



District of Columbia Water and Sewer Authority Board of Directors

Retail Water and Sewer Rates Committee

January 27, 2026 / 9:30 am

Microsoft Teams meeting

[Click here to join the meeting](#)

Meeting ID: 286 885 553 476 10 Passcode: Su7hU9AD

Call in (audio only) **202-753-6714, 432124950#**

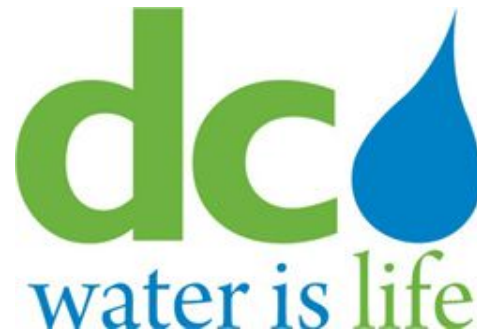
Phone Conference ID: 432 124 950#

1. **Call to Order**Rachna Bhatt, Chairperson
2. **Roll Call** Michelle Rhodd, Board Secretary
3. [Monthly Report to DC Retail Water & Sewer Rates Committee \(Attachment A\)](#) Syed Khalil
4. [2025 Cost of Service Study Update \(Attachment B\)](#)..... Jon Davis, Consultant for Water, Sewer and CRIAC
5. [DC Retail Water and Sewer Rates Committee Workplan \(Attachment C\)](#) Syed Khalil
 - FY 2026 Proposed DC Retail Rates Committee Workplan
6. [Agenda for February 23, 2025, Committee Meeting \(Attachment D\)](#) Rachna Bhatt, Chairperson
7. **Other Business**..... Syed Khalil
8. **Executive Session***
9. **Adjournment** Rachna Bhatt

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.

*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.

ATTACHMENT A



Fiscal Year 2026

Monthly Report to DC Retail Water and Sewer Rates Committee

Period Ending November 30, 2025

DEPARTMENT OF FINANCE

Lola Oyeyemi, Acting CFO & EVP, Finance, Procurement & Compliance

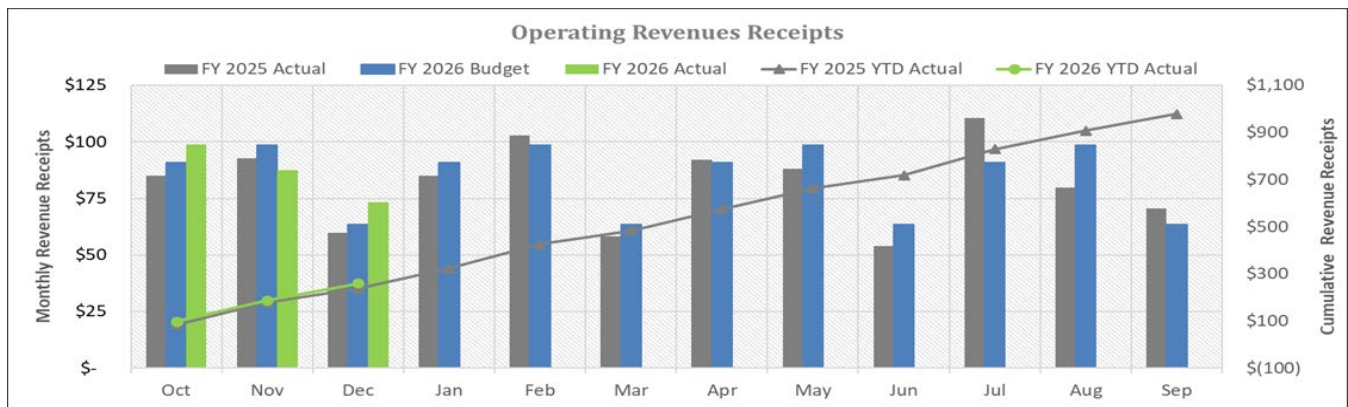
Syed Khalil, Vice President, Rates & Revenue

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of December 31, 2025

Operating Revenues (\$000's)

FY 2025 Actual		CA TEGORY	FY 2026					
Total AnnualYTD December			Year-to-Date Performance					
			Annual Budget	YTD Budget	YTD Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)
\$576,751	\$146,854	Residential / Commercial / Multi-Family*	\$586,408	146,605	\$152,042	25.9%	\$5,437	3.7%
92,625	23,847	Federal	99,339	24,835	25,064	25.2%	229	0.9%
25,727	8,816	Municipal (DC Govt.)	28,256	7,064	6,889	24.4%	(175)	(2.5%)
14,990	2,495	DC Housing Authority	18,120	4,530	3,315	18.3%	(1,215)	(26.8%)
24,479	5,961	Metering Fee	24,083	6,021	6,122	25.4%	101	1.7%
43,382	10,503	Water System Replacement Fee (WSRF)	40,717	10,179	10,874	26.7%	695	6.8%
114,341	28,089	Wholesale	122,612	30,653	30,771	25.1%	118	0.4%
24,989	6,449	PILOT/ROW	24,156	6,039	6,527	27.0%	488	8.1%
61,225	14,604	All Other	67,695	16,922	17,924	26.5%	1,002	5.9%
\$978,509	\$247,618	TOTAL	\$1,011,386	\$252,848	259,528	25.7%	\$6,680	2.6%



At the end of December 2025, cash receipts totaled \$259.5 million, or 25.7 percent of the FY 2026 Budget. The FY 2026 budgeted receipts were \$1,011.4 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their 1st quarterly payment in October 2025), and wholesale customers (who made their first quarterly payment in November).

Favorable Variances	Unfavorable Variances
<p><u>Residential, Commercial, and Multi-Family</u> – Receipts for this category are favorable at \$152.0 million or 25.9 percent of the budget. The December 2025 receipts were higher by \$5.0 million as compared to the monthly budget of \$48.9 million partly due to slightly higher CRIAC than the budget and partly due to collections from prior months' billings.</p> <p><u>Federal</u> - Actual receipts for FY2025 first quarter, received in October and November, totaled \$25.1 million or 25.2 percent of the budget.</p> <p><u>Metering Fee</u> – Receipts are on track at \$6.1 million or 25.4 percent of the budget.</p> <p><u>Water System Replacement Fee (WSRF)</u> – Receipts for WSRF are on track at \$10.9 million or 26.7 percent of the budget.</p> <p><u>Wholesale</u> – At the end of December 31, 2025, the actual receipts for this category totaled \$30.8 million or 25.1 percent of the budget.</p> <p><u>PILOT/ROW</u> – The receipts for PILOT/ROW are slightly higher at \$6.5 million or 27.0 percent of the budget.</p> <p><u>Other Revenue</u> – Receipts are higher at \$17.9 million or 26.5 percent of the budget. Interest Earnings (\$1.5 million), Washington Aqueduct Backwash (\$0.4 million), Stormwater (\$0.1 million), and Miscellaneous Revenue (\$2.4 million) are higher than the budget. The receipts for Developer Fees (\$1.0 million), System Availability Fee (SAF \$1.2 million), and IMA Indirect Cost Reimb. For Capital Projects (\$1.0 million) are lower than the budget.</p>	<p><u>District Government</u> – Receipts are lower at \$6.9 million or 24.4 percent of the budget. The receipts are lower mainly due to lower consumption as compared to the budget. The December 2025 receipts of \$3.8 million which includes balance payment of last month. The monthly budget is \$2.4 million.</p> <p><u>DC Housing Authority</u> – Receipts are slightly lower at \$3.3 million or 18.3 percent of the budget. The receipts are lower mainly due to lower consumption as compared to the budget. The December 2025 receipts are lower by \$0.3 million as compared to the budget of \$1.5 million.</p>

Monthly Report to DC Retail Water and Sewer Rates Committee

As of December 31, 2025
(\$ in millions)

Revenue Category	FY 2026 Budget	Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$586.4	\$146.5	\$152.0	\$5.5	3.7%	25.9%
Federal	\$99.3	\$24.9	\$25.1	\$0.2	0.9%	25.2%
District Government	\$28.3	\$7.1	\$6.9	(\$0.2)	-2.5%	24.4%
DC Housing Authority	\$18.1	\$4.5	\$3.3	(\$1.2)	-26.8%	18.3%
Customer Metering Fee	\$24.1	\$6.0	\$6.1	\$0.1	1.7%	25.4%
Water System Replacement Fee (WSRF)	\$40.7	\$10.2	\$10.9	\$0.7	6.8%	26.7%
Wholesale	\$122.6	\$30.7	\$30.8	\$0.1	0.4%	25.1%
Right-of-Way Fee/PILOT	\$24.2	\$6.0	\$6.5	\$0.5	8.1%	27.0%
Subtotal (before Other Revenues)	\$943.7	\$235.9	\$241.6	\$5.7	2.4%	25.6%
IMA Indirect Cost Reimb. For Capital Projects	13.4	3.3	2.3	(1.0)	-30.3%	17.2%
DC Fire Protection Fee	17.6	4.4	4.4	(0.0)	0.0%	25.0%
Stormwater (MS4)	1.0	0.3	0.2	0.1	33.3%	20.0%
Interest	9.2	2.3	3.8	1.5	65.2%	41.3%
Developer Fees (Water & Sewer)	9.0	2.3	1.3	(1.0)	-43.5%	14.4%
System Availability Fee (SAF)	7.7	1.9	0.7	(1.2)	-63.2%	9.1%
Washington Aqueduct Backwash	2.6	0.6	1.0	0.4	66.7%	38.5%
Others	7.2	1.8	4.2	2.4	133.3%	58.3%
Subtotal	\$67.7	16.9	17.9	\$1.0	5.9%	26.5%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$67.7	\$16.9	\$17.9	\$1.0	5.9%	26.6%
Grand Total	\$1,011.4	\$252.8	\$259.5	\$6.7	2.6%	25.7%

BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY (\$ in 000's)

Customer Category	Water	Sewer	Clean Rivers			Total
			IAC	Metering Fee	WSRF	
Residential	12,795	20,182	8,305	2,744	2,488	46,514
Commercial	25,579	28,961	9,874	1,783	4,238	70,434
Multi-family	16,694	25,677	3,974	942	2,107	49,394
Federal	9,100	10,345	5,619	385	1,419	26,867
District Govt	1,870	2,530	2,490	208	525	7,622
DC Housing Authority	1,214	1,799	302	61	98	3,473
Total:	67,252	89,492	30,565	6,121	10,874	204,305

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Clean Rivers IAC - Actual vs Budget (\$ in 000's)

Customer Category	FY2026 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	33,222	8,306	8,305	(0)	0%	25%
Commercial	39,450	9,863	9,874	11	0%	25%
Multi-family	15,612	3,903	3,974	71	2%	25%
Federal	22,478	5,620	5,619	(0)	0%	25%
District Govt	9,892	2,473	2,490	17	1%	25%
DC Housing Authority	1,465	366	302	(64)	-18%	21%
Total:	122,119	30,530	30,565	35	0%	25%

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of December 31, 2025

Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days (from the billing date) including a breakdown by customer class.

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
September 30, 2020	\$17.9	13,775
September 30, 2021	\$26.3	13,065
September 30, 2022	\$29.1	12,168
September 30, 2023	\$28.0	10,420
September 30, 2024	\$33.9	11,832
September 30, 2025	\$33.4	11,414
October 31, 2025	\$30.7	11,435
November 30, 2025	\$30.7	11,946
December 31, 2025	\$31.0	12,346

Greater Than 90 Days by Customer

Notes: The temporary suspension of collection procedures in order to carry out the upgrade of the billing system to VertexOne in December 2017 was the cause of the increase in accounts receivable over 90 days (from the billing date) for September 2018. The increase in accounts receivable from March 2020 to September 2022 is primarily due to increased delinquencies and deferred payments due to the impact of COVID-19.

