



## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

### Board of Directors

*Joint Meeting of the  
DC Retail Water and Sewer Rates and  
Finance and Budget Committees*

*Tuesday, January 28, 2025  
10:00 a.m.*

### Microsoft Teams meeting

Join on your computer, mobile app

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Meeting ID: 267 988 211 982

Passcode: w8wP7fF3

**Dial in by phone**

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Phone conference ID: 460 176 206#

- I. **Call to Order** ..... Rachna Bhatt & Anthony Giancola, Chairpersons
- II. **Roll Call** ..... Michelle Rhodd, Board Secretary
- III. **[Proposed FY 2026 Budget \(Attachment 1\)](#)** ..... Matthew T. Brown & Lola Oyeyemi
- IV. **Executive Session\***
- V. **Adjournment** ..... Rachna Bhatt & Anthony Giancola, Chairpersons

*This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at [opengovoffice@dc.gov](mailto:opengovoffice@dc.gov)*

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<sup>1</sup>The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under D.C. Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security matters under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); third-party proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop Board members and staff under D.C. Official Codes § 2-575(b)(12); adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14); and other matters provided under the Act.



## The Proposed FY 2026 Budget

Presentation to the Joint Meeting of the D.C. Retail Water & Sewer Rates and Finance & Budget Committees on January 28, 2025

**District of Columbia Water and Sewer Authority**







## Purpose

• Provide detailed information on Revised Fiscal Year 2025 and Proposed Fiscal Year 2026 Budgets:

- Operating Expenditures
- Ten-Year Capital Improvement Program
- Operating Revenues
- Ten-Year Financial Plan

• Review the budget process and timelines for:

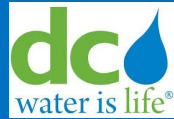
- Committee review, Committee recommendation to the Board, and Board adoption





# Budget Adoption Calendar

Timeline	Activity	Status
January 13	Budget Workshop with Board of Directors	✓
January 22	Wholesale Customer Briefing	✓
January 24	Office of People's Counsel Briefing	✓
<b>Committee Discussions &amp; Reviews</b>		
January 16	Environmental Quality & Operations	✓
January 28	Joint DC Retail Water & Sewer Rates and Finance & Budget Committee	
February 6	Board Meeting (No Board Action Required)	
<b>Committee Reviews, Recommendations &amp; Actions</b>		
February	Environmental Quality & Operations	
February	Finance & Budget	
February	DC Retail Water & Sewer Rates	
<b>March 6</b>	<b>Board Adoption of Budgets</b>	
April	Submit Budget via the District to U.S. Congress	
October 1	Fiscal Year 2025 Begins	



# Proposed FY 2026 Budget

## 💧 Proposed \$838.1 million FY 2026 Operating Budget, increase of \$49.9 million

Operations and Maintenance (O&M) Budget	Non O&M Budget	PILOT and ROW
\$468.6 million	Debt Service - \$271.5 million and Cash Financed Capital Improvements - \$73.9 million	\$24.2 million
<ul style="list-style-type: none"> <li>Personnel and non-personnel costs</li> </ul>	<ul style="list-style-type: none"> <li>Support for the capital program</li> </ul>	<ul style="list-style-type: none"> <li>Payments to the District</li> </ul>

## 💧 Proposed \$9.62 billion 10-year Capital Budget, increase of \$1.88 billion

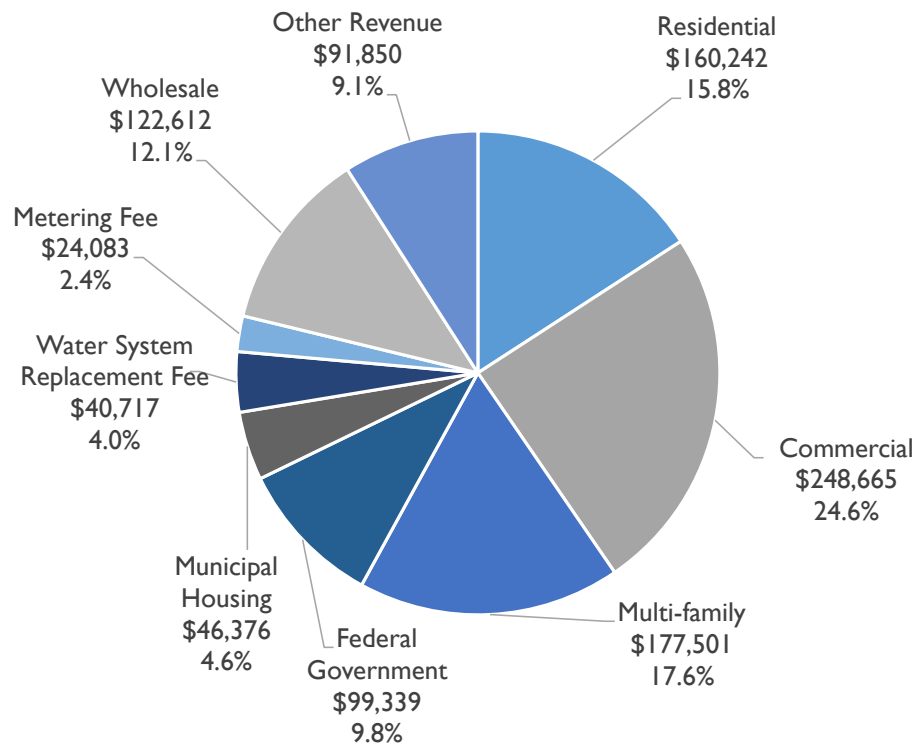
Capital Projects	Capital Equipment	Washington Aqueduct
\$8.77 billion	\$350.8 million	\$500.8 million
<ul style="list-style-type: none"> <li>Clean Rivers</li> <li>Lead Free DC</li> <li>Potomac Interceptor</li> <li>Equipment upgrades and rehabilitation at Blue Plains</li> <li>Investments in the aging water and sewer infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Pumps, motors, and meter equipment</li> <li>Backhoes, jet-vacs, catch basin trucks, other aged vehicles to meet operational needs</li> <li>Information technology projects</li> </ul>	<ul style="list-style-type: none"> <li>Improvements at the Washington Aqueduct</li> </ul>



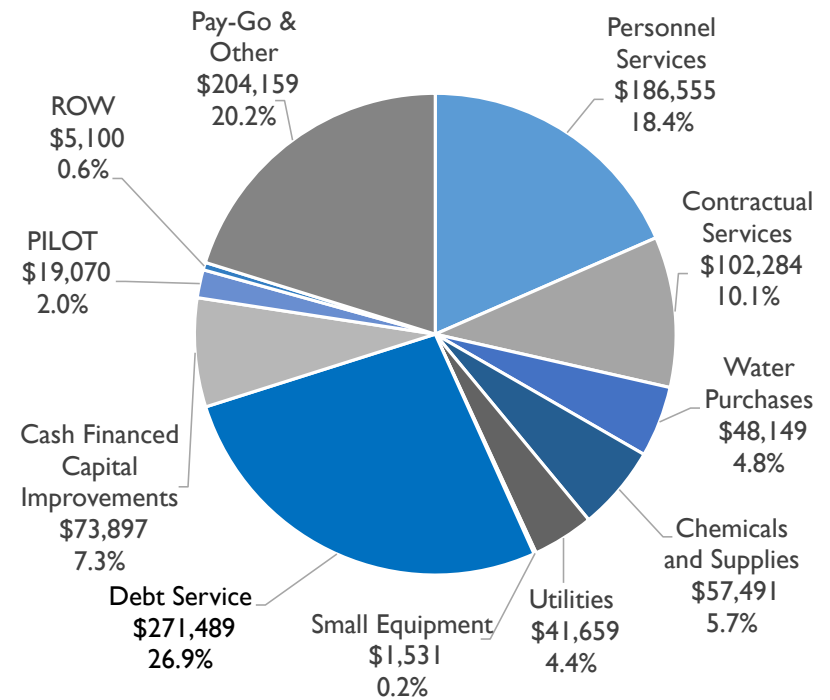
# FY 2026 Operating: Sources and Uses of Funds

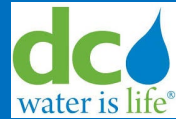
\$ in thousands

## Sources - \$1.01 billion



## Uses - \$1.01 billion

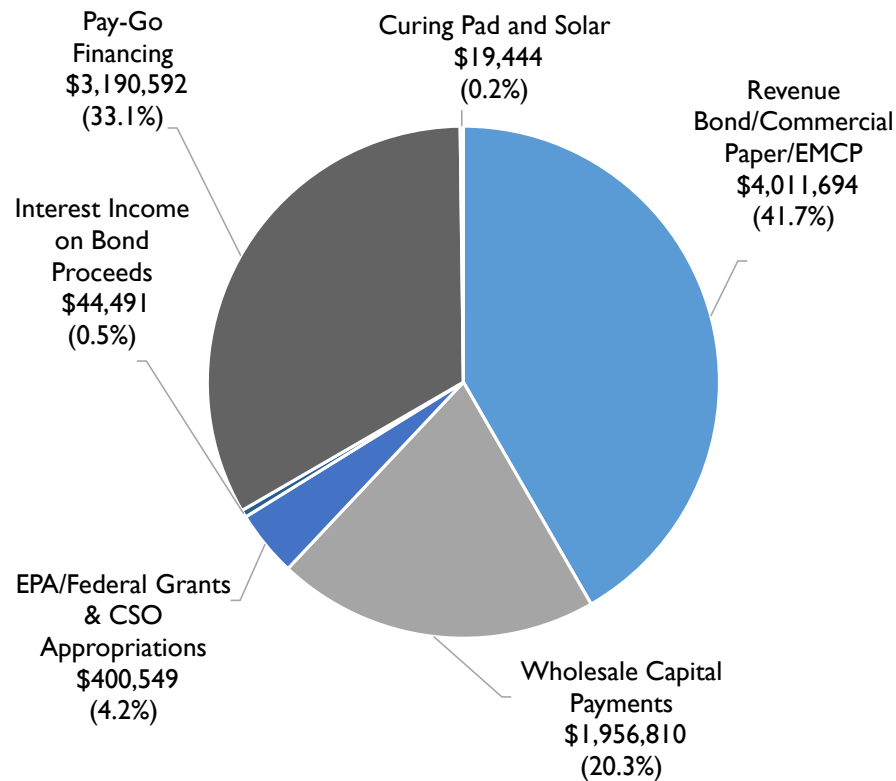




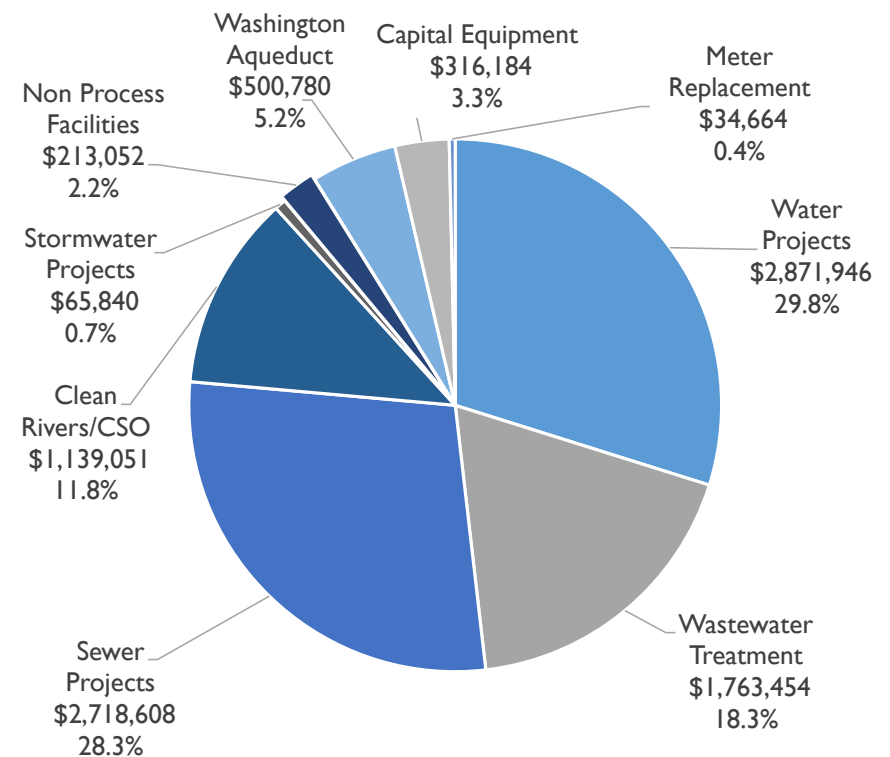
# Ten Year CIP: Sources and Uses of Funds

\$ in thousands

## Sources - \$9.62 Billion



## Uses - \$9.62 Billion



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



# Changes to FY 2025 Budget

- Amendments to the FY 2025 Operating Expenditure Budget
  - Management has effected an administrative budget reprogramming of \$5.5 million from debt service to Cash Financed Capital Improvement (CFCI) for paygo to reduce future borrowing costs
  - Overall Board-adopted budget remains the same
- Revisions to the FY 2025 and FY 2026 Operating Revenues due to the following:
  - Retail Revenue – higher projected consumption by 2.3 million Ccf
  - Wholesale Revenue – increase in O&M cost in FY 2026
  - Other Revenue – increase in projected Fire Protection Fee based on Cost of Service and IMA Indirect Cost Reimbursement for Capital Project

