



WHERE DOES THE MONEY GO?

The money that DC Water's customers pay covers the services we provide. For DC Water, the "cost of service" includes everything from the cost of repairing and replacing pipes, valves and pumps, to tools and machinery, to labor to install and maintain equipment. It also covers the cost of chemicals, buildings, vehicles, office supplies, purchase of treated drinking water, salaries and all the support functions of a 24x7 operation.

Based on an average Tier 2 residential bill, with usage of 5,004 gallons per month, an average DC Water bill in 2012 breaks down as follows:

Total bill from DC Water:	\$65.62
DC Water – Water and Sewer Charges	\$48.17
DC Water – Clean Rivers IAC**	\$6.64
DC Water – Customer Metering Fee	\$3.86*
District of Columbia – PILOT Fee	\$3.28
District of Columbia – Right of Way Fee	\$1.00
District of Columbia – Stormwater Fee	\$2.67

Note: DC Water collects the last three fees on its bill and passes them along to the District of Columbia.

*Metering fees vary by meter size. The figure used here is the lowest fee.

***The Clean Rivers Impervious Area Charge is a charge instituted in 2009 to cover costs of the \$2.6 billion Clean Rivers Project, which is mandated by the federal government to reduce combined sewer overflows in the District.



Continued on back

Rates paid by *all* customers, regardless of customer class, cover the cost of delivery of water and sewer service and wastewater treatment. The rates are set by the revenue needs identified in advance of the fiscal year, and by anticipating projects in advance.

Based on these revenue requirements, a little more than half of the rates cover DC Water's operations.

More than one-third of the average bill covers the cost of capital projects such as replacement of aging water and sewer lines, valve replacements and pump station improvements. Capital projects also include several massive projects designed to protect the environment, and required by the United States Environmental Protection Agency, such as the \$950 million Enhanced Nutrient Removal Project.

Though the mandate comes from the federal government, most of the funding typically does not. While a small amount of funding has come through the Clean Water Act, Safe Drinking Water Act and other grants, the majority of these capital costs are borne by the customers.

The remaining 10 percent of the fees are pass-through charges to the District government.



How does DC Water spend each \$1.00 received from the average residential customer?