The overall delinquencies declined by \$2.7 million in October 2025. The Commercial Delinquencies declined by \$2.3 million mainly due to the \$2.2 million CSX Railroad settlement.

	Number of Accounts			Month of Dec (All Categories)				Total Delinquent				
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		Nov		Dec		
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	%
Commercial	8,393	1,830	10,223	1,029	5,623,954	128	\$824,546	1,057	\$6,165,592	1,157	\$6,448,501	21%
Multi-family	9,101	303	9,404	1,235	14,690,007	42	\$252,863	1,243	\$15,004,271	1,277	\$14,942,870	48%
Single-Family Residential	108,147	1,902	110,049	9,760	9,422,926	152	\$218,175	9,646	\$9,490,250	9,912	\$9,641,101	31%
Total	125,641	4,035	129,676	12,024	\$29,736,887	322	\$1,295,584	11,946	\$30,660,113	12,346	\$31,032,471	100%

Notes: Included in the above \$31.0M (or 12,346 accounts) of the DC Water Over 90 days delinquent accounts, \$2,677,109.97 (or 1,091 accounts) represents impervious only accounts over 90 days delinquent.

-Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.

-Delinquent accounts (12,346) as a percentage of total accounts (129,676) is 9.5 percent.

-Delinquent impervious only accounts (1,091) as a percentage of total accounts (129,676) is 0.8 percent.

-Delinquent impervious only accounts (1,091) as a percentage of total delinquent accounts (12,346) are 8.8 percent.

-Delinquent impervious only accounts (1,091) as a percentage of total impervious only accounts (4,035) are 27.0 percent

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of December 31, 2025

Customer Arrears Data

Arrears by Customer Category:

Category	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
Commercial	2,200	\$11,585,734	1,471	\$8,241,739	1,157	\$6,448,501
Multi Family	2,123	19,662,517	1,516	16,597,660	1,277	14,942,870
Residential	20,602	13,436,545	13,049	11,004,605	9,912	9,641,101
Total	24,925	\$44,684,795	16,036	\$35,844,004	12,346	\$31,032,471

Arrears by WARD for Residential Category:

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	1,224	\$754,591	708	\$600,673	513	\$521,684
2	602	226,123	341	158,952	204	128,132
3	680	324,378	319	224,102	228	184,887
4	3,482	2,035,606	2,055	1,608,653	1,507	1,384,006
5	4,073	2,589,499	2,619	2,108,653	1,997	1,825,018
6	1,123	578,596	675	457,903	498	397,614
7	5,834	4,283,379	4,020	3,663,341	3,099	3,264,965
8	3,584	2,644,373	2,312	2,182,328	1,866	1,934,794
Total	20,602	\$13,436,545	13,049	\$11,004,605	9,912	\$9,641,101

CAP+, CAP, CAP2 and CAP3 Customers in Arrears*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
CAP+	126	\$85,011	95	\$69,640	82	\$57,260
CAP	78	38,900	61	29,552	44	22,812
CAP2	8	3,067	4	2,345	3	1,773
CAP3	0	0	0	0	0	0
Total	212	\$126,978	160	\$101,537	129	\$81,845

* Based on number of accounts that have been given credit in Dec 2025

CAP+ Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	6	\$3,768	4	\$2,405	4	\$1,687
2	2	869	1	671	1	671
3	0	0	0	0	0	0
4	17	20,879	14	17,782	14	15,474
5	29	13,432	20	9,963	16	7,954
6	3	532	2	183	1	27
7	39	24,409	29	21,689	23	17,835
8	30	21,122	25	16,948	23	13,611
Total	126	\$85,011	95	\$69,640	82	\$57,260

* Based on number of accounts that have been given credit in Dec 2025

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
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Customer Arrears Data

CAP Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	1	\$92	0	\$0	0	\$0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	6	2,158	5	1,453	2	735
5	15	5,398	11	3,328	7	2,221
6	1	169	1	100	1	75
7	30	8,783	22	6,202	18	4,610
8	25	22,301	22	18,469	16	15,171
Total	78	\$38,900	61	\$29,552	44	\$22,812

* Based on number of accounts that have been given credit in Dec 2025

CAP2 Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	0	\$0	0	\$0	0	\$0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	1	31	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	6	1,641	3	950	2	727
8	1	1,394	1	1,394	1	1,047
Total	8	\$3,067	4	\$2,345	3	\$1,773

* Based on number of accounts that have been given credit in Dec 2025

CAP3 Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	0	\$0	0	\$0	0	\$0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	0	0	0	0
Total	0	\$0	0	\$0	0	\$0

* Based on number of accounts that have been given credit in Dec 2025

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
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Developer Deposits

Developer Deposits are funds paid to DC Water for plans that are approved by the Permit Operations Department. They include:

- Flat fees for taps, abandonments, sewer connections, etc.
- Reimbursable estimated fees for inspection labor hours charged to the account.
- Deposits held as security against damage and uncharged accounts.
- Miscellaneous non-commercial account items (hydrant use, groundwater dewatering, waste hauler fees, etc.)
- As of December 31, 2025, developer deposits had \$32.74 million in credit balances (liability) and \$11.82 million in debit balances (receivable).

Balances by Year as of December 31, 2025

Credit Balances (Liability)	Debit Balances (Receivables)
\$32.74 million	\$11.82 million

Year	Credit Balances	Number of Accounts with Credit Balances	Debit Balances	Number of Accounts with Debit Balances	Net Balance
2001	\$ -	-	\$ 960,164.05	1	\$ 960,164.05
2002	\$ -	-	\$ 1,836.00	2	\$ 1,836.00
2004	\$ -	-	\$ 9,066.08	6	\$ 9,066.08
2005	\$ (282,698.64)	74	\$ 260,270.23	86	\$ (22,428.41)
2006	\$ (267,855.30)	22	\$ 271,416.02	74	\$ 3,560.72
2007	\$ (114,482.12)	24	\$ 135,267.96	47	\$ 20,785.84
2008	\$ (227,017.73)	27	\$ 189,458.72	48	\$ (37,559.01)
2009	\$ (135,490.53)	19	\$ 167,115.18	42	\$ 31,624.65
2010	\$ (85,507.27)	22	\$ 138,885.22	37	\$ 53,377.95
2011	\$ (228,832.78)	47	\$ 536,230.98	52	\$ 307,398.20
2012	\$ (424,077.82)	97	\$ 434,651.37	83	\$ 10,573.55
2013	\$ (499,097.36)	86	\$ 245,969.44	76	\$ (253,127.92)
2014	\$ (796,902.87)	88	\$ 963,242.49	61	\$ 166,339.62
2015	\$ (883,895.08)	194	\$ 265,394.95	36	\$ (618,500.13)
Subtotal - 2001 through 2015	\$ (3,945,857.50)	700	\$ 4,578,968.69	651	\$ 633,111.19
2016	\$ (1,984,345.84)	280	\$ 454,468.31	53	\$ (1,529,877.53)
2017	\$ (1,576,299.58)	358	\$ 453,862.37	115	\$ (1,122,437.21)
2018	\$ (2,131,620.29)	390	\$ 810,924.71	112	\$ (1,320,695.58)
2019	\$ (3,245,491.34)	345	\$ 1,601,454.85	153	\$ (1,644,036.49)
2020	\$ (3,353,780.73)	220	\$ 514,580.26	119	\$ (2,839,200.47)
2021	\$ (3,373,857.53)	270	\$ 536,300.17	141	\$ (2,837,557.36)
2022	\$ (5,217,337.64)	272	\$ 928,692.48	168	\$ (4,288,645.16)
2023	\$ (3,019,115.89)	168	\$ 992,463.40	123	\$ (2,026,652.49)
2024	\$ (2,549,477.67)	148	\$ 513,602.15	102	\$ (2,035,875.52)
2025	\$ (2,345,943.03)	154	\$ 430,901.67	136	\$ (1,915,041.36)
Subtotal - 2016 through 2025	\$ (28,797,269.54)	2,605	\$ 7,237,250.37	1,222	\$ (21,560,019.17)
Total	\$ (32,743,127.04)	3,305	\$ 11,816,219.06	1,873	\$ (20,926,907.98)

Forfeiture Action

Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts Forfeited on September 23, 2022	(1,286,705.10)	348
Accounts Forfeited on March 26, 2024	(1,621,242.25)	262
Accounts Forfeited on September 27, 2024	(764,105.79)	113
Accounts Forfeited on September 28, 2025	(969,992.94)	182
Accounts pending forfeiture determination and execution.	(3,945,857.50)	700

Monthly Report to DC Retail Water and Sewer Rates Committee

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As of December 31, 2025

Developer Deposits

Customer Communication

Statements are provided to customers when there is activity on the account. To ensure that all customers are aware of the balances, statements are also mailed annually irrespective of whether there is activity on the account. For the last four years, annual statements were mailed to customers on June 20, 2025, March 26, 2024, April 28, 2023, and January 25, 2022.

By law, refunds are to be requested by the account owner within two years of completion (DC Code § 34–2401.10). If not requested in that period, these accounts can be forfeited and closed. DC Water has placed a statement on invoices beginning in November 2019 notifying customers of the District law and that funds would be forfeited unless a refund is requested within two years of project completion or account inactivity. A notification to customers that is posted on our website indicates that unless a refund is requested, funds will be forfeited for projects without activity for ten years. AOBA and DCBIA have been asked to notify their membership to examine the invoices.

For accounts that were forfeited, zero balance statements were mailed to customers on August 16, 2021, September 21, 2022, March 26, 2024, September 27, 2024, and September 28, 2025.

Refund Requests and Forfeiture Disputes

Following the distribution of annual account statements to customers on June 20, 2025, it was determined that refund requests impact a total of 2,047 accounts. The table below provides a summary of the progress made to date.

Construction Inspection Refund Data

	Number of Accounts	Amount (\$)
Refund request received to date	2047	
Refunded this month	39	\$324,077.89
Refunded last month	9	\$57,407.60
Refunded FY26	101	\$1,205,822.27
Refunded FY25	250	\$3,127,116.31
Refunded in FY24	369	\$6,931,447.14
Refunded in FY23 (Oct 22 - Sept 23)	105	\$1,756,574.39
Refund requests that are debits (\$0 balance or owe DC Water)	150	\$(63,548.59)
Number of Refund Accounts Reviewed, Awaiting Information from Developers*	367	\$2,146,892.92
Number of Refund Account Requested after forfeiture date**	33	\$159,241.56

*Documentation required to process the refund accounts has been thoroughly examined and assembled. DC Water is in the process of obtaining address verification and/or proof of payment from the developers to complete the refund issuance. Request for this information has already been communicated to the developers.

** These accounts were forfeited, and zero balance statements were sent to the developers before they requested a refund. As a result, these accounts are not eligible for a refund.