\$'0000s	Adopted Budget	Budget Reprogramming	Amended Budget
Operations & Maintenance	\$ 454,513		\$ 454,513
Debt Service	249,495	(5,526)	243,969
Cash Financed Capital Improvement	60,436	5,526	65,962
PILOT & ROW	23,796		23,796
<b>Total Operating Budget</b>	<b>\$ 788,241</b>	<b>\$ -</b>	<b>\$ 788,241</b>

FY 2025	Current	Revision	Revised
Retail Revenue	\$ 731,642,502	\$16,171,481	\$ 747,813,983
Wholesale Revenue	114,248,146	-	114,248,146
Interest Earnings	9,089,071	-	9,089,071
Other Revenue	70,877,512	9,430,667	80,308,179
Interest on Bond Reserve	403,659	-	403,659
<b>Total</b>	<b>\$926,260,890</b>	<b>\$25,602,148</b>	<b>\$ 951,863,038</b>

FY 2026	Current	Revision	Proposed
Retail Revenue	\$ 775,093,838	\$21,828,972	\$ 796,922,810
Wholesale Revenue	120,904,781	1,707,067	122,611,848
Interest Earnings	8,815,944	-	8,815,944
Other Revenue	72,240,022	10,393,667	82,633,689
Interest on Bond Reserve	400,609	-	400,609
<b>Total</b>	<b>\$977,455,194</b>	<b>\$33,929,706</b>	<b>\$1,011,384,900</b>





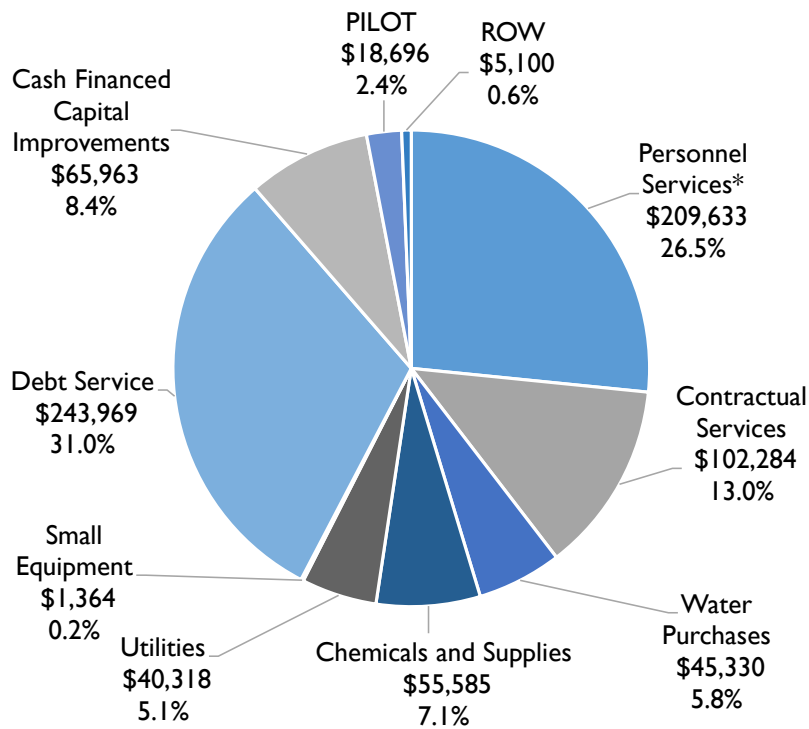
# Operating Expenditure Budget



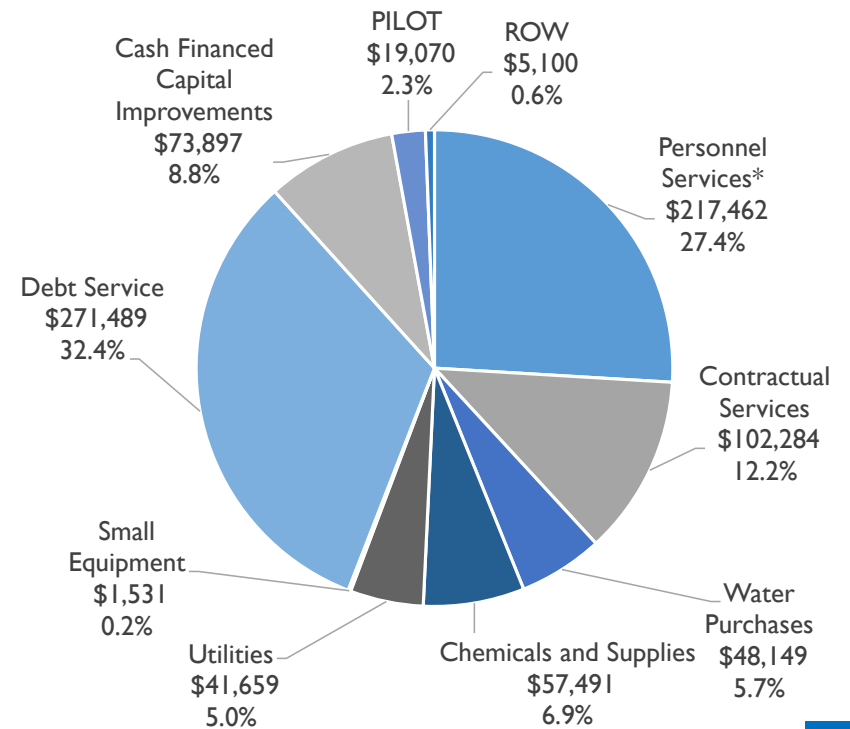
# FY 2025 vs. FY 2026 Expenditure Budgets

\$ in thousands

**Revised FY 2025**  
**\$788,241**



**Proposed FY 2026**  
**\$838,133**



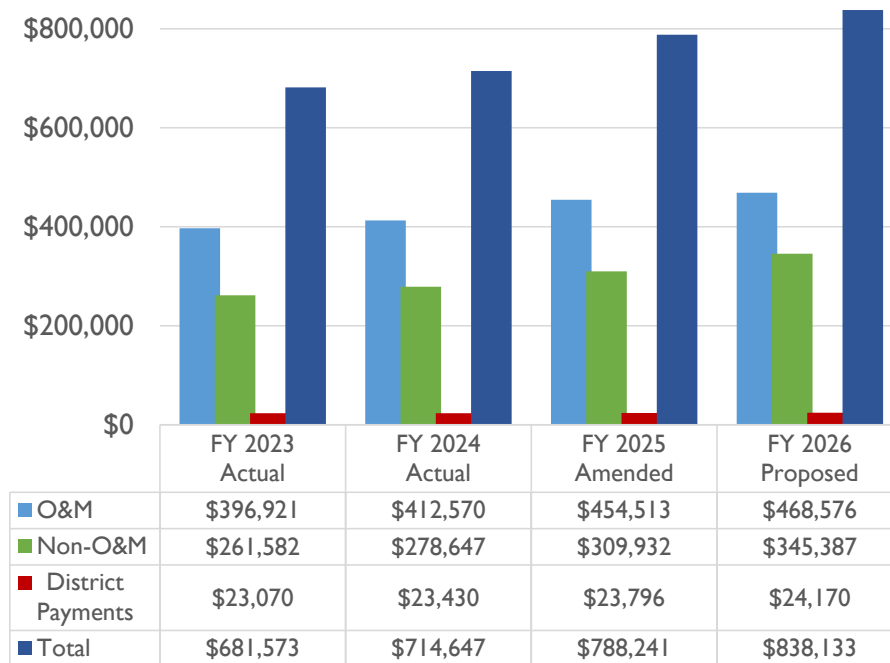
\* Personnel Services include capital labor charges



# Operating Budget Trends

- Operations & Maintenance (O&M)** costs for personnel and non-personnel services costs
  - Average annual growth over the last three years is 7.3%. This includes a significant cost increase of 10.2% between FY 2022 and FY 2023 due to impact of inflation and supply chain issues
  - Projected average annual growth of 4% in the financial plan
- Non-O&M** costs include debt service and Cash Financed Capital Improvement (CFCI)
  - Debt service is one of the fastest-growing components of the overall budget and is driven by the ten-year capital program
  - Projected average annual growth for debt service is 8.6% in the financial plan
- District Payments** are consistent with the MOUs
  - Payment-in-Lieu of Taxes (PILOT) increases 2% per year
  - Right of Way (ROW) amount remains the same each year

Annual Operating Expenditures \$ in thousands





# Operating Budget Comparison by Cost Category

- DC Water successfully closed Fiscal Year 2024 with strong financial performance, achieving approximately 97% of the overall budget
- The FY 2025 amended budget reflects reprogramming of \$5.5 million from debt service to CFCI. The overall budget remains the same and increase in PAYGO reduces future borrowing costs
- The proposed FY 2026 overall operating budget is \$838.1 million, an increase of \$49.9 million or 6.3% compared to FY 2025 level

(\$000's)	FY 2024			FY 2025 Adopted Budget	Budget Reprogramming	FY 2025 Amended Budget	FY 2026 Proposed Budget	(Increase)/ Decrease	
	Revised	Actual	Variance					\$	%
Regular Pay	\$ 147,203	\$ 139,983	\$ 7,220	\$ 154,105		\$ 154,105	\$ 159,348	\$ (5,243)	-3.4%
Benefits	45,869	41,491	4,378	46,425		46,425	46,914	(489)	-1.1%
Overtime	8,509	11,521	(3,011)	9,103		9,103	11,200	(2,097)	-23.0%
<b>Total Personnel Services</b>	<b>201,581</b>	<b>192,994</b>	<b>8,587</b>	<b>209,633</b>	<b>-</b>	<b>209,633</b>	<b>217,462</b>	<b>(7,829)</b>	<b>-3.7%</b>
Chemical and Supplies	54,568	55,596	(1,027)	55,585		55,585	57,491	(1,906)	-3.4%
Utilities	39,233	34,202	5,031	40,318		40,318	41,659	(1,341)	-3.3%
Contractual Services	93,070	89,276	3,795	102,284		102,284	102,284	-	0.0%
Water Purchases	44,039	38,904	5,134	45,330		45,330	48,149	(2,819)	-6.2%
Small Equipment	1,437	1,599	(162)	1,364		1,364	1,531	(167)	-12.2%
<b>Total Non-Personnel Services</b>	<b>232,347</b>	<b>219,576</b>	<b>12,771</b>	<b>244,881</b>	<b>-</b>	<b>244,881</b>	<b>251,114</b>	<b>(6,233)</b>	<b>-2.5%</b>
<b>Total Operations &amp; Maintenance</b>	<b>\$ 433,928</b>	<b>\$ 412,570</b>	<b>\$ 21,358</b>	<b>\$ 454,513</b>	<b>\$ -</b>	<b>\$ 454,513</b>	<b>\$ 468,576</b>	<b>\$ (14,063)</b>	<b>-3.1%</b>
Debt Service	221,635	220,073	1,562	249,495	(5,526)	243,969	271,489	(27,521)	-11.3%
PILOT & ROW	23,430	23,430	-	23,796		23,796	24,170	(374)	-1.6%
Cash Financed Capital Improvements (CFCI)	58,575	58,575	-	60,436	5,526	65,963	73,897	(7,934)	-12.0%
<b>Total Non-O&amp;M</b>	<b>303,639</b>	<b>302,077</b>	<b>1,562</b>	<b>333,728</b>	<b>-</b>	<b>333,728</b>	<b>369,557</b>	<b>(35,829)</b>	<b>-10.7%</b>
<b>Total Operating Expenditure</b>	<b>\$ 737,567</b>	<b>\$ 714,647</b>	<b>\$ 22,920</b>	<b>\$ 788,241</b>	<b>\$ -</b>	<b>\$ 788,241</b>	<b>\$ 838,133</b>	<b>\$ (49,892)</b>	<b>-6.3%</b>
Capital Labor Charges	(31,974)	(26,699)	(5,274)	(34,087)		(34,087)	(30,907)	(3,180)	9.3%
<b>Net Operating Expenditure</b>	<b>\$ 705,593</b>	<b>\$ 687,948</b>	<b>\$ 17,645</b>	<b>\$ 754,154</b>	<b>\$ -</b>	<b>\$ 754,154</b>	<b>\$ 807,226</b>	<b>\$ (53,072)</b>	<b>-7.0%</b>



