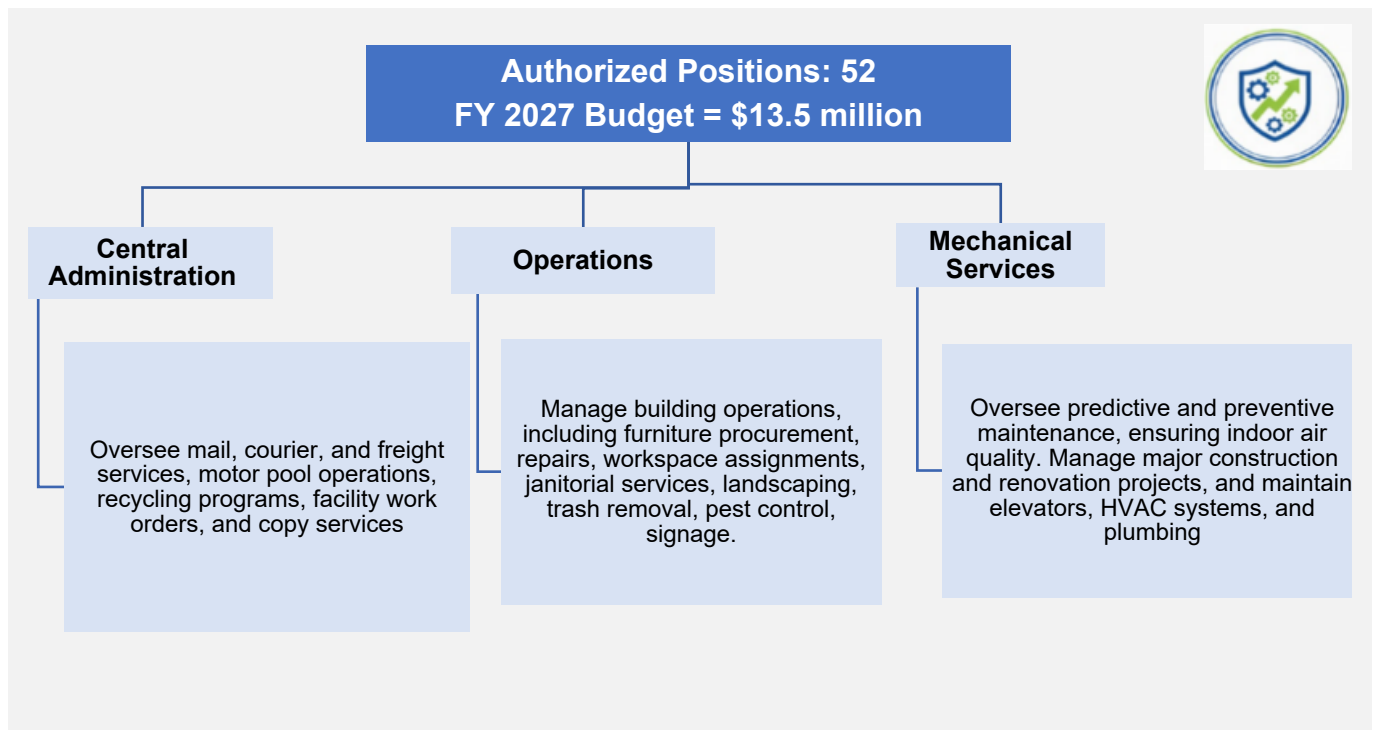


CLUSTER: SHARED SERVICES
DEPARTMENT: FACILITIES MANAGEMENT

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
% of Facilities Service requests completed within 30 days	77%	92%	90%	90%	Reliable
Preventative Maintenance Completed on Schedule	76%	94%	90%	90%	Reliable

DEPARTMENT: FACILITIES MANAGEMENT

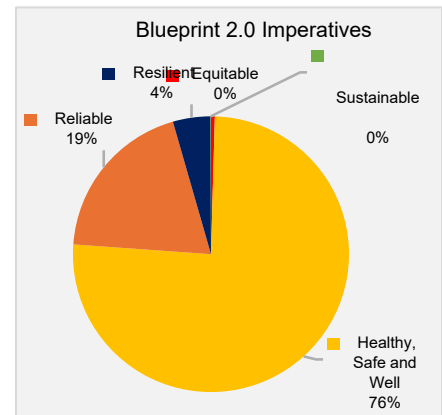
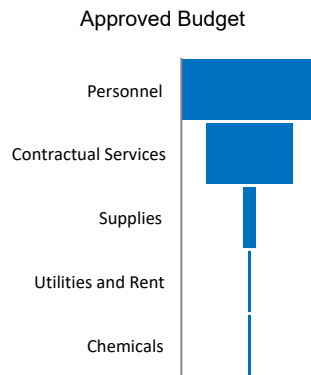
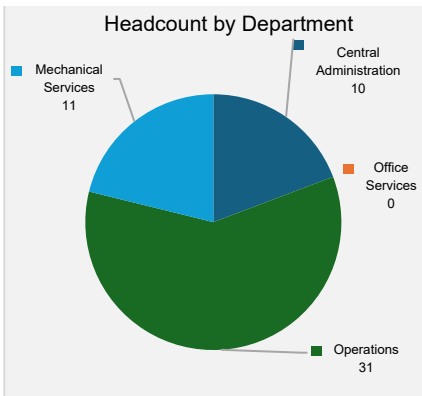
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increased due to salary adjustments

Non-personnel Services: Decrease in contractual services due to reallocation of Hardware and Software Maintenance costs to the Capital Equipment budget and Small Equipment

Capital Equipment: Increase for Elevators and HVAC system replacements

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	52	52	52	52	0	0%
Personnel Services ALL	\$ 6,655	\$ 6,579	\$ 7,508	\$ 7,698	\$ (190)	(3)%
Contractual Services	3,794	4,073	5,337	4,914	423	8%
Chemicals and Supplies	723	581	763	733	30	4%
Utilities and Rent	86	86	96	133	(37)	(38)%
Small Equipment	27	93	103	6	97	94%
Non Personnel Services	4,630	4,833	6,299	5,786	513	8%
Total O&M Expenditures	\$ 11,285	\$ 11,412	\$ 13,807	\$ 13,484	\$ 323	2%
Capital Equipment	\$ 1,287	\$ 1,743	\$ 3,485	\$ 3,268	\$ 217	6%



ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Achieved Well Health Safety Rating for Bryant Street Pump Station, Central Maintenance Facility, Ft Reno Lab, HQO Supported Department moves and upgrades, completed roof repairs, moved 3 program management teams and engineering services, completed office renovations 	<ul style="list-style-type: none"> Implement eco-friendly practices, while operational efficiency is pursued through streamlined processes and the adoption of modern technologies Prioritizing infrastructure resilience 	<ul style="list-style-type: none"> Optimizing resource allocation, integrating new technologies Addressing the impacts of climate change

DEPARTMENT: FACILITIES MANAGEMENT

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Continue to develop and refine Space Planning capabilities in support of efficient, well, healthy and safe workspaces 🏠👥
- 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 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



Strategic Plan - Blueprint 2.0 Imperatives Legend:

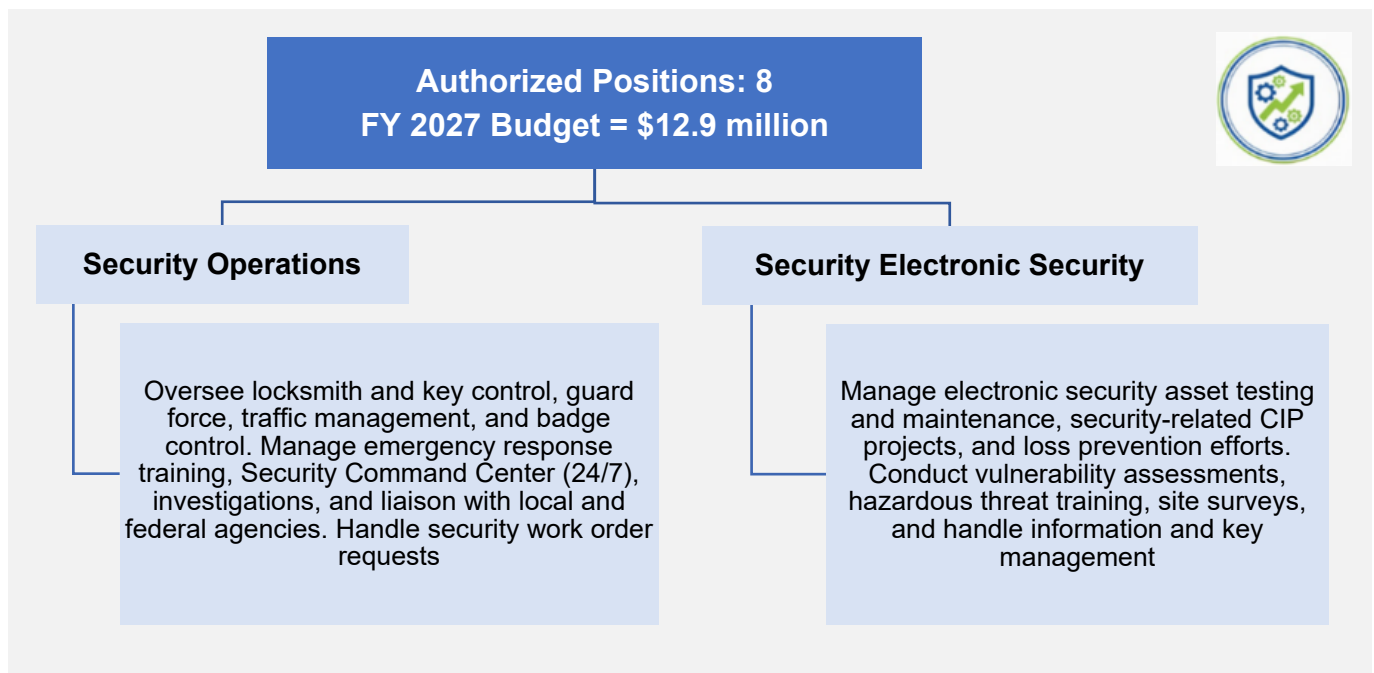
🏠 Healthy, Safe and Well
🛠️ Reliable
🏠 Resilient
👥 Equitable
🌍 Sustainable

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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%	96%	Resilient
Smart card readers operational uptime (cannot go below 90%)	97%	97%	90%	97%	Resilient

DEPARTMENT: SECURITY

FY 2027 OPERATING BUDGET OVERVIEW

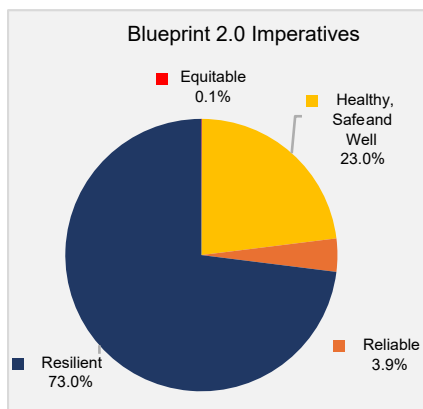
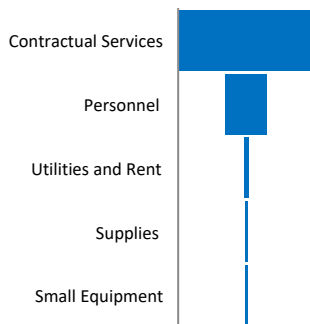
Personnel Services: Increase reflects salary adjustments, including the reduction of one FTE

Non-personnel: Increased primarily in Professional Services for guards' contract

Capital Equipment: Purchase of electronic security equipment

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	7	9	9	8	1	11%
Personnel Services ALL	\$ 1,183	\$ 1,396	\$ 1,548	\$ 2,938	\$ (1,390)	(90)%
Contractual Services	8,591	8,810	8,877	9,636	(760)	(9)%
Chemicals and Supplies	35	39	44	41	3	7%
Utilities and Rent	342	339	387	316	72	19%
Small Equipment	6	1	10	5	5	50%
Non Personnel Services	8,974	9,190	9,318	9,998	(680)	(7)%
Total O&M Expenditures	\$ 10,157	\$ 10,585	\$ 10,866	\$ 12,936	\$ (2,070)	(19)%
Capital Equipment	\$ 602	\$ 400	\$ 600	\$ 500	\$ 100	17%

Approved Budget



ACCOMPLISHMENTS

- Conducted 8 Training Courses for full time DC Water employees
- Conducted 20 Internal Penetration Tests of DC Water facilities
- 3 Field Training Exercises

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

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 🏠💚
- Analyze areas throughout the Authority for potential additional security or electronic improvements 🏠💚

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



Strategic Plan - Blueprint 2.0 Imperatives Legend:

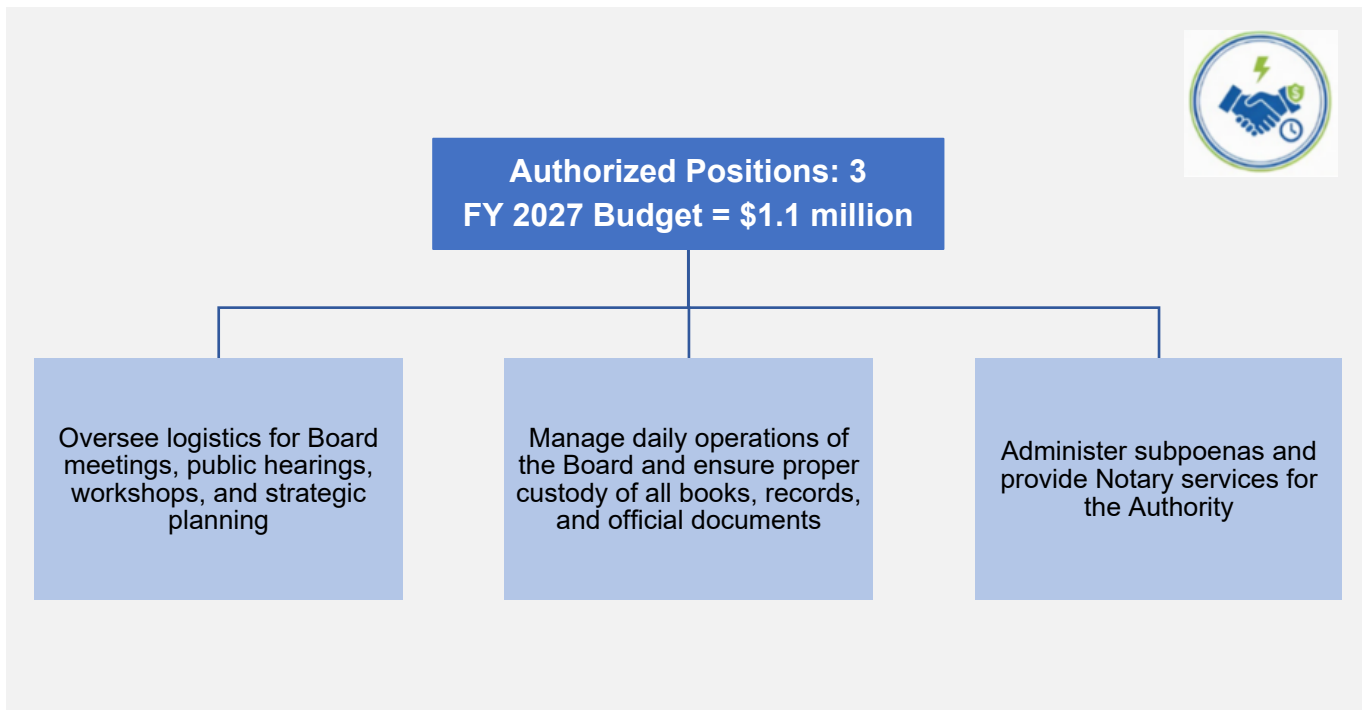
Healthy, Safe and Well
Reliable
Resilient
Equitable
Sustainable