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of December 31, 2025

Payment Plan and Disconnection Report

		Residential					Commercial					Multifamily				
Ward	Zip Code	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.*
Total		12,982	3,251	1,376	1,236	297	1,417	81	28	27	2	1,503	373	74	96	19
1	20001	213	47	12	19	3	84	10	4	1		9				
	20009	126	26	9	7	4	38	4	3	2		47	10			1
	20010	361	80	38	31	8	49	2	1			29	5	2	3	1
	20059						3									
2	20001	91	19	7	4		40	4	1	3		13	4	2		
	20004						4									
	20005	7	1				24	1				2				
	20006						9									
	20007	184	11	1			56	3				6				
	20008	5	1				13	2	1			1				
	20009	40	9	4	2	4	14	4	3	1		16	4	1		
	20036	2					19	3	2			3	1			
	20037	12	1				9					5	2			
	20057						3									
3	20007	66	5		2		14	4	1			18				
	20008	47	5	1	2	6	22	1		1		3	2		1	
	20015	46	4	3	1		10	1				3				
	20016	158	16	6	6		104	2		1		3	1			
4	20008						1									
	20010	28	5	4	2	2	4					3	1			
	20011	1618	420	175	131	39	122	11	2	2		118	34	13	4	
	20012	346	85	38	35	8	34	2		2		6	3	2		
	20015	58	19	10	5											
5	20001	215	61	21	9		21	1	1	1		6	1	1		
	20002	639	162	59	47	4	100	2	1	3		189	39	7	8	2
	20011	223	56	29	44	10	1			1		7	4	1		
	20017	635	152	65	77	12	46	3		1		23	3		1	
	20018	894	239	104	89	15	114	4	2	2		24	5	1	1	
	20036											1			1	
6	20001	17	10				16					5				
	20002	381	91	30	29	4	91	5	3	1		17	6	1		
	20003	214	31	10	13	1	46	1				20	2	2	1	
	20024	52	13	2	1		12					12	1	1		1
	20032	1			1											
7	20001	4														
	20002	238	73	27	21	1	14	2				26	8	1	3	
	20003	100	18	7	6	1	23					12				
	20007	1														
	20016	1	1													
	20019	3080	795	355	258	97	111	4	1	3	1	359	84	15	21	4
	20020	578	135	64	56	15	9	2	1			60	26	1	2	1
8	20002	3	2	1	1											
	20003	13	2	2	4		10					1				
	20009	1														
	20020	1258	326	171	195	45	55	1			1	236	60	14	29	5
	20023	1			1											
	20032	1024	329	120	137	18	72	2	1	2		220	67	9	21	4
20332	1	1	1													

*Note: inactive accounts in arrears are not included in the above and the accounts by customer class are as follows: Res. 384, Com. 144 and MF 82

*Note: Disconnect Work Orders for Multi-Family Properties were created and not assigned for field completion but are manually managed for further collection actions

Attachment B



Cost of Service Study Overview

January 27, 2025



Purpose

- 💧 To provide an update on the Cost of Service Study for Rates, Charges and Fees, conducted by Independent Rate Consultant



Independent COS Study

- 💧 Cost of Service Study (COS) includes review of Retail Rates, Charges, and Fees, Revenue Sufficiency, Rate Equity, and Alternative Rate Structure
- 💧 The COS study is conducted every two years. Last COS study was performed in FY2024
- 💧 Independent consultants bring an unbiased perspective, which ensures that the study is impartial and objective. The consultants have specialized knowledge and experience in conducting COS studies. Their experience can lead to more accurate and thorough analysis
- 💧 Raftelis has conducted this COS study for rates, fees, and charges. They have vast experience of providing consulting services for various COS studies for rates, charges and fees, Potomac Interceptor and Miscellaneous Fees. The company has over thirty years of experience in the utility space

DC Water

Cost of Service Study Overview

January 27, 2026





Agenda

1. Background
2. Revenue Sufficiency Analysis
3. Cost of Service Analysis
4. Alternative Rate Structures
5. Next Steps

Background



Background

DC Water conducts a Cost of Service Study every two years in conjunction with adoption of retail rates.

Study Components

- Revenue Sufficiency Analysis – Do the proposed rates recover adequate revenue to meet expenditures?
- Cost of Service Analysis / Rate Equity – Are proposed rates equitably recovering the costs of providing service?
- Alternative Rate Structure Analysis – Are there alternative rate structures that may more effectively meet DC Water's highest priority objectives?

Objectives of the COS Study

DC Water consistently prioritizes the following pricing objectives:

- Revenue Sufficiency – Rates should recover revenue necessary to operate and maintain the utility in perpetuity and meet all legal, regulatory, and permitting requirements
- 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 customers to understand
- Affordability – DC Water should minimize customer bills without sacrificing reliable, clean, and safe service

Revenue Sufficiency Analysis



Cost Drivers & Trends

- Customer Assistance Program (CAP) is expanding, costs related to that expansion have been added
- DC Water's capital budget has been impacted by deferred timing for some large projects, leading to escalating capital costs in FY27-28
- O&M budget projected to increase 3.5% from FY26 to FY27, and 4.8% from FY27 to FY28

Revenue Sufficiency Findings

- Raftelis projects revenue based on rates and units of service
 - › Number of accounts, billed consumption, and impervious Equivalent Residential Units (ERUs)
- Revenues under proposed rate increases are sufficient to fund utility cash requirements consistent with the budget and expenditure forecast in FY 2027-FY 2028 and are appropriate to maintain DC Water's financial sustainability
- Reserve funds can be maintained at target levels
- Debt service coverage is adequate to meet required bond covenants
- The Board established a goal of increasing the target days cash on hand to 350 days by FY 2032

Comparison of Revenues and Expenses

FY 2027	Financial Plan	Raftelis Model	Delta
Revenue			
Operating (1)	\$987,935,192	\$985,956,868	\$(1,978,324)
Non-Operating	\$68,368,174	\$68,368,174	\$ -
<i>Total: Revenue</i>	<i>\$1,056,303,365</i>	<i>\$1,054,320,242</i>	<i>\$(1,978,324) -0.20%</i>
Expenses			
Operating	\$478,001,010	\$478,001,012	\$ 2
Debt Service & CFCI	\$334,743,704	\$334,743,703	\$ (2)
<i>Total: Expenses</i>	<i>\$812,744,714</i>	<i>\$812,744,714</i>	<i>\$ - 0.00%</i>
Net Cash Available for PAYGO Capital & Other Cash Needs	\$243,558,651	\$241,580,327	\$(1,978,324)

- 1) Raftelis' revenue estimate includes slightly different usage and customer number assumptions; the Raftelis residential and commercial estimate is based on adjusting usage for CAP accounts, which receive a discount, while metering fee revenues are based on updated meter counts provided through DC Water's billing system.

Comparison of Revenues and Expenses

FY 2028	Financial Plan	Raftelis Model	Delta
Revenue			
Operating (1)	\$1,038,209,261	\$1,033,487,957	\$(4,721,304)
Non-Operating	\$70,096,806	\$70,096,806	\$ -
<i>Total: Revenue</i>	<i>\$1,108,306,067</i>	<i>\$1,103,555,963</i>	<i>\$(4,721,304) -0.45%</i>
Expenses			
Operating	\$500,729,878	\$500,729,878	\$ -
Debt Service & CRCI	\$381,664,583	\$381,664,583	\$ -
<i>Total: Expenses</i>	<i>\$882,394,461</i>	<i>\$882,394,461</i>	<i>\$ - 0.00%</i>
Net Cash Available for PAYGO Capital & Other Cash Needs	\$225,911,606	\$221,161,502	\$(4,721,304)

- 1) Raftelis' revenue estimate includes slightly different usage and customer number assumptions; the Raftelis residential and commercial estimate is based on adjusting usage for CAP accounts, which receive a discount, while metering fee revenues are based on updated meter counts provided through DC Water's billing system.

Cost of Service Analysis



Cost of Service Definition

- Cost of service is a principle of setting rates to recover precisely the cost of serving specific customers, based on the demands they place on the water and wastewater systems
- Cost of service-based user charges are not a tax, but rather a way to recover the costs of providing water and sewer service
- Maintains equity while accounting for affordability
 - › CAP provides discounted service for low-income customers
 - › Affordability is a Board rate setting policy objective and essential for maintaining public health

FY 2027-28 Cost of Service Study Initiatives

- Account for operating and capital spending shifts across the organization
- Recommend cost recovery methodology to offset DDOT Inconvenience Fees

Retail Rate Development Summary, FY27

FY 2027 Unit Costs	Revenue Requirement	Units of Service	Unit Cost
Metering Fee	\$ 24,484,154	263,500 EMUs	\$ 92.92/yr
Water Volumetric Rate	\$ 241,012,265	30,307,780 Ccf	\$ 7.95/Ccf
Sewer Volumetric Rate	\$ 375,801,501	29,110,880 Ccf	\$ 12.91/Ccf
Clean Rivers IAC	\$ 128,488,613	420,000 ERUs	\$ 305.93/ERU
Water System Replacement Fee	\$ 42,717,000	538,585 EUUs	\$ 75.60/yr
Total Revenue Requirements	\$ 812,503,533		

EMUs – Equivalent Metering Units (based on a residential meter)

ERUs – Equivalent Residential Units (based on tier 1 residential sq footage)

EUUs – Equivalent Usage Units (based on average usage by meter size)

Assumes water conservation of 1.0% in FY 2027 and 2028 based on actual usage trends

Retail Rate Development Summary, FY28

FY 2028 Unit Costs	Revenue Requirement	Units of Service	Unit Cost
Metering Fee	\$ 24,499,808	263,500 EMUs	\$ 92.98/yr
Water Volumetric Rate	\$ 265,877,831	30,002,172 Ccf	\$ 8.86/Ccf
Sewer Volumetric Rate	\$ 384,838,400	28,747,583 Ccf	\$ 13.39/Ccf
Clean Rivers IAC	\$ 137,147,339	420,000 ERUs	\$ 326.54/ERU
Water System Replacement Fee	\$ 42,717,000	538,585 EUUs	\$ 75.60/yr
Total Revenue Requirements	\$ 855,080,378		

EMUs – Equivalent Metering Units (based on a residential meter)

ERUs – Equivalent Residential Units (based on tier 1 residential sq footage)

EUUs – Equivalent Usage Units (based on average usage by meter size)

Assumes water conservation of 1.0% in FY 2027 and 2028 based on actual usage trends

Existing & Proposed Rates

Rate Component	FY 2026 (Existing)	FY 2027 (Proposed)	FY 2028 (Proposed)	FY 2027		FY 2028	
				% Difference	\$ Difference	% Difference	\$ Difference
Water Volumetric – Residential – Tier 1	\$5.78	\$6.49	\$7.11	12.3%	\$ 0.71	9.6%	\$ 0.62
Water Volumetric – Residential – Tier 2	\$7.60	\$8.40	\$9.40	10.5%	\$ 0.80	11.9%	\$ 1.00
Water Volumetric – Multi-Family	\$6.47	\$7.21	\$7.98	11.4%	\$ 0.74	10.7%	\$ 0.77
Water Volumetric – Non-Residential	\$7.84	\$8.66	\$9.71	10.5%	\$ 0.82	12.1%	\$ 1.05
Sewer Volumetric	\$12.52	\$12.91	\$13.39	3.1%	\$ 0.39	3.7%	\$ 0.48
Metering Fee	\$ 7.75	\$ 7.75	\$ 7.75	0.0%	\$ -	0.0%	\$ -
Clean Rivers IAC	\$24.23	\$25.50	\$27.22	5.2%	\$ 1.27	6.7%	\$ 1.72
WSRF	\$ 6.30	\$ 6.30	\$ 6.30	0.0%	\$ -	0.0%	\$ -
WAD Rate	\$3.54	\$3.54	\$3.54	0.0%	\$ -	0.0%	\$ -
Groundwater Fee	\$3.76	\$3.90	\$3.90	3.7%	\$ 0.14	0.0%	\$ -
Public Inconvenience Fee	N/A (new fee)	\$0.42	\$0.42	0.0%	\$ -	0.0%	\$ -

Cost of Service Allocations

Rate Component	FY 2026	FY 2027	FY 2028
Water	28.4%	29.7%	31.1%
Sewer	47.5%	46.3%	45.0%
Metering Fee	3.3%	3.0%	2.9%
CRIAC	15.6%	15.8%	16.0%
WSRF	5.2%	5.3%	5.0%

Water & Sewer Only	FY 2026	FY 2027	FY 2028
Water	37.4%	39.1%	40.9%
Sewer	62.6%	60.9%	59.1%