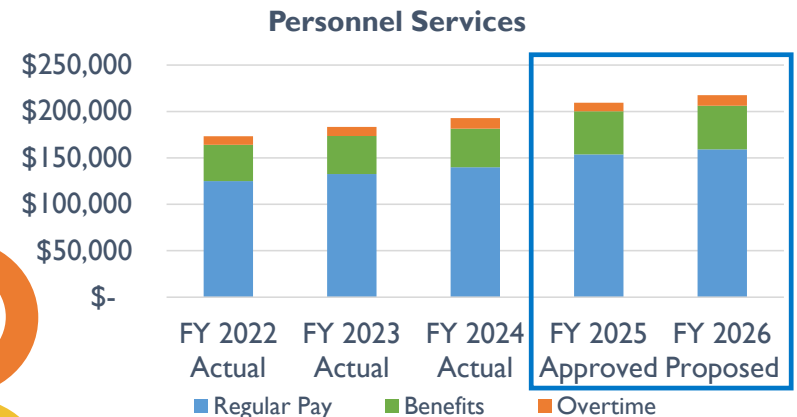
## DEEP DIVE

# Personnel Services – Budget Assumptions

## Personnel Services – \$217.5 million, increase of \$7.8 million

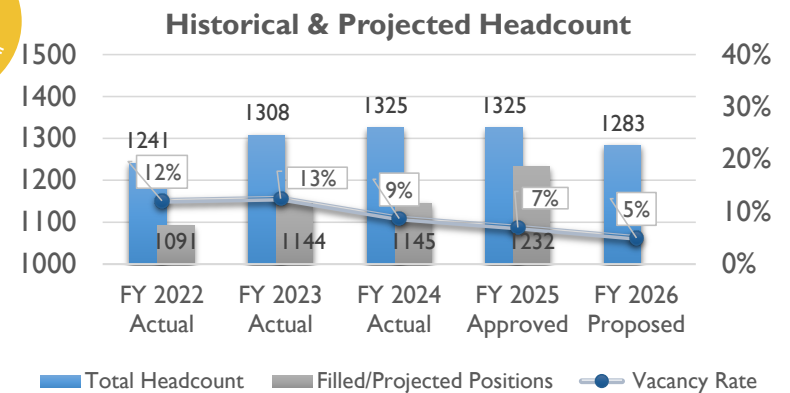
\$ in thousands

- **Regular Pay** – The increase of \$5.2 million is mainly for salary adjustments, step increases, merit increases, and bonus payments consistent with union agreement
- **Benefits** – The increase of \$0.5 million is for employee health benefits based on current forecasts
- **Overtime** – The increase of \$2.1 million is primarily to address the growing need for overtime used for emergency repairs of our aging infrastructure, boil water events and equipment outages



## Headcount

- **Headcount** – Reflects elimination of 45 hard-to-fill vacant positions, while 3 new positions were added, bringing the total authorized headcount to 1,283
- **Vacancy Rate** – 5% assumed in FY 2026 compared to 7% assumed in FY 2025 budget. The vacancy rate based on active recruitment at the end of FY 2024 was 9%



## DEEP DIVE

# Chemicals, Supplies and Utilities

## Chemicals & Supplies – \$57.5 million, increase of \$1.9 million

- *Chemicals* – Relatively flat compared to the FY 2024 budget based on current price projections
- *Supplies* – \$1.9 million increase is for parts and supplies needed for the maintenance of DC Water equipment and facilities

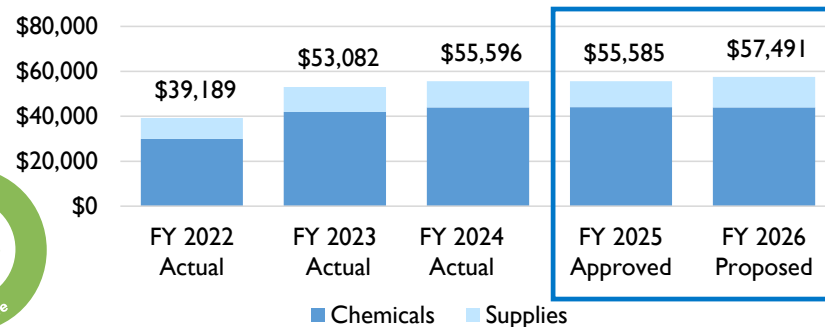


## Utilities – \$41.7 million, increase of \$1.3 million

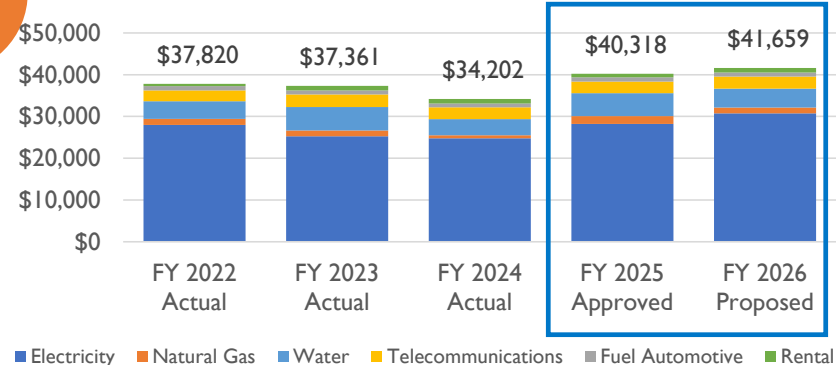
- *Electricity* – \$2.5 million increase for energy needed to operate the Plant, Pump Stations and Operational facilities. Onsite electric generation of 7MW from the Combined Heat & Power Facility continues to reduce the rate of growth of electricity costs and DC Water's reliance on the power grid
- *Telecommunications and Rentals* – Increase of \$0.4 million based trends
- *Water Usage* – Decrease of \$0.9 million based on current spending trends following resolution of water leakage issues at the Plant
- *Gas & Automotive Fuel* – Decrease of \$0.7 million based on forecasts for fuel prices driven by the energy market

\$ in thousands

### Chemicals & Supplies



### Utilities

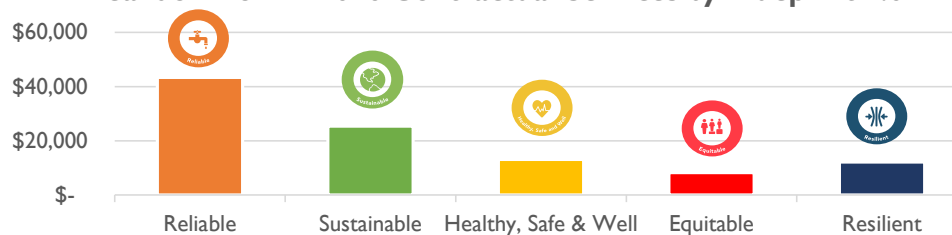


## DEEP DIVE

# Contractual Services

- The overall FY 2026 budget remains flat
- 67% of the contractual services budget aligns with the reliability and sustainability goals of Blueprint 2.0
- Areas of major budget changes include
  - Maintenance** needed to keep assets in good and operational conditions (Combined Heat & Power facility, HVAC, elevators and fleet)
  - Software maintenance** for technology systems
  - Professional services** include budget reductions for consulting, strategic initiatives, temporary staffing, outside legal matters, and more
  - Contractual services** for hauling and disposal, biosolids hauling, high pressure high vacuum and industrial cleaning, janitorial services, IT support services, locate and mark utility services, security guards, etc.

Breakdown of FY 2026 Contractual Services by Blueprint 2.0



(000s)	FY 2023 Actual	FY 2024 Actual	FY 2025 Approved	FY 2026 Proposed	FY 2025 vs. FY 2026 (Increase) / Decrease	
Maintenance and Repairs	10,244	\$ 13,061	\$ 11,047	\$ 14,054	\$ (3,006)	-27%
Software and Hardware Maintenance	12,059	12,369	12,453	14,797	(2,344)	-19%
Professional Services	38,889	33,406	42,264	35,835	6,429	15%
Contractual Services	12,433	13,337	15,451	17,118	(1,667)	-11%
Insurance and Bonds	5,210	5,921	6,612	6,504	108	2%
Judgements Indemnities and Claims	157	1,474	2,400	2,350	50	2%
Employee Training & Travel	2,061	2,076	2,754	2,415	339	12%
Government Fees	372	547	387	443	(56)	-15%
Professional Fees & Audit Costs	2,181	2,356	2,655	2,390	265	10%
Non-RatePayer Revenue Fund			500	200	300	60%
Other Contractuals	4,703	4,730	5,760	6,177	(417)	-7%
<b>Total Contractual Services</b>	<b>\$ 88,309</b>	<b>\$ 89,276</b>	<b>\$ 102,284</b>	<b>\$ 102,283</b>	<b>\$ 0</b>	<b>0%</b>

## DEEP DIVE

# Water Purchases and Small Equipment

## Water Purchase – \$48.1 million or an increase of \$2.8 million

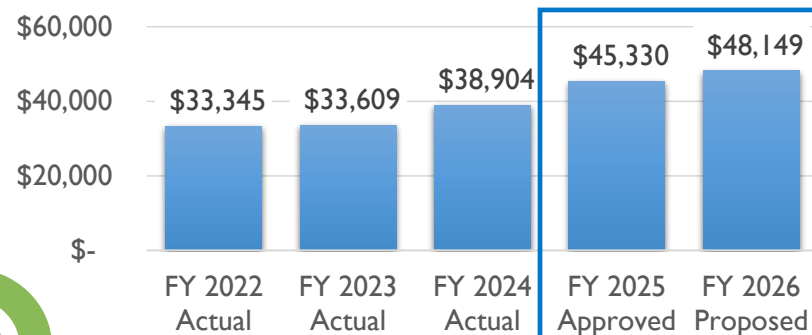
- DC Water purchases drinking water from the Washington Aqueduct and is responsible for approximately 75% of the Aqueduct's projected operating costs
- This includes funding for DC Water's share of the McMillan Sewer backwash with offsetting revenue opportunity, and assumes dredging of the Little Seneca Reservoir

## Small Equipment – \$1.5 million, increase of \$0.2 million

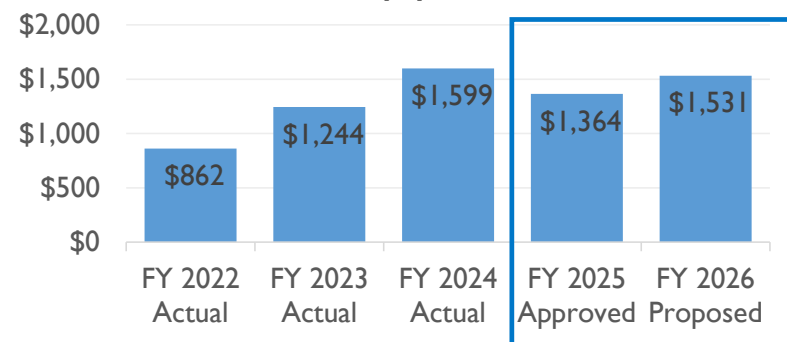
- Reflects rental of two cranes for use at Blue Plains



Water Purchase (Expenditure)



Small Equipment





DEEP DIVE

## Non Operations & Maintenance Budget Drivers



**Debt Service** – Increase of \$27.5 million for planned debt between the projected senior and subordinate bond series



**Cash Financed Capital Improvements** – Increase of \$7.9 million for PAYGO funding to reduce future borrowing costs



**PILOT & ROW** – Increase of \$0.4 million for payment of PILOT fees to the District consistent with MOUs. The payment for ROW remains at the FY 2025 level of \$5.1 million



**Capital Labor Charges** – Decrease of \$3.2 million due to the elimination of vacancies mainly in the engineering departments

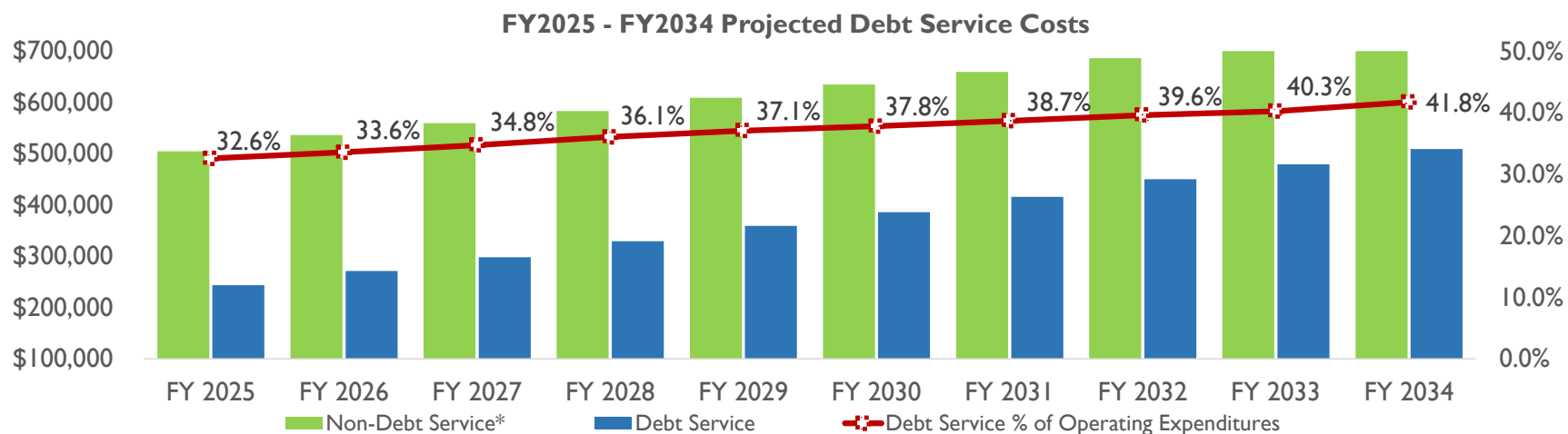


## Debt Service Costs

### 💧 Debt service is the largest driver in the operating budget

- Represents 33.6% of the net operating expenditure budget and 27.1% of operating revenue in FY 2026
- Over the next ten years, about \$4.2 billion is anticipated to be borrowed to fund the capital program
- Debt service cost is projected to grow from \$244.0 million in FY 2025 to \$509.6 million by FY 2034 (approximately 109% increase)

\$ in thousands



\* Non-Debt Service includes O&M, PILOT, ROW and CFCI estimates

DEEP DIVE

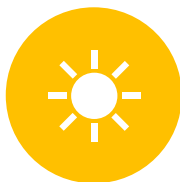
## Budget Risks



**Personnel** - Overtime during emergencies, outcome of compensation assessment, increased healthcare cost, vacancy rate and other salary adjustments typically funded by vacancies