CLUSTER: INDEPENDENT OFFICES
DEPARTMENT: SECRETARY TO THE BOARD

Purpose: Serves as the Authority’s executive level business entity that manages the day-to-day activities of the Board of Directors

Mission: To support DC Water’s Blueprint/Strategic Plan by effectively managing assigned resources to accomplish the duties of the Office of the Secretary (Board)

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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 2027 Operating Budget Overview

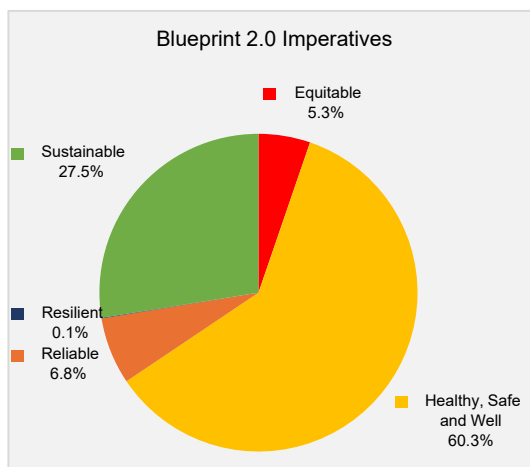
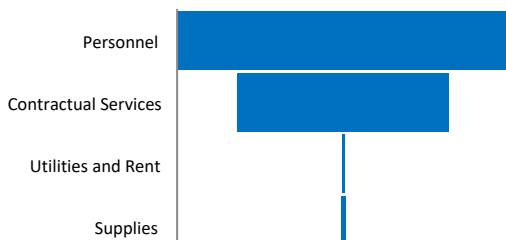
Personnel Services: Remains relatively flat

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

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	3	3	3	3	0	0%
Personnel Services ALL	\$ 479	\$ 613	\$ 644	\$ 636	\$ 8	1%
Contractual Services	319	221	377	405	(29)	(8)%
Chemicals and Supplies	2	9	3	9	(7)	(260)%
Utilities and Rent	9	3	9	5	5	50%
Non Personnel Services	329	233	388	419	(31)	(8)%
Total O&M Expenditures	\$ 808	\$ 845	\$ 1,033	\$ 1,055	\$ (23)	(2)%
Capital Equipment	-	-	-	-	-	-

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
- Work with IT to improve recording of Board meetings
- Continue enhancing processes and duties as needed

ACCOMPLISHMENTS

- Onboarded six new board members
- Facilitated governance training for board members and Senior Executive Team (SET)
- Collaborated with IT to upgrade Boardroom equipment

GOALS

- Facilitate new board members' orientation and onboarding
- Implement Diligent Communities platform
- Work with the Mayor's Office of Talent and Acquisition to fill the remaining three DC alternate vacant positions

CHALLENGES

- Implementing Diligent Community platform

Strategic Plan - Blueprint 2.0 Imperatives Legend:



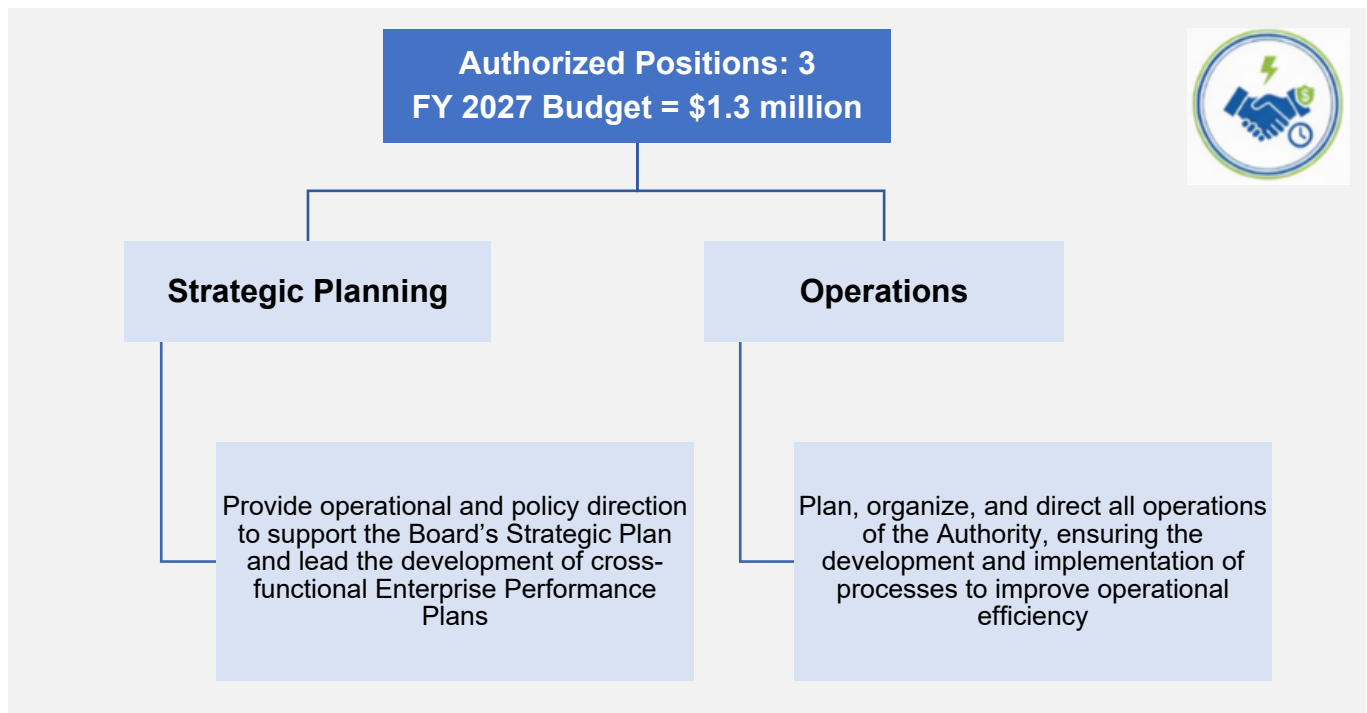
CLUSTER: INDEPENDENT OFFICES

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Implement all policies and directives of the Board of Directors	100%	100%	100%	100%	Reliable

DEPARTMENT: OFFICE OF THE CHIEF EXECUTIVE OFFICER (CEO)

FY 2027 Operating Budget Overview

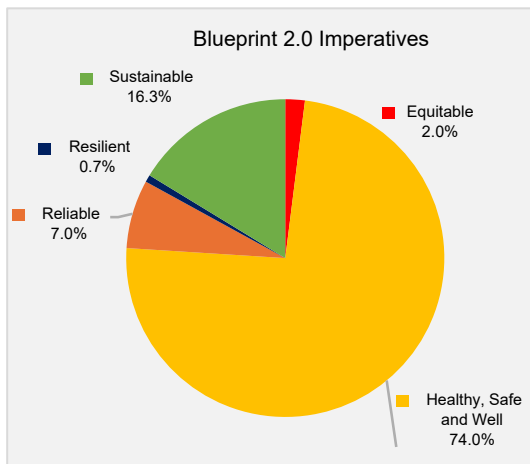
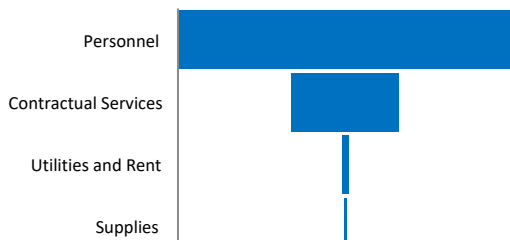
Personnel Services: Reflects salary adjustments based on reduced headcounts of vacant positions

Non-Personnel Services: Decrease due to budget realignment of authority memberships and employees related programs to other departments

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	4	3	4	3	1	25%
Personnel Services ALL	\$ 1,380	\$ 1,555	\$ 1,362	\$ 971	\$ 391	29%
Contractual Services	1,449	1,085	1,292	313	979	76%
Chemicals and Supplies	3	30	7	8	(1)	(14)%
Utilities and Rent	34	19	35	19	16	45%
Non Personnel Services	1,487	1,135	1,334	341	993	74%
Total O&M Expenditures	\$ 2,866	\$ 2,690	\$ 2,696	\$ 1,311	\$ 1,385	51%
Capital Equipment	-	-	-	-	-	-

Approved Budget



MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Strengthen administrative systems to support efficient operations and data-driven decision-making 🔄
- Enhance leadership development through initiatives such as Leading Blue, while strengthening labor-management partnerships and executive support structures 🟢
- Foster leadership dialogue by establishing a forum focused on the African American CEO leadership experience 🟢
- Strengthen collaboration with the Board, stakeholders, and global utility leaders 👥
- Advance watershed engagement initiatives, including the Anacostia freshwater mussel project 🦠
- Expand DC Water through strategic partnerships and regional initiatives such as the Women of Water event 👥

ACCOMPLISHMENTS

- Maintained financial stability during a \$51M shortfall while preserving jobs and strong credit ratings
- Achieved full compliance with regulatory and CIP requirements.
- Strengthened DC Water's national leadership and public engagement
- Advanced workforce development through leadership programs and internships

GOALS

- Commence construction of the Rock Creek Green Infrastructure Project to enhance the District's water management systems and environmental resilience

CHALLENGES

- Sustaining high water quality and regulatory compliance amid evolving federal requirements
- Need to secure a viable alternative water source for the District

Strategic Plan - Blueprint 2.0 Imperatives Legend:

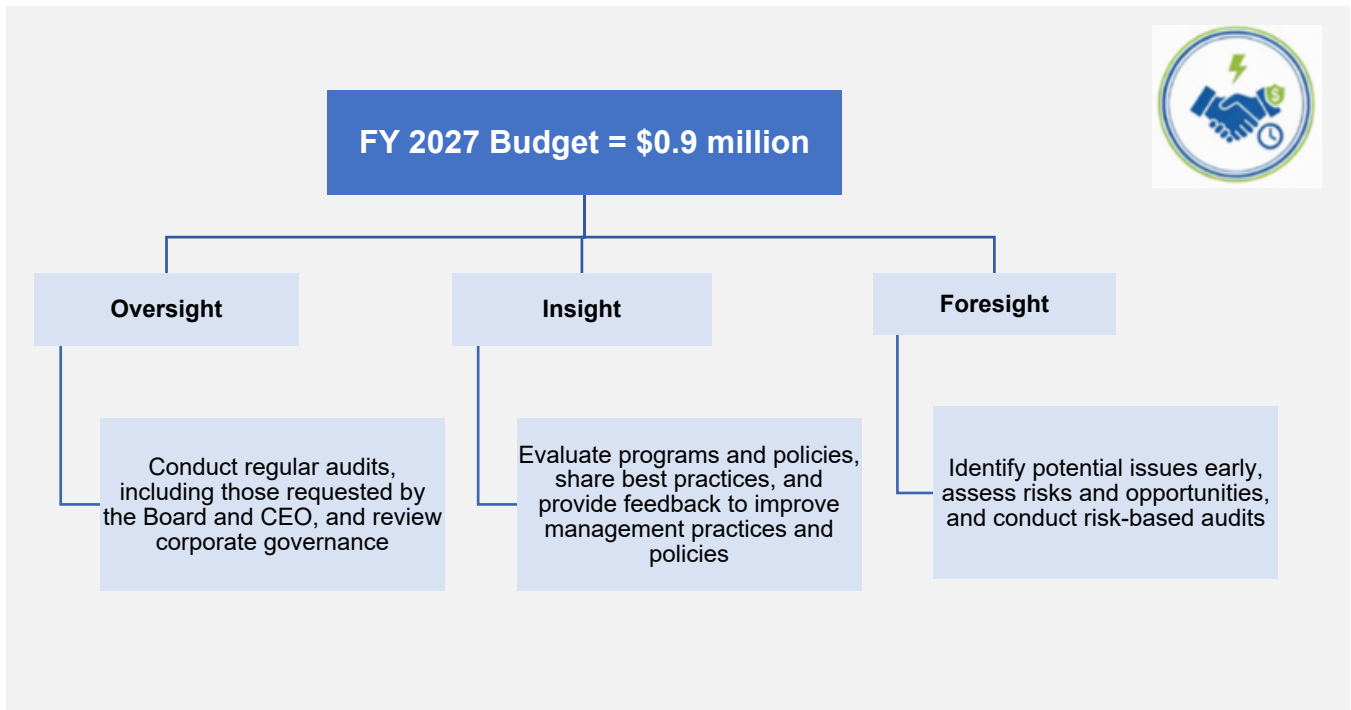


CLUSTER: INDEPENDENT OFFICES
DEPARTMENT: INTERNAL AUDIT

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Internal Audit Work Planned	10	9	11	10	Reliable

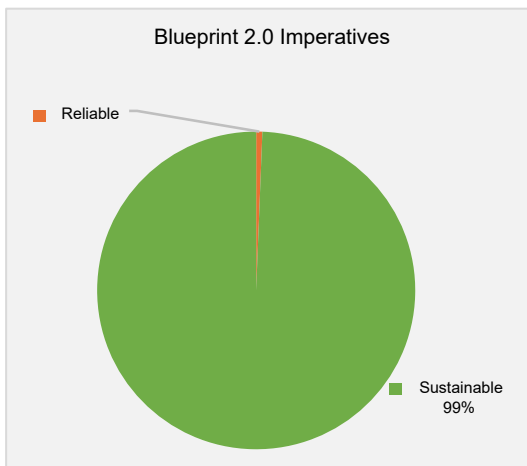
DEPARTMENT: INTERNAL AUDIT

FY 2027 Operating Budget Overview

Non-Personnel Services: Relatively flat

Capital Equipment: No activity

\$000's Description	FY 2024	FY 2025	FY 2026	FY 2027	(Increase)/Decrease	
	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	0	-	0	-	0	-
Personnel Services ALL	-	-	-	-	-	-
Contractual Services	815	772	818	864	(47)	(6)%
Non Personnel Services	815	772	818	864	(47)	(6)%
Total O&M Expenditures	\$ 815	\$ 772	\$ 818	\$ 864	\$ (47)	(6)%
Capital Equipment	-	-	-	-	-	-



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 2025

GOALS

- Successful completion of audit work planned for FY 2026



Strategic Plan - Blueprint 2.0 Imperatives Legend:

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

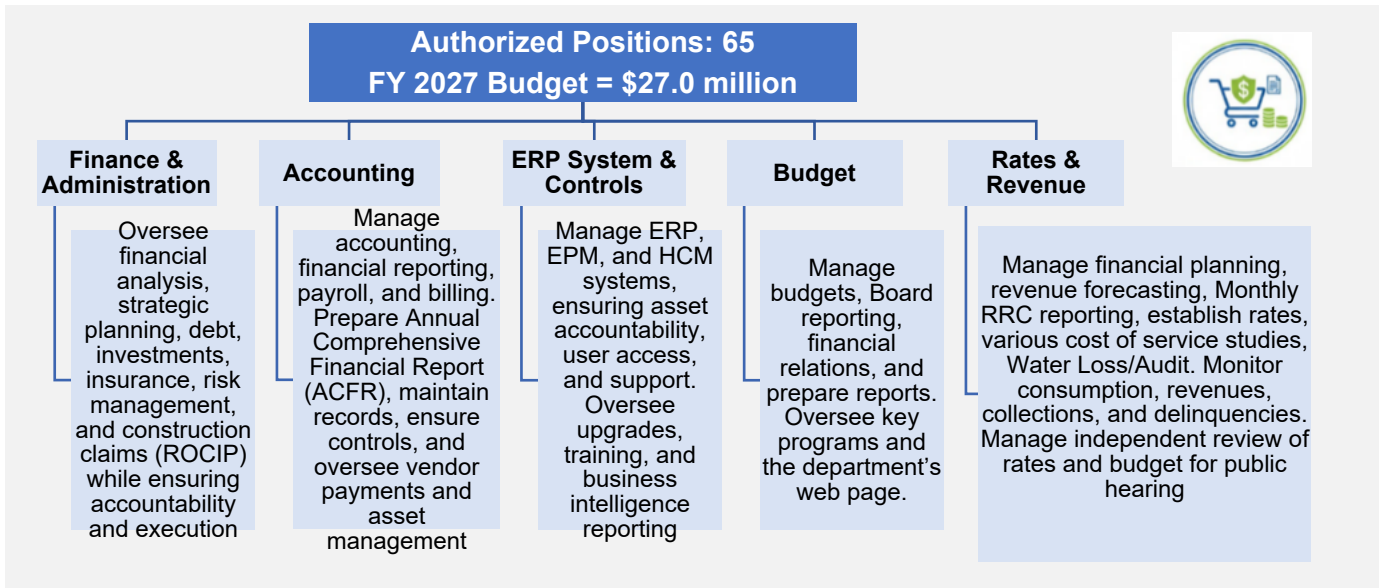
CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