Observations

- Cost recovery shifted slightly from sewer to water from FY 2026 to FY 2028 due to allocation of proposed capital spending
- Metering Fee, CRIAC, and WSRF remained nearly the same over the forecast period

Residential Customer Monthly Bill

(5/8" / 5.42 Ccf)

	Current (FY 2026)	Calculated (FY 2027)	Calculated (FY 2028)	FY 2027		FY 2028	
				\$ Change	% Change	\$ Change	% Change
DC Water and Sewer Retail Rates	\$ 101.77	\$ 107.86	\$ 114.36	\$ 6.09	6.0%	\$ 6.50	6.0%
DC Water Clean Rivers IAC	24.23	25.50	27.22	1.27	5.2%	1.72	6.7%
DC Water Customer Metering Fee	7.75	7.75	7.75	-	0.0%	-	0.0%
DC Water Water System Replacement Fee	6.30	6.30	6.30	-	0.0%	-	0.0%
Subtotal: DC Water Rates & Charges	\$ 140.05	\$ 147.41	\$ 155.63	\$ 7.36	5.3%	\$ 8.22	5.6%
District of Columbia PILOT	\$ 3.36	\$ 3.36	\$ 3.41	\$ -	0.0%	\$ 0.05	1.5%
District of Columbia Right of Way Fee	1.08	1.08	1.08	-	0.0%	-	0.0%
District of Columbia Inconvenience Fee Fee	-	2.28	2.28	2.28		-	0.0%
District of Columbia Stormwater Fee	2.67	2.67	2.67	-	0.0%	-	0.0%
Subtotal District of Columbia Charges	\$ 7.11	\$ 9.39	\$ 9.44	\$ 2.28	32.1%	\$ 0.05	0.5%
Total Amount Appearing on DC Water Bill	\$ 147.16	\$ 156.80	\$ 165.07	\$ 9.64	6.6%	\$ 8.27	5.3%

**Rate increases are less than those projected in last year's forecast.*

Residential CAP Customer Monthly Bill (5/8" / 5.42 Ccf)

	Current (FY 2026)	Calculated (FY 2027)	Calculated (FY 2028)	FY 2027 \$ Change % Change		FY 2028 \$ Change % Change	
DC Water and Sewer Retail Rates	\$ 101.77	\$ 107.86	\$ 114.36	\$ 6.09	6.0%	\$ 6.50	6.0%
DC Water Clean Rivers IAC	24.23	25.50	27.22	1.27	5.2%	1.72	6.7%
DC Water Customer Metering Fee	7.75	7.75	7.75	-	0.0%	-	0.0%
DC Water Water System Replacement Fee	6.30	6.30	6.30	-	0.0%	-	0.0%
Subtotal: DC Water Rates & Charges	\$ 140.05	\$ 147.41	\$ 155.63	\$ 7.36	5.3%	\$ 8.22	5.6%
District of Columbia PILOT	\$ 3.36	\$ 3.36	\$ 3.41	\$ -	0.0%	\$ 0.05	1.5%
District of Columbia Right of Way Fee	1.08	1.08	1.08	-	0.0%	-	0.0%
District of Columbia Inconvenience Fee Fee	-	2.28	2.28	2.28	-	-	0.0%
District of Columbia Stormwater Fee	2.67	2.67	2.67	-	0.0%	-	0.0%
Subtotal District of Columbia Charges	\$ 7.11	\$ 9.39	\$ 9.44	\$ 2.28	32.1%	\$ 0.05	0.5%
Less: CAP Discount - 4 Ccf per Month	\$ (76.48)	\$ (80.88)	\$ (85.32)	\$ (4.40)	5.8%	\$ (4.44)	5.5%
Less: CAP Discount - % of CRIAC	(18.17)	(19.13)	(20.42)	(0.96)	5.3%	(1.29)	6.7%
Less: CAP Discount - WSRF	(6.30)	(6.30)	(6.30)	-	-	-	0.0%
Subtotal: CAP Discount	\$ (100.95)	\$ (106.31)	\$ (112.04)	\$ (5.36)	5.3%	\$ (5.72)	5.4%
CAP Discount Percentage	68.6%	67.8%	67.9%				
Total Amount Appearing on DC Water Bill with CAP Discount	\$ 46.21	\$ 50.49	\$ 53.03	\$ 4.28	9.3%	\$ 2.54	5.0%

Cost of Service Findings

- Overall bill increases for FY 2027 and FY 2028 are driven primarily by increases in water volumetric rates
- Metering Fee and WSRF remain constant
- PILOT (District Charge) on the DC Water bill increase slightly in FY 2028
- The District Inconvenience Fee is \$0.42/Ccf for FY 2027 and FY 2028
- Washington Aqueduct rate kept at existing FY 2026 level for FY 2027-28
- Groundwater rate increases in FY 2027, no further increase in FY 2028
- Average customer usage remains at 5.42 Ccf/month

Alternative Rate Structures



Impervious Area Charge Tiers

Options:

- Maintain current Single Family Residential (SFR) structure where customers are assigned to one of six tiers best representing their measured impervious area
- Add some additional tiers to reduce inequities in current structure
- Have a tier for every 100 square foot increment of impervious area to correspond with methodology for other classes and eliminate inequities
 - › Data currently exists to allow for this change
 - › This could be implemented and communicated by October 1, 2026

Additional Impervious Area Charge Tiers

PROS

- Enhanced equity and consistency
- Eliminates confusion between SFR and MFR customers

CONS

- Greater effort to implement
- More difficult to administer

Alternative Rate Structures – Large & Small Commercial

- Raftelis examined the potential impact of adding a large commercial and small commercial rate for the commercial customer class
- This was done based on meter size
- Goal was to generate a more accurate cost recovery between the two different types of customers based on the implied peak on the system
- Ultimately, data from FY 2024 and FY 2025 did not provide an adequate basis for this change

Peaking Data

- Small Accounts: $\leq 4''$
 - › Peaking: 1.25x
- Large Accounts: $>4''$
 - › Peaking: 1.24x

Alternative Rate Structures – Storm Water

- DC Water shares responsibility with the District for operating the storm water system (separated storm sewers)
- Assessment of capital and operating costs for storm water are currently underway
- Once developed, industry practice suggests recovery through impervious area-based charge
- Currently, cost recovery is imbedded in the volumetric rates

RESPONSIBILITIES

- District:
 - › MS4 administration
 - › Illicit discharge detection elimination
 - › Education and outreach
 - › Flood mitigation
- DC Water:
 - › Catch basins
 - › Sewer infrastructure
 - › Pumping stations
 - › Outfall structures
 - › Floatables reduction program

Next Steps



Next Steps

- Board will be asked to approve publication of proposed rates on March 5, 2026, meeting
- DC Act 23-577 signed on January 13, 2021, requires DC Water to transmit this Cost-of-Service Study and the Independent Review of the Proposed Rates Report to the Mayor and the Council of the District of Columbia at least 45 days before the public hearing
- The public hearing will take place on May 14, 2026
- The COS study report will be transmitted to the Mayor and Council on and posted on DC Water's website on March 17, 2026.

Q&A



Raftelis is a Registered Municipal Advisor within the meaning as defined in Section 15B (e) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (Municipal Advisor Rule).

However, except in circumstances where Raftelis expressly agrees otherwise in writing, Raftelis is not acting as a Municipal Advisor in this engagement, and the opinions or views contained herein are not intended to be, and do not constitute “advice” within the meaning of the Municipal Advisor Rule.



Thank you!

Contact:

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Attachment B**FY 2026 Proposed RRC Committee Workplan**

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
1. Establish Retail Rates, Fees & Charges for FY 2027 & FY 2028	Date of Activity	Completed	Responsible Department
a. <i>Present FY 27 & FY 28 Budget & Rates to Board</i>	January 15, 2026		Rates and Revenue
b. <i>Present FY 27 & FY 28 Proposed Rates, Fees & Charges to RRC</i>	January 27, 2026		
c. <i>Present Independent Review of Rates-by Consultants</i>	February 23, 2026		
d. <i>RRC recommendation on Proposed FY 27 & FY 28 Rates, Fees & Charges</i>	February 23, 2026		Rates and Revenue
e. <i>Board approves Notice of Proposed Rulemaking (NOPR) for Proposed FY 27 & FY 28 Rates, Fees & Charges</i>	March 5, 2026		
f. <i>Submit Independent Review of Proposed Rates and 2025 Cost of Service Study to Mayor and Council and post both on DC Water's website</i>	March 17, 2026		Rates and Revenue
g. <i>Publish NOPR in D.C. Register for Proposed FY 27 & FY 28 Rates, Fees & Charges</i>	March 20, 2026		DGLA
h. <i>Outreach and Public Comment Period</i>	March 20 - May 21, 2026		Marketing & Comm.
i. <i>Public Hearing</i>	May 14, 2026		
j. <i>Public Hearing Record Closes</i>	May 21, 2026		
k. <i>Submit Response to Public Comments report to Board and post on DC Water website and respond to OPC Comments, if applicable</i>	May 31, 2026		
l. <i>Present final FY 27 & FY 28 Rates, Fees & Charges to RRC for recommendation to Board</i>	June 23, 2026		Rates and Revenue
m. <i>Board approves Notice of Final Rulemaking (NOFR) for FY 27 & FY 28 Rates, Charges & Fees</i>	July 2, 2026		
n. <i>Publish NOFR in D.C. Register for Amended Rates, Fees & Charges</i>	July 17, 2026		DGLA
o. <i>Amended Rates, Fees & Charges Go-Live</i>	October 1, 2026 (FY '27) October 1, 2027 (FY '28)		Customer Care
2. 2025 Cost of Service Study (COS) for Water, Sewer and CRIAC			
a. <i>Present 2025 Cost of Service Study for Water, Sewer and CRIAC to RRC</i>	January 27, 2026		Rates & Revenue
b. <i>Post Final COS on DC Water's website</i>	March 17, 2026		Rates & Revenue
3. 2026 Cost of Service Study to Amend System Availability Fee (SAF)			
a. <i>Present COS Update and Propose Amendments to SAF for RRC Recommendation</i>	March 24, 2026		Rates & Revenue/ Permit Operations

Attachment B

b. Board Approval of Notice of Proposed Rulemaking (NOPR) for SAF c. Publish NOPR in DC Register d. Public Comment period e. RRC Final Recommendation to Approve Amendments for SAF f. Board Approval of Notice of Final Rulemaking (NOFR) g. Publish NOFR in DC Register h. SAF Go-Live	April 2, 2026 April 17, 2026 April 17 – May 18, 2026 May 26, 2026 June 4, 2026 June 18, 2026 October 1, 2026		Board of Directors DGLA Marketing & Comm. Rates & Revenue/ Permit Operations Board of Directors DGLA Rates & Revenue/ Permit Operations
4. 2025 Cost of Service Study to Establish Miscellaneous Fees and Charges			
a. Present COS Update and Proposed Amendments to Miscellaneous Fees & Charges for RRC Recommendation b. Board Approval of Notice of Proposed Rulemaking (NOPR) for Miscellaneous Fees & Charges c. Publish NOPR in DC Register d. Public Comment period e. RRC Final Recommendation to Approve Amendments for Miscellaneous Fees & Charges f. Board Approval of Notice of Final Rulemaking (NOFR) g. Publish NOFR in DC Register h. Miscellaneous Fees & Charges including Engineering and Permitting Fees Go-Live	April 22, 2025 May 1, 2025 May 16, 2025 May 16 – June 16, 2025 June 24, 2025 July 3, 2025 July 25, 2025 October 1, 2025	√ √ √ √ √ √ √ √	Rates & Revenue Board of Directors DGLA Marketing & Comm. Rates & Revenue/ Customer Care Board of Directors DGLA Rates & Revenue/ Customer Care
5. Delinquent Accounts			
a. Soldiers Home Negotiations	Monthly, as needed		DGLA