**Supplies & Chemicals** - Market volatilities, inflation, increased capacity energy prices based on peak demand, rain events, process optimization



**Utilities** - Market volatilities, onsite energy optimization, solar project output & timeline



**Equipment & Facilities** - Parts, equipment and maintenance requirement for tunnels, treatment facilities, and the new operational facilities



**Professional Services**  
Biosolids/BLOOM - Hauling/marketing of 70,000 tons, locate and mark utilities and other services



**Litigation & Insurance** - Impacts of unanticipated legal cases, insurance policy requirements and workers compensation claims



# Proposed Capital Improvement Program





# DC Water Budget Overview

FY2025-2034

Proposed

Capital

Investments

of **\$9.6 billion**



**Sewer  
Infrastructure  
Investments  
\$2.79 billion**

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



**Water  
Infrastructure  
Investments  
\$1.77 billion**

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



**Blue Plains \$1.76 billion**

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



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



**\$1.07 billion**  
Fully Funds DC Water Clean Rivers projects to meet Consent Decree requirements



Invests in the Aqueduct's capital infrastructure



**\$351 million**

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



**\$213 million**

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



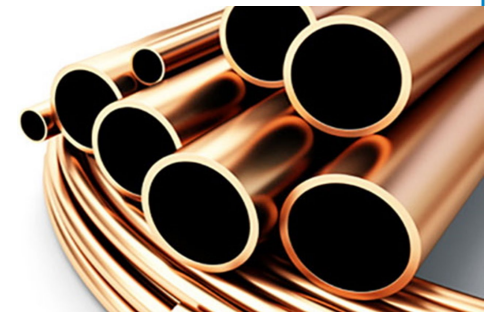
Improves stormwater pump stations to relieve local flooding



# The Proposed Budget

## 💧 The 10-Year \$9.62 billion Capital Program, with projected rate increases:

- Fully funds the Clean Rivers Program including completion of the Potomac River tunnel to meet the consent decree requirement by 2030
- Allocates \$1.1 billion for the Lead-Free DC program
- Funds more than 150 miles of small diameter water main replacement
- Invests \$4.5 billion in the aging water and sewer system infrastructure including full rehabilitation of Potomac Interceptor
- Directs \$1.8 billion for major rehabilitation and upgrades at Blue Plains
- Allocates \$500.8 million for DC Water's share of the Washington Aqueduct's infrastructure program
- Provides \$350.8 million for the purchase/replacement of vehicles, heavy-duty equipment, mechanical equipment, operational facilities, meters, office renovations, and IT projects



DCCR Potomac Tunnel Mining Shaft Construction



# The Capital Improvement Program

💧 The proposed ten-year CIP budget of \$9.62 billion includes **\$1.88 billion increase** over the Board-approved CIP

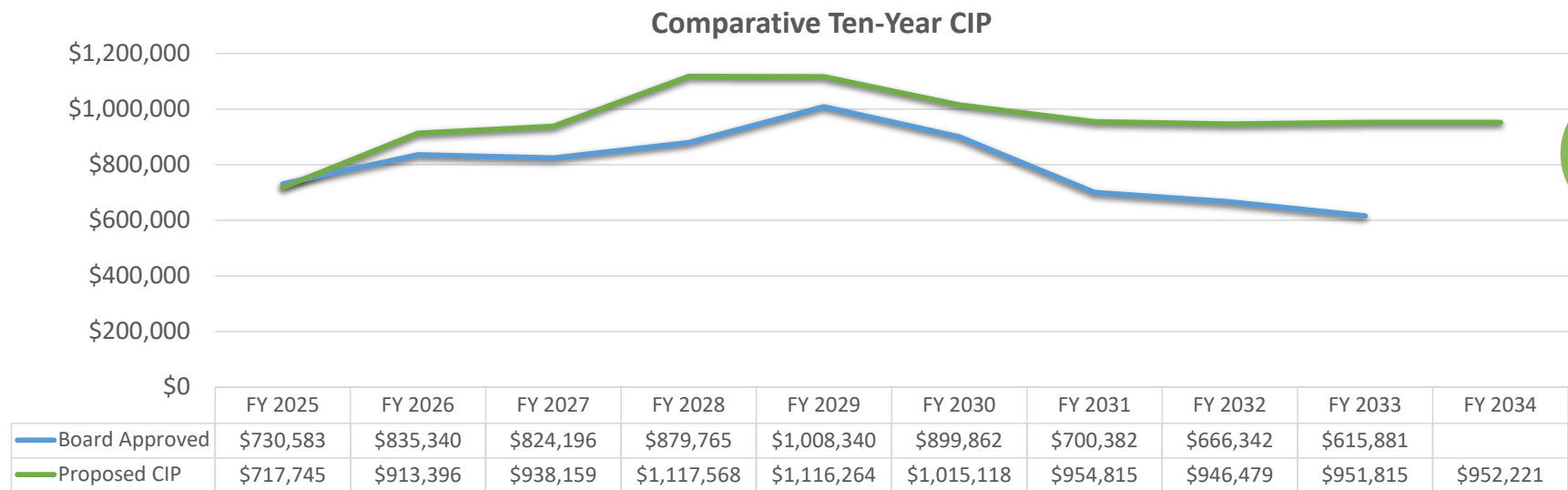
- Investment in our aging sewer and water systems for continued reliability, combined increase of \$580 million
- Full rehabilitation of the Potomac Interceptor, increase of \$435 million
- Brass replacement and permit fee requirements for the Lead-Free program, an increase of \$367 million
- Rehabilitation and upgrades to wastewater treatment mainly for Liquid Processing, total increase of \$430 million
- DC Water's share of the Washington Aqueduct's capital program, an increase of \$143 million mainly in the latter years
- Reduced spending for the Clean Rivers project as we approach the completion of the Potomac River Tunnel, decrease of \$98 million

Cash Disbursements (\$000's)	FY2025 - FY 2034 CAPITAL IMPROVEMENT PROGRAM											Last Year's 10-yr	(Increase) Decrease	Lifetime Budget
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	10-yr Total			
NON PROCESS FACILITIES	\$ 18,181	\$ 51,570	\$ 36,149	\$ 16,630	\$ 13,006	\$ 12,169	\$ 16,339	\$ 16,393	\$ 16,616	\$ 16,000	\$ 213,052	\$ 197,518	\$ (15,534)	\$ 414,629
WASTEWATER TREATMENT	68,282	106,353	111,659	195,570	188,694	221,431	222,997	215,925	217,553	214,990	1,763,454	1,333,603	(429,851)	3,871,705
COMBINED SEWER OVERFLOW	223,832	250,386	237,349	197,096	138,525	85,911	5,953	-	-	-	1,139,051	1,230,093	91,042	3,421,865
STORMWATER	8,209	17,360	16,440	6,955	3,540	5,131	1,738	2,311	2,554	1,602	65,840	68,551	2,711	151,699
SANITARY SEWER	146,901	148,796	170,931	345,603	399,157	303,342	301,698	302,597	299,314	300,268	2,718,608	1,855,580	(863,028)	3,745,688
WATER	185,094	270,680	297,810	288,118	300,403	314,195	297,381	300,544	307,069	310,652	2,871,946	2,353,028	(518,918)	4,968,489
<b>CAPITAL PROJECTS</b>	<b>650,499</b>	<b>845,145</b>	<b>870,337</b>	<b>1,049,973</b>	<b>1,043,325</b>	<b>942,179</b>	<b>846,106</b>	<b>837,770</b>	<b>843,106</b>	<b>843,512</b>	<b>8,771,952</b>	<b>7,038,373</b>	<b>(1,733,579)</b>	<b>16,574,075</b>
CAPITAL EQUIPMENT	31,477	32,481	32,052	31,825	37,169	37,169	37,169	37,169	37,169	37,169	350,848	347,390	(3,458)	350,848
WASHINGTON AQUEDUCT	35,770	35,770	35,770	35,770	35,770	35,770	71,540	71,540	71,540	71,540	500,780	357,472	(143,308)	500,780
ADDITIONAL CAPITAL PROJECTS	67,247	68,251	67,822	67,595	72,939	72,939	108,709	108,709	108,709	108,709	851,628	704,862	(146,766)	851,628
LABOR														383,495
<b>TOTAL CAPITAL BUDGETS</b>	<b>\$ 717,745</b>	<b>\$ 913,396</b>	<b>\$ 938,159</b>	<b>\$ 1,117,568</b>	<b>\$ 1,116,264</b>	<b>\$ 1,015,118</b>	<b>\$ 954,815</b>	<b>\$ 946,479</b>	<b>\$ 951,815</b>	<b>\$ 952,221</b>	<b>\$ 9,623,580</b>	<b>\$7,743,235</b>	<b>\$(1,880,345)</b>	<b>\$17,809,199</b>
Board Approved 10yr- CIP	732,139	841,815	829,232	888,890	1,017,465	908,987	709,507	675,467	625,006		7,743,235			
Delta (inc)/dec	14,394	(71,581)	(108,927)	(228,678)	(98,799)	(106,131)	(245,308)	(271,012)	(326,809)	(437,494)	(1,880,345)			



## Comparative CIP by Year

- The proposed ten-year CIP budget of \$9.6 billion reflects management's commitment to continue to invest in our aging water and sewer infrastructure after the completion of the mandated Clean Rivers program in 2030
- The chart below shows a sustainable CIP with projected annual spending trends that is consistent with the rate sustainability goals outlined in the Blueprint 2.0 and DC Water's rate-setting policies requiring "reliable" revenues





## Path to Future: More Sustainable CIP

- 💧 **Proposed CIP** of \$9.6B addresses many of DC Water's critical assets but there is more to do
- 💧 **Future ten-year CIP** will consider needs which may be \$5B to \$10B more than current proposal
  - Rehabilitate large trunk sewers with high consequence of failure
  - Assess and address high risk Large Diameter Water Main defects
  - Address the local sewers backlog 50 years sooner by rehabilitating at 2.5% per year
  - Address small diameter water main backlog 20 years sooner by replacing 27 miles per year vs current 17 miles

		Consequence of Failure				
		Very Low	Low	Moderate	High	Very High
Likelihood of Failure	Very High					
	High					
	Moderate					
	Low					
	Very Low					





## Future CIP

💧 **Path Forward:** During 2025, the Engineering and Finance teams will collaborate with the Board to lay the groundwork for the next year's ten-year CIP budget and two-year rate proposal

### Infrastructure Needs

Condition Assessments & Operational Priorities

Consider Inflationary Cost Impacts

Identify Additional Funding Sources

### Customer Impact Analysis

Evaluate Impact on Customer Affordability

Prepare Rate Forecasts for each CIP Scenario  
*(retail and wholesale)*

### Engagement & Feedback

Committee Reviews & Board Feedback

Stakeholder Engagement

Board Committee Feedback

### Future Budget

Incorporate Findings

Deliver FY 2026 – 2035 CIP & Financial Plan

Retail Rate Adjustments & Wholesale Contributions



## DEEP DIVE

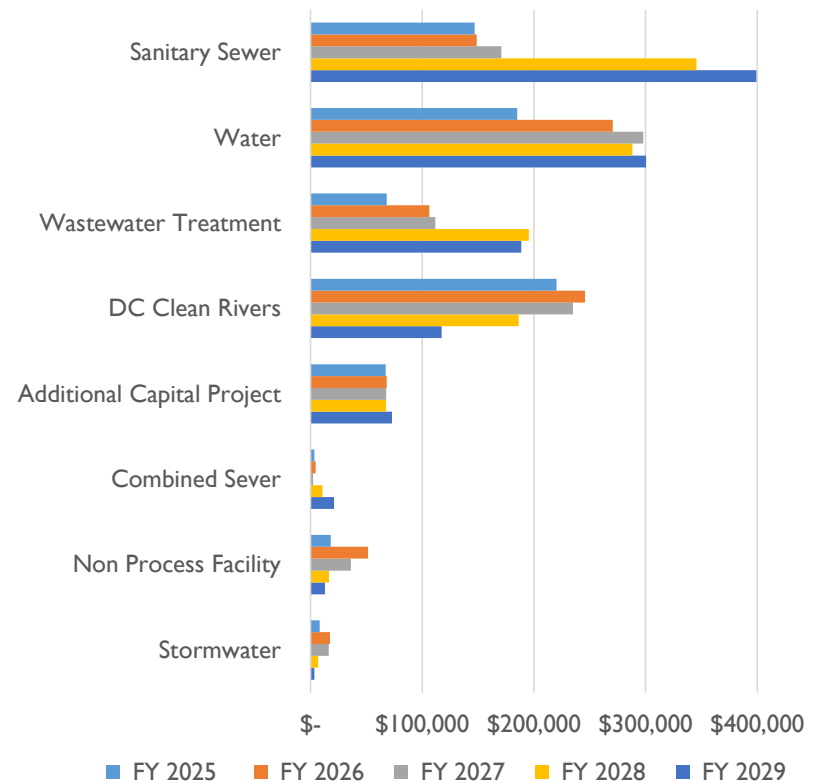
# Near Term of the 10-Year CIP

\$ in thousands

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

- Spending on sewer projects will more than double from \$147 million in FY 2025 to \$346 million by FY 2028 mainly for the Potomac Inceptor
- Significant growth in water projects from \$185 million in FY 2025 to \$300 million by FY 2029 mainly for the Lead-Free DC program
- Critical rehabilitation and equipment upgrades at Blue Plains with spending growth from \$68 million in FY 2025 to \$189 million in FY 2029
- Clean Rivers program is anticipated at 31% of the overall CIP in FY 2025, but only 11% by FY 2029 when the Potomac River Tunnel is completed
- Spending on additional capital projects covers capital equipment and infrastructure improvements at the Aqueduct