DEPARTMENT: FINANCE

Purpose: Responsible for the financial integrity of the Authority’s assets and liabilities, funds acquisition, budget execution, and management and planning of expenditures for all programs and initiatives

Mission: Stewardship of DC Water’s financial activities to ensure financial integrity and ensure performance that meets the expectations of the Board of Directors, Stakeholders, and the broader financial community

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Ensure revenue projections and O&M expenditures are within budget	103%/97%	103%/93%	95%/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	395/400	436/404	376/380	351/368	Sustainable
Manage financial operations to ensure 160% combined debt service coverage	241%	240%	204%	180%	Sustainable
Meet or exceed 250 days operating & maintenance expenses per fiscal year	298 days	283 days	269 days	283 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

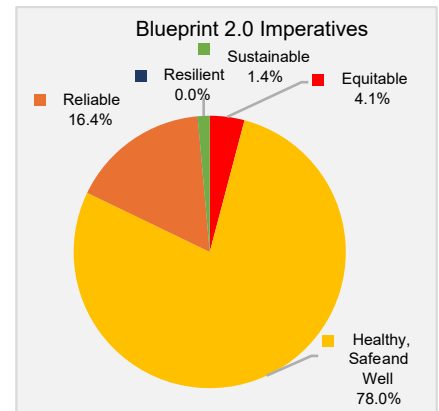
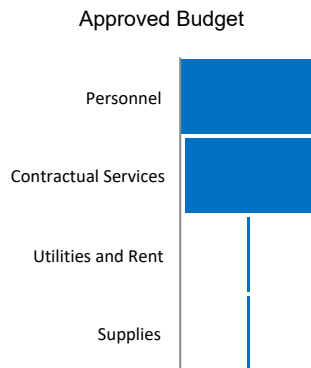
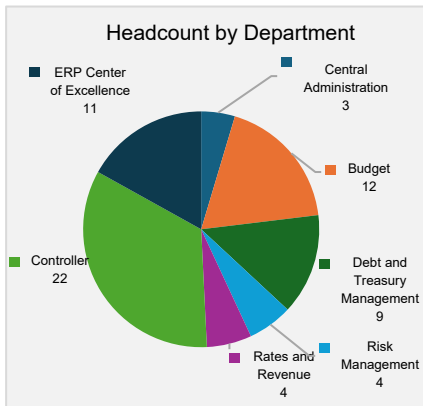
FY 2027 OPERATING BUDGET OVERVIEW

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

Non-Personnel Services: Decreased mainly in contractual costs for strategic, external audit, and software maintenance costs

Capital Equipment: Increased for Enterprise Resource Planning (ERP) Cloud Application

Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	64	65	65	65	0	0%
Personnel Services ALL	\$ 11,164	\$ 12,183	\$ 13,781	\$ 13,993	\$ (212)	(2)%
Contractual Services	13,014	10,701	13,929	12,917	1,012	7%
Chemicals and Supplies	6	6	10	7	3	30%
Utilities and Rent	62	54	43	64	(21)	(49)%
Non Personnel Services	13,082	10,761	13,982	12,988	994	7%
Total O&M Expenditures	\$ 24,246	\$ 22,944	\$ 27,762	\$ 26,981	\$ 782	3%
Capital Equipment	\$ 7	\$ 169	\$ 6,065	\$ 7,922	\$ (1,856)	(31)%



improvements

ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Earned GFOA 'Triple Crown' Award from Government Finance Officers Association for the second consecutive year (Certificate of Achievement for Excellence in Financial Reporting; Popular Annual Financial Report Award; Distinguished Budget Presentation Award) Received the 27th consecutive unqualified audit opinion on financial statements Received the 2nd consecutive "Special Recognition" award for its long-range financial plan 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
- Oversee debt compliance and Green Bond performance

Rates and Revenue

- Complete Cost of Service Studies for Water, Sewer, Clean Rivers Impervious Area Charge (CRIAC), Groundwater, High Flow Filter Backwash rates; System Availability Fee (SAF)
- Establish multi-year rates for FY 2027-2028
- Work with independent consultants for review of rates and budget for the public hearing

ERP Systems

- Support and enhance Enterprise Resource Planning (ERP), Enterprise Performance Management (EPM), Human Capital Management (HCM) systems and Talent Acquisition Applications
- Automate and Improve processes, reporting and implement dashboards reporting- Fusion Data Intelligence

Accounting

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

Budget

- Lead the development of the FY 2028 budget and ensure effective execution of FY 2027 operating and Capital Improvement Program budgets
- Streamline budget planning processes and implement improvements to budgeting systems for greater efficiency and accuracy

IMPACT OF OPERATIONAL PROGRAMS

- Strengthened financial management practices and greater organizational transparency
- More stable and predictable customer rates
- Improved system functionality, integration, and operational efficiency
- Strong audit performance and financial compliance
- Budgets closely aligned with organizational priorities and long-term goals

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

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



Strategic Plan - Blueprint 2.0 Imperatives Legend:



Healthy, Safe and Well



Reliable



Resilient



Equitable



Sustainable

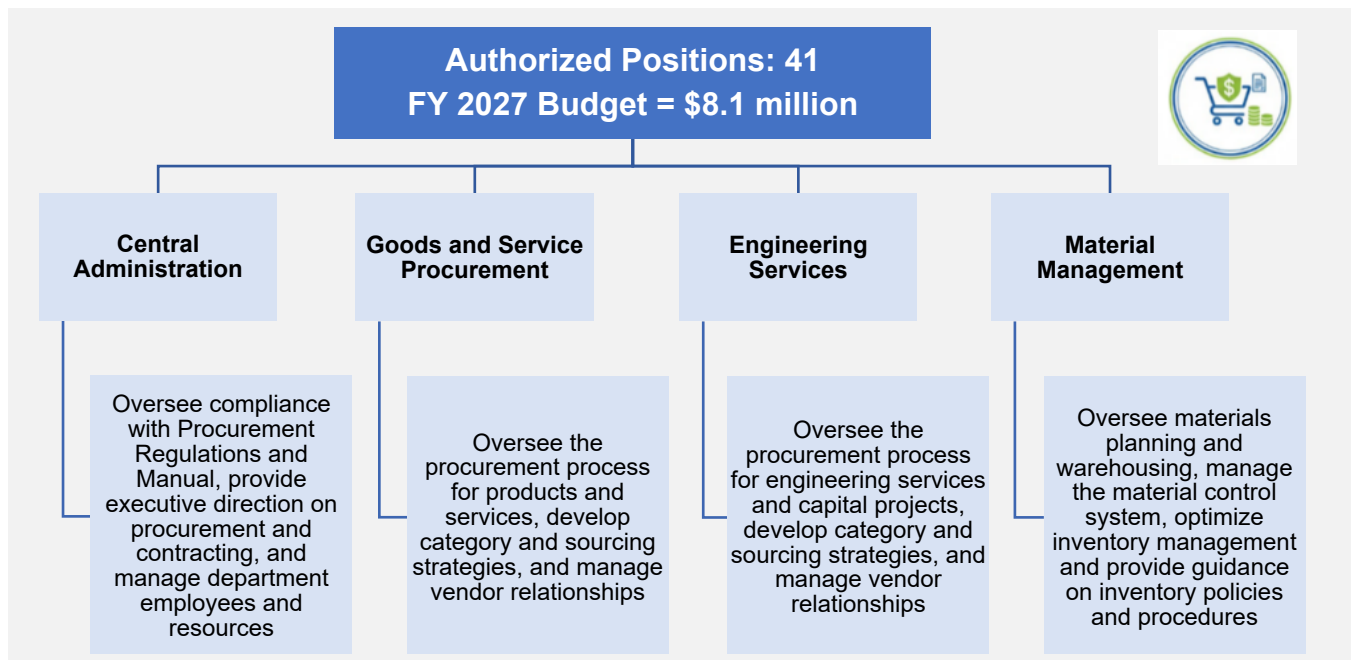
CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE

DEPARTMENT: PROCUREMENT

Purpose: The department is responsible for the acquisition of goods and services in support of the Authority’s business activities in accordance with approved procurement policies and guidelines

Mission: To procure the best value products and services, with the highest degree of procurement integrity, utilizing efficient and cost-effective procurement methods

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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

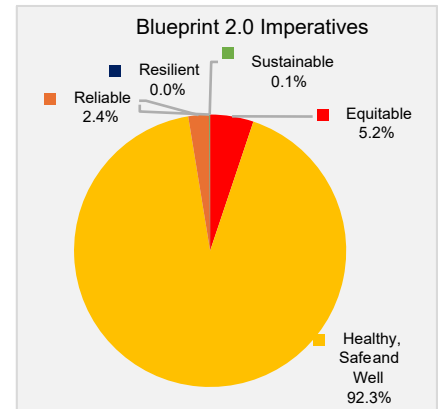
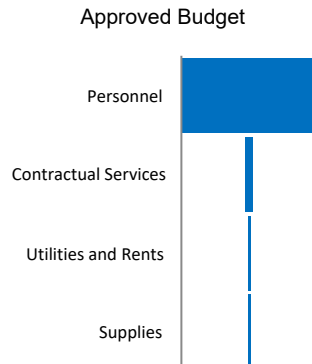
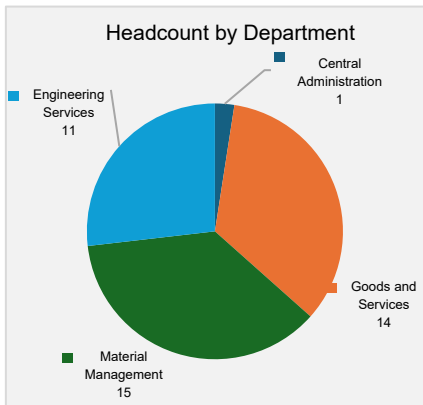
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Increased for salaries, benefits, overtime adjustments and two positions transferred from the Compliance department

Non-personnel Services: Decrease due to reduced contractor reliance in contractual services

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease Variance	%
Headcount: Authorized	35	39	39	41	(2)	(5)%
Personnel Services ALL	\$ 5,703	\$ 5,682	\$ 7,092	\$ 7,634	\$ (543)	(8)%
Contractual Services	721	916	494	394	99	20%
Chemicals and Supplies	19	16	11	13	(3)	(28)%
Utilities and Rent	46	39	49	44	5	9%
Non Personnel Services	786	972	553	452	101	18%
Total O&M Expenditures	\$ 6,490	\$ 6,654	\$ 7,644	\$ 8,086	\$ (442)	(6)%
Capital Equipment	-	-	-	-	-	-



ACCOMPLISHMENTS	GOALS	CHALLENGES
<ul style="list-style-type: none"> Develop and implement new Construction Manager at Risk (CMAR) and Progressive Design Build (PDB) Agreements and were able to successfully negotiate and award 2 CMAR and 1 PDB Agreement during the fiscal year. DC Water centralized its procurement into four Centers of Excellence, integrating all capital procurements into a unified organization to leverage industry best practices in category management. Managed a procurement portfolio for large goods and services exceeding \$485 million. 	<ul style="list-style-type: none"> Eliminate un-needed inventory and inventory duplications to result in a 25% inventory reduction Timely completion (within 30 days of forecasted date) of all required and/or planned contract actions including existing contract modifications/ amendments and new solicitations 	<ul style="list-style-type: none"> Maintaining a strong contractor base to ensure sufficient capacity to meet needs. Reliance on siloed systems (like spreadsheets and paper-based approvals) slows down the process and limits real-time visibility into project data

DEPARTMENT: PROCUREMENT

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Advance the Procurement Transformation effort to modernize end-to-end purchasing workflows, enhance supplier relationship management, and drive long-term cost efficiencies 🛠️
- Identify and create a new storage solution to replace the warehouse/yard 🛠️
- Full Implementation of configuration changes and feature functionality improvements to Oracle Procurement modules, focused on improving efficiency and work processes 🛠️
- Optimize organizational performance by closing the staffing gap, ensuring all critical roles are filled to support the successful delivery of FY 2027 mandates 🛠️

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



Strategic Plan - Blueprint 2.0 Imperatives Legend:

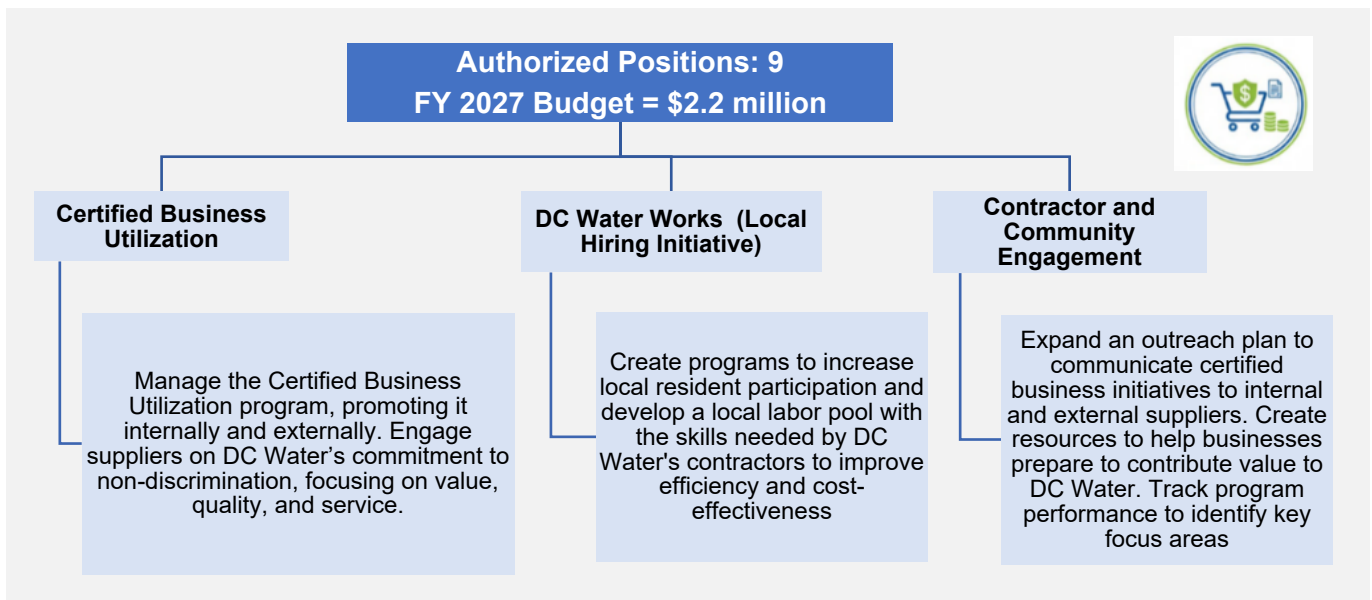
- Healthy, Safe and Well**
Reliable
Resilient
Equitable
Sustainable