Attachment D

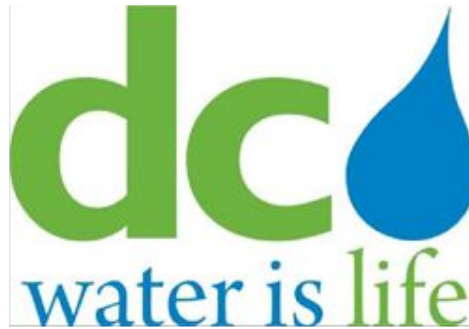
**D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
RETAIL WATER & SEWER RATES
COMMITTEE MEETING**

**Tuesday, February 23, 2025; 9:30
a.m. AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for March 24, 2026 Committee Meeting	Committee Chairman
Other Business	Chief Financial Officer
Adjournment	

*Detailed agenda can be found on DC Water's website at www.dcwater.com/about/board_agendas.cfm

ATTACHMENT A



Fiscal Year 2026

Monthly Report to DC Retail Water and Sewer Rates Committee

Period Ending November 30, 2025

DEPARTMENT OF FINANCE

Lola Oyeyemi, Acting CFO & EVP, Finance, Procurement & Compliance

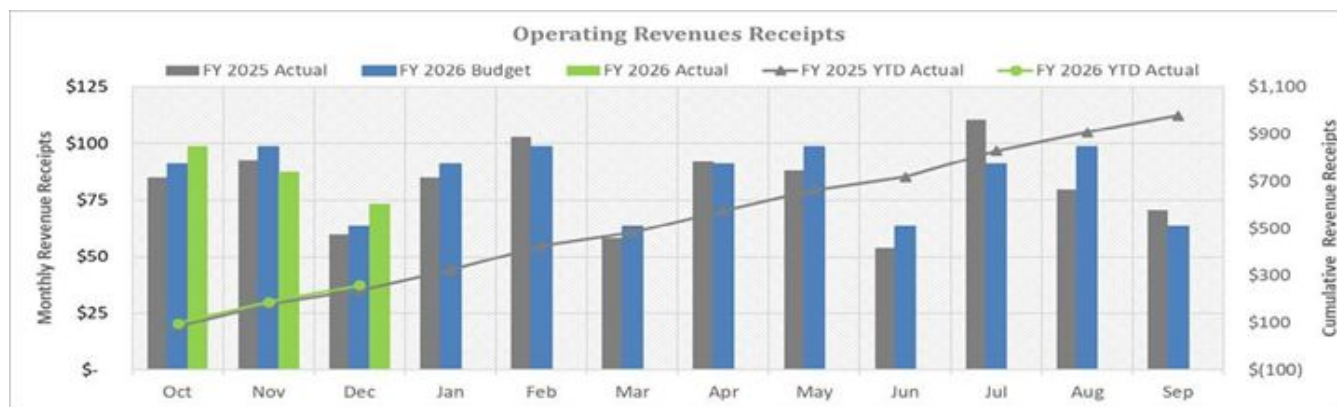
Syed Khalil, Vice President, Rates & Revenue

Monthly Report to DC Retail Water and Sewer Rates Committee

Fiscal Year-to-Date
As of December 31, 2025

Operating Revenues (\$000's)

FY 2025 Actual		CA TEGORY	FY 2026					
Total Annual	YTD December		Year-to-Date Performance					
			Annual Budget	YTD Budget	YTD Actual	% of Budget	Variance \$ Fav(Unfav)	Variance % Fav(Unfav)
\$576,751	\$146,854	Residential / Commercial / Multi-Family*	\$586,408	146,605	\$152,042	25.9%	\$5,437	3.7%
92,625	23,847	Federal	99,339	24,835	25,064	25.2%	229	0.9%
25,727	8,816	Municipal (DC Govt.)	28,256	7,064	6,889	24.4%	(175)	(2.5%)
14,990	2,495	DC Housing Authority	18,120	4,530	3,315	18.3%	(1,215)	(26.8%)
24,479	5,961	Metering Fee	24,083	6,021	6,122	25.4%	101	1.7%
43,382	10,503	Water System Replacement Fee (WSRF)	40,717	10,179	10,874	26.7%	695	6.8%
114,341	28,089	Wholesale	122,612	30,653	30,771	25.1%	118	0.4%
24,989	6,449	PILOT/ROW	24,156	6,039	6,527	27.0%	488	8.1%
61,225	14,604	All Other	67,695	16,922	17,924	26.5%	1,002	5.9%
\$978,509	\$247,618	TOTAL	\$1,011,386	\$252,848	259,528	25.7%	\$6,680	2.6%



At the end of December 2025, cash receipts totaled \$259.5 million, or 25.7 percent of the FY 2026 Budget. The FY 2026 budgeted receipts were \$1,011.4 million. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their 1st quarterly payment in October 2025), and wholesale customers (who made their first quarterly payment in November).

Favorable Variances	Unfavorable Variances
<p>Residential, Commercial, and Multi-Family – Receipts for this category are favorable at \$152.0 million or 25.9 percent of the budget. The December 2025 receipts were higher by \$5.0 million as compared to the monthly budget of \$48.9 million partly due to slightly higher CRIAC than the budget and partly due to collections from prior months' billings.</p> <p>Federal - Actual receipts for FY2025 first quarter, received in October and November, totaled \$25.1 million or 25.2 percent of the budget.</p> <p>Metering Fee – Receipts are on track at \$6.1 million or 25.4 percent of the budget.</p> <p>Water System Replacement Fee (WSRF) – Receipts for WSRF are on track at \$10.9 million or 26.7 percent of the budget.</p> <p>Wholesale – At the end of December 31, 2025, the actual receipts for this category totaled \$30.8 million or 25.1 percent of the budget.</p> <p>PILOT/ROW – The receipts for PILOT/ROW are slightly higher at \$6.5 million or 27.0 percent of the budget.</p> <p>Other Revenue – Receipts are higher at \$17.9 million or 26.5 percent of the budget. Interest Earnings (\$1.5 million), Washington Aqueduct Backwash (\$0.4 million), Stormwater (\$0.1 million), and Miscellaneous Revenue (\$2.4 million) are higher than the budget. The receipts for Developer Fees (\$1.0 million), System Availability Fee (SAF \$1.2 million), and IMA Indirect Cost Reimb. For Capital Projects (\$1.0 million) are lower than the budget.</p>	<p>District Government – Receipts are lower at \$6.9 million or 24.4 percent of the budget. The receipts are lower mainly due to lower consumption as compared to the budget. The December 2025 receipts of \$3.8 million which includes balance payment of last month. The monthly budget is \$2.4 million.</p> <p>DC Housing Authority – Receipts are slightly lower at \$3.3 million or 18.3 percent of the budget. The receipts are lower mainly due to lower consumption as compared to the budget. The December 2025 receipts are lower by \$0.3 million as compared to the budget of \$1.5 million.</p>

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(\$ in millions)

Revenue Category	FY 2026 Budget	Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$586.4	\$116.5	\$152.0	\$5.5	3.7%	25.9%
Federal	\$99.3	\$24.9	\$25.1	\$0.2	0.9%	25.2%
District Government	\$28.3	\$7.1	\$6.9	(\$0.2)	-2.5%	21.4%
DC Housing Authority	\$18.1	\$4.5	\$3.3	(\$1.2)	-26.8%	18.3%
Customer Metering Fee	\$21.1	\$6.0	\$6.1	\$0.1	1.7%	25.1%
Water System Replacement Fee (WSRF)	\$40.7	\$10.2	\$10.9	\$0.7	6.8%	26.7%
Wholesale	\$122.6	\$30.7	\$30.8	\$0.1	0.4%	25.1%
Right-of-Way Fee/PiLOT	\$24.2	\$6.0	\$6.5	\$0.5	8.1%	27.0%
Subtotal (before Other Revenues)	\$943.7	\$235.9	\$241.6	\$5.7	2.4%	25.6%
IMA Indirect Cost Reimb. For Capital Projects	13.4	3.3	2.3	(1.0)	-30.3%	17.2%
DC Fire Protection Fee	17.6	4.4	4.4	(0.0)	0.0%	25.0%
Stormwater (MS4)	1.0	0.3	0.2	0.1	33.3%	20.0%
Interest	9.2	2.3	3.8	1.5	65.2%	41.3%
Developer Fees (Water & Sewer)	9.0	2.3	1.3	(1.0)	-43.5%	14.4%
System Availability Fee (SAF)	7.7	1.9	0.7	(1.2)	-63.2%	9.1%
Washington Aqueduct Backwash	2.6	0.6	1.0	0.4	66.7%	38.5%
Others	7.2	1.8	4.2	2.4	133.3%	58.3%
Subtotal	\$67.7	16.9	17.9	\$1.0	5.9%	26.5%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$67.7	\$16.9	\$17.9	\$1.0	5.9%	26.6%
Grand Total	\$1,011.4	\$252.8	\$259.5	\$6.7	2.6%	25.7%

BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY (\$ in 000's)

Customer Category	Water	Sewer	Clean Rivers			Total
			IAC	Metering Fee	WSRF	
Residential	12,795	20,182	8,305	2,744	2,488	46,514
Commercial	25,579	28,961	9,874	1,783	4,238	70,434
Multi-family	16,694	25,677	3,974	942	2,107	49,394
Federal	9,100	10,345	5,619	385	1,419	26,867
District Govt	1,870	2,530	2,490	208	525	7,622
DC Housing Authority	1,214	1,799	302	61	98	3,473
Total:	67,252	89,492	30,565	6,121	10,874	204,305

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Clean Rivers IAC - Actual vs Budget (\$ in 000's)

Customer Category	FY2026 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	33,222	8,306	8,305	(0)	0%	25%
Commercial	39,450	9,863	9,874	11	0%	25%
Multi-family	15,612	3,903	3,974	71	2%	25%
Federal	22,478	5,620	5,619	(0)	0%	25%
District Govt	9,892	2,473	2,490	17	1%	25%
DC Housing Authority	1,465	366	302	(64)	-18%	21%
Total:	122,119	30,530	30,565	35	0%	25%

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Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days (from the billing date) including a breakdown by customer class.

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
September 30, 2020	\$17.9	13,775
September 30, 2021	\$26.3	13,065
September 30, 2022	\$29.1	12,168
September 30, 2023	\$28.0	10,420
September 30, 2024	\$33.9	11,832
September 30, 2025	\$33.4	11,414
October 31, 2025	\$30.7	11,435
November 30, 2025	\$30.7	11,946
December 31, 2025	\$31.0	12,346

Greater Than 90 Days by Customer

Notes: The temporary suspension of collection procedures in order to carry out the upgrade of the billing system to VertexOne in December 2017 was the cause of the increase in accounts receivable over 90 days (from the billing date) for September 2018. The increase in accounts receivable from March 2020 to September 2022 is primarily due to increased delinquencies and deferred payments due to the impact of COVID-19.

The overall delinquencies declined by \$2.7 million in October 2025. The Commercial Delinquencies declined by \$2.3 million mainly due to the \$2.2 million CSX Railroad settlement.

	Number of Accounts			Month of Dec (All Categories)				Total Delinquent				
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		Nov		Dec		
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	%
Commercial	8,393	1,830	10,223	1,029	5,623,954	128	\$824,546	1,057	\$6,165,592	1,157	\$6,448,501	21%
Multi-family	9,101	303	9,404	1,235	14,690,007	42	\$252,863	1,243	\$15,004,271	1,277	\$14,942,870	48%
Single-Family Residential	108,147	1,902	110,049	9,760	9,422,926	152	\$218,175	9,646	\$9,490,250	9,912	\$9,641,101	31%
Total	125,641	4,035	129,676	12,024	\$29,736,887	322	\$1,295,584	11,946	\$30,660,113	12,346	\$31,032,471	100%

Notes: Included in the above \$31.0M (or 12,346 accounts) of the DC Water Over 90 days delinquent accounts, \$2,677,109.97 (or 1,091 accounts) represents Impervious only accounts over 90 days delinquent.

-Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.

-Delinquent accounts (12,346) as a percentage of total accounts (129,676) is 9.5 percent.

-Delinquent impervious only accounts (1,091) as a percentage of total accounts (129,676) is 0.8 percent.

-Delinquent impervious only accounts (1,091) as a percentage of total delinquent accounts (12,346) are 8.8 percent.

-Delinquent impervious only accounts (1,091) as a percentage of total impervious only accounts (4,035) are 27.0 percent.

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Customer Arrears Data

Arrears by Customer Category:

Category	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
Commercial	2,200	\$11,585,734	1,471	\$8,241,739	1,157	\$6,448,501
Multi Family	2,123	19,662,517	1,516	16,597,660	1,277	14,942,870
Residential	20,602	13,436,545	13,049	11,004,605	9,912	9,641,101
Total	24,925	\$44,684,795	16,036	\$35,844,004	12,346	\$31,032,471

Arrears by WARD for Residential Category:

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	1,224	\$754,591	708	\$600,673	513	\$521,684
2	602	226,123	341	158,952	204	128,132
3	680	324,378	319	224,102	228	184,887
4	3,482	2,035,606	2,055	1,608,653	1,507	1,384,006
5	4,073	2,589,499	2,619	2,108,653	1,997	1,825,018
6	1,123	578,596	675	457,903	498	397,614
7	5,834	4,283,379	4,020	3,663,341	3,099	3,264,965
8	3,584	2,644,373	2,312	2,182,328	1,866	1,934,794
Total	20,602	\$13,436,545	13,049	\$11,004,605	9,912	\$9,641,101

CAP+, CAP, CAP2 and CAP3 Customers in Arrears*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
CAP+	126	\$85,011	95	\$69,640	82	\$57,260
CAP	78	38,900	61	29,552	44	22,812
CAP2	8	3,067	4	2,345	3	1,773
CAP3	0	0	0	0	0	0
Total	212	\$126,978	160	\$101,537	129	\$81,845

* Based on number of accounts that have been given credit in Dec 2025

CAP+ Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	6	\$3,768	4	\$2,405	4	\$1,687
2	2	869	1	671	1	671
3	0	0	0	0	0	0
4	17	20,879	14	17,782	14	15,474
5	29	13,432	20	9,963	16	7,954
6	3	532	2	183	1	27
7	39	24,409	29	21,689	23	17,835
8	30	21,122	25	16,948	23	13,611
Total	126	\$85,011	95	\$69,640	82	\$57,260

* Based on number of accounts that have been given credit in Dec 2025

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Customer Arrears Data

CAP Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	1	\$92	0	\$0	0	\$0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	6	2,158	5	1,453	2	735
5	15	5,398	11	3,328	7	2,221
6	1	169	1	100	1	75
7	30	8,783	22	6,202	18	4,610
8	25	22,301	22	18,469	16	15,171
Total	78	\$38,900	61	\$29,552	44	\$22,812

* Based on number of accounts that have been given credit in Dec 2025

CAP2 Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	0	\$0	0	\$0	0	\$0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	1	31	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	6	1,641	3	950	2	727
8	1	1,394	1	1,394	1	1,047
Total	8	\$3,067	4	\$2,345	3	\$1,773

* Based on number of accounts that have been given credit in Dec 2025

CAP3 Customer Arrears by Ward*

Ward	> 30 Days		> 60 Days		> 90 Days	
	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount	No. of Accounts	Delinquent Amount
1	0	\$0	0	\$0	0	\$0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	0	0	0	0
Total	0	\$0	0	\$0	0	\$0

* Based on number of accounts that have been given credit in Dec 2025

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Developer Deposits

Developer Deposits are funds paid to DC Water for plans that are approved by the Permit Operations Department. They include:

- Flat fees for taps, abandonments, sewer connections, etc.
- Reimbursable estimated fees for inspection labor hours charged to the account.
- Deposits held as security against damage and uncharged accounts.
- Miscellaneous non-commercial account items (hydrant use, groundwater dewatering, waste hauler fees, etc.)
- As of December 31, 2025, developer deposits had \$32.74 million in credit balances (liability) and \$11.82 million in debit balances (receivable).

Balances by Year as of December 31, 2025

		Credit Balances (Liability)	Debit Balances (Receivables)
		\$32.74 million	\$11.82 million

Year	Credit Balances	Number of Accounts with Credit Balances	Debit Balances	Number of Accounts with Debit Balances	Net Balance
2001	\$ -	-	\$ 960,164.05	1	\$ 960,164.05
2002	\$ -	-	\$ 1,836.00	2	\$ 1,836.00
2004	\$ -	-	\$ 9,066.08	6	\$ 9,066.08
2005	\$ (282,698.64)	74	\$ 260,270.23	86	\$ (22,428.41)
2006	\$ (267,855.30)	22	\$ 271,416.02	74	\$ 3,560.72
2007	\$ (114,482.12)	24	\$ 135,267.96	47	\$ 20,785.84
2008	\$ (227,017.73)	27	\$ 189,458.72	48	\$ (37,559.01)
2009	\$ (135,490.53)	19	\$ 167,115.18	42	\$ 31,624.65
2010	\$ (85,507.27)	22	\$ 138,885.22	37	\$ 53,377.95
2011	\$ (228,832.78)	47	\$ 536,230.98	52	\$ 307,398.20
2012	\$ (424,077.82)	97	\$ 434,651.37	83	\$ 10,573.55
2013	\$ (499,097.36)	86	\$ 245,969.44	76	\$ (253,127.92)
2014	\$ (796,902.87)	88	\$ 963,242.49	61	\$ 166,339.62
2015	\$ (883,895.08)	194	\$ 265,394.95	36	\$ (618,500.13)
Subtotal - 2001 through 2015	\$ (3,945,857.50)	700	\$ 4,578,968.69	651	\$ 633,111.19
2016	\$ (1,984,345.84)	280	\$ 454,468.31	53	\$ (1,529,877.53)
2017	\$ (1,576,299.58)	358	\$ 453,862.37	115	\$ (1,122,437.21)
2018	\$ (2,131,620.29)	390	\$ 810,924.71	112	\$ (1,320,695.58)
2019	\$ (3,245,491.34)	345	\$ 1,601,454.85	153	\$ (1,644,036.49)
2020	\$ (3,353,780.73)	220	\$ 514,580.26	119	\$ (2,839,200.47)
2021	\$ (3,373,857.53)	270	\$ 536,300.17	141	\$ (2,837,557.36)
2022	\$ (5,217,337.64)	272	\$ 928,692.48	168	\$ (4,288,645.16)
2023	\$ (3,019,115.89)	168	\$ 992,463.40	123	\$ (2,026,652.49)
2024	\$ (2,549,477.67)	148	\$ 513,602.15	102	\$ (2,035,875.52)
2025	\$ (2,345,943.03)	154	\$ 430,901.67	136	\$ (1,915,041.36)
Subtotal - 2016 through 2025	\$ (28,797,269.54)	2,605	\$ 7,237,250.37	1,222	\$ (21,560,019.17)
Total	\$ (32,743,127.04)	3,305	\$ 11,816,219.06	1,873	\$ (20,926,907.98)

Forfeiture Action		
Accounts Forfeited on August 16, 2021	(4,838,938.52)	1,011
Accounts Forfeited on September 23, 2022	(1,286,705.10)	348
Accounts Forfeited on March 26, 2024	(1,621,242.25)	262
Accounts Forfeited on September 27, 2024	(764,105.79)	113
Accounts Forfeited on September 28, 2025	(969,992.94)	182
Accounts pending forfeiture determination and execution.	(3,945,857.50)	700

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Developer Deposits

Customer Communication

Statements are provided to customers when there is activity on the account. To ensure that all customers are aware of the balances, statements are also mailed annually irrespective of whether there is activity on the account. For the last four years, annual statements were mailed to customers on June 20, 2025, March 26, 2024, April 28, 2023, and January 25, 2022.

By law, refunds are to be requested by the account owner within two years of completion (DC Code § 34–2401.10). If not requested in that period, these accounts can be forfeited and closed. DC Water has placed a statement on invoices beginning in November 2019 notifying customers of the District law and that funds would be forfeited unless a refund is requested within two years of project completion or account inactivity. A notification to customers that is posted on our website indicates that unless a refund is requested, funds will be forfeited for projects without activity for ten years. AOBA and DCBIA have been asked to notify their membership to examine the invoices.

For accounts that were forfeited, zero balance statements were mailed to customers on August 16, 2021, September 21, 2022, March 26, 2024, September 27, 2024, and September 28, 2025.

Refund Requests and Forfeiture Disputes

Following the distribution of annual account statements to customers on June 20, 2025, it was determined that refund requests impact a total of 2,047 accounts. The table below provides a summary of the progress made to date.

Construction Inspection Refund Data

	Number of Accounts	Amount (\$)
Refund request received to date	2047	
Refunded this month	39	\$324,077.89
Refunded last month	9	\$57,407.60
Refunded FY26	101	\$1,205,822.27
Refunded FY25	250	\$3,127,116.31
Refunded in FY24	369	\$6,931,447.14
Refunded in FY23 (Oct 22 - Sept 23)	105	\$1,756,574.39
Refund requests that are debits (\$0 balance or owe DC Water)	150	\$(63,548.59)
Number of Refund Accounts Reviewed, Awaiting Information from Developers*	367	\$2,146,892.92
Number of Refund Account Requested after forfeiture date**	33	\$159,241.56

*Documentation required to process the refund accounts has been thoroughly examined and assembled. DC Water is in the process of obtaining address verification and/or proof of payment from the developers to complete the refund issuance. Request for this information has already been communicated to the developers.

** These accounts were forfeited, and zero balance statements were sent to the developers before they requested a refund. As a result, these accounts are not eligible for a refund.