Projected Capital Disbursements – Near term of 10-Year CIP  
(FY 2025 - FY 2029)

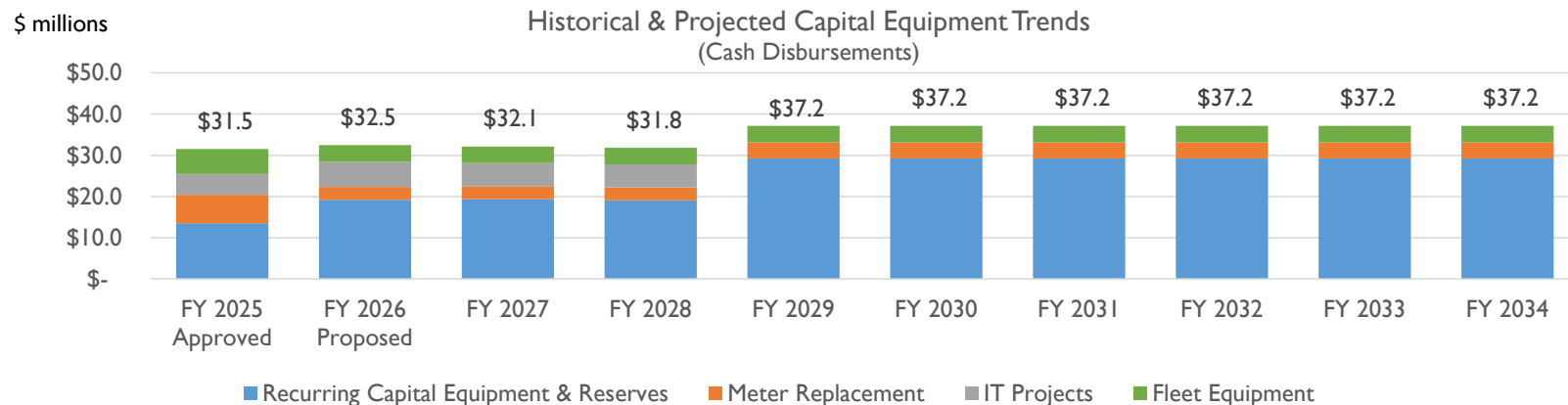




## DEEP DIVE

# Capital Equipment

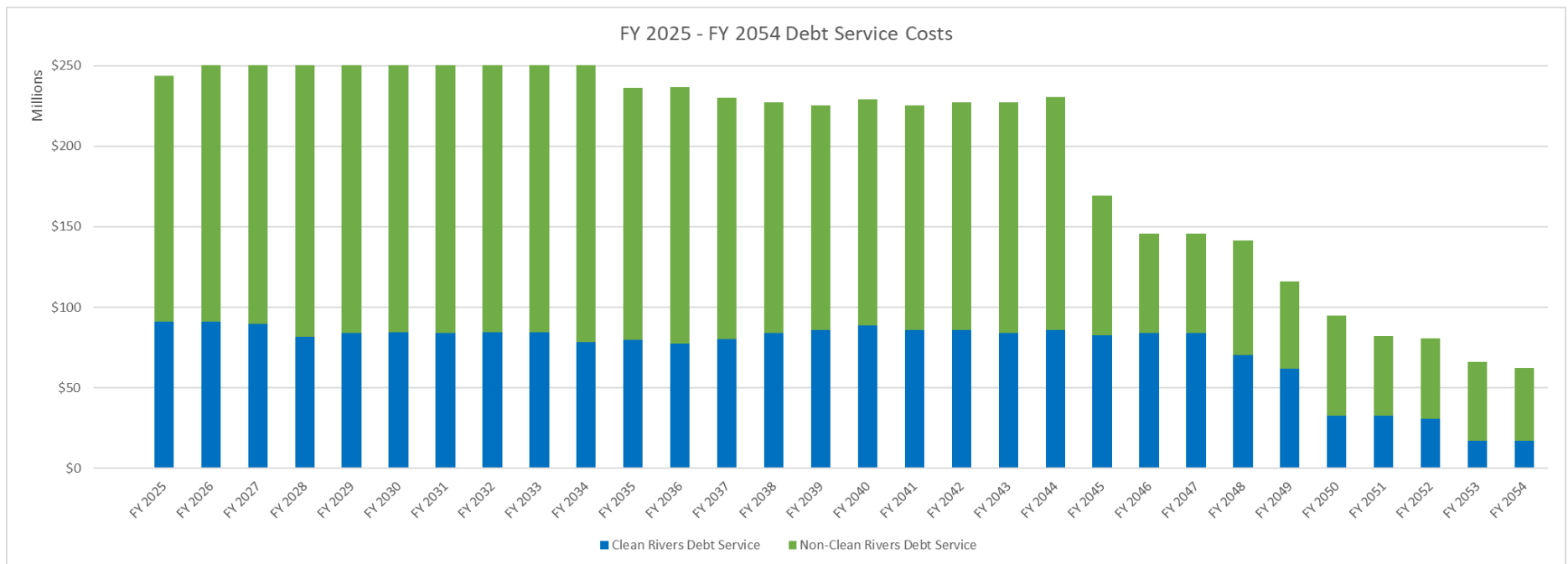
- The Proposed FY 2026 budget is \$32.5 million, a net increase of \$1 million compared to the FY 2025 budget
- Ten-year disbursements of \$350.8 million for capital equipment includes :
  - **Recurring Capital Equipment and Reserves** – This covers the purchase/replacement of pumps, motors, HVACs, roof, renovations, laptops, computers, servers, fire hydrants and includes the Authority-wide reserves for new facilities and unplanned equipment needs
  - **Information Technology (IT) Projects** – Funds new projects and upgrades to various Authority-wide technology systems
  - **Fleet Equipment** – Earmarks funding to ensure that crews have the required equipment such as backhoes, jet-vacs, small and large dump trucks to meet operational needs



DEEP DIVE

# Debt Service for Existing Debt

- Debt service costs *for current debt* are projected to be approximately \$7.1 billion over the next 30 years through 2054
  - Clean Rivers debt service costs are \$2.2 billion and Non-Clean Rivers debt service costs are \$4.9 billion

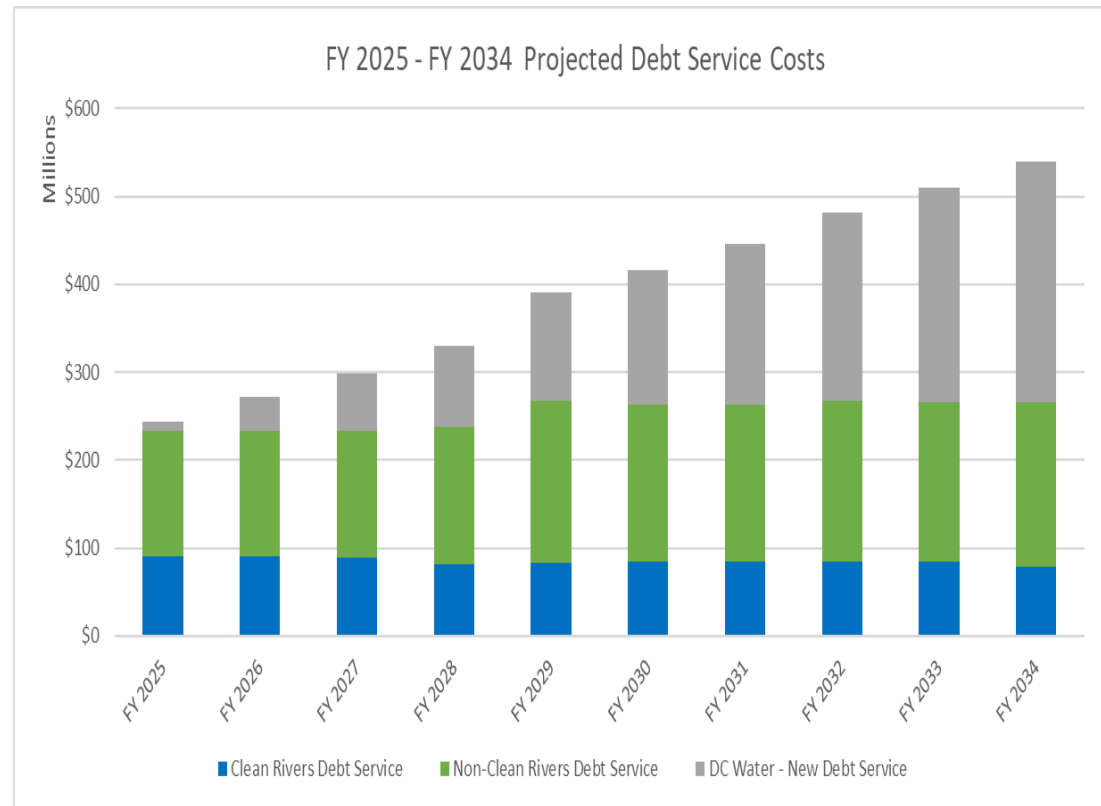


- Cash disbursements basis

## DEEP DIVE

# Near Term of the 10-Year CIP

- 💧 To advance the capital program, DC Water will borrow an additional \$4.1 billion over the next ten years
- 💧 These new debt service costs will require additional rate increases



- Cash disbursement basis



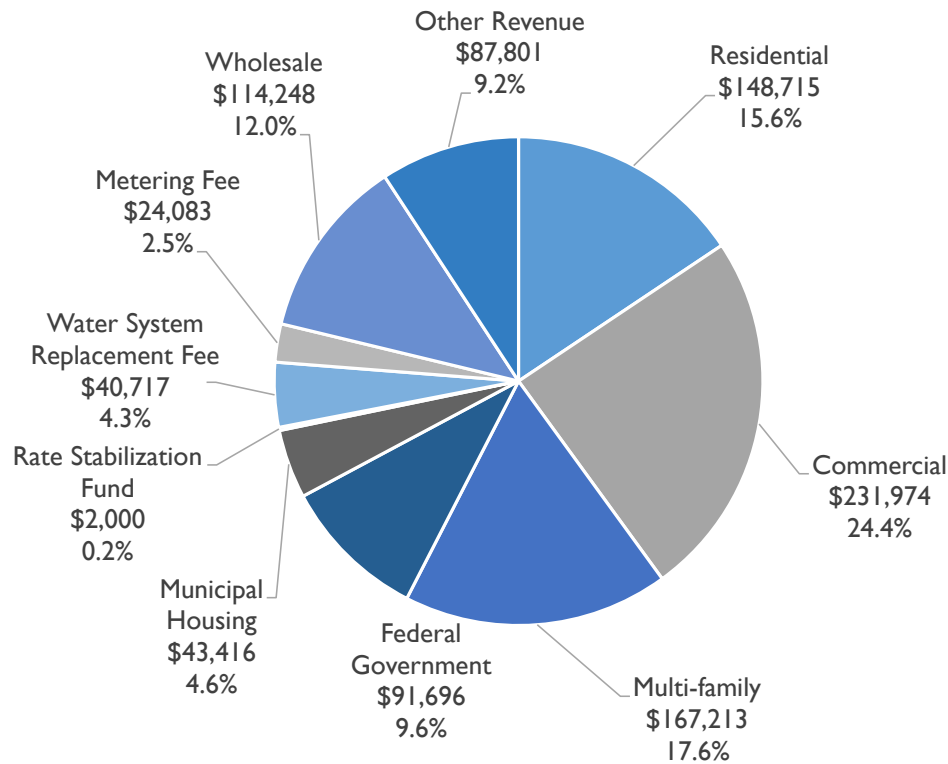
## Operating Revenues and Financial Plan



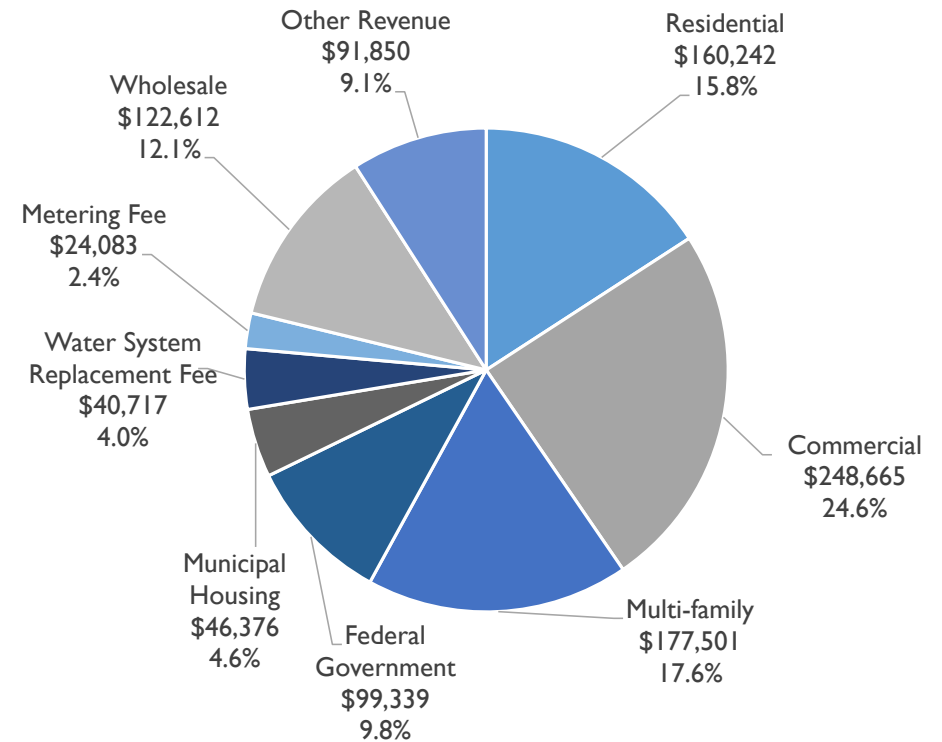
# FY 2025 vs. FY 2026 Operating Revenues