CLUSTER: FINANCE, PROCUREMENT AND COMPLIANCE
DEPARTMENT: COMPLIANCE AND BUSINESS DEVELOPMENT

Purpose: Consistent with DC Water’s “Blueprint 2.0”, the Business Development Plan, the DC Water Works Plan, and applicable federal regulations, DC Water, through its Contract and Employment Compliance Department (the Department) remains committed to ensuring local residents and certified businesses have meaningful participation (jobs and contracts) on its goods, services, and construction projects

Mission: Actively pursue diverse businesses for contracting opportunities, monitor DC Water’s and project contractors’ “Good Faith Efforts”, ensure contractor’s prevailing wage and anti-discrimination compliance, and implement various educational and community engagement and workforce development activities with a continuing focus on procuring the best value products and services, with the highest degree of procurement integrity, utilizing efficient and cost-effective procurement

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Increase Proportion of certified firm participation	38.6	38.6	38	38	Equitable
Increase proportion of new jobs filled by local residents on DC Water projects	85.7	85.7	75	76	Sustainable
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%	88%	88%	Sustainable

DEPARTMENT: COMPLIANCE AND BUSINESS DEVELOPMENT

FY 2027 Operating Budget Overview

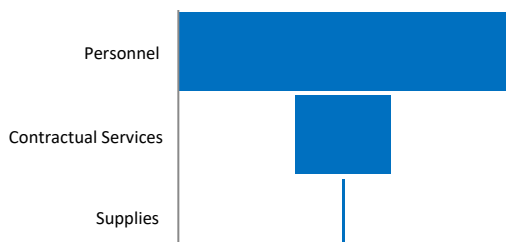
Personnel Services: Decreased slightly due to two position transfers to the Procurement department

Non-Personnel Services: Relatively flat

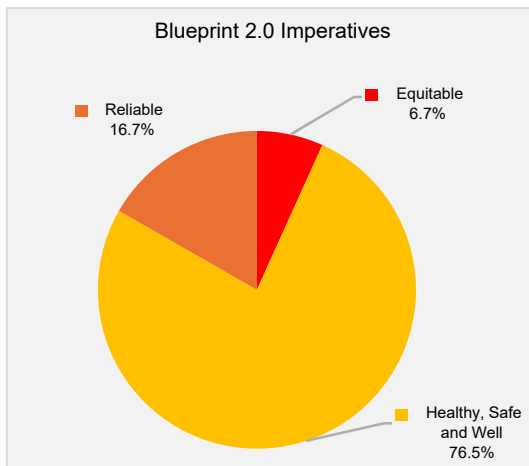
Capital Equipment: No activities

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	8	11	11	9	2	18%
Personnel Services ALL	\$ 1,211	\$ 1,020	\$ 1,965	\$ 1,674	\$ 292	15%
Contractual Services	472	280	502	486	16	3%
Chemicals and Supplies	4	4	10	9	1	10%
Non Personnel Services	476	283	512	495	17	3%
Total O&M Expenditures	\$ 1,687	\$ 1,304	\$ 2,477	\$ 2,169	\$ 308	12%
Capital Equipment	-	-	-	-	-	-

Approved Budget



Blueprint 2.0 Imperatives



MAJOR PLANNED ACTIVITIES AND CHANGES

- Partner with the Procurement Department throughout FY 2027 to refine the Contracting Officer's Technical Representative (COTR) training curriculum and implementation plan
- Expand the High School Workforce Development Program by identifying and onboarding two new school partners to increase student access to work-based learning opportunities
- Refine the Mentor-Protégé standards to better encourage large prime contractors to provide technical, management, and financial assistance to certified firms, with a specific goal of establishing five new mentor-protégé relationships on DC Water projects

ACCOMPLISHMENTS

- In FY 2025, DC Water awarded \$485.59M in contracts, including \$235.85M to local firms and \$101.41M to local certified firms
- DC Water contractors hired 102 workers in FY 2025, with 87% (89 hires) being local residents
- DC Water High School Engagement and Workforce Development Program launched in April 2025, enrolling four students; three were hired full-time and one will continue in FY 2026
- Lead Free DC Activators Cohort 2 had 12 participants, with 11 graduating and all securing jobs, including 10 with Lead Free DC contractors

GOALS

- Continue operating a successful certified business utilization and local hiring program

CHALLENGES

- Heightened Legal & Constitutional Risks: Recent court decisions have struck down long-standing race- and gender-based presumptions, requiring programs to remove automatic eligibility tied to demographic groups
- DC Water must closely monitor Commercially Useful Function (CUF) requirements to ensure DBEs genuinely perform contracted work and to prevent fraud

Strategic Plan - Blueprint 2.0 Imperatives Legend:



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. The NRRF provides flexibility for departments to undertake projects using new revenues to be generated from non-ratepayer sources, including the 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 2027 Operating Budget Overview

Non-Personnel Services: There is a no change in the FY 2027 budget compared to the FY 2026 budget.

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	0	-	0	-	0	-
Personnel Services ALL	-	-	-	-	-	-
Contractual Services	-	-	200	200	0	0%
Non Personnel Services	-	0	200	200	0	0%
Total O&M Expenditures	-	\$ 0	\$ 200	\$ 200	\$ 0	0%
Capital Equipment	-	-	-	-	-	-



Dr. Chaudhry announces the launch of Pure Water DC



Bloom Greenhouse at Blue Plains

dc
Town Hall Meetings
Please join us!

let's talk

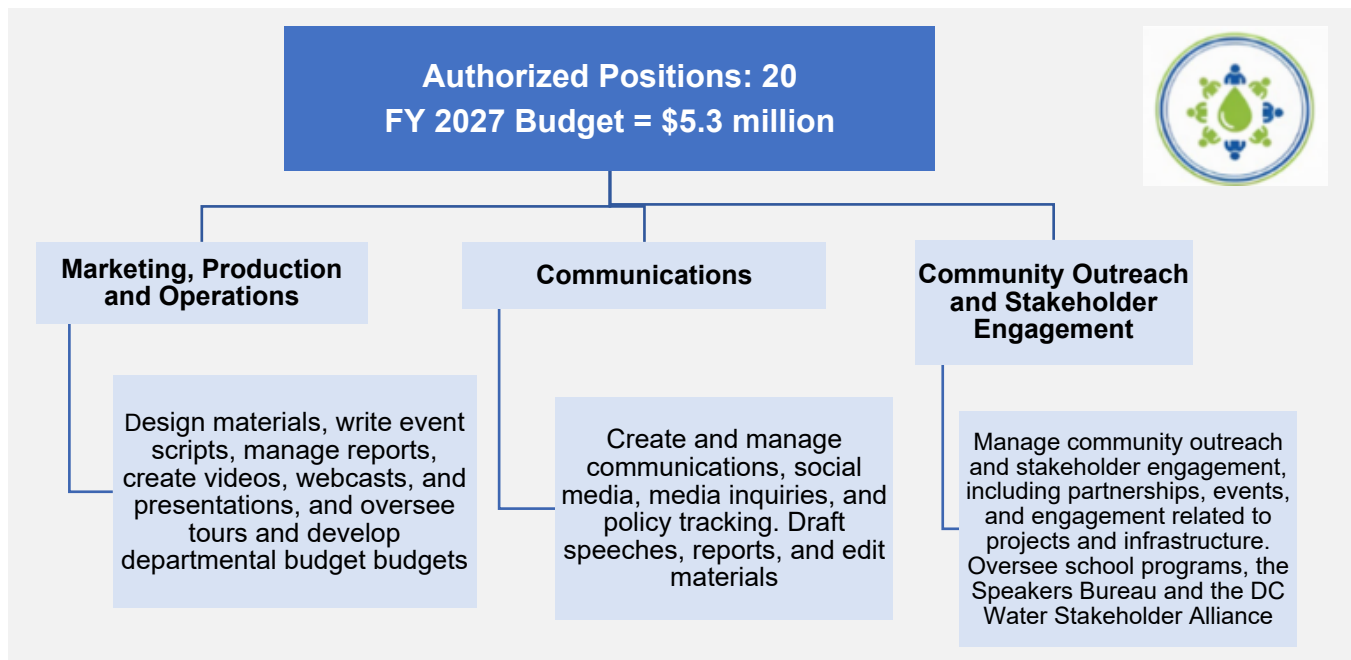
- water rates
- clean rivers
- drinking water
- infrastructure

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 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) 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	Healthy, Safe, and Well
Publication of Clean Rivers' Update	2	2	2	2	Healthy, Safe, and Well
Publication of Employee Newsletter	11	6	6	6	Healthy, Safe, and Well
Publication of Water Quality Report	1	1	1	1	Healthy, Safe, and Well
Community meetings outreach re: lead, rates, CSO CIP projects, etc.	115	193	100	100	Reliable

DEPARTMENT: MARKETING AND COMMUNICATIONS

FY 2027 Operating Budget Overview

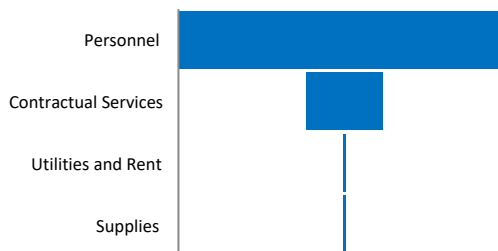
Personnel Services: Increase reflects adjustments to salaries and benefits

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

Capital Equipment: No activity

\$000's Description	FY 2024	FY 2025	FY 2026	FY 2027	(Increase)/Decrease	
	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	19	20	20	20	0	0%
Personnel Services ALL	\$ 2,714	\$ 3,548	\$ 3,825	\$ 4,253	\$ (428)	(11)%
Contractual Services	1,146	784	988	974	13	1%
Chemicals and Supplies	6	5	7	7	0	(4)%
Utilities and Rent	24	17	30	21	9	31%
Non Personnel Services	1,176	806	1,025	1,002	22	2%
Total O&M Expenditures	\$ 3,891	\$ 4,354	\$ 4,850	\$ 5,255	\$ (406)	(8)%
Capital Equipment	-	-	-	-	-	-

Approved Budget



MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Continue to implement a Strategic Communications Plan to support Blueprint 2.0, DC Water's strategic plan
- Lead strategic communications and stakeholder engagement for the Pure Water DC program and demonstration facility
- Work with the DC Clean Rivers Project team to engage with residents, businesses, and commuters impacted by construction of the Potomac River and Piney Branch tunnels
- Oversight of the Lead-Free DC program to remove lead from service lines in the District
- Support public engagement for the two-year rate proposal

ACCOMPLISHMENTS

- Hosted and/or attended 193 outreach events and community meetings
- Led public engagement to increase awareness and participation in the Lead-Free DC program and Customer Assistance Programs, highlighted by the celebration of the 10,000th lead service line replacement
- Planned and executed successful launch event for the Pure Water DC program
- Managed public outreach for high visibility construction projects
- Re-launched the DC Water Stakeholder Alliance and led quarterly meetings to promote dialogue, collaboration and stakeholder insight

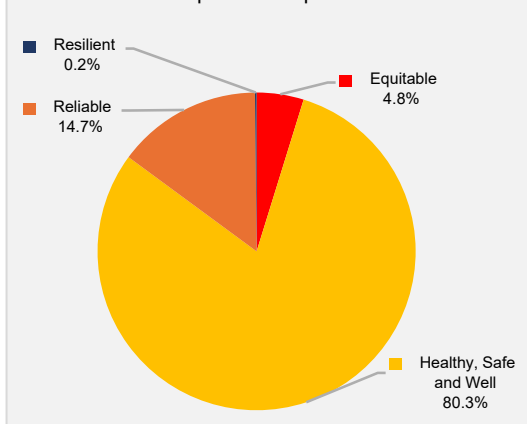
GOALS

- Continue communications initiatives and programs in support of DC Water's Strategic Plan and Imperatives
- Strengthened the DC Water brand by engaging customers, while improving internal communications to support higher employee engagement and satisfaction.

CHALLENGES

- Restoring trust lost due to the Potomac Interceptor sewage spill

Blueprint 2.0 Imperatives



Strategic Plan - Blueprint 2.0 Imperatives Legend:



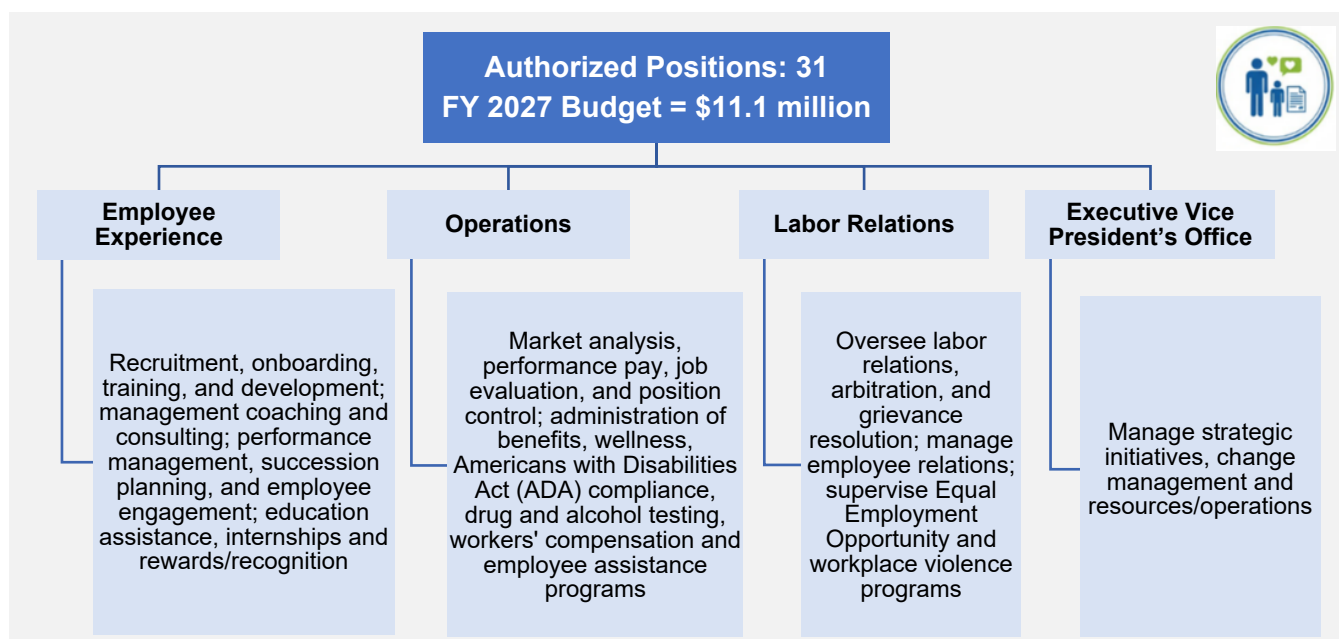
CLUSTER: PEOPLE AND TALENT

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 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, and help facilitate employees to achieve their individual and organizational goals

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
An average of 60 days from job posting to offer acceptance	75	67	60	60	Reliable
Under the CBA we have 45 days to initiate disciplinary action	98%	100%	95%	95%	Equitable
Number of FTE employees contributing to 457(b) retirement plan	936	918	976	999	Reliable
Number of employees contributing 5% or more to 457(b) retirement plan	748	783	788	926	Reliable
Average mandatory training hours per Non-union FTE	5	5	5	5	Sustainable
Average mandatory training hours per Union FTE	1.5	1.5	2	2	Sustainable
Average DC Water Non-Union Employee Compensation vs Mid-Point Range	104.60%	105.7%	100%	100%	Equitable