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Payment Plan and Disconnection Report

		Residential					Commercial					Multifamily				
Ward	Zip Code	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.	30-Day A/R	Active Plans	Plans Created	Plans Defaulted	Non-Pay Discon.*
Total		12,982	3,251	1,376	1,236	297	1,417	81	28	27	2	1,503	373	74	96	19
1	20001	213	47	12	19	3	84	10	4	1		9				
	20009	126	26	9	7	4	38	4	3	2		47	10			1
	20010	361	80	38	31	8	49	2	1			29	5	2	3	1
	20059						3									
2	20001	91	19	7	4		40	4	1	3		13	4	2		
	20004						4									
	20005	7	1				24	1				2				
	20006						9									
	20007	184	11	1			56	3				6				
	20008	5	1				13	2	1			1				
	20009	40	9	4	2	4	14	4	3	1		16	4	1		
	20036	2					19	3	2			3	1			
	20037	12	1				9					5	2			
	20057						3									
3	20007	66	5		2		14	4	1			18				
	20008	47	5	1	2	6	22	1		1		3	2		1	
	20015	46	4	3	1		10	1				3				
	20016	158	16	6	6		104	2		1		3	1			
4	20008						1									
	20010	28	5	4	2	2	4					3	1			
	20011	1618	420	175	131	39	122	11	2	2		118	34	13	4	
	20012	346	85	38	35	8	34	2		2		6	3	2		
	20015	58	19	10	5											
5	20001	215	61	21	9		21	1	1	1		6	1	1		
	20002	639	162	59	47	4	100	2	1	3		189	39	7	8	2
	20011	223	56	29	44	10	1			1		7	4	1		
	20017	635	152	65	77	12	46	3		1		23	3		1	
	20018	894	239	104	89	15	114	4	2	2		24	5	1	1	
	20036											1			1	
6	20001	17	10				16					5				
	20002	381	91	30	29	4	91	5	3	1		17	6	1		
	20003	214	31	10	13	1	46	1				20	2	2	1	
	20024	52	13	2	1		12					12	1	1		1
	20032	1			1											
7	20001	4														
	20002	238	73	27	21	1	14	2				26	8	1	3	
	20003	100	18	7	6	1	23					12				
	20007	1														
	20016	1	1													
	20019	3080	795	355	258	97	111	4	1	3	1	359	84	15	21	4
	20020	578	135	64	56	15	9	2	1			60	26	1	2	1
8	20002	3	2	1	1											
	20003	13	2	2	4		10					1				
	20009	1														
	20020	1258	326	171	195	45	55	1			1	236	60	14	29	5
	20023	1			1											
	20032	1024	329	120	137	18	72	2	1	2		220	67	9	21	4
20332	1	1	1													

*Note: inactive accounts in arrears are not included in the above and the accounts by customer class are as follows: Res. 384, Com. 144 and MF 82

*Note: Disconnect Work Orders for Multi-Family Properties were created and not assigned for field completion but are manually managed for further collection actions

Attachment B



Cost of Service Study Overview

January 27, 2025



Purpose

- 💧 To provide an update on the Cost of Service Study for Rates, Charges and Fees, conducted by Independent Rate Consultant



Independent COS Study

- 💧 Cost of Service Study (COS) includes review of Retail Rates, Charges, and Fees, Revenue Sufficiency, Rate Equity, and Alternative Rate Structure
- 💧 The COS study is conducted every two years. Last COS study was performed in FY2024
- 💧 Independent consultants bring an unbiased perspective, which ensures that the study is impartial and objective. The consultants have specialized knowledge and experience in conducting COS studies. Their experience can lead to more accurate and thorough analysis
- 💧 Raftelis has conducted this COS study for rates, fees, and charges. They have vast experience of providing consulting services for various COS studies for rates, charges and fees, Potomac Interceptor and Miscellaneous Fees. The company has over thirty years of experience in the utility space

DC Water

Cost of Service Study Overview

January 27, 2026





Agenda

1. Background
2. Revenue Sufficiency Analysis
3. Cost of Service Analysis
4. Alternative Rate Structures
5. Next Steps

Background



Background

DC Water conducts a Cost of Service Study every two years in conjunction with adoption of retail rates.

Study Components

- Revenue Sufficiency Analysis – Do the proposed rates recover adequate revenue to meet expenditures?
- Cost of Service Analysis / Rate Equity – Are proposed rates equitably recovering the costs of providing service?
- Alternative Rate Structure Analysis – Are there alternative rate structures that may more effectively meet DC Water's highest priority objectives?

Objectives of the COS Study

DC Water consistently prioritizes the following pricing objectives:

- Revenue Sufficiency – Rates should recover revenue necessary to operate and maintain the utility in perpetuity and meet all legal, regulatory, and permitting requirements
- 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 customers to understand
- Affordability – DC Water should minimize customer bills without sacrificing reliable, clean, and safe service

Revenue Sufficiency Analysis



Cost Drivers & Trends

- Customer Assistance Program (CAP) is expanding, costs related to that expansion have been added
- DC Water's capital budget has been impacted by deferred timing for some large projects, leading to escalating capital costs in FY27-28
- O&M budget projected to increase 3.5% from FY26 to FY27, and 4.8% from FY27 to FY28

Revenue Sufficiency Findings

- Raftelis projects revenue based on rates and units of service
 - › Number of accounts, billed consumption, and impervious Equivalent Residential Units (ERUs)
- Revenues under proposed rate increases are sufficient to fund utility cash requirements consistent with the budget and expenditure forecast in FY 2027-FY 2028 and are appropriate to maintain DC Water's financial sustainability
- Reserve funds can be maintained at target levels
- Debt service coverage is adequate to meet required bond covenants
- The Board established a goal of increasing the target days cash on hand to 350 days by FY 2032

Comparison of Revenues and Expenses

FY 2027	Financial Plan	Raftelis Model	Delta
Revenue			
Operating (1)	\$987,935,192	\$985,956,868	\$(1,978,324)
Non-Operating	\$68,368,174	\$68,368,174	\$ -
<i>Total: Revenue</i>	<i>\$1,056,303,365</i>	<i>\$1,054,320,242</i>	<i>\$(1,978,324) -0.20%</i>
Expenses			
Operating	\$478,001,010	\$478,001,012	\$ 2
Debt Service & CFCI	\$334,743,704	\$334,743,703	\$ (2)
<i>Total: Expenses</i>	<i>\$812,744,714</i>	<i>\$812,744,714</i>	<i>\$ - 0.00%</i>
Net Cash Available for PAYGO Capital & Other Cash Needs	\$243,558,651	\$241,580,327	\$(1,978,324)

- 1) Raftelis' revenue estimate includes slightly different usage and customer number assumptions; the Raftelis residential and commercial estimate is based on adjusting usage for CAP accounts, which receive a discount, while metering fee revenues are based on updated meter counts provided through DC Water's billing system.

Comparison of Revenues and Expenses

FY 2028	Financial Plan	Raftelis Model	Delta
Revenue			
Operating (1)	\$1,038,209,261	\$1,033,487,957	\$(4,721,304)
Non-Operating	\$70,096,806	\$70,096,806	\$ -
<i>Total: Revenue</i>	<i>\$1,108,306,067</i>	<i>\$1,103,555,963</i>	<i>\$(4,721,304) -0.45%</i>
Expenses			
Operating	\$500,729,878	\$500,729,878	\$ -
Debt Service & CRCI	\$381,664,583	\$381,664,583	\$ -
<i>Total: Expenses</i>	<i>\$882,394,461</i>	<i>\$882,394,461</i>	<i>\$ - 0.00%</i>
Net Cash Available for PAYGO Capital & Other Cash Needs	\$225,911,606	\$221,161,502	\$(4,721,304)

- 1) Raftelis' revenue estimate includes slightly different usage and customer number assumptions; the Raftelis residential and commercial estimate is based on adjusting usage for CAP accounts, which receive a discount, while metering fee revenues are based on updated meter counts provided through DC Water's billing system.

Cost of Service Analysis



Cost of Service Definition

- Cost of service is a principle of setting rates to recover precisely the cost of serving specific customers, based on the demands they place on the water and wastewater systems
- Cost of service-based user charges are not a tax, but rather a way to recover the costs of providing water and sewer service
- Maintains equity while accounting for affordability
 - › CAP provides discounted service for low-income customers
 - › Affordability is a Board rate setting policy objective and essential for maintaining public health

FY 2027-28 Cost of Service Study Initiatives

- Account for operating and capital spending shifts across the organization
- Recommend cost recovery methodology to offset DDOT Inconvenience Fees

Retail Rate Development Summary, FY27

FY 2027 Unit Costs	Revenue Requirement	Units of Service	Unit Cost
Metering Fee	\$ 24,484,154	263,500 EMUs	\$ 92.92/yr
Water Volumetric Rate	\$ 241,012,265	30,307,780 Ccf	\$ 7.95/Ccf
Sewer Volumetric Rate	\$ 375,801,501	29,110,880 Ccf	\$ 12.91/Ccf
Clean Rivers IAC	\$ 128,488,613	420,000 ERUs	\$ 305.93/ERU
Water System Replacement Fee	\$ 42,717,000	538,585 EUUs	\$ 75.60/yr
Total Revenue Requirements	\$ 812,503,533		

EMUs – Equivalent Metering Units (based on a residential meter)

ERUs – Equivalent Residential Units (based on tier 1 residential sq footage)

EUUs – Equivalent Usage Units (based on average usage by meter size)

Assumes water conservation of 1.0% in FY 2027 and 2028 based on actual usage trends

Retail Rate Development Summary, FY28

FY 2028 Unit Costs	Revenue Requirement	Units of Service	Unit Cost
Metering Fee	\$ 24,499,808	263,500 EMUs	\$ 92.98/yr
Water Volumetric Rate	\$ 265,877,831	30,002,172 Ccf	\$ 8.86/Ccf
Sewer Volumetric Rate	\$ 384,838,400	28,747,583 Ccf	\$ 13.39/Ccf
Clean Rivers IAC	\$ 137,147,339	420,000 ERUs	\$ 326.54/ERU
Water System Replacement Fee	\$ 42,717,000	538,585 EUUs	\$ 75.60/yr
Total Revenue Requirements	\$ 855,080,378		

EMUs – Equivalent Metering Units (based on a residential meter)

ERUs – Equivalent Residential Units (based on tier 1 residential sq footage)

EUUs – Equivalent Usage Units (based on average usage by meter size)

Assumes water conservation of 1.0% in FY 2027 and 2028 based on actual usage trends

Existing & Proposed Rates

Rate Component	FY 2026 (Existing)	FY 2027 (Proposed)	FY 2028 (Proposed)	FY 2027		FY 2028	
				% Difference	\$ Difference	% Difference	\$ Difference
Water Volumetric – Residential – Tier 1	\$5.78	\$6.49	\$7.11	12.3%	\$ 0.71	9.6%	\$ 0.62
Water Volumetric – Residential – Tier 2	\$7.60	\$8.40	\$9.40	10.5%	\$ 0.80	11.9%	\$ 1.00
Water Volumetric – Multi-Family	\$6.47	\$7.21	\$7.98	11.4%	\$ 0.74	10.7%	\$ 0.77
Water Volumetric – Non-Residential	\$7.84	\$8.66	\$9.71	10.5%	\$ 0.82	12.1%	\$ 1.05
Sewer Volumetric	\$12.52	\$12.91	\$13.39	3.1%	\$ 0.39	3.7%	\$ 0.48
Metering Fee	\$ 7.75	\$ 7.75	\$ 7.75	0.0%	\$ -	0.0%	\$ -
Clean Rivers IAC	\$24.23	\$25.50	\$27.22	5.2%	\$ 1.27	6.7%	\$ 1.72
WSRF	\$ 6.30	\$ 6.30	\$ 6.30	0.0%	\$ -	0.0%	\$ -
WAD Rate	\$3.54	\$3.54	\$3.54	0.0%	\$ -	0.0%	\$ -
Groundwater Fee	\$3.76	\$3.90	\$3.90	3.7%	\$ 0.14	0.0%	\$ -
Public Inconvenience Fee	N/A (new fee)	\$0.42	\$0.42	0.0%	\$ -	0.0%	\$ -

Cost of Service Allocations

Rate Component	FY 2026	FY 2027	FY 2028
Water	28.4%	29.7%	31.1%
Sewer	47.5%	46.3%	45.0%
Metering Fee	3.3%	3.0%	2.9%
CRIAC	15.6%	15.8%	16.0%
WSRF	5.2%	5.3%	5.0%

Water & Sewer Only	FY 2026	FY 2027	FY 2028
Water	37.4%	39.1%	40.9%
Sewer	62.6%	60.9%	59.1%

Observations

- Cost recovery shifted slightly from sewer to water from FY 2026 to FY 2028 due to allocation of proposed capital spending
- Metering Fee, CRIAC, and WSRF remained nearly the same over the forecast period

Residential Customer Monthly Bill

(5/8" / 5.42 Ccf)