\$ in thousands

**Revised FY 2025**  
**\$951.9 million**



**Proposed FY 2026**  
**\$1,011.4 million**





## Revenue Comparison by Customer Class

💧 Total revenue is projected to increase by \$25.6 million or 2.8% for FY 2025 and \$59.5 million or 6.3% for FY 2026 mainly due to rate increase

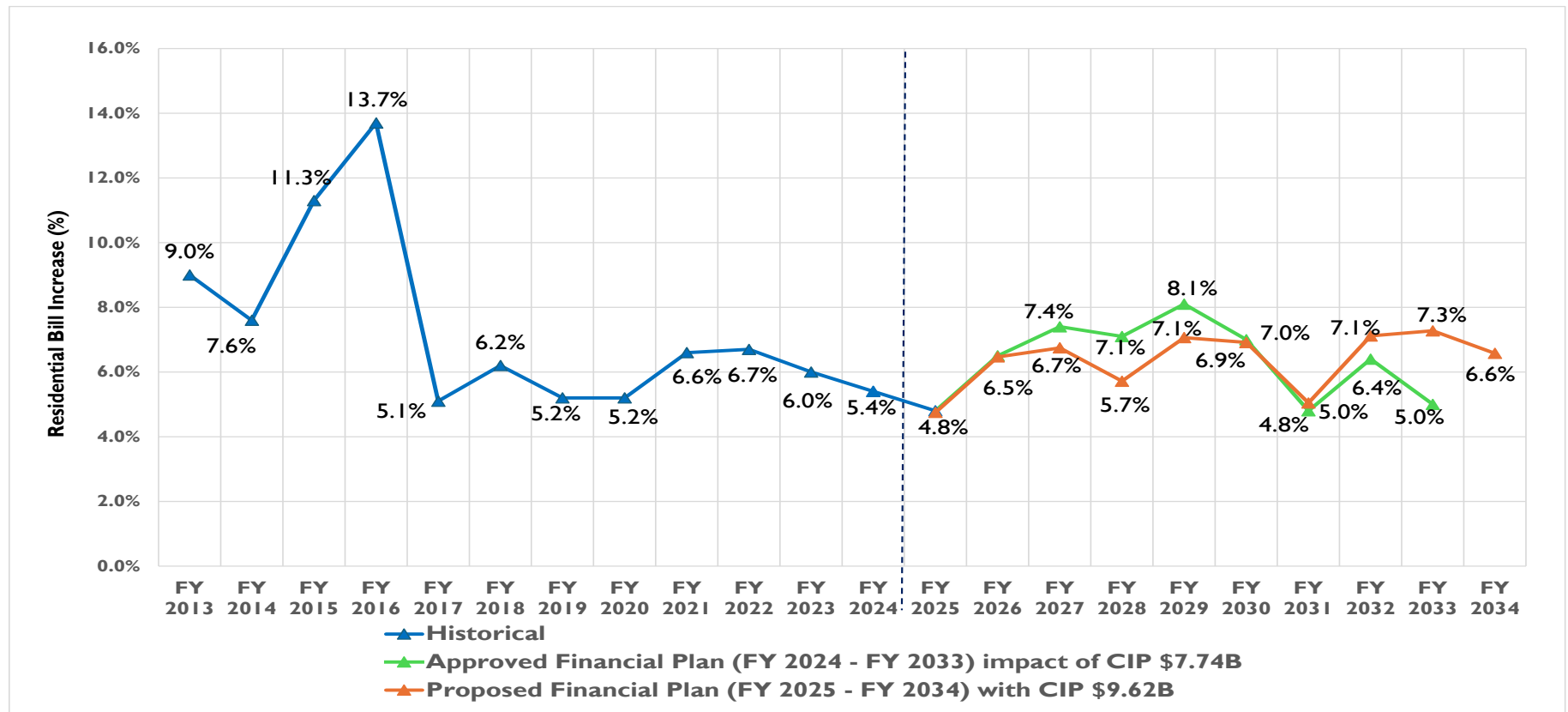
- *Retail Revenue* – Increase by \$16.2 million or 2.2% in FY 2025 and \$49.1 million or 6.6% in FY 2026 mainly due to higher projected consumption.
  - *Wholesale Revenue* – Increase by \$8.4 million or 7.3% in FY 2026 due to operations and maintenance expense projection.
- Revenue estimates are based on most recent flow data

\$ in thousands	Approved FY 2025	Revised FY 2025	Proposed FY 2026	Revised FY 2025 vs Approved FY 2025		Proposed FY 2026 vs Revised FY 2025	
				Incr/(Decr)		Incr/(Decr)	
				\$	%	\$	%
Retail Revenue	\$731,643	\$747,814	\$796,923	\$16,171	2.2%	\$49,109	6.6%
Wholesale Revenue							
Potomac Interceptor (PI)	3,547	3,547	3,547	-	0.0%	-	0.0%
Loudoun County Sanitation Authority (LCSA)	10,450	10,450	11,052	-	0.0%	602	5.8%
Washington Suburban Sanitary Commission (WSSC)	79,591	79,591	86,411	-	0.0%	6,820	8.6%
Fairfax County	20,660	20,660	21,602	-	0.0%	941	4.6%
Total Wholesale Revenue	\$114,248	\$114,248	\$122,612	-	0.0%	8,364	7.3%
Other Revenue	78,370	87,801	91,850	9,431	12.0%	4,049	4.6%
Rate Stabilization Fund (RSF)	2,000	2,000	-	-	0.0%	(2,000)	-100.0%
Total Revenues	\$926,261	\$951,863	\$1,011,385	\$25,602	2.8%	\$59,522	6.3%



# Historical and Projected Combined Rate Increases

From FY 2031 and beyond, forecasted rates are higher than previously estimated due to higher costs

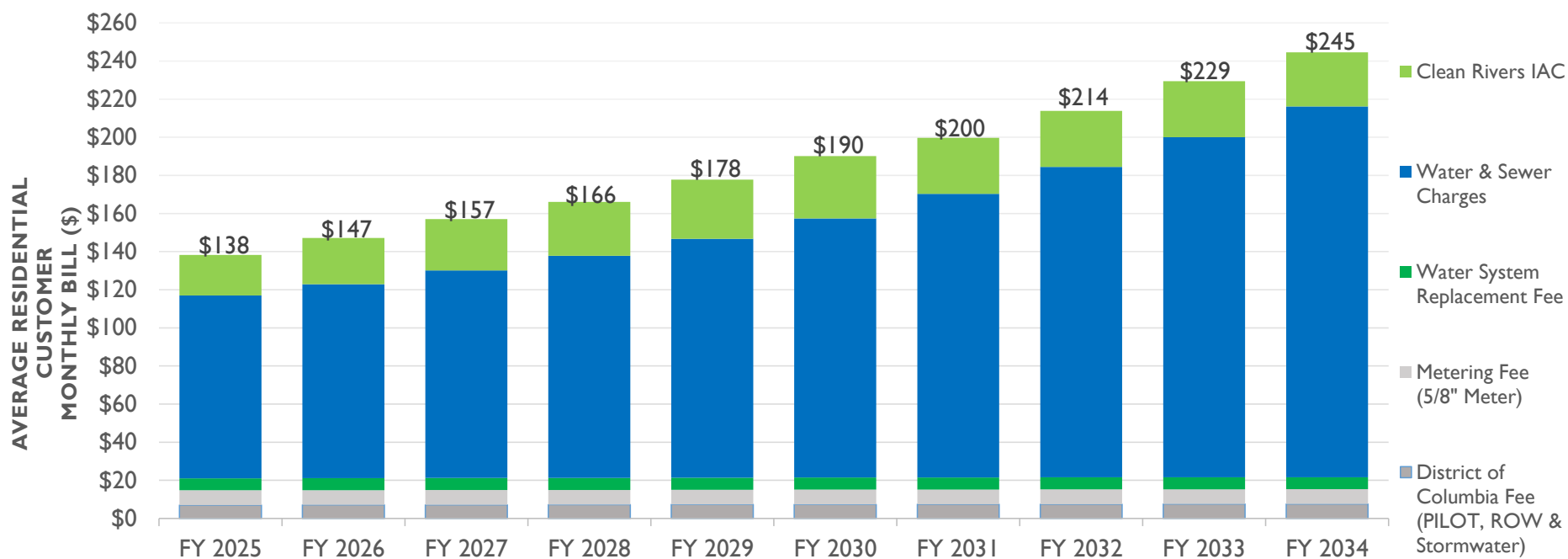






## Projected Average Residential Customer Bill

Projected average monthly residential customer bill ranges from \$138 in FY 2025 to \$245 in FY 2034



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



# Average Residential Customer Monthly Bill

	Units	FY 2024	Current FY 2025	Approved FY 2026
DC Water Water and Sewer Retail Rates (1)	Ccf	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC (2)	ERU	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee (4)	5/8"	6.30	6.30	6.30
<b>Subtotal DC Water Rates &amp; Charges</b>		<b>\$ 124.94</b>	<b>\$ 131.21</b>	<b>\$ 140.05</b>
Increase / Decrease		\$ 6.68	\$ 6.27	\$ 8.84
Percent Increase in DC Water Portion of Bill		5.6%	5.0%	6.7%
District of Columbia PILOT Fee (1)	Ccf	3.31	3.31	3.36
District of Columbia Right-of-Way Fee (1)	Ccf	1.03	1.03	1.08
District of Columbia Right of Way / PILOT Fee		4.34	4.34	4.44
District of Columbia Stormwater Fee (3)	ERU	2.67	2.67	2.67
<b>Subtotal District of Columbia Charges</b>		<b>\$ 7.01</b>	<b>\$ 7.01</b>	<b>\$ 7.11</b>
<b>Total Amount Appearing on DC Water Bill</b>		<b>\$ 131.95</b>	<b>\$ 138.22</b>	<b>\$ 147.16</b>
Increase / Decrease Over Prior Year		\$ 6.79	\$ 6.27	\$ 8.94
<b>Percent increase in Total Bill</b>		<b>5.43%</b>	<b>4.75%</b>	<b>6.47%</b>

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

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

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

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



# Average CAP Customer Monthly Bill

	Units	FY 2024	Current FY 2025	Approved FY 2026
DC Water Water and Sewer Retail Rates <sup>(1)</sup>	Ccf	\$ 89.03	\$ 95.93	\$ 101.77
DC Water Clean Rivers IAC <sup>(5)</sup>	ERU	21.86	21.23	24.23
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75
DC Water Water System Replacement Fee <sup>(3)</sup>	5/8"	6.30	6.30	6.30
<b>Subtotal DC Water Rates &amp; Charges</b>		<b>\$ 124.94</b>	<b>\$ 131.21</b>	<b>\$ 140.05</b>
Increase / Decrease		\$ 6.68	\$ 6.27	\$ 8.84
District of Columbia PILOT Fee <sup>(2)</sup>	Ccf	\$ 3.31	\$ 3.31	\$ 3.36
District of Columbia Right-of-Way Fee <sup>(2)</sup>	Ccf	1.03	1.03	1.08
District of Columbia Stormwater Fee <sup>(4)</sup>	ERU	2.67	2.67	2.67
<b>Subtotal District of Columbia Charges</b>		<b>\$ 7.01</b>	<b>\$ 7.01</b>	<b>\$ 7.11</b>
<b>Total Amount</b>		<b>\$ 131.95</b>	<b>\$ 138.22</b>	<b>\$ 147.16</b>
Less: CAP Discount (4Ccf per month)		(67.52)	(72.32)	(76.48)
CAP Discount (100% WSRF per month)		(6.30)	(6.30)	(6.30)
CAP Discount (75% CRIAC per month)		(16.40)	(15.92)	(18.17)
<b>Total CAP Discount</b>		<b>(90.22)</b>	<b>(94.54)</b>	<b>(100.95)</b>
<b>Total Amount Appearing on DC Water Bill</b>		<b>\$ 41.73</b>	<b>\$ 43.68</b>	<b>\$ 46.21</b>
Increase / Decrease Over Prior Year		\$ 1.76	\$ 1.95	\$ 2.53
<b>CAP Customer Discount as a Percent of Total Bill</b>		<b>-68.37%</b>	<b>-68.40%</b>	<b>-68.60%</b>