DEPARTMENT: PEOPLE AND TALENT

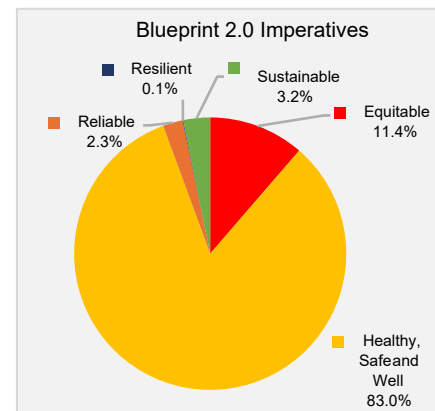
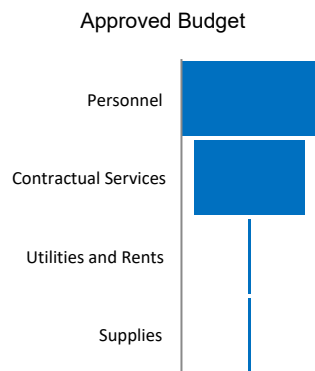
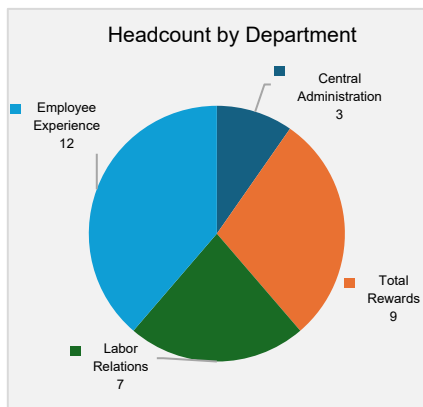
FY 2027 OPERATING BUDGET OVERVIEW

Personnel Services: Relatively flat

Non-Personnel Service: The growth in contractual services reflects the realignment and transfer of employee-related programs from other departments

Capital Equipment: No activity

\$000's Description	FY 2024	FY 2025	FY 2026	FY 2027	(Increase)/Decrease	
	Actual	Actual	Revised	Approved	Variance	%
Headcount: Authorized	33	31	31	31	0	0%
Personnel Services ALL	\$ 4,973	\$ 5,163	\$ 6,113	\$ 6,076	\$ 37	1%
Contractual Services	4,792	3,934	4,112	4,942	(830)	(20)%
Chemicals and Supplies	333	3	5	5	0	(1)%
Utilities and Rent	30	24	32	28	4	13%
Non Personnel Services	5,155	3,961	4,149	4,975	(826)	(20)%
Total O&M Expenditures	\$ 10,128	\$ 9,124	\$ 10,262	\$ 11,051	\$ (789)	(8)%
Capital Equipment	-	-	-	-	-	-



ACCOMPLISHMENTS

- Successfully led the organization through the full FY25 performance management cycle, ensuring consistency, transparency, and alignment with Advancing Blue goals.
- Launched the “Successor Academy” program. An Initiative aimed to advance successors on their career growth journeys while equipping them with the essential skills and knowledge needed for future leadership roles.

GOALS

- Support engagement surveys, focus groups, and action planning initiatives.
- Direct training and development resources toward critical workforce priorities and succession planning needs to support long term organizational readiness.

CHALLENGES

- Escalating costs for health insurance, retirement benefits, and wellness programs continue to put significant pressure on the HR budget.
- Unfilled positions and shifting organizational priorities can disrupt budget accuracy.
- Implementing effective employee engagement and retention strategies requires substantial financial investment and long term resource planning.

DEPARTMENT: PEOPLE AND TALENT

MAJOR PLANNED ACTIVITIES AND PROGRAM CHANGES

- Launch of Leading Blue, a leadership development initiative to prepare future leaders 🧡
- Refining HCM Strategy Implementation of Performance Management System 🧡
- Expand DC Water’s Career Ladder Program to support employee growth and internal advancement 🧡
- Optimize the position reclassification workflow to improve processing efficiency and service delivery 🧡
- Expand Non-Union Merit-Bonus program to also include Salary Equity Review 🧡
- Develop DC Water’s Market Pricing Initiative 🧡
- Facilitate Open Enrollment benefits education through centralized fairs and on-location sessions 👤👤
- Advance collective bargaining discussions to ensure fair, competitive, and sustainable labor agreements 🧡
- Implement leadership and team-building initiatives to support employee engagement and performance 👤👤
- Streamline Talent Acquisition processes 🧡
- Revamp the Compensation offer process for Non-Union hires 👤👤
- Implement post-recruitment surveys for hiring managers to improve the effectiveness of the hiring process 🧡
- Evaluate and update policies and procedures to improve clarity, efficiency, and organizational alignment 🧡

IMPACT OF OPERATIONAL PROGRAMS

- Strengthen wellness programs aligned with the Healthy, Safe, and Well imperative

IMPACT OF CAPITAL PROJECTS ON OPERATING BUDGET

No direct impact



Strategic Plan - Blueprint 2.0 Imperatives Legend:

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

DEPARTMENT: PEOPLE AND TALENT

FY 2026 AND FY 2027 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 2026 AND FY 2027 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, employee learning events, 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 Events – 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 2025 ACCOMPLISHMENTS

In FY25, the Learning & Development team advanced DC Water's organizational excellence through strategic program management, operational efficiency, and employee engagement initiatives. Key achievements included leading a highly successful performance management cycle with 100% goal-setting completion, achieving 98% compliance training completion, and reimagining critical development programs such as Leading Blue. The team processed over \$250,000 in tuition assistance, supported 14 summer interns, and enhanced onboarding processes through comprehensive needs assessment. These accomplishments reinforced DC Water's commitment to continuous improvement, employee development, and organizational alignment with strategic imperatives.

Advancing Blue: Performance Management

The organization successfully completed the full performance management cycle with strong alignment to Advancing Blue priorities. The team achieved 100 percent goal-setting completion and 98 percent mid-year check-ins among all non-union employees. Manager and employee experiences were enhanced through process streamlining in Oracle and targeted communications, guidance materials, and training focused on strengthening feedback and evaluation practices. Real-time support was provided throughout the cycle to ensure smooth navigation and issue resolution. Feedback collected from employees and managers will inform system and process improvements for FY 2026.

Annual Mandatory Compliance Training

Compliance training campaign reinforced accountability and adherence to organizational standards. The initiative achieved a 98 percent completion rate across all non-union employees and included clear, consistent communications and job aids designed to support timely and accurate course completion. All content complied with regulatory and policy requirements, reinforcing the Authority's commitment to ethical conduct and workplace responsibility.

Onboarding Excellence

The onboarding program was enhanced to provide a more unified and informative new-hire experience. Updates included a redesigned orientation deck, an expanded agenda incorporating Payroll and security training, and improved follow-up communication with new job aids, HRBP (Human Resource Business Partner) contacts, and a feedback survey. A leadership overview slide was added to strengthen understanding of the organizational structure. A comprehensive needs assessment—including targeted surveys and more than 20 hours of interviews—was conducted to guide future improvements, such as the development of a training lab and the introduction of monthly site tours.

Employee Engagement Initiatives

Employee engagement efforts played a key role in supporting organizational culture and visibility. The Open House event was successfully planned and executed with support from IT, Maintenance, and Marketing, featuring interactive activities that elevated awareness of L&D services. Collaboration with Marketing ensured broad promotion through Currents, screensavers, signage, and team directories. The People & Talent recognition program was reinforced by collecting 31 acknowledgments across team meetings, and additional events to further strengthen morale and team connection.

Training Delivery & Organizational Support

The Learning & Development team responded to significant organizational demand by managing 52 training requests between October 2024 and September 2025. Services included facilitated training, coaching engagements, Oracle registration support, and the delivery of 51 Lead & Learn sessions. Following the transition to Currents, the team collaborated with Marketing to streamline training announcements and maintain continuity in communication.

Leading Blue Relaunch

The Leading Blue management development program was relaunched with a fully redesigned structure, updated eligibility criteria, new modules, and clearly defined roles for mentors, champions, and selection committee members. IT and HR partnered to create a streamlined nomination and application process, while a comprehensive resource website and communications plan enhanced visibility. A successful relaunch reception was held in partnership with Marketing, and external vendors were engaged to support facilitation needs. Leading Blue received additional internal visibility through feature articles published in Focus magazine.



DEPARTMENT: PEOPLE AND TALENT

Summer Intern Program

Despite budget constraints that reduced the anticipated cohort size, the program successfully placed 14 interns across Operations and Finance. Interns supported Clean Water Technology initiatives and financial management efforts, bringing diverse academic backgrounds from both domestic and international institutions. The 12 week program concluded with the 2025 Intern Expo, where participants showcased their contributions and project outcomes.

Succession Planning & Development

The Successor Academy provided structured development opportunities aligned with DC Water’s core values and essential skills. LinkedIn Learning licenses were extended through June 2026 to maximize learning opportunities, and monthly office hours created a consistent support channel for successors. All succession plans were entered into Oracle, fulfilling a CEO directed goal and strengthening the organization’s pipeline of future leaders.

Tuition Assistance & Reimbursement Program (TARP)

TARP underwent significant modernization to improve usability, compliance, and long-term impact. Throughout the year, the program processed 115 applications totaling more than \$250,000 in educational funding. The integration of two separate systems improved data accuracy and tracking capabilities, while new program materials including updated policies, FAQs, and checklist enhanced clarity and alignment with organizational agreements. Strengthened partnerships with NACWA (National Association of Clean Water Agencies) and Webster University expanded access and visibility, and new compliance measures such as proof of completion reminders, long term impact surveys, and a monthly budget tracker increased accountability and transparency.

FY 2026 AND FY 2027 LEARNING & DEVELOPMENT BUDGET

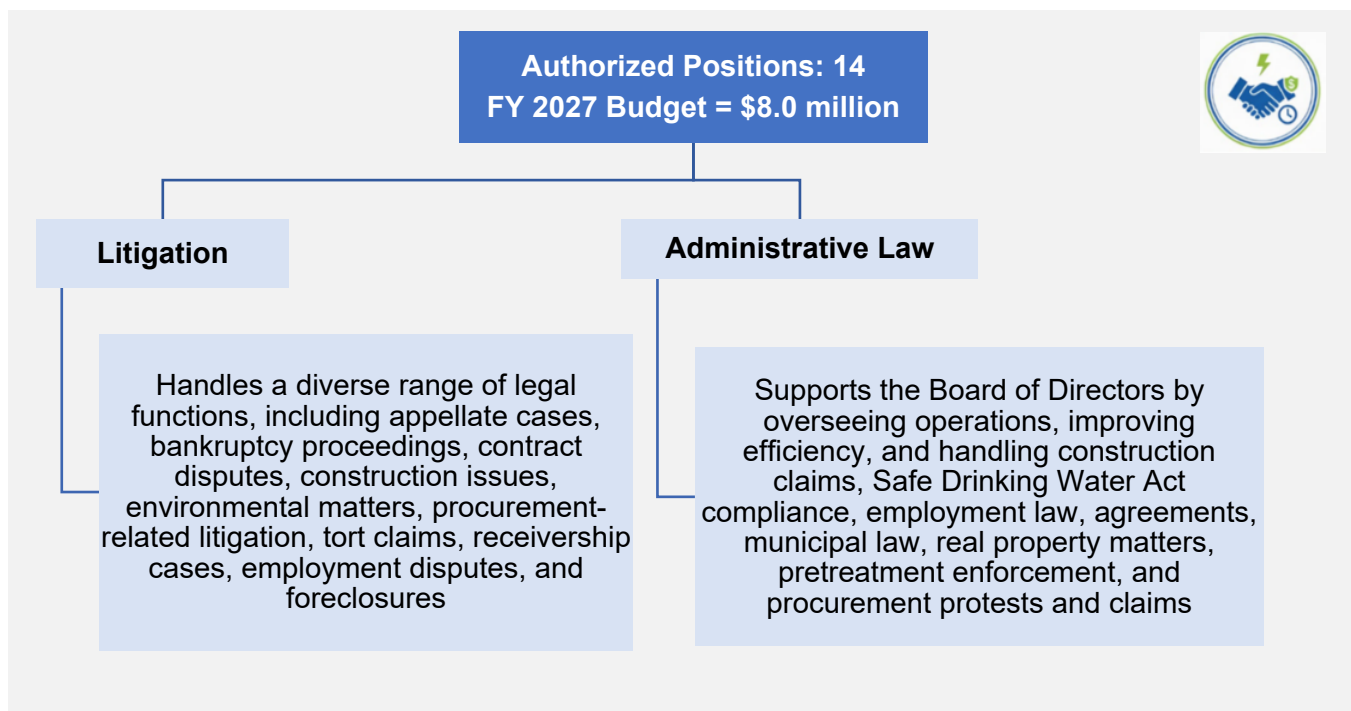
The approved fiscal year 27 training budget for the Authority is set at \$1.6 million. In FY28, we envision providing employees with the ability to maximize training and development funding through one centralized budget managed by the Learning and Development Branch within the People and Talent Department. This approach will empower us to optimize resources and foster a high-performing organization, enabling the workforce to go beyond initial job qualifications. Furthermore, this centralized budget management will support our succession planning efforts by ensuring that we have the necessary resources to develop future leaders through targeted training initiatives. By strategically managing the budget, we can enhance our workforce's capabilities and ensure a robust pipeline of talent for the Authority's future success.

CLUSTER: GOVERNMENT AND LEGAL AFFAIRS
DEPARTMENT: GOVERNMENT AND LEGAL AFFAIRS

Purpose: The Government and Legal Affairs Department at DC Water ensures regulatory compliance, manages government relations, provides advice and counsel to DC Water staff and Board of Directors, defends DC Water against administrative and legal disputes, asserts DC Water rights and privileges, 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 minimize liability exposure by recommending and implementing appropriate policies, practices, and procedures

Organization Structure



Key Performance Indicators (KPIs)

	FY 2024	FY 2025	FY 2026	FY 2027	Blueprint 2.0 (Strategic Plan) Imperatives
TARGETED PERFORMANCE MEASURES	Results	Results	Targets	Targets	
Hours of employee time spent on direct work 1,700	1700	1700	1700	1700	Reliable

DEPARTMENT: GOVERNMENT AND LEGAL AFFAIRS

FY 2027 Operating Budget Overview

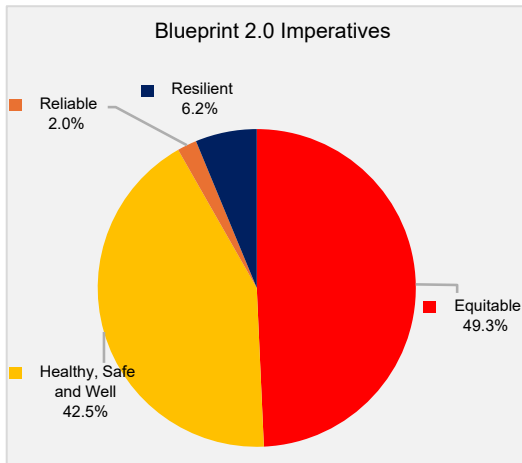
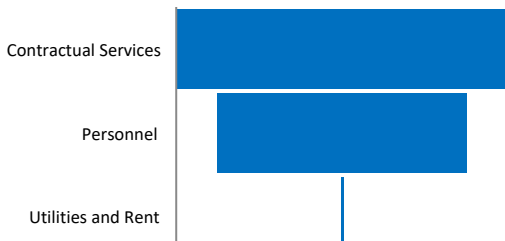
Personnel Services: Increase reflects salary and benefit adjustments

Non-Personnel Services: Reductions in contractual services expenditures are primarily attributable to decreased reliance on external legal counsel