	Current (FY 2026)	Calculated (FY 2027)	Calculated (FY 2028)	FY 2027		FY 2028	
				\$ Change	% Change	\$ Change	% Change
DC Water and Sewer Retail Rates	\$ 101.77	\$ 107.86	\$ 114.36	\$ 6.09	6.0%	\$ 6.50	6.0%
DC Water Clean Rivers IAC	24.23	25.50	27.22	1.27	5.2%	1.72	6.7%
DC Water Customer Metering Fee	7.75	7.75	7.75	-	0.0%	-	0.0%
DC Water Water System Replacement Fee	6.30	6.30	6.30	-	0.0%	-	0.0%
Subtotal: DC Water Rates & Charges	\$ 140.05	\$ 147.41	\$ 155.63	\$ 7.36	5.3%	\$ 8.22	5.6%
District of Columbia PILOT	\$ 3.36	\$ 3.36	\$ 3.41	\$ -	0.0%	\$ 0.05	1.5%
District of Columbia Right of Way Fee	1.08	1.08	1.08	-	0.0%	-	0.0%
District of Columbia Inconvenience Fee Fee	-	2.28	2.28	2.28		-	0.0%
District of Columbia Stormwater Fee	2.67	2.67	2.67	-	0.0%	-	0.0%
Subtotal District of Columbia Charges	\$ 7.11	\$ 9.39	\$ 9.44	\$ 2.28	32.1%	\$ 0.05	0.5%
Total Amount Appearing on DC Water Bill	\$ 147.16	\$ 156.80	\$ 165.07	\$ 9.64	6.6%	\$ 8.27	5.3%

**Rate increases are less than those projected in last year's forecast.*

Residential CAP Customer Monthly Bill (5/8" / 5.42 Ccf)

	Current (FY 2026)	Calculated (FY 2027)	Calculated (FY 2028)	FY 2027 \$ Change % Change	FY 2028 \$ Change % Change
DC Water and Sewer Retail Rates	\$ 101.77	\$ 107.86	\$ 114.36	\$ 6.09 6.0%	\$ 6.50 6.0%
DC Water Clean Rivers IAC	24.23	25.50	27.22	1.27 5.2%	1.72 6.7%
DC Water Customer Metering Fee	7.75	7.75	7.75	- 0.0%	- 0.0%
DC Water Water System Replacement Fee	6.30	6.30	6.30	- 0.0%	- 0.0%
Subtotal: DC Water Rates & Charges	\$ 140.05	\$ 147.41	\$ 155.63	\$ 7.36 5.3%	\$ 8.22 5.6%
District of Columbia PILOT	\$ 3.36	\$ 3.36	\$ 3.41	\$ - 0.0%	\$ 0.05 1.5%
District of Columbia Right of Way Fee	1.08	1.08	1.08	- 0.0%	- 0.0%
District of Columbia Inconvenience Fee Fee	-	2.28	2.28	2.28 - 0.0%	- 0.0%
District of Columbia Stormwater Fee	2.67	2.67	2.67	- 0.0%	- 0.0%
Subtotal District of Columbia Charges	\$ 7.11	\$ 9.39	\$ 9.44	\$ 2.28 32.1%	\$ 0.05 0.5%
Less: CAP Discount - 4 Ccf per Month	\$ (76.48)	\$ (80.88)	\$ (85.32)	\$ (4.40) 5.8%	\$ (4.44) 5.5%
Less: CAP Discount - % of CRIAC	(18.17)	(19.13)	(20.42)	(0.96) 5.3%	(1.29) 6.7%
Less: CAP Discount - WSRF	(6.30)	(6.30)	(6.30)	- - 0.0%	- 0.0%
Subtotal: CAP Discount	\$ (100.95)	\$ (106.31)	\$ (112.04)	\$ (5.36) 5.3%	\$ (5.72) 5.4%
CAP Discount Percentage	68.6%	67.8%	67.9%		
Total Amount Appearing on DC Water Bill with CAP Discount	\$ 46.21	\$ 50.49	\$ 53.03	\$ 4.28 9.3%	\$ 2.54 5.0%

Cost of Service Findings

- Overall bill increases for FY 2027 and FY 2028 are driven primarily by increases in water volumetric rates
- Metering Fee and WSRF remain constant
- PILOT (District Charge) on the DC Water bill increase slightly in FY 2028
- The District Inconvenience Fee is \$0.42/Ccf for FY 2027 and FY 2028
- Washington Aqueduct rate kept at existing FY 2026 level for FY 2027-28
- Groundwater rate increases in FY 2027, no further increase in FY 2028
- Average customer usage remains at 5.42 Ccf/month

Alternative Rate Structures



Impervious Area Charge Tiers

Options:

- Maintain current Single Family Residential (SFR) structure where customers are assigned to one of six tiers best representing their measured impervious area
- Add some additional tiers to reduce inequities in current structure
- Have a tier for every 100 square foot increment of impervious area to correspond with methodology for other classes and eliminate inequities
 - › Data currently exists to allow for this change
 - › This could be implemented and communicated by October 1, 2026

Additional Impervious Area Charge Tiers

PROS

- Enhanced equity and consistency
- Eliminates confusion between SFR and MFR customers

CONS

- Greater effort to implement
- More difficult to administer



Alternative Rate Structures – Large & Small Commercial

- Raftelis examined the potential impact of adding a large commercial and small commercial rate for the commercial customer class
- This was done based on meter size
- Goal was to generate a more accurate cost recovery between the two different types of customers based on the implied peak on the system
- Ultimately, data from FY 2024 and FY 2025 did not provide an adequate basis for this change

Peaking Data

- Small Accounts: $\leq 4''$
 - › Peaking: 1.25x
- Large Accounts: $>4''$
 - › Peaking: 1.24x

Alternative Rate Structures – Storm Water

- DC Water shares responsibility with the District for operating the storm water system (separated storm sewers)
- Assessment of capital and operating costs for storm water are currently underway
- Once developed, industry practice suggests recovery through impervious area-based charge
- Currently, cost recovery is imbedded in the volumetric rates

RESPONSIBILITIES

- District:
 - › MS4 administration
 - › Illicit discharge detection elimination
 - › Education and outreach
 - › Flood mitigation
- DC Water:
 - › Catch basins
 - › Sewer infrastructure
 - › Pumping stations
 - › Outfall structures
 - › Floatables reduction program

Next Steps



Next Steps

- Board will be asked to approve publication of proposed rates on March 5, 2026, meeting
- DC Act 23-577 signed on January 13, 2021, requires DC Water to transmit this Cost-of-Service Study and the Independent Review of the Proposed Rates Report to the Mayor and the Council of the District of Columbia at least 45 days before the public hearing
- The public hearing will take place on May 14, 2026
- The COS study report will be transmitted to the Mayor and Council on and posted on DC Water's website on March 17, 2026.

Q&A



Raftelis is a Registered Municipal Advisor within the meaning as defined in Section 15B (e) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (Municipal Advisor Rule).

However, except in circumstances where Raftelis expressly agrees otherwise in writing, Raftelis is not acting as a Municipal Advisor in this engagement, and the opinions or views contained herein are not intended to be, and do not constitute “advice” within the meaning of the Municipal Advisor Rule.



Thank you!

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Attachment C**FY 2026 Proposed RRC Committee Workplan**

Objective/Activities/Task	Date of Activity	Completed	Responsible Department
1. Establish Retail Rates, Fees & Charges for FY 2027 & FY 2028	Date of Activity	Completed	Responsible Department
a. <i>Present FY 27 & FY 28 Budget & Rates to Board</i>	January 15, 2026		Rates and Revenue
b. <i>Present FY 27 & FY 28 Proposed Rates, Fees & Charges to RRC</i>	January 27, 2026		
c. <i>Present Independent Review of Rates-by Consultants</i>	February 23, 2026		
d. <i>RRC recommendation on Proposed FY 27 & FY 28 Rates, Fees & Charges</i>	February 23, 2026		Rates and Revenue
e. <i>Board approves Notice of Proposed Rulemaking (NOPR) for Proposed FY 27 & FY 28 Rates, Fees & Charges</i>	March 5, 2026		
f. <i>Submit Independent Review of Proposed Rates and 2025 Cost of Service Study to Mayor and Council and post both on DC Water's website</i>	March 17, 2026		Rates and Revenue
g. <i>Publish NOPR in D.C. Register for Proposed FY 27 & FY 28 Rates, Fees & Charges</i>	March 20, 2026		DGLA
h. <i>Outreach and Public Comment Period</i>	March 20 - May 21, 2026		Marketing & Comm.
i. <i>Public Hearing</i>	May 14, 2026		
j. <i>Public Hearing Record Closes</i>	May 21, 2026		
k. <i>Submit Response to Public Comments report to Board and post on DC Water website and respond to OPC Comments, if applicable</i>	May 31, 2026		
l. <i>Present final FY 27 & FY 28 Rates, Fees & Charges to RRC for recommendation to Board</i>	June 23, 2026		Rates and Revenue
m. <i>Board approves Notice of Final Rulemaking (NOFR) for FY 27 & FY 28 Rates, Charges & Fees</i>	July 2, 2026		
n. <i>Publish NOFR in D.C. Register for Amended Rates, Fees & Charges</i>	July 17, 2026		DGLA
o. <i>Amended Rates, Fees & Charges Go-Live</i>	October 1, 2026 (FY '27) October 1, 2027 (FY '28)		Customer Care
2. 2025 Cost of Service Study (COS) for Water, Sewer and CRIAC			
a. <i>Present 2025 Cost of Service Study for Water, Sewer and CRIAC to RRC</i>	January 27, 2026		Rates & Revenue
b. <i>Post Final COS on DC Water's website</i>	March 17, 2026		Rates & Revenue
3. 2026 Cost of Service Study to Amend System Availability Fee (SAF)			
a. <i>Present COS Update and Propose Amendments to SAF for RRC Recommendation</i>	March 24, 2026		Rates & Revenue/ Permit Operations

Attachment C

b. Board Approval of Notice of Proposed Rulemaking (NOPR) for SAF c. Publish NOPR in DC Register d. Public Comment period e. RRC Final Recommendation to Approve Amendments for SAF f. Board Approval of Notice of Final Rulemaking (NOFR) g. Publish NOFR in DC Register h. SAF Go-Live	April 2, 2026 April 17, 2026 April 17 – May 18, 2026 May 26, 2026 June 4, 2026 June 18, 2026 October 1, 2026		Board of Directors DGLA Marketing & Comm. Rates & Revenue/ Permit Operations Board of Directors DGLA Rates & Revenue/ Permit Operations
4. 2025 Cost of Service Study to Establish Miscellaneous Fees and Charges			
a. Present COS Update and Proposed Amendments to Miscellaneous Fees & Charges for RRC Recommendation b. Board Approval of Notice of Proposed Rulemaking (NOPR) for Miscellaneous Fees & Charges c. Publish NOPR in DC Register d. Public Comment period e. RRC Final Recommendation to Approve Amendments for Miscellaneous Fees & Charges f. Board Approval of Notice of Final Rulemaking (NOFR) g. Publish NOFR in DC Register h. Miscellaneous Fees & Charges including Engineering and Permitting Fees Go-Live	April 22, 2025 May 1, 2025 May 16, 2025 May 16 – June 16, 2025 June 24, 2025 July 3, 2025 July 25, 2025 October 1, 2025	√ √ √ √ √ √ √ √	Rates & Revenue Board of Directors DGLA Marketing & Comm. Rates & Revenue/ Customer Care Board of Directors DGLA Rates & Revenue/ Customer Care
5. Delinquent Accounts			
a. Soldiers Home Negotiations	Monthly, as needed		DGLA



Attachment D

**D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
RETAIL WATER & SEWER RATES
COMMITTEE MEETING**

**Tuesday, February 23, 2025; 9:30 a.m.
AGENDA**

Call to Order	Committee Chairman
Monthly Updates	Chief Financial Officer
Committee Workplan	Chief Financial Officer
Agenda for March 24, 2026 Committee Meeting	Committee Chairman
Other Business	Chief Financial Officer
Adjournment	

*Detailed agenda can be found on DC Water's website at www.dewater.com/about/board_agendas.cfm