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

Ccf of PILOT and ROW fee

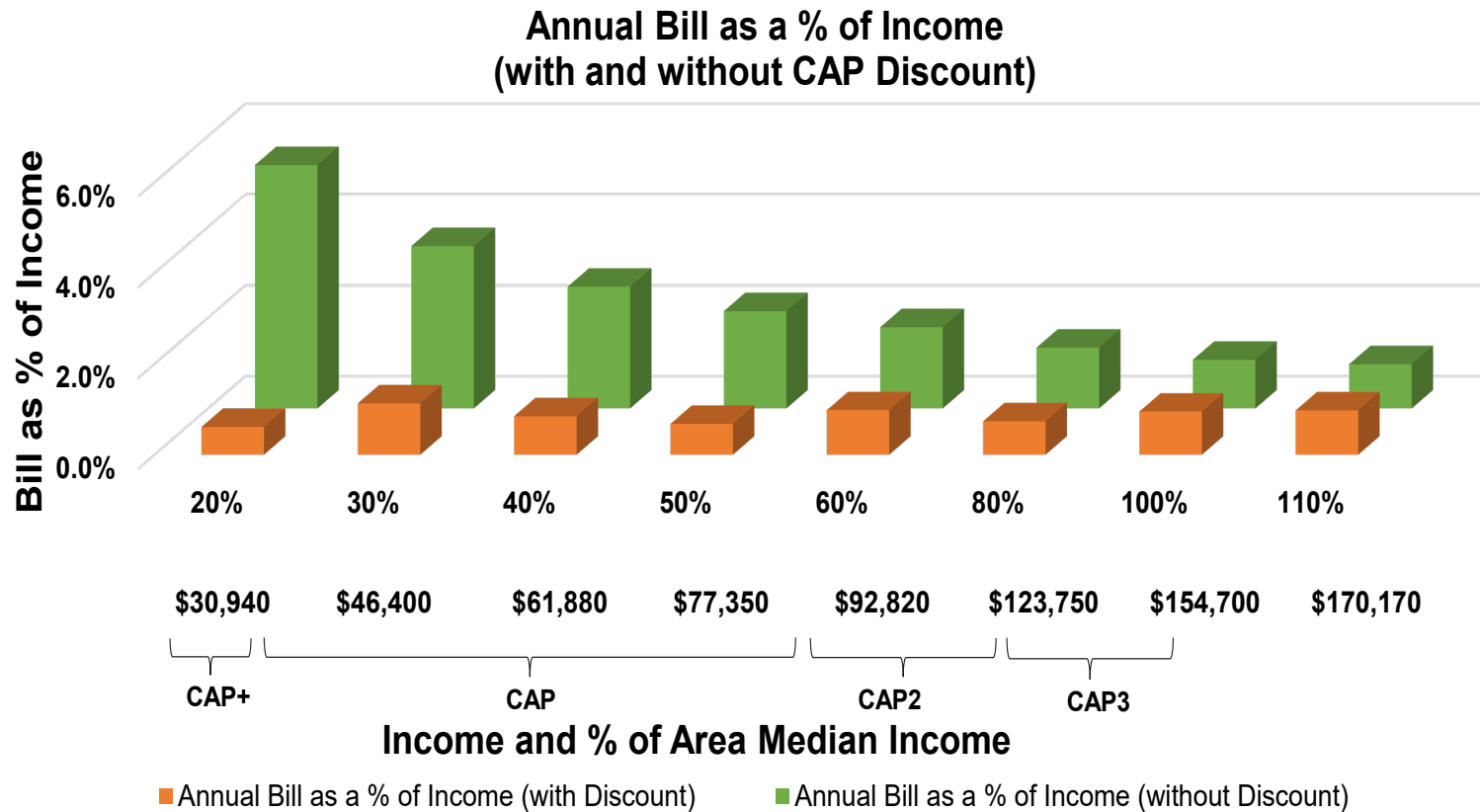
(3) Assumes 100 percent discount for Water System Replacement Fee (WSRF) to CAP customers effective October 1, 2015

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

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



## Average residential customer bill as a percentage of income



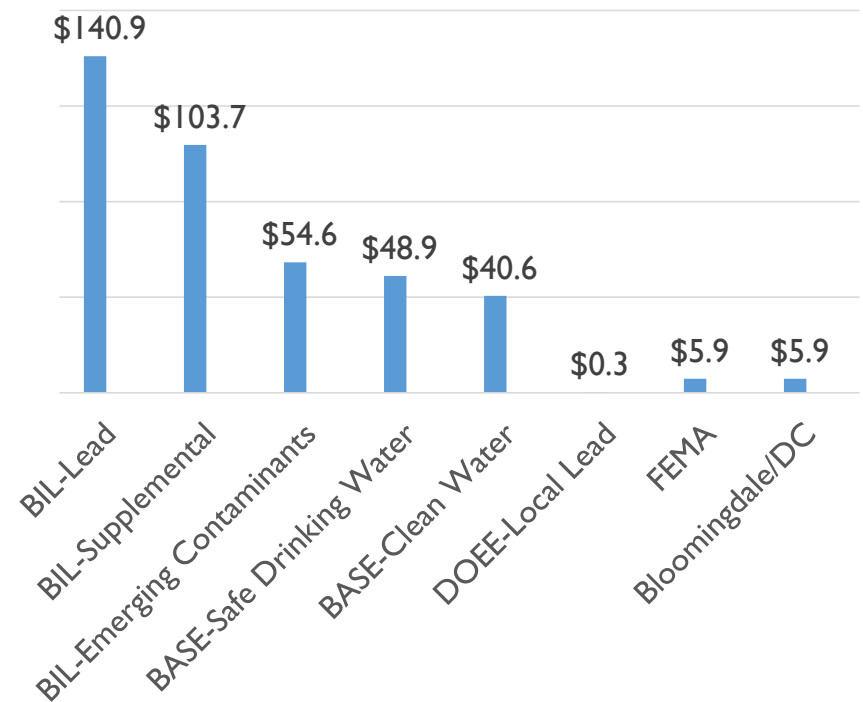
## DEEP DIVE

# Grants

- Over the ten-year period, DC Water anticipates receiving \$400.8 million in grants, about 4.2% of anticipated capital expenditures:
  - Bi-Partisan Infrastructure Law Lead - \$140.9 million
  - Bi-Partisan Infrastructure Law Supplemental - \$103.7 million
  - Bi-Partisan Infrastructure Law Emerging Contaminants - \$54.6 million
  - Baseline EPA Clean Water Grants - \$40.7 million
  - Baseline EPA Safe Drinking Water Grants - \$48.8 million
  - FEMA Grants FY25-FY26 - \$5.9 million
  - Bloomingdale/DC FY25 - \$5.9 million
  - DOEE Lead FY25 - \$0.3 million

(in millions)

### FY 2025 – FY 2034 Grant Sources



## DEEP DIVE

# Grants, continued

- With the requirement to replace brass as part of the Lead-Free DC Program, EPA and DOEE funds are anticipated to be used as follows:
  - **\$256.4 million** in funding for the removal of lead lines on private property
    - \$140.9 million in BIL Lead funds,
    - \$66.2 million from Bi-Partisan Infrastructure Law Supplemental funds,
    - \$48.9 million from Baseline EPA Safe Drinking Water Grants, and
    - \$0.3 million in local funds from DOEE
  - By 2030 most of these funds that are used for private side replacements will be spent
    - This funding will be exhausted more quickly with addition of brass lines to CIP
  - **\$132.8 million** in EPA funding will be available for other (non-lead) projects
- Additional **\$11.6 million** funding available from other sources (FEMA Grants and Bloomingdale/ DC) for other ongoing designated projects





## Financial Plan Objectives

- DC Water's 10-year financial plan serves as the fiscal roadmap to achieve the Board's strategic plan
- It is one of management's key tools to monitor progress in meeting financial goals and targets
- It also ensures meeting or exceeding all debt-related legal and policy requirements, as well as maintaining sufficient liquidity to meet all current financial obligations
- 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+







## Financial Metrics

Metrics	Indenture Requirement	Board Policy	Management Target	Financial Plan	S&P Median
Days of Cash on Hand (excluding RSF)	60 days	250 Days	—	267 - 269 Days	514 Days
Combined Coverage Ratio	—	1.6X	—	1.87X – 2.07X	2.0
- Senior Coverage	1.2X	—	—	6.29X – 8.55X	—
- Subordinate Coverage	1.0X	—	—	2.23X – 2.49X	—
Debt Service as a % of Revenue	—	—	33% of Revenue or Less	25.9% - 33.0%	—
Rate Stabilization Fund (RSF)	—	—	—	\$33.6 million	—
Median Leverage Ratio (debt to capitalization)	—	—	—	48% (FY2023 Actual)	35%
Growth in operating expenses over two years	—	—	—	19% (FY 2021 – FY2023)	17% (FY2021- FY2023)

\* Board of Directors added to the cash balance at the end of FY2023 to reach 267 Days of Cash and increase it to 350 days by FY2032



# Ten-Year Financial Plan

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

OPERATING	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Retail	771,627	821,079	871,854	917,377	976,477	1,039,404	1,089,189	1,161,642	1,240,043	1,321,624
Wholesale	114,248	122,612	127,516	132,617	137,922	143,439	149,176	155,143	161,349	167,803
Other	63,988	67,694	75,568	89,706	91,147	86,094	79,859	78,620	79,372	80,324
RSF	2,000	0	-	-	-	-	-	-	-	-
<b>Operating Receipts <sup>(1)</sup></b>	<b>\$ 951,863</b>	<b>\$ 1,011,385</b>	<b>\$ 1,074,938</b>	<b>\$ 1,139,700</b>	<b>\$ 1,205,545</b>	<b>\$ 1,268,937</b>	<b>\$ 1,318,225</b>	<b>\$ 1,395,404</b>	<b>\$ 1,480,764</b>	<b>\$ 1,569,751</b>
<b>Operating Expenses</b>	<b>444,223</b>	<b>461,839</b>	<b>479,727</b>	<b>498,324</b>	<b>517,656</b>	<b>537,753</b>	<b>558,646</b>	<b>580,367</b>	<b>602,948</b>	<b>625,648</b>
<b>Debt Service</b>	<b>243,969</b>	<b>271,489</b>	<b>298,305</b>	<b>329,311</b>	<b>359,227</b>	<b>386,306</b>	<b>416,112</b>	<b>450,315</b>	<b>479,536</b>	<b>510,069</b>
<b>Cash Financed Capital Improvement</b>	<b>\$ 65,963</b>	<b>\$ 73,897</b>	<b>\$ 78,467</b>	<b>\$ 82,564</b>	<b>\$ 87,883</b>	<b>\$ 93,546</b>	<b>\$ 98,027</b>	<b>\$ 104,548</b>	<b>\$ 111,604</b>	<b>\$ 118,946</b>
<b>Net Revenues After Debt Service</b>	<b>\$ 197,709</b>	<b>\$ 204,159</b>	<b>\$ 218,439</b>	<b>\$ 229,501</b>	<b>\$ 240,780</b>	<b>\$ 251,331</b>	<b>\$ 245,439</b>	<b>\$ 260,175</b>	<b>\$ 286,675</b>	<b>\$ 315,089</b>
<b>Operating Reserve-Beg Balance</b>	<b>329,173</b>	<b>309,600</b>	<b>325,600</b>	<b>338,600</b>	<b>351,600</b>	<b>366,600</b>	<b>380,600</b>	<b>395,600</b>	<b>411,600</b>	<b>428,100</b>
<b>Other Misc (Disbursements)/Receipts</b>										
Wholesale/Federal True Up	(24,813)	(18,910)	(12,900)	-	-	-	-	-	-	-
Project Billing Refunds	(2,000)	-	-	-	-	-	-	-	-	-
Transfers to RSF										
Pay-Go Financing	(190,469)	(169,249)	(192,539)	(216,501)	(225,780)	(237,331)	(230,439)	(244,175)	(270,175)	(298,489)
<b>Operating Reserve - Ending Balance</b>	<b>\$ 309,600</b>	<b>\$ 325,599</b>	<b>\$ 338,600</b>	<b>\$ 351,600</b>	<b>\$ 366,600</b>	<b>\$ 380,600</b>	<b>\$ 395,600</b>	<b>\$ 411,600</b>	<b>\$ 428,100</b>	<b>\$ 444,700</b>
<b>Rate Stabilization Fund Balance RSF <sup>(2)</sup></b>	<b>\$ (33,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>	<b>\$ (31,644)</b>
<b>Senior Debt Service Coverage</b>	<b>855%</b>	<b>738%</b>	<b>665%</b>	<b>703%</b>	<b>696%</b>	<b>656%</b>	<b>682%</b>	<b>629%</b>	<b>635%</b>	<b>701%</b>
<b>Combined Debt Service Coverage</b>	<b>207%</b>	<b>204%</b>	<b>203%</b>	<b>202%</b>	<b>199%</b>	<b>196%</b>	<b>189%</b>	<b>187%</b>	<b>189%</b>	<b>190%</b>
<b>Actual/Projected Water/Sewer Rate Increases</b>	<b>8.00%</b>	<b>6.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.50%</b>	<b>8.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.00%</b>
<b>Operating Receipts \$ Increase/Decrease</b>										
Retail	13,804	49,451	50,776	45,523	59,100	62,927	49,785	72,452	78,401	81,581
Wholesale	7,491	8,364	4,904	5,101	5,305	5,517	5,738	5,967	6,206	6,454
<b>Operating Receipts % Increase/Decrease</b>										
Retail	1.8%	6.4%	6.2%	5.2%	6.4%	6.4%	4.8%	6.7%	6.7%	6.6%
Wholesale	7.0%	7.3%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