Capital Equipment: No activity

\$000's Description	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised	FY 2027 Approved	(Increase)/Decrease	
					Variance	%
Headcount: Authorized	14	14	14	14	0	0%
Personnel Services ALL	\$ 3,207	\$ 3,031	\$ 3,580	\$ 3,438	\$ 142	4%
Contractual Services	2,697	3,706	4,759	4,578	181	4%
Chemicals and Supplies	1	4	-	5	(5)	-
Utilities and Rent	28	24	30	25	5	17%
Non Personnel Services	2,727	3,734	4,789	4,607	182	4%
Total O&M Expenditures	\$ 5,934	\$ 6,765	\$ 8,369	\$ 8,045	\$ 324	4%
Capital Equipment	-	-	-	-	-	-

Approved Budget



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 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
- 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

Strategic Plan - Blueprint 2.0 Imperatives Legend:



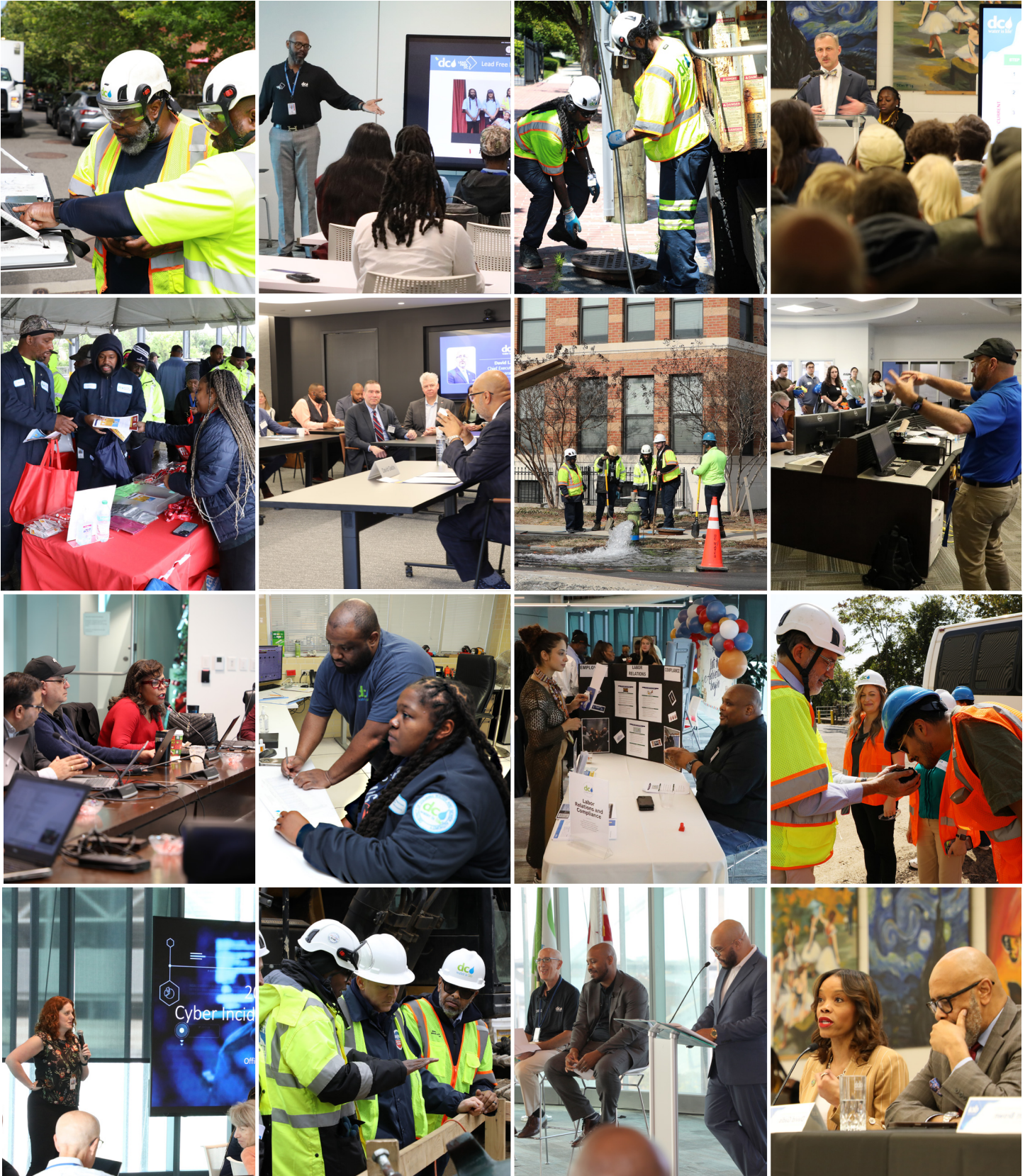


this page intentionally left blank



Approved FY 2027 Budgets

Section VIII: Resolutions, Glossary & Acronyms



Presented and Adopted: March 5, 2026
Subject: Approval to Amend Fiscal Year 2026 Operating Budget

#26-12
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 on March 5, 2026, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action to approve the Amended Fiscal Year 2026 Operating Budget.

WHEREAS, on March 6, 2025, through Resolution #25-09, the Board approved the Fiscal Year 2026 Operating Budget that totaled \$838,132,575; and

WHEREAS, during the Fiscal Year 2027 Budget Workshop on January 15, 2026, the Chief Executive Officer and General Manager and Acting Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, briefed the Board on the proposed amendment of DC Water’s Fiscal Year 2026 Operating Budget to reallocate \$24,041,318 from debt services to Cash Financed Capital Improvements (CFCI) and maintain the Approved Fiscal Year 2026 Operating Budget of \$838,132,575; and

WHEREAS, on January 27, 2026, 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 2026 Operating Budget, to reallocate \$24,041,318 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 2026 Operating Budget of \$838,132,575; and

WHEREAS, on February 26, 2026, the Finance and Budget Committee was further briefed on the proposed amendment of DC Water’s FY 2026 Operating Budget, to reallocate \$24,041,318 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 2026 Operating Budget at \$838,132,575; and

WHEREAS, on February 26, 2026, the Finance and Budget Committee, after further consideration and discussion, recommended Board approval of the proposed amendment of DC Water’s FY 2026 Operating Budget as presented by management.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves the amended DC Water's Fiscal Year 2026 Operating Budget to reallocate \$24,041,318 from Debt Service to the Cash Financed Capital Improvements Fund for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2026 Operating Budget at \$838,132,575.

This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

Presented and Adopted: March 5, 2026
Subject: Approval of Proposed Fiscal Year 2027 Operating Budget

#26-13
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 on March 5, 2026, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action to approve the Proposed Fiscal Year 2027 Operating Budget.

WHEREAS, during the Fiscal Year 2027 Budget Workshop on January 15, 2026, the Chief Executive Officer and General Manager, Acting 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 2027 Operating Budget that totaled \$844,105,090; and

WHEREAS, on January 27, 2026, the Finance and Budget Committee, in a joint session with the Retail and Rates Committee, reviewed the budget and two-year rate proposals and discussed in detail, the budget drivers, budget assumptions, risks and customer impacts; and

WHEREAS, on February 26, 2026, 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 2027 Operating Budget that totals \$844,105,090, 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 2027 Operating Budget totaling \$844,105,090, 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 2027 Budget and accompanying materials presented on January 15, 2026.

This resolution is effective immediately.

Michelle Rhodd
Secretary to the Board of Directors

Presented and Adopted: March 5, 2026
Subject: Approval to Amend Fiscal Year 2026 Revenue Budget

#26-14
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 5, 2026, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Amended Fiscal Year 2026 Revenue Budget.

WHEREAS, on March 6, 2025, through Resolution #25-10, the Board approved the Fiscal Year 2025-2034 Ten Year Financial Plan, which included the Fiscal Year 2026 Revenue Budget (Operating Receipts) of \$1,011,384,900; and

WHEREAS, on January 27, 2026, the Finance & Budget Committee and Retail Water and Sewer Rate Committee met to consider revisions to the Fiscal Year 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 Fiscal Year 2026 Revenue Budget (as shown below) for approval by the Board due to decreases in consumption projection for retail class of customers, increases in Other Revenue, increase in Wholesale Revenue due to increase in Potomac Interceptor (PI) costs from \$3.5 million to \$5.1 million based on 2025 PI Cost of Service Study (COS), increase in Interest Earnings due to higher interest rates, and decreases in Other Revenue, as reflected in the Financial Plan for FY 2026-2035.

	Approved FY 2026	Revised FY 2026	Increase/
	Revenue Budget	Revenue Budget	(Decrease)
Retail Revenue	\$ 796,922,810	\$ 791,856,136	\$ (5,066,674)
Wholesale Revenue	122,611,848	124,219,084	1,607,236
Interest Earnings	8,815,944	13,049,442	4,233,498
Other Revenue	82,633,689	78,738,932	(3,894,757)
Interest on Bond Reserve	400,609	330,609	(70,000)
Total Revenue Budget	\$ 1,011,384,900	\$ 1,008,194,203	\$ (3,190,697)

WHEREAS, on February 26, 2026, the Finance & Budget Committee met to consider the final proposal to amend the Fiscal Year 2026 year-end forecasts and recommended the Board approve the amendments to the Fiscal Year 2026 Revenue Budget to \$1,008,194,203.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby approves and adopts the amended FY 2026 Revenue Budget to decrease it to \$1,008,194,203 as presented in the Fiscal Year 2026-2035 Ten Year Financial Plan.
2. This resolution is effective immediately.

Michelle Rhodd

Secretary to the Board of Directors

Presented and Adopted: March 5, 2026
Subject: Approval of Proposed Fiscal Year 2026 - 2035 Capital Improvement Program

#26-15
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 5, 2026, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the approval of the Fiscal Year 2026 - 2035 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 6, 2025, through Resolution #25-11, the Board approved the Proposed Fiscal Year (FY) 2025 - 2034 Capital Improvement Program, which includes the FY 2025 - 2034 Capital Disbursement Plan and related Lifetime Budget; and

WHEREAS, on January 15, 2026, during the FY 2027 Budget Workshop, the Chief Executive Officer and General Manager, Acting Chief Financial Officer and Executive Vice President, Finance, Procurement & Compliance, Chief Operating Officer and Executive Vice President, and the Vice President, Engineering briefed Board members on the FY 2026 - 2035 Capital Improvement Program, which includes the proposed Revised FY 2026 CIP Disbursement Budget of \$776,786,926, the proposed 10-Year Disbursement Plan totaling \$9,690,281,334 and the proposed Lifetime Budget of \$17,441,411,035 and

WHEREAS, on January 22, 2026, 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 27, 2026, 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 19, 2026, 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 2026 - 2035 Capital Improvement Program, which includes the proposed Revised FY 2026 CIP Disbursement Budget of \$776,786,926, proposed 10-Year Capital Disbursement Plan totaling \$9,690,281,334, and related Lifetime Budget, totaling \$17,441,411,035; and

WHEREAS, on February 23, 2026, 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 26, 2026, the Finance & Budget Committee, reviewed the budget proposals and discussed in detail the budget drivers, budget assumptions and customer impacts, and recommended that the Board approve and adopt the FY 2026 - 2035 Capital Improvement Program, which includes the proposed Revised FY 2026 CIP Disbursement Budget of \$776,786,926, proposed 10-Year Capital Disbursement Plan totaling \$9,690,281,334, and related Lifetime Budget, totaling \$17,441,411,035, 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 2026 - 2035 Capital Improvement Program, which includes the Revised FY 2026 CIP Disbursement Budget of \$776,786,926, Fiscal Year 2026 – 2035 Capital Improvement Program Disbursement Plan totaling \$9,690,281,334, and related Lifetime Budget totaling \$17,441,411,035, 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 2027 Budget and accompanying materials presented on January 15, 2026.

This resolution is effective immediately.

Secretary to the Board of Directors

Capital Improvement Program Proposed Budget

Attachment A-1

(\$ in thousands)	FY 2026 - FY 2035 Disbursement Plan										10-Yr Total	Lifetime Budget
	Revised Budget FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35		
NON PROCESS FACILITIES												
Facility Land Use	15,467	32,671	43,535	43,848	27,523	22,366	22,277	14,582	10,820	10,303	243,392	412,191
Subtotal	15,467	32,671	43,535	43,848	27,523	22,366	22,277	14,582	10,820	10,303	243,392	412,191
WASTEWATER TREATMENT												
Liquid Processing	37,432	62,890	78,208	76,148	101,432	93,828	131,267	135,146	125,731	109,722	951,804	1,419,040
Plantwide	36,576	48,741	52,539	43,570	51,136	50,246	45,654	28,592	11,253	7,649	375,957	632,318
Solids Processing	8,944	15,905	20,917	18,619	11,838	28,377	21,532	21,006	57,706	61,641	266,485	427,942
Enhanced Nitrogen Removal Facilities	246	-	-	-	-	-	-	-	-	-	246	191,177
Subtotal	83,199	127,537	151,664	138,337	164,406	172,451	198,453	184,744	194,690	179,012	1,594,492	2,670,477
COMBINED SEWER OVERFLOW												
DC Clean Rivers Program	226,435	279,237	286,251	246,763	75,192	34,630	-	-	-	-	1,148,507	3,560,771
Combined Sewer Overflow Program	11,047	31,779	35,442	17,484	19,225	7,984	11,098	10,000	11,000	11,000	166,059	201,679
Subtotal	237,482	311,016	321,693	264,247	94,417	42,614	11,098	10,000	11,000	11,000	1,314,566	3,762,450
STORMWATER												
Storm Local Drainage Program	2,634	5,728	5,283	5,501	4,472	1,352	407	406	406	406	26,595	39,153
Storm On-Going Program	614	1,217	1,634	1,657	248	561	368	768	617	373	8,057	10,413
Storm Pumping Facilities	11,747	5,785	8,602	16,884	15,861	6,568	-	-	-	-	65,446	84,738
Stormwater Program Management	585	519	970	871	1,848	-	-	-	-	-	4,793	14,849
Stormwater Trunk/Force Sewers	969	1,491	1,697	2,928	6,779	4,440	1,543	1,076	1,076	534	22,534	41,383
Subtotal	16,550	14,740	18,186	27,841	29,208	12,921	2,318	2,250	2,099	1,313	127,426	190,536
SANITARY SEWER												
Sanitary Collection System	15,894	20,632	28,321	18,700	33,911	62,486	36,292	11,833	11,833	11,074	250,976	677,291
Sanitary On-Going Projects	15,454	18,638	28,042	13,572	15,297	15,289	15,756	15,169	15,169	15,169	167,555	265,252
Sanitary Pumping Facilities	8,096	12,126	10,187	7,416	15,693	32,497	48,364	34,847	20,484	8,240	197,951	254,616
Sanitary Program Management	16,400	20,398	10,309	6,604	5,995	5,995	6,012	7,732	7,500	7,100	94,045	200,562
Interceptor/Trunk Force Sewers	99,526	158,919	189,968	176,943	229,760	172,124	188,824	241,475	305,060	224,000	1,986,599	2,817,552
Subtotal	155,371	230,713	266,827	223,235	300,656	288,391	295,248	311,056	360,046	265,583	2,697,126	4,215,274
WATER												
Water Distribution Systems	58,259	87,333	87,620	96,097	107,036	111,467	120,433	145,279	160,456	171,636	1,145,616	2,278,645
Lead Free DC Program	93,954	132,752	133,000	133,000	133,000	83,000	83,000	83,000	83,000	83,000	1,040,707	1,783,489
Water On-Going Projects	13,646	15,927	12,173	20,990	29,536	16,957	14,081	27,014	24,932	19,903	195,159	267,044
Water Pumping Facilities	2,070	8,076	7,221	5,125	4,203	3,625	3,569	3,560	3,560	3,072	44,081	95,809
Water Storage Facilities	2,807	16,608	32,201	40,294	31,430	45,231	28,736	20,046	18,857	21,000	257,210	272,759
Water Service Program Management	16,020	13,863	13,112	7,097	7,142	8,373	8,774	8,746	8,746	8,746	100,619	146,874
Subtotal	186,757	274,558	285,327	302,603	312,347	268,653	258,593	287,645	299,551	307,357	2,783,392	4,844,619
CAPITAL PROJECTS												
Capital Equipment Reporting	29,401	39,664	38,398	37,681	38,269	38,558	38,855	39,162	39,478	39,803	379,267	379,267
Meter Replacement/AMR	3,080	5,583	5,583	3,883	3,000	3,000	3,000	3,000	3,000	3,000	36,130	36,130
Washington Aqueduct Reporting	49,480	35,770	35,770	35,770	35,770	71,540	71,540	71,540	71,540	35,770	514,490	514,490
ADDITIONAL CAPITAL PROGRAMS												
	81,961	81,018	79,751	77,334	77,039	113,098	113,395	113,702	114,018	78,573	929,888	929,888
LABOR												
												415,976
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	17,441,411

Presented and Adopted: March 5, 2026
SUBJECT: Approval of Fiscal Year 2026-2035 Ten-Year Financial Plan

#26-16
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 5, 2026, upon consideration of a joint-use matter decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to the Fiscal Year 2026-2035 Ten Year Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board, in Resolutions 11-10, dated January 6, 2011 and 23-58, dated October 5, 2023 (Board Policies), adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

WHEREAS, adherence to these financial policies has allowed the DC Water to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

WHEREAS, consistent with the Board Policies and management financial targets, the General Manager has prepared a ten-year financial plan in conjunction with and based on the assumptions in the proposed FY 2027 Operating and Capital Budgets; and

WHEREAS, the proposed Fiscal Year 2026-2035 Ten Year Financial Plan is consistent with projections in the attached Schedules A, B and C of this Resolution; and

WHEREAS, on February 23, 2026, and February 26, 2026, the Finance and Budget Committee and the DC Retail Water and Sewer Rates Committee, respectively, met, reviewed and recommended the Board adopt the Fiscal Year 2026-2035 Ten Year Financial Plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the proposed Fiscal Year 2026-2035 Ten Year Financial Plan that is consistent with the projections in the attached Schedule A, B and C and the proposed Fiscal Year 2027 Operating and Capital Budgets.

This resolution is effective immediately.

Michelle Rhodd

Secretary to the Board of Directors

**District of Columbia Water & Sewer Authority
FY 2026 – FY 2035 Financial Plan**

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	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 40,644	\$ 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 Increases	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

District of Columbia Water & Sewer Authority

Average Residential Customer Monthly Bill

FY 2026- FY 2035

	Units	Current Proposed Proposed										
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
DC Water Water and Sewer Retail Rates (1)	Ccf	95.93	101.77	107.86	114.36	121.21	128.47	137.45	147.10	157.43	167.68	177.78
DC Water Clean Rivers IAC (2)	ERU	21.23	24.23	25.50	27.22	29.25	31.54	32.51	28.74	28.75	28.76	28.11
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee (4)	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 131.21	\$ 140.05	\$ 147.41	\$ 155.63	\$ 164.51	\$ 174.06	\$ 184.01	\$ 189.89	\$ 200.23	\$ 210.49	\$ 219.94
Increase / Decrease		\$ 6.27	\$ 8.84	\$ 7.36	\$ 8.22	\$ 8.88	\$ 9.55	\$ 9.95	\$ 5.88	\$ 10.34	\$ 10.26	\$ 9.45
Percent Increase in DC Water Portion of Bill		5.0%	6.7%	5.3%	5.6%	5.7%	5.8%	5.7%	3.2%	5.4%	5.1%	4.5%
District of Columbia PILOT Fee (1)	Ccf	\$ 3.31	\$ 3.36	\$ 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 (1)	Ccf	1.03	1.08	1.08	1.08	1.14	1.14	1.14	1.14	1.14	1.19	1.19
District of Columbia Right ofWay / PILOT Fee		4.34	4.44	4.44	4.49	4.61	4.66	4.72	4.77	4.83	4.93	4.98
District of Columbia Public Inconvenience Fee	Ccf	-	-	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
District of Columbia Stormwater Fee (3)	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 7.01	\$ 7.11	\$ 9.39	\$ 9.44	\$ 9.56	\$ 9.61	\$ 9.67	\$ 9.72	\$ 9.78	\$ 9.88	\$ 9.93
Total Amount Appearing on DC Water Bill		\$ 138.22	\$ 147.16	\$ 156.80	\$ 165.07	\$ 174.07	\$ 183.67	\$ 193.68	\$ 199.61	\$ 210.01	\$ 220.37	\$ 229.87
Increase / Decrease Over Prior Year		\$ 6.27	\$ 8.94	\$ 9.64	\$ 8.27	\$ 9.00	\$ 9.60	\$ 10.01	\$ 5.93	\$ 10.40	\$ 10.36	\$ 9.50
Percent increase in Total Bill		4.8%	6.5%	6.6%	5.3%	5.5%	5.5%	5.4%	3.1%	5.2%	4.9%	4.3%

(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

District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees
FY 2026 - FY 2028

	Units	Current FY 2026	Proposed FY 2027	Proposed FY 2028
DC Water Retail Rates – Water:				
Residential – Lifeline (0- 4 Ccf)	Ccf	\$5.78	\$6.49	\$7.11
Residential – (> 4 Ccf)	Ccf	7.60	8.4	9.40
Multi-family	Ccf	6.47	7.21	7.98
Non-Residential	Ccf	7.84	8.66	9.71
DC Water Retail Rates – Sewer	Ccf	12.52	12.91	13.39
Groundwater	Ccf	3.76	3.90	3.90
High-Flow Filter Backwash	Ccf	3.54	3.54	3.54
DC Water Clean Rivers IAC	ERU	24.23	25.5	27.22
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
District of Columbia Right of Way Fee	Ccf	0.20	0.20	0.20
District of Columbia Public Inconvenience Fee	Ccf	0.00	0.42	0.42
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67

Presented and Adopted: March 5, 2026

**SUBJECT: Approval of Official Intent to Reimburse Fiscal Year 2027
Capital Expenditures with Proceeds of a Borrowing**

**#26-17
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 5, 2026, upon consideration of a joint-use matter, decided by a vote of eleven (11) in favor and none (0) opposed, to take the following action with respect to Approval of Official Intent to Reimburse Fiscal Year 2027 Capital Expenditures with Proceeds of a Borrowing.

WHEREAS, on February 26, 2026, the Finance and Budget Committee met to consider the proposed Original Intent to Reimburse FY 2027 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 if 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 26, 2026, 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 utilize the proceeds of tax-exempt b, taxable bonds or notes (the “Bonds”) or other debt in an amount not currently expected to exceed \$476,243,000 to pay costs of the Projects in Fiscal Year 2027.
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

Presented and Adopted: March 5, 2026

SUBJECT: Approval of Proposed Fiscal Years 2027 and 2028 Retail Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Public Inconvenience Fee (PIF), Clean Rivers Impervious Area Charge (CRIAC), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate

**#26-22
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on March 5, 2026 upon consideration of a non-joint use matter, decided by a vote of six (6) in favor and none (0) opposed, to approve the following action with respect to the proposed Fiscal Year 2027 and Fiscal Year 2028 Retail Metered Water and Sewer Rates, Clean Rivers Impervious Area Charge (IAC), Right-of-Way Occupancy Fee (ROW), Payment In Lieu of Taxes Fee (PILOT), Public Inconvenience Fee (PIF), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate.

WHEREAS, pursuant to Resolution 11-10, dated January 6, 2011, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a reliable and predictable stream of revenues and will generate sufficient revenues to pay for DC Water’s projected operating and capital expenses; and

WHEREAS, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, pursuant to Resolution 13-79, dated July 3, 2013 and Resolution 17-52, dated September 7, 2017, DC Water established three classes of customers: residential, multi-family and non-residential, as promulgated in Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

WHEREAS, on February 23, 2026, the DC Retail Water and Sewer Rates Committee met to consider the proposed rate, charges and fee charges for Fiscal Year (“FY”) 2027 and FY 2028; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.10 per one hundred cubic feet (“Ccf”) (\$1.47 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2027 and \$1.10 per Ccf (\$1.47 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2028; and

WHEREAS, the proposed increase in the Lifeline (Residential customer’s first 4 Ccf of water usage) retail metered water and sewer rates will result in a combined water and sewer rate of \$19.40 per Ccf (\$25.94 per 1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$20.50 per Ccf (\$27.41 per 1,000 gallons) for FY 2028; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.19 per Ccf (\$1.59 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2027 and a combined retail water and sewer rate increase of \$1.48 per Ccf (\$1.98 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2028; and

WHEREAS, the proposed increase for water usage greater than 4 Ccf and the sewer rates for Residential customers will result in a combined water and sewer rate of \$21.31 per Ccf (\$28.49 per 1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$22.79 per Ccf (\$30.47 per 1,000 gallons) of metered water and sewer use for FY 2028; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.13 per Ccf (\$1.51 per 1,000 gallons) for Multi-family customers for FY 2027 and a combined retail water and sewer rate increase of \$1.25 per Ccf (\$1.67 per 1,000 gallons) for Multi-family customers for FY 2028; and

WHEREAS, the proposed increase in the water and sewer rates for Multi-family customers will result in a combined water and sewer rate of \$20.12 per Ccf (\$26.90 per 1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$21.37 per Ccf (\$28.57 per 1,000 gallons) of metered water and sewer use for FY 2028; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.21 per Ccf (\$1.62 per 1,000 gallons) for Non-Residential customers for FY 2027 and a combined retail rate increase of \$1.53 per Ccf (\$2.04 per 1,000 gallons) for Non-Residential customers for FY 2028; and

WHEREAS, the proposed increase in the water and sewer rates for Non-Residential customers will result in a combined water and sewer rate of \$21.57 per Ccf (\$28.84 per

1,000 gallons) of metered water and sewer use for FY 2027 and a combined water and sewer rate of \$23.10 per Ccf (\$30.88 per 1,000 gallons) of metered water and sewer use for FY 2028; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment an increase in the monthly Clean Rivers Impervious Area Charge of \$1.27 per Equivalent Residential Unit (“ERU”) for FY 2027 and an increase in the monthly Clean Rivers Impervious Area Charge of \$1.72 per ERU for FY 2028 to recover the \$3.56 Billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.20 per Ccf (\$0.27 per 1,000 gallons) of water used for FY 2027 and for FY 2028 to recover the full costs of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the Pilot fee at the current amount of \$0.62 per Ccf (\$0.83 per 1000 gallons) of water used for FY 2027 and consider for public comment, an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2028 to recover the full cost of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board establish a new District of Columbia Public Inconvenience Fee (DC PIF) of \$0.42 per Ccf (\$0.56 per 1,000 gallons) for FY 2027 and FY 2028 to recover the charges associated with occupancy permits when construction projects in public spaces entered beyond 30 days; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the retail groundwater sanitary sewer service rate of \$0.14 per Ccf (\$0.18 per 1,000 gallons) for FY 2027, and maintain the retail groundwater sanitary sewer service rate of \$3.90 per Ccf (\$5.21 per 1,000 gallons) for FY 2028; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the high flow filter backwash sewer rate of \$3.54 per Ccf (\$4.73 per 1,000 gallons) for FY 2027 and FY 2028; and

WHEREAS, adoption of these rate and fee changes would increase the monthly bill of the average Residential customer using 5.42 Ccf (or 4,054 gallons) by approximately \$9.64 per month or \$115.68 per year for FY 2027 and by approximately \$8.27 per month or \$99.24 per year for FY 2028; and

WHEREAS, the total revenues for FY 2027 and FY2028 are projected at \$1,069.37 million and \$1,121.37 million respectively; and

WHEREAS, DC Water’s retail revenue projections for Fiscal Year 2027 reflect an

approximate \$37.44 million increase; and

WHEREAS, DC Water’s retail revenue projections for Fiscal Year 2028 reflect an approximate \$43.92 million increase; and

WHEREAS, on February 23, 2026, the DC Retail Water and Sewer Rates Committee recommended the Board approve the publication of the Notice of Proposed Rulemaking for the proposed rate and fee increases and new DC PIF for public comment.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water’s projected expenditures require that it propose, for public comment, the rate and fee increases as described below:

Retail Metered Water Service Rates

- a. An increase in the rate for metered water services:

Metered Water Services										
	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential - Lifeline (0-4 Ccf)	\$5.78	\$7.73	\$6.49	\$8.68	\$7.11	\$9.51	\$0.71	\$0.95	\$0.62	\$0.83
Residential - (>4 Ccf)	\$7.60	\$10.16	\$8.40	\$11.23	\$9.40	\$12.57	\$0.80	\$1.07	\$1.00	\$1.34
Multi-Family	\$6.47	\$8.65	\$7.21	\$9.64	\$7.98	\$10.67	\$0.74	\$0.99	\$0.77	\$1.03
Non-Residential	\$7.84	\$10.48	\$8.66	\$11.58	\$9.71	\$12.98	\$0.82	\$1.10	\$1.05	\$1.40

Retail Sewer Service Rates

- b. An increase in the rate for sanitary sewer services:

Metered Sewer Services										
	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$12.52	\$16.74	\$12.91	\$17.26	\$13.39	\$17.90	\$0.39	\$0.52	\$0.48	\$0.64
Multi-Family	\$12.52	\$16.74	\$12.91	\$17.26	\$13.39	\$17.90	\$0.39	\$0.52	\$0.48	\$0.64
Non-Residential	\$12.52	\$16.74	\$12.91	\$17.26	\$13.39	\$17.90	\$0.39	\$0.52	\$0.48	\$0.64

Clean Rivers Impervious Area Charge (CRIAC)

- c. An increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$290.76 to \$306.00 per Equivalent Residential Unit (ERU) in FY 2027 and an increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$306.00 to \$326.64 per Equivalent Residential Unit (ERU) in FY 2028.

The charge per ERU will be billed monthly at:

Clean River Impervious Area Charge (CRIAC)

	FY 2026	FY 2027	FY 2028	FY 2027 vs. FY 2026 Incr. / (Decr.)	FY 2028 vs. FY 2027 Incr. / (Decr.)
	ERU	ERU	ERU	ERU	ERU
Residential Customers	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72
Multi-Family	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72
Non-Residential	\$24.23	\$25.50	\$27.22	\$1.27	\$1.72

**District of Columbia Pass Through Charge
Right-of-Way Occupancy / PILOT Fee**

d. No increase in the **Right-of-Way Occupancy Fee** in FY 2027 and FY 2028:

ROW

	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00
Multi-Family	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00
Non-Residential	\$0.20	\$0.27	\$0.20	\$0.27	\$0.20	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00

e. No increase in the **Payment-in-Lieu of Taxes Fee** for FY 2027, an increase in the **Payment-in-Lieu of Taxes Fee** for FY 2028:

PILOT

	FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential Customers	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01
Multi-Family	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01
Non-Residential	\$0.62	\$0.83	\$0.62	\$0.83	\$0.63	\$0.84	\$0.00	\$0.00	\$0.01	\$0.01

- f. Establish new District of Columbia Public Inconvenience Fee of \$0.42 per Ccf for FY 2027 and FY 2028 to recover the charges associated with occupancy permits when construction projects in public spaces entered beyond 30 days:

District of Columbia Public Inconvenience Fee

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$0.00	\$0.00	\$0.42	\$0.56	\$0.42	\$0.56	\$0.42	\$0.56	\$0.00	\$0.00

- g. An increase in the retail groundwater sewer service rate for FY 2027. There is no increase in the retail groundwater sewer service rate for FY 2028:

Groundwater

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.76	\$5.03	\$3.90	\$5.21	\$3.90	\$5.21	\$0.14	\$0.18	\$0.00	\$0.00

- h. There is no increase in the high flow filter backwash sewer rate for FY 2027 and FY 2028:

High Flow Filter Backwash Wastewater Retail Sewer Rate

FY 2026		FY 2027		FY 2028		FY 2027 vs. FY 2026 Incr. / (Decr.)		FY 2028 vs. FY 2027 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
3.54	4.73	3.54	4.73	3.54	4.73	\$0.00	\$0.00	\$0.00	\$0.00

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required to publish the Notice of Proposed Rulemaking to provide notice of the proposed rate adjustments and fees and receive public comments and Notice of Public Hearing to receive testimony at the public hearing in accordance with D.C. Official Code § 34-2202.16(b), 21 DCMR Chapter 40, and the District of Columbia's Administrative Procedures Act.
3. This resolution is effective immediately.