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

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



## **Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing**



## Intent to Reimburse Capital Expenditures

- Approval to reimburse DC Water for “Costs of the System” as defined in the Master Indenture; allows DC Water to reimburse itself for capital expenditures with debt proceeds
- For FY 2025 and FY 2026 amount requested is \$785 million; DC Water has three years from the time of the last expenditure to make the reimbursement
  - DC Water plans to enter the market Summer 2025
  - Borrowing for FY 2025 and FY 2026 was combined for approximately \$785 million
- As part of the request to issue a specific series of debt in the future, the Board will be asked to adopt a specific resolution that confirms the intent for the actual amount financed with actual reimbursed expenses





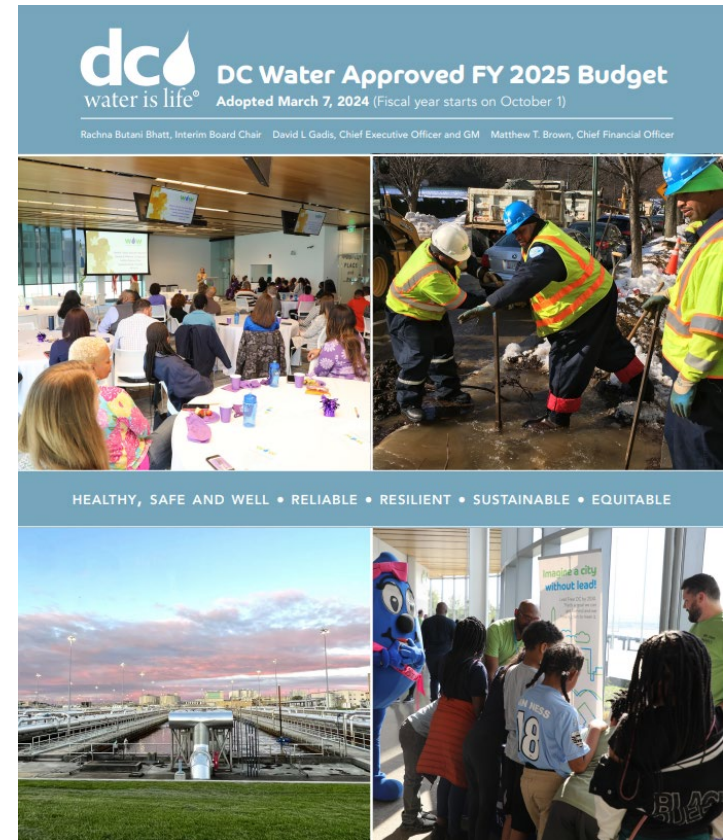
## Next Steps



## Management Recommendation

**In February, management will present the following recommendations to the respective Committees for appropriate actions to the full Board for approval:**

- **Proposed Operating Expenditure Budget**
  - Amended FY 2025 budget of \$788.2 million and Proposed FY 2026 budget of \$838.1 million
- **Proposed Capital Budget**
  - FY 2025 – FY 2034 Capital Disbursements of \$9.62 billion
  - Lifetime Project Budget of \$17.8 billion
- **Revised FY 2025 & Proposed 2026 Operating Revenues**
- **Proposed FY 2025 – FY 2034 Financial Plan, including the revenue requirements to support the operating and capital budgets**
- **Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing**





# Budget Adoption Calendar

Board Member  
Questions &  
Follow-Up

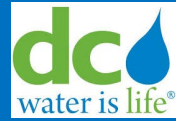
- Submit budget-related questions to Board Secretary at [mrhodd@dcwater.com](mailto:mrhodd@dcwater.com)
- Questions will be distributed to appropriate staff with formal response to the Board
- Budget materials published on the website for customers

February  
Committee  
Reviews,  
Recommendations  
& Actions

March 6  
Board Adoption

	Environmental Quality & Operations	DC Retail Water & Sewer Rates	Finance & Budget
FY 2025 - FY 2034 Capital Budget ( <i>Disbursements &amp; Lifetime</i> )	Action Required		Action Required
FY 2026 Operating Expenditure Budget			Action Required
Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing			Action Required
FY 2025 - FY 2034 Financial Plan		Action Required	Action Required





# Public Communication

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

Budget Review Documents	
Date	Title
January 16, 2025	Environmental Quality and Operations Proposed FY 2025 - FY 2034 Capital Improvement Program
January 13, 2025	Budget Workshop with the Board FY 2026 Proposed Budget



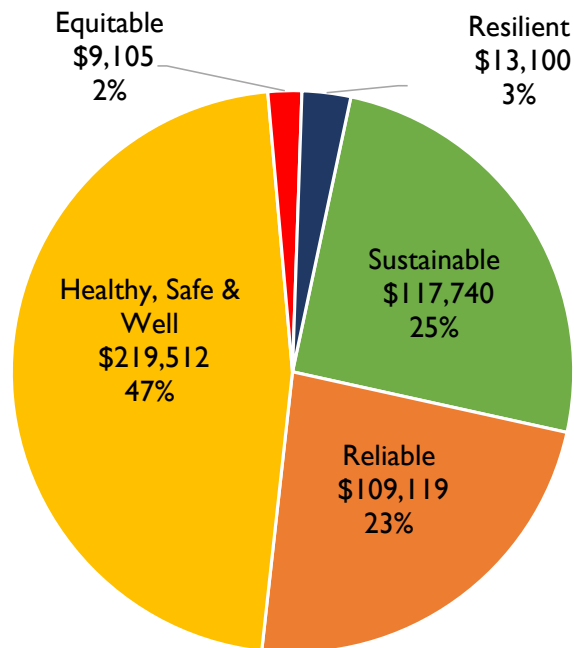
# Appendix



# The Budget Advances Blueprint 2.0

\$ in thousands

## Proposed FY 2026 O&M Budget Breakdown by Blueprint 2.0



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



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



Energy, water usage, overtime, maintenance & repair (automotive, equipment, HVAC, elevators), telecommunication, software & hardware maintenance (customer billing, SCADA, ERP), locate & mark services, critical parts & 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 and uniforms, employee orientation and internship programs, various employee training and conferences, and more.



# Headcount Summary by Cluster

- 45 existing vacant positions are recommended for elimination (estimated at \$5.7 million)
- Net of 140 vacancies, including 3 new positions, available to meet organizational headcount needs

Cluster	FY 2025 Revised Headcount*	Filled @Oct '24	Vacant @Oct '24	Vacant Positions for Eliminations**	Remaining Vacant Positions	FY 2026 New Position Requests	FY 2026 Proposed Headcount
Administration	222	195	27	(2)	25	1	221
Independent Offices	7	6	1	0	1		7
Marketing & Communications	20	13	7	0	7		20
Government & Legal Affairs	14	12	2	0	2		14
Finance, Procurement & Compliance	115	89	26	0	26		115
Operations	686	601	85	(27)	58	1	660
Engineering	191	167	24	(13)	11		178
Information Technology	37	33	4	(1)	3	1	37
People & Talent	33	27	6	(2)	4		31
<b>Total</b>	<b>1325</b>	<b>1143</b>	<b>182</b>	<b>(45)</b>	<b>137</b>	<b>3</b>	<b>1283</b>

\* Reflects revised headcount for position transfers completed during FY 2024



# Detailed CIP by Program Area

Cash Disbursements (\$000's)	FY2025 - FY 2034 CAPITAL IMPROVEMENT PROGRAM											Last Year's 10-yr	(Increase) Decrease	Lifetime Budget
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	10-yr Total			
NON PROCESS FACILITIES														
Facility Land Use	\$ 18,181	\$ 51,570	\$ 36,149	\$ 16,630	\$ 13,006	\$ 12,169	\$ 16,339	\$ 16,393	\$ 16,616	\$ 16,000	\$ 213,052	\$ 197,518	\$ (15,534)	\$ 414,629
Subtotal	18,181	51,570	36,149	16,630	13,006	12,169	16,339	16,393	16,616	16,000	213,052	197,518	(15,534)	414,629
WASTEWATER TREATMENT														
Liquid Processing	28,574	40,674	59,430	114,602	115,967	144,038	147,596	134,848	131,382	133,696	1,050,807	744,128	(306,679)	1,758,612
Plantwide	28,284	50,884	43,954	69,654	47,347	36,874	28,755	28,111	34,618	34,235	402,717	291,817	(110,900)	679,450
Solids Processing	10,758	14,796	8,274	11,314	25,379	40,519	46,646	52,966	51,553	47,059	309,264	245,744	(63,520)	1,046,727
Enhanced Nitrogen Removal Facilities	666	-	-	-	-	-	-	-	-	-	666	51,914	51,248	386,916
Subtotal	68,282	106,353	111,659	195,570	188,694	221,431	222,997	215,925	217,553	214,990	1,763,454	1,333,603	(429,851)	3,871,705
COMBINED SEWER OVERFLOW														
DC Clean Rivers Program	220,365	245,686	235,003	186,380	117,403	66,731	-	-	-	-	1,071,566	1,169,843	98,277	3,290,812
Combined Sewer Overflow Program	3,467	4,700	2,346	10,716	21,122	19,181	5,953	-	-	-	67,484	60,249	(7,235)	131,053
Subtotal	223,832	250,386	237,349	197,096	138,525	85,911	5,953	-	-	-	1,139,051	1,230,093	91,042	3,421,865
STORMWATER														
Storm Local Drainage Program	849	3,915	2,564	2,448	2,226	2,226	1,238	1,811	2,054	1,102	20,433	9,114	(11,319)	38,640
Storm On-Going Program	372	640	613	1,490	1,287	935	500	500	500	500	7,336	7,094	(242)	11,233
Storm Pumping Facilities	5,814	10,959	11,638	1,522	-	-	-	-	-	-	29,933	44,680	14,747	59,501
Stormwater Program Management	744	694	461	-	27	1,970	-	-	-	-	3,896	3,736	(160)	13,349
Stormwater Trunk/Force Sewers	431	1,152	1,164	1,495	-	-	-	-	-	-	4,242	3,926	(316)	28,977
Subtotal	8,209	17,360	16,440	6,955	3,540	5,131	1,738	2,311	2,554	1,602	65,840	68,551	2,711	151,698
SANITARY SEWER														
Sanitary Collection System	15,875	21,009	26,210	57,118	91,767	86,810	93,050	96,012	92,495	104,917	685,262	592,860	(92,402)	880,985
Sanitary On-Going Projects	15,152	17,100	16,795	18,418	26,725	26,474	81,466	86,964	82,933	84,964	456,991	206,851	(250,140)	525,764
Sanitary Pumping Facilities	6,047	9,880	9,122	8,387	12,187	26,724	28,453	32,578	31,733	25,370	190,481	153,015	(37,466)	265,605
Sanitary Program Management	11,510	9,702	9,060	10,883	645	-	-	-	-	-	41,801	50,302	8,501	171,900
Interceptor/Trunk Force Sewers	98,317	91,105	109,744	250,797	267,833	163,334	98,729	87,043	92,153	85,017	1,344,073	852,553	(491,520)	1,901,434
Subtotal	146,901	148,796	170,931	345,603	399,157	303,342	301,698	302,597	299,314	300,268	2,718,608	1,855,580	(863,028)	3,745,688
WATER														
Water Distribution Systems	46,536	84,530	97,092	96,785	117,873	133,358	153,427	152,544	161,608	168,836	1,212,588	1,151,805	(60,783)	2,230,246
Lead Free DC Program	100,747	133,460	133,000	133,000	133,000	133,000	83,000	83,000	83,000	83,000	1,098,207	731,587	(366,620)	1,783,056
Water On-Going Projects	15,362	14,759	16,006	15,150	16,014	21,501	20,779	22,623	20,404	20,404	183,002	181,974	(1,028)	307,845
Water Pumping Facilities	5,903	8,716	7,049	8,305	5,870	5,128	2,250	-	-	-	43,220	47,664	4,444	84,652
Water Storage Facilities	3,726	18,404	30,600	18,253	22,955	16,208	32,925	37,377	37,057	33,412	250,917	193,821	(57,096)	374,296
Water Service Program Management	12,821	10,810	14,063	16,626	4,691	5,000	5,000	5,000	5,000	5,000	84,011	46,178	(37,833)	188,394
Subtotal	185,094	270,680	297,810	288,118	300,403	314,195	297,381	300,544	307,069	310,652	2,871,946	2,353,028	(518,918)	4,968,489
CAPITAL PROJECTS	\$ 650,499	\$ 845,145	\$ 870,337	\$ 1,049,973	\$ 1,043,325	\$ 942,179	\$ 846,106	\$ 837,770	\$ 843,106	\$ 843,512	\$ 8,771,952	\$ 7,038,373	\$ (1,733,579)	\$ 16,574,075
CAPITAL EQUIPMENT	31,477	32,481	32,052	31,825	37,169	37,169	37,169	37,169	37,169	37,169	350,848	347,390	(3,458)	350,848
WASHINGTON AQUEDUCT	35,770	35,770	35,770	35,770	35,770	35,770	71,540	71,540	71,540	71,540	500,780	357,472	(143,308)	500,780
ADDITIONAL CAPITAL PROJECTS	\$ 67,247	\$ 68,251	\$ 67,822	\$ 67,595	\$ 72,939	\$ 72,939	\$ 108,709	\$ 108,709	\$ 108,709	\$ 108,709	\$ 851,628	\$ 704,862	\$ (146,766)	\$ 851,628
LABOR														383,495
TOTAL CAPITAL BUDGETS	\$ 717,745	\$ 913,396	\$ 938,159	\$ 1,117,568	\$ 1,116,264	\$ 1,015,118	\$ 954,815	\$ 946,479	\$ 951,815	\$ 952,221	\$ 9,623,580	\$ 7,743,235	\$ (1,880,345)	\$ 17,809,199