 Secretary to the Board of Directors

GLOSSARY

ACCRUAL BASIS: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

ADVANCED METERING INFRASTRUCTURE (AMI): Also known as Smart meters, are updated, digital versions of the traditional electrical meter attached to the outside of your home. Smart meters are also designed to transmit pricing and energy information from the utility company to the consumer (two-way communication).

ADVANCED RESEARCH & TESTING PROGRAM: Specialized wastewater treatment services to outside entities.

A/E CONTRACT: Architectural and Engineering Contracts.

AERATION: The process that forces compressed air into wastewater. The oxygen keeps the microorganisms alive and sets off a chain reaction; live, eat, and work. Oxygen is an essential ingredient in “activating” sludge.

ALTERNATIVE FUELED VEHICLE: An alternative fuel vehicle is a vehicle that runs on a fuel other than traditional petroleum fuels (petrol or Diesel fuel); and refers to any technology of powering an engine that does not involve solely petroleum.

AMERICAN RECOVERY AND REINVESTMENT ACT: Is an economic stimulus package enacted by the 111th United States Congress in February 2009. The stimulus was intended to create jobs and promote investment and consumer spending during the recession.

ANAEROBIC DIGESTION: A biological process that uses microorganisms to reduce the volume of biosolids.

ANAMMOX: An abbreviation for ANaerobic AMMonium OXidation, is a globally important microbial process of the nitrogen cycle.

APPROPRIATION: An authorization by Congress, which permits officials to incur obligations and expend Authority resources. Appropriations are usually made for fixed amounts, which extend for a fiscal year. Appropriations for capital improvement projects, however, extend until completion, usually beyond the current fiscal year.

ARBITRAGE: The simultaneous purchase and selling of an asset in order to profit from a differential in the price. This usually takes place on different exchanges or marketplaces. Also known as "riskless profit".

AS-BUILT: A revised set of drawings submitted by a contractor upon completion of a construction project. As-built drawings show the dimensions, geometry, and location of all components of the project.

ASSETS: Property with monetary value owned by the Authority.

AUDIT: An independent systematic examination of resource utilization concluding in a written report. It is a test of management’s internal accounting records. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements.

AUTOMATED METER READING (AMR): System that automatically read customers’ meters using radio frequencies, allowing for more accurate and frequent meter readings and transfer of data to a central database for billing and analysis. It is an older technology that only collects electrical energy consumption and transfers that data from the electric meter on the home to the utility (one-way communication).

BALANCED BUDGET: A budget in which the income equals expenditure.

BIOCHEMICAL OXYGEN DEMAND (BOD): An indicator of the amount of biodegradable contaminants in wastewater.

BIOSOLIDS: Sludge that has been treated to reduce pathogens, organics, and odors, forming a reusable agricultural product.

BLUE PLAINS ADVANCED WASTEWATER TREATMENT PLANT: Located in Washington, DC, Blue Plains is the world's largest advanced wastewater treatment plant and has a permitted capacity of 370 million gallons per day.

BOARD OF DIRECTORS: DC Water's governing board (the Board), which includes 11 primary and 11 alternate members; six members from the District of Columbia, two members each from Montgomery and Prince George's Counties in Maryland, and one member from Fairfax County, Virginia.

BLOOM: a soil conditioner made from Class A biosolids.

BOND: An obligation issued by DC Water promising to pay a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically issued to fund specific capital improvement expenditures.

BUDGET: A plan of financial operations including an estimate of proposed expenditures and revenues for a fiscal period. The budget establishes funding levels for continuing service programs, operation and maintenance of public facilities, and principal and interest payments on bonded indebtedness. Recurring replacement of capital outlay and minor new capital outlay items are included.

CA PPM: Represents a single platform that enables management of the entire innovation lifecycle and make more informed strategic investments.

CLASS A BIOSOLIDS: Class A Biosolids is a designation for dewatered and heated sewage sludge that meets U.S. EPA guidelines for land application with no restrictions. Thus, class A biosolids can be legally used as fertilizer on farms, vegetable gardens, and can be sold to home gardeners as compost or fertilizer.

CAPACITY MANAGEMENT OPERATION and MAINTENANCE (CMOM): A standard framework for municipal sewer collection systems to identify and incorporate widely-accepted wastewater industry practices to meet regulatory compliance.

CAPITAL BUDGET: A plan for investment in long-term assets such as buildings, plant, and equipment. DC Water's capital budget includes project schedules and funding needed to acquire, improve or construct properties or facilities to enhance water and sewer services to our customers.

CAPITAL EQUIPMENT: A capital asset with a useful life of at least 3 years, a cost exceeding \$5,000 and is financed with short-term debt or cash. Examples include rolling stock and computer equipment.

CAPITAL IMPROVEMENT PROGRAM (CIP): A plan, which identifies the nature, schedule, and cost of long-term improvements to DC Water's infrastructure.

CCF (Ccf): Hundred cubic feet or 748 gallons.

CERIDIAN: DC Water's fully integrated payroll and personnel system designed to accommodate a variety of pay, leave, and work rules and to provide a comprehensive set of human resource applications.

CHLORAMINATION: The process of adding chloramines to drinking water. Chloramine, a form of chlorine and ammonia, is used as a disinfectant by the Washington Aqueduct.

CLEAN RIVERS IMPERVIOUS AREA CHARGE (CRIAC): DC Water uses information contained in the District of Columbia's GIS plainmetric database, which includes tax and property records to determine impervious surface areas. (All surfaces are classified as either pervious or impervious). An impervious charge is billed to DC Water customers based on Equivalent Residential Unit (ERU). This is the amount of impervious surface area measured in square feet based on a statistical median for a single family residential property.

CLEAN WATER ACT (CWA): Act passed by the U.S. Congress in 1972 to control water pollution.

COMBINED DEBT SERVICE COVERAGE: The ratio of net revenues available annually to pay debt service to meet the annual debt service requirement including all senior and subordinate debt.

COMBINED HEAT AND POWER FACILITY (CHP): The facility provides steam necessary for the thermal hydrolysis process that uses intense heat and pressure to treat wastewater solids, producing a much cleaner biosolids, and onsite generation of up to one third of Blue Plains' electricity needs.

COMBINED SEWER OVERFLOWS (CSO): Discharge of untreated wastewater (a mixture of stormwater and sanitary waste) directly to waterways during periods of significant rainfall.

COMBINED SEWER OVERFLOW LONG-TERM CONTROL PLAN (CSO LTCP): This Program encompasses projects designed to reduce overflows into the local waterways by 98 percent and is now known as the Clean Rivers Project.

COMBINED SEWER SYSTEM LONG-TERM CONTROL PLAN (CSS LTCP): Final plan submitted by DC Water in July 2002 and approved by EPA in March 2005 to control Combined Sewer Overflow (CSO's) to the Districts waterways.

COMMERCIAL PAPER: Short-term (less than 270 days) notes issued by DC Water to provide interim financing of its capital improvement program. Commercial paper typically carries lower interest rates than long-term debt and is issued on a subordinate basis.

CRIAC NON-PROFITS RELIEF PROGRAM: District funded program to provide CRIAC credits to non-profit organizations as determined by the District Department of the Environment (DDOE).

CUSTOMER ASSISTANCE PROGRAM (CAP): Existing program that uses LIHEAP (Low Income Home Energy Assistance Program) criteria to provide DC Water-funded discounts to low-income residential customers with incomes up to 60 percent of the State Median Income (SMI from Health and Human Services (HHS)).

CUSTOMER ASSISTANCE PROGRAM II (CAP2): 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.

DEPRECIATION: The systematic and rational allocation of the historical cost of tangible capital assets over their estimated useful lives in accordance with Generally Accepted Accounting Principles (GAAP).

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.

INDENTURE: A legal agreement governing the issuance and repayment of utility debt, outlining pledged revenues, covenants, and the responsibilities of the issuer and trustee.

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.

PAY-GO: Refers to the use of current operating revenues (cash) to fund capital improvements directly, rather than issuing new debt.

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.

PERFLUOROCTANE 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.

ROOT FOAMING: A sewer maintenance method used to control and prevent tree-root intrusion in sewer and wastewater pipes. Involves applying a chemical root-control agent in a foam form into sewer lines.

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 rainstorms.

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 one 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 four 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

AWAC: Alliance for Water Awareness and Conservation

AWACS: Advanced Water Accounting Computing System

AWWTP: Advanced Wastewater Treatment Plant

BABs: Build America Bonds

BIL: Bipartisan Infrastructure Law

BOA: Basic Ordering Agreement

BOD: Biochemical Oxygen Demand

BP: Blue Plains

BPAWWTP: Blue Plains Advanced Wastewater Treatment Plant

BPISR: Blue Plains Influent Sewers Rehabilitation

CAP: Customer Assisted Program

CCF: Hundred Cubic Feet

CCTV: Closed Circuit TV

CEO: Chief Executive Officer

CERCLA: Comprehensive Environmental Response, Compensation, and Liability Act

CFA: Commission of Fine Arts

CFCI: Cash Financed Capital Improvements

CFO: Chief Financial Officer

CHP: Combined Heat and Power

ACRONYMS

CIP: Capital Improvement Program

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

COO: Chief Operating Officer

COOP: Continuity of Operations Plan

COS: Cost of Service

COTR: Contracting Officer's Technical Representative

CP: Commercial Paper

CRIAC: Clean Rivers Impervious Area Charge

CSO LTCP: Combined Sewer Overflow Long-Term Control Plan

CSO: Combined Sewer Overflows

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

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

DRBCP: Disaster Recovery and Business Continuity Plan

DSL: Dewatered Sludge Loading Facility

DWE: Department of Wastewater Engineering

DWO: Department of Water Operations

DWV: Drainage, Waste, and Vent

EA: Environmental Assessment

EBU: Equivalent Billing Unit

ECF: Enhanced Clarification Facility

EDMC: Engineering Document Management and Control

EEOC: Equal Employment Opportunity Commission

EIS: Environmental Impact Statement

ELO: Emergency Liaison Officer

EMA: Emergency Management Agency

EMAP: Emergency Management Accreditation Program

EMCP: Extendable Municipal Commercial Paper Program

EMS: Enterprise Management System

ENRF: Enhanced Nitrogen Removal Facilities

EOC: Emergency Operations Center

EOL: Estimated Operating Life

EPA: Environmental Protection Agency

EPM: Enterprise Performance Management

EPSF: East Process Screens Facility

ERDMS: Enterprise Records and Document Management System

ERP: Enterprise Resource Planning System

ERRP: Emergency Residential Relief Program

ERU: Equivalent Residential Unit

ESC: Executive Steering Committee

ESF: Emergency Support Function

ESG: Environmental, Social, and Governance

ETL: Extract, Tool, Load

EV: Electric Vehicle

EVP: Electric Vehicle Program

FCPA: Foreign Corruption Practices Act

FEMA: Federal Emergency Management Agency

ACRONYMS

FOC: Fiber Optic Cable

HPEV: Hybrid Plug-In Vehicle

FONSI: Finding of No Significant Impact

HPRP: High Priority Rehabilitation Program

FROG: Fats, Rags, Oil, and Grease

HQO: Head Quarters Office

FTE: Full Time Employee

HUNA: High Usage Notification Application

FTF: Filtrate Treatment Facility

HVAC: Heating Ventilation and Air Conditioning

FUBS: Filter Underdrain and Backwash System Upgrades

I&C: Instrumentation and Controls

GAAP: Generally Accepted Accounting Principles

I&I: Infiltration and Inflow

GB1: General Bond, Series 1

IAC: Impervious Area Charge

GFOA: Government Finance Officers Association

IFB: Invitation for Bid

GHG: Green House Gas

IIP: Internal Improvement Plan

GI: Green Infrastructure

IMA: Inter-Municipal Agreement

GICD: Green Infrastructure Consent Decree

IOT: Internet of Things

GIS: Geographical Information System

IR&R: Infrastructure Repair & Replacement

GMP: Guaranteed Maximum Price

IRA: Inflation Reduction Act

GWUL: Greater Washington Urban League

IT: Information Technology

HAF: Homeowner Assistance Fund

ITA: International Tunnelling Association

HCM: Human Capital Management

IVR: Interactive Voice Response

ACRONYMS

JBAB: Joint Base Anacostia-Bolling

JUDD: Joint Utility Discount Day

KPI: Key Performance Indicators

LDWMR: Large Diameter Water Main Rehabilitation

LID: Low Impact Development

LIDAR: Light Detection and Ranging

LIHWAP: Low Income Household Water Assistance Program

LIMS: Laboratory Information Management System

LOTO: Log Out Tag-Out

LPRAP: Lead Pipe Replacement Assistance Program

LSC: Local Steering Committee

LSDBE: Local Small Disadvantaged Business Enterprise

LSR: Lead Service Replacement

LTCP: Long Term Control Plan

MAP: Multi-Family Assistance Program

MBE: Minority Business Enterprise

MFI: Median Family Income

MGD: Million Gallons Per Day

MIFF: Miscellaneous Improvements to Filtration Facility

MJUF: Multi-Jurisdictional Use Facility

MOCRS: Mayor's Office of Community Relations and Services

MOU: Memorandum of Understanding

MPT: Main Process Train

MS4: Municipal Separate Storm Sewer System

MTBF: Meantime Between Failures

MTTR: Meantime to Repair

MTU: Meter Transmission Units

MW: Mega Watt

NACWA: National Association of Clean Water Agencies

NEB: North East Boundary

NEBT: North East Boundary Tunnel

NELAP: National Environmental Laboratory Accreditation Program

NEPA: National Environmental Policy Act

NFPA: National Fire Protection Agency

ACRONYMS

NGICP: National Green Infrastructure Certification Program

NHPA: National Historic Preservation Act

NIMS: National Incident Management System

NMC: Nine Minimum Controls

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

CCS: 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

PIF: Public Inconvenient Fee

PILOT: Payment In Lieu of Taxes

PLC: Program Logic Control

ACRONYMS

PM: Preventive Maintenance

RFE: Reclaimed Final Effluent

PMO: Project Management Office

RFP: Request for Proposal

PPA: Power Purchase Agreement

RFQ: Request for Quotation

PPE: Personal Protective Equipment

RLRAP: Leak Assessment and Repair Assistance Programs

PPM: Parts Per Million

ROCIP: Rolling Owner Controlled Insurance Program

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

SBITA: Subscription-Based Information Technology Arrangement

QMS: Quality Management System

SCADA: Supervisory Control and Data Acquisition

RAP: Repair Assistance Programs

SDWA: Safe Drinking Water Act

RCM: Reliability Centered Maintenance

SDWM: Small Diameter Water Main Replacement

REC: Renewable Energy Credit

SDWMR: Small Diameter Water Main Replacement

ACRONYMS

SEP: Supplemental Environmental Project

SET: Senior Executive Team

SFR: Single Family Residence

SHPO: State Historic Preservation Office

SMI: State Median Income

SOP: Standard Operating Procedure

SOX: Sarbanes Oxley Act

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



this page intentionally left blank